GPS smart phone shipments overtake PNDs in EMEA

– EMEA PND volumes shrink, other regions enjoy unit growth as prices fall

Reading (UK) – Wednesday, 5 November 2008
For immediate release

- EMEA shipments of PNDs in Q3 2008 fell to 4.3 million, from 4.8 million in Q2
- EMEA shipments of smart phones with integrated GPS more than doubled from Q2, to hit 10.4 million
- At 70%, EMEA has a higher proportion of smart phones with GPS built in than any other region

- Year-on-year, global PND shipments rose 14%
- 49% year-on-year growth in North America compensated for a 6% decline in EMEA
- Garmin re-took the global PND market lead from TomTom, with Mio retaining third place

Highlights from the Canalys Q3 2008 research

Based on its latest research, Canalys estimates that global shipments of PNDs (Portable Navigation Devices) in Q3 2008 rose 14% year-on-year, from 7.7 million to 8.8 million units, with North America and Asia Pacific still seeing good volume growth, of 49% and 25% respectively. But shipments in EMEA (Europe, Middle East and Africa) were down 6% in the same period. Meanwhile, shipments of smart phones with built-in GPS soared in EMEA, rising from 4.7 million last quarter to 10.4 million in Q3.

"Today, the volume of turn-by-turn navigation solution licences being shipped and activated for smart phones in EMEA is around 11% of the GPS smart phone total," said Chris Jones, Canalys VP and principal analyst, "But with GPS being built into the majority of smart phones, and users increasingly being given maps on their phone by default, and multiple reasons to use them, the threat to PND vendors is rising quickly. The PND may give a better in-car user experience today, but smart phone vendors are learning and releasing new devices and software all the time. Nokia is already the third largest provider of mobile navigation solutions across all platforms in EMEA, behind TomTom and only narrowly behind Garmin."

The risk to PND vendors is likely to rise further as the economic situation forces more consumers to take a hard look at their discretionary purchases. "We can't live without our mobile phones, and if they have satellite navigation built in it is inevitable that this will stop some from buying a PND. Those who have not yet bought their first PND are likely to be more 'occasional' sat-nav users for whom a phone-based solution will usually be good enough. Existing PND owners will need to be given even better reasons to upgrade than were needed before," added Canalys analyst Caroline Chow. "The key to upgrading such users may be delivering genuinely useful, real-time location-specific data, such as traffic information and fuel prices, but the leading smart phone vendors are better positioned, in terms of having a base of users already paying for services on connected devices, and of course the operator relationships, to capitalise on this need. PND vendors should not underestimate the challenges of moving over to a connected device business model."

In the global PND market in Q3, Garmin re-took the lead it narrowly lost to TomTom in Q2. Shipments of just over 3 million PNDs gave it 35% market share, ahead of TomTom's 29%. Mio rounded out the top three with a 9% share of the market (including its devices branded as Navman). Consolidation and price-cutting continued to take their toll on the industry, with smaller vendors finding it increasingly difficult to compete. Total market value declined 21% year-on-year, despite the 14% rise in units shipped. The share of the market taken by the top three vendors continues to rise, with the absolute volume of shipments of all other PND vendors falling to their lowest level since Q2 2007.

The new edition of Canalys' smart phone and mobile navigation trends report is now available. It investigates the key global market trends, looks at regional differences and the performance of the leading hardware and software vendors, emerging technologies, user behaviour and other factors to deliver a broad picture of the state of the market and its direction. This unique work, now in its seventh successful year, is specifically designed to help companies formulate their strategies in this fast changing environment. More information is available from the Canalys web site at: http://www.canalys.com/services.

About the Canalys services

The shipment estimates discussed in this release come from the market-leading Canalys Smart Mobile Device Analysis and Mobile Navigation Analysis services. Canalys' globally consistent market segmentations and definitions are used by vendors the world over to provide a coherent view of the total market for smart phones and mobile navigation solutions. Canalys offers services looking at the navigation and smart phone markets by country in APAC, North and Latin America and EMEA, as well as providing global market overviews and survey-based analysis of consumer and enterprise attitudes and preferences toward mobile applications, devices and services.

About Canalys

Canalys specialises in delivering high quality market data, analysis and advice to the world's leading technology vendors. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms, navigation and consumer electronics companies. It has unrivalled expertise in routes to market for all kinds of high technology products and services in the consumer, SMB and large enterprise segments, and provides worldwide market data and trends analysis.

Americas: Suite 280, Town & Country Village, 855 El Camino Real, Palo Alto, CA 94301, US | t: +1 650 241 1636

APAC: 137 Telok Ayer Street, #04-08, Singapore 068602 | t: +65 3106 2330

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading, Berkshire RG7 1JS, UK | t: +44 (0) 118 984 0520

w: www.canalys.com