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Palm Nearly Pushed from First Place

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Microsoft continues to increase its worldwide market share in the PDA operating system (OS) market, reports [Gartner Dataquest](#), with 40.2% of the market -- a virtual tie with Palm OS at 40.7%.

Meanwhile, Research in Motion saw a large gain in its share of the PDA operating system (OS) and unit markets, notes Gartner.

In 2000, Microsoft's Windows CE OS held only 11% of the market, but has gained steadily against PalmOne. Palm's recent decline in market share can be tied to its users delaying their OS purchases until the debut of the company's new Cobalt operating system, and to Microsoft's bundling of its e-mail program Outlook with PocketPC devices. Palm's shipments fell 20% between the first quarter of last year and this year, while Microsoft's were up slightly.

Worldwide PDA Shipments, by Operating System, Q1 2003 & Q1 2004 (in units, market share and % change)

	Q1 2003 shipments	Q1 2003 share	Q1 2004 shipments	Q1 2004 share	% change
Palm OS	1,403,418	49.0%	1,113,089	40.7%	-20.7%
Windows CE	1,051,401	36.7%	1,099,931	40.2%	4.6%
Research in motion	89,500	3.1%	405,000	14.8%	352.6%
Linux	52,967	1.8%	52,300	1.9%	-1.3%
Others	268,278	9.4%	64,490	2.4%	-76.0%
Total	2,865,564	100.0%	2,734,810	100.0%	-4.6%

Note: preliminary; totals include cellular PDAs such as RIM Blackberry 7230, but not smartphones. palmOne results include Handspring PDA shipments

Source: Gartner Dataquest, April 2004

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The biggest winner in terms of unit sales gains was Research in Motion (RIM), maker of the Blackberry, a unit that combines phone and PDA functions. Its shipments went up by 352%, bringing its market share to third place last quarter at 14.8%. Gartner predicts further growth for RIM as it has begun to license its software out to mobile phone and PDA vendors. However, for now, PalmOne maintains the largest chunk of the market with 30.5%, a slight decline from last year, with Hewlett-Packard in second place, making a large move up from 15.9% of the PDA market in Q1 2003 to 21.2% year-over-year.

Worldwide PDA Shipments, by Vendor, Q1 2003 & Q1 2004 (in units, market share and % change)

	Q1 2003 shipments	Q1 2003 share	Q1 2004 shipments	Q1 2004 share	% change
palmOne	933,421	32.6%	834,738	30.5%	-10.6%
Hewlett-Packard	455,115	15.9%	579,842	21.2%	27.4%
Research in Motion	89,500	3.1%	405,000	14.8%	352.5%
Sony	376,909	13.2%	230,666	8.4%	-38.8%
Dell	145,170	5.1%	12.8%	163,800	6.0%
Others	865,449	30.2%	520,764	19.0%	-39.8%
Total	2,865,564	100.0%	2,734,810	100.0%	-4.6%

Note: preliminary; totals include cellular PDAs such as RIM Blackberry 7230, but not smartphones. palmOne results include Handspring PDA shipments

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IDC also released its report on PDAs (or “handheld devices”) recently. IDC’s criteria for which types of devices were included differed slightly from Gartner’s, the most obvious being IDC’s exclusion of Blackberry devices (both research companies excluded some types of phones). As a result of these differences, IDC’s market share percentages differed, but the picture was generally the same, with PalmOne leading, HP in second place, followed by Sony and Dell. Both Gartner and IDC found that overall worldwide handheld device shipments declined in the first quarter of 2004 compared to Q1 2003.

Worldwide Handheld Device Shipments, by Vendor, Q1 2004 (in units and market share)

	Q1 2004 shipments	Q1 2004 market share
palmOne	810,183	36.2%
Hewlett-Packard	577,615	25.7%
Sony	209,675	9.3%
Dell	157,399	7.0%
Toshiba	49,560	2.2%
Other	442,560	19.7%
Total	2,246,499	100.0%

Note: preliminary; vendor shipments are branded shipments and exclude OEM sales for all vendors; handheld devices do not include telephony but may include wireless capability for Internet access

Source: International Data Corporation (IDC), April 2004

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Over 300 charts and articles on handheld devices can be found in eMarketer’s eStat Database.

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