In Q1 2016, Apple was the #1 tablet brand sold online, holding onto the #1 spot from Q1 2015. The biggest gainer was Microsoft who captured an incremental +9% in Q1 share year-over-year. In contrast, Amazon lost -4% in Q1 share year-over-year.

The tablet category is extremely competitive and constantly evolving to meet the needs of consumer demands. As we saw last year, the high level of category innovation has led to products such as the “phablet” – a crossover between a smartphone and a tablet and the “laplet” – a crossover between a laptop and a tablet. Within the tablet and laplet category, Microsoft released both the Surface Book and the Surface Pro 4 in October 2015, while Apple released the iPad Pro in November 2015.

To account for the evolving nature of the category, our analysis included laplets, such as the Microsoft Surface Book. In the last quarter, laplets accounted for a whopping 33% of sales for the tablet category.

Top Brands by Sales $ - Q1 2016
1. Apple
2. Microsoft
3. Lenovo
4. Dell
5. Hewlett Packard
6. Amazon
7. ASUS
8. Samsung
9. Toshiba

Top Tablet Brands Online by Sales - Q1 2016

Source: 1010data Facts for Ecom Insights, January - March 2016
AMAZON IS LEADING E-COMMERCE RETAILER FOR TABLETS BUT LOSING SHARE TO BEST BUY, APPLE, AND MICROSOFT STORE

Top Sites by Sales $ - Q1 2016
1. amazon.com - market
2. bestbuy.com
3. apple.com
4. microsoftstore.com
5. amazon.com - direct
6. dell.com
7. walmart.com
8. lenovo.com
9. costco.com
10. hp.com

In Q1 2016, Amazon was the top-selling online retailer for tablets with 37% share across their Direct and Marketplace channels. Despite maintaining the largest share in Q1 2016, Amazon lost -14% of share in tablets year-over-year, which has been captured by Best Buy, Apple, and Microsoft Store. Of the top 10 sites, the 5 retailer sites accounted for 62% of total category sales, while the 5 manufacturer sites accounted for 34% of category sales.
AMAZON AND APPLE SEE STRONGEST CONVERSION

Top Converting Brands – Q1 2016

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Conversion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Amazon</td>
<td>4.5%</td>
</tr>
<tr>
<td>2</td>
<td>Apple</td>
<td>2.4%</td>
</tr>
<tr>
<td>3</td>
<td>ASUS</td>
<td>1.7%</td>
</tr>
<tr>
<td>4</td>
<td>Samsung</td>
<td>1.6%</td>
</tr>
<tr>
<td>5</td>
<td>Dell</td>
<td>1.2%</td>
</tr>
<tr>
<td>6</td>
<td>Lenovo</td>
<td>1.1%</td>
</tr>
<tr>
<td>7</td>
<td>Microsoft</td>
<td>1.1%</td>
</tr>
<tr>
<td>8</td>
<td>Toshiba</td>
<td>1.0%</td>
</tr>
<tr>
<td>9</td>
<td>Hewlett Packard</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Source: 1010data Facts for Ecom Insights, January - March 2016

The top-converting tablet brand online in Q1 2016 is Amazon with a 4.5% conversion rate. Apple came in 2nd with a 2.4% conversion rate, followed by ASUS, Samsung, and Dell. Conversion rate is a measure of units sold divided by number of online product views. Amazon’s high conversion rate suggests that people who view their tablets have a high likelihood of purchasing the product. With this intelligence, Amazon can invest resources in generating more product views to achieve incremental sales. HP’s low conversion rate suggests that shoppers are viewing their tablets but do not feel compelled to purchase. With this knowledge, HP can invest resources in promotional and pricing strategies to encourage higher conversion and generate incremental sales.

SUMMARY

With the overall category on the rise and several new product releases this year, we expect the online tablet market to continue growing through the end of the year. Microsoft made a huge mark with its successful launch of the Surface Pro 4 and the Surface Book, proving that consumers are looking for tablets with the high-processing functionality of a laptop. The new launch of the iPad Pro this month will take advantage of this trend and continue to drive online sales for the category.

These Ecom Insights for tablet sales are just a slice of what 1010data collects and analyzes for the entire online retail marketplace. If you are interested in understanding online market share and sales drivers for your category, please contact us.