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Gartner Says Worldwide PC Shipments in Fourth Quarter of 2011 Declined 1.4 Per Cent; Year-End Shipments Increased 0.5 Per Cent

Healthy Professional PC and Emerging Market Growth Couldn't Compensate for Weak Holiday Consumer PC Demand

STAMFORD, Conn., January 11, 2012 — After two quarters of positive growth, worldwide PC shipments totalled 92.2 million units in the fourth quarter of 2011, a 1.4 per cent decline from the fourth quarter of 2010, according to preliminary results by Gartner, Inc. These figures were in line with Gartner's earlier forecast of a 1 per cent decline for the fourth quarter of 2011.

"Continuously low consumer PC demand resulted in weak holiday PC shipments," said Mikako Kitagawa, principal analyst at Gartner. "While economic uncertainty in Western Europe had an effect on consumer PC shipments, expectations of a healthier economic outlook in North America could not stimulate consumer PC demand in that region. The healthy professional PC market as well as growth in emerging markets could not compensate for the weaknesses in mature markets, with overall growth still negative."

Hard-disk drive (HDD) shortages triggered by the October 2011 floods in Thailand had a limited impact on fourth-quarter PC shipments and prices. However, Gartner analysts said a major impact will be felt, and this is expected to materialise in the first half of 2012, and potentially continue throughout 2012. These shortages will temporarily lower PC shipment growth during 2012.

"Ultrabooks were quietly introduced into the market during the 4Q11 holiday season," Ms Kitagawa said. "Ultrabooks didn't seem to draw consumers' attention. Consumers had very little understanding and awareness of ultrabooks, and only a small group of consumers was willing to pay the price premium for such models. However, as has been seen this week at the International Consumer Electronics Show (CES) show, 2012 is a big debut stage for ultrabooks."

HP retained its No. 1 position in the fourth quarter of 2011, despite a shipment decline of 16.2 per cent year over year (see Table 1). While the company's new CEO, Meg Whitman, cleared up some confusion surrounding its PC business, its 4Q11 results were affected by the noise around this issue. HP also had to battle against aggressive pricing from competitors and deal with weak consumer PC demand in the holiday season.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 4Q11 (Units)

Company	4Q11 Shipments	4Q11 Market Share (%)	4Q10 Shipments	4Q10 Market Share (%)	4Q11-4Q10 Growth (%)
HP	14,712,266	16.0	17,554,181	18.8	-16.2
Lenovo	12,931,136	14.0	10,516,772	11.3	23.0
Dell	11,633,880	12.6	10,796,317	11.6	7.8
Acer Group	9,823,214	10.7	12,043,606	12.9	-18.4
Asus	6,243,118	6.8	5,180,913	5.5	20.5
Others	36,827,666	40.0	37,358,786	40.0	-1.4
Total	**92,171,280**	**100.0**	**93,450,575**	**100.0**	**-1.4**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablets such as the iPad.
Source: Gartner (January 2012)

Lenovo experienced the strongest growth among the top five vendors, as its PC shipments grew 23 per cent in the fourth quarter of 2011, and it further cemented its place as the No. 2 vendor in global PC shipments. The company's growth was attributed to its aggressive pricing in both the professional and consumer markets.

Dell had a good quarter with shipment growth in most regions. While the consumer market remained a weak point, Dell enjoyed stable growth in the professional sector, driven by upgrades to Windows 7. Asia/Pacific continued to be the major growth market for Dell, as it achieved 30 per cent growth in the region. Asus stayed in the No. 5 position despite generally weak consumer sales. Asus's shift from mini-notebooks to regular notebooks was successful, as close to 80 per cent of Asus mobile PCs shipments were regular notebooks in the fourth quarter of 2011.

In the US, PC shipments totalled 17.9 million units, a 5.9 per cent decline compared with the same quarter last year (see Table 2). US holiday sales were not all that exciting for PC vendors. As expected, consumers' attention was diverted toward other product categories, especially smartphones and media tablets. All-in-one (AIO) desktop PCs drew consumers' attention during the holiday season. The main attractions were large screen sizes and high-definition viewing capability.

HP maintained the No. 1 position in the US PC market in the fourth quarter of 2011, but Dell gained ground as HP lost substantial market share in the quarter. Apple enjoyed the strongest growth among the top five vendors. Lenovo's US PC shipments grew 40 per cent year-over-year, but its shipment volume was not enough to squeeze into the top five ranking (it was in the sixth position).

Table 2
Preliminary United States PC Vendor Unit Shipment Estimates for 4Q11 (Units)

Company	4Q11 Shipments	4Q11 Market Share (%)	4Q10 Shipments	4Q10 Market Share (%)	4Q11-4Q10 Growth (%)
HP	4,137,833	23.1	5,598,619	29.4	-26.1
Dell	4,020,549	22.4	4,210,000	22.1	-4.5
Apple	2,074,800	11.6	1,718,400	9.0	20.7
Toshiba	1,925,100	10.7	1,968,091	10.3	-2.2
Acer Group	1,756,838	9.8	1,982,477	10.4	-11.4
Others	4,014,644	22.4	3,583,418	18.8	12.0
Total	**17,929,764**	**100.0**	**19,061,005**	**100.0**	**-5.9**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablets such as the iPad.
Source: Gartner (January 2012)

In Asia/Pacific, PC shipments reached 30.4 million units, an 8.5 per cent increase from the fourth quarter of 2010. The market performance was below Gartner's anticipated growth of 10.6 per cent. The preliminary findings show weaker shipment growth in China, India and Thailand.

The PC market in Latin America grew 11.2 percent in the fourth quarter of 2011, as shipments reached 9.3 million units. Because whitebox PC vendors make up a large portion of Latin America's PC market, last quarter Gartner expected Thailand's HDD shortage to moderately affect growth in Latin America in the near term. Thus far, anecdotal evidence indicates that many local vendors had quickly ordered sufficient inventory to exit the fourth quarter unaffected.

PC shipments in Japan declined 2.3 per cent in the fourth quarter of 2011, as shipments totalled 3.9 million units. This was better than Gartner's earlier projection of an 8 percent decline. The professional market showed a high double-digit decline, while the consumer market saw mid-single-digit growth.

For the year, worldwide PC shipments totalled 352.8 million units in 2011, a 0.5 per cent increase from 2010 (see Table 3). A weak consumer PC market, particularly in mature markets, was a major contributor to this stagnation, despite good growth in the professional market. Emerging markets grew steadily, driven by low initial PC penetration.

Among the top five PC vendors, Lenovo took over the No. 2 spot from Dell. Lenovo continued to gain market share via aggressive pricing and acquisitions, namely of NEC and Medion. Asus climbed from sixth to fifth, replacing Toshiba.

Table 3
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 2011 (Units)

Company	2011 Shipments	2011 Market Share (%)	2010 Shipments	2010 Market Share (%)	2011-2010 Growth (%)
HP	60,554,726	17.2	62,741,274	17.9	-3.5
Lenovo	45,703,863	13.0	38,180,444	10.9	19.7
Dell	42,864,759	12.1	42,119,272	12.0	1.8
Acer Group	39,415,381	11.2	48,758,542	13.9	-19.2
ASUS	20,768,465	5.9	18,902,723	5.4	9.9
Others	143,499,792	40.7	140,198,078	40.0	2.4
Total	**352,806,984**	**100.0**	**350,900,332**	**100.0**	**0.5**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablets such as the iPad.
Source: Gartner (January 2012)

Table 4
Preliminary EMEA PC Vendor Unit Shipment Estimates for 4Q11 (Units)

Company	4Q11 Shipments	4Q11 Market Share (%)	4Q10 Shipments	4Q10 Market Share (%)	4Q11-4Q10 Growth (%)
HP	5,830	20.1	6,483	20.2	-10.1
Acer Group	3,646	12.6	5,739	17.9	-36.5
Asus	3,309	11.4	3,090	9.6	7.1
Dell	3,177	11.0	3,036	9.5	4.6
Lenovo	2,391	8.2	2,134	6.7	12.1
Others	10,642	36.7	11,602	36.2	-8.3
Total	**28,995**	**100.0**	**32,083**	**100.0**	**-9.6**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablet such as the iPad.
Source: Gartner (January 2012)

PC shipments in EMEA totalled 29 million in the fourth quarter of 2011, a 9.6 per cent decline from the fourth quarter of 2010. The EMEA PC market saw a fourth consecutive quarterly decline, resulting in year-end shipments declining 7.2 per cent in 2011.

“The PC market remained weak during the holiday season with seasonal growth lower than normally expected,” said Ranjit Atwal, research director at Gartner. “Western Europe in particular saw weak consumer growth as the austere economic environment squeezed consumer spend on PCs. By contrast, the Middle East and Africa and some of the Central and Eastern Europe regions saw a positive quarter, so we are starting to see diverging PC growth trends compared to Western Europe.”

The impact of the HDD shortage was marginal, with local vendors seeing most of the impact. Vendors were largely un-impacted by the HDD shortage with most of the market decline largely attributed to slow demand in the consumer PC segment.

“The professional PC segment performed well as end of year budgets were used to purchase PCs, but we expect the segment will face a difficult year as many verticals are expecting a much tougher business environment in 2012,” said Mr Atwal.

HP not only retained the No. 1 position, but it increased its lead over Acer, despite declining shipments in the fourth quarter of 2011. Acer had the worst performance of the quarter among the top five vendors, and it continued to decline more than 30 per cent year-on-year. However, Acer’s shipment volumes remained levelled quarter-on-quarter. Dell, ASUS and Lenovo all achieved growth and collectively increased their market share to more than 30 per cent for the first time.

HP, Acer and Dell continue to be under particular pressure as they comprehend how to address the weakening consumer market. More importantly, all the PC vendors see increasing uncertainty around how to evolve their business models to counter a weak business environment.

“We expect most vendors will put their emphasis on ultra-books and Windows 8 in 2012. However, with the divergence of consumer spend toward alternative devices intensifying in 2012, the new ultra-book platform and surrounding ecosystem will need to form a highly compelling proposition to withstand this competition for consumer spend from other devices,” said Mr Atwal.

These results are preliminary. Final statistics will be available soon to clients of Gartner's PC Quarterly Statistics Worldwide by Region program. This program offers a comprehensive and timely picture of the worldwide PC market, allowing product planning, distribution, marketing and sales organizations to keep abreast of key issues and their future implications around the globe. Additional research can be found on Gartner's Computing Hardware section on Gartner's web site at http://www.gartner.com/it/products/research/asset_129157_2395.jsp.

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