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Gartner Says PC Market in Western Europe Declined 12.8 Per Cent in Third Quarter of 2013

- **UK Recorded Worst Decline of the Region's Three Biggest Country Markets**
- **In France, Lenovo and HP Exhibited Best Performances in a Declining PC Market**
 - **In Germany, Fujitsu Made Its Debut Among the Top Five Vendors**

Egham, UK, 7 November 2013 — PC shipments in Western Europe totalled 11.9 million units in the third quarter of 2013, a decline of 12.8 per cent from the same period in 2012, according to Gartner, Inc. (see Table 1).

"The PC market in Western Europe continued to shrink, declining faster than expected," said Meike Escherich, principal research analyst at Gartner. "The transition from PCs to tablets continued to reduce PC sales. In addition, product transitions to 'Haswell' and 'Bay Trail' processors, and preparations for the launch of Windows 8.1 and associated new products, meant that vendors were careful about managing inventory and focused on clearing out stock in the distribution channel."

All PC segments in Western Europe declined in the third quarter of 2013. Mobile and desktop PC shipments declined by 14.5 per cent and 9.8 per cent, respectively. PC shipments in the professional PC market declined by 8.3 per cent, while the consumer PC market decreased by 17.1 per cent.

HP remained the No. 1 vendor, with flat year-over-year results. Lenovo moved up to No. 2 position, the same position as the previous quarter. Lenovo's double-digit growth in the third quarter of 2013 was driven by strong sales of mobile PCs in the consumer and small and midsize business segments, at the expense of Acer and Samsung. Lenovo and Dell were the only top-five vendors to grow in the third quarter of 2013. Dell continued to expand its footprint in the business PC segment with aggressive pricing. Acer suffered a double-digit shipment decline as a result of the continued shift from consumer PCs to tablets and hybrid form factors. Apple made its debut among the top-five vendors, replacing Asus, which suffered a 35 per cent decline in shipments and a two percentage point loss of market share.

"Most PC vendors have shifted their investment from consumer PCs to tablets and hybrid form factors," said Ms Escherich. "The challenge they face is to protect their current PC market positions while competing in an aggressive and fast-moving alternative mobile device market. Without a solid position in the professional PC market, they will find it challenging to defend their positions and invest in non-PC devices."

Table 1

Western Europe: PC Vendor Unit Shipment Estimates for 3Q13 (Thousands of Units)

Vendor	3Q13 Shipments	3Q13 Market Share (%)	3Q12 Shipments	3Q12 Market Share (%)	3Q12-3Q13 Growth (%)
HP	2,618	22.1	2,622	19.3	-0.2
Lenovo	1,471	12.4	1,265	9.3	16.3
Acer Group	1,382	11.7	1,920	14.1	-28.0
Dell	1,218	10.3	1,204	8.9	1.1
Apple	996	8.4	1,028	7.6	-3.1
Others	4,174	35.1	5,556	40.8	-24.8
Total	11,859	100.0	13,595	100.0	-12.8

Note: Data includes desk-based PCs, mobile PCs and x86 tablets equipped with Windows 8; it excludes Chromebooks and other tablets.
Source: Gartner (November 2013)

United Kingdom: PC Shipment Decline Was Greater Than in France and Germany

PC shipments in the UK totalled 2.3 million units in the third quarter of 2013, a decrease of 21.2 per cent from the same period in 2012 (see Table 2).

"Eleven of the previous 12 quarters also showed decline in the UK PC market," said Ranjit Atwal, research director at Gartner. In the third quarter of 2013, we saw that the weakness of the PC market in the UK was greater than in France and Germany. In addition, while the top five vendors' shipments in the UK declined by 3.5 per cent, the other PC vendors' shipments declined by more than 40 per cent. "Overall, we expect the PC market in the UK to remain weak in the fourth quarter of 2013," added Mr Atwal.

The consumer PC market fell by 13.6 per cent, while the professional PC market declined by 28.1 per cent. The mobile PC market accounted for 62 per cent of total PC shipments in the UK, with volumes decreasing by 23.7 per cent year-on-year. Desktop PC shipments declined by 16.9 per cent.

HP remained the No. 1 vendor, though it suffered a year-over-year shipment decline of 9 per cent, which was minimized by better professional desk-based PC growth. Dell maintained the No. 2 spot and performed well in the professional PC market. With strong growth in both the professional and consumer PC markets, Lenovo was the only vendor among the top five to register shipment growth, with a 26.4 per cent rise. Acer had a poor quarter, exhibiting the worst decline (17.9 per cent) of the top five vendors, with consumer PC growth declining 20 per cent in the third quarter of 2013.

"New hybrid PC and tablet products are expected to raise the interest of consumers, but spending on these products is likely to be limited as they will be competing against inexpensive tablets," said Mr Atwal.

Table 2

United Kingdom: PC Vendor Unit Shipment Estimates for 3Q13 (Thousands of Units)

Vendor	3Q13 Shipments	3Q13 Market Share (%)	3Q12 Shipments	3Q12 Market Share (%)	3Q12-3Q13 Growth (%)
HP	501	21.3	551	18.5	-9.1
Dell	334	14.2	352	11.8	-4.9
Lenovo	291	12.4	230	7.7	26.4
Apple	234	9.9	235	7.9	-0.5
Acer Group	228	9.7	277	9.3	-17.7
Others	767	32.6	1,341	44.9	-42.8
Total	2,355	100.0	2,987	100.0	-21.2

Note: Data includes desk-based PCs, mobile PCs and x86 tablets equipped with Windows 8; it excludes Chromebooks and other tablets.
Source: Gartner (November 2013)

France: Lenovo and HP Exhibited Best Performances in a Declining PC Market

PC shipments in France totalled 2.3 million units in the third quarter of 2013, a decrease of 10.4 per cent from the same period in 2012 (see Table 3).

"For the fifth consecutive quarter, the PC market in France declined, but the decline was less steep than in the UK and Germany," said Isabelle Durand, principal research analyst at Gartner. "As in other parts of Western Europe, many vendors went through product transitions and inventory clean-ups, which both played a part in the slowdown."

The mobile PC market accounted for 66 per cent of PC shipments in France, with volumes decreasing by 8.9 per cent. Desktop PC shipments declined by 13.1 per cent. Ultraportables were the only form factor to grow; they represented 17.6 per cent of mobile PCs shipped.

The consumer and professional PC markets decreased 9.7 per cent and 11.4 per cent, respectively.

HP remained in the No. 1 position and returned to year-over-year growth for the first time since the second quarter of 2010. HP achieved strong sales of mobile PCs in the consumer market. Lenovo was the fastest growing of the top five PC vendors, with a 17 per cent rise in shipments. Lenovo's strong performance was mainly thanks to sales of mobile PCs in the business and consumer segments, in which the company introduced several new products at attractive prices.

Acer and Asus suffered double-digit shipment declines, as both vendors continued to shift their investments from consumer PCs to tablet and hybrid form factors.

"The growing number of Haswell-based convertibles, detachable devices and Atom-based tablets, as well as the deployment of Windows 8.1, will not be enough to deliver growth next quarter," said Ms Durand.

Table 3
France: PC Vendor Unit Shipment Estimates for 3Q13 (Thousands of Units)

Vendor	3Q13 Shipments	3Q13 Market Share (%)	3Q12 Shipments	3Q12 Market Share (%)	3Q12-3Q13 Growth (%)
HP	643	27.5	585	22.4	10.0
Acer Group	337	14.4	527	20.2	-36.0
Asus	284	12.2	389	14.9	-27.1
Dell	227	9.7	242	9.3	-6.3
Lenovo	213	9.1	182	7.0	17.1
Others	632	27.1	682	26.2	-7.3
Total	2,336	100.0	2,607	100.0	-10.4

Note: Data includes desk-based PCs, mobile PCs and x86 tablets equipped with Windows 8; it excludes Chromebooks and other tablets.
Source: Gartner (November 2013)

Germany: Fujitsu Made Its Debut Among the Top Five

PC shipments in Germany totalled 2.3 million units in the third quarter of 2013, a decrease of 14.4 per cent from the same period in 2012 (see Table 4).

Mobile PC shipments declined by 18 per cent, while desktop PC volumes decreased by 10 per cent. Demand for consumer and professional PCs declined by 21 per cent and 8 per cent, respectively.

"While vendors were careful to manage PC inventory and focused on clearing out stock in the distribution channel, many reported better sales in the second half of the quarter," said Ms Escherich.

Despite a year-on-year decline in shipments, Lenovo remained in the No. 1 position. It increased its lead with a 17.3 per cent market share, four percentage points ahead of HP. Lenovo was one of only two vendors to achieve a shipment increase in the professional PC segment, with a 17 per cent rise. HP

maintained its lead in the professional and desktop PC segments, despite declining volumes. Acer lost the No. 2 spot to HP. Acer recorded a 30.1 per cent decline in shipments due to its portfolio shifting toward more expensive, hybrid models. Asus disappeared from the top five vendors and was replaced by Fujitsu, which was the only top 10 vendor to exhibit both year-on-year growth and a market share increase across all PC segments. Dell's shipments held fairly steady, thanks to strong sales in the consumer segment.

"We expect to see some attractive new PCs in the stores in the fourth quarter of 2013, running Windows 8.1, with thinner form factors and longer battery life enabled by Intel's Haswell processors," said Ms Escherich. "These PCs will compete with high-end tablets and be complemented by a new generation of Atom-based devices that will compete with low-end tablets." Although this will not fully compensate for the PC's overall decline, it represents an opportunity for profit in the midrange and higher-end PC segments."

Table 4
Germany: PC Vendor Unit Shipment Estimates for 3Q13 (Thousands of Units)

Vendor	3Q13 Shipments	3Q13 Market Share (%)	3Q12 Shipments	3Q12 Market Share (%)	3Q12-3Q13 Growth (%)
Lenovo	396	17.3	422	15.8	-6.1
HP	304	13.3	336	12.6	-9.6
Acer Group	274	12.0	392	14.7	-30.1
Fujitsu	214	9.4	195	7.3	9.7
Dell	205	8.9	207	7.7	-1.0
Others	896	39.1	1,123	41.9	-20.2
Total	2,289	100.0	2,675	100.0	-14.4

Note: Data includes desk-based PCs, mobile PCs and x86 tablets equipped with Windows 8; it excludes Chromebooks and other tablets.
Source: Gartner (November 2013)

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