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Gartner Says Declining Worldwide PC Shipments in Fourth Quarter of 2012 Signal Structural Shift of PC Market

Global PC Shipments Declined 4.9 Per Cent in Fourth Quarter While EMEA PC Shipments Declined 9.6 Per Cent

STAMFORD, Conn., January 14, 2013 — Worldwide PC shipments totalled 90.3 million units in the fourth quarter of 2012, a 4.9 per cent decline from the fourth quarter of 2011, according to preliminary results by Gartner, Inc. Analysts said the PC industry’s problems point to something beyond a weak economy.

“Tablets have dramatically changed the device landscape for PCs, not so much by ‘cannibalising’ PC sales, but by causing PC users to shift consumption to tablets rather than replacing older PCs,” said Mikako Kitagawa, principal analyst at Gartner. “Whereas as once we imagined a world in which individual users would have both a PC and a tablet as personal devices, we increasingly suspect that most individuals will shift consumption activity to a personal tablet, and perform creative and administrative tasks on a shared PC. There will be some individuals who retain both, but we believe they will be exception and not the norm. Therefore, we hypothesise that buyers will not replace secondary PCs in the household, instead allowing them to age out and shifting consumption to a tablet.”

“This transformation was triggered by the availability of compelling low-cost tablets in 2012, and will continue until the installed base of PCs declines to accommodate tablets as the primary consumption device,” Ms Kitagawa said. “On the positive side for vendors, the disenfranchised PCs are those with lighter configurations, which mean that we should see an increase in PC average selling prices (ASPs) as users replace machines used for richer applications, rather than for consumption.”

During the holiday season, consumers no longer viewed PCs as the number one gift item. Given a burgeoning variety of increasingly more attractive devices and services, consumers directed their attention elsewhere. Analysts said there was uptake of very low priced notebooks as a part of mega holiday deals, but this uptake did little to boost holiday PC sales.

The launch of Microsoft’s Windows 8 did not have a significant impact on PC shipments in the fourth quarter. Analysts said some PC vendors offered somewhat lackluster form factors in their Windows 8 offerings and missed the excitement of touch. New products are coming to market, and this could drive churn within the installed base.

HP regained the top position in worldwide PC shipments in the fourth quarter of 2012 (see Table 1), however the company’s shipments did not grow compared to a year ago. Analysts said HP most likely gave up a certain margin level to gain market shares. HP was successful in managing large retail deals targeting Microsoft’s Windows 8 launch and holiday sales in selected regions.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 4Q12 (Units)

	4Q12	4Q12 Market	4Q11	4Q11 Market	4Q12-4Q11
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Company	Shipments	Share (%)	Shipments	Share (%)	Growth (%)
HP	14,645,041	16.2	14,711,280	15.5	-0.5
Lenovo	13,976,668	15.5	12,915,766	13.6	8.2
Dell	9,206,391	10.2	11,633,387	12.2	-20.9
Acer Group	8,622,701	9.5	9,690,624	10.2	-11.0
ASUS	6,528,228	7.2	6,133,042	6.5	6.4
Others	37,393,913	41.4	39,934,184	42.0	-6.4
Total	90,372,942	100.0	95,018,284	100.0	-4.9

Note: Data includes desk-based PCs and mobile PCs, including mini-notebooks but not media tablets such as the iPad. Data is based on the shipments selling into channels.

Source: Gartner (January 2013)

Lenovo dropped to the No. 2 position in the fourth quarter of 2012, but it experienced the best growth rate (8.2 per cent) among the top five PC vendors worldwide. Lenovo's growth exceeded regional growth rates in North America, EMEA and Asia/Pacific, but lower than the industry average in Latin America and Japan. In North America, Lenovo performed well by expanding in the retail market and protecting professional market.

In the US, PC shipments totalled 17.5million units in the fourth quarter of 2012, a 2.1 per cent decline from the fourth quarter of 2011 (see Table 2). Due to the tight inventory control and preparation for the Windows 8 launch, most PC vendors were able to ship Windows 8 PCs to the retail space. However, PC sell-through was rather weak which leaves some level of inventory concerns for vendors in the consumer market.

"Consumer's holiday spending went into other products and services, and US holiday sales became less important for PC sales. For professionals, the fourth quarter is typically a good sales season because of last-minute PC purchases before the tax year-end. Our early research indicates that there was good growth in professional PC sales," Ms Kitagawa said.

Table 2
Preliminary US PC Vendor Unit Shipment Estimates for 4Q12 (Units)

Company	4Q12	4Q12 Market	4Q11	4Q11 Market	4Q12-4Q11
	Shipments	Share (%)	Shipments	Share (%)	Growth (%)
HP	4,657,123	26.6	4,137,788	23.1	12.6
Dell	3,355,152	19.2	4,020,549	22.5	-16.5
Apple	2,145,082	12.3	2,035,082	11.4	5.4
Lenovo	1,476,606	8.4	1,345,975	7.5	9.7
Acer Group	1,377,824	7.9	1,756,838	9.8	-21.6
Others	4,493,820	25.7	5,637,726	25.6	-2.0
Total	17,505,607	100.0	17,881,424	100.0	-2.1

Note: Data includes desk-based PCs and mobile PCs, including mini-notebooks but not media tablets such as the iPad. Data is based on the shipments selling into channels.

Source: Gartner (January 2013)

PC shipments in EMEA totalled 28.1 million units in the fourth quarter of 2012, a 9.6 per cent decrease from the fourth quarter of 2011 (see Table 3). Western Europe remained the weak point across EMEA, as Central and Eastern Europe and the Middle East and Africa saw growth quarter-on-quarter.

"The PC market continues to face many headwinds. The launch of Windows 8 had no impact on PC demand, especially as Ultramobile products were both limited in supply, as well as being priced too high," said Ranjit Atwal, research director at Gartner. "The holiday season mostly saw retailers clearing Windows 7 notebook inventory or driving volume of low-end notebooks. Furthermore, the increasing choice of tablets at decreasing price points no doubt became a favourite Christmas present ahead of PCs."

“In the fourth quarter of 2012, mobile PC shipments decreased 11 per cent while desktop PC shipments declined 6 per cent year-on-year,” said Isabelle Durand, principal research analyst at Gartner. “However, all-in-one form factor models from Asus, Lenovo and HP look like a promising platform for the future.”

HP retained the No. 1 position in the fourth quarter of 2012, thanks to good results across all products in the professional PC segment. Dell performed weakly, losing nearly 2 per cent share in the fourth quarter of 2012. Among the top five vendors, only Lenovo showed year-on-year growth and its strong performance in the quarter helped it displace Acer from the No. 2 position.

In the second half of 2012, the EMEA PC market experienced two consecutive quarters of decline, resulting in overall shipments for 2012 declining 2.8 per cent from 2011. Western Europe lost another 10 per cent of volume, indicating likely structural changes to the market rather than weak demand.

Table 3
Preliminary EMEA PC Vendor Unit Shipment Estimates for 4Q12 (Units)

Company	4Q12 Shipments	4Q12 Market Share (%)	4Q11 Shipments	4Q11 Market Share (%)	4Q12-4Q11 Growth (%)
HP	5,346,900	19.1	5,829,182	18.8	-8.3
Lenovo	3,087,629	11.0	2,386,877	7.7	29.4
Acer Group	3,015,318	10.7	3,532,612	11.4	-14.6
ASUS	2,794,279	10.0	3,233,350	10.4	-13.6
Dell	2,351,990	8.4	3,176,724	10.2	-26.0
Others	11,458,059	40.8	12,887,932	41.5	-11.1
Total	28,054,175	100.0	31,046,677	100.0	-9.6

Note: Data includes desk-based PCs and mobile PCs, including mini-notebooks but not media tablets such as the iPad. Data is based on the shipments selling into channels.

Source: Gartner (January 2013)

PC shipments in Asia/Pacific totalled 29.9 million units in the fourth quarter of 2012, a 1.8 per cent decline from the fourth quarter of 2011. Vendors struggled to offer compelling products to convince buyers to upgrade and attract new buyers as consumers' interest continues to be on smartphones and tablets. The introduction of Windows 8 met with lukewarm response and availability was primarily on the higher-end models, which were priced beyond the mainstream price point for volume sales.

For the year, PC shipments were 352.7 million units, a 3.5 per cent decline from 2011 (see Table 4). HP retained the top spot in the global PC market, accounting for 16 per cent of the market. Lenovo was the No. 2 vendor with 14.8 per cent market share. Asus showed the strongest growth among the top five vendors, with shipments increasing 17.1 per cent.

Table 4
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 2012 (Units)

Company	2012 Shipments	2012 Market Share (%)	2011 Shipments	2011 Market Share (%)	2012-2011 Growth (%)
HP	56,508,218	16.0	60,553,740	16.6	-6.7
Lenovo	52,159,229	14.8	45,688,493	12.5	14.2
Dell	37,611,747	10.7	42,864,265	11.7	-12.3
Acer Group	36,661,066	10.4	39,282,791	10.8	-6.7
ASUS	24,206,696	6.9	20,678,302	5.7	17.1
Others	145,554,478	41.3	156,278,584	42.8	-6.9
Total	352,701,433	100.0	365,364,175	100.0	-3.5

Note: Data includes desk-based PCs and mobile PCs, including mini-notebooks but not media tablets such as the iPad. Data is based on the shipments selling into channels.

Source: Gartner (January 2013)

These results are preliminary. Final statistics will be available soon to clients of Gartner's PC Quarterly Statistics Worldwide by Region programme. This programme offers a comprehensive and timely picture of the worldwide PC market, allowing product planning, distribution, marketing and sales organisations to keep abreast of key issues and their future implications around the globe.

About Gartner

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