Gartner

Press Release

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Gartner Says Worldwide PC Shipments Declined 8 Per Cent in Third Quarter of 2012 as the Market Prepares for the Launch of Windows 8

Lenovo Takes Slight Lead Over HP for No. 1 Global Position

EMEA PC Market Experienced Biggest Decline in Four Years

STAMFORD, Conn., October 11, 2012 — Worldwide PC shipments totalled 87.5 million units in the third quarter of 2012, a decline of 8.3 per cent compared with the third quarter of 2011, according to preliminary results by Gartner, Inc.

"A continuing slowdown in consumer PC shipments played a big part in the overall PC market decline," said Mikako Kitagawa, principal analyst at Gartner. "The third quarter was also a transitional quarter before Microsoft's Windows 8 operating system release, so shipments were less vigorous as vendors and their channel partners liquidated inventory.

"Retailers were conservative in placing orders as they responded to weak back-to-school sales. By the end of September, retailers were focused on clearing out inventory in advance of the Windows 8 launch later this month," Ms Kitagawa said. "On the professional side, there was minimum impact from Windows 8 in the quarter because the professional market will not adopt Windows 8 PCs immediately after the release."

Lenovo took the No. 1 position in worldwide PC shipments for the first time in the company's history, as its share increased to 15.7 per cent, while HP's global PC share was at 15.5 per cent (see Table 1). In addition to acquiring other vendors, Lenovo has also taken an aggressive position on pricing, especially in the professional market. As a result, Lenovo has achieved significant market share gains over the last two years, exceeding regional average growth rates across all regions.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 3Q12 (Units)

Company	3Q12 Shipments	3Q12 Market Share (%)	3Q11 Shipments	3Q11 Market Share (%)	3Q12-3Q11 Growth (%)
Lenovo	13,767,976	15.7	12,536,756	13.1	9.8
HP	13,550,761	15.5	16,217,987	17.0	-16.4
Dell	9,216,638	10.5	10,676,513	11.2	-13.7
Acer Group	8,633,267	9.9	9,616,572	10.1	-10.2
ASUS	6,380,690	7.3	5,708,807	6.0	11.8
Others	35,954,748	41.1	40,683,666	42.6	-11.6
Total	**87,504,080**	**100.0**	**95,440,301**	**100.0**	**-8.3**

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

Although it finished the quarter very close to Lenovo, HP has given up the top PC vendor position for the first time since the third quarter of 2006. HP is currently restructuring its device business, including PCs, tablets and printers. HP's main concern is achieving a good balance between market share gain and margin protection.

Dell was the No. 3 vendor in PC shipments worldwide in the third quarter of 2012. While Dell suffered a steeper shipment decline than the worldwide average, it was less impacted by the upcoming release of Windows 8 because of its strong focus in the professional market. Dell continues to gradually transform itself from a PC/device supplier to a solution provider.

In the US, PC shipments totalled 15.3 million units in the third quarter of 2012, a 13.8 per cent decline compared with the same period last year.

"The third quarter has historically been driven by back-to-school sales, but US PC shipments did not increase, not even sequentially, from the second quarter of 2012. Channels were conservative in placing orders," Ms Kitagawa said. "Professional PC shipments in the US began slowing in the second quarter of this year, and they continued the trend in the third quarter. The results indicate that the replacement peak may have passed in the professional sector."

Four of the top five vendors in the US market experienced shipment declines. HP maintained the No. 1 position in the US market despite a shipment decline of 19.3 per cent (see Table 2). Lenovo was the only vendor among the top five to increase shipments. Both Acer and Toshiba shipments declined significantly due to the tough environment in the consumer market. Apple expected to have a PC shipment decline due to softness in the public market, but the company faced a slowdown in the consumer market.

Table 2
Preliminary US PC Vendor Unit Shipment Estimates for 3Q12 (Units)

Company	**3Q12 Shipments**	**3Q12 Market Share (%)**	**3Q11 Shipments**	**3Q11 Market Share (%)**	**3Q12-3Q11 Growth (%)**
HP	4,141,926	27.0	5,129,338	28.9	-19.3
Dell	3,270,705	21.4	3,886,864	21.9	-15.9
Apple	2,078,900	13.6	2,213,826	12.5	-6.1
Lenovo	1,357,882	8.9	1,279,884	7.2	6.1
Acer Group	989,725	6.5	1,378,768	7.8	-28.2
Toshiba	989,600	6.5	1,486,100	8.4	-33.4
Others	2,488,799	16.2	2,390,157	13.5	4.1
Total	**15,317,537**	**100.0**	**17,764,937**	**100.0**	**-13.8**

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

From a regional perspective, PC shipments in EMEA totalled 25.8 million units in the third quarter of 2012, a decline of 8.7 per cent from the same quarter last year.

"After two consecutive quarters of growth, this quarter saw the worst decline in EMEA PC shipments over the past four years," said Ranjit Atwal, research director at Gartner. "The lack of appeal and innovation in PCs, combined with a challenging economic environment, led the consumer spend to move to other devices." In addition, any upturn from ultramobiles failed to materialise, because they are not competitively priced, and future products have been delayed until the fourth quarter of 2012 to align with Windows 8.

Western Europe saw very weak shipments across all countries, as retailers substantially reduced Windows 7 inventory in anticipation of the arrival of Windows 8 products later this month.

Although HP lost market share in the third quarter of 2012, it retained the No. 1 position. Lenovo achieved the best performance of the quarter with double-digit growth. Lenovo had a very strong performance in the

Central Eastern European region which was against the general trend and, as a result, moved to the No. 3 position in EMEA.

Although Asus was one of the first vendors to launch an ultramobile product this move was not sufficient for it to retain its No. 3 position in the third quarter of 2012; it moved down to fourth place as its mini-notebook volumes declined. Dell dropped to fifth place as a result of its dependence on Western Europe — which led to a single-digit decline in the third quarter of 2012.

In Asia/Pacific, PC shipments reached 31.3 million units in the third quarter of 2012, a 5.6 per cent decline from the third quarter of 2011. Weak demand was brought about as potential buyers chose to reign in or delay their purchases. China's slowing economy was more acutely felt in the region in the third quarter, creating an even more conservative approach to spending. Although there were government PC initiatives in India and China to drive PC sales, they failed to offset the general market weakness.

Preliminary results show PC shipments in Latin America surpassed 9.7 million units in the third quarter of 2012, a 6.2 per cent decline from the same period last year. Mobile PC shipments were flat, and desk-based PC shipments declined 14.3 per cent. Brazilian businesses and schools may postpone their IT purchasing due to the expected "Brasil Maior" tax incentives that were announced late in the quarter. The tax incentives will begin in 2013, and this is when Gartner expects IT investments to drive PC shipments into the professional segment.

In Japan, PC shipments totalled 3.7 million units in the third quarter, a 5.4 per cent decline from the third quarter of 2011. The professional segment grew slightly higher than expected, but the market was impacted by the consumer segment. Most of the major vendors did not introduce new models of mainstream products in September due to the preparation for Windows 8.

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 organizations to keep abreast of key issues and their future implications around the globe.

About Gartner

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