Gartner

Press Release

FOR IMMEDIATE DISTRIBUTION

CONTACTS:
Christy Pettey
Gartner
+ 1 408 468 8312
christy.pettey@gartner.com

Holly Stevens
Gartner
+ 44 (0) 1784 267 738
holly.stevens@gartner.com

Gartner Says Western Europe PC Market Declined 11 Per Cent in Third Quarter of 2011

Consumer Segment Showed Greatest Decline at 18.8 Per Cent

-

Egham, UK, 14 November 2011 - PC shipments in Western Europe totalled 14.8 million units in the third quarter of 2011, a 11.4 per cent decline from the same period last year, according to Gartner, Inc.

“The inventory build-up that slowed growth in the last four quarters was mostly cleared during the third quarter of 2011; however, the PC industry continued to perform below normal seasonality,” said Meike Escherich, principal analyst at Gartner. “The results in the third quarter of 2011 make unpleasant reading for the PC industry, as the third quarter is traditionally a strong consumer quarter, driven by back-to-school sales.”

The mobile-PC market was particularly hard hit with a 12.6 per cent decline, driven by more than a 40 per cent decrease in mini notebook shipments in the third quarter of 2011. Desktops declined 8.7 per cent.

The market segment showing the greatest decline was in the consumer segment, which decreased 18.8 per cent year-on-year. The much hoped-for uptake of professional PCs in the wake of the migration to Windows7 remained subdued by the pessimistic economic outlook. PC shipments in the professional segment declined 2.1 per cent year-on-year.

HP retained its No. 1 position, managing the uncertainties around a possible spin–off of its PC division better than expected. Asus's shipments increased sharply, with growth in notebooks across the consumer and small or midsize business (SMB) markets. As a result, ASUS moved above Dell to the No. 3 position, and Dell fell to No. 4. Acer's continuing inventory problems opened up the channel for ASUS and other vendors to push their own shipments. Apple reached fifth place with 28 per cent growth in mobile PCs. Apple experienced double-digit growth in both the consumer and professional space.

“The share of mini-notebooks continues to decline, which contributed to the weak year-on-year comparison. Moreover, the consumer PC markets in Western Europe remained essentially weak, with consumer confidence permanently shaken by the economic issues spreading across most of the region,” said Ms Escherich.

Table 1
Western Europe: PC Vendor Unit Shipment Estimates for 3Q11 (Thousands of Units)

Vendor	3Q11 Shipments	3Q11 Market Share (%)	3Q10 Shipments	3Q10 Market Share (%)	3Q10-3Q11 Growth (%)
HP	3,371	22.7	3,645	21.8	-7.5
Acer Group	2,248	15.2	4,095	24.5	-45.1
ASUS	1,567	10.6	1,302	7.8	20.3

Show Desktop.scf

Dell	1,452	9.8	1,613	9.6	-10.0
Apple	1,132	7.6	947	5.7	19.6
Others	5,051	34.1	5,131	30.6	-1.6
Total	**14,821**	**100**	**16,733**	**100**	**-11.4**

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.
Source: Gartner (November 2011)

UK: Market Moved at Three Speeds

PC shipments in the UK totalled 2.9 million units in the third quarter of 2011, an 11 per cent decline compared with the same period in 2010 (see Table 2).

“The market seems to be moving at three speeds,” said Ranjit Atwal, research director at Gartner. “The top two vendors, HP and Dell, continued to struggle to find new opportunities and experienced single-digit declines; Acer, in the process of inventory re-adjustment, declined more than 50 per cent; Apple and Samsung gained strength in the market. More importantly, quarter-on-quarter, all vendors saw growth apart from Acer, suggesting the fluctuations in the market may be bottoming out.”

The consumer market had the biggest impact as PC shipments in this segment declined 18 per cent year-over-year. Over the last year as HP’s, and particularly Acer’s, dominance has begun to shrink, the next tier of vendors, headed by Samsung and Apple, have been making the consumer market much more competitive with increased choices on retailers’ shelves. The professional PC market remains muted but the need of organisations to move to Windows 7 provides some underlying momentum.

In the third quarter of 2011, HP retained its No. 1 position acquired last quarter with Dell also holding on to second place. Samsung chased Apple for the fourth position and collectively had a higher market share than Acer. With brand becoming more important as buying criterion in the PC market both of these vendors have a strong PC and cross device proposition. This will enable them to tackle the top three even more in 2012.

Table 2
United Kingdom PC Vendor Unit Shipment Estimates for 3Q11 (Thousands of Units)

Vendor	3Q11 Shipments	3Q11 Market Share (%)	3Q10 Shipments	3Q10 Market Share (%)	3Q10-3Q11 Growth (%)
HP	567	19.2	626	18.9	-9.4
Dell	454	15.4	486	14.6	-6.4
Acer Group	335	11.3	715	21.6	-53.1
Apple	230	7.8	189	5.7	21.8
Samsung Electronics	217	7.3	156	4.7	39.0
Others	1,155	39.0	1,145	34.5	0.9
Total	**2,958**	**100**	**3,315**	**100**	**-10.8**

Note: Data includes desk-based PCs and mobile PCs. Media Tablets are excluded.
Source: Gartner (November 2011)

France: PC market better than the Western European average

The PC market in France showed a slight decline and exhibited results better than the Western European average in the third quarter of 2011. PC shipments in France totaled 2.6 million units in the third quarter of 2011, a decline of 2.1 per cent compared with the same period in 2010 (see Table 3).

“The PC market in France performed slightly above expectations due to better results in the professional segment,” said Isabelle Durand, principal analyst at Gartner.

The consumer PC market declined 9.2 per cent mainly because the demand for mini notebooks was lower compared with a year ago. Retailers also shifted their focus to other devices such as media tablets and once more this quarter they have been cautious in placing orders. The consumer market was also affected by the continuing decline in the desktop segment.

The professional market saw more demand for mobile PC replacements with Windows 7 migration, and the segment increased by 10 per cent in the third quarter of 2011.

"In the third quarter of 2011, the mobile PC market accounted for 69 per cent of total PC shipments in France, with volumes growing by 3 per cent. Deskbased PCs declined by 11 per cent year-on-year," said Ms Durand. "Of the total mobile segment, mini notebooks declined by 21 per cent year-on-year."

In the third quarter 2011, of the top five vendors, only ASUS and Toshiba showed growth. HP regained the No. 1 spot, despite a slight decline mainly due to low results in the consumer segment as it benefited from the uptake in the professional market. ASUS achieved good results and replaced Dell in the No. 3 position. Acer's channel inventory levels were reduced, but the channel has been conservative in placing orders following the inventory issues.

The French PC market is expected to show some positive trends in the fourth quarter of 2011. Growth should improve towards the end of the year with product refreshes and promotions.

Table 3
France: PC Vendor Unit Shipment Estimates for 3Q11 (Thousands of Units)

Company	3Q11 Shipments	3Q11 Market Share (%)	3Q10 Shipments	3Q10 Market Share (%)	3Q10-3Q11 Growth (%)
HP	647	24.1	681	24.8	-5.1
Acer Group	600	22.3	723	26.3	-17.0
ASUS	360	13.4	249	9.1	44.4
Dell	257	9.6	290	10.6	-11.3
Toshiba	180	6.7	173	6.3	4.2
Others	644	24.0	629	22.9	2.4
Total	**2,689**	**100.0**	**2,746**	**100.0**	**-2.1**

Note: Data includes desk-based PCs and mobile PCs. Media Tablets are excluded.
Source: Gartner (November 2011)

Germany: PC Market Saw Fifth Consecutive Quarter of Shipment Declines

PC shipments in Germany totalled 3 million units in the third quarter of 2011, a decrease of 7.9 per cent compared with the same period in 2010 (see Table 4). This is the fifth consecutive quarter of declines for the German PC market.

"As expected, back-to-school PC sales were disappointing as the popularity of non-PC devices, such as media tablets and smartphones, diverted consumer spending from PCs. Exceptionally low consumer demand resulted in a 17 per cent decline in the home segment," said Ms Escherich.

The PC market continued to be hit by poor mobile PC sales that decreased 8.8 per cent in the third quarter of 2011. The decrease was once again steeper than for the desktop PC market which declined 5.9 per cent in the third quarter quarter.

HP continued its lead in the PC market in Germany as it accounted for 15.8 per cent of PC shipments in the third quarter of 2011. Demand in the professional PC market has improved as organisations released budgets to migrate aging PCs to Windows 7. HP in particular seemed to benefit from this upturn in the professional market, and it showed above-average growth. During the third quarter nearly every one in four professional PCs was shipped by HP.

In the third quarter of 2011, Acer dropped its market share further. Acer shipments declined 42 per cent, as a large number of mobile PCs were cleared out of distribution. ASUS's continued investment in sales and marketing beyond the consumer segment seemed to work well. ASUS secured third place in the market by widening the gap with Dell, now in fifth place. Balancing profit and volume gain was a challenge for Dell in a tough competitive environment. Fujitsu achieved double-digit growth in the third quarter of 2011 after struggling to grow for several quarters. The growth was due in part to a comparison with a weak quarter last year. However, Fujitsu's re-organisation and more-aggressive approach on pricing in the professional market has helped.

"Quarter-on-quarter growth of 23.5 per cent could be seen as an indicator that the PC market in Germany is at least stabilising, and maybe has bottomed out, as shipments finally settle on new lower growth levels" said Ms Escherich.

Table 4
Germany: PC Vendor Unit Shipment Estimates for 3Q11 (Thousands of Units)

Company	3Q11 Shipments	3Q11 Market Share (%)	3Q10 Shipments	3Q10 Market Share (%)	3Q10-3Q11 Growth (%)
HP	473	15.8	391	12.0	21.2
Acer Group	441	14.7	764	23.4	-42.2
ASUS	315	10.5	329	10.1	-4.0
Fujitsu	246	8.2	195	6.0	26.4
Dell	241	8.0	260	8.0	-7.2
Others	1,290	42.8	1,323	40.5	-2.4%
Total	**3,006**	**100**	**3,262**	**100**	**-7.9**

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded
Source: Gartner (November 2011)

About Gartner
Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner to 60,000 clients in 11,500 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, U.S.A., and has 4,500 associates, including 1,250 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

# # #