Gartner

Press Release

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Gartner Says Worldwide PC Shipments Increased 21 Per Cent in Second Quarter of 2010

PC Industry Experiences Third Consecutive Quarter of Double-Digit Growth Rates

STAMFORD, Conn., July 14, 2010 — Worldwide PC shipments reached 82.9 million units in the second quarter of 2010, a 20.7 per cent increase from the second quarter of 2009, according to preliminary results by Gartner, Inc. These second quarter results were slightly above Gartner's earlier market outlook. Gartner had expected second quarter PC shipments to grow 19.3 per cent.

"The preliminary second quarter results indicate ongoing improvement of the PC market, and it marks the third consecutive quarter of double-digit growth on a year-over-year basis," said Mikako Kitagawa, principal analyst at Gartner. "End-user spending grew approximately 13 per cent in the second quarter. Average selling prices (ASPs) continue to decline, but at a much slower rate compared with the last two years."

"Mini-notebook shipment growth slowed significantly in the second quarter of 2010," Ms Kitagawa said. "Mini-notebook shipment growth still exceeded growth rates of the overall mobile PC market, but mini-notebook growth slowed to the low 20 per cent range compared with more than 70 per cent in the last two quarters. This slowdown indicates that mini-notebooks are entering a mature growth stage."

HP maintained its worldwide lead in PC shipments (see Table 1), but its growth rate was below the industry average as the company tried to protect margins in key regions. For example, HP did not participate in the aggressive pricing that was seen in Asia/Pacific. HP also underperformed in Europe, the Middle East and Africa (EMEA) with weak professional mobile growth.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 2Q10 (Thousands of Units)

Company	2Q10 Shipments	2Q10 Market Share (%)	2Q09 Shipments	2Q09 Market Share (%)	2Q09-2Q10 Growth (%)
HP	14,455.2	17.4	12,869.0	18.8	12.3
Acer	10,796.0	13.0	8,203.4	12.0	31.6
Dell	10,283.2	12.4	8,644.2	12.6	19.0
Lenovo	8,310.8	10.0	5,645.8	8.2	47.2
Asus	4,317.9	5.2	2,419.2	3.5	78.5
Toshiba	4,222.3	5.1	3,312.5	4.8	27.5
Others	30,481.8	36.8	27,537.4	40.1	10.7
Total	**82,867.2**	**100.0**	**68,631.5**	**100.0**	**20.7**

Note: Data includes desk-based PCs and mobile PCs.
Source: Gartner (July 2010)

Acer continued to record strong shipment growth worldwide, fuelled by solid PC sales in EMEA and Asia/Pacific. Dell registered its second consecutive quarter of double-digit growth. Uptake in the professional PC market secured Dell's PC business, but the consumer market was still a challenge for the company.

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Lenovo's PC shipments increased 47.2 per cent in the second quarter of 2010, but there were some concerns over profitability as Lenovo was aggressive on pricing in key regions. Asus had the strongest growth rate among the top five vendors worldwide in the second quarter, as its shipments increased 78.5 per cent. Asus was able to mix its product lineup from mini-notebooks and focused on selling more standard mobile PCs for better margins.

In the US, PC shipments surpassed 17.9 million units in the second quarter of 2010, a 16 per cent increase from the same period last year (see Table 2). The professional PC market received a boost from the PC refresh cycle. The professional PC market growth was driven by healthy seasonal demand from the public sector despite the budget deficit issues. Small and midsize businesses (SMBs), as well as large organisations, are expected to ramp up in the second half of 2010.

"The consumer PC market registered double-digit shipment growth, but consumer mobile shipment growth slowed. This was due in part to slower growth of mini-notebooks," Ms Kitagawa said. "Surging popularity of Apple's iPad temporarily cannibalised mini-notebooks, as well as consumer notebook sales to some degree. It is not certain at this stage if the cannibalisation will continue with the current price point of media tablets."

HP continued to be the industry leader in the US PC market in the second quarter of 2010. Dell maintained the No. 2 position, supported by its sales into the professional PC market. Acer experienced flat growth due to slowing sales of mini-notebooks and low-end notebooks. Gartner's early study indicated that Apple recorded strong Mac shipments with no signs of iPad cannibalisation. Gartner's PC group does not track media tablet sales in this PC shipment data, so iPad sales are not included in these results.

Table 2
Preliminary US PC Vendor Unit Shipment Estimates for 2Q10 (Thousands of Units)

Company	2Q10 Shipments	2Q10 Market Share (%)	2Q09 Shipments	2Q09 Market Share (%)	2Q09-2Q10 Growth (%)
HP	4,607.9	25.7	4,045.3	26.2	13.9
Dell	4,236.3	23.7	3,849.1	24.9	10.1
Acer	2,028.3	11.3	2,029.3	13.1	-0.1
Apple	1,748.8	9.8	1,402.0	9.1	24.7
Toshiba	1,564.7	8.7	1,120.0	7.3	39.7
Others	3,715.7	20.8	2,986.5	19.4	24.4
Total	**17,901.7**	**100.0**	**15,432.3**	**100.0**	**16.0**

Note: Data includes desk-based PCs and mobile PCs.
Source: Gartner (July 2010)

In the second quarter of 2010, PC shipments in EMEA totalled 24.1 million units, an increase of 21.6 per cent from the second quarter last year (see Table 3).

“For the second consecutive quarter the EMEA PC market exhibited double-digit growth, signalling continued strength of the EMEA PC market despite uncertain economic conditions,” said Ranjit Atwal, principal research analyst at Gartner.

The EMEA PC market continued to be bolstered by very strong mobile consumer demand across all regions. “We expected the share of mini-notebooks to decline but they sustained 20 per cent of the total mobile PC market, indicating their permanent presence in the PC market in EMEA. The professional PC market has been more affected by both the economic conditions and pricing stabilisation, and we expect demand to pick up in the second half of 2010,” said Mr Atwal.

Central Eastern Europe remained the fastest growing regions sequentially followed by Western Europe and the Middle East and Africa. The economic concerns of Portugal, Italy, Greece and Spain (the PIGS countries) caused uncertainty in the EMEA PC market making the demand in the market more volatile.

Table 3
Preliminary EMEA PC Vendor Unit Shipment Estimates for 2Q10 (Thousands of Units)

Company	2Q10 Shipments	2Q10 Market Share (%)	2Q09 Shipments	2Q09 Market Share (%)	2Q09-2Q10 Growth (%)
Acer	5,141	21.3	3,749	18.9	37.1
HP	4,750	19.7	4,122	20.8	15.2
Dell	2,218	9.2	2,002	10.1	10.8
Asus	2,054	8.5	1,045	5.3	96.5
Toshiba	1,371	5.7	1,117	5.6	22.8
Others	8,566	35.5	7,789	39.3	10.0
Total	**24,099**	**100.0**	**19,824**	**100.0**	**21.6**

Note: Data includes desk-based PCs and mobile PCs.
Source: Gartner (July 2010)

Overall, vendor performances were very strong in the second quarter of 2010 and were not confined to the top five vendors. The top five vendors all exhibited double-digit growth this quarter, Dell performed in low single digits as its UK concentration and consumer performance weighed down its performance. The top performing vendors Asus, Samsung and Sony used mini-notebooks as a vehicle for growth. In the second quarter of 2010, Acer regained the No. 1 position from HP while Asus moved to the No. 4 position." Acer continued to outperform the market using a combination of good product mix and pricing strategies to secure retail shelf space," said Mr Atwal.

"While the first half of 2010 has been very strong and driven by the consumer PC market, the second half will increasingly be dependent on the business market, and the economic uncertainties and public austerity measures may shift demand into the end of 2010 and even 2011," said Mr Atwal.

In Asia/Pacific, PC shipments surpassed 27.8 million units, up 25.4 per cent from the second quarter of 2009. Markets in the region were off to a slow start in the quarter with news of economic uncertainties in Europe due to the credit crisis. However, the impact was limited, and market sentiment improved, releasing pent-up demand for PCs from late May onward.

Additional information is available in the Gartner report "Market Share Alert: Preliminary PC Market Results, Worldwide, 2Q10." The report is available on Gartner's website at http://www.gartner.com/resId=1401134.

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 in the Computing Hardware section of Gartner's website at http://www.gartner.com/it/products/research/asset_129157_2395.jsp.

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