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Gartner Says PC Market in Western Europe Declined 15 Per Cent in the Third Quarter of 2012

Egham, UK, 8 November 2012 – PC shipments in Western Europe totalled 13.6 million units in the third quarter of 2012, a 15.4 per cent decline compared with the same period in 2011, according to Gartner, Inc.

"We've witnessed a decline across all PC segments this quarter in Western Europe," said Meike Escherich, principal analyst at Gartner. In the third quarter of 2012, mobile PC shipments declined 15.2 per cent while desktop PC shipments decreased 15.7 per cent. The professional and consumer PC markets declined 15.8 per cent and 15 per cent, respectively.

PC shipments in June and July were very low as many vendors were trying to clear inventory from the second quarter of 2012. Channel and retail partners also remained cautious about stocking too much inventory ahead of the Windows 8 launch.

HP continued to lose market share but retained the No. 1 position in the overall and professional PC segments. "HP's new leadership team has undertaken several initiatives to reignite its business, but transition periods are always difficult," said Ms Escherich.

Acer maintained second place (see Table 1) and is getting closer to HP — Acer was 5.2 percentage points behind HP in market share in the third quarter of 2012. Despite a double-digit volume decline, Acer retained the lead in the consumer PC market in Western Europe. Asus remained in third place as its "netbook" volume declined further and ultrabook uptake remained slow.

Lenovo had a second consecutive strong quarter and increased its share 2 percentage points in the Western European PC market. Lenovo was also the only top five vendor to exhibit growth this quarter. In addition to vendor acquisitions, Lenovo has taken an aggressive position on pricing, especially in the professional PC market. This strategy had an impact on Dell's performance this quarter — Dell dropped to fifth position.

Table 1
Western Europe: PC Vendor Unit Shipment Estimates for 3Q12 (Thousands of Units)

Vendor	3Q12 Shipments	3Q12 Market Share (%)	3Q11 Shipments	3Q11 Market Share (%)	3Q11-3Q12 Growth (%)
HP	2,622	19.3	3,371	21.0	-22.2
Acer Group	1,920	14.1	2,248	14.0	-14.6
Asus	1,460	10.7	1,567	9.8	-6.8
Lenovo	1,265	9.3	1,174	7.3	7.7
Dell	1,204	8.9	1,452	9.0	-17.1
Others	5,124	37.7	6,250	38.9	-17.9
Total	**13,595**	**100.0**	**16,062**	**100.0**	**-15.4**

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Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded
Source: Gartner (November 2012)

"The PC market will eventually return to growth, but the growth rate will not be at the level it was a few years ago. The real long-term challenges for the PC industry and PC vendors are to show growth and bring out products that can compete with the compelling new mobile devices coming on to the market," said Ms Escherich.

United Kingdom: PC Shipments Continued to Decline

PC shipments in the UK totalled nearly 3 million units in the third quarter of 2012, a decline of 7.2 per cent compared with the same period in 2011 (see Table 2). The UK PC market has seen a decline in PC shipments during seven of the last eight quarters.

In the third quarter of 2012, the consumer PC market declined 8 per cent, while the professional PC market declined 6 per cent. The mobile PC market decline was lower than expected this quarter – it decreased 3 per cent, while the desktop PC market fell 13 per cent.

"The PC market has not only lost its lustre but is now on an ever-declining trend. The challenge to get users to buy the next generation of PCs with Windows 8 is huge," said Ranjit Atwal, research director at Gartner.

"There is no doubt that the recent launch of Windows 8 has had an impact on inventory levels," Mr Atwal added. "However, the question is whether the vendors can position and price the products correctly during the next quarter."

In the third quarter of 2012, Toshiba and Apple were the only top five vendors to achieve growth in the UK PC market. Although HP has been struggling, it increased its share. However, Dell's market share has been slipping fast. Dell's market share more than halved since 2008 when its market share reached almost 25 per cent. It will also be tough for Dell to compete in the consumer PC market moving forward as it looks for higher margin products.

Table 2
UK: PC Vendor Unit Shipment Estimates for 3Q12 (Thousands of Units)

Vendor	3Q12 Shipments	3Q12 Market Share (%)	3Q11 Shipments	3Q11 Market Share (%)	3Q11-3Q12 Growth (%)
HP	551	18.5	567	17.6	-2.8
Dell	352	11.8	454	14.1	-22.6
Acer Group	277	9.3	335	10.4	-17.3
Toshiba	266	8.9	210	6.5	27.0
Apple	235	7.9	229	7.1	2.4
Others	1,305	43.7	1,424	44.2	-12.8
Total	**2,987**	**100.0**	**3,220**	**100.0**	**-7.2**

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded
Source: Gartner (November 2012)

France: Back-to-School Sales Lost Momentum

PC shipments in France totalled 2.6 million units in the third quarter of 2012, a decrease of 7.6 per cent compared with the same period in 2011 (see Table 3).

"The PC market in France remained weak. The decline was caused by continuing weak consumer demand, as well as inventory control by the channel preceding the introduction of Windows 8," said Isabelle Durand, principal analyst at Gartner.

In the third quarter of 2012, the consumer market decreased 7.7 per cent due to low back-to-school sales. "The back-to-school season has traditionally been one of the biggest sale seasons for PCs in France, but this is no longer the case," said Ms Durand.

The professional market declined 7.4 per cent in the third quarter 2012. This segment continued to struggle as the migration to Windows 7 by businesses was still low. In addition, slow shipments into the education sector affected the professional PC market in France.

In the third quarter of 2012, the mobile PC market accounted for 65 per cent of total PC shipments in France, with volumes decreasing 8.5 per cent. Desktop PCs declined 5.9 per cent year-on-year, despite good demand for the all-in-one form factor.

Sales of ultrabooks remained low in France in the third quarter of 2012. The ultraportable segment represented 8.7 per cent of all mobile PCs shipped in the quarter.

There was no change in the top five vendor ranking this quarter. Asus continued to expand its presence in the desktop PC market, which enabled it to grow and remain in third position. Although HP and Acer lost market share in the quarter, they retained the No. 1 and No. 2 positions, respectively.

"Overall, we expect the PC market will continue to be weak in the fourth quarter of 2012. The launch of Windows 8 is bringing a large number of new models and will support the emergence of new form factors," said Ms Durand. "It remains to be seen whether these new products will improve PC sales in France. The real worry for the French market is whether it will return to double-digit growth next year."

Table 3
France: PC Vendor Unit Shipment Estimates for 3Q12 (Thousands of Units)

Vendor	3Q12 Shipments	3Q12 Market Share (%)	3Q11 Shipments	3Q11 Market Share (%)	3Q11-3Q12 Growth (%)
HP	585	22.4	647	22.9	-9.6
Acer Group	527	20.2	600	21.3	-12.3
Asus	389	14.9	360	12.8	8.1
Dell	242	9.3	257	9.1	-6.1
Toshiba	186	7.1	180	6.4	3.1
Others	679	26.0	777	27.5	-12.6
Total	**2,607**	**100.0**	**2,822**	**100.0**	**-7.6**

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded
Source: Gartner (November 2012)

Germany: Sharp Decline in PC Shipments Across All Segments

PC shipments in Germany totalled 2.7 million units in the third quarter of 2012, a decrease of 19 per cent compared with the same period in 2011 (see Table 4). This equates to 600,000 fewer PCs than in the third quarter of 2011, half of which were consumer notebooks.

Mobile PC shipments declined 14 per cent in the third quarter of 2012, while desktop volumes decreased 13 per cent year-on-year. Consumer and professional PC demand declined 20 per cent and 18 per cent, respectively.

"Similar to France the decline was caused by a combination of continuing weak consumer demand, as well as inventory control by the channel before last month’s Windows 8 launch. We expect to see a variety of innovative form factors brought to market, including hybrid tablets, products with detachable keyboards and convertibles," said Ms Escherich. "This will add some dynamism to the PC market in Germany. However, retailers and consumers' reaction to these unique form factors have so far been rather conservative."

In the third quarter of 2012, Lenovo gained the No. 1 position, performing above the market average in all segments and growing in the consumer and desktop PC markets. Acer and HP moved into second and third place. HP struggled in the third quarter of 2012, exhibiting a decline of 27 per cent in the professional PC market and a decline of 33 per cent in the consumer PC market.

Asus held on to fifth place, but recorded the steepest decline among the top five PC vendors, partly due to its heavy reliance on retail and inventory issues in the second quarter of 2012.

"The market's high level of exposure to the ongoing eurozone currency crisis and the soaring levels of PC saturation in Germany suggest a more challenging future for the local PC market," said Ms Escherich.

Table 4
Germany: PC Vendor Unit Shipment Estimates for 3Q12 (Thousands of Units)

Vendor	3Q12 Shipments	3Q12 Market Share (%)	3Q11 Shipments	3Q11 Market Share (%)	3Q11-3Q12 Growth (%)
Lenovo	421	15.8	422	12.8	-0.2
Acer Group	392	14.7	441	13.4	-11.1
HP	336	12.6	473	14.4	-29.1
Dell	206	7.7	241	7.3	-14.4
Asus	196	7.3	315	9.6	-37.8
Others	1,124	41.9	1,410	42.5	-20.2
Total	**2,675**	**100.0**	**3,302**	**100.0**	**-19.0**

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded
Source: Gartner (November 2012)

About Gartner
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