Gartner | **Press Release**

Gartner Says PC Market in Western Europe Declined 2.4 Per Cent in Second Quarter of 2012

UK and Germany PC Markets Declined while France PC Market Returned to Weak Growth in Second Quarter of 2012

Egham, UK, 9 August 2012 – PC shipments in Western Europe totalled 13.6 million units in the second quarter of 2012, a 2.4 per cent decline compared with the equivalent period in 2011, according to Gartner, Inc.

“Although we saw a slight uptake in mobile PC sales, the Western Europe PC market recorded weak overall PC shipments across all countries,” said Meike Escherich, principal analyst at Gartner.

In Western Europe, mobile PC shipments grew 4 per cent, while desk-based PC shipments declined 12.8 per cent in the second quarter of 2012. The professional PC market declined 5.3 per cent, while the consumer PC market was almost flat, with 0.4 per cent growth.

Despite losing market share, HP retained the No. 1 position in the Western Europe PC market in the second quarter of 2012 (see Table 1). Acer put in a strong performance, having resolved its inventory issues. Acer increased its market share by 2.7 percentage points, which helped it retain the No. 2 spot. Asus had the best performance among the top five vendors and moved up to No. 3.

“Asus exceled at diversifying its product portfolio, which includes mobile PCs and desk-based PCs, and it is now expanding into Ultrabooks and tablets, all of which are marketed at attractive prices,” said Ms Escherich. Dell struggled to increase its PC shipments and dropped to No. 4. Its transformation from a PC supplier to a solution provider for professional markets is ongoing and has yet to result in an increase in market share.

“Consumer spending on PCs has been stalled by the ongoing economic uncertainty. If demand, especially from consumers, remains weak there might be some old stock left in the channels ahead of the Windows 8 launch in October. This could lead to significant price cuts in September, and challenges may arise in selling new products into the channel in the third quarter of 2012,” said Ms Escherich.

Table 1
Western Europe: PC Vendor Unit Shipment Estimates for 2Q12 (Thousands of Units)

Vendor	2Q12 Shipments	2Q12 Market Share (%)	2Q11 Shipments	2Q11 Market Share (%)	2Q11-2Q12 Growth (%)
HP	2,760	20.2	3,171	22.7	-13.0
Acer	2,361	17.3	2,047	14.6	15.3
Asus	1,458	10.7	1,021	7.3	42.8
Dell	1,185	8.7	1,371	9.8	-13.6
Lenovo	1,057	7.8	961	6.9	10.0
Others	4,822	35.3	5,413	38.7	-10.9
Total	**13,643**	**100.0**	**13,984**	**100.0**	**-2.4**

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

UK: PC Shipments Declined in Both the Consumer and Professional Sectors

In the second quarter of 2012 the UK PC shipments totalled 2.5 million units, a decline of 7.6 per cent compared with the equivalent period in 2011 (see Table 2).

"The UK PC market remained very weak in the second quarter of 2012. It was depressed across the board, with both the consumer and professional sectors exhibiting decline," said Ranjit Atwal, research director at Gartner.

With the UK PC market shrinking again, PC vendors were under pressure to protect their margins. As a result, the top three had to hold back on price promotions. Collectively, the top three lost more than four percentage points of market share, with all three showing double-digit-percentage declines in shipments.

In the second quarter of 2012, Dell suffered the biggest fall (23.2 per cent), with its consumer business recording a decline of nearly 40 per cent. HP retained the No. 1 position, but still held less than 20 per cent of the UK market. Acer, which declined last year due to inventory issues, continued to lose market share. Toshiba exhibited the highest growth, albeit following a very weak second quarter of 2011.

"The real worry for the UK PC market is whether it will ever return to solid growth," said Mr Atwal. "Windows 8 and Ultrabooks now look even more important. However, messages emerging from the PC supply chain remain inconsistent and largely uninspiring. This has resulted in the PC channel holding back on new shipment orders until the fourth quarter of 2012."

Table 2
United Kingdom: PC Vendor Unit Shipment Estimates for 2Q12 (Thousands of Units)

Vendor	2Q12 Shipments	2Q12 Market Share (%)	2Q11 Shipments	2Q11 Market Share (%)	2Q11-2Q12 Growth (%)
HP	468	18.5	530	19.4	-11.7
Dell	313	12.4	408	14.9	-23.2
Acer	293	11.6	341	12.5	-14.0
Toshiba	238	9.4	157	5.7	51.6
Apple	187	7.4	170	6.2	10.0
Others	1,024	40.6	1,127	41.2	-9.1
Total	**2,524**	**100.0**	**2,732**	**100.0**	**-7.6**

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

France: PC Market Returned to Weak Growth

PC shipments in France totalled 2.5 million units in the second quarter of 2012, an increase of 0.7 per cent compared with the same period in 2011 (see Table 3).

"The PC market in France showed some slight improvement in the second quarter of 2012, but this is growth is from a low base, as the second quarter of 2011 saw a decline of 18 per cent year-on-year. The economic uncertainty continued to have an impact on PC spending and consumer confidence," said Isabelle Durand, principal analyst at Gartner.

The consumer market increased 12 per cent, while the professional market declined 12 per cent.

The mobile PC market accounted for 66 per cent of total PC shipments in France, with volumes increasing 4.5 per cent. Desk-based PCs declined 6 per cent year-on-year, despite good demand for all-in-one PCs. "The Ultrabook segment has attracted the interest of consumers and continued to grow, but volumes are still low. The ultraportable segment represented 9 per cent of all mobile PCs shipped in France in the second quarter 2012."

Acer and Asus showed the strongest year-on-year growth in France. HP maintained the No. 1 position in France, but the gap with Acer is narrowed. Asus grew its market share by 3 percentage points and expanded its presence in the desk-based PC market. Acer increased its PC shipments and did particularly well in the mobile PC market. Lenovo made its debut in the ranking of top five vendors in France as a result of growth in the consumer and small and midsize business markets.

“We expect that the PC market in France will remain under pressure in the third quarter of 2013,” said Ms Durand. “Although vendors are offering attractive back-to-school promotions, inventory levels in the channel could create some issues. Consumers may delay PC purchases until the introduction of Windows 8 devices.”

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

Vendor	2Q12 Shipments	2Q12 Market Share (%)	2Q11 Shipments	2Q11 Market Share (%)	2Q11-2Q12 Growth (%)
HP	593	23.8	671	27.2	-11.6
Acer	590	23.7	456	18.5	29.4
Asus	330	13.3	255	10.3	29.4
Dell	223	9.0	244	9.9	-8.6
Lenovo	153	6.1	125	5.1	22.4
Others	599	24.1	721	29.2	-16.9
Total	**2,488**	**100.0**	**2,471**	**100.0**	**0.7**

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

Germany: PC Market Suffered Double-Digit Decline in Desk-Based PC Shipments

PC shipments in Germany totalled 2.6 million units in the second quarter of 2012, a decrease of 6.5 per cent compared with the equivalent period in 2011 (see Table 4).

Mobile PC shipments stabilised and recorded 3.9 per cent growth, but desk-based PC volumes decreased 20.2 per cent. Consumer and professional market demand declined 8.2 per cent and 4.9 per cent, respectively.

“The second quarter of 2012 proved to be an interim quarter when everyone was waiting for two major events: more Ultrabook product releases and the release of Windows 8. PC suppliers and channels are controlling inventory levels carefully and are preparing for both releases — which can have a significant dampening effect on volumes,” said Ms Escherich.

Acer climbed into the No. 1 position in Germany, and it achieved a 29 per cent increase in the professional PC market. “Acer is delivering on its promise to shift its profits further into the business-to-business sector,” said Ms Escherich.

Lenovo remained in the No. 2 spot as a result of strong sales in the retail sector. It also became the No. 1 vendor in the home segment, with a 16 per cent market share. “HP dropped to No. 3 spot and did not perform well across all segments. The disappointing results were party caused by HP combining its PC and printer groups into one organisation,” said Ms Escherich. In addition, HP's relatively strong sell-in shipments during the first quarter of 2012 did not sell through well in the second quarter, and this also slowed shipments into the channel.

“Today a lot of industry hope lies with the release of the new ultra-thin and light form factor for mobile PCs, which could bridge the gap between notebooks and tablets. A big portion of R&D spending has been allocated to Ultrabook development, together with Intel's massive investments to establish the market,” said Ms Escherich. “We expect that the prices of Ultrabooks will decrease in the second half of 2012, from the current $800 to $1,000 range to $700 or less, which could create some additional demand.”

Table 4
Germany: PC Vendor Unit Shipment Estimates for 2Q12 (Thousands of Units)

Vendor	2Q12 Shipments	2Q12 Market Share (%)	2Q11 Shipments	2Q11 Market Share (%)	2Q11-2Q12 Growth (%)
Acer	371	14.5	293	10.7	26.6
Lenovo	356	13.9	391	14.2	-8.8
HP	334	13.0	444	16.2	-24.8
Asus	201	7.8	203	7.4	-1.0
Dell	188	7.4	224	8.2	-16.1
Others	1,117	43.5	1,191	43.3	-6.2
Total	**2,567**	**100.0**	**2,746**	**100.0**	**-6.5**

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

About Gartner
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