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29 July 2011

Wintel share of global PC industry falls to under 82%

- **Apple becomes second largest PC vendor globally**

Palo Alto, Singapore and Reading (UK) – Friday, 29 July 2011

Canalys today announced that the global PC industry continued to defy difficult economic circumstances with an overall growth of 17% in the second quarter. A strong performance in the pad category, as well as a healthy refresh cycle tied to enterprise Windows 7 adoption, continued to fuel market growth. Wintel PC market share, however, fell to its lowest point in more than 20 years.[1]

Apple benefitted the most from the pad's upward rise, now holding second place overall with 14% market share. This quarter saw competitors rush though to close the lead, with the launch of pads from, Acer, Asus, HP, HTC, RIM and Samsung. Acer's Android-based Iconia Tab proved popular in some countries, such as Germany, Russia and the US, propelling the PC vendor into third place in the global pad category.

'Competition over the pad market remains fierce, with vendor positions likely to change regularly over the coming months,' said Canalys principal analyst Chris Jones. 'Pad vendors dependent on the Android operating system will find themselves in a constant battle to have the latest "star" product. Apple, HP and RIM with their own operating systems, have a better chance to build sustainable differentiation.'

In other categories of the PC industry, business spending kept a healthy pace. Few businesses had yet to replace notebooks with pads or smart phones, and Canalys expects security and application compatibility issues to make this transition a lengthy one. Those pads currently present in business are frequently brought in by individuals – outside the jurisdiction of the IT department – introducing a security risk.

'We have been encouraged by the popularity of Windows 7 and the willingness of businesses to replace their installed base,' said Jones. 'High-performance PCs are still clearly seen as a major driver of business productivity around the world.'

Consumers, however, continued to shun notebooks and netbooks last quarter. The well-published national debt issues hurt consumer spending in the West, while rising interest rates, energy and food prices dampened the strong growth seen in major markets in the East, such as China. Acer and other vendors have been struggling since the beginning of the year to clear the inventory backlog resulting from the last holiday season. High inventory levels impacted markets globally – even China – though European countries were the most affected.

'Some notebook and netbook vendors are blaming the economy for their setbacks in the consumer segment, but our research shows that this has been a relatively minor factor,' said Canalys Analyst Tim Coulling. 'These PC categories have been slow, even in countries with strong economies such as Germany.

[1] Canalys uses the term Wintel to cover any PC running any version of Windows in conjunction with any x86 processor architecture.

Established PC vendors have to come to terms with the fundamental industry shift ushered in by the pad's popularity.'

'With a continued decline in market share, Microsoft and Intel are rapidly losing their ability to control standards and are no longer the main source of innovation within the PC market,' said Coulling. 'On the other hand, regulators are turning their attention to Apple, Google and Facebook, leaving Microsoft and Intel freer to expand than in the past. Both continue to deliver impressive financial results and growth partly because the rise in mobile connected devices has unleashed data center investment required to provide consumer cloud services.'

Worldwide total client PC shipments
Market shares Q2 2011, Q2 2010

Vendor	Q2 2011 shipments	% share	Q2 2010 shipments	% share	Growth Q2'11/Q2'10
Total	**97,333,200**	**100.0%**	**82,564,100**	**100.0%**	**17.9%**
HP	15,280,400	15.7%	14,773,220	17.9%	3.4%
Apple	13,193,640	13.6%	6,735,290	8.2%	95.9%
Dell	10,827,750	11.1%	9,682,420	11.7%	11.8%
Lenovo	10,354,590	10.6%	8,184,530	9.9%	26.5%
Acer	10,243,790	10.5%	11,234,580	13.6%	-8.8%
Others	37,433,030	38.5%	31,954,060	38.7%	17.1%

Source: Canalys estimates, © Canalys 2011
Includes all desktop, netbook, notebook, and pad

Worldwide total client PC shipments
Category market shares Q2 2011, Q2 2010

Category	Q2 2011 shipments	% share	Q2 2010 shipments	% share	Growth Q2'11/Q2'10
Total	**97,333,200**	**100.0%**	**82,564,100**	**100.0%**	**17.9%**
Desktop	27,726,100	28.5%	25,561,500	31.0%	8.5%
Netbook	6,873,200	7.1%	9,163,200	11.1%	-25.0%
Notebook	49,073,280	50.4%	44,557,900	54.0%	10.1%
Pad	13,660,620	14.0%	3,281,500	4.0%	316.3%

Source: Canalys estimates, © Canalys 2011

About Canalys Netpad Analysis

From Canalys' unrivalled coverage of IT channels, we offer the most extensive, cost-effective global PC market analysis. Canalys was the first analyst firm to incorporate netbooks and pads into its PC market tracking, which also includes traditional notebooks and desktops, as well as their routes to market. For hardware and software vendors, as well as service providers, our service delivers overall volume forecasts and market shares, through both established and emerging channels.

To support our customers' strategic planning, Canalys also monitors the changing relationships between operators and vendors, and the products and tariffs being offered, with our regular deal watch alerts. We do not release preliminary, incomplete data and use standard definitions and methodologies to ensure consistency across all of the market data that appears in this service. We simultaneously publish final market data every quarter, for every country tracked.

About Canalys

Canalys delivers smart market insights to IT, channel, and service provider professionals around the world. Our customer-driven analysis and consulting services empower businesses to make informed decisions and generate sales. We stake our reputation on the quality of our data, our innovative use of technology, and our high level of customer service.

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Americas: Suite 316, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488
APAC: 1 Pickering Street, Great Eastern Centre, #07-02, Singapore, 048659 | tel: +65 6671 9399
EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520
e-mail: inquiry@canalys.com | web: www.canalys.com

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