EMEA consumer PC industry proves surprisingly healthy

– Acer and Apple are the winners, deploying opposing strategies

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For immediate release

- The EMEA PC market declined by 8% in Q3 2009, but the consumer segment was up 15%
- 56% of PCs are sold to consumers, as many businesses refuse to restart spending
- Acer's cost efficiency, product range and responsiveness are impressing investors
- Apple's success is remarkable, given price points more than double those of most PCs
- Netbook growth continues, contributing 14% of the total PC industry

Canalys Q3 2009 EMEA PC research highlights

Consumers across EMEA (Europe, the Middle East and Africa) are recognizing that, if they have kept their job this far, then, in many respects, 2009 has been a rather good year for them and their families. In the last 12 months interest rates have plummeted, property has become more affordable, inflation has fallen to almost zero, stock markets have been recovering and the prices of food and oil have fallen. Most living within the Eurozone are also benefitting from a strong currency that has kept import prices low. Economic fear is still holding back spending in many troubled countries, for example in the Baltics, Ireland, Spain, Iceland, Russia and parts of Eastern Europe, but the rest of EMEA, including France and Germany, appears to have put the economic crisis behind it. The consumer PC market has been a major beneficiary of these benign conditions and recorded unexpectedly strong volume growth of 15% year on year during Q3 2009.

EMEA total PC shipments
Market shares Q3 2009, Q3 2008

Vendor	Q3 2009 shipments (000s)	% share	Q3 2008 shipments (000s)	% share	Growth Q3'09/Q3'08
Total	**25,936**	**100.0%**	**28,293**	**100.0%**	**-8.3%**
Acer	6,635	25.6%	5,947	21.0%	11.6%
HP	5,274	20.3%	5,498	19.4%	-4.1%
Dell	2,289	8.8%	2,774	9.8%	-17.5%
Asus	1,862	7.2%	2,000	7.1%	-6.9%
Toshiba	1,351	5.2%	1,635	5.8%	-17.3%
Others	8,523	32.9%	10,439	36.9%	-18.4%

Source: Canalys estimates, © Canalys 2009
Includes all desktop, netbook, notebook and industry-standard server PCs

Consumption of video content, music and social networking are the current drivers of PC interest, supported by faster and more affordable fixed and wireless broadband services. The recent exclusive live broadcast of mainstream soccer matches on the Internet illustrates how quickly the delivery of content is changing. Mobile PC purchasing behaviour has altered dramatically from the recent past when "screen, drive, processor and price" drove the purchasing decision. Suddenly "size, battery life, connectivity, style and price" have become the main criteria. Canalys will be sharing the detailed results from its latest extensive consumer behaviour surveys at the Canalys Mobility Forum, taking place at Heathrow, on November 17th.

EMEA total PC shipments
Market shares Q3 2009, Q3 2008

Positioning	Q3 2009 shipments (000s)	% share	Q3 2008 shipments (000s)	% share	Growth Q3'09/Q3'08
Total	**25,936**	**100.0%**	**28,293**	**100.0%**	**-8.3%**
Consumer	14,492	55.9%	12,654	44.7%	14.5%
Enterprise	11,444	44.1%	15,639	55.3%	-26.8%

Source: Canalys estimates, © Canalys 2009
Includes all desktop, netbook, notebook and industry-standard server PCs

Innovation is visible at both ends of the mobile PC spectrum: Apple is winning among the affluent, gaining market share with gorgeous, differentiated premium-priced products; contrastingly Acer continues to drive prices down, and gain share rapidly, with several good-value netbooks and notebooks of various sizes. Both companies have been rewarded handsomely for their success by the financial markets. Many will know that Apple's share price year-to-date has risen some 130%, but it is less well known that Acer has performed similarly, its share price being up some 120%.

HP, Asus and Samsung are performing relatively well. HP has the broadest product portfolio and geographic coverage of any vendor, has begun to find its stride in the netbook category and is a competitive supplier at retail. It will likely regain share when businesses start purchasing PCs again. Asus and Samsung have ridden the netbook boom to become serious volume participants in the PC market. PC vendors that focus on selling to businesses – including Dell, Lenovo and Fujitsu – have been struggling throughout the year and need to turn their performance around quickly. Smaller PC vendors typically enjoy less valuable discounts from key component suppliers than larger ones, so a downward trend can quickly accelerate into a spiral.

Natalie Spitz, Canalys senior analyst, commented "While it is good to see that consumers are buying PCs, we cannot say the same for the business segment. Companies, especially larger ones, have simply called a halt to PC purchasing. They are replacing machines that have been lost or stolen, but are not buying anything else. The forthcoming launch of Windows 7 will be a major talking point for the industry, which has to be good news and could attract even more consumer purchasing. Canalys does not, however, expect Windows 7 to have an impact on business PC purchases this year. They will wait until the first half of 2010, at the earliest, to evaluate the software and let early adopters identify most of the problems."

EMEA total PC shipments
Market shares Q3 2009, Q3 2008

Category	Q3 2009 shipments (000s)	% share	Q3 2008 shipments (000s)	% share	Growth Q3'09/Q3'08
Total	**25,936**	**100.0%**	**28,293**	**100.0%**	**-8.3%**
Netbooks	3,699	14.3%	2,190	7.7%	68.9%
Notebooks	14,616	56.4%	15,051	53.2%	-2.9%
Desktops	7,176	27.7%	10,471	37.0%	-31.5%
Servers	445	1.7%	581	2.1%	-23.4%

Source: Canalys estimates, © Canalys 2009
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Tim Coulling, research analyst, added "Microsoft needs to reposition the Windows 7 marketing campaign to put the business customer at the centre. The challenge is not to convince business buyers that Windows 7 is better than Vista or Snow Leopard, but that it is better than XP. Microsoft has a self-imposed goal of discontinuing XP within a year and it is doubtful that even the majority of medium and large businesses, or the public sector, will have switched to Windows 7 by then. The campaign, and the new operating system, will have to be extremely successful, otherwise Microsoft may find itself needing to extend the XP lifetime again. Vista, on the other hand, could be dropped quickly without much protest."

With Acer, and others, committed to launching Android-based PCs around the holiday season, 2010 could be the most interesting year the PC industry has seen. Suddenly competition exists on both the operating system and processor levels, with ARM, Qualcomm and, possibly, Apple gearing up to join battle with a recovering AMD and Intel. The accepted dominance of 'Wintel' is now open to question. These dramatic developments in one of the world's most important industries will be discussed at a dedicated panel session at the forthcoming Canalys Mobility Forum, hosted by Steve Brazier, its president & CEO. Full details are available at www.canalysmobilityforum.com.

About the services

The shipment estimates discussed in this release come from the Canalys Netbook Analysis and PC Analysis services. Canalys offers services looking at the markets by country in Asia Pacific, North and Latin America and EMEA, as well as providing global market overviews and survey-based analysis of consumer and enterprise attitudes and preferences toward mobile applications, devices and services.

About Canalys

Canalys specialises in delivering high quality market data, analysis and advice to the world's leading technology vendors. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms, navigation and consumer electronics companies. It has unrivalled expertise in routes to market for all kinds of high technology products and services and provides worldwide market data and trends analysis.

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