

Global PC market grows 18%

➤ Pad shipments fuel growth, with Apple staying dominant, but Amazon will challenge

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Canalys today announced that Q3 2011 worldwide PC shipment volumes showed healthy year-on-year growth of 18%. The proliferation of pads drove overall PC market expansion, though the form factor continued to disrupt traditional desktop, notebook and, in particular, netbook sales. Total pad shipments were almost three times as many as in the same period a year ago. Notebooks grew 9% and desktops increased 8%, but netbooks declined 28%. China once again outperformed the global average, increasing 27% to account for 18% of worldwide volumes, while sluggish economies in the United States and Western Europe hindered expansion in those regions.

Apple's pad shipments were up 166%, as sales of the iPad 2 continued to gain momentum, though its share of the worldwide market fell from 96% in Q3 2010 to 67% in Q3 2011 as a result of increasing competition from vendors such as Samsung, Asus and Acer. Canalys predicts further market share erosion next quarter, despite strong holiday sales. Apple sold 11 million iPads in the last quarter and this strong performance kept it firmly in second place in the total PC market with a 15% share, behind HP (16%) and ahead of Lenovo (12%), Dell (10%) and Acer (10%). Apple maintained a top-two position in each region.

'Ongoing legal and media battles between Apple and its current closest competitor, Samsung, kept the top two pad vendors in the spotlight over the course of Q3,' said Canalys Analyst Tim Coulling. 'The result is that the pad market is being portrayed as very much a two-vendor race, with Samsung benefitting the most from the extra publicity on the global stage. In reality though, competition is intensifying as more vendors enter the market and seek to capitalize on growth opportunities.'

As the holiday season gets underway, Canalys expects Amazon to make a major impact with its new Kindle Fire, priced at an extremely aggressive \$199. Canalys predicts that the combination of a low price point and extensive video, audio and other content will propel Kindle Fire shipments to more than 2 million in the fourth quarter, with Amazon taking second place in the United States. A mass upgrade movement from the original Kindle e-book reader to the Fire, however, is not a foregone conclusion and international roll-out has yet to be announced.

'HP's fire sale of the TouchPad, slashing prices from \$499 to \$99, following its decision to withdraw webOS hardware, demonstrated that pricing is a critical factor in determining success,' said Coulling. 'Overall, HP took fifth place in the worldwide pad market, shipping around 560,000 units.'

HP recently announced that it would retain its Personal Systems Group (PSG), stating that PSG was too intertwined in HP's overall business. But the future of webOS remains unclear, despite HP's continuing investment in the platform. Canalys believes that webOS gives HP a much needed point of differentiation and HP should now make every effort to use the platform.

In addition to finding the right price points, vendors need to create a rich and vibrant content ecosystem. 'Though overall pad growth next quarter is inevitable, some vendors are further along than others in

terms of providing a comprehensive user experience,' said Canalys Research Analyst Michael Kauh. 'Content is critical, as is a compelling consumer proposition with single sign-in and billing options.'

Worldwide total client PC shipments					
Market shares Q3 2011, Q3 2010					
Vendor	Q3 2011		Q3 2010		Growth
	shipments	% share	shipments	% share	Q3'11/Q3'10
Total	108,464,470	100.0%	92,303,840	100.0%	17.5%
HP	17,201,940	15.9%	15,505,860	16.8%	10.9%
Apple	16,017,280	14.8%	8,065,280	8.7%	98.6%
Lenovo	12,920,430	11.9%	8,927,780	9.7%	44.7%
Dell	10,790,970	9.9%	10,735,690	11.6%	0.5%
Acer	10,682,490	9.8%	13,278,640	14.4%	-19.6%
Others	40,851,360	37.7%	35,790,590	38.8%	14.1%

Source: Canalys estimates, © Canalys 2011
Includes all desktops, netbooks, notebooks and pads

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