

Global PC shipments fall 7% as major categories start to struggle

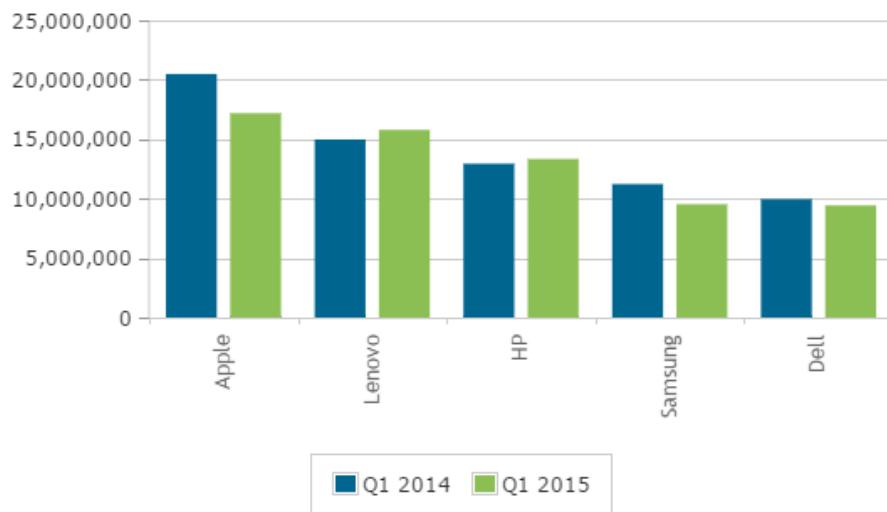
- Market declines will continue in 2015 as PC growth engines grind to a halt

Shanghai, Palo Alto, Singapore and Reading (UK) - Thursday 7 May, 2015

The global PC market, including tablets, experienced an annual decline of 7% in Q1 2015, reaching 115.7 million units worldwide. Apple held on to first place despite a 16% decline in its total PC shipments. It shipped 17.2 million units, taking a 15% share of the market. Lenovo and HP, second and third place respectively, both saw single-digit shipment growth in Q1 2015 and increases in market share. Samsung narrowly held on to fourth spot as its declining tablet sales led to Dell closing the gap in fifth place. Samsung and Dell took 8.2% shipment market share with 9.5 and 9.4 million units respectively.

'The growth drivers that previously helped the market through 2014 will have little effect this year. Vendors are struggling with exchange rate fluctuations which is making financial planning more difficult and forcing price increases', commented Tim Coulling, Canalys Senior Analyst. 'These challenges, combined with a softening of demand as Windows 10 draws nearer along with Microsoft's free upgrade plans, means PC market declines will be greater in the second quarter than they were in the first.'

PCs including tablets, Worldwide, units (millions) by vendor, Q1 2014 and Q1 2015



Desktop shipments were hardest hit, falling 13%, with declines affecting all global regions. 'The desktop category no longer benefits from shipments driven by XP migration', said Rushabh Doshi, Canalys Analyst. 'As a result, we expect to see significant shipment declines in 2015 when compared to 2014.'

The notebook market fared better, but after two quarters of falling less than 1%, declines have now increased to 4%. ‘The notebook category faces significant challenges for the rest of the year as Microsoft has restricted the Windows with Bing program to notebooks with sub 14-inch screen sizes. Channel inventory has been building since Microsoft announced the change and this will need to adjust before significant orders return’, continued Doshi. ‘Any price rises for Windows notebooks will play into the hands of Google who is making strides in improving Chrome OS for both consumers and businesses.’

The tablet market declined around 9% year-on-year to 45.6 million units, with market leaders Samsung and Apple experiencing double-digit shipment declines as demand for the category has cooled. ‘The rapid growth in the tablet market has caused markets in Western Europe and North America to become highly penetrated and shipment volumes have started to decline. Growth in these markets now relies on consumer replacements or increasing business purchases, neither of which looks likely to pick up significantly in the coming quarters’, said Coulling. ‘We are continuing to see the tablet market slowing down in less penetrated markets, where large smart phones are now replacing tablets and other devices for accessing the internet. Smart phones with screen sizes larger than 5.5-inches made up 31% of shipments in China. As this segment grows, tablets under 8-inches are declining and make up just 41% of the Chinese tablet market this quarter compared to 66% a year ago.’

Hybrid and convertible shipments doubled year-over-year in Q1 2015, reaching 3.0 million units. Asus headed the market with 28% market share, followed by Lenovo and Acer with 19%. The market for two-in-one devices is expected to continue to grow during 2015 as consumers become accustomed to new form factors. In addition, Windows 10 will provide a better user experience when switching between tablet and notebook modes on these devices.

About Canalys

Canalys is an independent analyst company that strives to guide clients on the future of the technology industry and to think beyond the business models of the past. We deliver 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.

To view the chart(s) from this press release, and others from Canalys, download the new Insight @Canalys app today from the Apple App Store, the Google Play store or as an [HTML 5 web app](#).

Receiving updates

To receive press releases directly, or for more information about our events, services or custom research and consulting capabilities, please complete the [contact form](#) on our web site.

Copyright © Canalys 2015. All rights reserved.

Americas: Suite 316, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488

APAC: Room F/G, 7/F, Jinjiang Xiangyang Tower, 993 Nanjing West Road, Jing An District, Shanghai, 200041, China | tel: +86 21 2225 2888

APAC: 1 Robinson Road, AIA Tower, #14-02, Singapore 048542 | 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