



## **Weak consumer demand in Q4 results in a 2.8% decline in Indian Traditional PC Market in CY2018: IDC India Report**

**NEW DELHI, 14<sup>th</sup> February 2019:** According to latest [\*IDC Asia/Pacific Quarterly Personal Computing Device Tracker, February 2019\*](#), the overall India traditional PC market shipments for the calendar year 2018 (CY2018) stood at 9.3 million units, a decline of 2.8% Year-on-Year (YoY). This was primarily due to the muted consumer demand and the absence of large special projects in 2018Q4 as shipments for the quarter stood at 1.99 million units, down by 23.8% YoY and 26.7% QoQ.

### **Full Year Highlights**

The overall market saw good momentum in H1 2018 due to stable consumer spending and the execution of special projects. However, the market witnessed challenges in H2 2018 in both consumer and commercial segment owing to the aggressive stocking of inventory, drop in demand and impact of processor shortages.

“Despite decline in CY2018, the industry is seeing new adoption trends of traditional PC’s. The market witnessed the rise of new form factors in both desktop and notebook category,” says [\*\*Nishant Bansal\*\*](#), **Research Manager, IPDS & PCD, IDC India**.

“All-in-One, Ultrasmall and small desktops saw a combined growth of 23% YoY, while convertibles and ultraslim notebooks observed a cumulative growth of 75% YoY. Traction towards exciting new categories such as branded gaming notebooks continued in CY2018, clocking a growth of 123% YoY. Gaming and new form factors have been driving the growth of the premium market segment in CY2018,” adds Bansal.

### **Segment Highlights**

In CY2018, the consumer market dropped by 1.5% and recorded an overall shipment of 4.54 million units. Consumer Notebook shipments saw a growth of 0.7% over last year owing to increase in demand for growing categories like gaming and ultraslim notebooks, thereby commanding a share of 82% out of the overall consumer PC market while Consumer desktops saw an annual decline of 10.2% due to the weakening contribution of the unbranded desktops.

In CY2018, the commercial shipments declined by 4%, recording a total volume of 4.76 million units, as the year did not see any large-scale special projects in the education segment. Large and

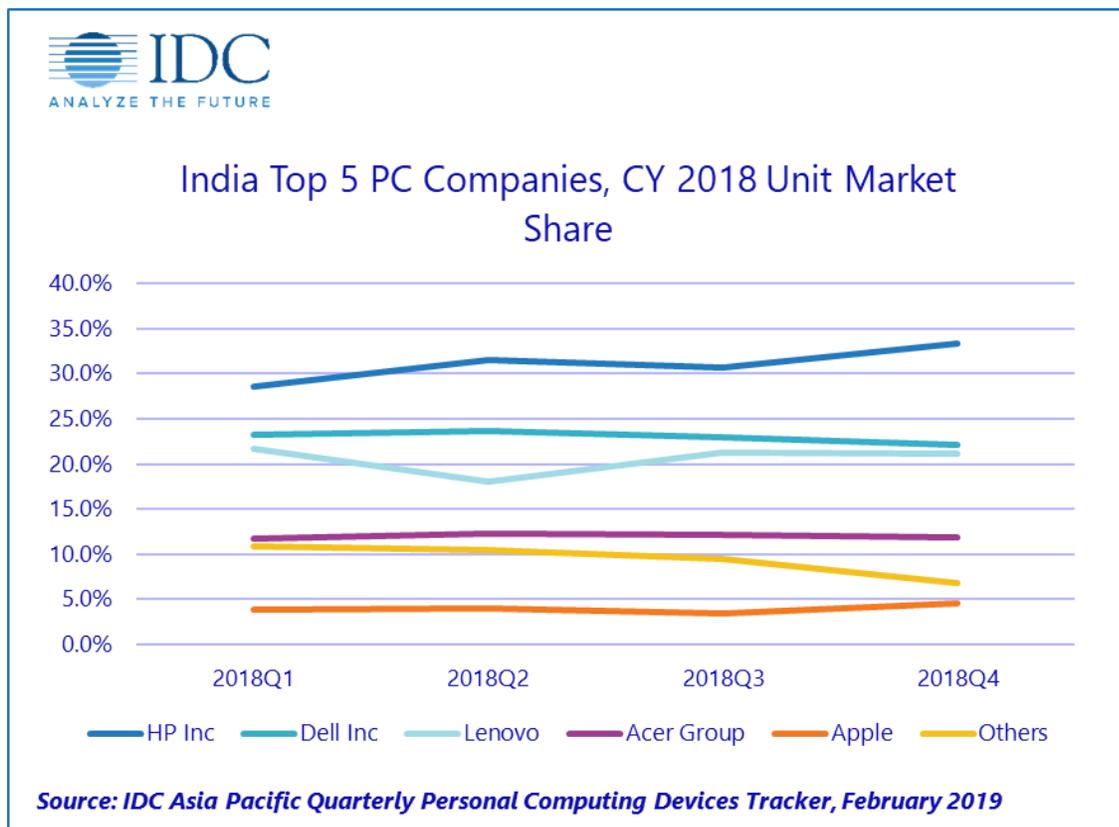
Very Large businesses saw a total growth of 17.6% YoY. Companies in IT/ITES and BFSI have been driving the spending in the Enterprise segment.

### Quarter Highlights

Consumer PC market registered an overall shipment of 0.91 million units in 2018Q4, which is a 25.7 % decline over last year. The decline in the segment was a result of the excess inventory being carried forward from 2018Q3 owing to a drop in festive buying from consumers, aggravated further by channel partner issues across the country.

The overall commercial PC market recorded a total shipment of 1.08 million units in 2018Q4, a decline of 22.1 % over last year. The drop is largely attributed to the sluggish demand from the SMB segment owing to credit uncertainty and lack of execution of large special projects. Moreover, challenges in fulfilling enterprise orders due to processor shortages also accounted for the drop in commercial volumes.

Figure 1



### Top 3 Company Highlights:

#### HP Inc.:

HP Inc. led the overall India traditional PC market with a 31.0% share in CY2018 and recorded a YoY shipment growth of 0.6%. The vendor has maintained its dominance in the consumer PC market in CY2018, growing 5.6% YoY due to continuous engagement with channel community and penetration across Tier 2 and Tier 3 states to increase footprint and build brand awareness. The vendor led the commercial segment in CY2018 with key strategic wins in enterprise accounts in IT/ITES vertical but registered a decline of 3.9% in shipments YoY as the vendor was not able to execute high-volume special projects in the public sector segment.

**Dell Inc.:**

Dell remained second with a 23% share in CY2018 but witnessed a soft decline YoY in shipments by 0.2% in the overall traditional PC market. In the consumer market, Dell Inc. was down by 11.5% YoY owing to challenges within the channel towards H2 2018. The vendor recorded a growth of 10.6% YoY in the commercial segment, driven by the refresh in enterprise demand and strong positioning within global accounts across the large and very large business.

**Lenovo:**

Lenovo held the third position with a 20.6 % market share in the overall India traditional PC market in CY2018, which is a marginal decline of 1.3% in shipments YoY. The consumer PC business grew by 17.0% YoY in CY2018 as the company aggressively captured consumer mindshare in the ultraslim notebook category and continued with online channel focus and regional exclusive store penetration. Lenovo's commercial segment dropped by 13.3 % YoY in the year as the company did not witness the execution of large manifesto projects. However, the company saw strong growth in the Enterprise and SMB segments.

Figure 2



## India PC Shipments (M), Share, and Year-on-Year Growth by Top 5 Companies, 2018

Company	2018 Shipment Volumes	2018 Market Share	2017 Shipment Volumes	2017 Market Share	Year-on-Year Unit Change (2018 over 2017)
HP Inc.	2.9	31.0%	2.8	29.9%	0.6%
Dell Inc.	2.1	23.0%	2.1	22.4%	-0.2%
Lenovo	1.9	20.6%	1.9	20.3%	-1.3%
Acer	1.1	12.0%	1.2	12.2%	-4.1%
Apple	0.4	3.9%	0.3	3.6%	6.8%
Others	1.0	9.5%	1.1	11.7%	-20.5%
<b>Total</b>	<b>9.3</b>	<b>100.0%</b>	<b>9.5</b>	<b>100%</b>	<b>-2.8%</b>

*Source: IDC Asia Pacific Quarterly Personal Computing Devices Tracker, February 2019*

### India PC market forecast:

“Heading into 2019Q1, IDC expects the consumer market to decline due to frail consumer sentiment and see a correction of inventory in the channel. IDC anticipates vendors to push the new portfolio of products into the market to drive demand in the mid of CY2019. The commercial market is expected to grow on the back of the execution of special projects. Moreover, the Government segment is likely to withhold on spending before the general elections. Headwind around processor shortage is expected to continue, impacting vendor shipments in 2019Q1.” according to [Navkendar Singh](#), Associate Research Director, Client Devices & IPDS, IDC India.

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