India's traditional PC market grew 15.8% year-over-year in 3Q19, reports IDC India

NEW DELHI, 14th November 2019 – The India traditional PC market inclusive of desktops, notebooks, and workstations, shipped 3.1 million units, up 15.8% year-over-year (YoY) during the third quarter of 2019 (3Q19), according to new data from the International Data Corporation (IDC) Worldwide Quarterly Personal Computing Device Tracker. This growth was mainly driven by the second phase of shipments to the Electronics Corporation of Tamil Nadu Ltd. (ELCOT) under its ongoing initiative of free distribution of laptops in the state. Also, as Windows 7 is near to its scheduled end in early 2020, corporate and enterprise users accelerated their upgrades to Windows 10.

The Desktop category saw a 10.6% YoY growth in its shipments, mainly contributed by Windows 10 refresh buying from the banking sector. Notebooks grew 18% annually on the back of education deals as well as growth in both corporate and SMB segments, as these enterprises scaled up their purchases for Windows 10 migrations.

Segment Highlights

The commercial segment witnessed a 39% YoY growth, as vendors shipped a total of 1.7 million units in 3Q19. Even outside of the ELCOT deal, the commercial segment grew 15.7% annually, as it witnessed strong traction for both desktops and notebooks.

"Strong demand from the start-up ecosystem, BFSI segment, and very large enterprises, along with the Tamil Nadu education deal, helped the commercial segment provide much-needed growth to the Indian PC market," says Bharath Shenoy, Market Analyst, PC, IDC India. "Vendors have procured inventory to target Windows 10 refreshes in small and medium enterprises. Hence, the SMB segment is expected to be relatively softer in 2019Q4, although education deals and global account refreshes are expected to maintain the momentum," adds Bharath.

While the commercial segment witnessed healthy growth, the consumer segment was down by 4.2% from the same quarter a year ago. However, it grew 49% sequentially driven by multiple mega online festivals and Diwali offers.

Learning from last year's inventory issues, some vendors were cautious to avoid extra stocking this time and shipped in a phased manner, leading to a weak consumer quarter as compared to 3Q18. However, ASUS, Acer, and Apple were aggressive in billing for online festivals and registered higher double-digit growth in their online shipments. Also, this Diwali, e-tailers extended the sales and continued the bank and discount offers for almost a month, which helped them to manage almost similar volumes as last year. Regardless of vendors' efforts to maintain the price parity between the offline and online channels, the retail segment witnessed a 6.9% decline when compared to 3Q18.

"As we see consumers shifting entertainment and content consumption to smartphones, PCs are becoming a conscious purchase in India. Consumers are comfortable to wait for discounts and offers while looking to buy or upgrade their PCs," says Jaipal Singh, Associate Research Manager, IDC India. "Looking at opportunities, branded PC gaming is a growth area in the next few quarters. Although India's gaming market is dominated by mobile phones, gamers have already started preferring PCs for a more immersive experience as their best alternate," adds Singh.

Top 5 Company Highlights:

Lenovo retained its leadership position with a 28.5% market share in 3Q19. Its shipments grew 55.4% YoY on the back of the ELCOT deal. Outside the ELCOT, Lenovo was able to win a few large BFSI deals, which helped the brand to maintain triple-digit growth in the overall commercial segment for the second quarter in a row.

HP Inc. maintained its second position with a 26.4% market share, as its shipments grew 9.9% from the previous quarter. One large education deal where HP was the main supplier was postponed to the following quarter, which led to a slight 0.6% decline in its shipments when compared to the same time a year ago.

Dell Technologies ranked third with a 19.7% market share in 3Q19, as its commercial shipments grew 24.1% annually. However, its consumer shipments fell 27.3%, resulting in a 0.6% decline in its overall shipments compared to the same period last year.

Acer Group maintained its 4th position with 11.9% market share, as its commercial shipments grew 21.3% annually and its consumer segment grew 2.8% YoY in 3Q19. A couple of wins in the BFSI and education segments helped the brand to record a 13.7% annual growth in its overall shipments.

ASUS registered 43.6% YoY growth and was able to capture a 5.3% market share in 3Q19. ASUS recorded its highest ever shipments in the country, mainly driven by strong growth in the online channel.

Figure 1

India PC Market, Top Five companies, Market Share, Year-over-Year Growth, 3Q19

Company	3Q19 Shipment Volume	3Q19 Market Share	3Q18 Shipment Volume	3Q18 Market Share	Year-over-Year Unit Change (3Q19 over 3Q18)
1. Lenovo	895	28.5%	576	21.3%	55.4%
2. HP Inc.	828	26.4%	832	30.7%	-0.6%
3. Dell Technologies	617	19.7%	621	22.9%	-0.6%
4. Acer Group	373	11.9%	328	12.1%	13.7%
5. ASUS	165	5.3%	115	4.2%	43.6%
Others	259	8.2%	237	8.8%	9.5%
Total	**3,137**	**100%**	**2,709**	**100%**	**15.8%**

Shipments are in thousand of units
Source: (IDC) Worldwide Quarterly Personal Computing Device Tracker, November 2019

Notes:

- Shipments include shipments to distribution channels or end-users. OEM sales are counted under the company/brand under which they are sold.
- Traditional PCs include Desktops, Notebooks, and Workstations and do not include Tablets or x86 Servers. Detachable Tablets and Slate Tablets are part of the Personal Computing Device Tracker but are not addressed in this press release.

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