Indian Traditional PC Market Finishes the Year at a Six-year High with 11 Million Shipments in 2019, Reports IDC India

NEW DELHI, 13th February 2020 – The India traditional PC market inclusive of desktops, notebooks, and workstations finished 2019 with an impressive 18.1% year-over-year (YoY) growth, shipping 11 million units during the year, according to new data from the International Data Corporation (IDC) Worldwide Quarterly Personal Computing Device Tracker, 4Q19. 2019 also turned out to be the biggest year for PC shipments in the last six years. The growth was largely propelled by the government-driven education projects and upgrade purchases for Windows 10.

The last quarter of the year (4Q19) also saw a healthy 16.5% YoY growth with 2.3 million shipments, primarily contributed by the strong 26.5% annual growth in the commercial segment. Also, after a YoY decline for five straight quarters, the consumer segment saw growth of 4.6% YoY in 4Q19 shipping close to 950 thousand units.

As notebook PCs become thinner and lighter with enhanced mobility features, they are increasingly getting preference from the consumers, education sub verticals, and enterprises. Notebook PCs saw highest-ever annual shipments with a 67.7% category share in 2019. The desktop category also witnessed a 5.7% YoY growth largely driven by the refresh buying from banking and financial institutions and touched a 30.7% category share for the year.

On the processor front, shortage in availability of Intel's CPU was a concern point for vendors throughout the year. This provided room for AMD to enter certain segments and helped vendors to fill the gaps to some extent. However, Intel remains a leading processor brand with a 70.8% share in the traditional PC category.

Segment highlights

The large government education projects, Windows 10 refresh orders along with vendor initiatives to target SMEs even in the lower-tier cities and helping them with easy finance options were the key drivers of strong growth in the commercial segment, aiding in its growth of 44.8% annually in 2019.

"While large businesses were the volume driver, vendors invested in building new teams, exploring new channels, and educating the customers to tap the SMB segment," says Bharath Shenoy, Market Analyst, PC, IDC India. "India's SMB market provides a large opportunity for PC vendors in the next few years, as SMBs strive to adopt new technologies for their digital transformation journey. However, the vendors need to be more innovative to deal with the aspirations of this segment and would require a cohesive ecosystem focus to improve the infrastructure and support for small and medium businesses," adds Shenoy.

The commercial segment saw healthy growth in all four quarters of 2019. However, vendors struggled to achieve meaningful growth in the consumer segment despite adding more ultra-slim devices with higher processing power and optimized performance in the portfolio. One notable growth area was the Gaming based PCs, which grew 51.1% YoY in 2019. While most of the vendors increased their shipments in the gaming segment, Asus stood out as a leading vendor with one in every four notebooks shipped being a gaming one from the vendor in 2019.

Commenting on the outlook for 2020, Jaipal Singh, Associate Research Manager, Client Devices, IDC India states, "Most of the global companies and large Indian enterprises were quick in upgrading to Windows 10. However, a few sectors are still lagging and are expected to go for a refresh in the first half of 2020. This will certainly help the commercial segment to carry forward the positive momentum in H1 2020 with some residual upgrade demand coming in the next few months."

He further adds, "2019 should be seen as an exceptional year for the PC market due to the delivery of a few large education projects along with the Windows 10 refresh. In absence of any fresh mega-deal, lingering concerns around component shortage, and supply uncertainties due to recent novel coronavirus (2019-nCoV) outbreak, it would be difficult for vendors to maintain this level of growth in 2020."

Top 3 Company Highlights: 4Q19

HP Inc. regained the top position as its shipments grew 8.6% from the same time a year ago. However, the company remained in the 2nd position for the overall year. The growth in 4Q19 was driven by the fulfilment of few education deals and strong growth in the enterprise segment.

Lenovo slipped to 2nd position in 4Q19 but remains the leader for the overall year. Lenovo's commercial segment grew 32.1% YoY and the consumer segment witnessed 13.5% annual growth in the last quarter of the year, resulting in the annual growth in all four quarters of the year for the vendor.

Dell Technologies maintained its 3rd position in 4Q19. The vendor had registered strong growth in the commercial segment driven by refresh orders from its global accounts and steady growth in the mid-market segment. However, vendor struggle continues in the consumer segment as its shipments remain flattish, when compared to the same quarter last year.

Figure 1

India PC market, Top five companies, Market Share, Year-over-Year Growth 4Q19					
Company	4Q19 Shipments	4Q19 Market Share	4Q18 Shipments	4Q18 Market Share	Year-over-Year Unit Change (4Q19 vs 4Q18)
1. HP Inc.	721	31.2%	664	33.4%	8.6%
2. Lenovo	521	22.5%	420	21.1%	24.0%
3. Dell Technologies	514	22.2%	440	22.1%	16.9%
Others	557	24.1%	462	23.4%	20.6%
Total	2,313	100.0%	1,986	100.0%	16.5%
Source: IDC Worldwide Quarterly Personal Computing Device Tracker, February 2020					
Note: Shipments are in thousands of units					

Figure 2

India PC market, Top five companies, Market Share, Year-over-Year Growth 2019					
Company	2019 Shipments	2019 Market Share	2018 Shipments	2018 Market Share	Year-over-Year unit change (2019 vs 2018)
1. Lenovo	3,514	32.0%	1,913	20.6%	83.7%
2. HP Inc.	2,907	26.5%	2,878	31.0%	1.0%
3. Dell Technologies	2,172	19.8%	2,139	23.0%	1.5%
Others	2,383	21.7%	2,366	25.4%	0.7%
Total	10,976	100.0%	9,296	100.0%	18.1%
Source: IDC Worldwide Quarterly Personal Computing Device Tracker, February 2020					
Note: Shipments are in thousands of units					

Note:

• 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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