



India HCP Market Declines by 4.7 % YoY in CY2019 even as Ink Tank Printers Overtake Laser Printers to Lead the Market in 2H19; IDC India Reports

NEW DELHI, February 18th, 2020 – India HCP market shipped 3.5 million units in CY2019 and registered a year-over-year (YoY) decline of 4.7% due to weak consumer segment demand. In 4Q19 the market shipped 0.79 million units, a YoY decline of 7.3%, as per the latest [IDC Worldwide Quarterly Hardcopy Peripherals Tracker , 4Q19](#). 4Q19 witnessed low demand, which was a result of overstocking of the channel in 3Q19 and prevailing consumer sentiment.

Full-year Highlights:

The annual decline was primarily from laser printers (excluding copiers) declining by 11.8%, as the market continued to be impacted by weak demand as well as migration to Ink Tank printers. The laser copier market grew by 6.9% with strong corporate demand and continuing decline of refurbished copier market. The inkjet market remained stable with a decline of 0.1%. The year ended with the inkjet market commanding more than half of the market.

“Two segments weathered the challenging market conditions in 2019. Ink Tank printers grew by 7.0% and now command 73.2% of the inkjet market. The Ink Tank segment overtook the overall laser printer segment for the first time in 2H19. The laser copier segment also noted a growth of 6.9%. In 2018, Government’s strict regulation on the refurbished Copier (RC) market through tight monitoring and increased seizing of illegal units at major ports gave a boost to the original copier segment, which continued in 2019 as well. However, by 2H19 the market resumed its normal pace of growth as the effect of RC market stabilized,” says [Bani Johri](#), Market Analyst, IPDS, IDC India.

Quarter Highlights:

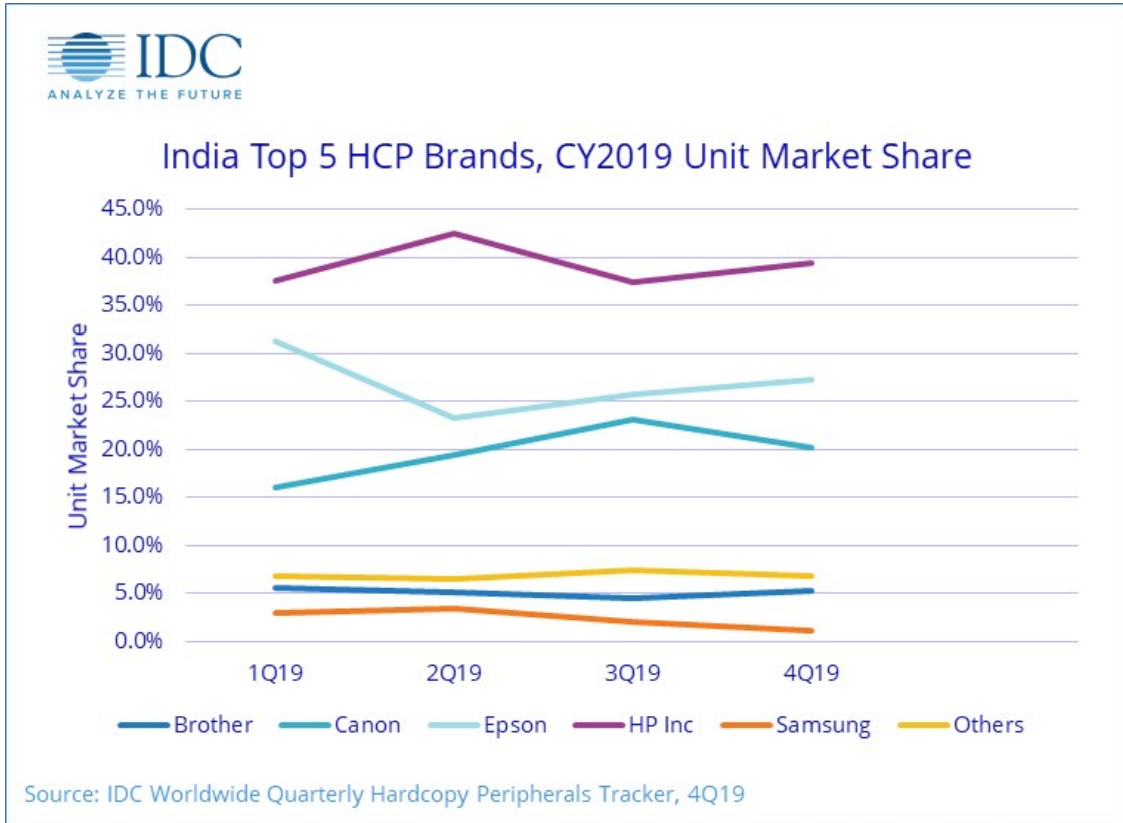
Inkjet printer shipments declined by 2.9% YoY with a contribution of 52.3% to the overall India HCP market. The decline in inkjet printer shipments was led by ink cartridge printers, which recorded a steep YoY decline of 23.8%. The overall laser printer market declined YoY with the laser copier declining by 12.4%, its sharpest decline since 4Q16, as the market normalizes post the spurt in 2018 following the closure of the refurbished copier market.

4Q19 witnessed the sharpest quarter-over-quarter (QoQ) decline of 24.4% a result of a combination of factors. Firstly, in 3Q19 multiple vendors overstocked the channel prior to the festive season online sales in 4Q19. Also, low sell out due to muted consumer demand affected

the entire channel's credit system causing distributors to hold back on purchasing fresh stock till the previous inventory was cleared.

Overall HCP* Market:

Figure 1



Top 3 Brand Highlights:

HP Inc. (Excluding Samsung) maintained its leadership in CY2019 HCP market with a market share of 39.1%, while posting a YoY decline of 7.4%. HP's Ink Tank shipment grew by 14% YoY as a result of strong channel schemes and end-user promotions. It's Laser A4 segment witnessed a decline of 9.7% YoY, its highest decline since CY2009. On the bright side, HP's share in the copier segment grew by 29.4% YoY owing to strong channel push.

Epson maintained its 2nd position in the overall CY2019 HCP market with 26.8% market share. It also continued to hold its leadership in the inkjet segment with a market share of 45.7% and YoY growth of 1.4%. Epson's stable numbers despite muted market sentiments can be primarily attributed to Epson's strong brand recall, channel depth and multiple channel schemes in the first half of the year.

Canon recorded YoY decline of 6.3% in CY2019 and maintained its 3rd position in the HCP market. In the copier segment, it maintained its leadership position with a 29% unit market

share as a result of its strong corporate connect and steady flow of government orders. In the Ink Tank segment, Canon witnessed a strong YoY growth of 15.7% because of its increased focus on the Ink Tank segment with launch of new models, attractive channel schemes and end-user promotional campaigns. In 2H19, Canon overtook HP to become the 2nd largest player in the Ink Tank segment.

Figure 2



India HCP market, Top three 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. HP Inc.	1.39	39.1%	1.50	40.2%	-7.4%
2. Epson	0.95	26.8%	0.95	25.5%	0.0%
3. Canon	0.70	19.9%	0.75	20.2%	-6.3%
Others	0.51	14.2%	0.52	14.1%	-1.9%
Total	3.55	100.0%	3.72	100.0%	-4.7%

Source: IDC Worldwide Quarterly Hardcopy Peripherals Tracker, 4Q19

Note: Shipments are in millions of units

IDC India Market Outlook:

“IDC expects the overall HCP market to remain stable in 1Q20 led largely by Ink tank printers as vendors continue pushing them aggressively, while laser printers will continue to decline. We also expect demand from the SMB segment to improve in 2020 as the credit situation improves. Government demand is likely to be robust as several departments rush to spend their allocated budget in 1Q20 leading to strong demand for laser copiers,” says [Nishant Bansal](#), Research Manager, IPDS, IDC India.

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For more information contact:

Shivani Anand
sanand@idc.com
+91 9910466896