

IDC: Ultralims, Detachables "Revitalise" PC Market

Written by Marco Attard
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IDC has some good news for the W. European PC market-- Q2 2016 sees ultralim notebooks and detachable (or hybrid) device shipments grow by 8.6% and 192.3% Y-o-Y respectively, marking at least one opportunity in a declining industry.



Around 1 in 5 PCs shipped in W. Europe in the quarter is an ultralim notebook, while 1 in 4 tablets shipped is a detachable in both consumer and commercial segments, showing such devices have good traction despite current market challenges. After all, one has to keep in mind combined Q2 2016 PC and tablet shipments in the region are "stable" at 17.2 million units, a -3.4% Y-o-Y decline.

Ultralims make 28.5% of Q2 2016 notebook volumes, an increase from 27% share last year. Consumer demand drives ultralim growth, since such portable solutions are more attractive if advantages such as longer battery life are clearly promoted.

"Consumers are increasingly looking at performance, thinness, weight, battery life and display quality when they purchase new devices or replace old ones" the analyst says. "They prefer more frequently thin and light solutions that are high-performing and easy to carry around. Ultralim notebooks allow for flexibility and address consumer mobile needs well. The results show a great performance for ultralims and highlight their strong growth potential across W. Europe."

Many vendors started offering ultralim products after Apple launched the popular MacBook Air, including HP, Dell and Lenovo. However Apple remains leader of the product category,

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accounting for over 30% of the W. European ultraslim market. HP follows with the successful Spectre products, while Lenovo retains the same market share as last year despite experiencing growth.

Chromebooks are also gaining in W. Europe, particularly in the Nordics thanks to the back-to-school region. Volumes are still low since Chromebooks are in early adoption stage among schools, but IDC describes the growth potential as "promising" particularly in Swedon, where Q2 2016 shipments are up by 59.7% Y-o-Y.

Meanwhile detachables see "interesting" growth in W. Europe, with shipments growing from 0.5m in Q2 2015 to 1.6m in Q2 2016, in contrast with the -6% Y-o-Y decline of the tablet market. Detachables perform strongly across W. Europe with triple-digit growth in all countries. The Microsoft Surface is the most widely adopted detachable in the commercial segment while the iPad Pro leads in the consumer segment.

Detachables and ultraslms prove a boon for one company-- Microsoft, since Windows is the OS of 44.8% of the combined PC and tablet market. Interestingly Windows performance is stronger across tablets than PCs, and the OS sees 25.5% Y-o-Y growth in tablets as it declines by -1.6% Y-o-Y in PCs. However Windows 10 is failing to impact positively on hardware renewals, and many enterprises still run machines on Windows 7 platforms.

Western Europe PCs and Tablets: OS Trends
2016Q2 (Calendar Year, 000 Units)

OS	Unit Shipments 2015Q2	Unit Shipments 2016Q2	Unit % Share 2015Q2	Unit % Share 2016Q2	Unit Growth 2015Q2 vs 2016Q2
Windows	10,319	10,437	41.6%	44.8%	1.1%
Android/Chrome OS	11,034	9,810	44.5%	42.1%	-11.1%
OS X /iOS	3,416	3,032	13.8%	13.0%	-11.2%
Others	13	19	0.1%	0.1%	52.9%
Grand total	24,781	23,299	100.0%	100.0%	-6.0%

Android/Chrome OS come second even as Chrome OS adoption remains "marginal," while Apple OS X/iOS rank 3rd while remaining the most popular choice in the premium (>€1000) segment.

"Q2 2016 confirmed that in W. Europe new form factors continue to progress," IDC concludes. "A whole fresh ecosystem of operating systems, new models, and processors are increasing their penetration on the market. Combined, they provide portability, enhance the computing experience for consumers and target the mobility needs of many enterprises. These new form factors also bring more profitability to most manufacturers, which is a key reason of their focus, as competition in the entry-level space with more traditional product categories remains fierce."

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