Written by Alice Marshall
18 September 2019

Global consumer PC revenues are down "slightly" in H1 2019, GfK reports, as they fall by -1.5% Y-o-Y to €23.2 billion. Mobile PC turnover is up by 1% to €18bn, while desktops and AIO see a -10% Y-o-Y decline to €5.3bn.

The analyst points out the processor supply shortage faced in Q4 2019, the effects of which are still being felt in 2019. It is the reason why H1 2019 mobile PC demand is down by -5% in unit term, leading to sales reaching 27.5 million units. W. European sales are down by -6% Y-o-Y. However, the importance of performance and premium features for consumers brought about a 1% increase in revenues worth €18bn.

“The PC may have lost the battle for the most personal device, but when it comes to performance and productivity, it is still irreplaceable," GfK says. "This explains why the demand for PCs is often use case-driven-- for gaming and entertainment, education, work and creativity for instance. Alongside that performance, consumers want the same appealing and sleek design they expect from their smartphone. This adds to their enjoyment when indulging themselves with premium products.”

In the meantime, tablets (specifically models running on a mobile OS) see strong performance following several challenging years, growing by 3% in value in H1 2019. Tablets larger than 9-inch see 12% growth. On the desktop/AIO side, desktop sales are down by -11% in value, while AIOs see a -7% decrease in H1 2019, with revenues reaching €5.3bn. Further accelerating the decline of AIOs is a -12% Y-o-Y drop in W. Europe.

A notable opportunity for both PC retailers and vendors is in gaming-- the industry has matured into an entire ecosystem, and represents revenues worth €5.4bn in H1 2019, a 16% Y-o-Y increase. Slowdown in both EMEA and China did lead to a -4% decline in demand for gaming OEM desktops, but gaming OEM notebook demand is up by 13% Y-o-Y, bringing €3.1bn turnover.

Gaming monitors are the fastest growing segment, with H1 2019 revenues growing by 42% Y-o-Y to reach €1bn. Gaming gear (mice, keyboards, headsets) see single-digit growth. A gaming monitor costs an average of 1.6x the price of a non-gaming one, while the price ratio between a gaming and non-gaming desktop PC is 2.4, proof gaming is a margin driver for the industry and retail.

Moving on to mobile PCs, the trend towards thinner and lighter machines continues apace. In fact, 56% of notebooks sold in H1 2019 are thinner than 21mm, and around 30% of notebooks on the market is 18mm thin. Thin laptops are usually also light, but premium devices are also not too light. The share of notebooks weighing 1-1.8kg is at 53% for H1 2019. The size of the device also affects weight, leading to laptops with 13-14-inch displays accounting for 46% of all notebooks sold.

According to a GfK survey, around 38% of notebooks sold on Q1 2019 were for "educational reasons." The amount rises to 44% during the back-to-school period, underlying the importance of not only meeting customer needs, but when. At the same time, 67% of customers point out product features as the most important driver in choosing a notebook. For instance, video/photo editing and content creation features are very popular, thanks to social media, and the scope goes even further to address the professional needs of designers, photographers and creative professionals.

Notebooks with an SSD and a dedicated GPU are also popular, and have an ASP of €853. Such devices are up by 35% Y-o-Y in terms of value and 38% Y-o-Y in unit terms in H1 2019, generating over €2.4bn and 17% share of the overall notebook market. The conclusion? A combination of sophisticated design and enhanced performance attracts both customer attention and spending.

Go [GfK: PC market declines slightly in first half of 2019]