



Tablet Sales Plummet in Western Europe as PC Buyers Go For Convertibles and 2-in-1s

Latest figures from CONTEXT show 27.5% drop in unit sales in Q4

MWC, Barcelona – 22nd February 2016 - The popularity of tablets in Western Europe has declined dramatically over the past year, with consumers increasingly focusing on alternatives like 2-in-1 detachables and convertible notebooks, according to market research firm CONTEXT.

Year-on-year unit sales of slate tablets across Western European distributors dropped by 27.5% in Q4 alone, from over five million at the end of 2014 to around 3.7 million in the final three months of last year.

The analyst's figures reveal a decline in tablet sales across most of Europe's top markets, particularly Germany (-43.4%) but also Spain (-31.3%), Italy (-19.7%) and the UK (-14.1%).

That trend has hit Android tablets particularly hard, with unit growth diving 37.4%. Over the same time period, iOS sales shrank by less than half that figure (-15.4%) while Windows tablets dropped 9.1%.

Consumers in the region appear to be registering a growing interest in alternatives such as 2-in-1 detachables.

Sales in this category were up 31.3% year-on-year to nearly 300,000 units, driven by consumer demand. The major vendors in this space were Acer – with a 29% share – Asus (24%) and HP (22%).

Convertibles are another category that appears to be booming of late.

In the fourth quarter there was a massive 84.7% growth in year-on-year sales of convertible notebooks. While growth came from a relatively small base, Q415 volumes were almost as high as those of detachables, at 246,000 units.

It's notable that the average selling price (ASP) in this category has dropped from a high of €645 in Q2 2015 to €546 in the fourth quarter, with entry-level products driving growth.

“To put these figures in perspective, detachables and convertibles comprised 11% of overall notebook unit sales in distribution at the end of last year, and an even larger share (15%) in the consumer space”, said Marie-Christine, senior analyst at CONTEXT.

Furthermore, in the last quarter the decline in PC distributor sales that we saw throughout 2015 softened, with a strong focus on stock clearance. In fact, total unit sales dropped only 0.1% year-on-year in Q4 2015, although this was helped by notebook performance (+2.7%), while desktops continued to fare badly (-8.7%).

“When it comes to notebooks, the share of Windows 8.1 ‘Bing’ machines sold dropped from 17% in the first three months of 2015 to just 2% in Q4”, Pygott added.

The UK market posted a healthy 10% year-on-year increase in PC sales in Q4, thanks to a strong Black Friday holiday shopping season and fewer currency issues than the Eurozone countries. Spain showed continuing signs of recovery with 8.3% growth while Italy (-3.3%) Germany (-3.5%) and France (-9.2%) all saw declines.

Consumer PCs posted a small year-on-year growth in unit sales (2.9%) while business sales dropped 4.5%.

There was good news for Microsoft, with Windows 10 sales accelerating as old PC stock was cleared. The new OS accounted for 79.7% of all Windows home PCs sold in December while on the business side the share for Windows Pro was 36.7% when including the Windows 7/Windows 10 downgrade version.

Country break-down - Q415 year-on-year PC growth rates:

Germany	-3.5%
United Kingdom	10.0%
Italy	-3.3%
Spain	8.3%
France	-9.2%
Netherlands	2.0%
Switzerland	5.9%
Portugal	-5.6%
Belgium	-1.8%
Austria	-3.3%
Poland	-5.3%

About CONTEXT

"Headquartered in London with approximately 250 staff across the world, CONTEXT specialises in tracking technology sales and pricing globally. Supported by the largest Distribution Channel Database in the world and coupled with our extensive experience in managing and reporting on large data sets, we provide the highest quality data that has been helping our clients make business-critical decisions for over 30 years. CONTEXT also works with Government Statistical Services and key Trade Associations globally."

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