

# RESEARCH BULLETIN

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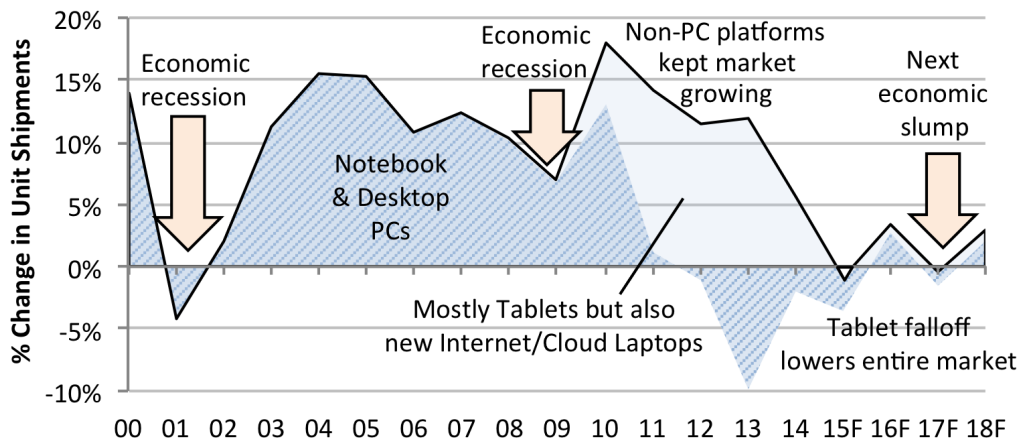
## Large-Screen Smartphones Erode Total Personal Computing Unit Growth *IC market for personal computing devices forecast to decline in 2015 as a result.*

Five years ago, touchscreen tablets began pouring into the personal computing marketplace, stealing growth from standard personal computers and signaling the start of what has been widely described as the “post-PC” era. Led by Apple’s iPad systems, tablet shipments overtook notebook PCs in 2013, and it appeared as if they would surpass total personal computer units (counting both desktop and portable systems) by 2016. However, that scenario no longer seems possible after tablet growth lost significant momentum in 2014 and then nearly stalled out in the first half of 2015 due to the rise in popularity of large-screen smartphones and the lack of interest in new tablets that do not add enough features or capabilities to convince existing users to buy replacements. Consequently, IC Insights has downgraded its forecast for the overall personal computing market, including much lower growth in tablets and continued weakness in standard PCs (Figure 1).

### MORE INFORMATION CONTACT

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### Total Personal Computing Unit Growth

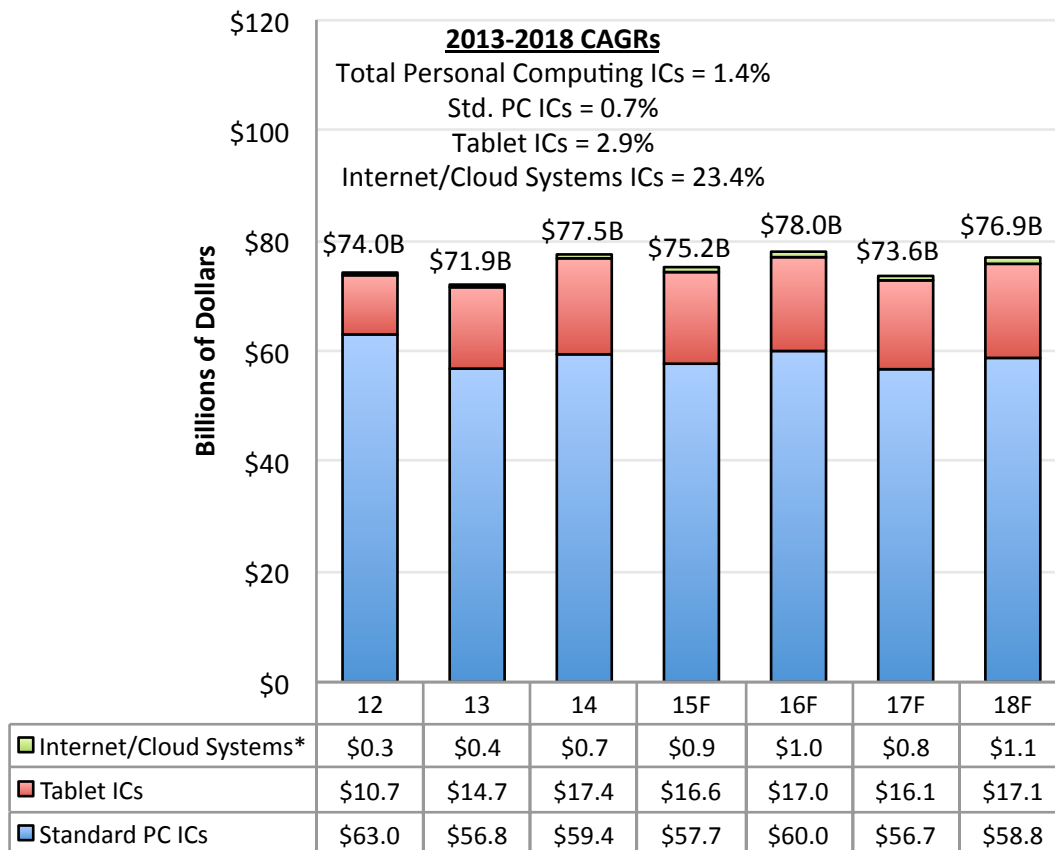


Source: IC Insights

Figure 1

Figure 2 shows IC Insights' forecast for integrated circuits used in standard PCs, tablet systems, and Internet-centric/cloud-computing systems. PC and tablet IC sales are expected to decline in 2015 because of downward revisions to system shipments in both of those categories this year. PC integrated circuit sales are now expected to decline by 3% in 2015 to \$57.7 billion from \$59.4 billion in 2014, when revenues grew 5%. IC sales for tablets are now expected to decline 5% in 2015, dropping to \$16.6 billion from \$17.4 billion in 2014, which experienced an 18% increase. Sales of ICs for Internet/cloud-computing laptops are now expected to rise 38% in 2015 to \$931 million from about \$675 million in 2014, which was an 83% increase.

## IC Market for Personal Computing Systems



\*Includes mini-notebook "netbooks," which were superseded by tablets in 2012.

Source: IC Insights

**Figure 2**

The compound annual growth rate of IC revenues for standard PCs is now expected to grow by a CAGR of 0.7% in the 2013-2018 timeperiod, reaching \$58.8 billion in the final year of the forecast. The reduction in tablet sales growth has also significantly lowered the projection of IC revenues in this category to a CAGR of 2.9% between 2013 and 2018. The outlook for integrated circuit sales used in Internet/cloud-

computing systems is forecast to grow by a CAGR of 23.4% in the forecast period, reaching \$1.1 billion in 2018.

### **Report Details: *The 2015 IC Market Drivers Report***

Additional details on the IC market for smartphones and personal computers is included in the 2015 edition of IC Insights' *IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. This report examines the largest, existing system opportunities for ICs and evaluates the potential for new applications that are expected to help fuel the market for ICs.

*IC Market Drivers* is divided into two parts. Part 1 provides a detailed forecast of the IC industry by system type, by region, and by IC product type through 2018. In Part 2, *IC Market Drivers* examines and evaluates key existing and emerging end-use applications that will support and propel the IC industry through 2018. Some of these applications include the Internet of Things, automotive electronics, smartphones, personal/mobile computing (including tablets), and a review of many applications to watch—those that may potentially provide significant opportunity for IC suppliers later this decade. *IC Market Drivers 2015* is priced at \$3,390 for an individual-user license and \$6,490 for a multi-user corporate license.

To review additional information about IC Insights' new and existing market research products and services please visit our website: [www.icinsights.com](http://www.icinsights.com)

#### **About IC Insights**

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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