

**CONTACTS:**

Viveca Woods  
Gartner  
+ 1 408 709 8220  
[viveca.woods@gartner.com](mailto:viveca.woods@gartner.com)

Laurence Goasduff  
Gartner  
+ 44 (0) 1784 267 195  
[laurence.goasduff@gartner.com](mailto:laurence.goasduff@gartner.com)

**Worldwide Device Shipments to Grow 1.9 Per Cent in 2016, While End-User Spending to Decline for the First Time**

***Businesses Will Adopt Windows 10 Faster Than Previous Windows Upgrades; PC Market to Increase 4 Per Cent in 2017***

***By End of 2016, 82 Per Cent of Mobile Phones Will Be Smartphones***

Egham, UK, 20<sup>th</sup> January 2016 — Worldwide combined shipments of devices (PCs, tablets, ultramobiles and mobile phones) are expected to reach 2.4 billion units in 2016, a 1.9 per cent increase from 2015, according to Gartner, Inc. (see Table 1). End-user spending in constant US dollars is expected to decline 0.5 per cent for the first time.

The device market in 2016 will continue to be impacted by country-level economic conditions. “It’s clear that vendors can no longer market their products with the mind of only targeting the mature and emerging markets,” said [Ranjit Atwal](#), research director at Gartner. “Driven by economic variations the market is splitting into four categories: economically challenged mature markets, economically stable mature markets and the same for emerging markets. Russia and Brazil will fall into the category of economically challenged emerging markets while India will be stable, and Japan will belong to the economically challenged mature market.”

**Table 1**

**Worldwide Devices Shipments by Device Type, 2015-2018 (Millions of Units)**

Device Type	2015	2016	2017	2018
Traditional PCs (Desk-Based and Notebook)	246	232	226	219
Ultramobiles (Premium)	45	55	74	92
<b>PC Market</b>	<b>290</b>	<b>287</b>	<b>299</b>	<b>312</b>
Ultramobiles (Basic and Utility)	196	195	196	198
<b>Computing Devices Market</b>	<b>486</b>	<b>482</b>	<b>495</b>	<b>510</b>
Mobile Phones	1,910	1,959	1,983	2,034
<b>Total Devices Market</b>	<b>2,396</b>	<b>2,441</b>	<b>2,478</b>	<b>2,545</b>

Note: The Ultramobile (Premium) category includes devices such as Microsoft’s Windows 8 Intel x86 products and Apple’s MacBook Air. The Ultramobile (Basic and Utility Tablets) category includes devices such as, iPad, iPad mini, Samsung Galaxy Tab S 10.5, Nexus 7 and Acer Iconia Tab 8.

Source: Gartner (January 2016)

**Businesses Will Adopt Windows 10 Earlier and Boost the PC Market in 2017**

The global PC shipment market is expected to total 287 million units in 2016, a decline of 1 per cent year over year, but on pace to increase 4 per cent in 2017.

“Ultramobile premium devices are expected to drive the PC market forward with the move to Windows 10 and PCs built around Intel’s Skylake architecture,” said Mr Atwal. “We expect that businesses will deploy Windows 10 faster than with previous Windows upgrades.” Gartner’s global survey of 3,000 business respondents conducted in the fourth quarter of 2015 across six countries (Brazil, China, India, France, UK

and US), found that nearly 80 per cent of businesses are expected to have completed the testing and evaluation of Windows 10 within 12 months and over 60 per cent within nine months.

“Given the shorter testing and evaluation period, many businesses could start to migrate by the end of 2016,” said Mr Atwal. “By the end of 2017, many business are looking to move as much as 40 per cent of their installed base onto new Windows 10 devices, mainly driven by the appeal hybrid touch-screen 2-1. This will be the catalyst for growth in the PC market in 2017.

### **Smartphone Market Moves to Basic Phones**

Mobile phone shipments are on pace to increase 2.6 per cent in 2016. “Constant end-user spending on mobile phones is expected to increase by 1.2 per cent in 2016, but its growth will not be strong enough for overall end-user device spend to achieve growth in 2016,” said [Roberta Cozza](#), research director at Gartner.

Smartphone shipments continued to drive growth, and Gartner estimates that, by the end of 2016, 82 per cent of mobile phones will be smartphones, up 12 per cent from 2015. “We are witnessing a shift to basic phones in the smartphone market,” Ms Cozza said. “Users are also opting to replace within the basic smartphone category without necessarily moving to high-end smartphones, especially in China and some other emerging markets.”

Local and Chinese brands are delivering more capable basic smartphones with appealing features at a lower price, which means that there is less of a need for users to upgrade to a premium smartphone. Instead, these more advanced and attractive basic smartphones fulfil user’s needs at a lower cost.

“At [MWC 2016](#), a number of Android vendors will, as usual, release the next generation of their smartphone flagships,” said Ms Cozza. “We’ll hopefully see an increased focus on differentiation by enabling unique, but relevant experiences, expansion to new functionalities and better tie to key app and service ecosystems.”

More information is available to Gartner clients in the report “[Forecast: PCs, Ultramobiles and Mobile Phones, Worldwide, 2012-2019, 4Q15 Update](#)”.

### **About Gartner**

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. The company delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is the valuable partner to clients in approximately 10,000 distinct enterprises worldwide. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 7,600 associates, including more than 1,500 research analysts and consultants, and clients in 90 countries. For more information, visit [www.gartner.com](http://www.gartner.com).

###