

Ultrabook PC forecast slashed in half: survey

October 2 2012



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The research firm IHS <u>iSuppli</u> on Monday slashed its forecast in half for the ultrabooks, saying high prices and ineffective marketing have culminated in a failure to lure buyers away from other hot-selling <u>mobile</u> <u>gadgets</u>.

The survey showed 10.3 million ultrabooks will ship worldwide in 2012, down from the previous forecast issued earlier this year of 22 million units. More than half of the shipments for the year are expected in the fourth quarter.



For next year, iSuppli cut its forecast to 44 million from a prior estimate of 61 million.

"So far, the PC industry has failed to create the kind of buzz and excitement among consumers that is required to propel ultrabooks into the mainstream," IHS analyst Craig Stice said.

"This is especially a problem amid all the hype surrounding media tablets and smartphones. When combined with other factors, including prohibitively high pricing, this means that ultrabook sales will not meet expectations in 2012."

The latest report said that to fire up sales, prices need to come down from the \$1,000 range to around \$600.

It said if ultrabooks using the new Windows 8 operating system come close to the \$600-\$700 range next year, while adding in an new features such as touchscreen, a good chance exists for strong sales in 2013. Otherwise, consumers may opt for other devices.

"With the economy languishing, ultrabook sellers may have trouble finding buyers at the current pricing, especially with fierce competition from new mobile computing gadgets such as the <u>iPhone 5</u>, Kindle Fire HD and forthcoming <u>Microsoft Surface</u>" tablet, Stice said.

IHS said that despite the challenges, ultrabook sales will rise to 95 million by 2016.

The ultrabook is a term for a lightweight <u>notebook computer</u> coined by Intel. But ISH said Intel's "stringent" definitions are prompting some manufacturers to shun the term and call the PCs, "ultrathins," instead.

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Citation: Ultrabook PC forecast slashed in half: survey (2012, October 2) retrieved 25 April 2024 from <u>https://phys.org/news/2012-10-ultrabook-pc-slashed-survey.html</u>

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