

# Consumer PC Purchasing: 90 Day Outlook

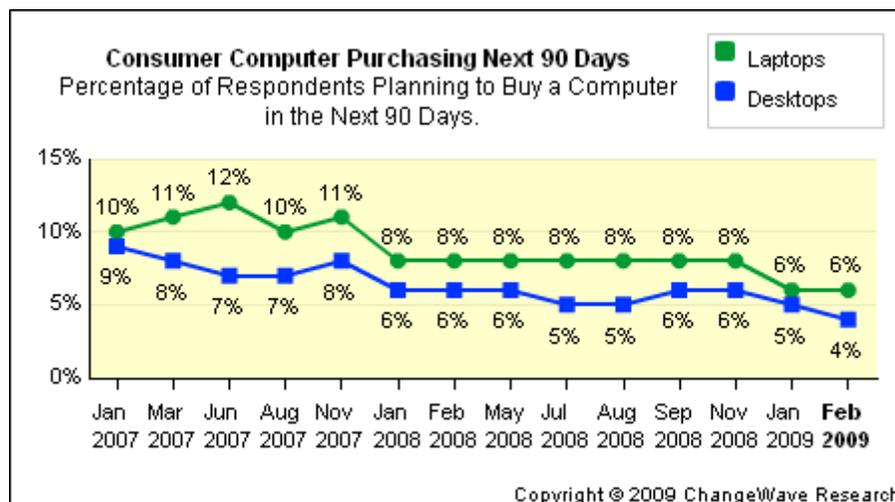
## *Yet Another Decline in Consumer PC Buying*

The personal computer market continues to weaken, according to ChangeWave's latest survey of 3,115 consumers.

The February 2-9 2009 survey focused on current and future PC buying, including the demand for low-end Netbook computers.

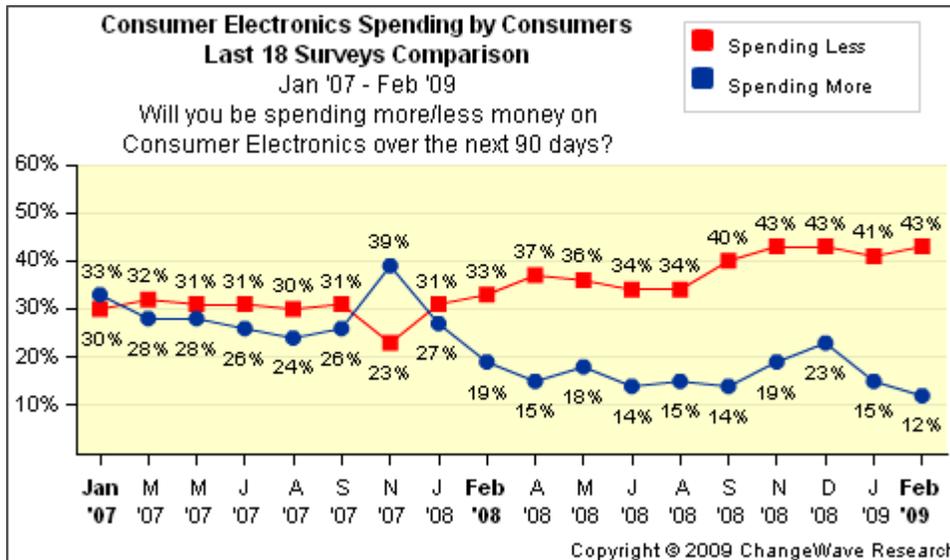
### More Cutbacks in Store for PCs

Going forward, planned PC buying remains at the lowest level ever recorded in a ChangeWave survey. Only 4% of respondents say they'll buy a desktop in the next 90 days – 1-pt less than in our January 2009 survey. In addition, just 6% say they'll buy a laptop – unchanged from previously.



We note that overall **Consumer Electronics** spending is also at the lowest levels since ChangeWave first began measuring consumer purchasing in 2002.

Only 12% of respondents say they'll spend more on electronics over the next 90 days, compared to 43% who say they'll spend less – a clear sign of further deterioration in this space.



### Demand For Netbooks Remains Firm

Our previous survey showed low-cost, highly portable laptops with smaller screens – popularly known as Netbooks – are one of the few beneficiaries of this tough spending environment. The latest results reinforce this finding.

Among respondents who have bought a laptop in the past 90 days, 17% say it was a Netbook – better than one in every six laptops purchased during this time period.

Looking ahead, 18% say the laptop they plan on buying in the next 90 days will be a Netbook – which is 4-pts higher than in January.

***Do you think the computer you plan on buying over the next 90 days will be a netbook?*** (n=164)

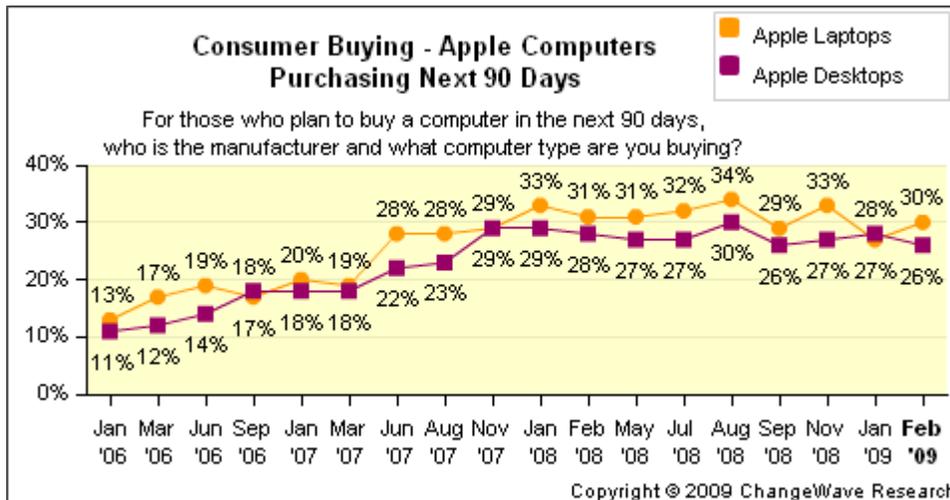
	Current Survey Feb '09	Previous Survey Jan '09
Yes	18%	14%
No	66%	69%
Don't Know	16%	17%

The list of leading Netbook manufacturers includes Acer, ASUS, Hewlett-Packard and Dell. While Apple has shown little interest in pursuing this market to date, we note that some Apple users consider the iPhone to be a form of Netbook.

## Part One: Next 90 Days – Consumer PC Purchasing

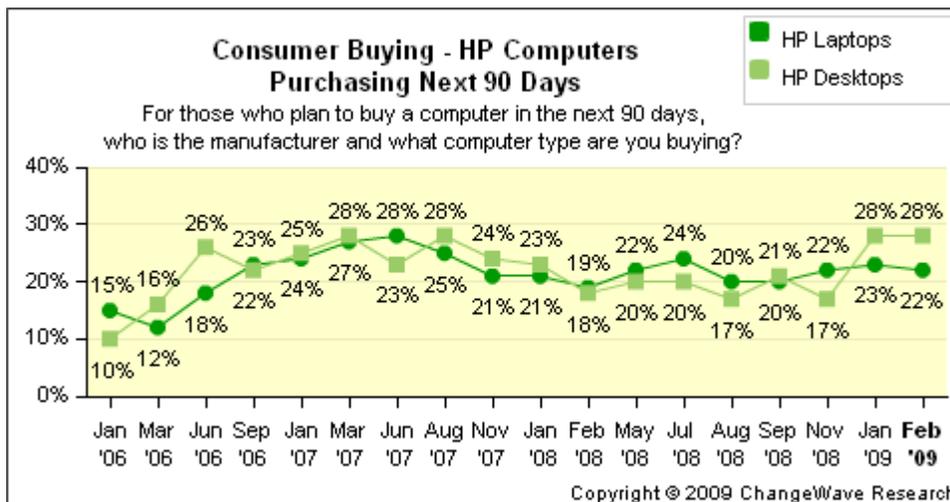
### Apple

Within the weaker overall PC spending environment, Apple planned laptop purchases (30%) for the next 90 days have improved 3-pts since our previous survey in January. At the same time, planned desktop purchases (26%) have dipped 2-pts.



### Hewlett-Packard

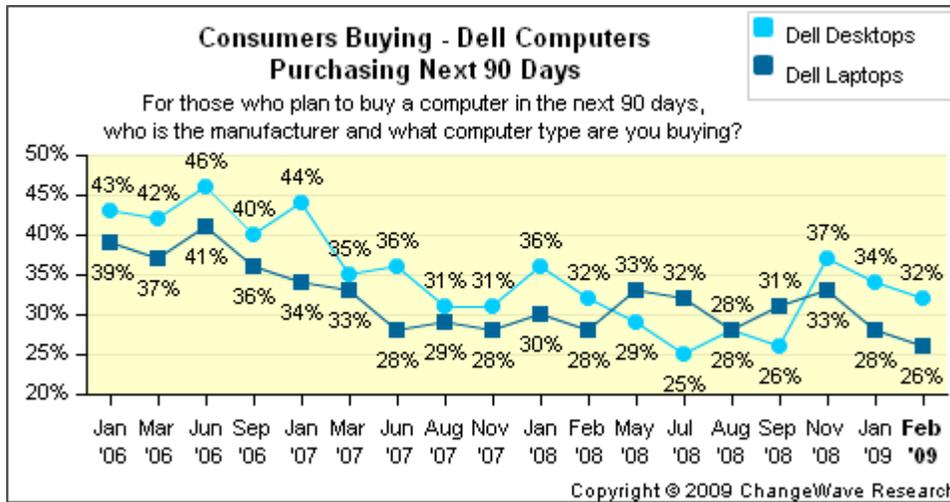
H-P's visibility appears steady going forward, with planned desktop purchases (28%) holding their outsized gains from the previous survey. Planned laptops (22%) have dipped 1-pt.



In viewing H-P's results, keep in mind that approximately 70% of its sales come from outside the U.S., whereas our ChangeWave surveys focus primarily on the U.S. market. Also, this survey focused exclusively on consumer PC sales. Our corporate PC survey results will be released later this month.

## Dell

Going forward, planned consumer purchases of Dell Desktops (32%) and Laptops (26%) for the next 90 days have both fallen 2-pts.



## Consumer Satisfaction

In terms of customer satisfaction, there's no question which company is the industry leader.

Among respondents who bought an Apple Mac over the past 90 days, 81% say they are *Very Satisfied*. This compares to a 55% *Very Satisfied* rating for Dell and 52% for H-P.



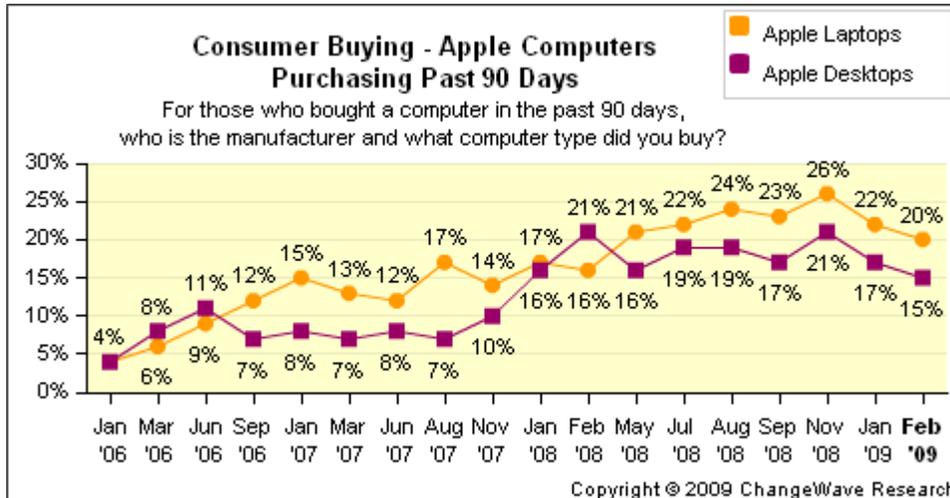
We note that ASUS (67% *Very Satisfied*) and Acer (61% *Very Satisfied*) both ranked highly in the current survey.

## Part Two: Past 90 Days – Consumer PC Purchasing

A total of 11% say they bought a laptop over the past 90 days – down 1-pt since January. Another 6% say they purchased a desktop – also down 1-pt. The combined percentage is down significantly compared to a year ago (Feb 2008).

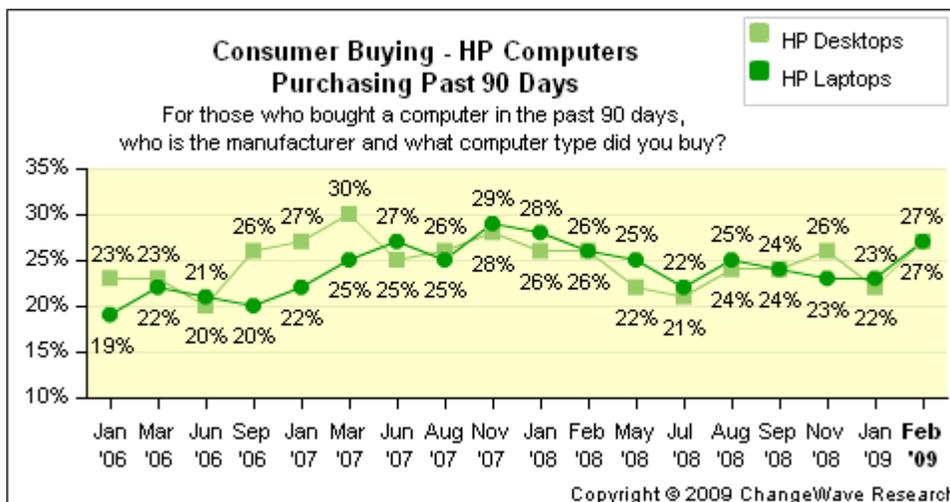
### Apple Mac Sales – Past 90 Days

Apple continues to show weakness among respondents who bought a computer over the past 90 days, with 20% saying they bought an Apple Laptop and 15% a desktop – down 2-pts each from previously.



### Hewlett-Packard – Past 90 Days

Looking at the past 90 days, sales of H-P Laptops (27%; up 4-pts) and Desktops (27%; up 5-pts) have jumped.



Again, we note that approximately 70% of H-P's sales come from outside the U.S., whereas our ChangeWave surveys focus primarily on the U.S. market. Also, this survey focused exclusively on consumer PC sales. Our corporate PC survey results will be released later this month.

## Dell – Past 90 Days

Purchases of Dell PCs over the past 90 days have dipped slightly – with Desktops (33%) dropping 2-pts and Laptops (21%) dipping 1-pt.

Note that the consumer market only represents about 20% of Dell's total business.

## Summary of Key Findings

### Yet Another Decline in Consumer PC Spending

#### Next 90 Days – PC Purchasing:

- Laptops (6%; unchanged)
- Desktops (4%; down 1-pt)

### Continued Weakness in Overall Consumer Electronics Spending

- Only 12% say they'll spend *more* over next 90 days
- 43% say *less* – a net 5-pts worse than December survey

### Slight Improvement in Apple Visibility...

#### Next 90 Days for Apple Macs

- Laptops (30%; up 3-pts)
- Desktops (26%; down 2-pts)

### But Past 90 Day Sales Appear Weaker...

#### Past 90 Days for Apple Macs

- Laptops (20%; down 2-pts)
- Desktops (15%; down 2-pts)

### Demand For Netbooks Remains Firm

- 17% say they bought a Netbook in past 90 days
- 18% say they will buy a Netbook in next 90 days

### Uptick for H-P

#### H-P Next 90 Days

- Laptops (22%; down 1-pt)
- Desktops (28%; unchanged)

#### H-P Past 90 Days

- Laptops (27%; up 4-pts)
- Desktops (27%; up 5-pts)

### A Weaker Picture for Dell

#### Next 90 Days

- Laptops (26%; down 2-pts)
- Desktops (32%; down 2-pts)

#### Past 90 Days

- Laptops (21%; down 1-pt)
- Desktops (34%; down 1-pt)

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**The ChangeWave Alliance** is a group of 20,000 highly qualified business, technology, and medical professionals – as well as early adopter consumers – who work in leading companies of select industries. They are credentialed professionals who spend their everyday lives on the frontline of technological change. ChangeWave surveys its Network members weekly on a range of business and consumer topics, and converts the information into a series of proprietary quantitative and qualitative reports.

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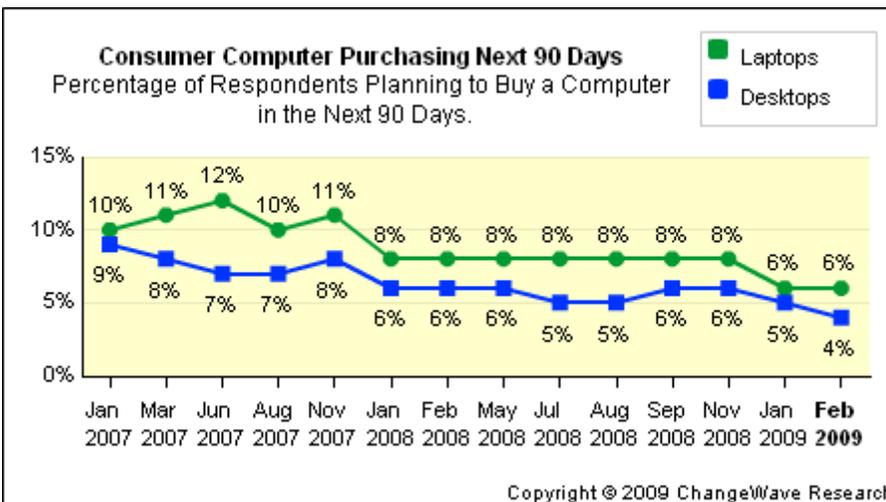
## I. The Findings

**Introduction:** The personal computer market continues to weaken, according to ChangeWave's latest survey of 2,694 consumers.

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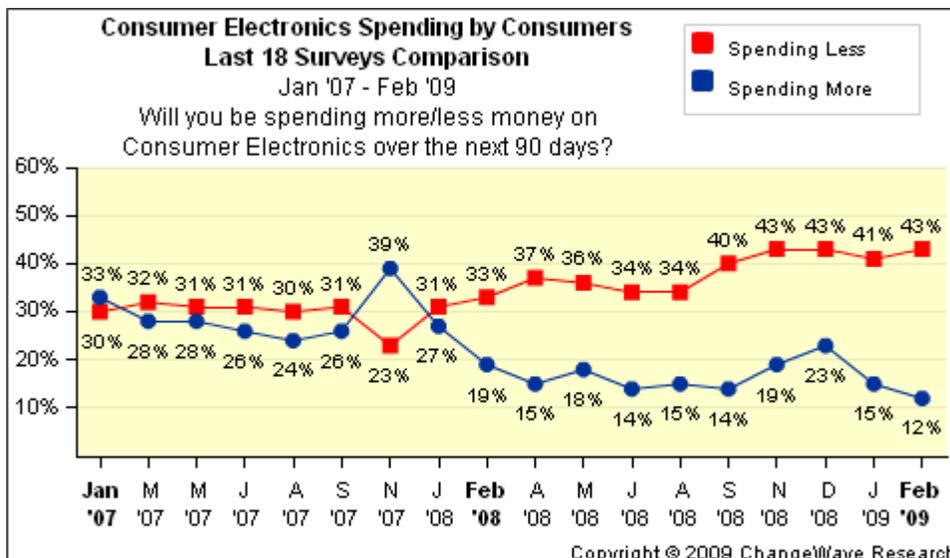
### More Cutbacks in Store for PCs

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## Demand For Netbooks Remains Firm

Our previous survey showed low-cost, highly portable laptops with smaller screens – popularly known as Netbooks – are one of the few beneficiaries of this tough spending environment. The latest results reinforce this finding.

Among respondents who have bought a laptop in the past 90 days, 17% say it was a Netbook – better than one in every six laptops purchased during this time period.

**Do you consider the computer you bought over the past 90 days to be a netbook?**  
(n=320)

	Current Survey Feb '09	Previous Survey Jan '09
Yes	17%	19%
No	80%	78%
Don't Know	3%	3%

Looking ahead, 18% say the laptop they plan on buying in the next 90 days will be a Netbook – which is 4-pts higher than in January.

**Do you think the computer you plan on buying over the next 90 days will be a netbook?** (n=177)

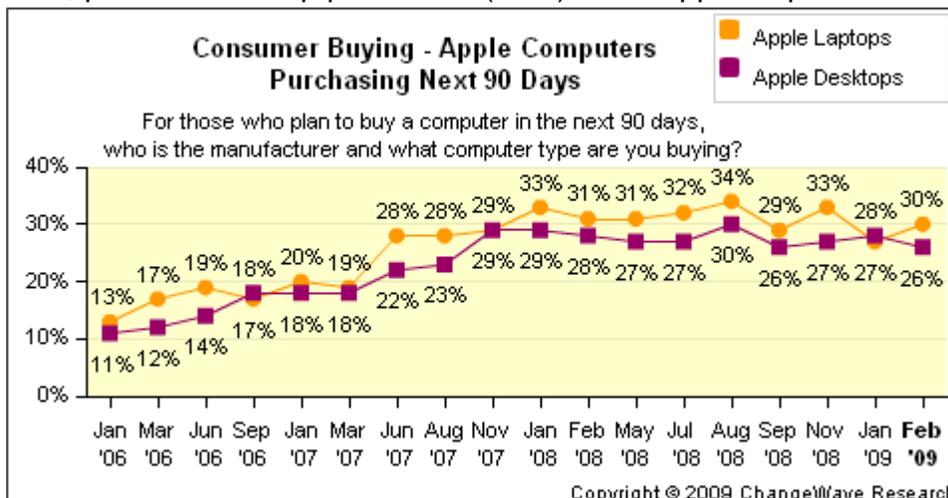
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No	66%	69%
Don't Know	17%	17%

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## Part One: Next 90 Days – Consumer PC Purchasing

### Apple

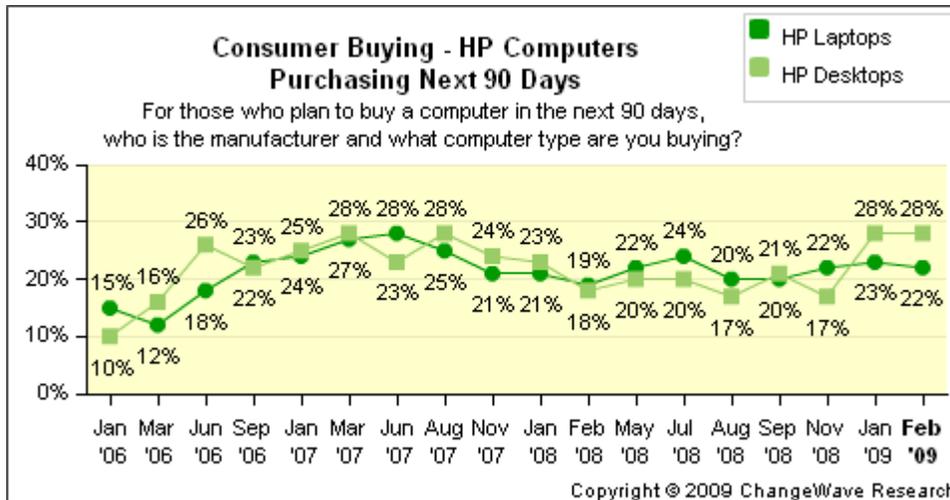
Within the weaker overall PC spending environment, Apple planned laptop purchases (30%) for the next 90 days have improved 3-pts since our previous survey in January. At the same time, planned desktop purchases (26%) have dipped 2-pts.



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## Hewlett-Packard

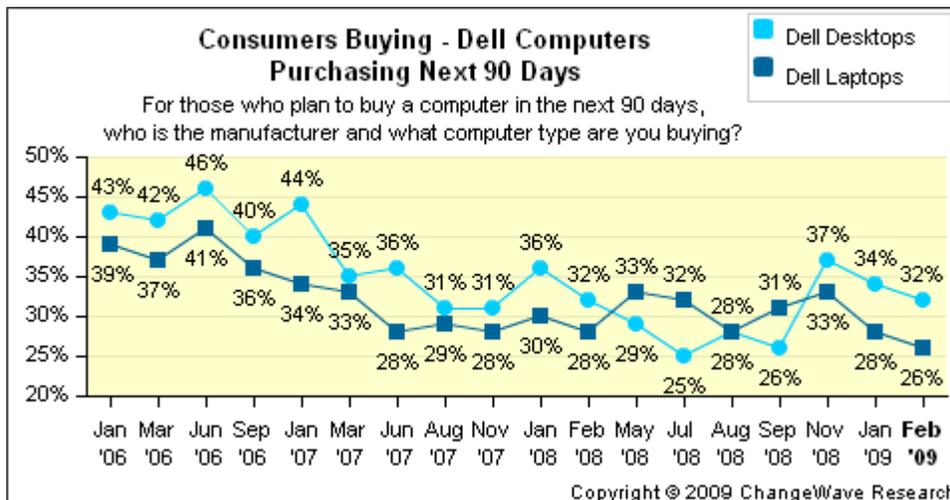
H-P's visibility appears steady going forward, with planned desktop purchases (29%) adding 1-pt to their outsized gains from the previous survey. Planned laptops (22%) have dipped 1-pt.



In viewing H-P's results, keep in mind that approximately 70% of its sales come from outside the U.S., whereas our ChangeWave surveys focus primarily on the U.S. market. Also, this survey focused exclusively on consumer PC sales. Our corporate PC survey results will be released later this month.

## Dell

Going forward, planned consumer purchases of Dell Desktops (32%) and Laptops (26%) for the next 90 days have both fallen 2-pts.



Here's a closer look at the complete breakdown:

**(FOR THOSE BUYING A COMPUTER IN NEXT 90 DAYS) Who is the manufacturer and what computer type are you planning on buying?(Check All That Apply)**

**Desktops (n = 282)**

	<b>Current Survey Feb '09</b>	<b>Previous Survey Jan '09</b>	<b>Previous Survey Nov '08</b>	<b>Previous Survey Feb '08</b>	<b>Previous Survey Jan '08</b>	<b>Previous Survey Nov '07</b>
Dell - Desktop	32%	34%	37%	32%	36%	31%
Hewlett-Packard (incl Compaq) - Desktop	28%	28%	17%	18%	23%	24%
Apple - Desktop	26%	28%	27%	28%	29%	29%
Lenovo (formerly IBM) - Desktop	4%	3%	3%	1%	2%	6%
Acer (incl Gateway & eMachines) - Desktop	6%	6%	6%	4%	4%	NA
ASUS - Desktop	3%	NA	NA	NA	NA	NA
Other - Desktop	12%	13%	11%	18%	14%	13%
Don't Know	18%	15%	17%	16%	14%	14%

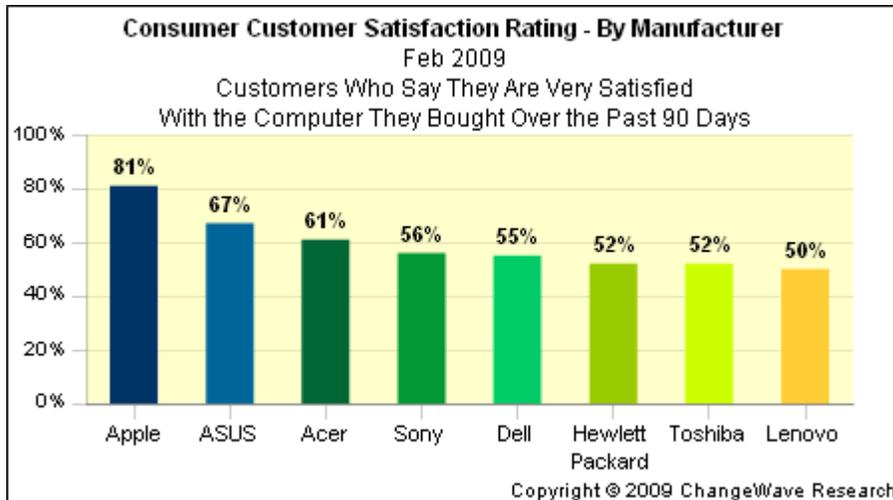
**Laptops (n = 423)**

	<b>Current Survey Feb '09</b>	<b>Previous Survey Jan '09</b>	<b>Current Survey Nov '08</b>	<b>Previous Survey Feb '08</b>	<b>Previous Survey Jan '08</b>	<b>Previous Survey Nov '07</b>
Dell - Laptop	26%	28%	33%	28%	30%	28%
Hewlett-Packard (incl Compaq) - Laptop	22%	23%	22%	19%	21%	21%
Apple - Laptop	30%	27%	33%	31%	33%	29%
Toshiba - Laptop	8%	9%	9%	10%	12%	10%
Lenovo (formerly IBM) - Laptop	7%	8%	8%	8%	11%	9%
Acer (incl Gateway & eMachines) - Laptop	7%	8%	5%	4%	7%	NA
Sony - Laptop	6%	5%	5%	5%	8%	6%
ASUS - Laptop	6%	NA	NA	NA	NA	NA
Other - Laptop	4%	5%	4%	4%	2%	4%
Don't Know	19%	19%	13%	19%	16%	19%

## Consumer Satisfaction

In terms of customer satisfaction, there's no question which company is the industry leader.

Among respondents who bought an Apple Mac over the past 90 days, 81% say they are *Very Satisfied*. This compares to a 55% *Very Satisfied* rating for Dell and 52% for H-P.



We note that ASUS (67% *Very Satisfied*) and Acer (61% *Very Satisfied*) both ranked highly in the current survey.

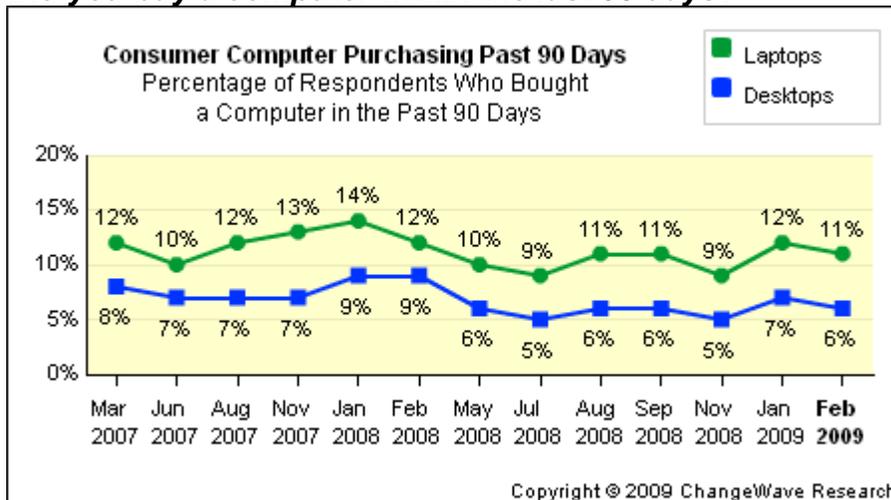
Here's a look at the complete breakdown:

**Overall, how satisfied are you with the computer(s) you purchased within the past 90 days? (Please Rate Only Those You've Purchased Within the Last 90 Days.)**

	Very Satisfied	Somewhat Satisfied	Somewhat Unsatisfied	Very Unsatisfied
Apple	81%	17%	0%	3%
ASUS	67%	33%	0%	0%
Acer (inc Gateway & eMachines)	61%	29%	5%	5%
Sony	56%	28%	17%	0%
Dell	55%	33%	8%	4%
Hewlett-Packard	52%	41%	5%	3%
Toshiba	52%	30%	12%	6%
Lenovo	50%	33%	8%	8%

## Part Two: Past 90 Days – Consumer PC Purchasing

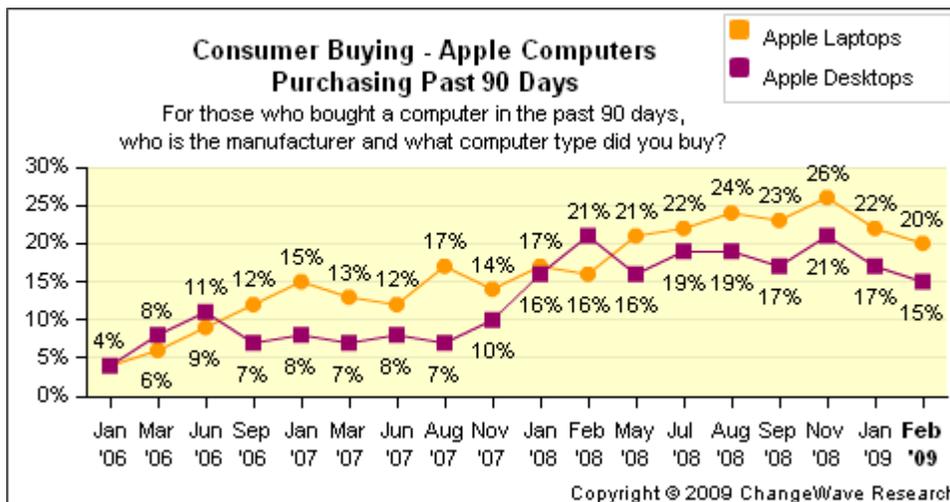
**Did you buy a computer within the last 90 days?**



A total of 11% say they bought a laptop over the past 90 days – down 1-pt since January. Another 6% say they purchased a desktop – also down 1-pt. The combined percentage is down significantly compared to a year ago (Feb 2008).

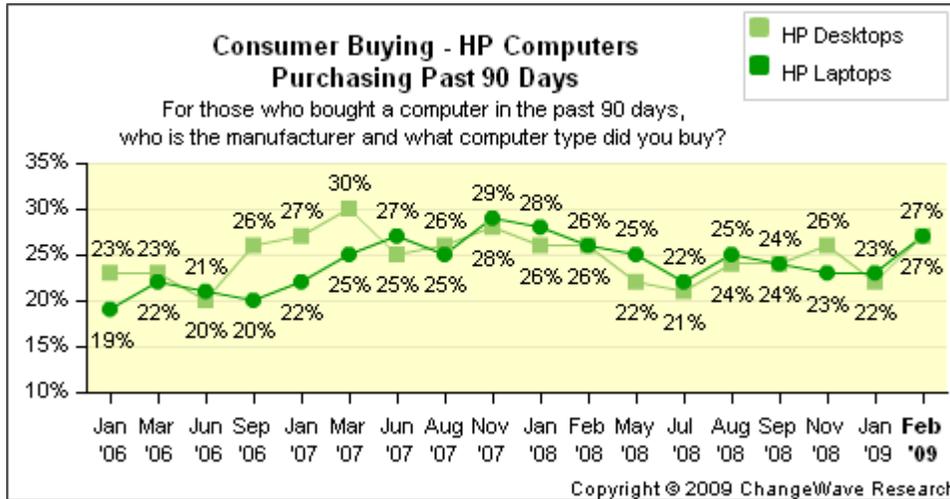
### Apple Mac Sales – Past 90 Days

Apple continues to show weakness among respondents who bought a computer over the past 90 days, with 20% saying they bought an Apple Laptop and 15% a desktop – down 2-pts each from previously.



## Hewlett-Packard – Past 90 Days

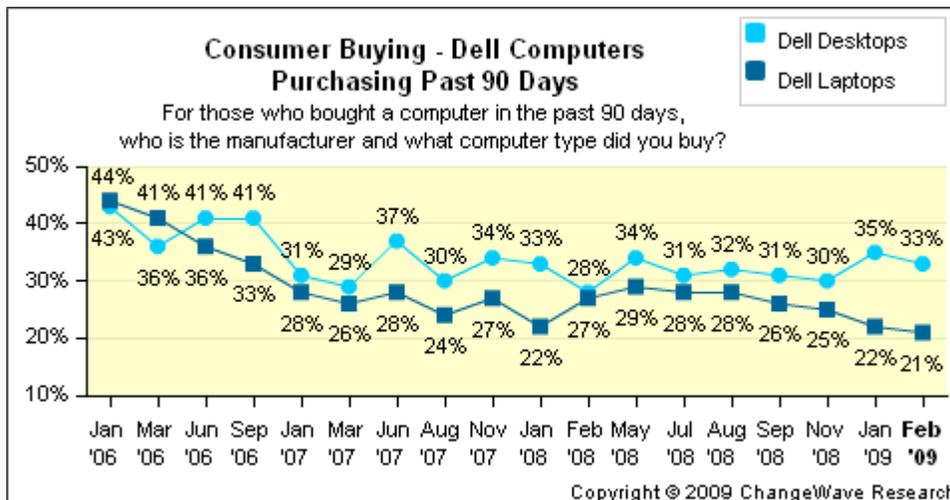
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## Dell – Past 90 Days

Purchases of Dell PCs over the past 90 days have dipped slightly – with Desktops (33%) dropping 2-pts and Laptops (21%) dipping 1-pt.



Note that the consumer market only represents about 20% of Dell’s total business.

Here's a closer look at the market share breakdown:

**Who is the manufacturer and what computer type did you buy? (Check All That Apply)**

**Desktops (n = 431)**

	<b>Current Survey Feb '09</b>	<b>Previous Survey Jan '09</b>	<b>Previous Survey Nov '08</b>		<b>Previous Survey Feb '08</b>	<b>Previous Survey Jan '08</b>	<b>Previous Survey Nov '07</b>
Dell - Desktop	33%	35%	30%		28%	33%	34%
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Acer (incl Gateway & eMachines) - Desktop	6%	7%	4%		7%	8%	NA
Lenovo (formerly IBM) – Desktop	3%	4%	1%		3%	3%	3%
ASUS - Desktop	2%	NA	NA		NA	NA	NA
Other - Desktop	19%	18%	19%		17%	17%	20%

**Laptops (n = 750)**

	<b>Current Survey Feb '09</b>	<b>Previous Survey Jan '09</b>	<b>Previous Survey Nov '08</b>		<b>Previous Survey Feb '08</b>	<b>Previous Survey Jan '08</b>	<b>Previous Survey Nov '07</b>
Hewlett-Packard (incl Compaq) – Laptop	27%	23%	23%		26%	28%	29%
Dell - Laptop	21%	22%	25%		27%	22%	27%
Apple – Laptop	20%	22%	26%		16%	17%	14%
Acer (incl Gateway & eMachines) - Laptop	10%	10%	8%		9%	9%	NA
Toshiba – Laptop	9%	10%	9%		9%	9%	12%
Lenovo (formerly IBM) – Laptop	5%	5%	5%		6%	6%	7%
Sony – Laptop	4%	4%	4%		5%	8%	4%
ASUS - Laptop	4%	NA	NA		NA	NA	NA
Other - Laptop	6%	7%	6%		6%	6%	6%

## II. ChangeWave Research Methodology

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This report presents the findings of a recent ChangeWave survey on consumer PC spending. The survey was conducted between February 2 – 9, 2009. A total of 3,115 consumers participated in the survey.

ChangeWave's proprietary research and business intelligence gathering system is based upon the systematic gathering of valuable business and investment information directly over the Internet from accredited members.

The Research Network is assembled from senior technology and business executives in leading companies of select industries. Nearly 3 out of every 5 members (56%) have advanced degrees (e.g., Master's or Ph.D.) and 93% have at least a four-year bachelor's degree.

The business and investment intelligence provided by ChangeWave provides a real-time view of companies, technologies and business trends in key market sectors, along with an in-depth perspective of the macro economy – well in advance of other available sources.

## III. About ChangeWave Research

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ChangeWave Research, a subsidiary of InvestorPlace Media, LLC, identifies and quantifies "change" in industries and companies through surveying a network of thousands of business executives and professionals working in more than 20 industries.

The ChangeWave Research Network is a group of 20,000 highly qualified business, technology, and medical professionals – as well as early adopter consumers – who work in leading companies of select industries. They are credentialed professionals who spend their everyday lives on the frontline of technological change. ChangeWave surveys its Network members weekly on a range of business and consumer topics, and converts the information into a series of proprietary quantitative and qualitative reports.

ChangeWave delivers its products and services on the Web at [www.ChangeWave.com](http://www.ChangeWave.com).

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