Magic Quadrant for Global Enterprise Desktops and Notebooks

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VIEW SUMMARY

Global enterprise PC buyers have unique requirements that go beyond price to include platform stability, global account management, support, service capabilities and fast turnaround on warranty repairs. This research will help organizations select the right vendor for their PC needs.

Market Definition/Description

The global enterprise PC market is defined by the following types of products:

Notebook PCs — Product screen size is more than 11 inches in various form factors (including hybrids, detachables and convertibles) and configurations. Mobile thin-client terminals, Chromebooks, slates (tablets without bundled keyboards), mobile phones and smartphones are not directly included in this Magic Quadrant, although consideration is given to vendor offerings of these adjacent products in our weightings.

Desktop PCs — These include desk-based systems of various form factors (including towers, small form factors and all-in-ones) and configurations. However, we do not include thin-client terminals or technical workstations in this Magic Quadrant. Although we are not evaluating thin-client offerings, we consider how each vendor approaches alternative delivery models, and include these adjacent products in our weightings.

This Magic Quadrant is written primarily for PC buyers in large enterprises with global operations. Many midmarket companies may find the information valuable as well, although some criteria may not apply, as we weight our findings toward organizations requiring some global needs.

For this edition of the Magic Quadrant for Global Enterprise Desktops and Notebooks, we have made a few minor adjustments to the weightings to reflect changes in the PC industry. While we see continued commoditization of hardware, the services provided to enterprises are becoming more differentiated. We have adjusted the Magic Quadrant measurements to reflect changes in our client base and the requirements that are valued by enterprises.

Magic Quadrant

Figure 1. Magic Quadrant for Global Enterprise Desktops and Notebooks

EVALUATION CRITERIA DEFINITIONS

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Source: Gartner (November 2014)

Vendor Strengths and Cautions

Acer

Acer is a well-known player in consumer PCs and, while it hasn't made significant headway in enterprise sales, during the past year, its overall market position has seen some stabilization and even growth. However, its overall focus appears to be shifting away from the global enterprise market toward smaller regional accounts. The vendor continues to supply the small or midsize business (SMB) market and smaller government projects, usually within the 500- to 2,000-unit range, but has some larger-scale wins in government and education as well. In the enterprise market, while there is evidence of minor improvements in Acer's global coordination, we continue to see an inconsistent level of commitment, products and direction on a global basis. Europe and parts of Asia and Africa remain the vendor's strongest regions for enterprise capabilities. Acer's North American enterprise operations focus mostly on government and education, and it has seen success there (most notably with Chromebooks, which are not included in this Magic Quadrant). In general, customers requiring high levels of service and support for PCs should expect to rely on local channel partners, especially if they are operating in multiple countries. Enterprises may need to make separate deals for each region, and execution could be inconsistent as a result.

Strengths

- Acer has good brand awareness, particularly as a low-priced supplier.
- The vendor has the ability to customize agreements, including purchasing processes and policies, for nonstandard customer requirements.
- Acer has good regional offerings for education and SMBs, supported by a good channel partner network, particularly in North America and Europe.
- The vendor provides some global product offerings, with a good market presence in some regions, targeted mostly at transactional business.

Cautions

- Commercial systems are targeted at transactional markets, and large-enterprise-level offerings are no longer a major focus.
- Acer lacks consistent global service and support capabilities, and has limited global account management.
- There are limited channel capabilities for delivering standardized products across multiple regions.
- The vendor has improving, but still limited, image and platform stability programs.

Apple

Interest in procuring Macs within enterprises continues to rise, mostly driven by the success of the iPad and iPhone. However, Macs still make up a very small fraction of enterprise purchases (roughly 4%). Apple has intentionally chosen to focus its business on consumers, and does not aggressively develop programs and services for global enterprise customers. A recently announced deal with IBM is mostly geared toward mobile devices, and is unlikely to have a significant impact on Macs in enterprises. For organizations that have a strong dependence on Windows applications, the decision to adopt Macs can be a complex undertaking, as they are not directly interchangeable with PCs from other vendors. Organizations that have multicountry operations likely will need to make separate arrangements in each region with local partners, making global deployments more complex.

Strengths

- Apple offers excellent product design and innovation.
- The vendor's ongoing financial and organizational stability is coupled with a strong brand.
- Consumerization, along with Apple's strength in smartphones and tablets, has broadened interest beyond traditional strongholds.
- Apple products are widely used in bring your own PC (BYOPC) scenarios.

Cautions

- Apple lacks consistent global service and support capability.
- The vendor has a limited enterprise-focused global sales organization and account management capability.
- Apple lacks an enterprise-focused product offering, and provides no insight into product road maps.
- There is a limited desktop portfolio, and all systems are premium-priced.

Asus

Asus produces products under the Asus and AsusPro brands. Asus is recognized as an aggressive player in the consumer PC market, known for its often unique product designs. It has begun to focus more attention on the enterprise market and has exhibited a good understanding of fundamental enterprise client needs, developing a good basic capability to deal with small, midsize and even some larger buyers in key regions. The vendor has good, but basic, mechanics for dealing with regional accounts and some smaller, less complex global accounts. Enterprise operations and sales still do not appear to be a major focus, and global enterprises are likely to see some inconsistencies in products and service levels across regions.

Strengths

- Asus is perceived as a price leader in some markets, including EMEA.
- The vendor has innovative crossover product designs.
- Asus has a good basic understanding of business requirements, and provides a rudimentary fulfillment capability in major regional markets.
- Asus has implemented programs for product consistency, extended warranties and pricing on a global basis.

Cautions

- The vendor's enterprise capabilities are still nascent and need to mature.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

- Commercial PCs are targeted primarily at transactional midmarkets, with limited large-enterprise-level offerings.
- Asus has a limited focus on vertical markets.
- Asus is relatively new to the enterprise PC market and has not yet proven its ability to deliver consistent products and services in multiple regions.

Dell

Dell is a strong enterprise PC supplier with good global coverage and capabilities. The leveraged buyout (LBO) of 2H13 has energized the company as a whole. During the past year, its focus has shifted toward total client solutions of services, products, software and accessories, and we've seen continuous improvements in execution. Many of the seemingly disparate company acquisitions of the past several years are being leveraged for this effort (for example, Wyse, Kace, Credant Technologies and SonicWALL). Behind both HP and Lenovo in its channel strategy, Dell invested heavily in 2013 and 2014 to create more channel partnerships to bolster product and service delivery globally. Dell is a leading option for organizations requiring global PC deployments, and a strong, viable supplier for all business notebook and desktop requirements.

Strengths

- Dell provides strong account management for large-enterprise customers.
- The vendor offers generally good global coverage.
- Dell has a good understanding of changing market conditions.
- Dell's solid line of ruggedized notebooks is well-suited to vertical applications.

Cautions

- Midsize businesses that do not achieve global account status with Dell may occasionally experience inconsistent service and support levels.
- Although the immediate impacts of the LBO have been positive and have resulted in a more competitive market stance, customers must continue to watch for signs of operational disruption.
- The vendor's global coverage pattern can result in uneven service and support levels in some regions, especially in emerging markets.
- While channel partners are playing a larger role in enterprise business, Dell's overall channel approach is still limited.

Fujitsu

Fujitsu has made numerous improvements to its enterprise PC business over the past several years. While it has seen yearly modest increases in enterprise market share, it still holds the smallest share among the players in this Magic Quadrant. Its fortunes are mostly tied to its core regions of Japan and Germany. U.S. operations remain focused primarily on servicing the North American arms of European customers or targeted vertical market segments. Fujitsu has begun to blend its PC business into its well-respected managed desktop service business. Through Fujitsu's long history in the pen-tablet market, it has developed good integration services for vertical markets. Fujitsu will be most attractive to enterprises looking to leverage its managed services capabilities, or those in its primary European and Japanese markets.

Strengths

- Fujitsu offers a competitive range of high-quality, enterprise-class products with global availability, including desktops and thin clients.
- The vendor has a strong desktop service portfolio across Europe, and it is well-integrated with its PC business.
- Fujitsu has a broad selection of pen-tablet products designed for vertical markets, coupled with integration services for tablet implementations.
- The vendor has consistent global pricing mechanisms and good, well-defined service offerings.

Cautions

- Fujitsu's global presence and investments are focused mostly on EMEA and Japan. North America remains focused on vertical segments.
- Although improving, its global and large account management capabilities are still underdeveloped.
- While market share has shown modest improvements for the past several years, Fujitsu remains a small player in this market, compared with most of the competition.

HP

On 6 October 2014, HP announced that it would be spinning off its PC and Printer business (PPS) into a separate operating company. The transaction is expected to be completed by October 2015. In the short term, this change should have no significant impact on HP's abilities as an enterprise PC provider. Longer term, there is a small risk with regard to its sales force, service and support, and overall approach to the enterprise market. For this Magic Quadrant, we have made adjustments for these risks, while recognizing that the fundamental capabilities are unimpaired for most of the next year, at a minimum.

HP has maintained a leadership position in enterprise PCs by leveraging its strong channel partnerships to extend coverage into more-remote geographies and enterprises of all sizes. In the past two years, it has invested heavily in updating the industrial design of its PCs, creating sleeker models and greater breadth of product. At the same time, HP has begun to articulate a new set of services and service delivery mechanisms that could provide customer value and a greater level of differentiation. These include new security and application delivery tools, cloud-based PC services, and improved global delivery processes. Many of these are just coming to market, so it is too early to gauge their impact. For the most part, these services should not be impacted by the spinoff. HP is a leading option for organizations requiring global PC deployments, and a strong, viable supplier for all business notebook and desktop requirements.

Strengths

- Strong channel ties provide greater choice for fulfillment; this is an advantage mostly for midsize businesses and in some emerging economies.
- HP has a good understanding of traditional enterprise needs.

- The vendor has the broadest enterprise product portfolio among all its competitors, covering all form factors.
- HP is financially stable at the corporate level.

Cautions

- The spinoff of PPS creates an element of risk, the size of which is hard to gauge until the details of the restructuring are communicated and the changes start to be implemented.
- PC branding within the business product line is not clear-cut and can be confusing.
- Isolation between different sales teams for servers, services and PCs can make it hard for customers to get a portfolio price if they buy products from different groups within HP. This issue may be exacerbated by the changes coming over the next year and beyond.
- Unless a customer can achieve global account status, the sales teams in different geographies may not work together smoothly.

Lenovo

Lenovo's focus is on continuing improvement of its global capabilities and market understanding. This has produced market share gains in the enterprise and consumer markets. Lenovo still invests heavily in product innovation, while keeping prices highly competitive — both of which contributed to its growth. Absorbing the rapid growth has resulted in sporadic complaints of late deliveries and service disruptions, but these do not appear to be systemic. Lenovo is a leading option for organizations requiring global PC deployments, and a strong, viable supplier for all business notebook and desktop requirements.

Strengths

- Lenovo offers strong product design and makes continued investments in development capabilities, as well as leveraging the Think brand.
- The vendor makes continuous improvements in its sales strategy and channel and supply chain, combined with an aggressive, competitive approach to the enterprise market.
- Lenovo demonstrates continuing geographic expansion in emerging markets.
- It shows good expansion into adjacent markets with strong tablet offerings.

Cautions

- The recent acquisitions of IBM's x86 server line and Motorola Mobility have the potential to distract management and impact PC market execution.
- A rise in complaints about delivery and product issues is symptomatic of a company that is growing quickly.
- Differentiation provided by Lenovo's ThinkVantage software tools has eroded. The benefits of software acquisitions (for example, Stoneware) are still not being demonstrated to customers.
- Despite the recent IBM x86 server line acquisition, Lenovo does not provide the broader data center and professional services offerings of its large competitors, typically requiring customers to deal with multiple vendors.

Toshiba

Toshiba provides a wide range of notebooks targeted at business, along with a broad selection of consumer and prosumer systems. It relies on a network of resellers to provide most enterprise support and services. In some geographies (notably Canada, Japan and Australia), the vendor has maintained a strong commercial presence.

In the past year, Toshiba has put a renewed emphasis on its enterprise PC business, implementing a global pricing model and a dedicated global sales force (for large multinational accounts), and has added service capabilities. This has included a greater focus on the U.S. and Western Europe. Toshiba has also articulated a reasonable vision for improving its position in the enterprise PC market. While we have noted these improvements, they have not yet been reflected in a market share increase, or increased representation in our customer base. Toshiba will be of interest to customers looking for only a notebook supplier, particularly in one of its strong geographies.

Strengths

- Toshiba offers competitive, well-designed and attractive notebook products.
- The vendor has good product development capabilities, with highly regarded engineering.
- Toshiba provides strong enterprise capabilities in select regions, including Japan, Canada and Australia.
- The vendor has much improved enterprise management and coordination across countries.

Cautions

- Reducing focus on the consumer market may reduce manufacturing and supply chain economies of scale, which could result in less competitive pricing.
- The lack of a desktop offering in most geographies limits Toshiba's ability to be the sole PC vendor for many enterprises.
- While enterprise PC capabilities are improving, they are also still developing.
- While the vendor has made significant improvements across the board, customers requiring high levels of service and support may still experience inconsistent execution if operating in multiple countries.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor's appearance in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

Asus

Dropped

Samsung — While Samsung continues to provide high-quality premium PCs, it has seen its PC business contract over the past year, as it focused more heavily on mobile phones and tablets. As such, its market share fell below our inclusion criteria and was not included in this years' analysis.

Panasonic — Panasonic remains a leading provider of ruggedized and specialized systems. However, we have decided these devices are too specialized to be included in this Magic Quadrant. As such, Panasonic does not meet our inclusion criteria (most notably for share of the enterprise PC market) and has been dropped from the this year's analysis.

Vendor Not Included

Microsoft — While Microsoft is gaining some attention in Gartner's client base with the Surface Pro 3, it doesn't meet the inclusion criteria set for this Magic Quadrant and is not included. Microsoft's position in the enterprise PC market has been covered in other research (see "Surface Pro 3 Brings Microsoft Into the Enterprise Hardware Market").

Inclusion and Exclusion Criteria

This Magic Quadrant focuses on suppliers that work directly or indirectly with global enterprise buyers. The vendor inclusion criteria cover more than 90% (by units) of the total desktop and notebook market for enterprises. To appear in this Magic Quadrant, vendors must:

- Offer desktops or notebooks targeted at professional users.
- Offer business products globally.
- Hold more than 2% market share of the worldwide professional PC market in desktops or notebooks.

Evaluation Criteria

Ability to Execute

We evaluate PC vendors on the quality and efficiency of the processes, systems, methods and/or procedures that enable their performance to be competitive, efficient and effective, and to have a positive impact on revenue, retention and reputation. Ultimately, global enterprise desktop and notebook providers are judged on their ability and success in capitalizing on their visions.

Ability to Execute includes an assessment of:

- Product or Service (availability) — product portfolio and range
- Overall Viability (business unit, financial, strategy, organization) — product quality and availability, service and support, as well as the vendor's financial strength
- Sales Execution/Pricing — the availability of special sales teams
- Market Responsiveness/Record — ability to respond to changing market conditions to achieve competitive success
- Marketing Execution — the vendor's market share in the global enterprise market
- Customer Experience — the vendor's ability to provide support and services
- Operations — factors that impact the vendor's ability to meet commitments

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (November 2014)

Completeness of Vision

We evaluate desktop and notebook vendors on their ability to convincingly articulate logical statements about current and future market direction, innovation, customer needs, and competitive forces, as well as how well they map to the Gartner position. Ultimately, global enterprise desktop and notebook providers are rated on their understanding of how market forces can be exploited to create opportunities for the providers.

Completeness of Vision consists of an assessment of:

- Market Understanding — mechanisms for customer feedback
- Marketing Strategy — the vendor's ability to provide various professional services
- Sales Strategy — the vendor's capability to work with customers through its sales force and sales tools
- Offering (Product) Strategy — the vendor's strength in R&D and product design, and the vendor's ability to offer image stability
- Business Model — how the PC business fits within the overall organization, including how it contributes to other products or services offered by the vendor or vice versa
- Vertical/Industry Strategy — the capability to provide vertical-specific services

Innovation — product innovation includes an approach to providing alternative application delivery models

Geographic Strategy — the capability to provide products and services globally

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	Medium

Source: Gartner (November 2014)

Quadrant Descriptions

Leaders

PC vendors in the Leaders quadrant register the highest scores on Ability to Execute and Completeness of Vision. These vendors are well-rounded and capable of dealing with the broadest range of enterprises and customer needs. They all have wide geographic coverage, comprehensive enterprise-focused sales organizations, financial stability, comprehensive customer support, broad product portfolios, longer product availability and large market presence.

Challengers

Challengers have high scores in Ability to Execute, but weaker scores for Completeness of Vision. Challengers often have a strong market presence and financial stability, great products, and good overall channel capabilities and operations. However, they may have limited geographic coverage, lack a strong understanding of enterprise needs, or may not focus on the requirements of enterprise customers when designing products and services. Challengers may be appropriate for customers with specific regional or product requirements, and are not as concerned with issues such as product consistency, long life cycles, and enterprise software and services.

Visionaries

Visionaries have high scores in Completeness of Vision; however, their Ability to Execute scores are not as strong. These vendors tend to understand enterprise needs, and deliver a narrow selection of corporately targeted products, but are usually limited in their offerings. Their market presence may be less than that of Leaders, and their financial stability may not be as solid. Their sales organizations and customer support mechanisms may not be as comprehensive as those of Leaders. Visionaries can be acceptable for targeted deployments, assuming a strong reseller or integrator can backfill the necessary services and delivery capabilities.

Niche Players

Vendors in the Niche Players quadrant are relatively weaker on Ability to Execute and Completeness of Vision, compared with vendors in other quadrants. Typically, these players either do not focus on the enterprise market or, more specifically, focus on only a portion of the market (either a specific vertical, region, type of customer or type of user). While they often have a low market share and weak market coverage, they can fulfill specific targeted needs for some customers. Many of these vendors have a strong consumer PC business. It is important to note that a PC vendor's position in this quadrant is not a value judgment on overall suitability. These vendors may specialize in particular areas in a vertical market segment or have product portfolios that are not well-addressed by other players.

Context

This Magic Quadrant is designed to assist enterprise customers in selecting vendors that are able to supply large numbers of PCs targeted to diverse enterprise needs. The results of this analysis combine evaluations of the vendor attributes that matter most to enterprise customers when selecting PC suppliers. The attributes we evaluated include product portfolio, global capability, financial health, account management, service and support. This Magic Quadrant covers global enterprise notebook and desktop vendors. In cases where a vendor does not provide desktop systems, we have called it out in the cautions and factored it into the vendor's positioning.

Each vendor's position is accurate for the factors included in this analysis. Clients should assess their priorities and apply these while performing due diligence as part of the vendor evaluation process. It is not uncommon for clients with unique requirements to find that a lesser-known vendor is best-suited to meet their needs.

The Magic Quadrant for Global Enterprise Desktops and Notebooks is updated each year to reflect changes in market dynamics. We evaluate a vendor's position based on:

- The quantitative parameters we obtain from vendors through a questionnaire response
- A qualitative analysis based on vendor interviews
- Subjective evaluations based on extensive feedback from Gartner clients, and scores given by each of Gartner's user-facing client computing analysts against a range of criteria

Market Overview

Enterprises come in all types and sizes. While some may be very large organizations with tens of thousands of users distributed globally, and others may be a few hundred users in a single country, they all share certain fundamental requirements that pose unique challenges to PC suppliers. For enterprise customers, price is an important consideration, but not usually the primary purchase criterion. Instead, the purchase decision process considers various factors, including the ability to provide appropriate services and to support global deployments. Working with desktop and notebook vendors that can meet these requirements helps reduce the total cost of PC ownership.

Attributes that we capture in this Magic Quadrant include the commitment to the enterprise market by established enterprise PC vendors and the likelihood that consumer players will expand their global enterprise potential. Most enterprise customers have moved to a single-supplier strategy for purchasing their PCs (although we recommend qualifying a second supplier as a backup), and, as such, we put a high value on having a breadth of products, supported by a strong channel network. Indeed, having a strong reseller channel has become more critical in recent years, although we still put a high value on direct capabilities as well. Gartner regards global presence as a significant criterion for evaluating potential PC suppliers. The Leaders in this Magic Quadrant are all large vendors that can provide consistent products and services across multiple regions. Other players included in this Magic Quadrant are global, but lack strong enterprise account management capabilities and/or explicit stable platform programs. Although smaller vendors can also play effectively in the enterprise PC market, the lack of global capabilities for delivery and/or support would put them into a Niche Players or Challengers position.

The PC market is mature and undergoing a major disruption. Significant weakness in the consumer PC market, due to the end of the netbook wave and the rise of tablets, has caused the overall PC market to contract during the past two years. While we are seeing some stability return to the market, it remains a challenging space for all vendors. Enterprise PC purchasing has been propped up by Windows XP's end of life, but now is looking for something to drive the next wave of upgrades. The hoped-for move to touch-based and two-in-one devices has not yet really begun to move the market. We expect Windows 10 may offer an incentive for enterprises to again refresh their hardware, but significant impact won't be felt until late 2016 at the earliest. During 2014, PC vendors continue to face tough financial challenges, and all vendors are re-evaluating their PC strategy. As a result, we have seen a few withdraw from the market (Sony and Samsung), while others are undergoing restructuring. Although there continues to be fierce competition across the market, PC prices seem to have stabilized over the past year, as PC makers have struggled to maintain the discount levels offered in previous years. As we have noted in previous years, we continue to see instances where the attributes that qualify a PC as a business-class model — including long image stability, long product life cycles and a three-year standard warranty — are eroding as vendors attempt to maintain even meager profitability.

Traditional enterprise products are increasingly competing with consumer offerings and new types of devices (for example, tablets) for the IT budget. While many consumer players are jockeying for position in the enterprise environment, few have made significant inroads. Moving into 2015, PC makers will put more focus on two-in-one devices as interest builds for Windows 10 in the second half of that year. We have reached a level of refinement with these devices that makes the latest round of systems more acceptable to a broader range of users. As we noted in 2013, tablets are not part of the evaluation criteria in this year's Magic Quadrant, but we have again adjusted the weightings around innovation and the overall approach to the mobile market, as well as adjacent products, to reflect the dynamic nature of the market.