

**A TECHAISLE WHITE PAPER**

*TECHAISLE PERSPECTIVES*  
**PC PRICE TRACKING- A 2010 INDIA SNAPSHOT**



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## Contents

<b>Introduction</b>	<b>3</b>
<b>Methodology</b>	<b>3</b>
<b>Competitive SKU Count Comparison</b>	<b>4</b>
<b>Price Band by Vendor</b>	<b>4</b>
<b>Vendor Margins</b>	<b>7</b>
<b>Monitor Size and Warranty</b>	<b>8</b>
<b>Regional Analysis</b>	<b>9</b>
<b>About Techaisle</b>	<b>10</b>



## INTRODUCTION

Techaisle tracked 1000 models monthly, each with its own SKU across numerous cities in the India Market including Chennai, Delhi, Kolkata, and Mumbai as the main hubs. Leading Vendors were Acer, HP and Lenovo. These SKUs were tracked for all form factors: Desktops, Notebooks, Netbooks, and Servers. The current white paper includes analysis at the aggregate level for PCs only and excludes Servers.

## METHODOLOGY

Techaisle maintains an active database of over 22,000 channel partners in India across 150+ cities. The survey to obtain pricing and shipment data is done with over 1200 channel partners for every wave. The 56 cities that are covered are:

- *Central India:* Raipur, Indore, Bhopal, Gwalior, Jabalpur
- *East India:* Guwahati, Patna, Ranchi, Jamshedpur, Bhubaneswar, Kolkata, Siliguri, Asansol
- *North India:* Chandigarh, Delhi, Gurgaon, Ambala, Panipat, Shimla, Jammu, Ludhiana, Jalandhar, Amritsar, Jaipur, Kota, Udaipur, Jodhpur, Lucknow, Allahabad, Kanpur, Agra, Varanasi, Gorakhpur, Dehradun
- *South India:* Hyderabad, Vizag, Vijaywada, Bengaluru, Mangalore, Mysore, Kochi, Pondicherry, Chennai, Coimbatore, Madurai, Trichy
- *West India:* Goa, Ahmedabad, Baroda, Surat, Mumbai, Pune, Nashik, Nagpur, Aurangabad

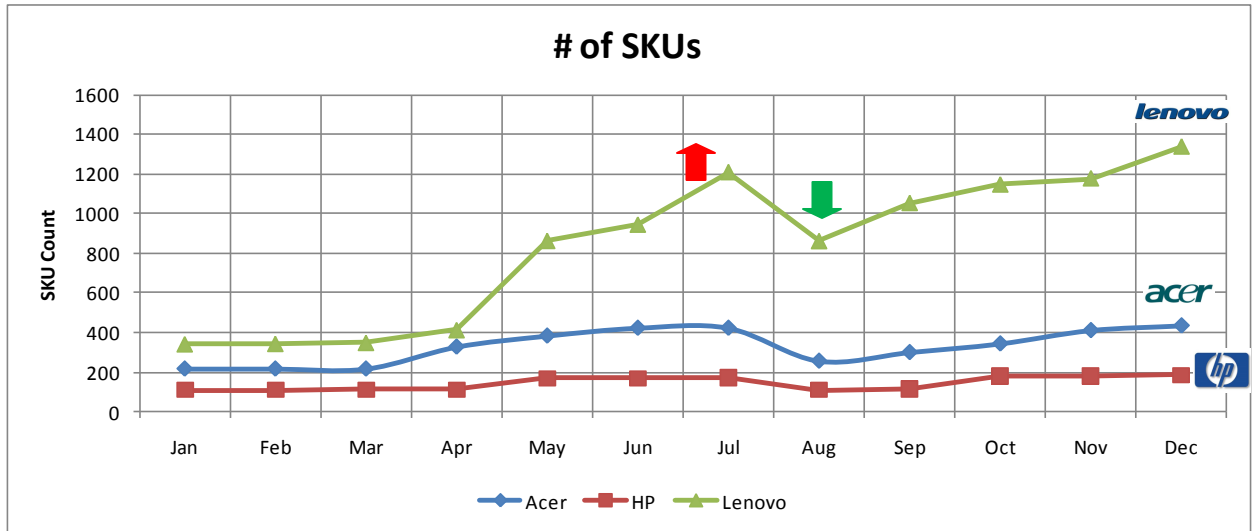
The channel partners surveyed include: Resellers, Local Dealers including Vendor Authorized Dealers, VARs, System Builders, Retailers, SIs, Consultants and ISVs.

Techaisle's price tracking covers:

- *Form Factors:* Desktops, Notebooks, Servers
- *Pricing:* Maximum Retail Price, Street Price, Reseller Purchase Price
- *Configuration:* Model, SKU, CPU, other details such as Cache, RAM, HDD, Monitor, OS and Warranty

## COMPETITIVE SKU COUNT COMPARISON

The year 2010 saw a clear trend of new model introduction and retirement. Acer, HP and Lenovo introduced new models in the months of June/July and then again in November/December. Lenovo introduced a higher number of new models at the end of the year as compared to Acer and HP.

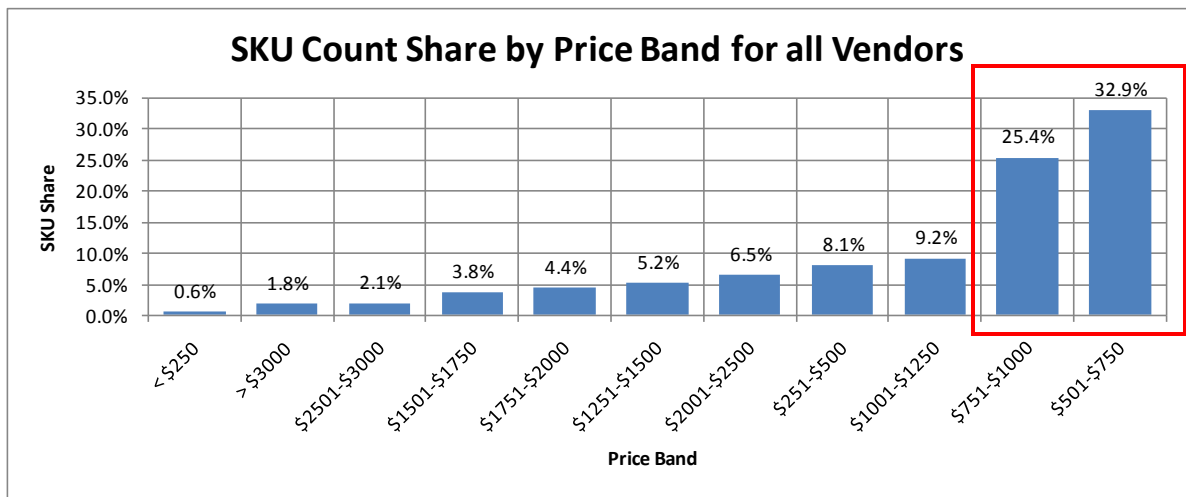


The above data includes commercial desktops, notebooks, and Lenovo’s IdeaPad. In the data presented and analyzed, Techaisle has excluded consumer desktops as well as netbooks.

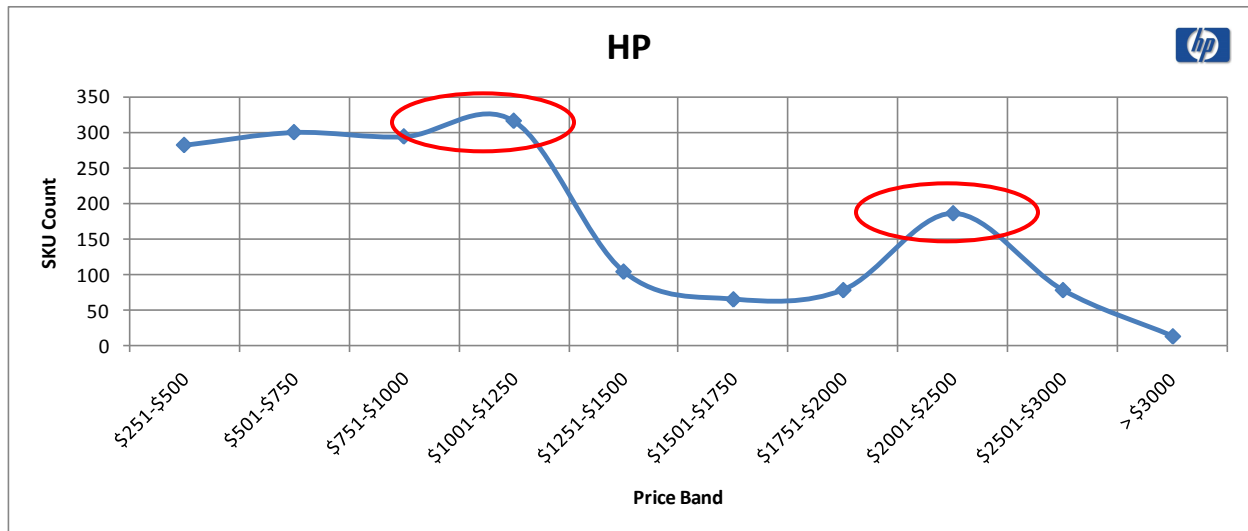
For the entire year 2010, Acer and HP tracked very closely to each other whereas Lenovo started to diverge from July onwards.

## PRICE BAND BY VENDOR

For the year 2010, the chart below clearly shows that over 50 percent of the models introduced and sold in India were in the US\$500-US\$1000 range.

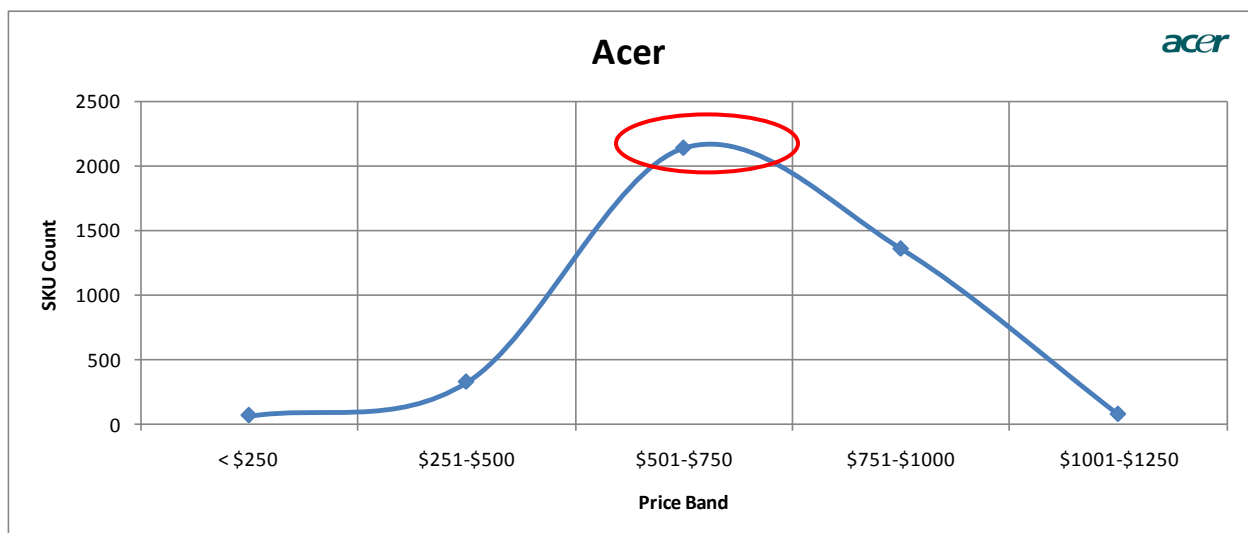


When the models and the street prices are grouped into various price bands, it is found that HP had a tumultuous year with various pricing swings. The lowest price for an HP model was US\$265 and the highest price was US\$3022. However, if one looks at the data by form factors, the variation is not that extensive. As seen from the chart below, HP has concentrated its models around the US\$1001-US\$1250 and US\$2001-US\$2500 Price Ranges.

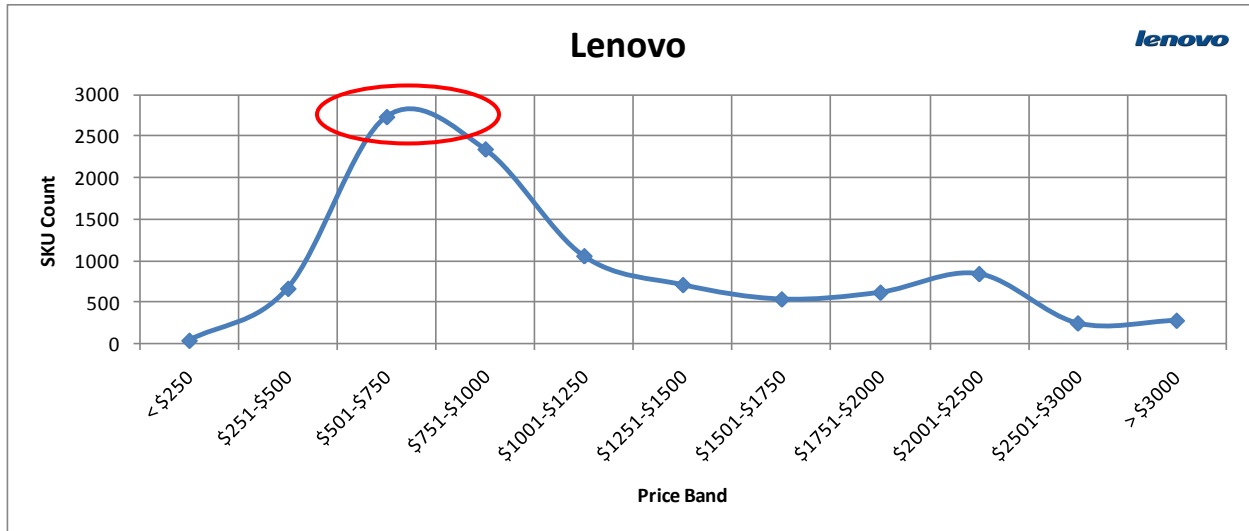


Of the three vendors that were tracked, Acer has been the most consistent in terms of its models and pricing. Most of Acer’s PC models are concentrated around the US\$501-US\$750 Price Range and had a big influence in shaping the average price of PCs in the India market.

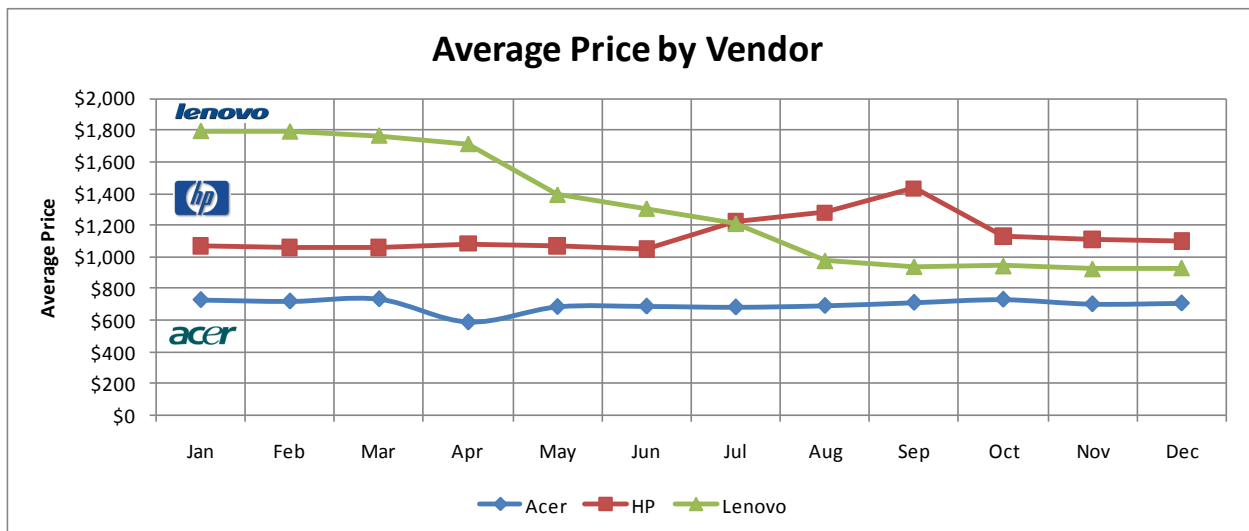
The average price of an Acer PC is nearly half of that of HP and Lenovo. There are few models that are priced too high or priced too low. The lowest price for an Acer model is US\$509 and the highest price is US\$1008.



Similarly to Acer, Lenovo centers on the US\$501-\$750 Price Range as well. Lenovo had some high priced models at the beginning of the year and started to phase out and discontinue some models which skew Lenovo’s average pricing for PCs. The lowest price for a Lenovo model is US\$397 and the highest price is US\$3711. For this analysis, models such as W700 which were priced higher than US\$5000 were excluded.






Acer has been the most consistent vendor in regards to pricing action across all months. In April, Acer introduced lower price models in response to the end of the financial year in India. In order to effectively compete with HP and Acer, Lenovo started to decrease its high prices starting from May. Acer’s average pricing is US\$695 as compared to HP with US\$1134 and Lenovo with US\$1163.



The above data does not take into account any sales out information.

The following table breaks out the average pricing by form factors for each vendor. These average pricing are for the entire year 2010.

Vendor	Form Factor	Avg Price Range	Avg Price	Model
	Desktop	Lowest	US\$265	Dx2009 SFF
		Highest	US\$1248	8100 Elite
	Notebook	Lowest	US\$702	HP ProBook 4525s
		Highest	US\$3022	HP EliteBook 8740w
	Desktop	Lowest	US\$510	Veriton
		Highest	US\$522	Veriton
	Notebook	Lowest	US\$511	Extensa 46302
		Highest	US\$1008	Aspire 4820T4
	Desktop	Lowest	US\$397	H Series
		Highest	US\$1198	A Series
	Notebook	Lowest	US\$547	G455
		Highest	US\$3710	W700

## VENDOR MARGINS

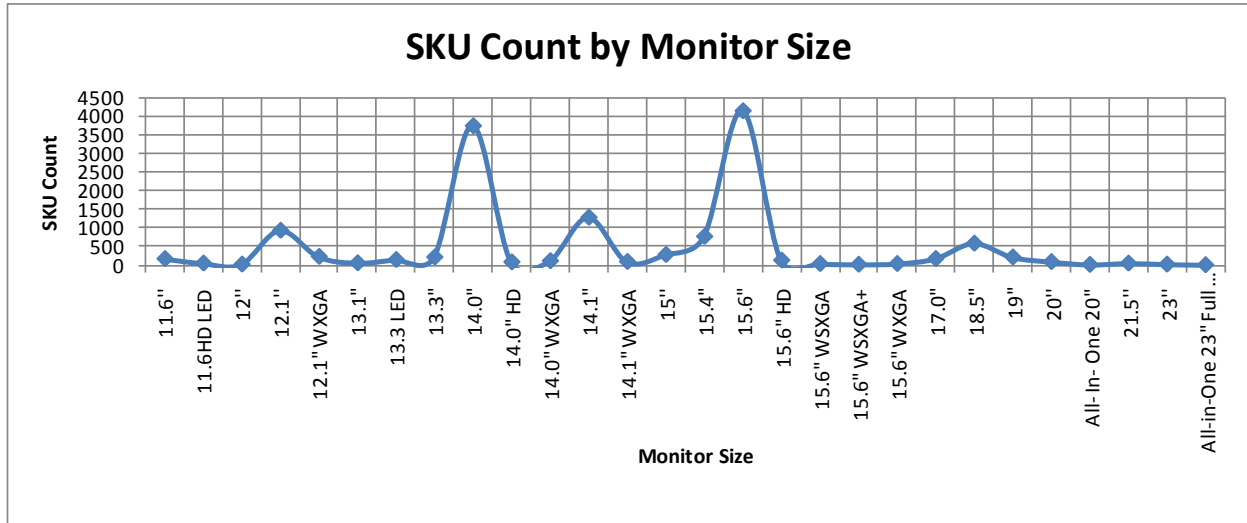
The average margins, defined as the difference between the dealer buy price and the street price varied from a low of 1.7 percent to a high of 6.4 percent at the overall vendor level. However, if data is looked at a granular level, there were many different models that were sold below dealer buy price while there were some that received more than 10 percent margins.

Vendor	Form Factor	Avg of Dealer buy price	Avg of Street Price	Margin
<b>Acer</b>	Desktop	\$489.60	\$520.86	6.4%
	Notebook	\$716.10	\$728.15	1.7%
<b>Acer Average</b>		<b>\$680.38</b>	<b>\$695.45</b>	2.2%
<b>HP</b>	Desktop	\$473.26	\$497.72	5.2%
	Notebook	\$1,376.54	\$1,442.40	4.8%
<b>HP Average</b>		<b>\$1,081.76</b>	<b>\$1,134.11</b>	4.8%
<b>Lenovo</b>	Desktop	\$659.09	\$682.88	3.6%
	Notebook	\$1,299.46	\$1,338.46	3.0%
<b>Lenovo Average</b>		<b>\$1,140.94</b>	<b>\$1,176.17</b>	3.1%
<b>Overall Average</b>		<b>\$1,016.42</b>	<b>\$1,048.40</b>	3.1%

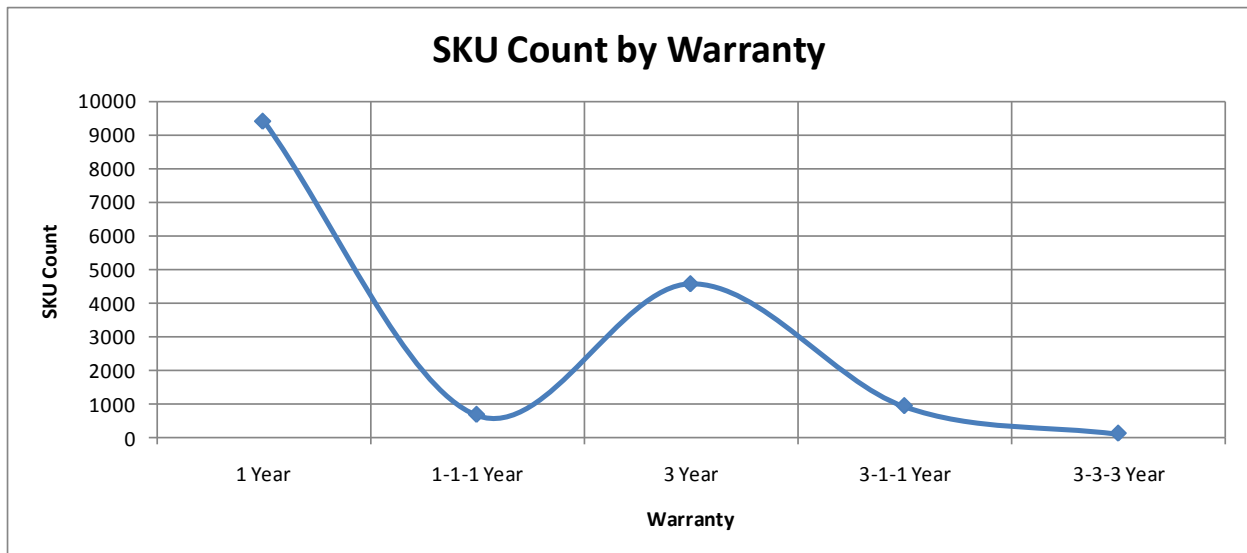
- Among the models for Acer that received the highest margins were Veriton, Extensa 43602, Aspire 4740 and Aspire 5738.
- Similarly, for HP, the highest margin products were HP Elite 8000, Dx2009 SFF, Dx2480, and HP ProBook 4310.
- And among the models for Lenovo, the highest margin products were 1165AEQ, W510, ThinkPad X100E, and ThinkPad Edge13.

## MONITOR SIZE AND WARRANTY

A PC with a 15.6" monitor in India was most popular and had the most SKUs. The average price of a 15.6" PC was US\$829, with Acer being US\$697, HP being US\$1120, and Lenovo being US\$959.



Most of the models came with a 1 year warranty.



## REGIONAL ANALYSIS

Comparing across East/West, North/South zones, we find that Eastern zone has the highest street pricing whereas the Southern zone has the lowest. Although, at an overall level, the price difference is only 2 percent but the differences become stark at vendor and model level. The average price of a PC (including desktops, commercial desktops and notebooks) varies from US\$1039 in Chennai to US\$1057 in Kolkata, with Delhi at US\$1052 and Mumbai at US\$1045.

Delhi Hub			
Vendor	Avg Dealer buy price	Avg Street price	Margin
Acer	\$680.57	\$708.58	4.1%
HP	\$1,081.75	\$1,142.93	5.7%
Lenovo	\$1,127.52	\$1,175.34	4.2%
<b>Overall Average</b>	<b>\$1,007.94</b>	<b>\$1,052.18</b>	<b>4.4%</b>

Mumbai Hub			
Vendor	Avg Dealer buy price	Avg Street price	Margin
Acer	\$680.38	\$691.58	1.6%
HP	\$1,081.75	\$1,128.52	4.3%
Lenovo	\$1,142.01	\$1,174.09	2.8%
<b>Overall Average</b>	<b>\$1,017.03</b>	<b>\$1,045.40</b>	<b>2.8%</b>

Kolkata Hub			
Vendor	Avg Dealer buy price	Avg Street price	Margin
Acer	\$680.38	\$697.08	2.5%
HP	\$1,081.83	\$1,146.10	5.9%
Lenovo	\$1,142.11	\$1,187.12	3.9%
<b>Overall Average</b>	<b>\$1,017.10</b>	<b>\$1,057.00</b>	<b>3.9%</b>

Chennai Hub			
Vendor	Avg Dealer buy price	Avg Street price	Margin
Acer	\$680.18	\$684.58	0.6%
HP	\$1,081.71	\$1,118.89	3.4%
Lenovo	\$1,152.10	\$1,168.15	1.4%
<b>Overall Average</b>	<b>\$1,023.59</b>	<b>\$1,039.01</b>	<b>1.5%</b>

## ABOUT TECHAISLE

Techaisle is a global SMB IT Market Research and Industry Analyst organization. Headquartered in San Jose, California, it has offices in Europe and Asia/Pacific. Techaisle is founded on the premise that Go-to-Market strategies require actionable research, flexible data, and deeper analysis. Each of Techaisle's Senior Analysts has spent an average of twenty years with major research companies such as IDC and Gartner. Utilizing its quality certified primary research centers, Techaisle conducts surveys with SMBs and channels to understand market trends, opportunities, buying behavior, purchase intent, and IT priorities. Besides delivering forward looking analysis on emerging technologies such as SMB cloud computing, managed services, and mobility, its channel research coverage provides in-depth understanding of resellers and distribution channels globally.

Techaisle offers its clients six major services: SMB Syndicated Research, Custom Consulting, Worldwide IT Market Opportunity Sizing, Channels Research, Reseller Universe Sizing and Market Segmentation.

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