



HWinsights

Press Release

Demand for overclocking systems increasing in the face of declining desktop market, says HWinsights

Overclocking up 100% between Q1'14 and Q1'15
Typical mainstream overclocking system averaged €1050 in Q1'15
High-end overclocking system cost €2610 in Q1'15

May 26, 2015 – Demand for enthusiast class PC hardware which offers high-performance, reliability, and above all gives the end-user the ability to tweak, fine-tune and tinker, has seen a rapid increase over the past few years. While the overall desktop market has reached stagnation and begun to decline, annual growth in the number of overclockers between the period Q1'13 and Q1'14 was around 50%, and growth between Q1'14 and Q1'15 increased even further at around 100%, according to data compiled in the latest HWinsights Quarterly Report.

"PC component makers and vendors have, over the past several years, seen their key markets – mainstream (high-volume) and gaming (high-margin) – steadily cannibalized by alternatives including tablets, notebooks and games consoles," noted Pieter-Jan Plaisier, Director, HWBOT. "With their market shares and margins under constant pressure, the healthy overclocking market represents an opportunity hardware vendors simply cannot continue to underutilize with outdated product positioning and marketing strategies."

One defining characteristic of the overclocking segment is that buyers are typically more than willing to pay a premium for the right components. Furthermore, in contrast to the mainstream and gaming desktop markets, budgets in the overclocking segment are actually increasing, HWinsights data showed. The total component cost of a typical mainstream overclocking system in Q1'15 averaged €1050 (\$1175) increasing €70 on quarter, while spending on a high-end system reached €2610, up from €2385 in the previous quarter. These figures can be compared to typical spending of sub-\$500 on mainstream or sub-\$1000 on gaming desktops.

Another key feature of the overclocking segment is its particularly rapid upgrade cycle. Mainstream consumers commonly wait until their current hardware fails before buying a replacement, and gamers have a typical upgrade cadence of every 2-3 hardware generations. Meanwhile, overclockers, are driven to own the latest-and-greatest, even if it offers only a marginal improvement over their current hardware, HWinsights noted.

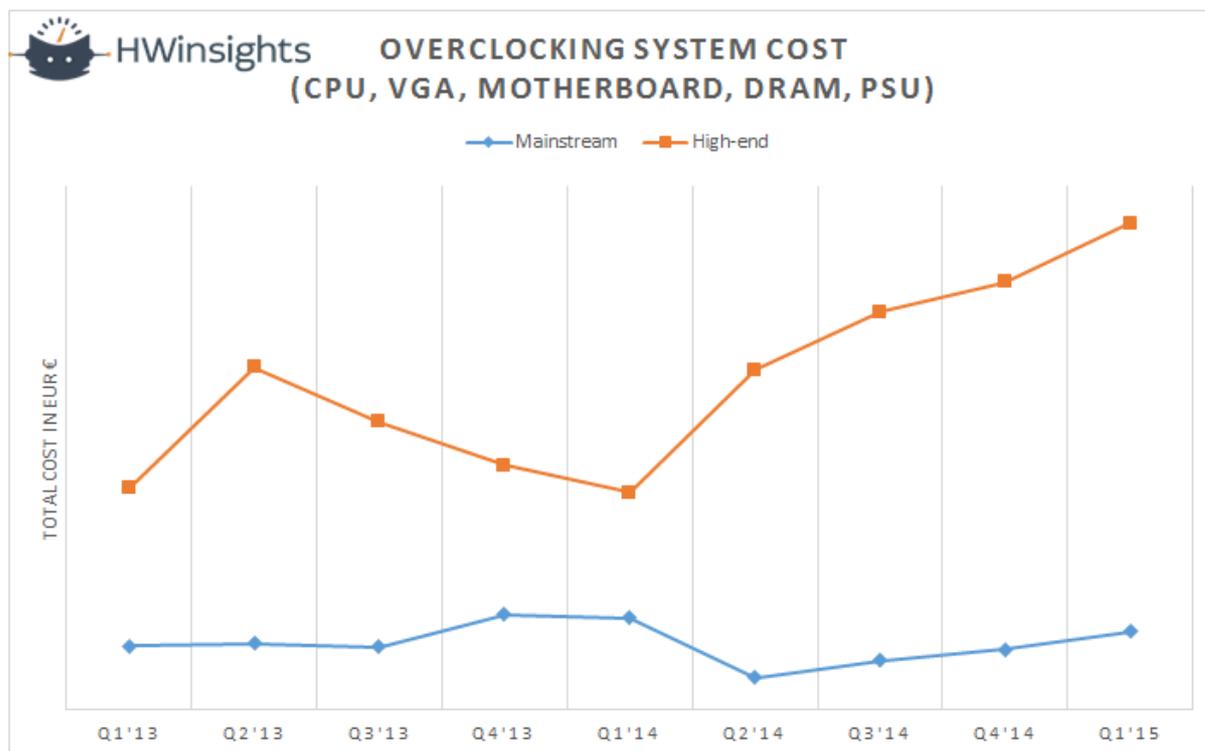
The growing overclocking segment presents an opportunity to open new markets and increase average selling prices (ASPs) for key component suppliers (in particular CPU, graphics card, motherboard, DRAM and PSU), as well as case and cooling solution players, and specialist system integrators, according to HWinsights.

For players looking to succeed in the segment, the main challenges they are likely to face are relatively high technological and cost barriers, due to the increased R&D and component expenses involved in meeting the stringent quality standards demanded by the market, HWinsights noted.

In addition, vendors may struggle to adapt their current "branding and specification" oriented marketing strategies to effectively engage the overclocking community, which is strongly influenced by word-of-mouth recommendations and constantly updated overclocking competition rankings.

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Supplementary media



Title: Overclocking system cost by quarter
Credit: HWinsights

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About HWinsights

HWinsights is the worldwide authority on marketing intelligence specific to the global enthusiast PC market and overclocking community. HWinsights provides data services, trends analysis, and technical expertise aimed at giving system integrators, vendors, and hardware designers the insights they need to target the enthusiast PC market with accuracy and with confidence.

HWinsights is a division of HWBOT.