

Shipment Fall of Graphics Cards May Trigger Price Drop

Graphics cards' shipment fall may trigger price drop, bringing relief to gamers. A colorful harvest awaits eager upgraders.

SAN JOSE, CALIFORNIA, USA, July 5, 2023 /EINPresswire.com/ -- The graphics card market is may witness a price drop due to a decline in shipments. According to the report by Jon Peddie Research, sales in the first quarter of 2023 have dropped by 38% when compared with the same period last year and a 12% decrease



compared to the previous quarter of 2022. The sales figures have dropped to 6.3 million units in the first quarter (down from 7.16 million units last quarter), the lowest quarterly sales in decades, as historical data shows.



Declining shipment of graphics cards heralds the winds of change, poised to unleash a storm of price drops, leveling the playing field for gamers and igniting a wave of excitement in the tech world."

This sudden decrease may have caused an effect for Nvidia, AMD, <u>Intel processors</u> as well as those who have experienced fluctuations in their market share. It has sparked worries about the industry's future and potential impacts for professionals, gamers and technology enthusiasts alike.

According to the report, 12% is the AMD's market share this year, which is only half of what it was last year (24%).

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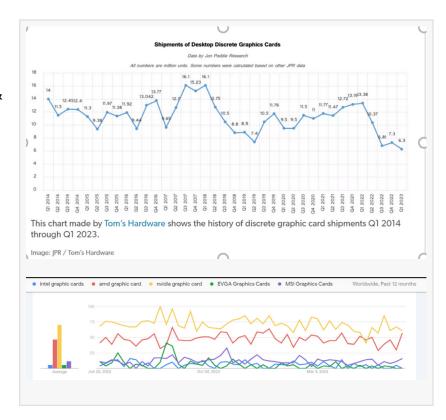
The report highlights the greater popularity of the RTX 30s over the RX 6000, especially in Q4 2022.

Also, as we can see, Intel Arc is selling better because of its reasonable price.

Intel graphics cards managed to double its share, from 2% to 4% in a single quarter, which,

although not spotlighted in the global context, is something to consider.

According to Jon Peddie (the founder & president of JPR), "The decline in the market can be attributed to concerns about inflation and job cuts. Also, retailers are still trying to sell off the remaining stock of last-generation graphics cards, which further impacts overall sales." Peddie has not held anyone responsible for purchasing an Nvidia GeForce RTX 30-series card or AMD Radeon RX 6000 series card at a decent discount instead of the muchmore expensive current-gen GPUs."



The JPR's founder statement about the

shipment's decline in Q1 2023 showcases a comparable situation experienced in 2022. Typically, the Q1'22 had also seen a drop in shipment and multiple factors played a role in it. This led to the price drop, according to the 2022 JPR report. These factors included disturbances in Ukraine, China, the withdrawal from lockdown measures in other regions, a decrease in demand for crypto-mining hardware, and increase in production capacity. Plus, the growing expectation for next-generation cards resulted in more potential buyers postponing their GPU purchases.

Results? GPU prices were cut. According to the same 2022 report, the average selling price of a new GPU came down to \$643 in the first quarter and \$529 in the second of 2022 from \$1077 USD in the third quarter of 2021.

Analysts in 2023 warn a depressed interest of the next-gen GPUs for the short term even after the overstock of older cards clears. Plus, the second quarter traditionally experiences a decline and this year won't be any different, although the severity may not be as severe as expected.

Since the Q2 is a down quarter, and consumers are snapping up card at a decent discount, manufactuers may slash the price of current-gen GPUs if they want to improve sales (however, it's hard to predict the future). This may be due to the fact that consumers are benefiting from attractive discounts. The overstock of last-generation GPU models compared to the demand further contributes to the reduction in costs.

Though, the situation is expected to improve in the third and fourth quarters of 2023, with shipments of graphics cards picking up, mainly due to the availability of mainstream options in both AMD and Nvidia's latest GPU lineups.

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