



Stanford eCorner

Positioning NVIDIA as More Than a PC-Based Company

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Will NVIDIA have to re-position itself with the slowing of the PC industry? Though NVIDIA is traditionally a PC-based company, in reality the PC-market share is only 40%. However, it is still seen as a PC company and it is important not to re-position the company so drastically that this market will be lost.



Transcript

Question has to do with our business historically. We are a PC-graphics company and the way that people think about us. The question now is PCs starts to grow more slowly, do we have to re-position our company? Desktop PCs represent about 40% of NVIDIA's business. Surprisingly little, OK? It's just that the subtle positioning of our company and I use the word subtle and I'll come back and explain on a second, the subtle positioning of our company is something that takes a long time for people to hear. Now, we are so incredibly well known for one thing that we do, making the GeForce GPU. You know, we are known in high schools, video game parlors, and every country all over the world. I get fan mails almost every country I go to. And I'm particularly popular with the teenagers it appears. And so, we need to be careful not to re-position our company so drastically that we dilute what we mean to a core audience that cares deeply about us, OK? So it's a balancing act that is in fact hard to do. Intel's business today is not predominantly CPUs anymore.

It's a very important part of their business. It is the predominant part of their profits. But yet, they do a lot more than that. And yet we today still think of Intel today as a CPU company. They're trying to balance that very delicately. And I need to balance that very delicately as well. To re-position the company into a much larger market while retaining the identity of our company that the whole world knows us by, OK? That balancing act is very hard. About 40% of our business is PCs. The rest of it is either laptops, Macintoshes, workstations, game consoles, arcades, and Beta systems in the future. I wouldn't be surprised.

We are already in the Apache helicopter. It's not a very large market unfortunately. It appears it may get larger here in a moment. But whether it's embedded systems, telematics, or handheld devices, wherever there is a panel, wherever there is a pixel, my sense is that those are market opportunities for us. And if I get invited back in 10 years, I hope that I'm driving a lot more of those pixels and what people see as us. Maybe it's just a much broader consumer electronics company and a broader technology company. And hopefully, one of the most influential technology companies in the world.