Intel scrambles for relevance with new chip naming conventions

Article

The news: Faced with surging competition from all sides, **Intel** made a commitment to reclaim its former glory as the dominant chipmaker for PCs and consumer electronics by 2025, per The Verge.

Intel proposed **new conventions** for how its microchips are measured, and will no longer use the **nanometer-based nomenclature** that's long been the industry standard. Intel instead

plans on adopting a naming system that provides "a more accurate view of process nodes across the industry."

- The company also announced plans to create hybrid chips aimed at mobile devices that will be comparable to ARM-based chips, most notably **Apple's M1** processors introduced last year.

- Intel is building out its **Intel Foundry Services** (IFS) which will enable it to manufacture chips for other companies and compete directly against **TSMC** and **Samsung.**

More on this: Intel's current and upcoming 12th Gen Alder Lake microprocessors are **10nm chips** but will now be known as **"Intel 7,"** while its future 7nm products will be called "Intel 4," which could be seen as misleading. For comparison, AMD's 7nm Ryzen processors have been available since 2020 and Apple's M1 chip is built with a 5nm process. Plans to create a range of hybrid chips aimed at mobile devices still leaves Intel far behind the competition in the highly competitive mobile chip market.

How we got here: Once the leading chipmaker catering to Windows and Apple computers, Intel led the pack in terms of performance and innovation. Continuous delays in its product-release cycle affected the entire PC industry, which relies on new processors to help launch new devices.

- Intel's delays and inability to deliver on power efficiency and performance for next-gen computing devices have prodded clients like Apple and Microsoft to develop their own silicon in-house for PCs, servers, and IoT devices.

- **Cloud-based PC operating systems** like Microsoft's Windows 365 suggest a possible shift away from hardware-dependent computing in general.

- **AMD's** competing PC and server chips can match the performance of Intel-made chips but are more affordable and are already starting to creep into popular PC lines.

The problem: Intel's announcements come off **more as a marketing gimmick than an actual shift** in product strategy. Intel will continue to struggle to remain competitive mostly because it's still the **most expensive** chipmaker in the market and continues to be **plagued by delays** and dated tech—**problems that will persist regardless of the new nomenclature.**

The opportunity: Of all its recent strategy announcements, Intel's planned **foundry service to make chips for other companies** makes the most sense, at least for the short term. The chip

shortage has led to an insatiable demand for microprocessors and Intel can leverage its expertise and existing factories to ramp up production for the likes of **Qualcomm.**

Global PC Market Share
% by manufacturer, Q2 2021

Other
23%

Lenovo
24%

Acer
7%

Apple
7%

Dell
17%

HP
22%
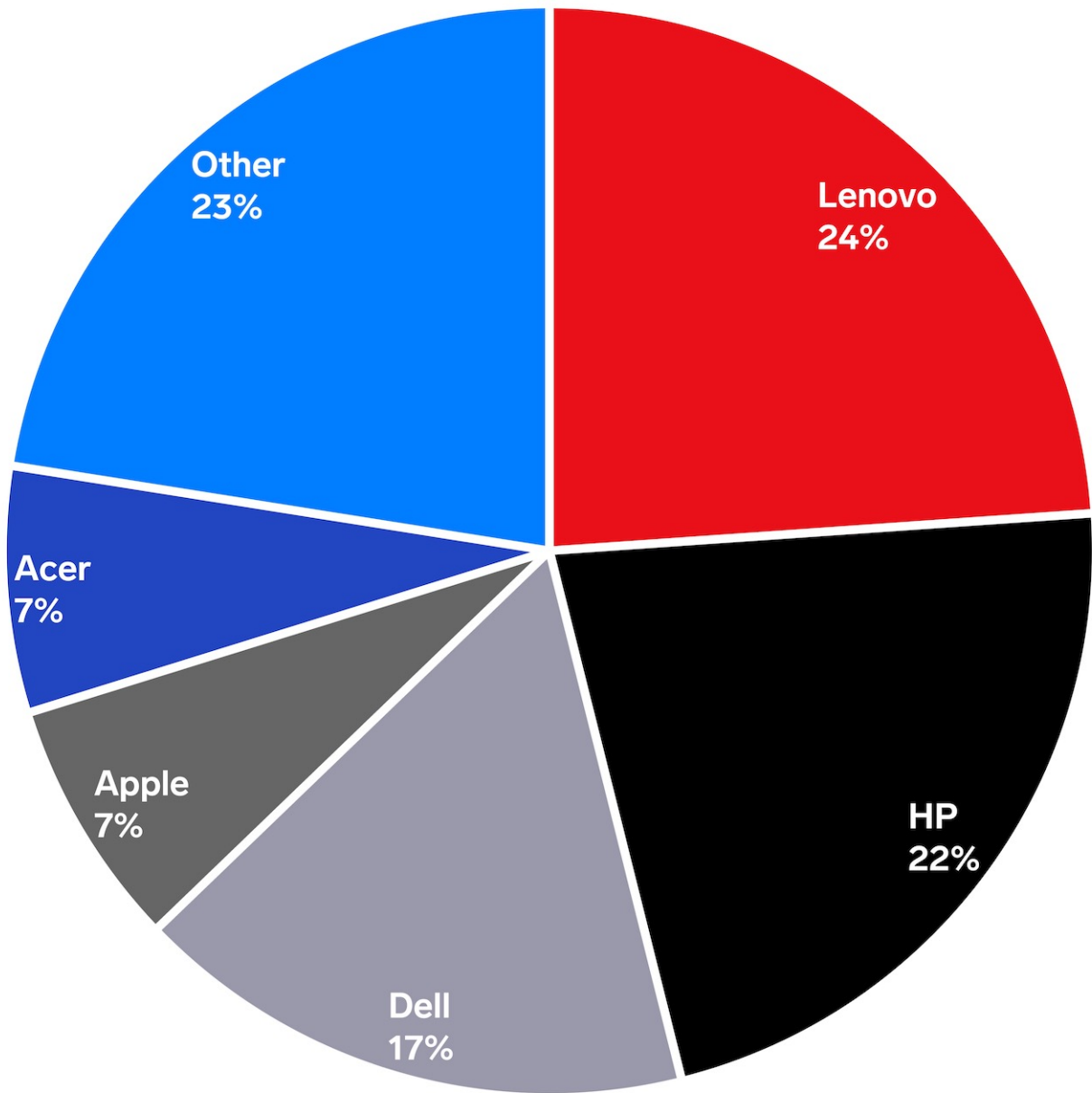
Note: Figures may not add up to 100 due to rounding.
Source: IDC, 2021

1047224350097

INSIDER INTELLIGENCE | **eMarketer**