

FOR IMMEDIATE RELEASE

## **Gartner Says Worldwide Mobile Phone Sales Declined 1.7 Per Cent in 2012**

### ***Huawei Reached No. 3 Spot in Worldwide Smartphone Sales Ranking Apple and Samsung Increased Share to Control 52 Per Cent of Worldwide Smartphone Sales***

Egham, UK, 13 February 2012 — Worldwide mobile phone sales to end users totalled 1.75 billion units in 2012, a 1.7 per cent decline from 2011 sales, according to Gartner, Inc. Smartphones continued to drive overall mobile phone sales, and the fourth quarter of 2012 saw record smartphone sales of 207.7 million units, up 38.3 per cent from the same period last year.

“The last time the worldwide mobile phone market declined was in 2009,” said Anshul Gupta, principal research analyst at Gartner. “Tough economic conditions, shifting consumer preferences and intense market competition weakened the worldwide mobile phone market this year.”

Demand for feature phones remained weak in 2012 and in the fourth quarter. Feature phone sales totalled 264.4 million units in the fourth quarter of 2012, down 19.3 per cent year-on-year. Gartner analysts expect feature phones sales to continue to fall in 2013. Gartner predicts that sales of worldwide smartphone sales to end users will be close to 1 billion units in 2013, and overall mobile phone sales to end users are estimated to reach 1.9 billion units.

In the fourth quarter of 2012, Apple and Samsung together raised their worldwide smartphone market share to 52 per cent from 46.4 per cent in the third quarter of 2012. Samsung ended the year in the No. 1 position, in both worldwide smartphone sales and overall mobile phone sales.

“There is no manufacturer that can firmly lay claim to the No. 3 spot in global smartphone sales,” said Mr Gupta. “The success of Apple and Samsung is based on the strength of their brands as much as their actual products. Their direct competitors, including those with comparable products, struggle to achieve the same brand appreciation among consumers, who, in a tough economic environment, go for cheaper products over brand.”

Huawei had a good fourth quarter, which helped it reach the No. 3 position among smartphone vendors for the first time. In 2012, Huawei sold 27.2 million smartphones to end users, up 73.8 per cent from 2011. Both, the Ascend D2 and Mate announced at this year’s Computer Electronics Show (CES) aim to grow the company’s brand perception as a premium product and increase its mobile phone margins. Gartner analysts said international markets are key for Huawei’s growth in 2013, as well as being able to improve its product mix to a higher tier.

In the fourth quarter of 2012, Samsung’s overall smartphone sales continued to accelerate totalling 64.5 million units, up 85.3 per cent from the fourth quarter of 2011. In 2012, Samsung totalled 384.6 million mobile phones sales, of which 53.5 per cent (up from 28 per cent in 2011) were smartphone sales.

Samsung’s resources and ability to build a broad market reach is an advantage that no other competitor can easily match. However, the competition will intensify in 2013 as players such as Sony and Nokia improve. “With Samsung commanding over 42.5 per cent of the Android market globally, and the next vendor at just 6 per cent share, the Android brand is being overshadowed by Samsung’s brand with the Galaxy name nearly a synonym for Android phones in consumers’ mind share,” said Mr Gupta.

Apple's sales reached 43.5 million units in the fourth quarter of 2012, up 22.6 per cent year-on-year. In 2012, Apple totalled 130 million smartphone sales worldwide. While the demand for iPhones in the fourth quarter remained strong, consumers' demand favoured the less expensive iPhone 4 and 4S models. The arrival of the iPad Mini also created a dilemma for some users when deciding if to upgrade an iPhone 4 or iPhone 4S to an iPhone 5, or buy the new tablet.

In the fourth quarter of 2012, Nokia's handset sales improved from a good response to its Asha mobile phones and the launch of the latest Lumia Windows Phone 8 models. It was not sufficient to stop Nokia to lose further market share, totalling 18 per cent, the lowest it has ever been. In 2012, Nokia reached 39.3 million smartphone sales worldwide, down 53.6 per cent from 2011. Analysts said that aside from the continued focus on Lumia, Nokia needs to build on momentum around Asha in 2013 by adding devices and apps to further enhance its overall value proposition and, in doing so, moving up the price point slightly to achieve better margins breaching the gap left by Symbian.

**Table 1**  
**Worldwide Mobile Phone Sales to End Users by Vendor in 4Q12 (Thousands of Units)**

Company	4Q12 Units	4Q12 Market Share (%)	4Q11 Units	4Q11 Market Share (%)
Samsung	106,957.7	22.7	93,830.3	19.6
Nokia	85,054.8	18.0	111,699.4	23.4
Apple	43,457.4	9.2	35,456.0	7.4
ZTE	16,160.6	3.4	18,915.1	4.0
LG Electronics	14,981.3	3.2	16,938.3	3.5
Huawei Technologies	13,679.1	2.9	13,966.1	2.9
TCL Communication	11,097.6	2.4	10,695.3	2.2
Lenovo	8,305.4	1.8	5,206.3	1.1
Sony Mobile Communications	7,946.6	1.7	8,935.7	1.9
Motorola	7,822.2	1.7	10,075.3	2.1
Others	156,613.7	33.2	151,985.1	31.8
<b>Total</b>	<b>472,076.4</b>	<b>100.0</b>	<b>477,703.0</b>	<b>100.0</b>

Source: Gartner (February 2013)

**Table 2**  
**Worldwide Mobile Phone Sales to End Users by Vendor in 2012 (Thousands of Units)**

Company	2012 Units	2012 Market Share (%)	2011 Units	2011 Market Share (%)
Samsung	384,631.2	22.0	315,052.2	17.7
Nokia	333,938.0	19.1	422,478.3	23.8
Apple	130,133.2	7.5	89,263.2	5.0
ZTE	67,344.4	3.9	56,881.8	3.2
LG Electronics	58,015.9	3.3	86,370.9	4.9
Huawei Technologies	47,288.3	2.7	40,663.4	2.3
TCL Communication	37,176.6	2.1	34,037.5	1.9
Research In Motion	34,210.3	2.0	51,541.9	2.9
Motorola	33,916.3	1.9	40,269.1	2.3
HTC	32,121.8	1.8	43,266.9	2.4
Others	587,399.6	33.6	595,886.9	33.6
<b>Total</b>	<b>1,746,175.6</b>	<b>100.0</b>	<b>1,775,712.0</b>	<b>100.0</b>

Source: Gartner (February 2013)

In the smartphone operating system (OS) market (see Table 3), Android captured more than 50 per cent of the OS market, widening the gap with Apple's iOS. While Android grew 87.8 per cent in the fourth quarter of 2012, RIM declined 44.4 per cent in the same period. Microsoft had a better fourth quarter, with its share growing 1.2 percentage points, and its smartphone sales increasing 124.2 per cent year-on-year.

“2013 will be the year of the rise of the third ecosystem as the battle between the new BlackBerry10 and Widows Phone intensifies,” said Mr Gupta. “As carriers and vendors feel the pressure of the strong Android’s growth, alternative operating systems such as Tizen, Firefox, Ubuntu and Jolla will try and carve out an opportunity by positioning themselves as profitable alternatives.”

**Table 3**  
**Worldwide Smartphone Sales to End Users by Operating System in 4Q12 (Thousands of Units)**

Operating System	4Q12 Units	4Q12 Market Share (%)	4Q11 Units	4Q11 Market Share (%)
Android	144,720.3	69.7	77,054.2	51.3
iOS	43,457.4	20.9	35,456.0	23.6
Research In Motion	7,333.0	3.5	13,184.5	8.8
Microsoft	6,185.5	3.0	2,759.0	1.8
Bada	2,684.0	1.3	3,111.3	2.1
Symbian	2,569.1	1.2	17,458.4	11.6
Others	713.1	0.3	1,166.5	0.8
<b>Total</b>	<b>207,662.4</b>	<b>100.0</b>	<b>150,189.9</b>	<b>100.0</b>

Source: Gartner (February 2013)

Additional information is in the Gartner report "Market Share Analysis: Mobile Phones, Worldwide, 4Q12 and 2012." The report is available on Gartner's web site at <http://www.gartner.com/resId=2334916>.

**About Gartner**

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in 12,400 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,300 associates, including 1,390 research analysts and consultants, and clients in 85 countries. For more information, visit [www.gartner.com](http://www.gartner.com).

###