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Gartner Says Asia/Pacific Led Worldwide Mobile Phone Sales to Growth in First Quarter of 2013

Sales of Mobile Phones in All Regions Except Asia/Pacific Declined in the First Quarter of 2013

Slowdown in Feature Phone Upgrade Cycle Could Strain Mobile Phone Market in 2013

Egham, UK, 14 May 2013 — Worldwide mobile phone sales to end users totalled nearly 426 million units in the first quarter of 2013, a slight increase of 0.7 per cent from the same period last year, according to Gartner, Inc. Worldwide smartphone sales totalled 210 million units in the first quarter of 2013, up 42.9 per cent from the first quarter of 2012. The Asia/Pacific region was the only region to show growth in mobile phone sales this quarter, with a 6.4 per cent increase year-on-year.

“More than 226 million mobile phones were sold to end users in Asia/Pacific in the first quarter of 2013, which helped the region increase its share of global mobile phones to 53.1 per cent year-on-year,” said Anshul Gupta, principal research analyst at Gartner. “In addition, China saw its mobile phone sales increase 7.5 per cent in the first quarter of 2013, and its sales represented 25.7 per cent of global mobile phone sales, up nearly 2 percentage points year-on-year.

“The Chinese and local manufacturers have been exemplary at addressing the demands of buyers by offering affordable devices with optimum features such as 2.5G (EDGE) instead of 3G in a smartphone. In the smartphone market, local and Chinese manufacturers are making faster inroads as they account for 29 per cent share in the first quarter of 2013, up from 13.2 per cent a year ago.”

In the first quarter of 2013, sales of mobile phones in the EMEA region declined 3.6 per cent. The North America and Latin America’s mobile phone market fell 9.5 and 3.8 per cent, respectively, while Japan saw its mobile phone sales drop 7.3 per cent.

Mobile Phone Vendor Perspective

Samsung: Samsung remained in the No. 1 position, growing 13 per cent in the first quarter of 2013 (see Table 1). Its share of smartphones reached 30.8 per cent, up 3.2 percentage points from the first quarter of 2012 (see Table 2). “We expect the new Galaxy S4 to be very popular despite being more of an evolution than a truly revolutionary device compared to the S3,” said Mr Gupta.

Nokia: Its mobile phone share dropped 4.9 percentage points in the first quarter of 2013 mainly due to a steep decline in feature phone sales. Although Nokia’s Windows Phone sales have sequentially improved reaching a volume of 5.1 million units, Nokia is yet to see high growth in the smartphone segment. Nokia’s position in the smartphone market dropped to No. 10 in the first quarter of 2013, from No. 8 in the fourth quarter of 2012.

Apple: Sales to end users reached 38.3 million units in the first quarter of 2013 as Apple was able to burn some of the inventory built at the end of 2012 as iPhone 5 was rolling out in more markets, and as the company prepared for Chinese New Year. China is a key contributor to overall sales for Apple, and

Gartner analysts saw evidence of this in the first quarter of 2013, when sales reached close to 7 million units in mainland China alone thanks to the lower price of the iPhone 4. “Apple is faced with the challenge of being increasingly dependent on the replacement market as its addressable market is capped. The next two quarters will also be challenging, as there are no new products are expected to be coming before the third quarter of 2013,” said Mr Gupta.

LG electronics moved in front of ZTE in the first quarter of 2013 for the No. 4 position. ZTE had a weak performance, failing to grow its smartphone sales, selling 7.9 million smartphones in the first quarter of 2013, a 5.1 per cent decline year-on-year.

Table 1
Worldwide Mobile Phone Sales to End Users by Vendor in 1Q13 (Thousands of Units)

Company	1Q13 Units	1Q13 Market Share (%)	1Q12 Units	1Q12 Market Share (%)
Samsung	100,657.7	23.6	89,284.6	21.1
Nokia	63,215.2	14.8	83,162.5	19.7
Apple	38,331.8	9.0	33,120.5	7.8
LG Electronics	15,615.8	3.7	14,720.4	3.5
ZTE	14,606.6	3.4	17,379.7	4.1
Huawei Technologies	11,114.8	2.6	10,796.1	2.6
TCL Communication	8,515.9	2.0	7,396.6	1.7
Sony Mobile Communications	7,955.5	1.9	7,898.4	1.9
Lenovo	7,778.9	1.8	5,820.6	1.4
Yulong	7,478.8	1.8	3,146.6	0.7
Others	150,550.6	35.4	150,229.40	35.5
Total	425,821.6	100.0	422,955.4	100.0

Source: Gartner (May 2013)

In the first quarter of 2013, smartphones accounted for 49.3 per cent of sales of mobile phones worldwide. This is up from 34.8 per cent in the first quarter of 2012, and 44 per cent in the fourth quarter of 2012. On the other hand, sales of feature phones contracted 21.8 per cent in the first quarter of 2013.

“Feature phones users across the world are either finding their existing phones good enough or are waiting for smartphones prices to drop further, either way the prospect of longer replacement cycles is certainly not a good news for both vendors and carriers looking to move users forward,” said Mr Gupta.

Table 2
Worldwide Smartphone Sales to End Users by Vendor in 1Q13 (Thousands of Units)

Company	1Q13 Units	1Q13 Market Share (%)	1Q12 Units	1Q12 Market Share (%)
Samsung	64,740.0	30.8	40,612.8	27.6
Apple	38,331.8	18.2	33,120.5	22.5
LG Electronics	10,080.4	4.8	4,961.4	3.4
Huawei Technologies	9,334.2	4.4	5,269.6	3.6
ZTE	7,883.3	3.8	4,518.9	3.1
Others	79,676.4	37.9	58,537.0	39.8
Total	210,046.1	100.0	147,020.2	100.0

Source: Gartner (May 2013)

In the smartphone operating system (OS) market (see Table 3), Android continued to increase its lead, with nearly 50 per cent more Android smartphones in the market than a year ago. “There are two clear leaders in the OS market and Android’s dominance in the OS market is unshakable,” Mr Anshul said. “With new OSs coming to market such as Tizen, Firefox and Jolla we expect some market share to be eroded but not enough to question Android’s volume leadership.

Table 3**Worldwide Smartphone Sales to End Users by Operating System in 1Q13 (Thousands of Units)**

Operating System	1Q13 Units	1Q13 Market Share (%)	1Q12 Units	1Q12 Market Share (%)
Android	156,186.0	74.4	83,684.4	56.9
iOS	38,331.8	18.2	33,120.5	22.5
Research In Motion	6,218.6	3.0	9,939.3	6.8
Microsoft	5,989.2	2.9	2,722.5	1.9
Bada	1,370.8	0.7	3,843.7	2.6
Symbian	1,349.4	0.6	12,466.9	8.5
Others	600.3	0.3	1,242.9	0.8
Total	210,046.1	100.0	147,020.2	100.0

Source: Gartner (May 2013)

Additional information is in the Gartner report "Market Share Analysis: Mobile Phones, Worldwide, 1Q13."

The report is available on Gartner's web site at

<http://www.gartner.com/document/2482415?ref=QuickSearch&stkw=G00252860>.

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