

Gartner: Low-Cost Drives Q1 2016 Smartphone Sales

Written by Marco Attard
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According to Gartner Q1 2016 global smartphone sales total 349 million units-- a 3.9% Y-o-Y increase driven by low-cost smartphone demand in emerging markets and 4G smartphone promotions by many telcos around the world.

Smartphones make 78% of overall Q1 2016 mobile phone sales.

Table 1

Worldwide Smartphone Sales to End Users by Vendor in 1Q16 (Thousands of Units)

| Company | 1Q16 Units | 1Q16 Market Share (%) | 1Q15 Units | 1Q15 Market Share (%) |
|--------------|------------------|--------------------------|------------------|--------------------------|
| Samsung | 81,186.9 | 23.2 | 81,122.8 | 24.1 |
| Apple | 51,629.5 | 14.8 | 60,177.2 | 17.9 |
| Huawei | 28,861.0 | 8.3 | 18,111.1 | 5.4 |
| Oppo | 16,112.6 | 4.6 | 6,585.1 | 2.0 |
| Xiaomi | 15,048.0 | 4.3 | 14,740.2 | 4.4 |
| Others | 156,413.4 | 44.8 | 155,561.4 | 46.3 |
| Total | 349,251.4 | 100.0 | 336,297.8 | 100.0 |

Source: Gartner (May 2016)

"In a slowing smartphone market where large vendors are experiencing growth saturation, emerging brands are disrupting existing brands' long-standing business models to increase their

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share," the analyst says. "With such changing smartphone market dynamics, Chinese brands are emerging as the new top global brands. Two Chinese brands ranked within the top five worldwide smartphone vendors in Q1 2015, and represented 11% of the market. In Q1 2016, there were three Chinese brands-- Huawei, Oppo and Xiaomi-- and they achieved 17% of the market."

Thus, while Samsung and Apple retain a smartphone market duopoly, one has to point out the two companies' is being slowly nibbled away by the Chinese competition-- while Q1 2015 Samsung-Apple sales share totals 42%, the total is actually down to 38% in Q1 2016. Apple particularly suffers from sales share decline, from 17.9% in Q1 2015 to 14.8% in Q1 2016.

On the other hand Samsung leads the market with 23.2% Q1 2016 share (down from 24.1% in Q1 2015) as it manages to appeal to both high-end and emerging ends of the market while facing competition from Apple on one side and low-cost local vendors on the other.

As for the rest of the top 5, as mentioned earlier China dominates-- Lenovo has in the top 5 no more, due to a challenging Q1 2016 with global sales dropping by -33% Y-o-Y. The company faces harsher competition in Greater China, where sales are down by -75% Y-o-Y.

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| Operating System | 1Q16 Units | 1Q16 Market Share (%) | 1Q15 Units | 1Q15 Market Share (%) |
|------------------|------------------|--------------------------|------------------|--------------------------|
| Android | 293,771.2 | 84.1 | 264,941.9 | 78.8 |
| iOS | 51,629.5 | 14.8 | 60,177.2 | 17.9 |
| Windows | 2,399.7 | 0.7 | 8,270.8 | 2.5 |
| Blackberry | 659.9 | 0.2 | 1,325.4 | 0.4 |
| Others | 791.1 | 0.2 | 1,582.5 | 0.5 |
| Total | 349,251.4 | 100.0 | 336,297.8 | 100.0 |

Garner Says WW Smartphone Sales Grew 3.9% in Q1 2016