

FOR IMMEDIATE RELEASE

CONTACTS:

Laurence Goasduff
Gartner

+ 44 (0) 1784 267 738

laurence.goasduff@gartner.com

Christy Pettey
Gartner

+ 1 408 468 8312

christy.pettey@gartner.com

Gartner Says Worldwide Smartphone Sales Soared in Fourth Quarter of 2011 With 47 Per Cent Growth

Apple Became Top Smartphone Vendor in Fourth Quarter of 2011 and in 2011 as a Whole

Egham, UK, 15 February 2012 — Worldwide smartphone sales to end users soared to 149 million units in the fourth quarter of 2011, a 47.3 per cent increase from the fourth quarter of 2010, according to Gartner, Inc. Total smartphone sales in 2011 reached 472 million units and accounted for 31 per cent of all mobile devices sales, up 58 per cent from 2010.

Smartphone volumes during the quarter rose due to record sales of Apple iPhones. As a result, Apple became the third-largest mobile phone vendor in the world, overtaking LG. Apple also became the world's top smartphone vendor, with a market share of 23.8 per cent in the fourth quarter of 2011, and the top smartphone vendor for 2011 as a whole, with a 19 per cent market share. "Western Europe and North America led most of the smartphone growth for Apple during the fourth quarter of 2011," said Roberta Cozza, principal research analyst at Gartner. "In Western Europe the spike in iPhone sales in the fourth quarter saved the overall smartphone market after two consecutive quarters of slow sales."

The quarter saw Samsung and Apple cement their positions further at the top of the market as their brands and new products clearly stood out. LG, Sony Ericsson, Motorola and Research In Motion (RIM) again recorded disappointing results as they struggled to improve volumes and profits significantly. These vendors were also exposed to a much stronger threat from the midrange and low end of the smartphone market as ZTE and Huawei continued to gain share during the quarter.

Worldwide mobile device sales to end users totalled 476.5 million units in the fourth quarter of 2011, a 5.4 per cent increase from the same period in 2010 (see Table 1). In 2011 as a whole, end users bought 1.8 billion units, an 11.1 per cent increase from 2010 (see Table 2). "Expectations for 2012 are for the overall market to grow by about 7 per cent, while smartphone growth is expected to slow to around 39 per cent," said Annette Zimmermann, principal research analyst at Gartner.

In the fourth quarter of 2011, Nokia's mobile phone sales numbered 111.7 million units, an 8.7 per cent decrease from last year. "Samsung closed the gap with Nokia in overall market share," said Ms Cozza. "Samsung profited from strong smartphone sales of 34 million units in the fourth quarter of 2011. The troubled economic environment in Europe and Nokia's weakened brand status posed challenges that were hard to overcome in just one quarter. However, Nokia proved its ability to execute and deliver on time with its new Lumia 710 and 800 handsets. Nokia will have to continue to offer aggressive prices to encourage communications service providers (CSPs) to add its products to portfolios currently dominated by Android-based devices."

Table 1

Worldwide Mobile Device Sales to End Users by Vendor in 4Q11 (Thousands of Units)

Company	4Q11 Units	4Q11 Market Share (%)	4Q10 Units	4Q10 Market Share (%)
Nokia	111,699.4	23.4	122,278.1	27.1
Samsung	92,682.3	19.4	79,168.7	17.5
Apple	35,456.0	7.4	16,011.1	3.5
ZTE	18,915.1	4.0	9,033.9	2.0
LG Electronics	16,938.3	3.6	30,119.1	6.7
Huawei	13,966.2	2.9	7,824.0	1.7
Research In Motion	13,184.5	2.8	14,762.0	3.3
HTC	10,837.4	2.3	8,907.0	2.0
Motorola	10,075.3	2.1	10,908.4	2.4
Alcatel	9,004.7	1.9	7,997.9	1.8
Others	143,795.8	30.2	145,026.3	32.1
Total	476,554.9	100.0	452,036.5	100.0

Source: Gartner (February 2012)

Table 2
Worldwide Mobile Device Sales to End Users by Vendor in 2011 (Thousands of Units)

Company	2011 Units	2011 Market Share (%)	2010 Units	2010 Market Share (%)
Nokia	422,478.3	23.8	461,318.2	28.9
Samsung	313,904.2	17.7	281,065.8	17.6
Apple	89,263.2	5.0	46,598.3	2.9
LG Electronics	86,370.9	4.9	114,154.6	7.1
ZTE	56,881.8	3.2	29,686.0	1.9
Research In Motion	51,541.9	2.9	49,651.6	3.1
HTC	43,266.9	2.4	24,688.4	1.5
Huawei	40,663.4	2.3	23,814.7	1.5
Motorola	40,269.0	2.3	38,553.7	2.4
Sony Ericsson	32,597.5	1.8	41,819.2	2.6
Others	597,326.9	33.7	485,452.0	30.4
Total	1,774,564.1	100.0	1,596,802.4	100.0

Source: Gartner (February 2012)

Apple had an exceptional fourth quarter, selling 35.5 million smartphones to end users, a 121.4 per cent increase year on year. Apple's continued attention to channel management helped it take full advantage of the strong quarter to further close the gap with Samsung, which saw some inventory build up for its smartphone range. Apple's strong performance will continue into the first quarter of 2012 as availability of the iPhone 4S widens. However, since Apple will not benefit from delayed purchases as it did in the fourth quarter of 2011, Gartner analysts expect its sales to decline quarter-on-quarter.

After Apple, ZTE and Huawei were the fastest-growing vendors in the fourth quarter of 2011. "These vendors expanded their market reach and kept on improving the user experience of their Android devices," said Ms Cozza.

In the fourth quarter of 2011, ZTE moved into fourth place in the global handset market. ZTE posted a strong smartphone sales increase of 71 per cent sequentially. The company was able to extend its portfolio to three CSPs in its home market and benefited from consumers' interest in low-cost smartphones. Huawei moved ahead of LG in the Android marketplace to become a top-four Android manufacturer, thanks to strong smartphone growth in the quarter. Huawei has made significant progress in moving to its own-branded devices, and it has continued to expand its portfolio into higher tiers as it tries to build more iconic products.

RIM dropped to the No. 7 spot in the fourth quarter of 2011, with a 10.7 per cent decline. RIM's delay with its BlackBerry 10 platform will further impair its ability to retain users. However, RIM's biggest challenge is still to expand the developer base around its ecosystem and convince developers to work and innovate with BlackBerry 10.

In the smartphone OS market (see Table 3), competition between Google and Apple intensified. Android's share declined slightly sequentially. This was due to strong iPhone sales, driven in particular by the iPhone 4S in mature markets and the weakness of key Android vendors as they struggled to create unique and differentiated devices. Samsung remained the main contributor to Android share gains in the second half of 2011. iOS's market share grew 8 percentage points year-on-year, but Gartner analysts expect Apple's share to drop in the next couple of quarters as the upgrade cycle to the iPhone 4S slows. Nokia's first Windows Phone smartphones, the Lumia 710 and 800, made their debut, but, as expected, sales were not enough to prevent a fall in Microsoft's smartphone market share.

Table 3
Worldwide Smartphone Sales to End Users by Operating System in 4Q11 (Thousands of Units)

Operating System	4Q11 Units	4Q11 Market Share (%)	4Q10 Units	4Q10 Market Share (%)
Android	75,906.1	50.9	30,801.2	30.5
iOS	35,456.0	23.8	16,011.1	15.8
Symbian	17,458.4	11.7	32,642.1	32.3
Research In Motion	13,184.5	8.8	14,762.0	14.6
Bada	3,111.3	2.1	2,026.8	2.0
Microsoft	2,759.0	1.9	3,419.3	3.4
Others	1,166.5	0.8	1,487.9	1.5
Total	149,041.8	100.0	101,150.3	100.0

Source: Gartner (February 2012)

Additional information is in the Gartner report "Market Share: Mobile Devices by Region and Country, 4Q11 and 2011." The report is available on Gartner's website at <http://www.gartner.com/resId=1923316>.

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 to 60,000 clients in 11,500 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 4,500 associates, including 1,250 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

###