

Nokia leads pack, but race tightens

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As mobile phones become ever more indispensable not just as a communication device but as an Internet provider, music player or mini TV, companies are facing fiercer competition to stay ahead in the game.

While few were surprised by the fact that Finnish mobile giant Nokia has retained its top spot as the most popular handset manufacturer in the latest quarter with over 32 percent of the total global market, there was a shake-up among the other major providers, according to the latest results compiled by Gartner.

Gartner found in its latest global mobile sales report released Tuesday that several manufacturers jostled for second place, with Schaumburg, Ill.-based Motorola taking over Samsung in the third quarter with 18.7 percent of total market share, compared to the South Korean

manufacturer's 12.5 percent.

"Motorola did well with sales of the RAZR phone, with 12 million units sold by the end of September. With prices falling and additional colors introduced, this phone has grown in popularity and raised Motorola's profile in the market," Gartner reported.

Meanwhile, industry analysts were particularly struck by the fact that Sony Ericsson climbed up to fourth place, having been in sixth place a year ago. The rising demand for the recently launched Walkman phone was seen as one of the biggest factors pushing up demand for products by the joint Japanese-Swedish company.

Still, the steady rise of overall demand for cellular phones was not simply due to people wanting to trade up their existing handsets for a more sophisticated version. Rather, there has been a boom in sales in emerging markets, where people are buying their first personal phones.

"Year-on-year sales grew in all regions as replacement sales in mature markets such as Western Europe and North America continued to drive growth, while users in emerging markets joined mobile networks and acquired their first mobile device," said Carolina Milanesi, principal analyst for mobile terminals research at Gartner.

Indeed, the overall market grew to 205.37 million units worldwide by Sept. 30, up from 168.29 million a year ago, according to Gartner. But the research group pointed out that even market behemoth Nokia saw sales in the Western Hemisphere weaker than they had been in Western Europe and Asia.

Sales in Western Europe were strong as "users in this region continue to be attracted by new models coming onto the market, and vendors shipped quite a few new products in the third quarter. Operators in

Germany and Italy recorded an excellent quarter with the addition of more than 1 million new subscribers in a single quarter," Milanese said.

As for sales in Asia, Gartner reported that demand increased by 27 percent from the same period a year ago, with sales in India and China being particularly strong.

"In China, the build-up to the golden week holiday, which falls on the first week of October, helped to boost sales at the very end of the quarter," said Ann Liang, principal analyst for mobile terminals research based in Taiwan.

Meanwhile in Japan, sales of wide-band code-division multiple access, or CDMA, phones surpassed demand for personal digital cellular handsets for the first time, the group said.

"While seeking a new killer function, operators and vendors tried to spread their portfolios to meet varied user needs," said Nahoko Mitsuyama, principal analyst for mobile communications based in Tokyo.

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