

# Smartphone sales lifted by emerging markets

October 30 2014, by Rob Lever

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A visitor looks at a Samsung Electronics Galaxy S5 smartphone at a showroom in Seoul on April 29, 2014

Global smartphone sales grew at a healthy pace in the third quarter, boosted by low-cost handsets in emerging markets, industry research showed Thursday.

The research firm IDC said global smartphone shipments jumped 25.2 percent from a year earlier to 327.6 million in the quarter, and were up 8.7 percent over the second quarter.

"Despite rumors of a slowing market, smartphone shipments continue to see record-setting volumes," said IDC's Ryan Reith.

"We've finally reached a point where most developed markets are experiencing single-digit growth, while emerging markets are still growing at more than 30 percent collectively.

"In these markets, smartphone price points are making mobile computing possible where we once expected feature phones to remain dominant."

But for smartphone makers, Reith said it will become more challenging to make profits as prices drop.

"Outside of Apple, many are struggling to do this," he said.

A separate survey from Strategy Analytics showed global smartphone shipments grew 27 percent to 320 million units in the quarter.

"Smartphone growth was mixed on a regional basis during the quarter, with healthy demand in Asia and Africa counterbalanced by sluggish volumes across North America and Europe," said analyst Linda Sui.

Samsung remained the top global vendor. IDC pegged the South Korean group's market share at 23.8 percent, while Strategy Analytics estimated it at 24.7 percent. Over the past year, Samsung has lost market share, largely to Chinese manufacturers.



A Google employee displays a nexus 6 smartphone during a media preview in New York on October 29, 2014

Apple's share also dipped as iPhone sales grew at a slower pace than that of key rivals. Its market share was estimated at around 12 percent by both firms. Apple sold 39 million iPhones in the July-September period, lifted by its new iPhone 6 and 6 Plus.

"Apple's iPhone growth is slowing worldwide because of its limited presence in the fast-growing entry-level segment," said Neil Mawston of Strategy Analytics.

## **Battle for third place**

A tough battle is being waged for the number three position in the market.

Strategy Analytics placed lesser-known Chinese group Xiaomi in third place, with its market share jumping to 5.6 percent, ahead of South Korea's LG (5.2 percent) and China's Huawei (5.1 percent).

"Xiaomi's Android smartphone models are wildly popular in the Chinese market and it shifts millions of them every quarter through its extensive online and operator channels," Mawston said.

"Xiaomi's next step is to target the international market in Asia and Europe, where it may face stronger headwinds of low brand awareness and technology-patent challenges next year."

IDC placed Xiaomi in third place with 5.3 percent ahead of fellow Chinese maker Lenovo at 5.2 percent.

Lenovo's [market share](#) is expected to rise with the acquisition of US-based Motorola, a deal finalized on Thursday.

A separate report by Juniper Research said that Lenovo will be solidly in third place with the Motorola deal, allowing shipments to exceed an estimated 23 million devices this quarter.

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