

# Samsung keeps smartphone lead despite Note 7 debacle

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The long-term impact of Samsung's two Galaxy Note 7 recalls on their global smartphone market share remains to be seen, according to IDC analyst Melissa Chau

Samsung maintained its lead in the global smartphone market in the third quarter despite a massive recall that has tarnished the South Korean giant's image.

Samsung had a 20 percent market share in the quarter, well ahead of number two vendor Apple, according to reports late Wednesday from IDC and Strategy Analytics.

The electronics giant discontinued its Galaxy Note 7 after its replacement devices faced the same problems of batteries overheating and bursting into flames.

"Samsung's market dominance in the third quarter was unchallenged in the short term even with this high-profile Galaxy Note 7 recall, but the longer term impact on the Samsung brand remains to be seen," IDC analyst Melissa Chau said.

"If the first recall was a stumble for Samsung, the second recall of replacement devices face-planted the Note series. In a market that is otherwise maturing, Christmas has come early for vendors looking to capitalize with large-screened flagship alternatives like the Apple iPhone 7 Plus and Google Pixel."

Strategy Analytics reported Samsung sold more than 75 million handsets in a global market of 375 million units, while IDC estimated the Samsung figure at more than 72 million in a total market of 363 million.

Overall smartphone sales were up just one percent from a year ago, according to IDC, while the Strategy Analytics report pegged the increase at six percent.

Neil Mawston of Strategy Analytics noted that the growth rate for Samsung was its slowest in nearly two years and its market share has dipped from 24 percent to 20 percent in the past year.

"Samsung's recent Galaxy Note 7 recall was handled badly, which dented its brand image and left a large product gap in its premium smartphone

lineup," he said. "Samsung will now be looking to its next flagship launch, such as the rumored Galaxy S8 model, to recover momentum in 2017."

Apple's quarterly total of 45.5 million iPhones—a five percent drop from last year—kept the US firm in second place with a share of more than 12 percent, while Chinese smartphone makers gained ground.

Huawei held the third position with more than nine percent of the market and 33.6 million units sold, representing growth of 23 percent, the surveys showed.

Chinese makers Oppo and Vivo, which sell mainly in their home markets, held the fourth and fifth positions, respectively.

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