Record Smartphone Shipments Grow the Market 38.8% in the Third Quarter of 2013, Making Way For A Strong Holiday Quarter, According to IDC

FRAMINGHAM, Mass. October 29, 2013 – The worldwide smartphone market grew 38.8% year over year in the third quarter of 2013 (3Q13), according to the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker. Vendors shipped a total of 258.4 million smartphones in 3Q13, establishing a new record for units shipped in a single quarter by more than 9.0%. The previous high was 237.0 million units shipped in the second quarter of 2013.

In the worldwide mobile phone market (inclusive of smartphones), vendors shipped 467.9 million units in 3Q13 compared to the 442.7 million units shipped in 3Q12, representing 5.7% year-over-year growth. Third quarter shipments were up 7.0% when compared to the 437.4 million units shipped in 2Q13.

"The third quarter was up substantially over the previous quarter, which was also a record quarter for shipments, showing the real momentum of the smartphone market," said Ryan Reith, Program Director with IDC's Worldwide Quarterly Mobile Phone Tracker. "Price points have declined significantly, driven largely by low-cost Android solutions. This has helped China to become one of the fastest growing smartphone markets in the world, accounting for more than one third of all shipments last quarter. We expect this trend to continue going forward."

The Android smartphone platform has created vast opportunities for new vendors to get into the smartphone space and, in turn, has produced new competitive pressures at the top of the market. Smartphone shipments from vendors outside of the top 5 grew from 33.7% of the market in 3Q12 to 41.3% in 3Q13.

"Beyond Samsung and Apple at the top of the rankings is a tight race of vendors trying to break out from the pack," says Ramon Llamas, Research Manager with IDC's Mobile Phone team. "In 3Q13, Chinese vendors Huawei and Lenovo moved past LG, and not far behind are two more Chinese companies, Coolpad and ZTE. Any of these vendors could change position again next quarter. But in addition to having close shipment volumes, they all have one key ingredient in common: Android. This has been a huge factor in their success, but it also speaks to the challenges of differentiation on the world's most popular platform."

"Looking ahead, we anticipate strong momentum going into the fourth quarter, and another record quarter and year in the worldwide smartphone market," added Llamas. "With already strong growth in 3Q13 and multiple vendors launching flagship models, the market will be poised to reach one billion units for the year. It's a significant milestone considering the market shipped just half a billion units in 2011. Moving forward, what remains to be seen is how the various companies and platforms will stay differentiated and relevant in the increasingly competitive market."

Smartphone Vendor Highlights

Samsung easily maintained its leadership position, shipping more units than the next four vendors combined. Samsung's flagship models received the lion's share of attention during 3Q13, with more carriers adding the Galaxy S4, continued demand for the Galaxy S III, and the introduction of the Galaxy Note 3. Despite the popularity of those models, it was the company's long line of mass-market smartphones that helped fuel volumes to reach a new record level.

Apple's total volumes speak to the early success of the iPhones 5S and 5C, and the softening demand of older devices prior to the new models launching. The iPhone 5S lived up to the hype of the gold case and the fingerprint sensor, and the iPhone 5C with an array of colors. At the same time, limited usability on the fingerprint sensor and higher-than-expected pricing on the iPhone 5C drew mixed reactions. Still, this did not prevent Apple from enjoying a record 9 million units shipped in their debut.

Huawei returned to the list of top five vendors after a one-quarter hiatus, narrowly beating out Lenovo and LG. In fact, less than a million units separate Huawei from the next two vendors, underscoring how tightly contested the market has become following Samsung and Apple. Huawei relied on Asia/Pacific for the bulk of its shipment volumes, but the company continued to make headway into Europe and the Americas with volumes exceeding one million units in each region.

Lenovo posted the largest year-over-year increase among the leading vendors, enough to push past LG to claim the number four position worldwide. The company relied on its stronghold in Asia/Pacific, and particularly China, where the overwhelming majority of its smartphones went. Lenovo has also made continued progress in other markets, pushing into Latin America and EMEA.

LG slipped to fifth place, but nevertheless posted strong double-digit year-over-year smartphone growth (72.2%). Although volumes were flat from the previous quarter (12.0 million units), LG's product portfolio shows continued maturity at the high-end of the market. Key to its success was the launch of the Optimus G2 and a continued strong reception for the Optimus G and the Optimus G Pro. In contrast was LG's performance in emerging markets, where 3G competition intensified.

Top Five Smartphone Vendors, Shipments, and Market Share, Q3 2013 (Units in Millions)

Vendor	3Q13 Unit Shipments	3Q13 Market Share	3Q12 Unit Shipments	3Q12 Market Share	Year-over-year Change
Samsung	81.2	31.4%	57.8	31.0%	40.5%
Apple	33.8	13.1%	26.9	14.4%	25.7%
Huawei	12.5	4.8%	7.1	3.8%	76.5%
Lenovo	12.3	4.7%	6.9	3.7%	77.6%
LG	12.0	4.6%	7.0	3.8%	71.4%
Others	106.6	41.3%	80.5	43.2%	32.4%
Total	**258.4**	**100.0%**	**186.2**	**100.0%**	**38.8%**

Source: IDC Worldwide Mobile Phone Tracker, October 29, 2013

Note: Data are preliminary and subject to change. Vendor shipments are branded shipments and exclude OEM sales for all vendors.

In addition to the table above, an interactive graphic showing worldwide smartphone shipments for the top 5 vendors over the previous five quarters is available here. The chart is intended for public use in online news articles and social media. Instructions on how to embed this graphic can be found by viewing this press release on IDC.com.

Top Five Total Mobile Phone Vendors, Shipments, and Market Share, 2013 Q3 (Units in Millions)

Vendor	3Q13 Unit Shipments	3Q13 Market Share	3Q12 Unit Shipments	3Q12 Market Share	Year-over-year Change
Samsung	115.4	24.7%	103.8	23.4%	11.2%
Nokia	64.6	13.8%	82.9	18.7%	-22.1%

Apple	33.8	7.2%	26.9	6.1%	25.7%
LG	16.8	3.6%	14.4	3.3%	16.7%
Huawei	14.6	3.1%	11.2	2.5%	30.4%
Others	222.7	47.6%	203.5	46.0%	9.4%
Total	**467.9**	**100.0%**	**442.7**	**100.0%**	**5.7%**

Source: IDC Worldwide Mobile Phone Tracker, October 29, 2013

Note: Data are preliminary and subject to change. Vendor shipments are branded shipments and exclude OEM sales for all vendors.

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For more information about IDC's Worldwide Quarterly Mobile Phone Tracker, please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

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