

China is largest single Android market with the US in second place

LONDON, UK: According to the latest research from Informa Telecoms & Media, almost two-thirds of the handsets sold in China this year are powered by the Android OS: China is its largest single market, a third of the Android devices sold in 2012 were sold in China.



The US is the second-largest market for Android with an 11% share. Informa's research anticipates that at least one in every two mobile phones sold in the US in 2013 will be powered by this platform.

"Despite the economic downturn, the global smartphone market is enjoying healthy growth and consumers are actually spending more to acquire more technologically-advanced devices. It is estimated that around 786 million smartphone devices were sold in 2012 (including the devices powered by non-certified variants of Android that are proliferating in China), which is 45% more than the total number of smartphones sold in 2011," explains Malik Saadi, principal analyst at Informa Telecoms & Media.

Outstripping the rest of the field

China is by far the fastest-growing smartphone market with a year-on-year growth of 85% in 2012 and this growth is being driven by the explosive demand for Android phones. Sales in China of devices powered by this OS exceeded 50% penetration in 1H12 and Informa estimates that two in every three handsets sold in the country over the whole of 2012 are powered by Android.

Of the other major platforms, Apple iPhone and Microsoft's Windows Phone hold minority shares of China's total handset sales, around 5% and 1%, respectively, in 2012. However, thanks to Nokia's partnership with China Mobile, Windows Phone is expected to improve its share in 2013 to 2% while iPhone is expected to lose market share slightly if Apple does not manage to create a TD-LTE variant for the Chinese market.

Informa Telecoms & Media expects Android to consolidate its position further in the US to such an extent that one in every two handsets sold in the country in 2013 will be powered by this platform.

Challenges ahead for iPhone?

With the continued rise of top-end Android devices, iPhone sales in the US could face significant challenges if Apple does not manage to make radical changes to its ageing iOS, particularly to the user interface (UI). The company could be forced to compromise the high margin associated with its iPhone in order to maintain volume share. Although Apple has upgraded the hardware of the iPhone5, only a little has been done on the software side. This situation could lead to even the most ardent Apple fans churning as they become disillusioned with using the same UI framework for more than six years. Informa anticipates that US sales of the iPhone will decline to 34 million units in 2013, down from 35.5 million in 2012.

Microsoft is expected to improve its market share slightly in the US in 2013 to 6.5% as both Nokia and HTC strengthen their Windows Phone marketing strategies and device portfolios, and tighten their partnerships with operators in the region.

"Looking forward, Android is expected to continue gaining market share globally and, by 2015, one in every two handsets sold worldwide will be powered by it. However, according to Informa Telecoms & Media, the market share of this platform could potentially peak - or even decline - after 2016 owing to a more aggressive penetration of the alternative OSs, most notably Windows Phone," concludes Saadi.

Note:

It is important to be aware, however, that not all Android phones sold in China necessarily comply with the full Google ecosystem; in fact, 41% of these devices support alternative application frameworks from the likes of Baidu, Alibaba, Xiaomi, Tencent, Wandoujia, Anzhi and other locally-based channels.

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