

Global smartphone sales stalled in Q4 2018

Global sales of smartphones to end users stalled in the fourth quarter of 2018, totalling 408.4 million units - growth of just 0.1% over the fourth quarter of 2017, according to Gartner, Apple recorded its worst quarterly decline (11.8%) since the first quarter of 2016.

“Demand for entry-level and midprice smartphones remained strong across markets, but demand for high-end smartphones continued to slow in the fourth quarter of 2018,” said Anshul Gupta, senior research director at Gartner.

“Slowing incremental innovation at the high end, coupled with price increases, deterred replacement decisions for high-end smartphones. This led to a flat-growth market in the fourth quarter of 2018.”

Worldwide Smartphone Sales to End Users by Vendor in 4Q18 (Thousands of Units)

Vendor	4Q18 Units	4Q18 Market Share (%)	4Q17 Units	4Q17 Market Share (%)
Samsung	70,782.5	17.3	74,026.6	18.2
Apple	64,527.8	15.8	73,175.2	17.9
Huawei	60,409.8	14.8	43,887.0	10.8
OPPO	31,589.9	7.7	25,660.1	6.3
Xiaomi	27,843.6	6.8	28,187.8	6.9
Others	153,205.0	37.5	162,908.8	39.9
Total	408,358.5	100.0	407,845.4	100.0

Due to rounding, numbers may not add up precisely to the totals shown. Source: Gartner (February 2019)

Apple experiences biggest decline

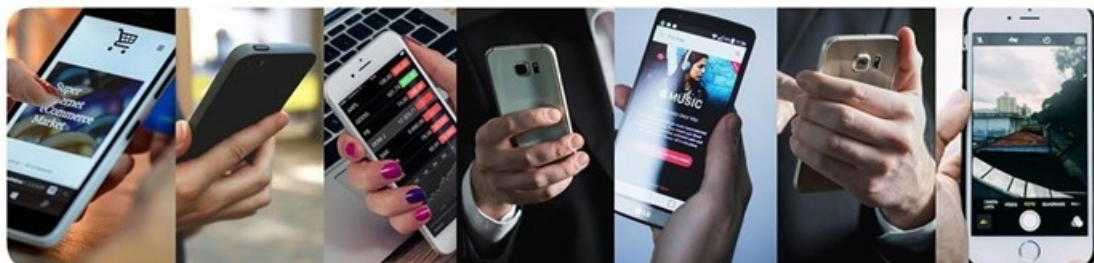
Sales of Apple iPhones hit 64.5 million units in the fourth quarter of 2018, a decline of 11.8% year over year. This double-digit decline made Apple experience the biggest decline in growth for the quarter among the top five global smartphone vendors. Apple saw iPhone demand weaken in most regions, except North America and mature Asia/Pacific. Apple's sales declined most in Greater China, where its market share dropped to 8.8% in the fourth quarter of 2018 from 14.6% in the corresponding quarter of 2017. For 2018 as a whole, iPhone sales were down 2.7%, to just over 209 million units.

“Apple has to deal not only with buyers delaying upgrades as they wait for more innovative smartphones, but it also continues to face compelling high-price and midprice smartphone alternatives from Chinese vendors. Both these challenges limit Apple's unit sales growth prospects,” added Gupta.

At the high end, Samsung smartphones such as the Galaxy S9, S9+ and Note9 struggled to drive growth in the fourth quarter of 2018. In the mid-tier, Xiaomi and Huawei continued to grab more market share.

As a result, Samsung's smartphone sales declined by 4.4% in the fourth quarter of 2018. Samsung lost market share in Greater China, Western Europe and Latin America, which contributed greatly to an overall 8.2% fall in its smartphone sales in 2018.

"Although Samsung is strengthening its smartphone offering at the mid-tier, it continues to face growing competition from Chinese brands that are expanding into more markets. It also faces difficulty bringing significant innovation to high-end smartphones," said Gupta.



Source: pixabay.com

"Samsung introduced new mid-tier-focused M series smartphones in the first quarter of 2019 to compete with aggressive Chinese manufacturers in emerging markets, and to expand into the online sales channel."

2018 - the Year of Huawei

In the fourth quarter of 2018, Huawei sold over 60 million smartphones and achieved the strongest growth of the quarter among the top five global smartphone vendors (37.6%). Huawei grew throughout 2018, to close the gap with Apple.

"Beyond its strongholds of China and Europe, Huawei continued to increase its investment in Asia/Pacific, Latin America and the Middle East, to drive further growth," said Gupta. "Huawei also exploited growth opportunities through continued expansion of the Honor series in the second half of 2018, especially in emerging markets, which helped Huawei grow its market share to 13.0% in 2018."

In 2018 as a whole, global sales of smartphones to end users grew 1.2% year over year, to 1.6 billion units (see below). North America, mature Asia/Pacific and Greater China recorded the worst declines of the year, at 6.8%, 3.4% and 3.0%, respectively.

"In mature markets, demand for smartphones largely relies on the appeal of flagship smartphones from the top three brands - Samsung, Apple and Huawei - and two of them recorded declines in 2018," added Gupta.

Worldwide Smartphone Sales to End Users by Vendor in 2018 (Thousands of Units)

Vendor	2018 Units	2018 Market Share (%)	2017 Units	2017 Market Share (%)
Samsung	295,043.7	19.0	321,263.3	20.9
Apple	209,048.4	13.4	214,924.4	14.0
Huawei	202,901.4	13.0	150,534.3	9.8
Xiaomi	122,387.0	7.9	88,926.8	5.8
OPPO	118,837.5	7.6	112,124.0	7.3
Others	607,049.0	39.0	648,762.7	42.2
Total	1,555,267.0	100.0	1,536,535.5	100.0

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