

Media alert: Smart phone shipments hit 355 million units as market braces for Note 7 fallout

Palo Alto, Shanghai, Singapore and Reading (UK) - Thursday, 27 October 2016

Worldwide smart phone shipments were up annually for the second quarter in a row, growing around 6% with 355 million units shipping. Samsung continued to lead the market, but its issues with the Note 7 are starting to affect its business. It shipped just over 76 million units (excluding all Note 7s), down 9% on the same quarter a year ago. In second place, Apple's iPhone shipments also suffered an annual decline, falling 5% to just over 45 million units. Again, it was the Chinese vendors that grew the market. Huawei, Oppo and Vivo rounded out the top five respectively, with their shipments growing 60% collectively. The standout performer was Oppo, which had a stellar quarter, taking hold of the Chinese market from under the noses of its rivals. Its smart phone shipments grew around 40% sequentially and 140% year on year. Tough competition in China has affected Huawei's global position, with it now looking increasingly unlikely that it will reach its annual shipment target of 140 million units.

Worldwide smart phone market					
Market shares Q3 2016, Q3 2015					
Vendor	Q3 2016 shipments (millions)	% share	Q3 2015 shipments (millions)	% share	Growth Q3'16/Q3'15
Total	355.0	100.0%	336.0	100.0%	5.7%
Samsung	76.5	21.5%	84.0	25.0%	-8.9%
Apple	45.5	12.8%	48.0	14.3%	-5.2%
Huawei	33.4	9.4%	27.0	8.0%	23.7%
Oppo	27.9	7.9%	11.5	3.4%	142.6%
Vivo	18.2	5.1%	11.1	3.3%	64.0%
Others	153.5	43.2%	154.4	46.0%	-0.6%

Source: Canalys estimates, © Canalys 2016
Note: Where applicable, a vendor's shipment numbers exclude rebranded products for which they act as an ODM.

'Halting sales of the Note 7 had an impact on Samsung's shipments in Q3, but even a smooth launch would not have delivered year-on-year growth. With the recall commencing midway through September, it was too late in the quarter to have a positive effect on the competition,' said Tim Coulling, Canalys Senior Analyst. 'The Note is a relatively niche product in Samsung's portfolio, and the lack of competing products with a stylus means it's too early to identify potential winners. The danger for Samsung is that the Note 7 recall affects sales of other models in its portfolio. In this case, several vendors, including Apple and Huawei, will see higher than expected demand in Q4. But with Apple raising questions about meeting iPhone 7 demand and Huawei currently shipping below target, the advantage may rest with the latter.'

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