

TrendForce Reports Third-Quarter Global Smartphone Shipments Grew 9.1% to 332 Million; Huawei Succeeds in Its Target of 10 Million Shipped

2015-10-14 [Avril Wu](#)

Numerous branded smartphone vendors unveiled their next-generation flagship devices ahead of Apple's iPhone 6s reveal this September. These earlier major product launches included Samsung's Note 5, Huawei's Mate and Sony Z5 series. Consequently, much of this year's growth momentum in the smartphone market was concentrated in the third quarter. According to the latest smartphone shipment report from the global research firm [TrendForce](#), worldwide smartphone shipments in the third quarter grew 9.1% over the second quarter, totaling 332 million units. Moreover, Chinese vendors led in shipments with their combined volume at 150 million units, representing a 16.3% quarterly growth in the shipments of Chinese branded smartphones.

TrendForce smartphone analyst Avril Wu said that with the global economy projected to decelerate in the second half of 2015, smartphone shipments are expected to remain weak until the middle of 2016. TrendForce's latest projection shows that the global smartphone shipments are set grow by 9.3% annually in 2015. In 2016, the annual shipment growth rate will drop further down to 7.7%. Emerging markets such as Southeast Asia and India are now the major battlegrounds for vendors as developed markets have become fairly saturated. Increasing competition also means profits will fall in spite of steady shipments, and this will be the primary issue that most vendors will have to deal with in the near future.

Samsung's annual shipments will enter negative territory for the first time; whereas Apple will keep up its sales momentum in this year's second half with iPhone 6s

Samsung retained its title as the top smartphone brand by contributing up to 25% of the global shipments in the third quarter, but the projected shipments of Galaxy S6 and S series devices for 2015 have been reduced to 40 million units. Also, approximately 10 million units of the newly launched flagship device, Note 5, will be shipped by the end of this year. Samsung has lost much of its shares in the low-end to mid-range markets to Chinese competitors. TrendForce therefore anticipates that the vendor will see its first ever decline of annual smartphone shipments in 2015, with a 1% year-on-year drop and around 323.5 million units shipped.

Apple iPhone 6s, which was released on schedule in September, has captivated consumers with its 3D Touch technology and rose gold exterior. Nonetheless, to surpass the incredible overall shipment result of iPhone 6 will be quite challenging for iPhone 6s as there is not much that sets apart the two devices appearance-wise. Wu noted that the main contributors to this year's iPhone shipments are the large-size models that Apple introduced for the first time. Based on TrendForce's analysis, iPhone's annual shipment growth for this year will reach 16% with about 223.7 million units shipped.

For its recently released flagship V10, LG avoided using the Qualcomm 810 processor and upgraded the device's RAM to 4GB. The major feature of V10, however, is its 2.1-inch secondary touchscreen that fits seamlessly above its main touchscreen. Similar to the screen area that tapered to the sides of Samsung Galaxy S6 Edge, LG V10's secondary screen can be used for displaying notifications. Whether this addition has helped boost its sales will be determined by the vendor's fourth-quarter shipment performance. TrendForce projects LG's annual smartphone shipments to grow by around 8% this year.

Huawei becomes the first Chinese smartphone brand to reach 100 million units in shipments and cements its position as the third-largest vendor worldwide

Huawei's shipment performance in the third quarter was much above expectations. Not only has the vendor achieved its target of 100 million units shipped this year, its annual result may be able to touch the 110 million unit mark as well. The Mate S series, which was launched in September but earlier than the iPhone 6s reveal, features Force Touch, a rival technology to Apple's 3D Touch. Moreover, Mate S is priced at the high-end market

level, indicating that Huawei has ambition to position itself as the premier international brand. Based on TrendForce's estimation, Huawei smartphone shipments for this year will grow upwards of 40% over 2014.

Xiaomi's attempt to enter the high-end market with the pricier Mi Note series was unsuccessful, and the vendor will be returning to selling devices with high cost-performance ratios such as Redmi Note 2 and Mi 4c during the second half of 2015. TrendForce's analysis shows that Xiaomi will fall short of its shipment target for this year, which is also set at 100 million units. However, the vendor will be able to achieve 14.6% in annual shipment growth because of the contributions from its more affordable devices.

Lenovo annual shipments are estimated at 70 million units as the vendor's offerings for this year did not stand out among its competitors. Lenovo is currently undergoing a company restructuring process, which will provide an opportunity for its smartphone business to start afresh next year.

Wu added: "Huawei is the first Chinese smartphone brand to reach 100 million in annual shipment volume, but it is unlikely to be the only Chinese vendor to arrive at this threshold this year. The combined shipments OPPO and VIVO may also hit the 100 million unit mark, considering that both brands are subsidiaries of BBK Electronics headed Duan Yongping. Unlike other vendors, OPPO and VIVO are more focused on strengthening their relationships with retail agents, including putting efforts in developing profit-sharing arrangements. Thus, TrendForce expects that both brands will see relatively high shipment growth for this year and the next."

Figure 1: Top 5 Global Smartphone Brands by Shipments, 2Q15~3Q15

Company	3Q15		2Q15	
	Ranking	Market share	Ranking	Market share
Samsung	1	24.6%	1	26.7%
Apple	2	13.7%	2	15.4%
Huawei	3	8.4%	3	7.5%
Xiaomi	4	5.7%	4	5.9%
Lenovo	5	5.7%	6	5.2%
Others	--	41.8%	--	39.2%
Shipment Total (Unit: K)		332,710		305,090

Note 1: Data are preliminary and subject to change.

Note 2: The difference between Xiaomi's and Lenovo's shipment results is too small to be shown in percentage terms. Xiaomi is still ahead of Lenovo in total shipments.

Source: TrendForce, Oct., 2015

Figure 2: Top 5 Chinese Smartphone Brands by Shipments, 2Q15~3Q15

Company	3Q15		2Q15	
	Ranking	Market share	Ranking	Market share
Huawei	1	18.7%	1	17.9%
Xiaomi	2	12.7%	2	14.0%
Lenovo	3	12.7%	3	12.5%
TCL	4	10.4%	4	9.7%
OPPO	5	8.7%	5	9.7%
Others	--	36.8%	--	36.2%
Shipment Total (Unit: K)		149,500		128,500

Note 1: Data are preliminary and subject to change.

Note 2: The difference between Xiaomi's and Lenovo's shipment results is too small to be shown in percentage terms. Xiaomi is still ahead of Lenovo in total shipments.

Source: TrendForce, Oct., 2015

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