

Smart phones overtake client PCs in 2011

- Vendors shipped 488 million smart phones in 2011, compared to 415 million client PCs
- Apple was the leading smart phone vendor in 2011, following record Q4 shipments

Palo Alto, Shanghai, Singapore and Reading - 3 February 2012

Canalys today released its full, detailed Q4 2011 country-level smart phone shipment estimates to clients, so completing the picture for the year. One notable result was that total annual global shipments of smart phones exceeded those of client PCs (including pads) for the first time.

Vendors shipped 158.5 million smart phones in Q4 2011, up 57% on the 101.2 million units shipped in Q4 2010. This bumper quarter took total global shipments for the whole of 2011 to 487.7 million units, up 63% on the 299.7 million smart phones shipped throughout 2010. By comparison, the global client PC market grew 15% in 2011 to 414.6 million units, with 274% growth in pad shipments. Pads accounted for 15% of all client PC shipments in 2011.

Worldwide smart phone and client PC shipments				
Shipments and growth rates by category, Q4 2011 and full year 2011				
Category	Q4 2011	Growth	Full year 2011	Growth
	shipments		shipments	
	(millions)	Q4'11/Q4'10	(millions)	2011/2010
Smart phones	158.5	56.6%	487.7	62.7%
Total client PCs	120.2	16.3%	414.6	14.8%
- Pads	26.5	186.2%	63.2	274.2%
- Netbooks	6.7	-32.4%	29.4	-25.3%
- Notebooks	57.9	7.3%	209.6	7.5%
- Desktops	29.1	-3.6%	112.4	2.3%

Source: Canalys estimates © Canalys 2012

“In 2011 we saw a fall in demand for netbooks, and slowing demand for notebooks and desktops as a direct result of rising interest in pads,” said Chris Jones, Canalys VP and Principal Analyst. “But pads have had negligible impact on smart phone volumes and markets across the globe have seen persistent and substantial growth through 2011. Smart phone shipments overtaking those of client PCs should be seen as a significant milestone. In the space of a few years, smart phones have grown from being a niche product segment at the high-end of the mobile phone market to becoming a truly mass-market proposition. The greater availability of smart phones at lower price points has helped tremendously, but there has been a driving trend of increasing consumer appetite for Internet browsing, content consumption and engaging with apps and services on mobile devices.”

However, Canalys expects to see smart phone market growth slow in 2012 as vendors exercise greater cost control and discipline, and put more focus on profitability. Notably, even vendors who have focused on conquering the low-end of the market with aggressive pricing, such as Huawei, ZTE and LG, are now placing greater attention on the higher tiers. Flagship models aimed at raising selling prices and improving margins will feature more heavily this year.

Apple's impressive end to the year resulted in it becoming the leading smart phone and client PC vendor in Q4 2011, with shipments of 37.0 million iPhones, 15.4 million iPads and 5.2 million Macs. It also smashed the record for the most smart phones shipped globally by any single vendor in one quarter, beating Nokia's previous record of 28.3 million shipped in Q4 2010. Moreover, Apple's performance meant that it displaced Nokia, for the first time, as the leading smart phone vendor by annual shipments. Apple shipped 93.1 million iPhones in 2011, representing growth of 96% over 2010. The iPhone 4S benefitted from pent-up demand resulting from the launch coming in October rather than June, but Apple's overall volume was also buoyed by continued shipments of the now more aggressively priced iPhone 4 and 3GS models.

Samsung also finished 2011 with a flourish. It shipped 35.3 million smart phones in Q4 2011 under its own brand, bringing its total to 91.9 million for the year, compared to just 24.9 million in 2010. This excludes shipments of rebranded products, such as the Nexus S and Galaxy Nexus, which Canalys counts under the Google brand. Samsung continued to spend big on marketing activities, and its strong product portfolio - particularly the Android-based Galaxy S II - performed well.

Despite a disappointing set of financial results, Nokia's smart phone performance in the fourth quarter gave cause for optimism. It shipped 19.6 million smart phones, down 31% from the record high of a year earlier, but up 17% on Q3 2011. The total was helped by 1.2 million and 0.6 million shipments of its Windows Phone and MeeGo-based products respectively, as well as improved Symbian Belle volumes from competitively priced devices such as the Nokia 500, 700 and 701. Its total smart phone shipments for the year came in at 77.3 million globally.

"Its first Windows Phone products, the Lumia 800 and 710, along with the recently announced Lumia 900 through AT&T in the US, have improved the outlook for Nokia," said Canalys Senior Analyst, Tim Shepherd. "They are well-designed, competitive devices that demonstrate innovation is still alive within Nokia. But the battle is not over and it has huge challenges ahead. Nokia must continue to build out its Lumia portfolio with devices tailored to address all price points and all the markets in which it aims to compete. It must hasten its transition from Symbian to Windows Phone around the world and, with Microsoft, promote and generate excitement for the platform and new products. And it must succeed in attracting more developers to build high quality, locally relevant apps."

RIM's demise in 2011 has been over played by some, with the company ending the year as the fourth largest smart phone vendor and delivering annual unit growth of 5%. "There is no denying that RIM has had a tough year," said Canalys Principal Analyst, Pete Cunningham. "But when you consider that it is transitioning to a new platform it has done well to increase volume while remaining profitable; the latter point being something that many other vendors struggle with. The appointment of Thorsten Heins as CEO will bring new energy to the company while ensuring that it does not radically deviate from its overall strategy in this transitional year. However, 2012 will become even more competitive and RIM needs BlackBerry 10 devices out there to ensure it retains its status as a major player."

Worldwide smart phone market Shipments by platform, Q4 2011			
Platform	Q4 2011 shipments (millions)	Share (%)	Growth Q4'11/Q4'10
Total	158.5	100.0%	56.6%
Android	81.9	51.6%	148.7%
iOS	37.0	23.4%	128.1%
Symbian	18.3	11.6%	-40.9%
BlackBerry	13.2	8.3%	-9.7%
bada	3.8	2.4%	39.1%
Windows Phone	2.5	1.6%	-14.0%
Others	1.8	1.1%	117.9%

Source: Canalys estimates © Canalys 2012

Worldwide smart phone market Shipments by platform, full year 2011			
Platform	Full year 2011 shipments	Share (%)	Growth Q4'11/Q4'10
Total	487.7	100.0%	62.7%
Android	237.8	48.8%	244.1%
iOS	93.1	19.1%	96.0%
Symbian	80.1	16.4%	-29.1%
BlackBerry	51.4	10.5%	5.0%
bada	13.2	2.7%	183.1%
Windows Phone	6.8	1.4%	-43.3%
Others	5.4	1.1%	14.4%

Source: Canalys estimates © Canalys 2012

At a platform level, Android accounted for 52% of global smart phones shipments in Q4 2011, with iOS representing 23% and Symbian 12%. Android was also the leading smart phone platform by volume for the whole year, accounting for 49% of all devices shipped in 2011 and ahead of iOS with 19% share and Symbian with 16%. Collectively, Android smart phone shipments grew 149% year on year in Q4 2011 to 81.9 million units, resulting in a total of 237.8 million for the full year, up 244% on 2010. Samsung's success and focus on Android have contributed substantially to the growth of the platform, but other vendors, such as Sony Ericsson, Huawei, Motorola, LG and particularly HTC, have also seen significant growth in their Android volumes over the course of 2011.

Canalys analysts in Asia Pacific, the Americas and EMEA are available for press interviews on topics related to all mobile devices and the client PC market, as well as the growing ecosystem for mobile applications and services. There will also be a significant Canalys analyst presence at Mobile World Congress in Barcelona from 26 to 29 February 2012. To arrange an interview or meeting, please send a request to press@canalys.com. Photos and bios of analysts are available from the Canalys web site.

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