

Media alert: Apple ships 71.7m smartphones in Q4 2018 as global market falls 6%

Palo Alto, Shanghai, Singapore and Reading (UK) – Tuesday, 29 January 2019

The global smartphone market declined for the fifth consecutive quarter, falling 6% to 362 million in Q4 2018. Apple overtook Samsung to become the largest vendor in Q4, shipping 71.7m units of iPhone. Huawei, Oppo and Xiaomi completed the top five vendors. For the full-year 2018, global smartphone shipments totaled 1.4 billion, down 5% from 1.5 billion in 2017.



Apple ships 71.7m smartphones in Q4 2018 amid global slowdown of 6% - via @Canalys
<https://tinyurl.com/yaoc95zj>

“It is no shock to smartphone vendors that the market has passed its peak,” said Senior Analyst Ben Stanton, “People are clearly keeping phones for longer as product innovation slows. But the speed and severity of shipment decline has caught many vendors, investors, and other companies in the value chain off guard. International factors like the US-China trade war, weak consumer spending

in developed markets, and a buoyant market for refurbished phones, have catalyzed the decline of smartphone shipments.”

Worldwide smartphone shipments and annual growth Canalys Smartphone Market Pulse: Q4 2018

Vendor	Q4 2018 shipments (million)	Q4 2018 Market share	Q4 2017 shipments (million)	Q4 2017 Market share	Annual growth
Apple	71.7	19.8%	77.3	20.0%	-7.3%
Samsung	70.3	19.4%	74.2	19.2%	-5.3%
Huawei	60.5	16.7%	41.1	10.6%	+47.3%
Oppo	31.8	8.8%	26.3	6.8%	+20.6%
Xiaomi	26.4	7.3%	27.2	7.0%	-3.0%
Others	101.8	28.1%	140.7	36.4%	-27.6%

Total	362.5	100.0%	386.9	100.0%	-6.3%
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Source: Canalys Smartphone Analysis (sell-in shipments), January 2019

Vendor Highlights:

Apple iPhone shipments were down 7% over Q4 2017, falling short of its own expectations, but it still took the number one position in Q4 2018. The iPhone XR with over 22 million shipments was the top shipping iPhone, and has emerged as a model which Apple seems particularly flexible about discounting. This was followed by iPhone XS Max and iPhone XS, which shipped over 14 million and 9 million units respectively. Apple completed the full-year in second place, and it has major challenges ahead in 2019 as its core markets, particularly China, continue to decline. Apple will focus intently on growing its services revenue, relying now on its sticky installed base of users. But with vendors like Samsung and Huawei providing cheaper and competitive alternative devices, Apple may need to launch a cheaper iPhone, or at least become more flexible with channel discounting, to safeguard the same installed base it has bet its future on.

Samsung fell to second position in Q4 2018, after a 5% decline in its shipments to 70.3 million units. It was a humbling year for Samsung in 2018, as it succumbed to hyper-aggressive price competition by Huawei, Xiaomi, Oppo and Vivo, especially in Asia and Europe. It shipped 23 million fewer devices than in 2017, and its full-year total of 294 million units fell significantly short of its 320 million target. But this has roused the Korean vendor, and caused it to overhaul its smartphone strategy, which now focuses on sacrificing hardware margin to pack more technology into low-end and mid-range phones. 2019 will see Samsung fight back and gain lost share from the likes of Huawei, Oppo, Vivo and Xiaomi.

Huawei, in contrast, had a stunning 2018, which was topped off with 47% growth to 60.5 million units in Q4. It took record market share in China (see Canalys press release "[China's smartphone market falls 14% in 2018, with just under 400 million units shipped](#)"), but its real growth engine was overseas, where it increased shipments by more than 60%. Huawei demonstrated tangible technology leadership in 2018, pioneering features such as its triple lens AI-enhanced camera, which helped transform its brand perception in overseas markets. Its new image as a technology leader has helped Huawei increase shipments across all price points. However, moving into 2019, it now faces a critical challenge, as political tensions, security concerns and disputes over intellectual property theft threaten to disrupt its remarkable momentum. Any major impact on

Huawei's enterprise and carrier business will ripple through the organization and affect the smartphone business.

Worldwide smartphone shipments and annual growth
Canalys Smartphone Market Pulse: Full-year 2018

Vendor	2018 shipments (million)	2018 Market share	2017 shipments (million)	2017 Market share	Annual growth
Samsung	293.7	21.2%	316.6	21.8%	-7.2%
Apple	212.1	15.3%	215.8	14.8%	-1.7%
Huawei	206.0	14.8%	153.2	10.5%	+34.5%
Xiaomi	120.3	8.7%	91.4	6.3%	+31.6%
Oppo	119.6	8.6%	112.0	7.7%	+6.9%
Others	436.1	31.4%	566.2	38.9%	-23.0%
Total	1,388	100.0%	1,455	100.0%	-4.6%

Source: Canalys Smartphone Analysis (sell-in shipments), January 2019

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