



# Apple ousts LG as third largest mobile phone vendor by volume

LONDON, UK: Malik Saadi, principal analyst at Informa Telecoms & Media, comments on mobile phone vendors' 4Q11 results, which show that Apple has ousted LG as the third largest mobile phone vendor by volume.



Apple's results in 4Q11 were marked by a strong performance in smartphone sales which saw it climb to become the third largest mobile phone vendor by volume - up from number five just a year ago. In 2011, Apple led the mobile phone market in terms of both volume and value but in the final three months of the year (reported as 1Q12 in the company's financial year) it also became the third largest mobile vendor by volume alone, after Nokia and Samsung. Apple's market share rose to 8.4% in the quarter, up from 4.2% recorded in 4Q10. The company managed to double the shipments of its iPhone year-on-year in the quarter to 37 million, not only thanks to the impressive performance of the iPhone 4S introduced in October 2011 but also to its strategy to conquer the mass market by keeping earlier versions of the iPhone in the market.

## Mixed results

Although LG's mobile devices division came back to profitability in 4Q after two consecutive quarters of loss, the company has now officially been ousted by Apple as third best seller of mobile phones. Sales of LG mobile phones declined to 17.7 million in 4Q11 from 21.1 million recorded in 3Q11, and the company dropped a place in the rankings and lost volume share to 4% from 7.8% a year ago. As with Motorola and Sony Ericsson beforehand, in order for LG to return to profitability, it was forced to reduce sales of low-margin feature-phones and focus more on profitable smartphones, mainly LTE devices.

There were mixed 4Q11 results from the other leading handset vendors. Nokia, Sony Ericsson and Motorola all lost market share to the challengers, mainly Samsung and Apple. These two companies dramatically improved their performance in 4Q, thanks to the impressive sales of Apple's iPhone and Samsung's Galaxy Android smartphones. However, Nokia still continues to maintain its position as leader of the global mobile phone market, including the larger non-smart segment. However, the Finnish vendor's market share is in decline as it posted a figure of 26% for 4Q11 against 32% recorded in 4Q10.

According to Informa Telecoms & Media, global handsets sales reached another record in 4Q11 with almost 440 million shipped in the quarter, of which more than 35% were smartphones.

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