

TrendForce Reports Q2 Global Smartphone Shipments at 304M and Revises Annual Shipment Growth Downwards to 8.2%

2015-07-20 [Avril Wu](#)

The latest analysis from the global market research firm [TrendForce](#) finds smartphone shipments in the second quarter of 2015 grew 1.9% over the previous quarter to 304M units. Shipment growth in the second quarter slowed as vendors prepared to launch their flagship devices in this year's second half. However, shipments of branded Chinese smartphones benefited from the Chinese Labor Day sales and their entries into the overseas markets. TrendForce reports the second quarter shipments of Chinese branded smartphones had an above global average growth of 15.6% with 126M units shipped.

TrendForce has also made downward revision to smartphone shipment growth for the entire 2015 from 11.6% to 8.2%. According to Avril Wu, TrendForce's smartphone analyst, this revision is attributed to the negative global economic outlook for the second half of this year and weakening demands.

"Compared with the high 26.5% growth of 2014, this year's smartphone shipment growth is entering a plateau period," said Wu. "Therefore, vendors are likely to face serious challenges when shipping their products in the near future."

~~Samsung tops global shipments~~ Samsung tops global shipments while Apple is expected to maintain its high sales record with the next-generation

Samsung has led in smartphone shipments with 26% of global market share in the second quarter. However, Galaxy S6 and S6 Edge's annual shipment forecast has been marked down to 45M units based on TrendForce's latest estimation. As Chinese vendors are taking more shares of the low- to mid-range product market, Samsung's ability to reverse its fortune may hinge on the success of its Galaxy Note 5. If this device is able to attract consumers with upgraded specs and new features, then Samsung will avoid the high possibility of negative shipment growth for this year.

Apple rode on the popularity of iPhone 6 and iPhone 6 Plus in this year's first half and achieved a remarkably strong shipment result in the off-peak season. The next-generation iPhone due to be launched this year offers no major changes in appearance, but Apple has given the device a new A9 processor and upgraded its memory to 2GB LPDDR4 for the first time. These improvements along with the Force Touch module and a camera featuring a possible resolution of 12MP will give the next iPhone a huge boost. Thus, TrendForce's iPhone shipment forecast for this year continues to be very positive with a high growth of 15% upwards.

LG's flagship model G4 officially entered the market in the second quarter, but its sales have fallen below expectations. G4's hardware improvements are not as exciting to the consumers compared with the upgrades made on its predecessor G3, which features a 2K display and 3GB memory. TrendForce has also revised LG's annual shipment growth downwards to 8%.

Huawei has become No. 1 Chinese smartphone brand with projected shipments reaching 100M this year

Huawei is the No. 1 Chinese smartphone brand because of its decent sales record in the overseas market and stable relations with telecom operators. With an estimated annual shipment growth of near 40%, Huawei is expected to become the first Chinese smartphone vendor to reach 100M units shipped this year.

Lenovo by contrast has fallen to No. 6 in the global shipment ranking and is expected to see a 20~30% decline in this year's shipments. Lenovo's market share did not double as anticipated after its takeover of Motorola in 2014. Moreover, Lenovo did not have a well-defined product positioning strategy and the brand faced strong competition from challengers offering lower-priced smartphone models.

Earlier this year, the closely watched Chinese vendor Xiaomi released Mi Note, the brand's first premium smartphone. However, Mi Note products suffered from an overheating problem caused by Qualcomm Snapdragon 810 chipset, and competitors with low-priced smartphones have been reduced Xiaomi's market share. Xiaomi shipped 34M units in this year's first half and is currently far from its annual shipment target of 100M. Nonetheless, it overtook LG in the second quarter's global shipment ranking and is at No. 4. TrendForce estimates Xiaomi's global smartphone shipments in 2015 to grow by around 15% year on year to 70M units.

Two other Chinese smartphone vendors that are also being closely watched are OPPO and VIVO, as the former specializes in camera smartphones and the latter develops smartphones featuring the best music listening experience. Both vendors have made significant gains in the overseas market owing to their distinct product positioning strategies, and both will maintain steady and high shipment growth this year. TrendForce estimates both OPPO and VIVO will post year-on-year shipment increase of 30% or more in 2015.

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

Company	2Q15		1Q15	
	Ranking	Market share	Ranking	Market share
Samsung	1	26.8%	1	26.8%
Apple	2	16.4%	2	20.5%
Huawei	3	7.6%	3	6.9%
Xiaomi	4	5.9%	6	5.4%
LG	5	5.8%	5	5.5%
Others	--	37.5%	--	34.9%
Shipment Total (Unit: K)		304,090		298,440

Note: Data are preliminary and subject to change.
Source: TrendForce, Jul., 2015

Table 2: Top 5 Chinese Smartphone Brands by Shipments, 1Q15~2Q15

Company	2Q15		1Q15	
	Ranking	Market share	Ranking	Market share
Huawei	1	18.3%	1	18.9%
Xiaomi	2	14.3%	3	14.7%
Lenovo	3	12.7%	2	15.7%
TCL	4	10.0%	4	9.2%
OPPO	5	8.4%	5	8.7%
Others	--	36.3%	--	32.8%
Shipment Total (Unit: K)		125,500		108,600

Note: Data are preliminary and subject to change.
Source: TrendForce, Jul., 2015

About TrendForce (www.trendforce.com)

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 175,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Avanti. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices in Shenzhen, and Shanghai.

Major research divisions:

DRAMeXchange focuses on memory, storage and consumer electronics industry including PC DRAM, Mobile DRAM,

Server DRAM, NAND Flash, SSD and smartphone.

WitsView offers comprehensive coverage on the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

LEDinside covers all aspects of the LED supply chain from upstream equipment/material, midstream chip/package to downstream backlight and lighting market.

EnergyTrend specializes in green energy research, such as solar energy, lithium battery, energy storage system and xEVs.

Avanti is a research organization with a focus on consumer behavior in China.

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