



Smartphone Wars

Battle looks set to go to many rounds before victors declared

London 27th May 2010: The race for smartphone leadership shows no signs of slowing. Despite an industry-wide consensus on a need for a less fragmented market, Screen Digest believes that the stakes are simply too high for major players to settle early on platforms that will define the next decade in devices ranging from smartphones, tablets, or even TVs. With PC heavyweights such as HP, Dell, Microsoft and Intel joining the battle, smartphones alone are expected to reach 380m units shipped in 2014, or 30% of all mobile handsets shipped, according to latest figures released today by Screen Digest as part of its mobile intelligence service.

Android is expected to be the fastest growing smartphone operating system. Launched at the end of 2008, Android is expected to ship on 90 million smartphones in 2015, a 56 per cent compound annual growth rate from 2009. According to Julien Theys, Senior Analyst at Screen Digest "In less than two years Android has managed to mature into a complete and reliable product that positions it as the leading contender for becoming the default smartphone OS for most manufacturers."

Symbian will remain the smartphone operating system shipped in most handsets thanks to an aggressive strategy by Nokia to push the OS into cheaper handsets. Screen Digest expects Symbian to become the first Smartphone OS to break the 100m yearly shipments barrier in 2015. This move towards the low end of the market will however bear important consequences, as Nokia seems prepared to give up on some revenues to ensure its volume leadership. It is Apple's chance to claim the 'Top Grossing' crown thanks to a hardware+software+service mix that is proving

immensely difficult to replicate. With \$5.4bn Q1 2010, Apple took the lead in smartphone revenue despite a comparatively modest 8.8m handsets shipped. Apple's head start in apps distribution is also expected to pay substantial dividends, not only in added revenues, but also in consumer retention.

The next year should be the year where Apple aims at broadening its target market. Julien Theys explains "Apple's revenue in the smartphone market is nothing short of remarkable. However there will be hard choices to make in pricing and operator partnerships - especially in the US - if Apple wants to increase its market share. The biggest surprise of the iPhone's next iteration could very well be its price."

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About this research

The Handsets and smartphone forecasts are now available to Screen Digest Mobile Media Intelligence subscribers. http://www.screendigest.com/intelligence/mobile/index_html

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