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Nokia Market Share Slips as Smaller Vendors Grow, Gartner Says 2010-11-10 08:51:40.461 GMT

By Diana ben-Aaron

Nov. 10 (Bloomberg) -- Nokia Oyj's share of the mobile phone market dropped below 30 percent in the third quarter as unbranded phonemakers in China expanded to other emerging economies, researcher Gartner Inc. said.

The Finnish company's share of sales to end users was 28.2 percent, from 36.7 percent a year earlier, the Stamford, Connecticut-based researcher said today in a report. The top 10 phonemakers' combined share fell to 67 percent from 84 percent.

Samsung Electronics Inc. and LG Electronics Inc. declined in market share while retaining their second and third place standings. Global smartphone sales surged 96 percent in the quarter, helping Apple Inc. At the low end, so-called "white box" factories in China grabbed share in India, Russia, Africa and Latin America as well as in their home market.

"This phenomenon will not be short-lived," Carolina Milanesi, an analyst with Gartner Inc.'s unit in Egham, England, said in the report. The white-box manufacturers "are having a profound effect on the top five mobile handset manufacturers' combined share."

Apple joined the top five vendors, edging out Research in Motion Ltd., Sony Ericsson Mobile Communications Ltd., and Motorola Inc. as smartphone sales almost doubled, reaching 19.3 percent of all handset sales. Nokia also sold more expensive phones to some consumers, helping margins, Gartner said.

Taiwan's HTC Corp. and China's ZTE Corp. and Huawei Technologies Co. rounded out the top 10 vendors.

Tablet Sales

Global sales of all models of mobile phones to end users gained 35 percent in the quarter to 417 million units, Gartner said. The researchers now expect devices sales to grow 30 percent this year, driven by the white-box manufacturers. It also expects tablet sales to reach 54.8 million units next year.

Symbian, Nokia's main smartphone system, declined to 36.6 percent of smartphone sales while Google Inc.'s Android rose to 25.5 percent from 3.5 percent a year ago. As much as 80 percent of phone sales at Verizon Wireless were Android, Gartner said.

Android is used by more than a dozen smartphone vendors including Samsung and HTC. ZTE has introduced an Android phone costing less than 100 pounds (\$160) on an Orange prepaid plan in the U.K., Gartner said.

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