Majority of smart phones now have touch screens

– Research also shows leading smart phone vendors have highest user loyalty

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For immediate release

Canalys research highlights

For the first time ever, smart phones with touch screens accounted for more than half of all smart phone shipments globally in Q4 2009, taking 55% of the market, according to the latest Canalys estimates. Touch-screen smart phone shipments were up 138% year on year in Q4, reaching almost 30 million units, in a quarter where overall smart phone market growth stood at 41%. Canalys puts total touch-screen smart phone shipments for the year at over 75 million, more than double the 2008 figure. Total smart phone shipments in 2009 hit a new peak of 166 million units.

Worldwide touch-screen smart phones
Market shares 2009, 2008

Vendor	2009 shipments	% share	2008 shipments	% share	Growth 2009/2008
Total	**75,850,800**	**100.0%**	**36,309,350**	**100.0%**	**108.9%**
Apple	25,103,770	33.1%	13,727,740	37.8%	82.9%
Nokia	22,364,000	29.5%	536,210	1.5%	4070.8%
HTC	7,726,770	10.2%	7,270,630	20.0%	6.3%
Samsung	4,840,750	6.4%	2,290,110	6.3%	111.4%
Others	15,815,510	20.9%	12,484,660	34.4%	26.7%

Source: Canalys estimates, © Canalys 2010

“Looking at the whole of 2009, it is no great surprise to see Apple at the top of the table of leading vendors of touch-screen smart phones,” said Canalys analyst Tim Shepherd, “But Nokia stands out as a very close second, seeing tremendous growth thanks to models such as the Nokia 5800 and N97. And Nokia was actually the leading vendor by volume of touch-screen smart phones in the final quarter of the year.” After Apple and Nokia, HTC and Samsung took the third and fourth spots, though Canalys notes that Samsung also ships a lot of touch-screen mobile phones that are not smart phones.

Independent research conducted by Canalys with 4,000 consumers toward the end of last year showed that 60% of those interviewed wanted a touch screen interface on their next mobile phone. And although some existing users said they will switch back to a different interface, Canalys expects the overall shift toward touch screens to continue during 2010. User interface (UI) design and the input technology vendors build into their handsets is a factor in attracting customers to particular devices, but Canalys points out that it is also key to enabling discovery, acquisition and usage of new applications and services.

“This is an area where Apple is still in an enviable leadership position, having built up a vast, easy-to-access library of content and applications that will help continue to drive the success of not only the iPhone, but also the other devices it launches, such as the iPad,” noted Canalys VP and principal analyst Chris Jones. “For vendors with similar aspirations, attracting developers to their chosen smart phone platforms is an ongoing challenge, especially as more platforms and application stores launch onto the market. Developer bandwidth is as big an issue for this industry as network bandwidth. And if you get it right, you have a much more effective lock-in when that user comes to replace their device, it isn’t just about building new revenue streams.”

Canalys research shows that Symbian remained by far the largest smart phone OS by shipment volume in 2009, increasing in absolute terms despite losing share to the much faster growing RIM, Apple and Android.

Worldwide smart phone market by OS vendor
Market shares 2009, 2008

OS vendor	2009 shipments	% share	2008 shipments	% share	Growth 2009/2008
Total	**166,271,050**	**100.0%**	**143,067,530**	**100.0%**	**16.2%**
Symbian	78,511,980	47.2%	74,926,550	52.4%	4.8%
RIM	34,544,100	20.8%	23,562,650	16.5%	46.6%
Apple	25,103,770	15.1%	13,727,740	9.6%	82.9%
Microsoft	14,679,720	8.8%	19,945,530	13.9%	-26.4%
Google (Android)	7,786,870	4.7%	663,550	0.5%	1073.5%
Others	5,644,610	3.4%	10,241,510	7.2%	-44.9%

Source: Canalys estimates, © Canalys 2010

Retaining customers is important for vendors’ longer term success. Building a large installed base of users that are familiar with a platform and increasingly comfortable using it for more advanced activities, such as buying content and applications, will make that platform more attractive for developers, creating a virtuous circle. Canalys consumer research shows that the handset vendors whose users have the highest propensity to stay loyal to their current brand are Apple, Nokia and RIM.

"It is no coincidence that the brands with the highest churn inertia are also the leading smart phone makers," added senior analyst Pete Cunningham. "These devices typically demand, and reward, a higher level of time investment on the part of the user. If you have customized your device and set it up so that you can use your preferred e-mail and social networking clients, navigation solution and other apps and content, then moving to a different platform becomes more inconvenient."

The capabilities of smart phones continue to increase, further distancing their functionality from other mobile phones and enabling the creation of a broadening set of applications. Canalys estimates that the proportion of smart phones with Wi-Fi rose to 84% in Q4, while 83% had integrated GPS and 43% featured integral keyboards – new highs in every case.

Canalys analysts will be available for press interviews at MWC in Barcelona during 15 –18 February. To arrange an interview or to get mobile numbers to contact them during the show, please send a request to press@canalys.com. Photos and bios of analysts are available from the Canalys web site.

About the service

The shipment estimates and research discussed in this release come from the market-leading Canalys Smart Phone Analysis and Consumer Mobility Analysis services. Canalys offers services looking at the markets by country in Asia Pacific, North and Latin America and EMEA, as well as providing global market overviews and analysis of consumer and enterprise end-user attitudes and preferences toward mobile applications, devices and services.

About Canalys

Canalys specialises in delivering high quality market data, analysis and advice to the world's leading technology vendors. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms, navigation and consumer electronics companies. It has unrivalled expertise in routes to market for all kinds of high technology products and services and provides worldwide market data and trends analysis.

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