

## Brand shares, loyalty, and switching

### Apple is to all phones as Samsung is to Android phones

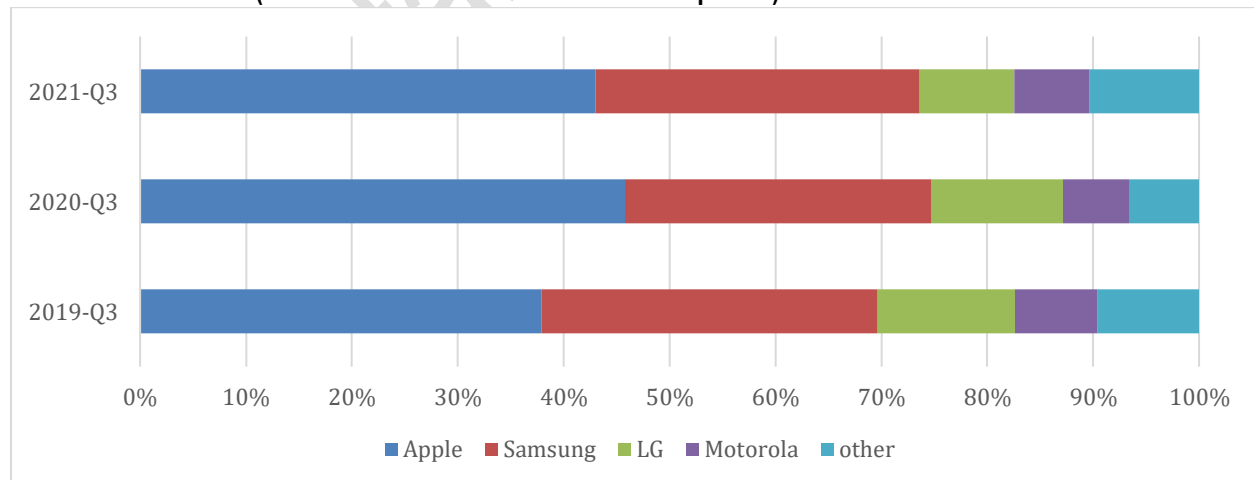
Smartphone brands compete in an interesting and complicated US marketplace. Despite the apparent dominance of iPhones, most brands compete within the Android operating system environment, in addition to competing with Apple in the overall smartphone market. CIRP analyzed this brand marketplace as of the September 2021 quarter.

Within this marketplace, over the past three years we have seen Apple maintain the largest overall share. It has kept this share as customers largely remain loyal to either the Apple iOS or Google Android operating system, and iOS is exclusive to Apple, of course.

Within the Android operating system, Samsung has a similarly strong position as Apple does within the overall smartphone market. Motorola has maintained a meaningful share, but has much lower loyalty rates compared to Samsung. Before it announced its exit from smartphones, over the last three years LG had a slightly larger share and similar loyalty and switching to Motorola.

Apple enjoyed the largest share of smartphone sales in the past three years, with 43% of US smartphone sales in the year ending with the September 2021 quarter (Chart 1).

**Chart 1: Brand share (twelve months ended each indicated quarter)**



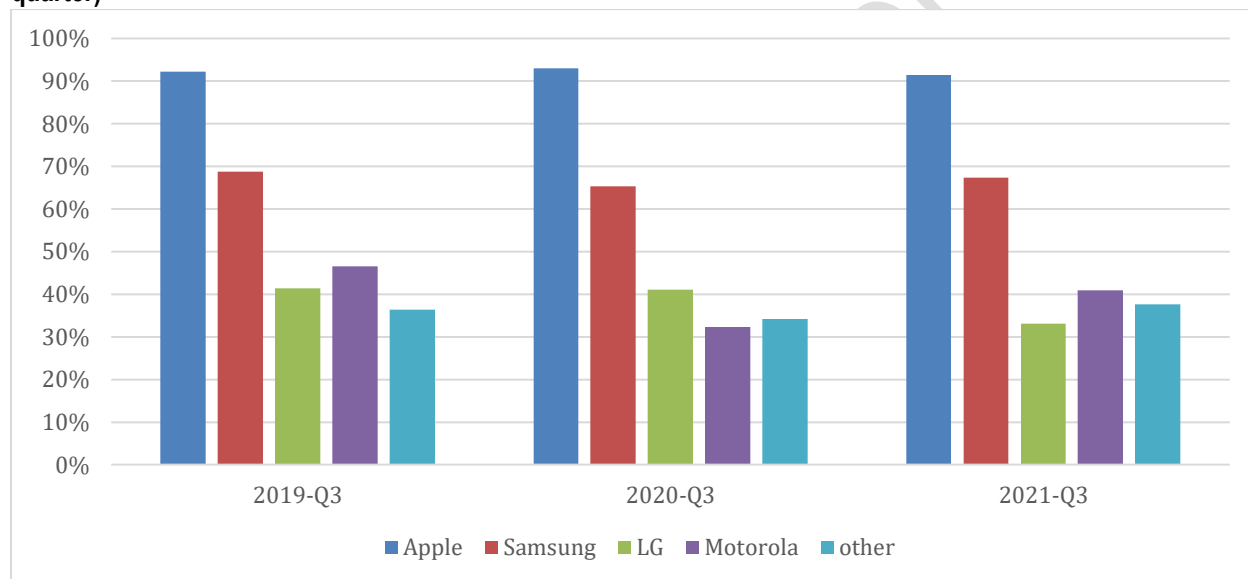
Samsung had the next largest share, at 31% of US smartphone sales. This is also the dominant share among brands using the Android operating system, with Samsung accounting for 54% of all US Android smartphone sales. LG and Motorola are the only other Android brands with significant share. Note that

the LG share of 9% reflects sales in the twelve months ending in the September 2021 quarter, and that in April 2021 LG announced it would discontinue smartphone sales, with a planned sunset during this September 2021 quarter.

Shares were roughly consistent over the past three years. Apple experienced a measurable increase in share in the twelve months ending September 2020, while Samsung saw its share move within a very narrow range during the entire three-year period shown.

Brand loyalty helps explain trends in overall shares. Apple has had the highest brand loyalty, measured as the percent of customers purchasing a new Apple iPhone whose previous smartphone was also an iPhone. Apple has seen loyalty rates exceed 90% for the past three years (Chart 2).

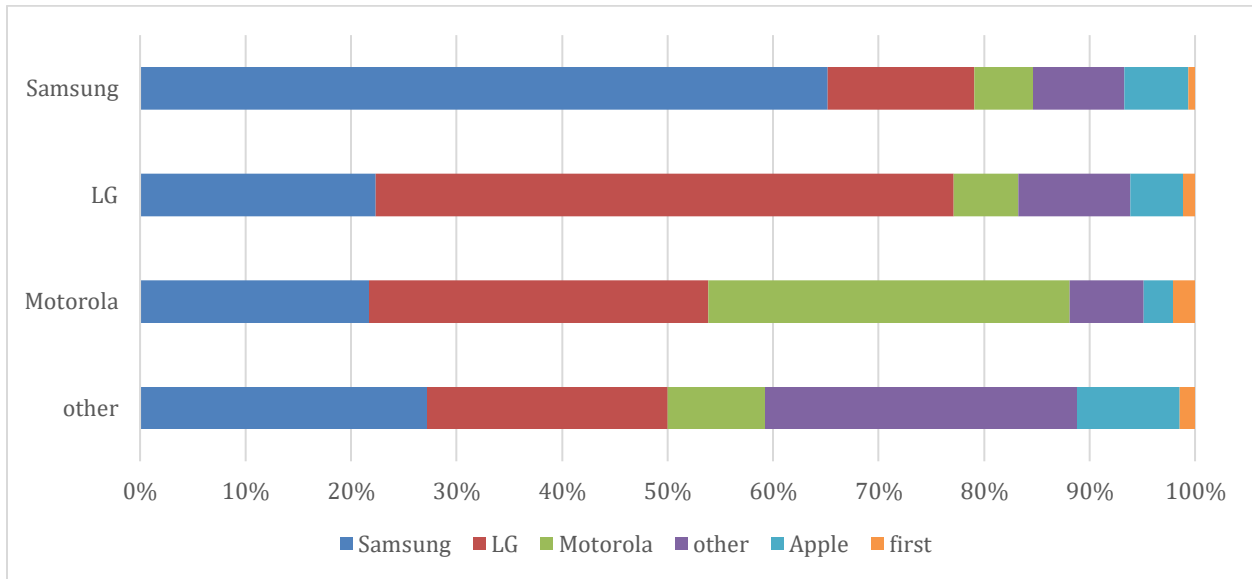
**Chart 2: Customers purchasing new brand same as previous brand (twelve months ended each indicated quarter)**



Switching brands within the Android operating system is easier than switching between Android and iOS, and loyalty to each operating system has remained at about 90% for the past several years (See the CIRP analysis, “Mobile Operating Systems”, July 15, 2021). Even so, within Android smartphones, Samsung has the highest loyalty, with around two-thirds of Samsung buyers having owned another Samsung immediately previously. As Samsung maintained its loyal users, Motorola and LG saw lower loyalty a somewhat downward trend since the year ending September 2019.

To the extent that Android users do switch brands, Motorola and other brands seem to have benefitted the most. In terms of where smartphone buyers obtain customers, Motorola had the most diverse new customer base, including one-third of their new buyers previously owning an LG phone in the twelve-month period ending September 2021 (Chart 3).

**Chart 3: Previous brand owned by Android new brand purchasers (twelve months ended September 2021)**



Samsung, with its loyal customer based, had most of its buyers, around two-thirds, immediately previously own a Samsung smartphone. Motorola drew its customers equally from Samsung, LG, and previous Motorola smartphones. Owners of other brands, which includes Google's Pixel phones, also drew customers from Samsung and LG, and other brands, with a small percentage previously owning a Motorola smartphone.

## Methodology and Disclaimers

This analysis is based on quarterly surveys of 500 subjects per quarter that acquired a new or used smartphone in the twelve quarters ending in September 2021.

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