

Gartner: Weak Smartphone Demand in Q3 2019

Written by Frederick Douglas
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Global smartphone sales continue to decline in Q3 2019, Gartner reports, as they drop by -0.4% Y-o-Y to 3.8 billion units due to consumers becoming more concerned about getting value for money, leading to weak demand.

“For the majority of smartphone users, desire has shifted away from owning the least expensive smartphone. Today’s smartphone user is opting for midtier smartphones over premium-tier ones because they offer better value for money,” the analyst says. “In addition, while waiting for 5G network coverage to increase to more countries, smartphone users are delaying their purchase decisions until 2020.”

Table 1

Worldwide Smartphone Sales to End Users by Vendor in 3Q19 (Thousands of Units)

Vendor	3Q19 Units	3Q19 Market Share (%)	3Q18 Units	3Q18 Market Share (%)
Samsung	79,056.7	20.4	73,360.1	18.9
Huawei	65,822.0	17.0	52,218.4	13.4
Apple	40,833.0	10.5	45,746.6	11.8
Xiaomi	32,271.3	8.3	33,219.7	8.5
OPPO	30,834.4	8.0	30,563.4	7.9
Others	138,659.9	35.8	153,965.8	39.6
Total	387,477.2	100.0	389,074.0	100.0

Due to rounding, numbers may not add up precisely to the totals shown.

Source: Gartner (November 2019)

The shift leads to the strengthening of entry-level and mid-tier portfolios by brands such as Samsung, Huawei, Xiaomi, Oppo and Vivo. Such a strategy has helped Huawei, Samsung and Oppo grow in Q3 2019, while the resolutely high-end Apple has continues to face double-digit

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sales declines. In fact, Huawei is the only top 5 smartphone vendor to achieve double-digit sales growth in Q3 2019, selling 65.8 million units, a 26% Y-o-Y increase. Key to such performance is, of course, China, since the ongoing trade war with the US lead the company to invest more heavily in its home country.

Samsung remains on top of the Q3 2019 smartphone sales charts. Sales total 79m units, a 7.8% Y-o-Y increase, thanks to an aggressive portfolio revamp with, as mentioned earlier, a focus on the entry- and mid-tier segments. On the other hand Apple sales are down by -10.7% Y-o-Y to 40.8m, despite sales promotions and discounts in various markets. The iPhone 11, Pro and Pro Max do see good initial adoption, suggesting positive sales for Q4 2019.

Speaking of the coming quarter, Black Friday and Cyber Monday deals should spur consumer demand as vendors offer aggressive price promotions on devices both old and new. In the meantime vendors will also increasingly focus on more intelligent smartphones able to provide increasingly personalised content and services through AI capabilities. However, in the short term, vendors need to concentrate on offering attractive features at low prices, thus boosting overall smartphone demand.

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