

India's smartphone market grew 1% in 2023: IDC

SURAJEET DAS GUPTA

New Delhi, 13 February

India's domestic smartphone market grew by a nominal 1 per cent in calendar year 2023, due to consumer demand remaining stressed, according to the latest report of IDC released on Tuesday. The only good news is that the market grew by 11 per cent year-on-year in H2CY23, compensating for the sharp 10 per cent decline in the first half. The country also shipped 146 million smartphones in 2023.

In Q4CY23 the market grew by 26% Y-o-Y with shipments of 37 million units, as the second half of the quarter

saw stronger than expected shipments with several new model launches.

But the IDC report projects challenges in 2024. "The road to recovery for smartphones in 2024 looks strained and elongated, as worries around income, inflationary stress, price increases, and inventories remain," says

Navkendar Singh, associate vice-president, client device research, at IDC. He added that special efforts have to

be made, especially at entry-level points, to fuel organic growth. The

research company estimates a flat to low single digit annual growth in 2024, primarily led by upgraders in the \$200- \$400 smartphone segment, backed by financing schemes.

There were, however, some discernible trends in 2023, and one of them augurs well for the transition of consumers to 5G. As many as 79 mil-

lion 5G smartphones were shipped in 2023, with a plethora of launches in the mass budget segment. The average sale price (ASP) of 5G phones dropped to \$374, a decline of 5 per cent YoY in 2023. Within the 5G smartphone shipments, the share of the budget (\$100-\$200) segment increased to 35 per cent from 22 per cent a year ago, while the entry-premium (\$200-\$400) segment continued to dominate with a 38 per cent share, although it was down from 49 per cent in 2022.

Apple's iPhone 13 and 14 (Apple sold over 9 million phones in 2023), Samsung's Galaxy A14, Vivo's T2x and

Xiaomi's Redmi12 were the highest shipped 5G models in 2023.

The report also stated that shipments to online channels, once the most attractive way to sell smartphones, dropped by 6 per cent and its share went down to 49 per cent in 2023 from 53 per cent in 2022.

On the other hand, offline channel shipments grew by 8 per cent YoY as vendors strengthened their retail presence with lucrative premium offerings as well as by expanding into smaller towns and cities.

The market grew 11% year-on-year in second half of CY23, compensating for the sharp 10% decline in the first half

More on business-standard.com