

Global smartphone shipment growth falls 9% in July-Sept

FE BUREAU
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THE GLOBAL SMARTPHONE market growth fell for the third straight quarter in the July-September period as consumers continued to prioritise essential spending and delay purchases of electronics, according to a report by market analyst firm Canalys.

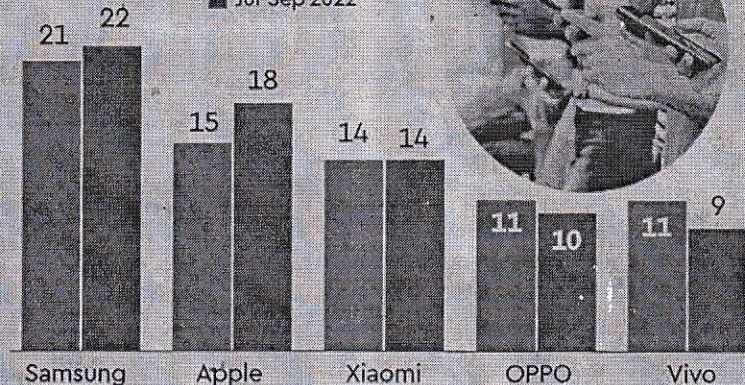
In the September quarter, the growth of smartphone shipments fell 9% year-on-year to about 100 million units, which is the worst performance since 2014. While analysts pin hopes on the festival season, they expect the weakness to continue for the next six to nine months.

"Going into the sales season, consumers who have been delaying purchases will expect steep discounts and bundling promotions as well as significant price reductions on older generation devices. Compared to the strong demand period of the previous year, a slow but steady festive sale is anticipated in Q4 2022. However, it will be too soon to see the upcoming Q4 as the real turning point of market recovery," said Sanyam Chaurasia, analyst at Canalys.

In the September quarter, Apple

WHERE THEY STAND

Market share (%) ■ Jul-Sep 2021 ■ Jul-Sep 2022



was the only vendor among the top five to have recorded a strong positive growth, owing to heavy demand of iPhones despite a weak market. The premium smartphone maker has improved its market share to 18% from 15% reported in the year-ago period.

While market shares of brands like Samsung and Xiaomi were stable at 22% and 14%, respectively, brands like Oppo and Vivo saw a dip in their market share.

"The smartphone market is highly reactive to consumer demand

and vendors are adjusting quickly to the harsh business conditions," said Amber Liu, another analyst at Canalys. In a price-sensitive market, smartphone makers will have to be cautious in setting up prices to avoid any withdrawal from consumers.

Right pricing will ensure that the vendors don't get trapped in a cycle of higher inventory. According to the report, vendors had significant stockpiles going into July, but sell-through improved gradually only from September, owing to aggressive discounting and promotions.