

Press release

Smartphone revenues grow 3% in Q1 2019 – GfK point of sales data

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Lacklustre growth for South Africa's technical goods market as smartphone unit sales fall

Johannesburg, May 27, 2019 – Smartphone unit sales in South Africa declined by about 7% year-on-year in the first quarter of 2019, while the value of the smartphone market climbed nearly 3% to around R8.6 billion as shoppers splashed out on higher-end models with larger screen sizes. That's according to newly released point of sale tracking data from [GfK South Africa's Weekly Monitor](#), which indicates that the consumer technical goods market as a whole grew 1.6% compared to the same quarter in 2018.

The GfK data shows that high-end devices are now driving the growth of the smartphone market, with average sales prices up 11% year-on-year for the quarter. The feature phone segment enjoyed a slight resurgence, with unit sales up 4% year-on-year. Media tablet unit sales meanwhile plunged by around 22%, contributing to an 8% year-on-year fall in information technology revenues during the first quarter of 2019.

“The smartphone market showed a marked slowdown in the first quarter of 2019, with fewer than 3 million units sold during this timeframe,” says Kali Moahloli, Commercial Head for Market Insights at GfK South Africa. “Though absolute unit sales numbers are down, the migration of users towards large-screen devices with high-end features has driven revenue growth for smartphone manufacturers and retailers. With smartphones emerging as the primary Internet access device, higher-end consumers are seeking a better user experience for web browsing, video and other applications.”

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The consumer electronics market – which includes televisions and audio devices – had a strong start to the year, with revenues growing 6.2% year-on-year in the first quarter of 2019. Panel television unit sales were

up 5.7% to more than 275,000 units and market value increased more than 9%, helped along by the 45% growth in unit sales and value for ultrahigh definition televisions. However, sales decelerated in audio home systems, receivers, mini speakers and headphones.

IT retail had a difficult quarter, with revenues from mobile computer, desktops and storage product all declining. Of the IT categories, only monitors showed significant growth.

Other highlights for the first quarter of 2019 include:

- Small domestic appliance revenues grew by 1.6% compared to the first quarter of 2018. A decline in kettle revenues – the biggest segment of the small appliance market – contributed to the soft growth. However, toaster revenues were significantly up.
- Major domestic appliance revenues were up by nearly 4.5%. The freezer market performed well, with strong growth in chest freezer revenues in particular.
- The office equipment market saw a 10% year-on-year revenue increase, with strong printing device sales boosting the market. There was strong uptake of ink tank printers during the quarter.
- Revenues from the photography sector dropped by 54%, as smartphone cameras continued to cannibalise this market.

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