

# Press release

Embargo date: March 02, 2016

## Global smartphone sales hit a quarterly high in Q4 2015

March 02, 2016

Wes Rogers  
Public Relations  
T +44 203 287 3262  
T +1 912 506 0869  
wes@greenfields  
communications.com

- Smartphone growth acceleration in China drives demand
- Emerging APAC and MEA continue as growth powerhouses
- GfK forecasts global smartphone demand to increase 7 percent in 2016

Nuremberg, March 02, 2016 – Global smartphone demand hit 368m units in Q4 2015, up 14 percent quarter-on-quarter and up six percent year-on-year. However, revenues plateaued year-on-year at US\$115bn due to average selling price (ASP) declines of six percent year-on-year for Q4 2015. In the full year 2015, 1.3bn smartphone units were sold, an increase of seven percent year-on-year. However, this unit growth was partially offset by a decline in global average selling price (ASP) of two percent year-on-year, which caused revenues to increase on a slightly lower level of only five percent year-on-year to US\$399bn.

### Smartphone sales Q4 2014 vs Q4 2015

	Units sold (in mil.)			Sales value (in bn. USD)		
	Q414	Q415	Y/Y % change	Q414	Q415	Y/Y % change
Latin America	36.1	31.5	-12.7%	9.6	7.4	-23.3%
Central & Eastern Europe	21.4	22.2	3.6%	5.1	4.5	-10.8%
North America	57.0	56.4	-1.1%	25.6	23.9	-6.5%
Emerging APAC	41.5	50.0	20.5%	7.5	8.1	8.0%
Middle East & Africa	37.7	42.1	11.7%	10.8	10.2	-4.8%
Western Europe	40.0	42.1	5.2%	17.2	17.0	-0.9%
China	95.1	106.6	12.0%	28.8	33.5	16.3%
Developed APAC	17.3	17.4	0.3%	11.0	10.6	-3.8%
<b>Global</b>	<b>346.1</b>	<b>368.1</b>	<b>6.4%</b>	<b>115.5</b>	<b>115.2</b>	<b>-0.2%</b>

Source: GfK Point of Sales (POS) Measurement data in 90+ markets, Jan. 2016

Kevin Walsh, director of trends and forecasting at GfK comments, “Despite a record fourth quarter – and a strong performance in 2015 in general – there are mixed results across countries. Local factors, rather than regional and industry trends, are increasingly driving markets. Diverging economic trends, device saturation, mass market adoption, politics, social change and even sport have an impact on smartphone demand and prices at country level.”

GfK SE  
Nordwestring 101  
90419 Nuremberg  
Germany

T +49 911 395 0

Management  
Matthias Hartmann (CEO)  
Christian Diedrich (CFO)  
Dr. Gerhard Hausrucking  
David Krajicek  
Alessandra Cama

Supervisory Board Chairman  
Dr. Arno Mahlert

Commercial register  
Nuremberg HRB 25014

### **Emerging APAC\*: a growth powerhouse**

Emerging APAC remains the primary growth driver in the global smartphone market, with 21 percent year-on-year unit growth in Q4 2015.

On a country level, **India** is a key driver with unit growth of 34 percent year-on-year, driven by its dominant low-end (sub-US\$100) price band segment, which saw unit growth accelerate to 76 percent year-on-year. There is still plenty of room for smartphone demand from first time buyers, since penetration of the sub-US\$100 segment stood at only 24 percent in the last quarter of the year.

### **China: growth accelerated in Q4 2015**

After a return to a moderate growth in 3Q 2015 (following a series of four negative quarterly year-on-year developments that started in 3Q 2014), China saw smartphone growth accelerate to 12 percent year-on-year in 4Q 2015. In this period a record high of 106.6m units was reached. With a volume growth of 11m units, China contributed half of the global growth in the last quarter.

There were year-on-year improvements in demand across all price band segments, with a noticeable shift to high-end (US\$500+) devices. This segment saw market share increase to 18 percent, up from just below 15 percent in the prior quarter. The result was an increase in ASP of four percent year-on-year to US\$314, and a 16 percent increase in year-on-year revenue to US\$33bn.

The shift towards LTE-enabled, larger-screen devices continues. 5"+ handsets accounted for 71 percent of smartphones sold in the quarter, up from 53 percent in the same period of 2014. LTE-enabled smartphone share has almost reached saturation levels. GfK forecasts unit growth will slow to 17 percent in 2016, considerably down from 248 percent in 2015. Competitively priced local brands continue to gain share in the country, accounting for 75 percent of smartphone demand in Q4 2015, up from 69 percent in Q4 2014.

GfK forecasts a return to moderate growth of three percent in China in 2016 – following the two percent year-on-year decline seen in 2015. This is likely to be helped by an expected increase in operator subsidies.

### **MEA: Egypt is the star performer**

Despite a slight slow-down in growth, smartphone unit demand in the MEA grew 12 percent year-on-year in the quarter. Most countries in the region saw increases, but **Egypt** stood out with demand growing 27 percent year-on-year.

### **Latin America: Consumers move towards low-end devices**

Smartphone demand in Latin America continued to decline in Q4 2015,

dropping 13 percent year-on-year. This was dragged down by macroeconomic weakness in **Brazil**, which caused demand to decline 26 percent year-on-year in the country. ASP in the region declined 12 percent year-on-year as a result of a shift in consumer preference towards low-end devices. This fall in demand, combined with the lower ASP, resulted in a revenue drop of 23 percent year-on-year to US\$7bn.

#### **Developed APAC\*: overall demand is stable**

Unit demand in Developed APAC remained stable in Q4 2015 following a three percent year-on-year decline in the previous quarter. Smartphone demand in **South Korea** returned to growth (up eight percent year-on-year) for the first time since Q4 2013. This was helped by easy comparisons with the weak performance in Q4 2014. However, regional growth was offset by a six percent decline in year-on-year demand in **Japan**.

#### **Western Europe: growth in France, Germany and Great Britain**

Smartphone unit growth in the region stood at five percent year-on-year in Q4 2015, helped by 61 percent year-on-year growth in the ultra-low-end (sub-US\$100) segment. Overall growth accelerated in its three largest markets: **France, Germany and Great Britain**.

#### **Central Europe: mild growth driven by Poland**

Smartphone unit growth in Central Europe remained limited at four percent year-on-year, but was helped by strong growth of 36 percent year-on-year in **Poland**. Due to political and economic issues, year-on-year demand in **Russia** and **Ukraine** dropped seven percent and 14 percent respectively.

#### **Smartphones: 2015 sales vs 2016 forecast**

	Units sold (in mil.)			Sales value (in bn. USD)		
	2015 sales	2016 forecast	Y/Y % change	2015 sales	2016 forecast	Y/Y % change
<b>Latin America</b>	109.7	108.8	-0.8%	27.0	25.5	-5.7%
<b>Central &amp; Eastern Europe</b>	73.2	77.9	6.5%	14.8	14.5	-1.5%
<b>North America</b>	190.7	193.7	1.6%	77.9	77.2	-0.9%
<b>Emerging APAC</b>	185.2	227.0	22.6%	30.7	33.1	7.9%
<b>Middle East &amp; Africa</b>	162.4	187.7	15.6%	42.0	43.3	3.0%
<b>Western Europe</b>	137.1	142.3	3.8%	53.6	52.7	-1.6%
<b>China</b>	385.3	397.2	3.1%	115.8	117.8	1.7%
<b>Developed APAC</b>	64.8	65.5	1.1%	37.5	37.2	-0.7%
<b>Global</b>	<b>1,308.5</b>	<b>1,400.2</b>	<b>7.0%</b>	<b>399.2</b>	<b>401.3</b>	<b>0.5%</b>

Source: GfK Point of Sales (POS) Measurement data in 90+ markets for calendar year 2015 and GfK forecasts for calendar year 2016, as at Jan. 2016.

Kevin Walsh explains, "In 2016, we expect local country factors rather than

global trends to impact the market. Key markets in Emerging Asia and Middle East & Africa are forecast to drive unit growth. While 2016 will be another year of global growth, it will be more important than ever for businesses to understand individual country trends and market segments.”

**-ENDS-**

#### **Note to editors**

GfK forecasts end-demand consumer purchases rather than manufacturer shipments. Market sizes are built up by point-of-sale (POS) tracking in 90+ markets with updates on a weekly and monthly basis. For the US, GfK employs proprietary market modeling and consumer research rather than POS to produce its market forecasts. Values are based on unsubsidized retail pricing. Data is available quarterly and the next data set is due in May 2016.

GfK continually works to ensure its panel data is as accurate a reflection of the end market as possible. When a change is made to the number of participants in our panel, GfK will amend historical data to better reflect the impacted end market. For example, when a new retailer joins, the addition of their historic sales may lead to slight adjustments to actual data.

#### **\*Countries included in Developed / Emerging APAC in this release:**

##### **Developed APAC:**

Australia  
Hong Kong  
Japan  
New Zealand  
Singapore  
South Korea  
Taiwan

##### **Emerging APAC:**

India  
Indonesia  
Kampuchea (Cambodia)  
Malaysia  
Philippines  
Thailand  
Vietnam

#### **About GfK**

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK’s long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers’ experiences and choices.

For more information, please visit [www.gfk.com](http://www.gfk.com) or follow GfK on Twitter: <https://twitter.com/GfK>

Responsible under press legislation:



GfK SE, Global Communications  
Jan Saeger  
Nordwestring 101  
90419 Nuremberg  
Germany  
[press@gfk.com](mailto:press@gfk.com)