

Global smartphone shipments fall 12% in Q1

Article

The news: The global smartphone market has been declining for the past five quarters due to the ongoing COVID-19 pandemic, the global chip shortage, and the war in Ukraine, among other factors, per [Canalys](#).

Demand drops: The global smartphone market declined 12% in the first quarter of 2023, as macroeconomic conditions and inflation continued to weigh on demand.

“However, we have noticed some signs of moderation in the continued decline,” Canalys analyst **Toby Zhu** said. “There have been improvements in demand for certain smartphone

products and price bands.”

- Current market headwinds and supply chain delays have favored **Samsung**, which was the only leading vendor to achieve a quarter-on-quarter recovery. It clawed its way back to the No. 1 spot, with a **22% market share**.
- **Apple dropped to second place, with a 21% market share**, due to reduced unit shipments and diminished consumer spending.
- **Xiaomi** held on to third place in the global smartphone market with **11% market share**, driven by new product launches in Q1 2023.
- **Oppo** and **Vivo** are two of the fastest-growing smartphone brands in the world, and they are both gaining market share in China and other emerging markets. They account for **10% and 8% of the market share**, respectively.

Why it's worth watching: Vendors are producing more smartphones than consumers are buying. Many users are holding onto older devices longer.

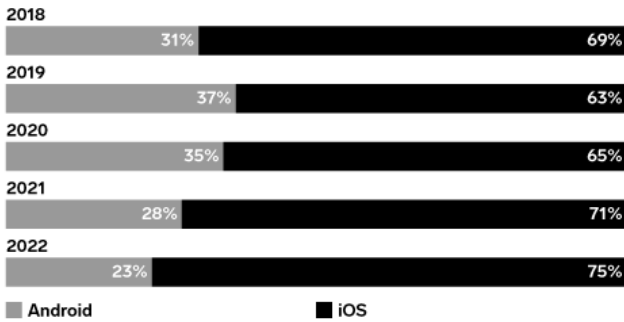
- **1.21 billion smartphones were shipped in all of 2022**, the lowest annual shipment total since 2013.
- The transition to 5G was the last industry-wide push that resulted in mass adoption. Since then, foldable phones have been the only alternative form factor, but they've failed to gain adoption.

Our take: Samsung and Apple will continue to push upward in premium devices, possibly creating even more expensive “pro” handsets to fully saturate the high end of the market.

- Recovery in the smartphone market lies in the midrange and entry-level geared toward emerging markets.
- Budget 5G smartphones that incorporate premium features such as eSIM compatibility and improved camera technology and are bundled with wearables and Bluetooth headsets can help lock in new users.

Premium Smartphone Sales Share Worldwide, Android vs. iOS, 2018-2022

% of total



Note: smartphones with an average selling price (ASP) of \$600 or more; represents sales to end users; numbers may not add up to 100% due to rounding
Source: Counterpoint Technology Market Research as cited in company blog, March 20, 2023

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