

Africa's smartphone shipments increased 9.8%

A total of 22.4 million smartphones were shipped in Africa during the second quarter of this year (Q2 2018), according to the latest insights from International Data Corporation (IDC). The global technology research and consulting firm's Quarterly Mobile Phone Tracker shows that Africa's smartphone shipments increased 9.8% quarter on quarter (QoQ) and 6.0% year on year (YoY) in Q2 2018.



Source: pixabay.com

The market's buoyant performance was spurred by the growing popularity of low-end to mid-range devices. Transsion brands continued to lead the continent's smartphone space in Q2 2018, accounting 35.4% of shipments. Samsung followed in second place with 23.2% share.

By contrast, the feature phone market was down 1.1% QoQ and 5.8% YoY in Q2 2018, but – with shipments totaling 31.4 million units – these devices still constitute a 58.3% share of Africa's overall mobile phone market as they cater to the needs of the continent's huge low-income population (mainly in rural areas) by providing basic mobile communications that are priced very competitively. Telco and Itel continued to lead feature phone category in Q2 2018 with a combined unit share of 59.9%, followed in third place by HMD on 9.0%.

Looking at the overall picture, the region's combined mobile phone market totaled 53.8 million units in Q2 2018, with shipments up 3.2% QoQ but down 1.2% YoY. The continent's two biggest markets – Nigeria and South Africa – saw a marked improvement in the performance of their overall mobile phone markets, posting YoY growth of 13.0% and 25.0%, respectively.



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"The Nigerian economy remains stable and has begun to show signs of steady improvement in terms of consumer demand for mobile phones," says Arnold Ponela, a research analyst at IDC.

"The country saw smartphone shipments of 2.7 million units in Q2 2018, up 15.8% YoY, with strong marketing support from telecom operators for most brands proving instrumental. However, ongoing currency issues and falling consumer purchasing power suggest Nigeria is not set for a sustained surge in smartphone shipments."

South Africa remains the continent's most developed telecommunications market, with smartphone shipments up 17.4% YoY in Q2 2018 to total 3.4 million units. "Numerous new entrants to the South African market are now offering affordable smartphones that boast very similar features to the leading brands," says Ponela. "As such, we expect the country's migration away from feature phones to continue at a progressive pace. This transition from feature phones to smartphones is reflected by the fact that the market continues to be dominated by low-end to mid-range devices priced below \$150."



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IDC's research shows that 4G LTE networks are spreading their reach in Africa, with shipments of 4G LTE devices increasing 11.8% QoQ in Q2 2018 to constitute 62.6% of the smartphone market. "Despite a drop in the prices of entry-level 4G phones, 2G and 3G mobile devices remain far more economical, making it difficult for operators to migrate clients over to newer technologies," says Ramazan Yavuz, a research manager at IDC. "Price sensitivity means that many African consumers prefer to stick with 3G phones, and this is likely to continue until 4G devices fall to a price point where they are affordable to a much larger segment of the continent's consumer base."

Looking ahead, IDC expects Africa's overall mobile phone market to grow 2.6% QoQ in Q3 2018, with overall shipments to increase slightly through 2018, leading to YoY growth of 0.4% for the year as a whole. "IDC predicts that 5G phones will reach the market in 2020, when rollouts of 5G networks will start in select African countries," says Yavuz. "However, demand for feature phones is unlikely to be impacted significantly as these devices will continue to serve a purpose in areas with no LTE coverage."

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