

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"The trend towards full-screen displays and larger screens has seen prices for flagship smartphones grow considerably, motivating many people to keep their smartphones longer."

- Adrian Reynolds, Consumer Technology Analyst

This report looks at the following areas:

- Can innovations still entice consumers to upgrade regularly?
- Insurance and screen replacement plans gain importance as prices rise

With extended battery life a priority for consumers, incremental updates and minor innovations are proving insufficient in driving regular upgrades. A large proportion of people are buying phones outright to find cheaper, more flexible contracts with network providers. To accommodate this trend in the face of rising flagship smartphone prices, trade-in schemes and upgrade programmes will become increasingly important.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

арас +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Products covered in this Report

Executive Summary

The market

Market struggling for growth as people delay upgrades Figure 1: Value of mobile phone sales in the UK, 2012-22

Big two manufacturers dominate over 72% of the market

Figure 2: Smartphone ownership, by brand, February 2018

Smartphone ownership struggling for growth

Figure 3: Ownership of smartphones, January 2013-December 2017

Major product launches in 2017 boosted advertising spend

Figure 4: Total above-the-line, online display and direct mail advertising expenditure on mobile phones, 2014-17

The consumer

Over half of people have owned their phone more than a year Figure 5: Length of time people have owned smartphone, February 2018

Mobile network providers remain the most popular purchase location

Figure 6: Purchase location, February 2018

Fingerprint scanning is the most popular unlocking method

Figure 7: Preferred method of unlocking smartphone, February 2018

Social media is the most popular smartphone activity Figure 8: Most popular smartphone activities, February 2018

Most people stick to the same operating system and manufacturer

Figure 9: Smartphone behaviours, February 2018

Nearly two thirds of people will upgrade smartphones in the next two years

Figure 10: Plans to upgrade, December 2016 and February 2018

Extended battery life is a growing priority

Figure 11: Important factors when upgrading, February 2018

What we think

Issues and Insights

Can innovations still entice consumers to upgrade regularly?

The facts

The implications

Insurance and screen replacement plans gain importance as prices rise

The facts

The implications

BUY THIS REPORT NOW



Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The Market – What You Need to Know

Market struggling for growth as people delay upgrades

Smartphone ownership struggling for growth

Growth of 'phablets' encroaching on the tablet market

Economic factors remain important despite necessity of smartphones

Relaunches focus on nostalgia and second phone market

Market Size and Forecast

Market struggling for growth as people delay upgrades

Figure 12: Value of mobile phone sales in the UK, 2012-22

Figure 13: Value of mobile phone sales in the UK, 2012-22

Forecast methodology

Market Drivers

Smartphone ownership struggling for growth

Figure 14: Ownership of smartphones, January 2013-December 2017

Economic factors remain important despite necessity of smartphones

Figure 15: Proportion of consumers who have bought electrical goods in the last three months and expect to buy in the next three months, September 2015-February 2018

Growth of 'phablets' encroaching on the tablet market Figure 16: Apple's iPhone 8 and iPhone 8 Plus

Relaunches focus on nostalgia and second phone market

Figure 17: Nokia's 8110 4G 'Banana phone'

Companies and Brands – What You Need to Know

Big two manufacturers dominate over 72% of the market

Apple overtakes Samsung as the most popular brand

Samsung launches new flagship S9 range

Apple's iPhone X becomes the most expensive smartphone

Major product launches in 2017 boosted advertising spend

Market Share

Big two manufacturers account for over 72% of smartphone ownership Figure 18: Smartphone ownership, by brand, February 2018

Apple overtakes Samsung as the most popular brand

Figure 19: Smartphone ownership, by brand, December 2016 and February 2018

iPhone ownership varies more than Samsung in terms of demographics Figure 20: Ownership of Apple and Samsung smartphones, by selected demographics, February 2018

Launch Activity and Innovation

Samsung launches new flagship S9 range

Figure 21: Samsung's Galaxy S9 smartphone

Apple's iPhone X becomes the most expensive smartphone

BUY THIS REPORT NOW



Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 22: Apple's iPhone X

Google boosts market presence with innovative Pixel 2

Figure 23: Google's Pixel 2 smartphone

Qi wireless charging becoming the standard technology

Figure 24: Apple's wireless charging on iPhone 8 and iPhone X

Purism set to launch security-focused smartphone

Figure 25: Purism's Librem 5 smartphone

Advertising and Marketing Activity

Major product launches in 2017 boosted advertising spend

Figure 26: Total above-the-line, online display and direct mail advertising expenditure on mobile phones, 2014-17

Figure 27: Total above-the-line, online display and direct mail advertising expenditure on mobile phones, by media type, 2014-17

Television remains the key advertising outlet for phones

Figure 28: Total above-the-line, online display and direct mail advertising expenditure on mobile phones, by manufacturer, 2017

Nielsen Ad Intel coverage

Brand Research

Brand map

Figure 29: Attitudes towards and usage of selected brands, February 2018

Key brand metrics

Figure 30: Key metrics for selected brands, February 2018

Brand attitudes: Apple iPhone perceived as worth the higher price

Figure 31: Attitudes, by brand, February 2018

Brand personality: Google Pixel and Samsung Galaxy deemed the most fun brands Figure 32: Brand personality – Macro image, February 2018

Google Pixel considered the most desirable brand, with iPhone considered expensive

Figure 33: Brand personality – Micro image, February 2018

Brand analysis

Samsung Galaxy is the most recommended brand Figure 34: User profile of Samsung Galaxy, February 2018

Apple iPhone seen as an expensive and exclusive brand

Figure 35: User profile of Apple iPhone, February 2018

Google Pixel deemed innovative, fun and stylish Figure 36: User profile of Google Pixel, February 2018

Sony Xperia considered user-friendly and reliable Figure 37: User profile of Sony Xperia, February 2018

HTC lacks a strong brand identity

Figure 38: User profile of HTC, February 2018

Chinese brand Huawei viewed as basic but good value for money

Figure 39: User profile of Huawei, February 2018

BUY THIS REPORT NOW



Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The Consumer – What You Need to Know

Over half of people have owned their phone more than a year

Mobile network providers remain the most popular purchase location

Fingerprint scanning is the most popular unlocking method

Social media is the most popular smartphone activity

Most people stick to the same operating system and manufacturer

24% of people have broken the smartphone screen in the last two years

Nearly two thirds of people will upgrade smartphones in the next two years

Extended battery life is a growing priority

Purchase Patterns

Over half of people have owned their phone more than a year Figure 40: Length of time people have owned smartphone, February 2018

Mobile network providers remain the most popular purchase channel Figure 41: Purchase location, February 2018

Upfront payment is focused on retailers and manufacturers

The rising expense of flagship phones is supporting network contracts Figure 42: Smartphone payment methods, February 2018

16-24-year-olds least likely to get smartphones from network providers...

...while men are most likely to pay for phones in full up front

Smartphone Security

Fingerprint scanning is the most popular unlocking method

Figure 43: Preferred method of unlocking smartphone, February 2018

Over half of iPhone owners prefer to use fingerprint scanners

Figure 44: Preferred method of unlocking smartphone, by brand owned, February 2018

Smartphone Activities

Social media is the most popular smartphone activity...

...closely followed by calls and messages

Figure 45: Most popular smartphone activities, February 2018

There is a clear age split in popular smartphone activities

Calls and SMS the only activities selected less by younger demographics Figure 46: Most popular smartphone activities, by age, February 2018

Wide range of activities has driven storage capacity needs

Behaviours of Smartphone Owners

Most people stick to the same operating system and manufacturer

Free screen repair is set to grow in importance

Over half of people keep their old phone as a spare

Figure 47: Smartphone behaviours, February 2018

16-34-year-olds are the most likely to stick with OS and manufacturer

BUY THIS REPORT NOW



Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 48: Smartphone behaviours, by age, February 2018

Those aged 18-24 and upgrading regularly are more likely to break screens

Figure 49: Target groups based on statements about smartphones – CHAID – Tree output, February 2018

Figure 50: Target groups based on statements about smartphones – CHAID – Table output, February 2018

Plans to Upgrade

Nearly two thirds of people will upgrade smartphones in the next two years Figure 51: Plans to upgrade, December 2016 and February 2018

Owners of Sony smartphones are more likely to upgrade

Figure 52: Plans to upgrade, by brand owned, February 2018

Price and incremental updates encouraging some to keep phones

Increased trade-in deals could boost upgrade affordability

Figure 53: Reasons for not upgrading, December 2016 and February 2018

Important Factors when Upgrading

Extended battery life is a growing priority

Manufacturers are pushing wireless charging

Men are more likely to want bigger and better screens

Figure 54: Important factors when upgrading, February 2018

Improved camera quality is the second most important factor...

...and even more important for younger demographics Figure 55: Important factors when upgrading, by age, February 2018

Vast majority of people focus on multiple upgrade factors

Figure 56: Repertoire of important factors when upgrading, February 2018

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Market size and forecast

Fan chart forecast

Value

Figure 57: Best- and worst-case forecast for the value of the UK mobile phone market, 2017-22

Brand research

Brand map

CHAID analysis - Methodology

Figure 58: Target groups based on statements about smartphones – CHAID – Table output, February 2018

BUY THIS REPORT NOW