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Mobile devices and distribution channels in Europe and the USA: consumer survey

Oliver Bruff

About this report

This report provides an analysis of the trends in device adoption among smartphone users in Europe and the USA. It uses consumer survey data to assess the distribution channels, spend and replacement cycles for handsets.

The survey was conducted in association with Dynata between August and September 2021. The survey groups were chosen to be representative of the mobile-internet-using population in Europe and the USA. We set quotas on age, gender and geographical spread to that effect. There were at least 1000 respondents per country (2000 in the USA).

GEOGRAPHICAL COVERAGE

Western Europe (WE)

- France
- Germany
- Ireland
- Italy
- Spain
- Sweden
- UK

Central and Eastern Europe (CEE)

- Poland
- Turkey

North America (NA)

- USA

KEY QUESTIONS ANSWERED IN THIS REPORT

- How long are consumers keeping their smartphones for and how is this changing over time?
- How well do operators perform as smartphone sales channels and how important are digital sales channels?
- Which smartphone vendors are succeeding in each country and how is this changing over time?
- How does consumers' demand for mobile services affect operators' ability to upgrade them to 5G handsets?

WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers who are interested in understanding consumer market trends, the role of operators as smartphone distribution channels and the impact of differing approaches to pricing in the market.
- Equipment/device manufacturers and software providers that want to identify end-user trends in device usage and help their operator customers to improve their ability to address market opportunities.
- Telecoms operators that are searching for new revenue sources and/or are interested in partnering with smart device producers or in launching their own smart device propositions.

Executive summary

The average device lifetime in Europe is increasing and Chinese vendors' market share is growing.

Average handset lifetime increased year-on-year in every country surveyed. Further increases in the handset lifetime will lead to a slowdown in the growth of handset sales in Europe and the USA, where market saturation means that handset sales are driven by handset replacements, instead of first-time purchases.

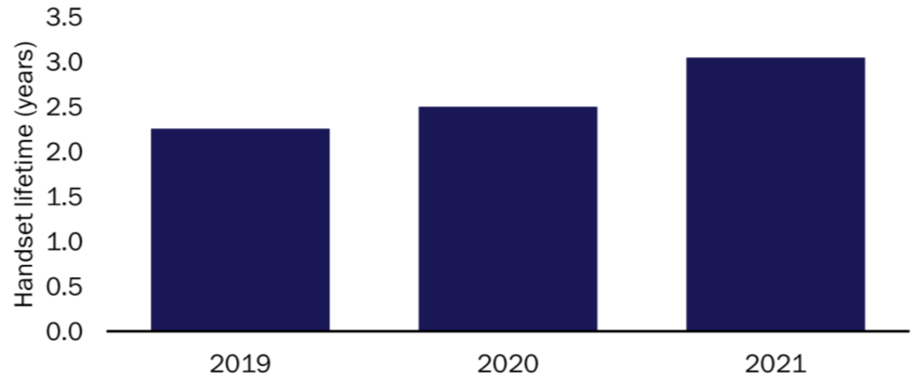
Apple and Samsung remain the dominant handset brands in Europe and the USA, but budget Chinese brands, particularly Xiaomi, are finding success in low-income countries where there is limited fixed–mobile convergence (FMC).

Operators dominate smartphone sales in the USA and have a strong position in the markets in Ireland and the UK.

Just under half of all handsets purchased in Europe and the USA in 2021 were bought through operator-owned distribution channels. However, there was significant variation between countries. Operators tended to have a higher share of total handset sales in markets where there is limited FMC.

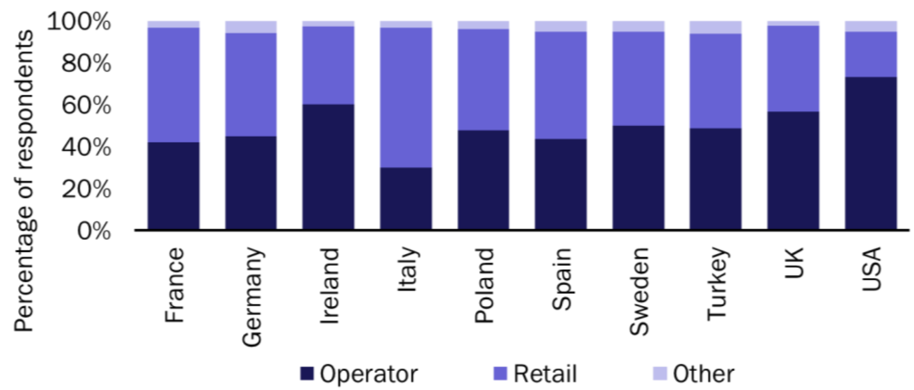
A greater share of 5G handsets were purchased through operator-owned distribution channels than handsets of previous generations, but pre-5G handsets continued to dominate new smartphone sales in all countries outside of the USA.

Figure 1: Average expected handset lifetime, Europe and the USA, 2019–2021[1,2]



Source: Analysys Mason

Figure 2: Handset sales channels by country, Europe and the USA, 2021[1]



Source: Analysys Mason

[1] Please refer to the methodology and panel information section for the sample size and relevant survey questions.
[2] An explanation of how we calculated the handset lifetime is provided in the appendix.

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About the author

Oliver Bruff (Research Analyst) is a Research Analyst based in Analysys Mason's London office. He holds a BSc with honours in economic history with economics from the London School of Economics and Political Science, where he also worked as a research assistant.

We are experts in the telecoms, media and technology sector

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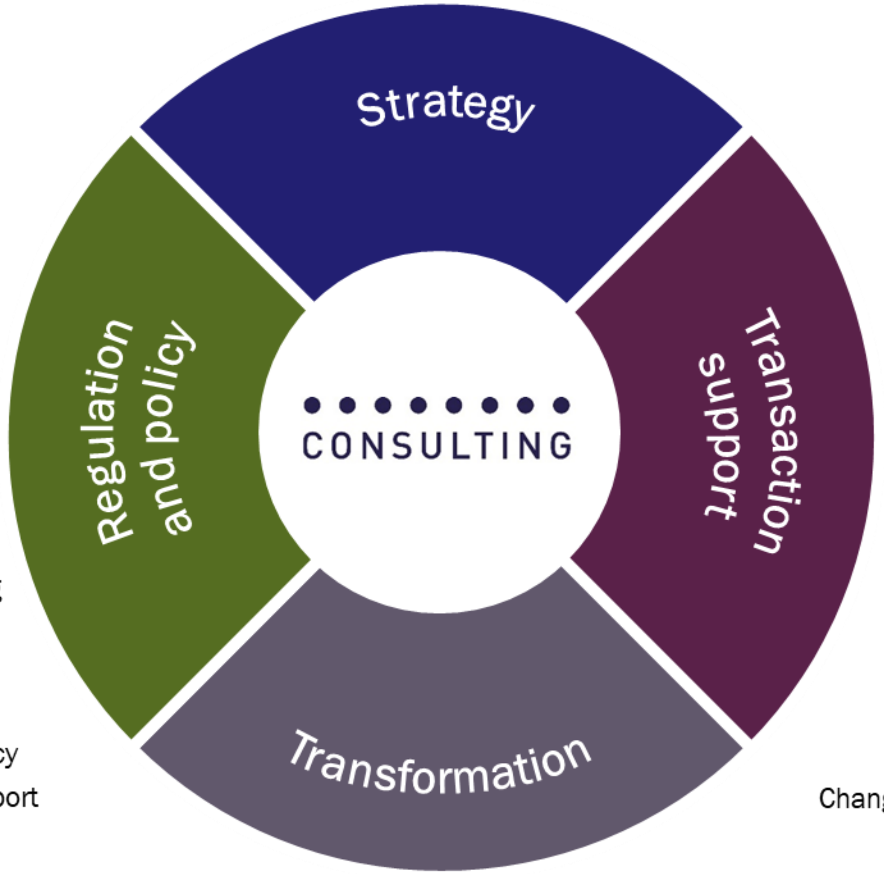

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