

Gartner: Smartphone Sales Growth Down to Single Digits in 2016

Written by Marco Attard
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Gartner reports global smartphone sales will show single-digit growth of 7% in 2016-- a first marking an end to the era of double-digit smartphone growth according to the analyst.

Worldwide Devices Shipments by Device Type, 2015-2018 (Millions of Units)

Device Type	2015	2016	2017	2018
Traditional PCs (Desk-Based and Notebook)	244	228	223	216
Ultramobiles (Premium)	45	57	73	90
PC Market	289	284	296	306
Ultramobiles (Basic and Utility)	195	188	188	194
Computing Devices Market	484	473	485	500
Mobile Phones	1,917	1,943	1,983	2,022
Total Devices Market	2,401	2,416	2,468	2,521

Note: The Ultramobile (Premium) category includes devices such as Microsoft's Windows 10 Intel x86 products and Apple's MacBook Air.

The Ultramobile (Basic and Utility Tablets) category includes devices such as, iPad, iPad mini, Samsung Galaxy Tab S 10.5, Nexus 7 and Acer Iconia Tab 8.

Source: Gartner (March 2016)

Smartphone sales for 2016 are forecast to reach 1.5 billion units, while total mobile phone sales are set to reach 1.9bn. Also showing barely positive results is the combined device (PC, tablets, ultramobiles and mobile phones) market, as global shipments are expected to grow by just 0.6% to 2.4bn units in 2016, with end-user spending declining by -1.6%.

"Historically, worsening economic conditions had negligible impact on smartphone sales and spend, but this is no longer the case," Gartner remarks. "China and N America smartphone sales are on pace to be flat in 2016, exhibiting 0.7% and 0.4% growth respectively."

One factor leading to smartphone sales declines is the extension of phone lifetimes among users in mature markets such as W. Europe-- as device upgrades become more incremental users are more likely to hold on to handsets, particularly in the face of increasingly complex carrier deals. In addition, the analyst forecasts slowdown for upgrades from basic to premium

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phones, the result of more customers replacing basic phones with similar devices.

As for the rest of the device market, global 2016 PC shipments are set to decline by -1.5% to 284 million units, a "last year of decline" according to Gartner, before a return to growth in 2017 driven by the integration of Windows 10 with Intel Skylake architecture, as well as consumer frustration with tablets.

Meanwhile ultramobiles (basic and utility tablets) will drop by -3.4% in 2016 due to users either extending lifetimes or outright refusing to replace such devices.

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