Insights on the Productivity of Mobile Phone Brands in the Past Decade

A Market Analysis by iPrice Group

The mobile phone industry is a highly dynamic and competitive industry due to rapid changes in technological developments and market segmentation. Its constant evolution is due to the size of the market, the evolution of product form, consumer behaviour, to the rise and fall of various mobile phone companies or brands.

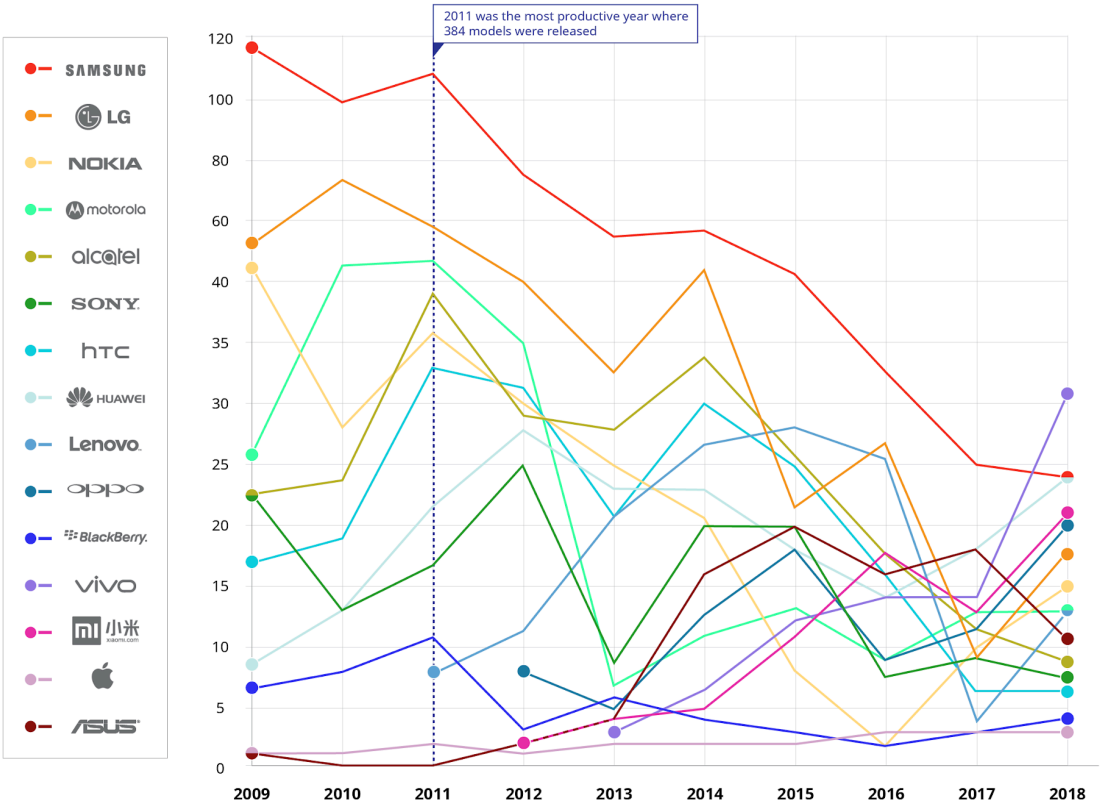
According to Statista, Nokia was the leader in the market with a high market share (24%) a decade ago. However, according to a report by International Data Corporation (IDC) in Q3 2018, Samsung, Huawei, Apple, Xiaomi, and OPPO collectively held a big chunk of the global market share in the smartphone industry.

The report also mentioned that the percentage of world market domination of the five smartphone manufacturers has reached 69% to date. Therefore, this means that 7 out of 10 consumers owns a mobile phone from either Samsung, Huawei, Apple, Xiaomi or OPPO.

But what exactly were the dynamics of the mobile phone industry in the last 10 years? Which country is home to the world's leading smartphone manufacturers of today? And when did Chinese smartphone brands begin to create waves in the market?

As such, iPrice Group conducted a study to trace the dynamics of the mobile phone industry utilising data from GSM Arena to derive our market insights. Here are 11 vital insights discovered in our market study.

Which Brands Were Most Aggressive in Releasing New Models Each Year?



Methodology: Data was garnered based on the product models (not production numbers) issued by popular mobile phone brands between 2009 and 2018. Data was garnered through the "Phone Finder" feature on GSM.

1. Samsung Maintains Market Share, But Yearly Productivity Declined

Samsung released 643 mobile phone models in the past decade. This is a significant number when compared to other brands. Huawei, which recently became Samsung's closest competitor, only released 192 models in the same period. Apple, on the other hand, had fewer, releasing 20 models in the last decade.

While Samsung maintained its market share, the number of models released showed a continuous decline. Between 2009-2013, Samsung released 461 mobile phone models. However, between 2014-2018, only 182 models were released and showing a 7.72% decline in the number of models released in the past five years.

Coincidentally, the decline in the number of models released took place during the period where Samsung experienced issues with the Galaxy Note 7 models in 2017. But according to Forbes, operational costs for production and logistics were also contributing factors in the reduced number of models released.

2. Vivo Was The Most Active Brand in 2018

Vivo became the most active producer of models in 2018, introducing 31 mobile phone models. The Chinese-based company has aggressively expanded its brand across Southeast Asia, West Asia, and Europe in the past five years. A high number of models release were paramount in support of its growth as it provided consumers a wide range of options to suit their budget and requirements. When compared to Samsung, only 24 new models were released in the same period, including the Samsung Galaxy S9 and S9+.

3. Apple Initially Focused on A Single iPhone Model Per Year

In recent years, Apple has been quite aggressive in releasing the number of iPhones models. Recently, we were presented with a trio of iPhone XS, iPhone XS Max, and iPhone XR.

But initially, Apple only relied on a single mobile phone model per year. Then, starting in 2013, the Californian company consistently released more than one model each year. At that time, Apple made the iPhone 5s and iPhone 5c models. The basis of this strategy according to Business Insider's analysis, is to target a wider range of consumers. A report by Fortune backs up this claim as well and mentions that the addition of the iPhone model was in line with the increase in Apple's market share.

4. 2011 was the Most Productive Year

A total of 384 mobile phone models were released to the global market in 2011. This is a staggering number, given that there were only 11 companies that released 384 models in that year and that the widespread use of smartphones was at its initial stage globally.

In a report by The Guardian, 2011 was a period of Android's popularity. A higher number of Android-based mobile phone models were marketed to consumers. In the same year, the International Telecommunication Union (ITU) noted that consumer demand for mobile phones was at an all-time high.

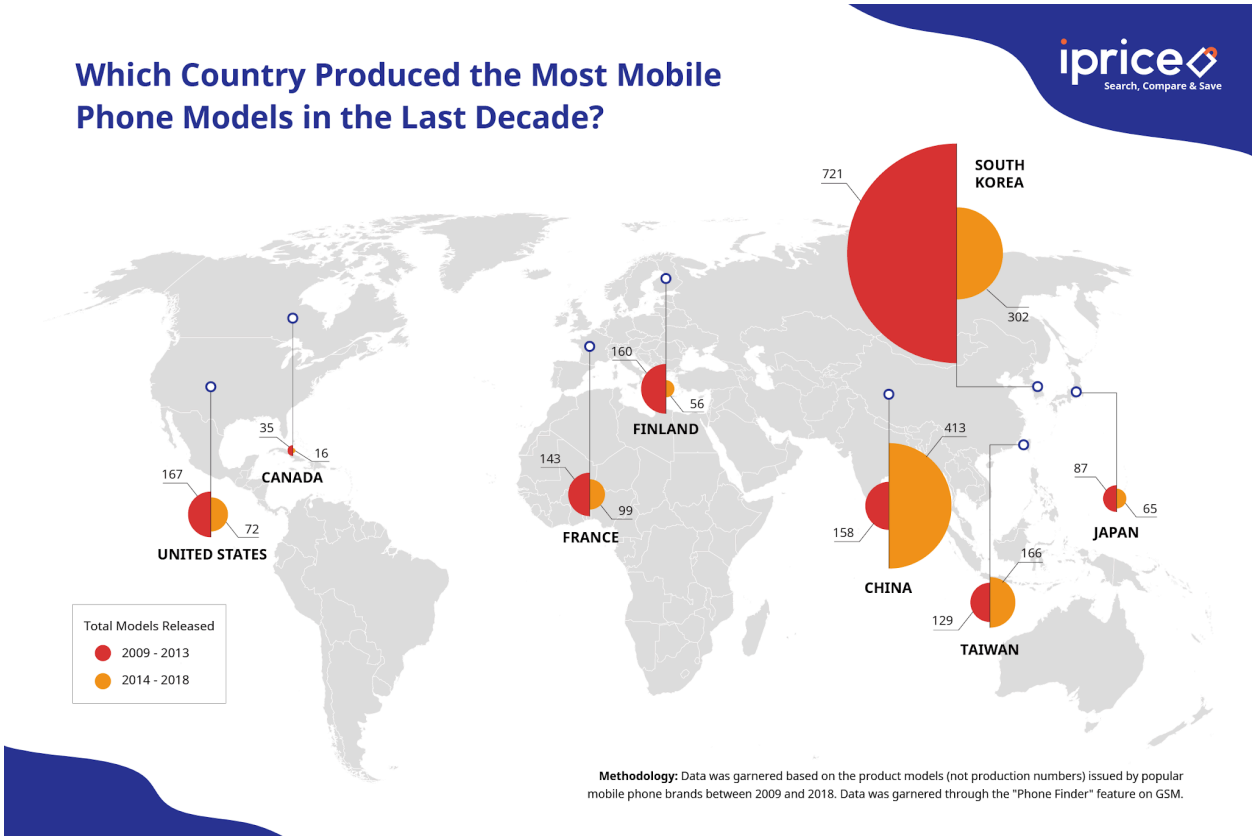
5. Production Trends in the Past Five Years

Between 2009-2018, 15 mobile phone brands released a total of 2,792 models. On average, 279 models were released each year for global users. However, the total number of productions in the past five years shrunk significantly. Between 2009-2013, 1,603 models were released, while in the past five years, only 1,189 models were released.

Android Authority in their report highlighted that the reduction was due to the saturation in the mobile phone industry. In the past, mobile phone companies would usually release a high volume of models in order to increase sales in a wider segment. However, consumers were met with too many options where many devices were almost identical to one another. Today, mobile phone companies have evolved their strategy on production efficiency so that sales targets can be achieved well.

The Wall Street Journal mentioned that Samsung finalised a plan to reduce 25% -30% of the number of mobile phone models starting in 2014 for the sake of business efficiency. Not only Samsung, brands such as LG, Motorola, and Nokia have also reduced their product models in the past 5 years.

Global Brand Productivity in Response to China's Mobile Phone Advancement



6. There are Eight Countries Dominating Global Mobile Phone Supply

If seen at a glance, the mobile phone industry today are led by brands from China, South Korea, and the United States. In the past 10 years, 8 countries were the main suppliers in the global mobile phone market. Besides the three countries mentioned earlier, other active mobile phone brands were from France, Finland, Taiwan, Japan, and Canada.

South Korea, Taiwan, Japan, and China represent Asia as the most active countries to release mobile phone models. France and Finland represent Europe, while Apple, Blackberry, and Motorola represent North America. If you look at this composition, the Asian continent is the most productive region in releasing the highest number of mobile phone models.

But why are there only a handful of countries that can produce mobile phones in large numbers? Cnet discussed in a review that the number of labor factors was quite crucial in the productivity of mobile phone manufacturers. Not all countries have adequate human resources to do manufacturing work such as in the mobile phone industry.

7. South Korean Brands Released New Models

Amongst the eight countries analysed in this study, South Korea has the largest percentage in terms of the number of mobile phone models released. Samsung and LG released up to 1,023 models to date, which is 36.65% of the total number of mobile phone models released to consumers in the past 10 years.

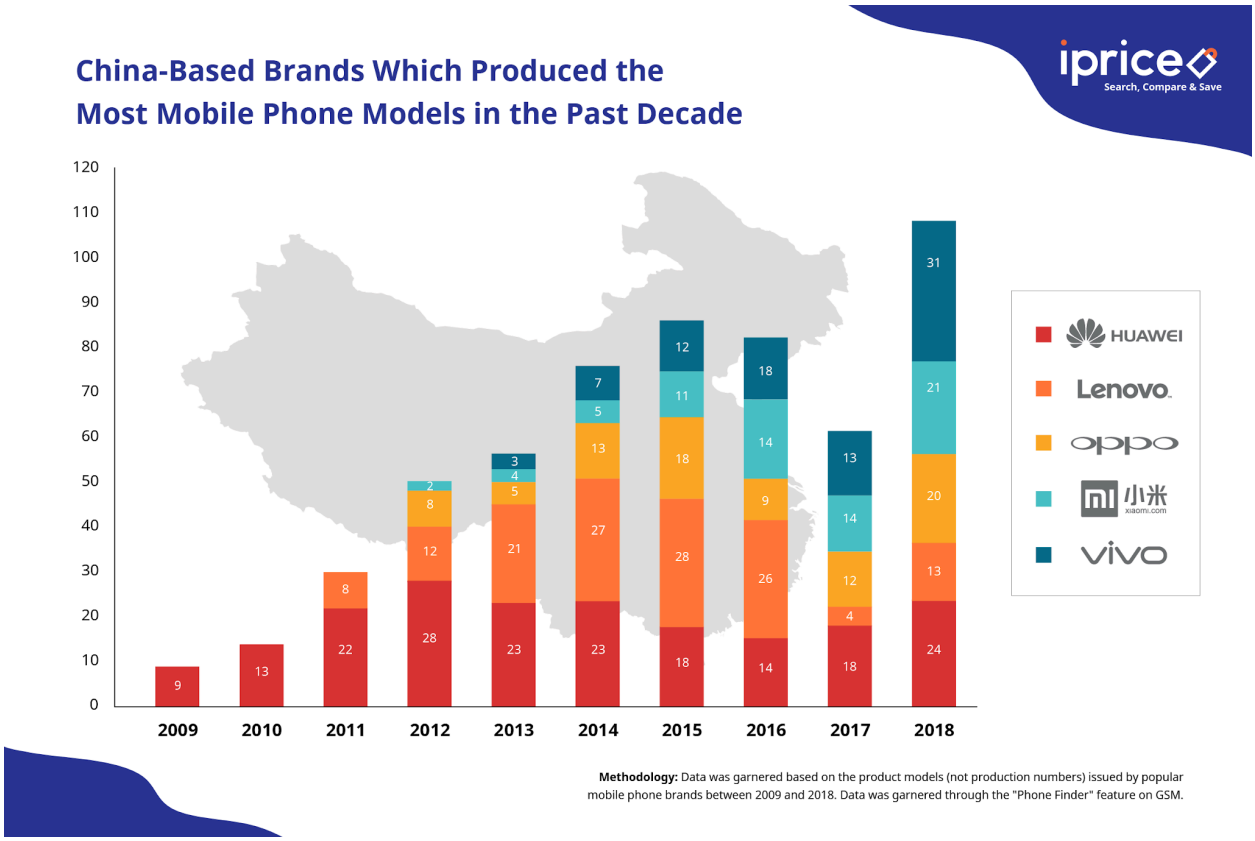
This achievement by South Korea was led by Samsung's productivity which often releases tens or even hundreds of mobile phone models each year in the last 10 years. Similarly, LG would usually release dozens of models, mainly in the 2009-2013 period.

For a long time, South Korea has dedicated a huge amount of resources towards the development of mobile phone technologies. The telephone industry in South Korea began to develop since the 1980s. This was evident as the South Korean government intentionally established a telecommunications technology institution called Electronics and Telecommunications Research Institute (ETRI) in collaboration with Qualcomm for research and development.

8. Mainland China, The Home of Smartphone Brands

Mainland China is now walking in the footsteps of its South Korean and Taiwanese predecessors in the global mobile phone industry. Five of the biggest mobile phone brands are based in mainland China. They are Huawei, Lenovo, OPPO, Vivo, and Xiaomi. When compared to the 15 top producers in the world, these five Chinse brands contributed 20.45%, in other words, released 517 models in the last decade. These five brands further increased the number of models release between 2014-2018 when compared to 2009-2013.

Battle of Chinese Mobile Phone Brands



9. 2013 Marks the Rise of China in the Mobile Phone Sector

Chinese manufacturers have been in the global mobile phone industry prior to 2013. Amongst them are Huawei, which has consistently produced Android smartphones since 2009.

But China's market share in the mobile phone industry rapidly grew in 2013, driven by four additional new brands, namely Lenovo, OPPO, Xiaomi, and Vivo. According to Business Insider, there were three key drivers to China's rise in the industry.

- First, was due to huge improvements in its local communications infrastructure. Formerly, the development of mobile phone products in China was hampered due to inadequate communication networks. Although the implementation of 3G technologies was time-consuming and costly, major areas in mainland China saw improvements in its connectivity which drove the adoption of smartphones as well.

- Second, was the increased affordability of mobile phones. In the past, consumers' decision-making process prior to purchasing a mobile would usually take longer due to its big price tag. Today, brands

would usually partner with communication service providers or financial institutions to make mobile phones more affordable and accessible as well.

- Thirdly, increased adoption of mobile phones drove the exponential growth of users. According to Statista, China is home to 1.57 billion smartphone service customers. This data suggest high demand for mobile phone products which brands try to leverage to increase their profitability.

10. Huawei and Lenovo Were the Most Productive Brands

Huawei released 192 mobile phone models in the past decade, while Lenovo released 139 models in the same period. As such, these two brands covered a wider scope of consumers in the global market as compared to Xiaomi, Vivo, or OPPO.

Xiaomi, Vivo, and OPPO marketed their products globally later than Huawei and Lenovo. PC World mentioned that Lenovo has shifted its focus to the global market since 2012, targeting consumers in Europe, the Middle East, and Africa. Similarly, Huawei has focused its marketing efforts outside of its borders prior to the widespread use of smartphones.

11. Vivo Consistently Increased the Number of Models Released Each Year

The number of models released by Vivo consistently increased year on year since it was launched into the mobile phone industry in 2013. Vivo released 31 models in 2018 and surpassed the number of models released by Samsung, which released 24 mobile phone models in the same period. Due to the high number of models released since its inception, Vivo has become amongst the biggest mobile phone manufacturers in China.

In recent years, Vivo has initiated extravagant marketing campaigns in a bid to increase its market share. This was evident as they sponsored various major events such as the Indian football league, NBA, FIFA, and collaborated with Marvel Studios.

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iPrice Group is a meta-search website operating in seven countries across Southeast Asia namely in; Hong Kong, Malaysia Singapore, Indonesia, Thailand, Philippines, and Vietnam. Currently, iPrice compares and catalogs more than 100 million products and receives more than 15 million monthly visits across the region. iPrice currently operates three business lines: price comparison for electronics and health & beauty; product discovery for fashion and home & living; and coupons across all verticals.