



Mobile Phones - UK - March 2021

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This report looks at the following areas:

- The short-, medium- and long-term impact of COVID-19 on mobile phone sales, consumers' intent to upgrade and how they are using their phones.
- How people paid for their phone – whether it was upfront or as part of a contract and if it is the former, how much they spent on it and whether they intend to spend less on their next device.
- Ownership of 5G devices and foldables.
- Which features are most important to consumers when buying a smartphone.

The importance of the entry-level smartphone market is highlighted by the fact that 42% of smartphone owners who bought their device upfront paid less than £250, with the next closest being £250-399 (16%).

The entry- to mid-level market is set to thrive even more due to the impact of COVID-19. Some 52% of consumers who paid over £550 for their phone say concerns over their finances as a result of the pandemic mean that their next phone will be cheaper than their current one. The pandemic caused an estimated 9.7% drop in the mobile phone market in 2020, with particularly low consumer confidence in the early months and the lack of access to stores reducing purchases of handsets. Despite there still being some concern over finances, confidence now is as strong as it has been since COVID-19 started, placing the mobile phone market in a better position to succeed in 2021.

One of the biggest threats in the industry, though, is the rise in SIM-only deals, which are now the most popular form of payment for a mobile phone. This means that more consumers are keeping their current phones for longer – slowing the growth of the market.

There is an opportunity to attract Generation X and Baby Boomers with cheaper smartphones that offer excellent battery life. These are the age groups most likely to prioritise battery life in a phone and they are the least



“Our consumer research has highlighted how important a smartphone’s battery life and pricing are to Generation X and Baby Boomers in particular. These age groups are also more likely to have switched smartphone brands with their current device, meaning there is an opportunity for companies to convince them to switch again with cheaper battery-focused devices, like the Moto G8 Power.”

Zach Emmanuel,
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likely to say their current phone is from the same brand as their previous phone. The latter indicates that they could be a group that can be convinced to switch manufacturer if the next phone provides the features important to them.

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