Bangladesh smartphone shipments down 15% in 2018, vendors bet on Android Go for future growth: IDC India Report

NEW DELHI, 26th March 2019 – According to the International Data Corporation’s (IDC) Asia/Pacific Quarterly Mobile Phone Tracker, Q4 2018 mobile phone vendors in Bangladesh shipped a total of 28.5 million units in the year 2018, resulting in a year-over-year (YoY) decline of 17%. 6.9 million units smartphones were shipped in 2018, down from 8.1 million units in 2017. This was the first time when both smartphone and feature phone categories saw negative growth in the country. Feature phone segment still remains the dominant category with 76% share but its shipments slipped to 21.6 million units in 2018 compared to 26.1 million in 2017.

4G services were launched by telcos in Bangladesh in Q1 2018. However, due to the limited coverage of the 4G network and the higher price of 4G enabled smartphones, the uptake of 4G smartphones in the country has been slow. Telecom operators initiated a couple of partnerships with the device makers to sell affordable co-branded smartphones in the country, to upgrade the lower generation users to the 4G network. However, this wasn’t a strong catalyst for the smartphone category to maintain its ongoing growth from 2017 to this year. This did help telco as a channel to double its shipments in 2018. Retail remained the dominant channel accounting for 9 out of 10 smartphones sold in the country.

Mobile phones vendors also struggled to manage their pricing against the increased duty structure in the country. The larger impact of increased customs duty was seen in the feature phone category, where the small local vendors were unable to absorb the higher cost, and lost the share to Transsion and HMD (Nokia) in the lower tier cities.

Quarter Highlights (Q4 2018) - Smartphone

The smartphone category ended with a flat 2% quarter-over-quarter (QoQ) growth in Q4 2018. The strong growth of Android Go edition smartphones helped to sustain smartphone shipments in the country. The share of Android Go smartphones increased to 43% from 29% in Q3 2018, an impressive 51% QoQ growth in Q4 2018. HMD was the first player to launch the Go edition smartphone in the country. However, Symphony, a local player, quickly identified the potential in the market and swiftly moved its portfolio to Go edition smartphones, thereby leading the category with a 39% share in this segment in Q4 2018. Another local player, Maximus also launched 4G enabled Go edition devices in an exclusive partnership with the local operators and sold these devices at a subsidized rate to make 4G smartphones more affordable in the country.
Commenting on quick adoption of Android Go smartphones, Jaipal Singh, Associate Research Manager, Client Devices, IDC India says, “We expect more vendors to include the Android Go smartphones as a part of their device strategy as it allows the vendors to keep hardware cost low without compromising much on the experience”. He further adds, ”As the market is very price sensitive, it is difficult for vendors to upgrade to higher specifications which also command a higher price. However, Android Go is working here as a rescue catalyst.”

**Company Highlights: Smartphone**

**Figure 1**

![Bangladesh Top 5 Smartphone Companies, Q4 2018
Unit Market Share](image)

*Source: IDC, 2019*

**Notes:**

1. IDC Asia/Pacific Quarterly Mobile Phone Tracker, Q4 2018.

2. *Company shipments are branded device shipments and exclude OEM sales for all vendors.*

3. *The "Company" represents the current parent company (or holding company) for all brands owned and operated as subsidiary.*
**Symphony** continued to hold the leadership position with a 22% market share in Q4 2018, and also dominated for the entire year. However, its shipments declined by 3% from the previous quarter and 20% from the same period last year. Symphony also received its first batch of locally assembled devices in this quarter, although a large share of its devices was still imported. In order to be more competitive, the vendor has aggressive plans to switch to local assembly in the coming quarters.

**Transsion** held the second position with a market share of 12% in the last quarter of the year although its shipments declined both sequentially and annually in Q4 2018. Itel still remains the leading contributor with more than three-fourths of the shipments for Transsion. It also ventured into the local assembly of smartphones starting Q4 2018 playing on its aggressive business expansion.

**Xiaomi** displaced Samsung from the 3rd position as it doubled its shipments in Q4 2018 when compared to the same time a year ago. Xiaomi also introduced POCO series with the launch of Poco phone F1 at an attractive price point in the country. Redmi 6A and Redmi 6 were the new top-selling models of the vendor contributing 56% to its overall shipments. Recently, Xiaomi also launched its first ever Android Go model – Redmi Go in Q1 2019 to further expand its entry-level segment.

**Samsung** ended at the fourth position in Q4 2018 as its shipments witnessed a YoY decline of 31% from Q4 2017. Its Galaxy J2 4G variant continued to be the top-selling model owing to its lower price as compared to the other Samsung models. Also, the newly-launched Android Go model- Galaxy J2 Core was placed in the <US$100 price segment and was well received in the market. The brand is likely to bounce back with the launch of its upcoming “M-series” in Q1 2019.

**Huawei** captured the fifth position as its shipments increased by 4% YoY in Q4 2018. Its 3G model Y3 (2017) continued to be the most popular device contributing to one-third of the brand’s shipments. Huawei also introduced Android Go device - Y5 Lite (4G) that directly competes with other Android Go models present in the market.

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