

IDC Indonesia: Smartphone Market Posts a New Record Low in Shipments Impacted by COVID-19

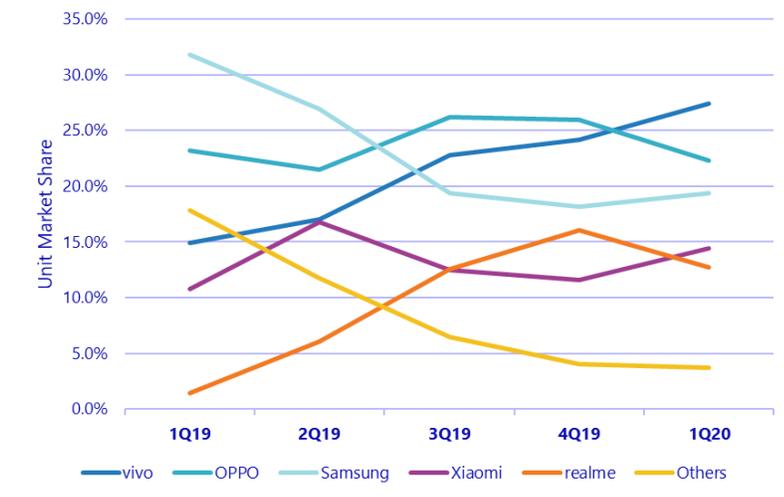
JAKARTA, May 18, 2020 - In the first quarter of 2020, the Indonesia smartphone market shipped 7.5 million units, declining by -7.3% year over year (YoY) and -24.1% quarter over quarter (QoQ), hitting a new record low in the last two years, according to IDC's Quarterly Mobile Phone Tracker. The decline was caused by seasonality but mainly the impact of the COVID-19 pandemic in the last few weeks of the quarter that affected the market further.

Some of the brands were able to maintain their businesses because of local production facilities and a safe buffer of component supplies for the first two months of the quarter, with supply disruptions only experienced in March. At the same time, signs of a market slowdown also started around March as the government started to implement measures, such as limited social activities and the closure of retail outlets, to contain the spread of the COVID-19 virus, resulting in a lower demand for smartphones.

"As Ramadhan draws near and with the COVID-19 pandemic spread still yet to be contained domestically, the Indonesian smartphone market will continue to experience turbulence caused by various economic factors until 3Q20, at least before the market starts to see signs of stability again," says Risky Febrian, Market Analyst for client devices, IDC Indonesia.

"Despite the turbulence, the implementation of the international mobile equipment identity (IMEI) registration regulation continues to be an ongoing positive factor for the local smartphone industry as it aims to reduce the imports of gray units and promote the consumption of smartphones made locally in Indonesia, which will benefit the local industry over the long term," adds Febrian.

Figure 1



Source: IDC 2020

Indonesia Top-5 Brand Highlights

vivo became the market leader for the first time in 1Q20 by focusing on its marketing campaigns and various promotional campaigns for its low-end and midrange smartphones, which were well-suited for the price-conscious Indonesian market.

OPPO continued to ship its A series, which was its volume driver in 1Q20, while diversifying its range of smartphones into the high-end series. Although this provided the market with variety, the price tags on these models made it difficult for large quantities to be sold in the market.

Samsung refreshed its lineup and continued to be one of the top players in the country with its affordable Galaxy A series. Due

to the impact of the pandemic, it recorded lower shipments in 1Q20.

Xiaomi Indonesia's fanbase remained strong and continued to have a range of affordable models in the market, which appealed to consumers.

realme's performance was affected by the pandemic, resulting in lower shipments in 1Q20. It continued to be competitive by introducing new models into the market and grew its brand presence online through various digital marketing initiatives.

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