



Huawei Leads Record Year in Russian Smartphone Market, But Delivery Disruptions Due to Coronavirus Loom in 2020, According to IDC

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The Russian smartphone market experienced in a record year 2019, with shipments reaching 32.9 million, according to the *Worldwide Quarterly Mobile Phone Tracker* published by International Data Corporation (IDC). At \$7.9 billion, market value was also a record. The fourth quarter was very strong, with shipment growth of 20% over the same period the year before.

In the fourth quarter, Huawei beat out Samsung for smartphone vendor leadership. Mainly thanks to its Honor brand, Huawei shipped over 10 million smartphones into the country during the year, which was a million more than Samsung. However, with more consumers opting for its bargain brand, Huawei trailed Samsung considerably in value terms.

"The steady improvement in the ruble exchange rate throughout the year helped the market continue to gain ground," says Olga Babinina, research analyst at IDC Russia. "Market value increased to more than 25% over its peak in 2014, before the oil price crisis."

The average phone price did not rise — for Android it was \$180 retail before VAT — but the market was propelled by smartphone volumes, which rose 7.5% from 2018. As feature phone sales fell by a similar figure, the total market size remained close to previous years.

The most popular model not only of the last quarter, but also for the whole year, was the mid-level Samsung Galaxy A50, with the A series in general having a very successful year.

Consumer propensity to spend was shown in Apple's results, which were very strong in Q4 2019. The brand's value share of the Russian smartphone market had been falling through 2019, but sales of the new iPhone 11 models brought its unit share back to 11.9% and value share to 39.4% to end the year.

With Xiaomi in a very strong third position among Android players, market consolidation tightened. The top four brands accounted for 84% of the smartphone market by units, compared to 80% in the same quarter in 2019. The same four leaders accounted for 92.4% of market value.

Smartphone consumers got more for their money in 2019. By the fourth quarter, three-fifths of smartphones on the market had a screen size of 6 to 6.5 inches. Smartphones with even larger screens — 6.5 to 7 inches — are rapidly becoming more popular. Devices with 128GB of memory took 21% share, while demand for 16GB models continued to decline. Shipments of smartphones with three or more cameras reached almost 30% of total market volume.

Regarding the first quarter of 2020, the immediate issue for the Russian smartphone is the coronavirus crisis. Smartphone production in China is being disrupted, though Russian distributors report that, thus far, orders are being met on schedule.

Further into the year, a new law on mandatory pre-installation of Russian software on smartphones imported into the country is due to come into force. However, as of yet, no agreements between vendors have been made public regarding how this will take place.

Figure 1



About IDC

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IDC's Worldwide Quarterly Mobile Phone Tracker fills the demand for detailed and timely information on the total mobile phone and smartphone markets for handset vendors, software developers, service providers, component suppliers, and investors. It provides insightful analysis through quarterly market share data by region. IDC's Worldwide Quarterly Mobile Phone Tracker is built on the foundation of IDC's network of country-level mobile phone tracking services, and its bottom-up methodology delivers an accurate view of the mobile phone market from those closest to it. This IDC tracker product delivers a quarterly web database that details the performance of the market's individual players and answers important product-planning and product-positioning questions.

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