

# Smartphone sector sees vibrant performance in Southeast Asia

GfK

### ***Over 108 million handsets sold in last 12 months; rising demand for bigger screens, Android smartphones***

17 May 2013, SINGAPORE – Consumers in Southeast Asian markets continue to snap up mobile handsets at a rapid pace, propelling the region's overall mobile phone market to expand further in the latest 12 months by 14 percent in value and 8 percent in units. Declining demand for basic feature phones are met by the corresponding spike in smartphone sales as consumers forked out almost USD 3.4 billion more on over 16 million units more smartphones compared to the previous year.

According to GfK findings, sales volume of smartphones reached a new high at over 42.2 million units, translating to an escalated demand of 61 percent. Total worth of the smartphone market across Singapore, Malaysia, Thailand, Vietnam, Indonesia, Philippines and Cambodia grew consequently to rise above the USD11 billion mark.

“Southeast Asian consumers, especially those in the developing countries are fuelling the exponential growth of smartphones as they switchover from their basic feature phone to the latest smartphone technology in their local market,” noted Gerard Tan, Account Director for Digital World at GfK Asia. “In the past one year, one in every three mobile phones sold in this region was a smartphone.”

As the fourth most populous country in the world and the biggest in Southeast Asia, it comes as no surprise that Indonesia is the greatest contributor of smartphone sales revenue and volume in this region. The 15.8 million units sold accounted for around 37 percent of overall volume sales and close to a quarter of its total worth. Meanwhile, smartphone take-up rate vary across the countries from 30 percent in Indonesia to more than twofold in Philippines (146%), Thailand (140%) and Vietnam (118%).

“Growth in this region is primarily driven by affordable smartphones which averaged in the price range of USD 100 - 200,” said Tan. “However, the rise of local brands in countries such as Philippines and Indonesia has resulted in the growing market share of those in the USD 50 - 100 price segment—the budget price range which bridges the transition from basic mobile phones to smartphones.”

Within the smartphone segment, two specific features that are increasingly popular with buyers and often the deciding factor of which model to purchase are the display sizes and operating system. The market for display size spanning 4.5 inch and above which currently make up over 20 percent of total market sales is growing and is anticipated to continue expanding as manufacturers launch newer and bigger

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Published on Electronic Component News (<http://www.ecnmag.com>)

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models. In terms of operating system, the open source nature of Android has also acquired many fans, heightening its dominance with seven in every ten smartphones sold operating on the Android platform.

“Given that there is a substantial two-thirds of the region’s population who have yet to make the switch, there is still a sizeable potential market for manufacturers to capture and convert to smartphones users,” said Tan. “Consumers in the developing regions will continue to be the driving force of the smartphone sector’s strong double or even triple digit growth performance in the coming years,” he concluded.

For more information, visit: [www.gfk.com](http://www.gfk.com) [1].

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