451 Research survey finds smartphone demand at nine-year low

Apple remains the preferred manufacturer among planned smartphone buyers, but demand is down in anticipation of its next-gen release.

NEW YORK, May 4, 2017 — In its latest quarterly Voice of the Connected User Landscape (VoCUL) survey on smartphone purchasing, 451 Research finds that buying is down for the second consecutive quarter, with demand at a nine-year low. Just 8.3% of respondents say they plan on buying a smartphone in the next 90 days – 2.7 points lower than the previous quarterly survey. Although the survey took place in March 2017, and there is typically a decline in purchase intentions each March, 451 Research analysts believe lengthening smartphone upgrade cycles and the lack of revolutionary new features are contributing to the low buying levels.

According to the survey, Apple remains the preferred manufacturer among planned smartphone buyers, with 38% saying they will purchase an iPhone over the next 90 days. However, this is a notable 16 points lower than the previous quarter and a combined 27-point drop over the past six months – a steeper decline than is typically seen two quarters after a new model release.

451 Research analysts believe consumers are waiting for Apple's next releases – iPhone 7s and 7s Plus – expected in September 2017. There is also speculation that Apple will release a third iPhone with major upgrades to mark the 10-year anniversary of the iPhone. This is adding to the anticipation of new iPhone releases.

Despite the weakened market, Samsung is seeing a seven-point increase over the previous quarter, with 22% of planned buyers saying they will purchase a Samsung smartphone in the next 90 days. Samsung is up a total of eight points over the past two surveys as it continues to recover from the Note 7 recall. The latest VoCUL survey was nearly complete at the time of the Galaxy S8 announcement, so the impact of the new model is not fully reflected in the findings.

Five percent (5%) of planned smartphone buyers say they will purchase a Google Pixel or the larger-screen Pixel XL – down one point from December 2016.
More than half (54%; up three points) of buyers say they’re most interested in purchasing a device with a screen size of 5-5.9 inches, making it the most in-demand size. This preference for bigger screens continues to trend upward.

**Shift to Android**

451 Research’s VoCUL survey finds a significant change in operating system preferences. Reflecting increasing demand for Samsung smartphones, Android (47%; up 12 points) has moved ahead of iOS (38%; down 14 points) among planned smartphone buyers over the next 90 days.

Google’s Pixel smartphone, LG and Motorola are also contributing to the shift toward Android. While March VoCUL surveys typically see an increase in Android interest, the 47% figure represents an all-time high and the first time Android has been the preferred OS among next-90-day buyers since the survey started seven years ago.

“Despite smartphone demand sinking to its lowest level of the past nine years, our latest survey reveals positive news for Samsung and the Android operating system. While demand for Apple iPhones is down, consumers are increasingly anticipating new iPhone models later this year, which will likely drive a new wave of buying,” said Andy Golub, managing director of 451 Research’s Voice of the Connected User Landscape end-user surveys and research.

**About the survey**

451 Research’s VoCUL Consumer Smartphones: 90-Day Outlook survey took place from March 14-31, 2017. The survey of 4,075 primarily North American consumers from 451 Research’s Leading Indicator panel looked at trends in the smartphone market among current owners and planned buyers, including customer satisfaction and OS preferences. 451 Research’s Leading Indicator panel is composed of accredited business and technology professionals, as well as early adopter consumers.

VoCUL answers key questions for service providers, vendors, and investors trying to understand trends and disruptions in how consumer and corporate users buy and use technology. It identifies and tracks the market impact of changes in technology end-user buying behavior and preferences through quarterly monitoring from multiple survey groups.

Subscribers can access the complete report here. 

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