Low-Cost Smartphones Taking Over

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OYSTER BAY, NY -- Smartphone shipments now account for a larger percentage of mobile handset shipments than feature phones and low-cost handsets in much of the world, but the trend is shifting.

Yet within the smartphone class of devices, segmentation is increasing to three price tiers (low, mid, and high). Shipments of sub-\$250 smartphones will grow from 259 million in 2013 to 788 million in 2018, according to recent market data from **ABI Research.** Mid (sub-\$400) and high (\$400+) cost smartphone shipments are expected to grow from 635 million to 925 million over the same period.

"As the feature phone segment continues to lose its battle for relevance, the low-cost smartphone has become the tool for operators seeking to drive increased data revenues," says senior analyst, Michael Morgan. The growth of smartphones in pre-paid and emerging markets will be the primary driver of low-cost smartphone growth. Developed and subsidized markets are also finding that low-cost smartphones can capture the remaining consumers that have yet to convert to a smartphone while minimizing the margin impacts stemming from subsidizing high-cost smartphones.