

Mobile Phones - UK - April 2016

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“As the market approaches saturation, there is no one-size-fits-all-solution, as upgrades by individual consumers are triggered by different innovations. As a result, consumers’ varied preferences could potentially be best served with customisable modular solutions that allow for personalisation of both technical capabilities and appearance.”

– Sara Ballaben, Technology Analyst

This report looks at the following areas:

- Encouraging early upgrades among smartphone owners
- Fostering brand switching among smartphone owners

After returning to growth in 2014, the value of the mobile phones market increased by 3% to £1.7 billion in 2015, mostly thanks to upgrades of contracts with phones undertaken in 2012 and 2013. Nonetheless, Mintel expects the UK mobile phones market to slow down again from 2016 onwards and reach a value of £1.8 billion in 2020. This is mostly due to the fact that smartphone ownership flattened out in 2015, growing by only two percentage points to 77% of UK consumers between November 2014 and December 2015.

As price remains a barrier to non-smartphone owners, opportunities to revive demand will most likely come from appealing to existing users through innovation. Bigger screens and major hardware innovation (from better cameras to NFC (Near Field Communication) chips) are among the most important drivers. Phablets are now the main handsets for 40% of smartphone owners, and increasingly popular trade-in and upgrade programs will further encourage consumers to buy into newer models.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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