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MARKET INTELLIGENCE REPORT



Smartphone

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Dec 26, 2023



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PRODUCT UPDATES

- gapSnapshot: Retail Channel Landscape Shows Consistency at Year's End
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2024

PRODUCT UPDATES

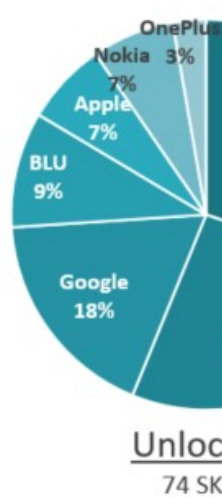
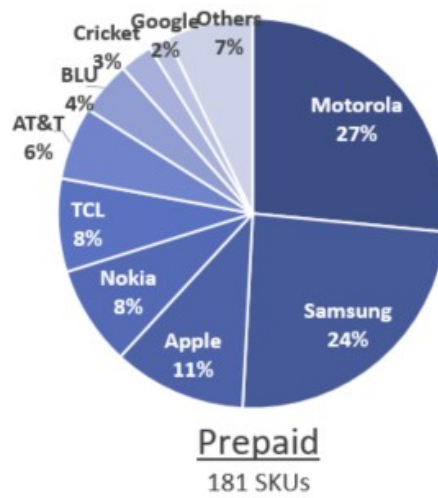
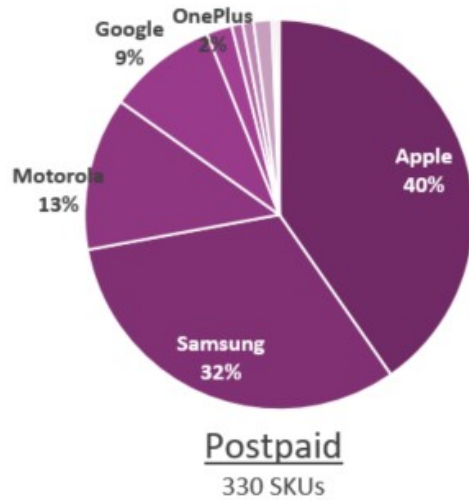
gapSnapshot: Retail Channel Landscape Shows Consistency at Year's End

This week's Snapshot highlights the current retail landscape for smartphones by segment and shows leading of exposure in the channel. The chart reflects Postpaid, Prepaid, and Unlocked handsets placed on the shelves at Best Buy, Costco, Sam's Club, Sprint, Target, T-Mobile, Verizon, and Walmart this December.

gap impact summary

- Today's total brick-&-mortar channel is nearly identical in size YoY (585 SKUs), but has 3% fewer unlocked smartphone SKUs vs. this year's [summertime swell](#)
 - o Postpaid represents 56% of current landscape (+ 2-points YoY)
 - o Prepaid is 34% of brick-&-mortar channel (-2 points YoY)
 - o Unlocked is 12% (unchanged YoY)
- Apple stays atop Postpaid while ranking 3rd in Prepaid & 5th in Unlocked segments
- Motorola is leading Prepaid & Unlocked brand while holding 3rd in Postpaid segment
- Samsung has current 2nd place rank across Postpaid, Prepaid, & Unlocked segments w/ respective 31%, 26% shares
- Google is reigning 3rd place brand in Unlocked segment & 4th in Postpaid, while its 9th place rank in Prepaid reflects recent entrance into segment as a growth area

Smartphones: Current Brick & Mortar Landscape



*December 2023

*retail panel includes: AT&T, Best Buy, Costco, Sam's Club, Target, T-Mobile, Verizon, & Walmart

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Source: "Merchant Pricing Trends" tab within the December 24, 2023 Pricing & Promotions Report in [Data](#)
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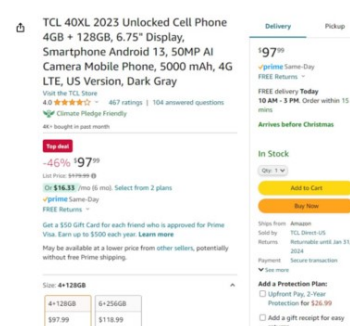
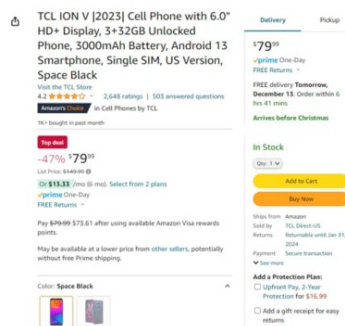
December 2023 Promotion Events: Smartphones

gap intelligence recorded 13 smartphones within promotional events from online merchants Amazon.com and BestBuy.com during the first three weeks of December 2023. The total activity captured to-date is a dramatic increase over the single promotional event that featured a smartphone during November, and additional events may occur as the "after Christmas" period concludes. Apple, Samsung, and Google leveraged events at BestBuy.com to gain traction, while TCL made a strategic move to be the only smartphone brand with Daily Deals on Amazon.com during the month. BestBuy.com held Day Sales and Savings Events on December 8, 14, 15, and 18, while Amazon.com held a Deal for its array of TCL smartphones occurred on December 12, 2023.

Smartphones: December 2023 Promotion Events

Merchant	Promotion Event	Brand	Product	Carrier	Start Date	End Date	Promotion Type	Value	Conditions / Notes
Amazon.com	Daily Deal	TCL	30 5G	Unlocked	12/12/23	12/12/23	Instant Savings	\$70	\$179.99 net price after \$70 Instant Savings
	Daily Deal	TCL	30 SE 128GB	Unlocked	12/12/23	12/12/23	Instant Savings	\$28	\$111.99 net price after \$28 Instant Savings
	Daily Deal	TCL	30 SE 64GB	Unlocked	12/12/23	12/12/23	Instant Savings	\$39	\$90.99 net price after \$39 Instant Savings
	Daily Deal	TCL	40 X 5G	Unlocked	12/12/23	12/12/23	Instant Savings	\$54	\$125.99 net price after \$54 Instant Savings
	Daily Deal	TCL	40 XL 128GB	Unlocked	12/12/23	12/12/23	Instant Savings	\$82	\$97.99 net price after \$82 Instant Savings
	Daily Deal	TCL	40 XL 256GB	Unlocked	12/12/23	12/12/23	Instant Savings	\$81	\$118.99 net price after \$81 Instant Savings
	Daily Deal	TCL	Ion V 5G	Unlocked	12/12/23	12/12/23	Instant Savings	\$70	\$79.99 net price after \$70 Instant Savings
BestBuy.com	Savings Event	Samsung	Galaxy Smartphones	Unspecified	12/18/23	12/24/23	Instant Savings	\$300	Save up to \$300 on select unlocked Samsung Galaxy phones. Minimum savings is \$100.
	Day Sale	Samsung	Galaxy Z Series	Unlocked	12/15/23	12/17/23	Instant Savings	\$300	Save up to \$300 on unlocked Samsung Galaxy Z Series. Minimum savings is \$100.
	Savings Event	Apple	iPhone 14 5G 128GB	Unlocked	12/14/23	12/17/23	Instant Savings	\$50	\$679.99 net price after \$50 Instant Savings
	Day Sale	Apple	iPhone 15 Pro 5G	Unspecified	12/8/23	12/10/23	Multiple Offers	\$1,000	Save up to \$1,000 with qualified activation and trade-in + Free AirPods (2nd gen) with USB-C.
	Day Sale	Google	Pixel 8 Series	Unspecified	12/8/23	12/10/23	Recycling	\$950	Save up to \$950 on unlocked Google Pixel 8 Series with qualifying trade-in.
	Day Sale	Samsung	Galaxy A54 5G 128GB	Unlocked	12/8/23	12/10/23	Instant Savings	\$100	\$349.99 net price after \$100 Instant Savings

Amazon.com featured seven unique Daily Deals for unlocked TCL smartphones, spread across five of the TCL product families. The 30 SE and 40 XL have deals covering their two memory configurations to give shoppers choice within the lineup, while TCL's 5G-enabled units - the 30, 40X and Ion V - are present with single deals. Ion V has the deepest discount at 47% off, which yields an aggressive \$79 net price for the \$149 item, while the 40XL 128GB has the largest instant savings value of \$82 off, a 46% discount that yields a \$125 net price. All of TCL's Daily Deals drop its smartphones to sub-\$200 levels, with three providing options below the \$100 mark.




BestBuy.com's early December Day Sale gave exposure to Google, Apple, and Samsung, while Savings Events throughout the month only featured the latter two brands. Apple used the events to bundle free AirPods and its leading product, while its offer to save up to \$1,000 in savings with qualified activation and trade-in on its iPhone 15 Pro was the most lucrative of the month. Google's 8 event, followed closely by Google's offer to save up to \$950 on the unlocked Pixel 8 series with qualifying trade-in. Samsung had the top offers for later events with a \$300 savings on unlocked Galaxy foldables.

“select” handsets on December 15 and 18, respectively. Apple and Samsung also promoted simple instant unlocked iPhone 14 and Galaxy A54, respectively, which the brands supplemented with free trial subscrip TV+ or Xbox Game Pass Ultimate streaming services.


Ends Sunday.

Last-Minute Sales Event

Get your gifts as soon as today with same-day delivery and one-hour Store and Curbside Pickup options.



Holiday Deals 2023




Apple - iPhone 14 128GB (Unlocked) - Midnight

★★★★★ (62)

\$679.99


Save \$50 Was \$729.99

3 free months of Apple TV+ & 3 more




iPhone 15 Pro

Save up to \$1,000 with qualified activation and trade-in. Terms and conditions apply.



iPhone 15 Pro
Free AirPods (2nd Gen.)
with purchase of iPhone 15 Pro.
Terms and conditions apply.




Samsung - Galaxy A54 5G 128GB (Unlocked) - Awesome Graphite

★★★★★ (346)

\$349.99

Save \$100 Was \$449.99

Free 1-month Xbox Game Pass Ultimate



Save up to \$950 on unlocked Google Pixel 8 Series with qualifying trade-in. Minimum savings is \$150. Terms and conditions apply.

Source: “Promotions” tab within the December 24, 2023 Pricing & Promotions Report; Promotions downlo Custom Data Downloads on [Dashboard](#)

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INDUSTRY REPORTS

Study: Inflated November US Sales Bring Shallow Holiday Purchasing in December

During the 2023 holiday season so far, Sales Force has identified evolving trends around consumer buying behavior through its analysis of [online sales performance](#). The research showed, most notably, that US online holiday sales were nearly flat YoY in 2023, while European sales improved 6% YoY. The contrasting US and European findings were attributed to online sales growth of 3% YoY globally for the period of November 1 through December 18. The increase in online spending throughout the overall specified holiday period came from a burst of sales in late November and a decline in US shopping during the initial weeks of December.

Another trend that Salesforce has identified is the buy online, pick up in store (BOPIS) format, which accounted for 28% of online orders over the three weeks following Cyber Monday as customers aimed to avoid lines. This number rose to 28% of all orders during the weekend of December 16 and was forecasted to have surged during the period of December 18th to 25th as holiday shipping cutoffs take effect.

Additional Findings

- 17% of all orders since Nov. 1 were influenced by AI & is on track to influence \$194 billion in 2023 holiday season sales
- The percentage of returns more than doubled the week following Cyber Monday, w/ an expected \$1.2 billion worth of holiday purchases expected to be returned in 2024
- The avg 27% discount during Cyber Week fell to 18% in the following 3 weeks
- 47% used mobile wallet payment options globally in the 3 weeks after Cyber Monday
- Buy Now, Pay Later purchasing options increased 4% YoY in the US during the 3 weeks following Cyber Monday
- 75% of digital traffic during the 3 weeks after Cyber Monday came from mobile devices

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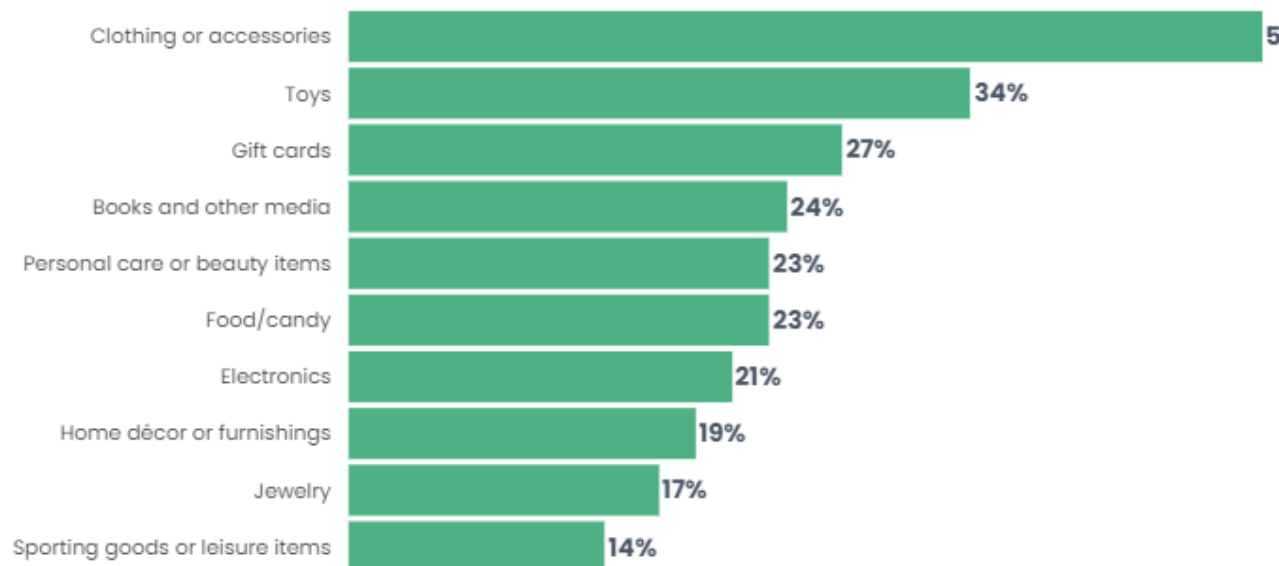
NRF: 37% of Super Saturday Consumers to Have Shopped In Store This Year

According to a [recent survey](#) from the National Retail Federation (NRF) and Prosper Insights & Analytics, 126 million consumers expected to spend Saturday, December 23rd shopping. December 23rd, 2017 was the last time Super Saturday fell on this date, and the number of expected shoppers increased 12.7% (up from 126 million in 2017).

President and CEO Matthew Shay stated that “traditionally, Super Saturday marks the final major shopping day of the year and while most consumers still have plenty of shopping left to do, retailers are prepared both online and in-store with gifts, decorations and other items that people need to make this season fun and memorable.”

About 53 million (37%) Super Saturday shoppers planned to shop exclusively in stores this year, up from 40 million (28%) in 2022, showing a 20.5% increase YoY. 58 million (41%) of surveyed consumers plan on shopping both in-store and online, while 31 million (22%) anticipated shopping only online. Notably, Super Saturday last year was on December 17, eight days before Christmas.

Top 10 gifts consumers have bought so far



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Source: NRF and Prosper Insights & Analytics December 2023 Consumer Holiday Survey

NRF National Retail Federation

Additional Key Results:

- As of early December, 49% of shoppers had half of the items on their list & 36% are still figuring out what to buy
- Popular shopping destinations for Super Saturday include online (49%), department stores (38%), discount stores (28%), clothing & accessories stores (26%), & grocery stores (19%)

- Prior to Christmas, the top gifts consumers had already purchased were clothing (50%), toys (34%), gifts (27%), books/media (24%), & personal care/beauty items (23%)

The NRF forecasts holiday spending to reach record highs during November and December 2023, with November bringing in \$957.3 billion to \$966.6 billion (up from \$929.5 billion in 2022).

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Almost Half of Shoppers Planned to Spend Over \$300 for Christmas

The vast majority of shoppers planned to shop during Christmas, with seven out of 10 respondents planning to celebrate the holiday by making purchases at online retailers, according to a new survey from Numerator. Additionally, 82% of shoppers planned to spend \$100 or more on Christmas, with roughly half (49%) spending over \$300. Key insights include:

- 66% of those celebrating Christmas will make a purchase at mass retailers
 - 39% at club stores
 - 30% at grocery stores
- 27% plan to spend less this Christmas than in 2022
- 77% plan to give gifts, down from 80% in 2022
- Top gift options
 - Gift cards (72%)
 - Home goods (36%)
- Boomers are the most likely to purchase gift cards (77%)
- Gen Z and millennials are most likely to purchase toys or games (55%)

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Holiday Returns Could Total Over \$80 Billion This Year

This holiday season, retailers may face a costly challenge due to the rising cost of returns. Online returns may reach \$273.7 billion in the United States this holiday season, according to new research from return technology company Optoro and real estate firm CBRE. The expected total was computed by taking this year's projected Christmas retail sales of \$273.7 billion, a 7% rise from last year, and adding the normal percentage range for online returns, which is 10-15%. According to Optoro's estimations, since 2018, the cost of returns in the United States has risen by 50%, or \$1.35 billion. Refund costs can erase up to 50% of the sales margin, with returns costing an average of 27% of the purchase price. Optoro's recent consumer survey found that 64% of participants stated they would choose businesses with transparent return policies. Over four out of ten people (44%) stated that free return shipping was extremely important.

Prior to the holidays, many retailers had already begun implementing improvements that would benefit customers. According to Optoro, 87% of merchants updated their return policies in 2023 to include more drop-off sites, faster processing times, returns, the ability for customers to keep some returns, fraud monitoring, and an online returns portal. Of the 1,000 merchants polled, 44% raised their restocking and return charges.

"A tide is turning in returns. Five years ago, returns were taboo in retail. Now, smart retailers have realized that returns are a revenue opportunity," said Optoro CEO Amena Ali. "The right technology and strategy can not only prevent and limit waste but deliver an experience that can win customers in the long run. It's not just about prevention and reduction, but about capitalizing on the prime return opportunity."

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Retail Media Networks Receive Spotlight During NRF 2024

The emerging retail media networks will be in the spotlight during a January NRF event, Retail's Big Show.

What are retail media networks?

Retail media networks give brand partners of retailers direct access to consumers for promotional purposes. Brands usually use linked TV, web, and in-store digital displays to reach segmented customers with customized advertising.

They first appeared in the grocery/CPG industry, with Target's Roundel network, which debuted in 2019. Outside of the grocery/CPG industry, retail media networks are becoming more common in a variety of verticals, including consumer electronics (Best Buy) and cosmetics/beauty (Ulta Beauty).

NRF's retail network spotlight event will occur from January 14-16 at the Jacob Javits Center in New York City. On Saturday, January 13, a daylong preshow event called "What's in Store for Retail Media Networks" will occur at the same venue.

Attendees at this full-day event, exclusively focused on the physical store and widely regarded as the most successful channel in the retail media network ecosystem—will include hundreds of retailers, in-store experience and technology specialists, brands, and agencies. NRF estimates the retail media business to be worth \$45 billion this year and to increase by an additional \$10 billion by 2024.

The event will have three speaking tracks—shopper experience and content; technology, measurement, and attribution; and network monetization and value—in addition to a keynote presentation.

Topics covered in the session will include:

- The impact of generative AI on retail media networks, streaming, and retail media networks
- The agency's role in coordinating online and in-store retail media experiences
- Developing a more customized in-store retail media experience
- Developing a comprehensive in-store communication architecture

Additionally, the event will cover in-store shopper traffic monetization, panel discussions, networking breakfasts, and educating attendees on how to capitalize on this retail media network audience.

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