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MARKET INTELLIGENCE REPORT



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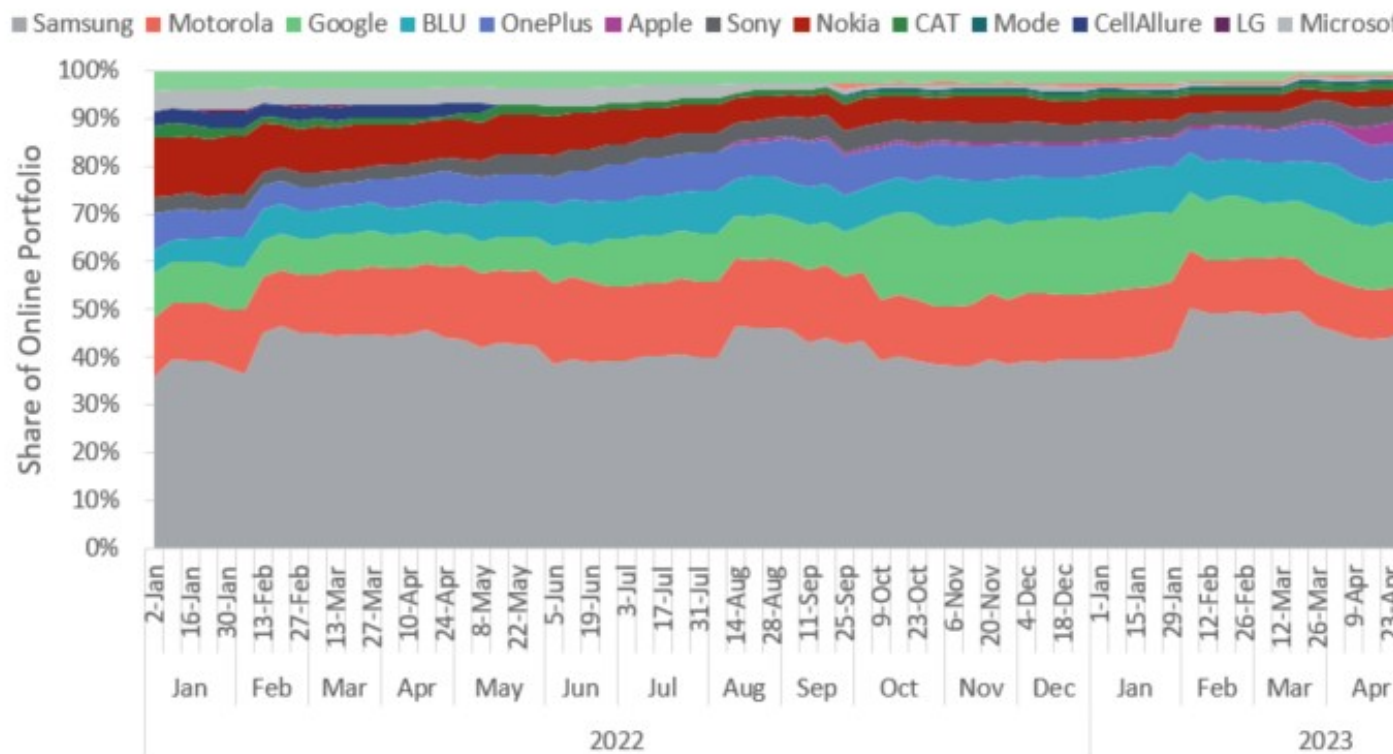
gapSnapshot: How Has Best Buy's Online Assortment of Unlocked Smartphones Since Last Year?

This week's Snapshot highlights Best Buy's online assortment of unlocked smartphones since the start of 2023. It includes each brand's unlocked models captured through weekly online price checks on BestBuy.com.

gap impact summary

- BestBuy.com's assortment of unlocked smartphones remains flat YoY w/ 148 unique SKUs recorded of 1H22 & 1H23
- Samsung leads unlocked segment at BestBuy.com this year & last year; currently holds 40% share w/ quantity of choices YoY (59 SKUs), showing continued popularity of its A-series, S-series, & foldable
- Motorola now shares 2nd place position on BestBuy.com w/ a 14% share & nearly the same quantity models on-year (21 vs. 23 SKUs) as its latest Moto G & Razr handsets refresh previous placements
- Google is most-improved YoY w/ 40% more unlocked options on BestBuy.com this year (21 vs. 15 SKUs) Motorola & reflecting favorable adoption of Pixel 7 & Pixel 7a
- Apple joins BestBuy.com's unlocked assortment for first time [this spring](#), creating a late lifecycle sale for its iPhone 12 5G, iPhone 13 5G, iPhone 13 mini 5G, & iPhone SE (2022) 5G
- Brands present last year that are no longer found through BestBuy.com include CellAllure, LG, Micromax, & TCL

Smartphones: **BEST BUY**.com Unlocked Assortment



**includes unlocked smartphones assorted by BestBuy.com*

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Source: “Merchant Pricing Trends” tab within the July 23, 2023 Pricing & Promotions Report in [Dashboard Reports](#)

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Nothing Phone (2) Launches in US Market

Following a [stated intent](#) and a series of [leaks](#) earlier this year, Nothing’s latest smartphone, the Phone (2), was launched in the US market this month. The second generation Phone (2) offers an upgraded Qualcomm Snapdragon 8 Gen 2, a bigger display, larger battery, and faster wireless charging to justify the price uptick over last year’s unit. The price of an unlocked Phone (2) is \$599, which holds 8GB RAM and 128GB of internal storage, while step-

with 12GB RAM and 256GB or 512GB of internal storage are priced at \$699 and \$799, respectively. Current Phone (2) is only available in the US through [Nothing's website](#), which although limited, marks an improvement in distribution over the beta program that the Phone (1) came to market with.

gap impact summary

- Nothing Phone (2) released in US via direct sales on company website
- Unlocked pricing ranges \$599 to \$799 w/ varying RAM/storage combos
- Features led by translucent style & Android flagship features
- US market impact likely limited by narrow distribution & lack of carrier support



In addition to the company's uniquely designed Nothing OS 2.0, the Phone (2) draws differentiation through its translucent style and glowing elements. The model showcases new features like "Essential Glyph Notifications" which allows users to turn the model's light bars into notifications for contacts or apps, and a "Glyph Composer" for the creation of personal ringtones with accompanying lighting effects.

Features of Nothing's Phone (2) are led by a Snapdragon 8 Plus Gen 1 processor, which although older than the 7-series processors, offers an 80% boost in performance over the 7-series chip inside the Phone (1). The new model measures 6.7" rather than 6.55" as before and offers a peak brightness of 1,600 nits versus the 700 nits of its predecessor. Other improvements include a higher resolution 32MP front-facing camera (vs. 16MP) and a larger battery (+200mAh vs. last year) that can be fast-charged at up to 45W (+12W vs. last year) and supports wireless charging.

The Phone (2) is the follow up to Nothing's debut smartphone and its first model explicitly released into the US market. Months after launching the Phone (1) globally, Nothing started a beta program for US buyers, which provided the handset for \$299, although the company cautioned that the handset would not support AT&T's 5G and that coverage would be very limited. The program gave Nothing an opportunity to test the US market and more time to work with carriers, although none of them have given the brand support to date.

Although it says that it is working with US carriers, it remains to be seen if any will work with Nothing to provide wider distribution. Carl Pei's previous venture, OnePlus, faced similar challenges in penetrating into the US market. It first gained foothold in the unlocked market segment for its flagships before generating wider US market momentum through carriers who took its budget-class models.

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Samsung Foldables Hit Costco Stores for AT&T

Costco store locations with [AT&T shop-in-shops](#) gained two additional smartphones, Samsung's Galaxy Z Fold4 5G and Galaxy Z Flip4 5G. The models arrive as the first, and only foldables for the carrier at Costco and join the carrier's foldable assortment in two separate configurations each. The Galaxy Z Fold4 5G is positioned on AT&T's display in two 512GB variations, priced respectively at \$1,799.99 (\$50.00/mo for 36mo) and \$1,919.99 (\$53.34/mo for 36mo). Meanwhile, the Galaxy Z Flip4 5G sits alongside as a step-down in 128GB or 256GB options at \$999.99 (\$25.00/mo for 36mo).

(\$27.78/mo for 36mo) or \$1,059.99 (\$29.45/mo for 36mo), respectively. The foldable duo represents the first foldable models that AT&T has brought into Costco stores since the beginning of this year and arrive on the eve of a generational announcement from Samsung. As such, the 4th generation items will serve as placeholders for 5th generation foldables that are expected by summer's end, signaling that the newest models will have a release on the AT&T display upon availability.

gap impact summary

- Samsung's Galaxy Z Fold4 5G & Galaxy Z Flip4 5G incorporated into Costco for AT&T
- AT&T's first/only foldables this year, but Costco locations that carry T-Mobile already had Z-series
- Each model sits w/ two internal storage capacity options & identical pricing to AT&T's own stores
- Uncontested foldable options for Costcos w/ AT&T, likely serving as placeholders for Samsung's upcoming series refresh



The Galaxy Z Fold4 5G and Galaxy Z Flip4 5G are the first foldable models for AT&T at Costco since the Wireless Advocate's reign at the warehouse club [last year](#). Previously, the multi-carrier seller had the Galaxy Z Fold4 5G displayed on its kiosk for Verizon, while the Galaxy Z Flip4 5G has been present this year at other Costco locations. The Galaxy Z Fold4 5G is dedicated to T-Mobile (\$1,029.99). At Costco, the Galaxy Z Fold4 5G and Galaxy Z Flip4 5G are largely uncontested as the only foldables offered to the warehouse club members, a position that is expected to be maintained by the next members of the Z-series.

The addition of the foldables gives Samsung eight SKUs priced at/above \$999.99 within the AT&T assortment at Costco, increasing the brand's stance against Apple, which has an array of 12 SKUs in the price tier. Like its predecessor, the S23-series, Samsung's 4th generation foldables face Apple's collection of iPhone 14 generation smartphones. These foldables give foldable alternatives to tempt tech-savvy members inside stores.

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New Foldables Launching at Samsung's Unpacked Event This Week

Samsung's next Galaxy Unpacked event will take place on Wednesday July 26, 2023 at 7am Eastern when the manufacturer will announce its newest smartwatches, phones, and tablets. The second Unpacked launch of 2023 consists of concurrent events in Seoul and New York City, and is expected to bring the next installments in the foldable smartphones, the Galaxy Z Fold5 5G and Galaxy Z Flip5 5G. Samsung has already opened up pre-orders for these successors to its existing foldables on a [dedicated website](#) under the tagline "Join the flip side." Like previous debuts, preregistration gives interested parties early rights to initially released units, and a \$50 Samsung Credit on other Galaxy products during the pre-order period, the same benefit seen with [S23 pre-orders](#) earlier this year.



The refreshed foldables are rumored to come with several upgrades, perhaps the most visible being the Galaxy Z Flip5 5G's larger 3.4" cover display (720 x 748) that stretches along the top half to its hinge, a big upgrade over the 1.9" outer display. Meanwhile, the Galaxy Z Fold5 5G will likely retain the same 6.7" outer display of the previous generation. Samsung's S23-series, both foldables will feature Qualcomm Snapdragon 8 Gen 2 chipsets, and will gain a new waterdrop-style hinge that the company has been working on to make the handsets thinner and fold even flatter. The Galaxy Z Flip5 5G should come with 8GB RAM and with either 256GB or 512GB of internal storage, along with a 3.4" cover display and a 6.7" main display.

3,700mAh battery, while the more advanced Galaxy Z Fold5 5G is rumored to come with 12GB RAM and 512GB internal storage options.



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INDUSTRY REPORTS

Costco Plans to Build its Largest Store in Fresno

Costco's draft to build its largest store was recently accepted by Fresno's Planning and Development Department. The store is set to open during a 30-day public comment period through August 25. According to [gwire.com](#), the membership warehouse club is planning to develop a site in Fresno, California, with a main building of more than 241,000 sq.ft. with 47,000 sq.ft. of retail space for the market distribution of large and bulky commodities. The store would create the largest Costco to date if allowed (the current City's 235,000-square-foot Costco holds the title), replacing the nearby existing Fresno location three miles away. A new Costco gas station and automated vehicle wash would be on the 22.4-acre Fresno site as well, with plenty of parking spaces.

Costco has 855 warehouses: 587 in the US and Puerto Rico, 107 in Canada, 40 in Mexico, 32 in Japan, 29 in Korea, 15 in Australia, 14 in Taiwan, four each in China and Spain, two in France, and one each in Iceland, Zealand, and Sweden. Costco has e-commerce sites in the US, Canada, the UK, Mexico, Korea, Taiwan, Japan, and Australia.

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Walmart Expands Upon Initiative to Help Non-Profits & SMBs

Building onto the launch of [Walmart Business](#), a standalone e-commerce storefront targeting non-profits and business customers, in January 2023, Walmart announced that it will be adding several new products and services to the platform. Walmart Business is designed to simplify the shopping experience for business customers by offering a curated assortment of products that are organized into categories such as office supplies and furniture, food and beverage, janitorial, restroom, electronics, classroom, and facility needs.

New elements of Walmart Business include:

Walmart Business app: With various choices for processing orders, this new app offers the Walmart Business mobile app, which includes office furniture and supplies, breakroom supplies, technology, and teaching materials. It also features direct-to-office delivery scheduling and one-tap check-in for curbside pick-up in more than 4,700 US locations. Businesses may access their multi-user accounts through the app, sharing one account with up to 10 employees.

Easier add-to-carts: Due to a simplified ordering procedure, customers may input and purchase big numbers of items more easily by typing the required number in the quantity area.

Angi partnership: To help Walmart Business customers schedule services like office furniture assembly, warehouse cleaning, and shelf installation, Walmart Business is now collaborating with the professional services platform Angi.

Spend analytics: With the use of a spend analytics tool that provides information such as expenditure by user, department, categories, and goods, Walmart Business+ members can now keep track of their company's spending. The tool also provides insights into spending trends and helps identify areas for cost savings.

identifies spending trends.

Along with these new services, the company has been boosting the number of third-party Walmart Marketplace sellers it offers, giving SMBs and organizations access to millions of products on both Marketplace and the main Walmart.com e-commerce website.

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Amazon Releases 2022 Sustainability Report

Amazon released its annual [Sustainability Report](#), highlighting achievements across social, local, and environmental objectives. Amazon is keeping track of its progress toward accomplishing its Climate Pledge, a plan for the company's operations to become net carbon neutral by 2040.

Amazon 2022 Sustainability Report Key Takeaways

Renewable energy: Five years ahead of schedule, Amazon is on track to power all its operations with renewable energy by 2025. 90% of Amazon's power in 2022 came from renewable energy sources.

Electric and sustainable delivery: 145 million items were delivered by electric delivery vehicles (EVs) in the U.S. and Europe in 2022, with Amazon having more than 9,000 EVs in its global fleet. By 2030, the business hopes to have 100,000 Rivian electric delivery cars on the road.

Sustainable packaging: Amazon reduced single-use plastic by 11.6% throughout its worldwide operations in 2022 by increasing the usage of paper-based packaging and employing lighter and more flexible packaging. The company also eliminates packaging where it can. 11% of all Amazon shipments delivered worldwide in 2022 included no packaging. Amazon delivery packaging.

Supply chain emissions: Amazon, including its worldwide supply chain, is under pressure to lessen its carbon footprint and impact. The company is working with its supply chain partners to assist them in decarbonizing their own operations.

reduce their carbon footprint significantly. Amazon is revising its supply chain requirements so that vendors disclose their carbon emissions data and establish carbon objectives as of 2024.

Data center emissions: Data centers, including servers and hardware, are being designed by Amazon Web Services (AWS) with an eye toward efficiency, resilience, and a smaller carbon footprint.

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NRF: June 2023 Retail Sales Show Slight Increase

According to the [National Retail Federation's](#) (NRF) retail sales data, which does not include automobile dealerships and restaurants, June 2023 showed a 0.4% increase month-over-month (MoM) and a 3.3% unadjusted year-over-year (YoY). Retail sales have experienced consistent growth as seen in [May's numbers](#), signaling positive consumer attitudes. NRF's findings showed a 3.1% unadjusted increase YoY on a three-month moving average and up 4% for the first six months of this year. June sales were up in six out of nine retail categories YoY, leading to an increase in total channel sales.

Highlights for June 2023:

- Online/other non-store sales +1.9% MoM seasonally adjusted & +9.9% unadjusted YoY
- Electronics/appliance stores +1.1% MoM seasonally adjusted & +1.8% unadjusted YoY
- General merchandise stores -0.1% MoM seasonally adjusted & +1.4% unadjusted YoY
- Furniture/home furnishings stores +1.4% MoM seasonally adjusted & -3.6% unadjusted YoY
- Building materials/garden supply stores -1.2% MoM seasonally adjusted & -3.7% unadjusted YoY

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Salesforce Reports First Decline in US Online Sales During Q2 2023

US online sales declined for the first time since Salesforce launched its Shopping Index sales tracker in 2017, according to [the company](#). The country saw a 1% decline in sales, as well as a 4% decrease in the number of orders placed. Global sales were more positive, with 1% year-over-year growth in Europe, even if the UK saw online sales decline. Salesforce attributed it to an accumulation of fatigue from inflation, even as it falls, and suggests as a solution for merchants to increase their discounts and lean into personalized discounts. Other key insights include:

- Average order values in the US increased 3% YoY to \$124.45
 - o Discount rates increased 11% YoY
 - o Online traffic was up 2% YoY
 - o Brand loyalty remains strong: repeat orders rose 5% YoY to 39% of total online orders
- Marketing message volume growth slowed to 6% in Q2 2023, compared to 28% in Q2 2022
 - o Open rates and click rates held steady

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