

From: gap intelligence
Sent: Tue, 19 Dec 2023 07:58:50 +0000
To: chatty@google.com
Subject: Product Introductions Calm for Year-End After Active Summer & Fall



MARKET INTELLIGENCE REPORT



Smartphone

S

Dec 18, 2023



Scott Peterson

Smartphones Analyst

Smartphones@gapintelligence.com

PRODUCT UPDATES

- gapSnapshot: Product Introductions Calm for Year-End After Active Summer & Fall
- Amazon Adds TCL Smartphones to Unlocked Assortment
- Samsung Rumored to Position AI as Marquee Feature of Galaxy S24 Series



Visit the gap intelligence
Dashboard

Interact with our data online



Connect with us on LinkedIn

INDUSTRY REPORTS

- Costco Reports Q1 FY24 Financials, Net Sales Up 6.1% to \$56.72 Billion
- Walmart Targets Last Minute Shoppers with Its Final Holiday Savings Event of 2023
- Amazon Unveils New Holiday Delivery Features
- NRF: The US Economy Surpasses 2023 Expectations Despite Ongoing Headwinds
- NRF: YoY Import Volume Growth Expected Each Month in 2024
- Cyber Crimes Surge Ahead of Holiday Season

- Survey: 142 Million Shoppers Expected for Super Saturday

PRODUCT UPDATES

gapSnapshot: Product Introductions Calm for Year-End After Active Summer & Fall

This week's Snapshot highlights a yearly trend of smartphone product debuts by month since 2020. The chart shows the monthly rate that new smartphone SKUs were captured in-store and/or online within gap intelligence's measurement panel. Prepaid, postpaid, and unlocked market segments are reflected in the chart.

gap impact summary

- Total year-to-date smartphones launched in 2023 down 15% vs. first 11 months of 2022 (1,330 vs. 1,540 models)
 - Samsung responsible for the vigorous starts seen in 2022 & 2023, but Galaxy S23 launch brought fewer SKUs during February 2023
 - Spring 2023 cycle is lowest on record; April & May 2023 have 38% & 65% fewer new products than last year, respectively
- 2023 features strong July as Samsung's latest Galaxy Z Flip5 & Galaxy Z Fold5 foldables sneak in a late start
- Apple's launch of the iPhone 15 drives respective 7% & 19% YoY improvements for September & October
- 2022's year-end smartphone launch total grew 35% vs. 2021 (1,573 new models), but YoY growth is unrealistic for 2023 given the slower start & sluggish spring

Smartphones: Monthly Product Introductions



Source: “Specifications” tab within the December 17, 2023 Pricing & Promotions Report in [Dashboard](#) Report

[Top](#)

Amazon Adds TCL Smartphones to Unlocked Assortment

Amazon.com integrated a collection of eight new TCL smartphones into its assortment last week, marking a significant influx into the online channel as activity otherwise slows for the year’s end. Six product families are represented in the batch including the 30 SE, 30 5G, 30 XL, 40 X 5G, 40 XL, and Ion V 5G, all falling into the sub-\$200 smartphone budget class items are priced between \$29.99 and \$179.99 and are the brand’s first unlocked models on Amazon.com. TCL’s presence on Amazon.com was previously limited to prepaid SKUs before these latest additions, creating noteworthy expansion for its sales opportunities through the e-commerce giant.

gap impact summary

- TCL gains 8 placements in Amazon's unlocked assortment, a new growth area for the brand
- Unlocked availability follows smartphones' exposure via prepaid carriers MVNOs in the market
- New SKUs all sit below \$200 in price, Motorola & Nokia are price competition in segment

Smartphones: New Unlocked Items on Amazon.com

| Brand | Part Number | Product Family | Contract | Operating System | Display Size (in) | Internal S | Rear Megapixel | Event |
|-------|-----------------|----------------|----------|------------------|-------------------|------------|----------------|--------------|
| TCL | T776H-305G-BK | 30 5G | Unlocked | Android | 6.7 | 64 | Tri 50+2+2 | New to Me |
| | 6165S1-2AOFUS11 | 30 SE | Unlocked | Android | 6.52 | 128 | Tri 50+2+2 | New to Cha |
| | 6165S-2AOFUS11 | 30 SE | Unlocked | Android | 6.52 | 64 | Tri 50+2+2 | New to Cha |
| | T671G-2AWFUS11 | 30 XL | Unlocked | Android | 6.82 | 64 | Quad 50+5+2+2 | New to Me |
| | T609M-2AAZUS11 | 40 X 5G | Unlocked | Android | 6.56 | 64 | Tri 50+2+2 | New to Cha |
| | T608M-2AOFUS11 | 40 XL | Unlocked | Android | 6.75 | 128 | Tri 50+2+2 | New to Cha |
| | T608M1-2AAZUS11 | 40 XL | Unlocked | Android | 6.75 | 256 | Tri 50+2+2 | New to Cha |
| | T430M-2AAZUS11 | Ion V 5G | Unlocked | Android | 6 | 32 | | 8 New to Cha |

*week of 12/10/2023

TCL's new Amazon.com listings include 5G-equipped models like the 30 5G for \$179.99 net, the 40 X 5G net, and the Ion V 5G, a \$99.99 model that currently holds an extremely aggressive \$29.99 net. The 40-series is represented by the 40 XL at Amazon.com, making its way onto the site 10 months after TCL's [announcement](#) in February to follow several months of availability as prepaid items across the US market. The 40 XL has two configurations, 128GB and 256GB capacities, priced at \$97.99 and \$118.99 net, respectively. Other listings include the 30 XL for \$149.99 net and the 30 SE for \$90.99 or \$111.99 net depending on capacity (64GB or 128GB).

Outside of the wide prepaid segment exposure that the 30-series and 40-series have, TCL features unlocked smartphones on SamsClub.com and Walmart.com, while it also has one SKU in brick-and-mortar retail, the 30 XL at Walgreens (\$199.00). The addition of Amazon opens a new outlet for TCL, and the eight new placements give the brand a significant share of the site's unlocked assortment. Looking just at the sub-\$200 shelf, TCL holds a much stronger 16% share of the unlocked smartphone assortment and is pitted against Motorola and Nokia as the three most dominant players in the price tier.

Top

Samsung Rumored to Position AI as Marquee Feature of Galaxy S24 Series

Recent leaked details regarding Samsung's upcoming Galaxy S24 smartphone series imply that the primary focus will revolve around AI and smart features powered by Galaxy AI. Specifically, the upper-tier Galaxy S24 Ultra is expected to showcase an AI-powered feature set, led by "more realistic" camera processing than the Galaxy S23 Ultra that came before it, including better control over sharpening and saturation. Last month, Samsung [announced](#) Galaxy AI as its new comprehensive artificial intelligence, and shared that it is coming to Galaxy smartphones in early 2024, implying that the debut would occur within the next S-series launch, which are typically Samsung's first in a new year.



Externally, leaked images show a lot of similarity between the Galaxy S24 Ultra's design and its predecessors, with most of the generational improvements to the software and experience. The generation is rumored to maintain the overall structure as previous launches, with base S24 options with 8GB of RAM and storage capacities of 128GB to 1TB, while S24+ and Ultra models have 12GB of RAM and internal storage that starts at 256GB.

While much is left unconfirmed, Samsung's Galaxy AI is designed as its new "universal intelligence for phone" that is expected to be deeply integrated with its One UI, rather than materializing as added intelligence to the Bixby assistant. The technology runs on a mix of on-device AI developed by Samsung and cloud-based AI from both Samsung and industry partners. Samsung intends for Galaxy AI to enable "barrier-free communication, simplified productivity, and unconstrained creativity," and has already given demonstrations of useful applications like real-time call translation.

[Top](#)

INDUSTRY REPORTS

Costco Reports Q1 FY24 Financials, Net Sales Up 6.1% to \$56.72 Billion

Costco [released](#) its Q1 2024 financial results for the period that ended November 26, 2023. The club store's net sales improved 6.1% year-over-year (YoY) to \$56.72 billion, up from \$53.44 billion. As a result of the fifty-third week in the year 2022, net sales benefitted by around half to one percent domestically and internationally from the change in the fiscal calendar. Net income increased 16% to \$1.6 billion from \$1.4 billion the previous year.

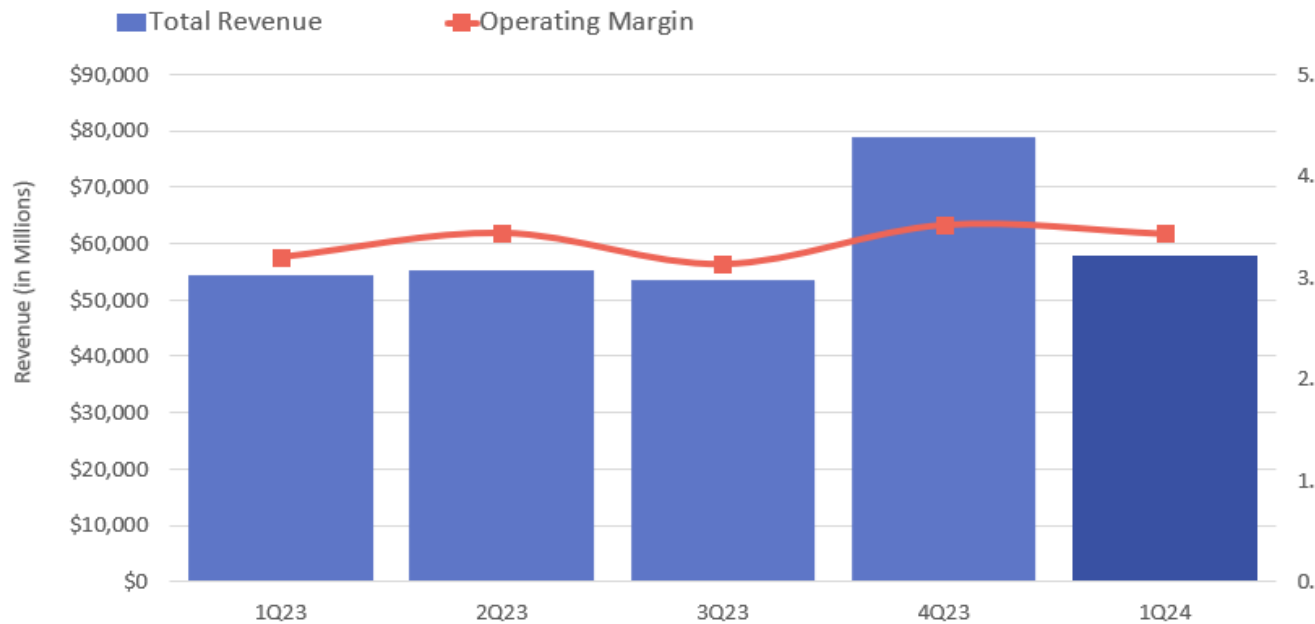
Costco's membership revenue for this quarter was \$1.082 billion, up 8.2% YoY. According to the Q1 2024 Earnings Transcript, Costco continued to see membership growth both quarter-over-quarter (QoQ) and YoY. The warehouse merchant continues to see high renewal rates (92.8%) and currently has 72.0 million paid household membership and 10.0 million cardholders, both increases of around 7% compared to last year.

Key Q1 2024 Results

- Total revenue of \$57.8 billion
- Net sales up 6.1% YoY to \$56.72 billion
- Net income up 16% to \$1.6 billion
- Operating income of \$1.98 billion
- Operating margin of 3.4%
- Total comparable sales of 3.8%, down from 3.9% YoY



Quarterly Revenue & Operating Margin



*source Costco; compiled by gapgins

Overall comparable sales in Q1 2024 decreased by .1 to 3.8%. Most of Costco's geographic divisions reported comparable sales YoY during Q1 2023. The US division reported comparable sales of 2.0%, down from 2.6% in Q1 2023. Canada reporting comparable sales of 6.4%, down from 8.2% YoY. The international division is the only segment to experience a YoY increase from 7.1% in Q1 2023 to 11.2% in Q1 2024. Despite decreases in comparable sales, the store reported a 4.7% traffic and shopping increase worldwide and a 3.6% increase in the US.

Costco currently operates 871 warehouses (+10 QoQ), including 600 (+9 QoQ) in the United States and Puerto Rico, 108 (+1 QoQ) in Canada, 40 in Mexico, with the remaining 123 stores (+4 QoQ) split across 11 countries.

For the full fiscal year of 2024, Costco plans to open 33 locations, including 2 relocations, adding to a net increase of 23 new warehouses, up from 23 during fiscal year 2023.

See Also:

[Costco Logs Net Sales Increases for Q4 & FY 2023](#) Oct 02, 2023

[Top](#)

Walmart Targets Last Minute Shoppers with Its Final Holiday Savings Event of 2023

Walmart is hosting its final [holiday savings event](#) of the year, following three events earlier this year around Cyber Monday, and Amazon's October 2023 Prime Big Deal Days. The omnichannel retailer will be hosting "Walmart Deals – Ready, Set, Gift!" through Thursday, December 21, 2023, after the event began earlier in the year. In addition to the holiday deals, Walmart is prioritizing online accessibility and will fulfill orders through the Christmas Eve.



Walmart Holiday Shipping Cutoffs

- *Express Delivery* – 2 hour home deliveries for \$10 & 1 free Express Delivery for Walmart+ member on December 24
 - Will run through 4 pm local time on December 24
- *Curbside Pickup & Delivery (from store)* – both fulfillment options have expanded timeslots & more options available
 - Same-day pickup orders can be placed through 12 pm & delivery through 4 pm on December 24
- *Shipping Cutoffs* - increased inventory and improved availability for next-& two-day shipping

- o Orders placed by 2 pm local time on December 21 will be delivered by December 25

In its savings event announcement, Walmart mentioned the event will bring customers new deals on tech, home, and more, specifically calling out discounts for the following items:

- **Philips** 50" Class 4k Ultra HD (2160p) Roku Smart LED TV (50PUL6533/F7) for \$198, Special E
- **Lenovo** \$699 IdeaPad 3i 14", Intel Core i5-1155G7, 8GB RAM, 512GB SSD, Artic Grey, Window
- 82H701QNUS, for \$349
- **Tineco** \$249 S10 ZT Smart Cordless Stick Vacuum Cleaner with ZeroTangle Brush Head for Har
- Floors/Carpet for \$139

[Top](#)

Amazon Unveils New Holiday Delivery Features

Amazon recently [revealed](#) that it will be implementing some new delivery features this holiday season. The include knowing whether an item will arrive before or after Christmas prior to purchase, real-time delivery tracking sharing.

Holiday delivery features include:

- *Holiday delivery messaging:* "Arrives before Christmas" message on search & item detail pages
- *Same-day delivery & same-day holiday gift guide:* "Tens of millions" of items across top categories w for same-day delivery & the "Same-Day Holiday Gift Guide" is a centralized place to find all of thes
- *Track your delivery in real-time:* On the day of delivery, customers can use the map via "Your Order the driver is getting close
- *Share order tracking:* Once a package ships, customers can visit "Your Orders" & chose "Share Track link w/ tracking information to whoever they wish
- *Package pickup:* Choose from Amazon Lockers or Amazon Counters to have a safe & secure order p
 - o A new feature being that customers can redirect eligible items to Amazon Lockers via their A
- *Pick your delivery day w/ Amazon Day:* If a customer is out of town & wants to ensure they are hom delivery of their package, Amazon Day will give Prime members the ability to choose a specific day for them

- *Amazon Key In-Garage Delivery*: Amazon Key In-Garage Delivery is a “convenient and secure” way for Prime members to receive their packages in their own garage
 - Currently available in over 5,000 cities in the US

[Top](#)

NRF: The US Economy Surpasses 2023 Expectations Despite Ongoing Headwinds

According to the National Retail Federation’s December 2023 [Monthly Economic Review](#), the US economy ended 2023 on a high note, with an expected full-year annualized growth rate of 2.5%, significantly higher than previously expected. Despite inflation and high interest rates, the strong labor market, increasing wages, and savings have aided consumer spending and helped result in a recently revised annual GDP rate of 5.2% for the third quarter, up from the previously estimated 4.9%. Looking ahead to the full fourth quarter, the Federal Reserve estimates a slowing economic growth rate of 1.2% as interest rates continue to challenge consumer resilience.

The NRF reported GDI growth of only 1.5% in the third quarter of the year, following second quarter growth of 1.5%. Theoretically, GDI rates should nearly match those of the GDP, with the past period being the fourth consecutive quarter to display lagging GDI, supporting the converse argument that the economy is slowing. Additionally, retail sales reported by the Census Bureau, decreased by 0.1% MoM in October, down from a 0.9% MoM increase in September. Considering the same period last year, October retail sales improved 2.5% YoY.

Additional Findings

- 5.3% increase YoY for nominal personal spending
- 7.0% YoY increase in disposable personal income
- 3.0% - 4.0% expected YoY rise in 2023 holiday retail sales (Nov 1 - Dec 31)
 - The [CNBC/NRF Retail Monitor](#) showed seasonal retail sales were up 0.77% MoM & 4.24% YoY in November

The Bureau of Labor Statistics’ Job Openings and Labor Turnover report from October 2023 showed that the labor market has slowed throughout the year, with the available 8.7 million jobs being the lowest number since March 2020. Further, the unemployment rate has reached 3.9%, the highest it has been since January 2022. The high rate of job openings, however, suggests that the labor market remains tight.

ongoing layoffs and an uptick in businesses reducing investment spending overall. All factors considered, the economic findings show that, despite ongoing challenges, the US consumer has remained resilient in its spending.

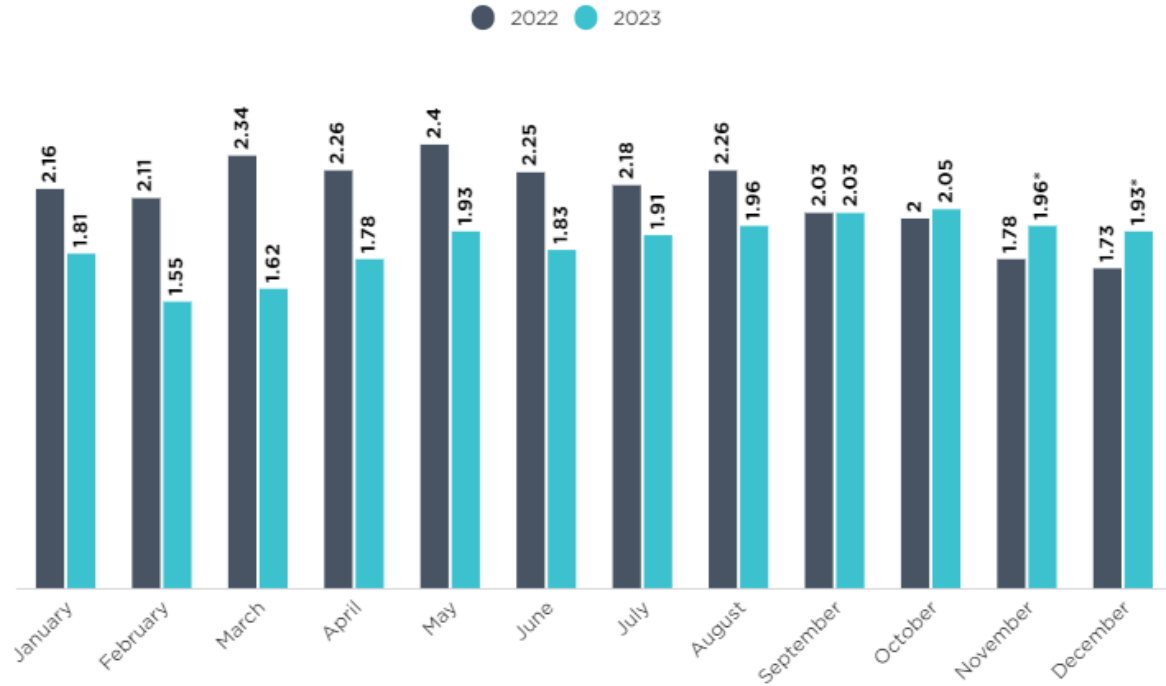
[Top](#)

NRF: YoY Import Volume Growth Expected Each Month in 2024

According to the Global Port Tracker [report](#) published by the National Retail Federation (NRF) and Hackberry, inbound cargo volume at major container ports in the US are expected to slow in the final weeks of 2023 after a peak in October this year. Originally, the NRF forecasted that August would be the peak month, with 1.96 million TEU. Instead, September reached 2.03 million TEU and then October followed with 2.05 million TEU (+2.5% YoY).

The significant increase seen from October 2022, was the first YoY increase since June 2022. NRF Vice President of Supply Chain and Customs Policy Jonathan Gold said, “We originally thought peak season would come in November, but imports kept growing in September and again in October, whether it was merchandise for retailers or cargo for manufacturing businesses, that’s a good sign for the economy and for the holiday shopping season.”

Monthly imports 2022-2023 (TEU-Millions)



Source: NRF/Hackett Associates Global Port Tracker *Forecast

The Global Port Tracker has not reported November numbers yet, but it projected 1.96 million TEU for the month (+10.5% YoY). Additionally, December is forecast at 1.93 million TEU (+11.5% YoY). If the forecasted numbers are accurate, it would bring 2023 to 22.4 million TEU, down from 25.5 million TEU (-12.4% YoY). 2024 is expected to continue YoY import volume growth, with January forecasted at 1.93 million TEU (+6.6% YoY).

Additional 2024 Forecasts:

- February (historically the slowest month because of Lunar New Year factory shutdowns in Asia): 1.85 million TEU (+14.5% YoY)
- March: 1.75 million TEU (+7.7% YoY)
- April: 1.8 million TEU (+1% YoY)

[Top](#)

Cyber Crimes Surge Ahead of Holiday Season

Now that the holidays are approaching, cybercriminals are utilizing sophisticated strategies to target stores and take advantage of "vulnerabilities." The second half of the year saw a sharp rise in fraud attempts, according to Cequence Security's 2023 Holiday Season API Security Report. In the second half of 2023, there was a 110% increase in fraud; however, the average growth in payment card, loyalty, and scrape fraud was over 700%.

From June to November 2023, Cequence detected malicious traffic from 719 million distinct IP addresses and 1.4 billion malicious login attempts, demonstrating the scope of the present cyber threats. In the second half of the investigated period (September - November 2023), account takeovers (ATOs) surged for merchants by an average of 410x, with 325 million fraudulent login or ATO attempts. During that time, almost 148 million distinct browser sessions, also known as user agents—were recorded. When compared to the preceding six-month period, ATOs rose 410x.

William Glazier, director of security research at Cequence, stated that the 2023 Christmas season "exposed a harsh reality: cybercriminals are employing increasingly sophisticated attack methods and meticulously planning their advance to exploit vulnerabilities." Glazier added that "they can target unwary customers and unprepared retailers." This long-term strategy, especially during the busiest shopping times. This change emphasizes how critical it is to have year-round increased awareness and preventative security measures."

The research also demonstrated how a lot of goods were put to carts using automated tools in order to flood the system with volume and buy as many in-demand commodities as possible. Attackers try to dominate limited-edition product releases, which is why add-to-cart increases coincide with product releases. Although there are sporadic reductions or flash sales throughout the year, the frequency usually is around the holidays.

Types of Fraud Attempts Change Depending on Time of Year

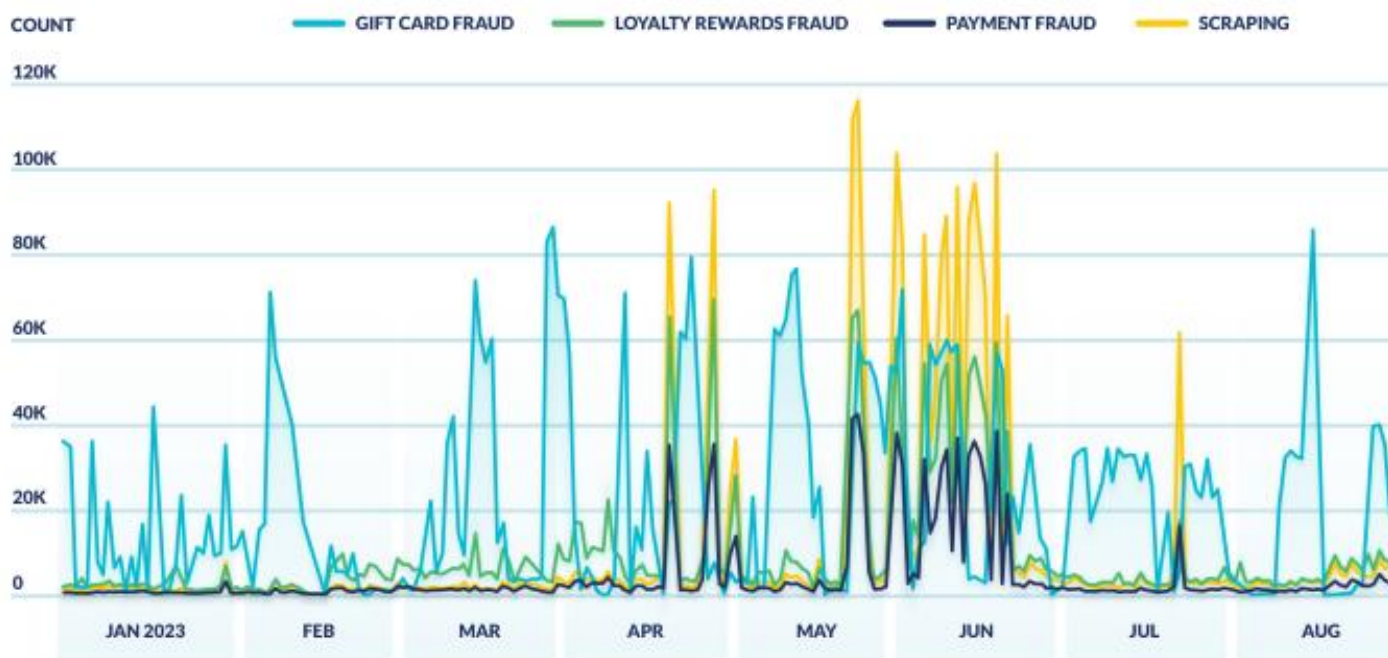


Image credited to Cequence Security.

[Top](#)

Survey: 142 Million Shoppers Expected for Super Saturday

142 million shoppers are expected to turn out for Super Saturday, the year's final Saturday before Christmas, [a survey from the National Retail Federation and Prosper Insights & Analytics](#). This figure for the final key day of the year represents a decline from 2022's 158.5 million; however, this is partly due to 2023's Super Saturday being just two days before Christmas, as opposed to last year's eight days. Compared to the last time Super Saturday occurred, just two days before Christmas in 2017, 2023 will see a 13% uptick. Clothing or accessories is the top most shopped category in the holiday season (50%), with personal care or beauty coming in fifth (24%) and electronics coming in seventh (18%). With the holiday season becoming ever longer, holiday shopping is expected to continue into early January, with 18% of shoppers saying they plan to shop after Christmas. The survey included 7,973 adults surveyed from December 1 through December 6.

[Top](#)

701 Island Avenue | San Diego, CA 92101 | www.gapintelligence.com | info@gapintelligence.com

gap intelligence is a values led company. We care about each other, our clients, and recognize that business plays a central role in our lives. We are driven to contribute to something bigger than ourselves and trust that our hard work will turn into something great and that we'll make a difference the way.

[PDF Version](#) | [Unsubscribe](#)