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Subject: Target Advertises \$549 Google Pixel 8 5G 128GB Starting Nov 16



MARKET INTELLIGENCE REPORT



Smartphone

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Nov 13, 2023



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- gapSnapshot: Apple Gains in Share of Unlocked Promotions at Best Buy
- Target Advertises \$549 Google Pixel 8 5G 128GB Starting Nov 16
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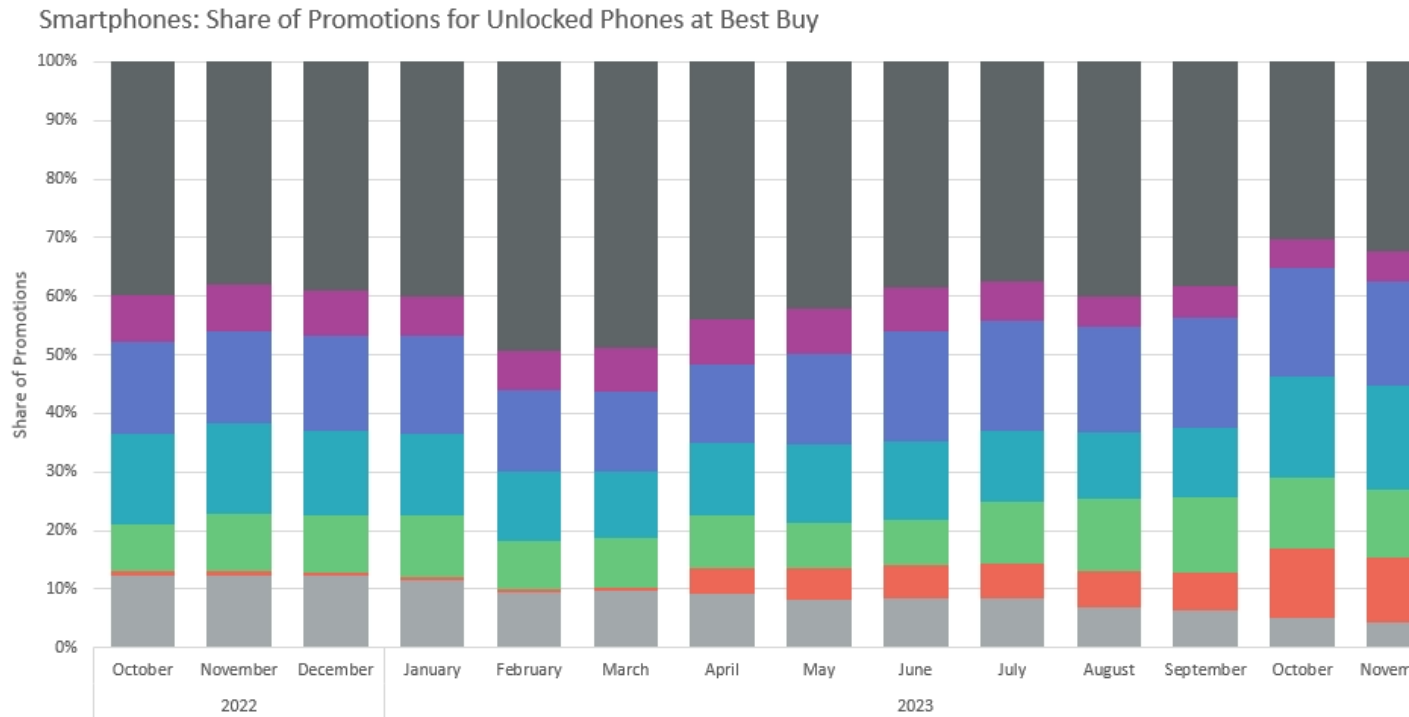
PRODUCT UPDATES

gapSnapshot: Apple Gains in Share of Unlocked Promotions at Best Buy

This week's Snapshot compares the share of promotional counts for unlocked smartphones at both Best Buy and BestBuy.com. The data spans October 2022 through the week of November 5, 2023.

gap impact summary

- Samsung has lost share of promotions since Q2 2023
 - o Its share peaked at 49% in February 2023
 - o By October, it had fallen to 30%
 - o A decline in Galaxy S series promotions was the primary cause
 - o February's activity was partly driven by promotions older placements in as Samsung rolled out
- Apple has increased its promotions of unlocked phones
 - o Up to 12% in October 2023, after effectively having no share in Q1 2023
 - o iPhone 14 accounted for 51% of these promotions
 - o Highest discount percent during the period: 67% off of \$599 Motorola Edge (2022) 5G the week of 12/25/22
 - o Highest discount value during the period: \$721 off of Samsung Galaxy Z Fold3 5G 256GB - Green the week of 1/15/23



Source: Pricings download via Custom Data Downloads on [Dashboard](#)

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Target Advertises \$549 Google Pixel 8 5G 128GB Starting Nov 16

Target featured an advertised discount of the \$699 Google Pixel 8 5G 128GB, starting November 16. It was the first promotion in the gap merchant panel for the Pixel 8 after the \$150/21% instant saving. It's only the second promotion in the gap merchant panel for the Pixel 8 since its launch last month.

gap impact summary

- \$549 is lowest price for an unlocked Pixel 8 to date
- Pixel 8 and Pixel 8 Pro have received 16 advertisements to date, but only two promotions
- 8 of those promotions have been for the more premium Pixel 8 Pro

Available Friday

59.99
Nintendo Switch

39.99
Nintendo Switch

Available Friday

59.99
Nintendo Switch

Available Tuesday

59.99
Nintendo Switch

Available Friday

15⁹⁹
Nintendo Splatoon Series amiibo Figure.

Save \$60

99⁹⁵
Sale Fitbit Charge 6.
Reg. 159.95

Save \$50

149⁹⁵
Sale Fitbit Versa 4.
Reg. 199.95

Save \$150

\$549
Sale Google Pixel 8 5G 128GB unlocked smartphone. Reg. \$699
Offer starting November 16th.

Save \$50

99⁹⁹
Sale Consumer Cellular Motorola Moto G Play 2023 32GB 4G smartphone. Reg. 149.99
Activate in-store on a new line of service.

Outlook

Since its launch, the Pixel 8 family has rapidly gained placements. As of the week of November 5, it has 14 in the gap merchant panel, compared to 187 for the preceding Pixel 7 product family. The Pixel 7's promot

however, is currently focused more on the budget-friendly Pixel 7a. Whether we will see similar promotion for the Pixel 8's more premium placements during the holiday season remains to be seen.

See also:

[Google's Pixel 8 Generation Gains Expansion Across Channels](#) Oct 31, 2023

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Smartphones: BestBuy.com October 2023 Promotion Event Wrap-Up

While Amazon's second Prime Day event of 2023 dominated the promotional calendar for October, there were several smaller promotional events for smartphones. The first was a Flash Sale on October 10, and the second was a sale on October 27.

October 10-11 Flash Sale

- Edge+ 5G (2023) 512GB - Interstellar Black
 - o Unlocked
 - o \$150 (19%) off of \$799 shelf price
- razr+ 5G (2023) 256GB - Infinite Black
 - o Unlocked
 - o \$200 *(20%) off of \$999 shelf price
- razr+ 5G (2023) 256GB - Glacier Blue
 - o Unlocked
 - o \$200 *(20%) off of \$999 shelf price

These promotions were aligned with the Razr 2023's October 12 launch date and likely meant to increase the attractiveness to new customers open to trying a less familiar premium brand.

Black Friday Deals right now.

Also, My Best Buy Plus™ and My Best Buy Total™ members get more Black Friday Deals.

Limited quantities. No rainchecks.
See Black Friday FAQs.

Shop Now

October 27-29 "Black Friday Early Access" Day Sale

- Pixel 7a - Up to \$125 off of select Pixel 7a's

The latter promotional event comes amid a larger trend of promoting Pixel 7a placements. \$125 is the third discount value on the model during the month of October; the highest was \$225 (45%) off of a Pixel 7a at Best Buy on October 30 to November 5.

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INDUSTRY REPORTS

Qualcomm Reports Revenue Declines in Q4 and FY2023 Financial Results

Qualcomm [announced](#) its Q4 FY2023 financials for the three months ended September 24, 2023, along with year 2023 financial results. For Q4 2023, Qualcomm reported a revenue of \$8.6 billion, down 24% from \$11.2 billion year-over-year. Although revenues declined from the previous year, the results were on the higher end of the manufacturer's guidance. For the full 2023 fiscal year, Qualcomm's revenues declined YoY to \$35.8 billion from \$44.2 billion.

gap impact summary

- Qualcomm's total Q4 2023 revenue down 24% to \$8.6 billion
 - o Hardware division (QTC) revenue down 26% to \$7.4 billion
 - Handsets down 27% to \$5.5 billion
 - Automotive up for 12th consecutive quarter to \$535 million (+15%)
 - IoT down 31% to \$1.4 billion

- o Licensing division (QTL) down 12% to \$1.3 billion
- Qualcomm's fiscal 2023 revenue down 19% to 35.8 billion
 - o Hardware division (QCT) down 19% to \$30.4 billion
 - o Licensing division (QTL) down 17% to \$5.3 billion

Fourth Quarter Results^{1,2}

<i>(in millions, except per share data and percentages)</i>	GAAP			Non-GAAP		
	Q4 Fiscal 2023	Q4 Fiscal 2022	Change	Q4 Fiscal 2023	Q4 Fiscal 2022	Change
Revenues	\$8,631	\$11,396	(24%)	\$8,665	\$11,387	(24%)
Earnings before taxes (EBT)	\$1,420	\$3,470	(59%)	\$2,617	\$4,142	(37%)
Net income	\$1,489	\$2,873	(48%)	\$2,277	\$3,548	(36%)
Diluted earnings per share (EPS)	\$1.32	\$2.54	(48%)	\$2.02	\$3.13	(35%)

Fiscal 2023 Results^{1,2,3}

<i>(in millions, except per share data and percentages)</i>	GAAP			Non-GAAP		
	Fiscal 2023	Fiscal 2022	Change	Fiscal 2023	Fiscal 2022	Change
Revenues	\$35,820	\$44,200	(19%)	\$35,832	\$44,169	(19%)
EBT	\$7,443	\$14,998	(50%)	\$11,070	\$16,598	(33%)
Net income	\$7,232	\$12,936	(44%)	\$9,486	\$14,254	(33%)
EPS	\$6.42	\$11.37	(44%)	\$8.43	\$12.53	(33%)

Qualcomm QCT

Q4 2023

Qualcomm's Hardware division declined by 26% to \$7.4 billion in Q4 2023. Handsets experienced a decrease of 26% to \$5.5 billion, and IoT decreased by 31% to \$1.4 billion. Automotive was the only revenue stream in the QCT division to experience an increase (+15%) in revenue of \$535 million. Q4 2023 marks the 12th consecutive quarter that the Hardware division has experienced a YoY increase.

Fiscal 2023

During FY 2023, overall revenue for the Hardware division (QCT) decreased by 19% to \$30.4 billion. Hardware decreased by 22% to \$22.6 billion, and IoT decreased by 19% to \$6 billion. Automotive experienced a 24% increase to a record revenue \$1.9 billion, progressing closer to the manufacturer's goal of \$4 billion in revenue by 2025.

Qualcomm QTL

Q4 2023 & FY2023

Overall, QTL revenues declined by 12% YoY to \$1.3 billion, which was in line with the manufacturer's expectations. During FY2023, QTL revenue decreased by 17% YoY to \$5.3 billion.

Outlook

For the first quarter of its FY2024, Qualcomm expects revenues between \$9.1 and \$9.9 billion. The manufacturer expects revenues between \$1.3 to \$1.5 billion in QTL, with EBT margins between 70% and 74%. In QTC, Qualcomm predicts revenues of \$7.7 billion to \$8.3 billion, with EBT margins between 26% to 28%.

See Also:

[Qualcomm Reports Q3 2023 Financial Results: Revenue Down 23% YoY to \\$8.5 Billion](#) Aug 7, 2023

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Sony Reports Q2 2023 Financial Results, Slowed Revenue Growth of 7.7% On-Year

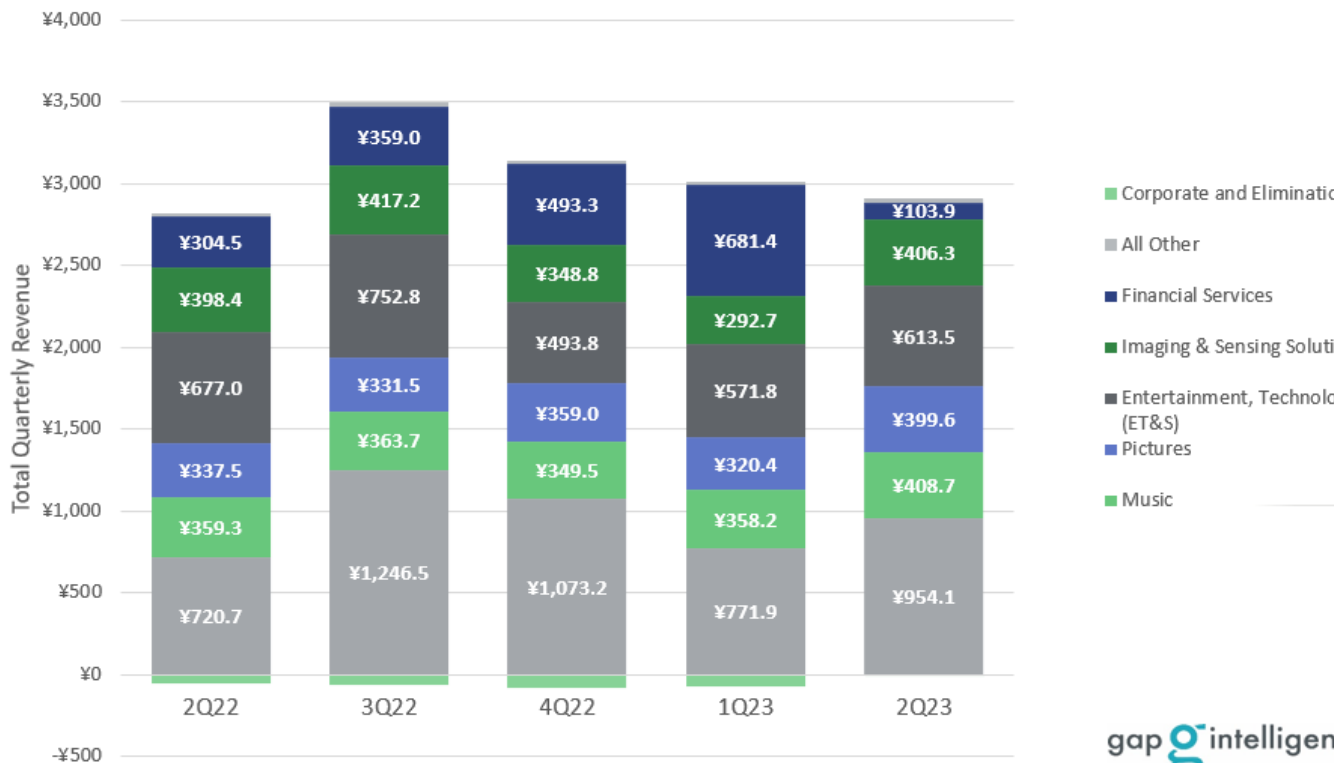
Sony released its [financial results](#) for Q2 2023 ending September 30, 2023, reporting revenue growth of 7.7% to ¥2,828.6 billion (\$19.5 billion). Q2 2023 saw an operating income of ¥263 billion (\$1.7 billion), while net income was ¥132 billion (\$1.32 billion). Sony's performance was largely driven by significant year-over-year (YoY) sales increases in I&SS.

gap impact summary

- Total revenue of ¥2,828.6 billion (\$19.5 billion), up 7.7% on-year

- Operating income of ¥263 billion (\$1.7 billion), down 29% on-year
- Net income of ¥200.1 (\$1.32 billion), down 29% on-year

SONY Quarterly Revenue by Business Segment



Data source: Sony

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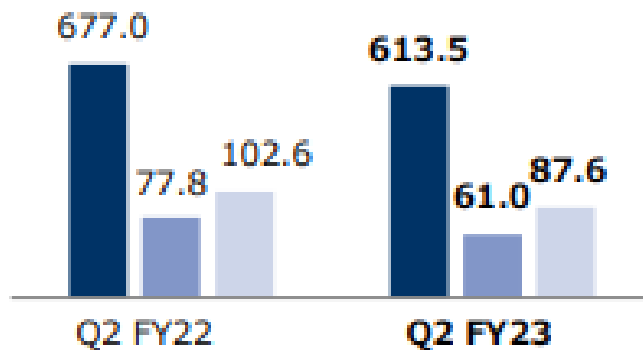
Key Results by Business Segment

Entertainment, Technology & Services (ET&S) [Formerly Electronics, Products & Solutions]

- Sales of ¥613.5 billion (\$4.1 billion), a ¥63.5 billion decrease YoY
- Operating income of ¥61.0 billion (\$30 million), a ¥2.1 billion increase YoY
- Decrease in sales of TV's due to a decrease in unit sales
- Forecasted increase of 0% YoY due to decreased sales of TV's & smartphones

Sales, Operating Income and Adjusted OIBDA (Bln Yen)

■ Sales
■ Operating Income
■ Adjusted OIBDA



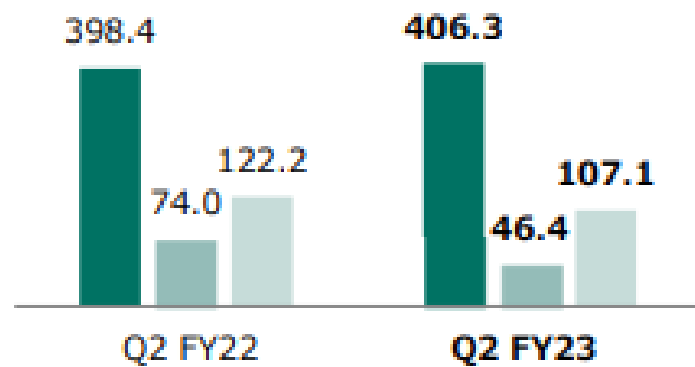
Imaging & Sensing Solutions (I&SS)

- Sales of ¥406.3 billion (\$2.68 billion), a ¥8 billion increase YoY
- Operating income of ¥46.4 billion (\$31 million), a ¥9 billion decrease YoY
- Saw decreases in sales of image sensors for industrial & social infrastructure, but was offset by an increase in sales of image sensors for automotive & industrial/social infrastructure due to favorable foreign exchange rates
- Forecasted increase of 2% YoY due to impact of foreign exchange rates, but will likely see a decrease in sales of image sensors for automotive & industrial/social infrastructure

Sales, Operating Income and Adjusted OIBDA

(Bln Yen)

- Sales
- Operating Income
- Adjusted OIBDA



Game & Network Services (G&NS)

- Sales of ¥954.1 billion (\$6.3 billion), a ¥233.4 billion increase YoY
- Operating income of ¥48.9 billion (\$32 million), a ¥3.6 billion decrease YoY
- Significant increase in sales caused by foreign exchange rates, as well as increases for hardware & no titles including add-on content
- Forecasted increase of 5% due to continued improvement add-on content in non-first party titles

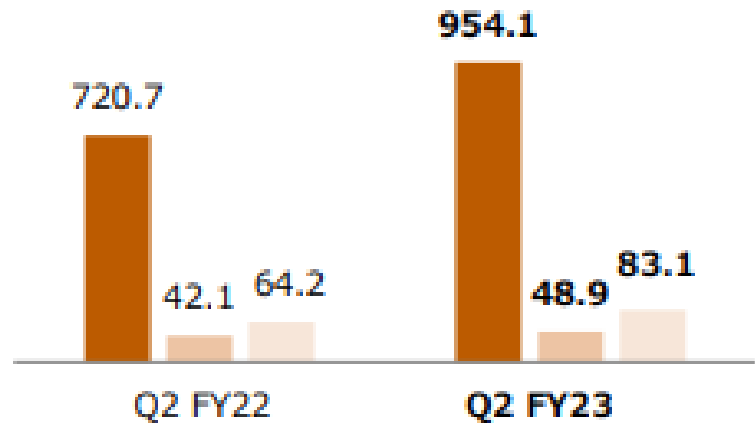
Sales, Operating Income and Adjusted OIBDA

(Bln Yen)

■ Sales

■ Operating Income

■ Adjusted OIBDA



Outlook

For FY 2023, Sony is forecasting ¥12,400 billion in total sales, with ¥1,170 billion in operating income and net income. Sony anticipates nearly all segments will experience increases, especially in the Game & Network segment (+ ¥4,360 billion), with the exception of “All Other, Corporate & elimination” segment experiencing decrease.

FY2023 Results Forecast by Segment

		FY22	FY23 August FCT	FY23 November FCT	C A
Game & Network Services (G&NS)	Sales	3,644.6	4,170	4,360	
	Operating income	250.0	270	270	
	Adjusted OIBDA	337.0	375	385	
Music	Sales	1,380.6	1,490	1,560	
	Operating income	263.1	280	295	
	Adjusted OIBDA	316.4	335	350	
Pictures	Sales	1,369.4	1,470	1,460	
	Operating income	119.3	120	115	
	Adjusted OIBDA	168.2	165	165	
Entertainment, Technology & Services (ET&S)	Sales	2,476.0	2,430	2,440	
	Operating income	179.5	180	180	
	Adjusted OIBDA	276.9	280	280	
Imaging & Sensing Solutions (I&SS)	Sales	1,402.2	1,560	1,590	
	Operating income	212.2	180	195	
	Adjusted OIBDA	408.9	425	440	
Financial Services	Revenue	889.1	1,320	1,210	
	Operating income	318.1	180	155	
	Adjusted OIBDA	322.4	205	180	
All Other, Corporate and elimination	Operating income	-39.8	-40	-40	
	Adjusted OIBDA	-12.9	-15	-15	
Consolidated total	Sales	10,974.4	12,200	12,400	
	Operating income	1,302.4	1,170	1,170	
	Adjusted OIBDA	1,816.9	1,770	1,785	
	Adjusted EBITDA	1,797.6	1,750	1,785	

Adjusted OIBDA and Adjusted EBITDA are not measures in accordance with IFRS. However, Sony believes that these disclosures may be useful information to investors.

See also:

[Sony Reports Q1 2023 Financial Results, Revenue Growth of 33% On-Year](#)

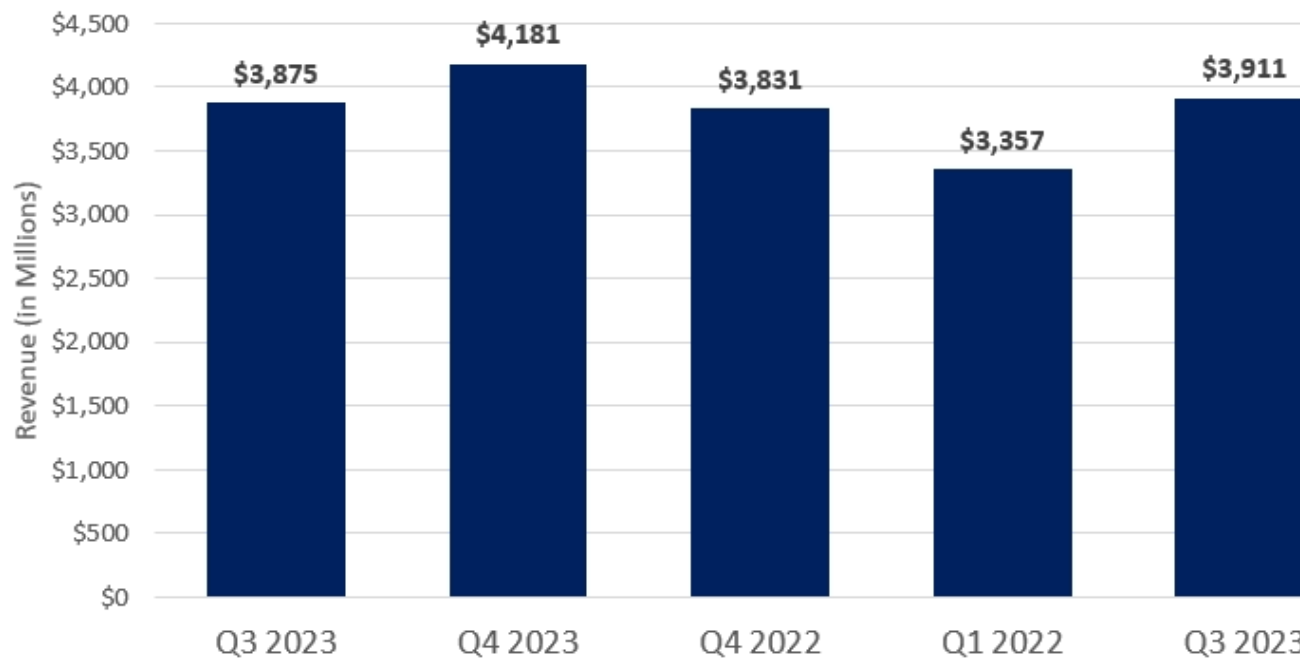
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Asus Reports Q3 2023 Financials: Revenue Down 5% YoY to \$3.9 Billion

Asus recently its Q3 2023 financial results for the three-month period ending September 30, 2023, reporting a decrease in revenue year-over-year to NT\$126 billion (\$3.9 billion). Operating profit increased 176% YoY to NT\$1.1 billion (\$261 million), while net profit increased 79% to NT\$111 million (\$344 million). Overall, Q3 represents a significant improvement over recent quarters as the company and overall PC industry recover.

Note: Q3 2023 US Dollar (\$) conversions are estimates based on historical exchange rates from the ended month. YoY percentages are based on Taiwan New Dollar (NT\$) comparisons.

ASUS Quarterly Revenue Results



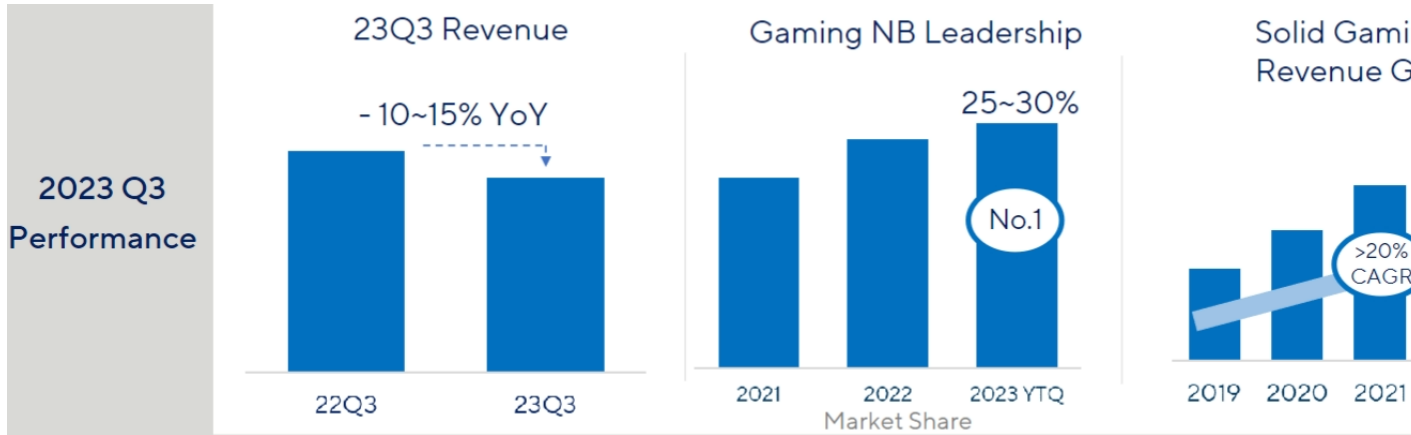
Source: Asus

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gap impact summary

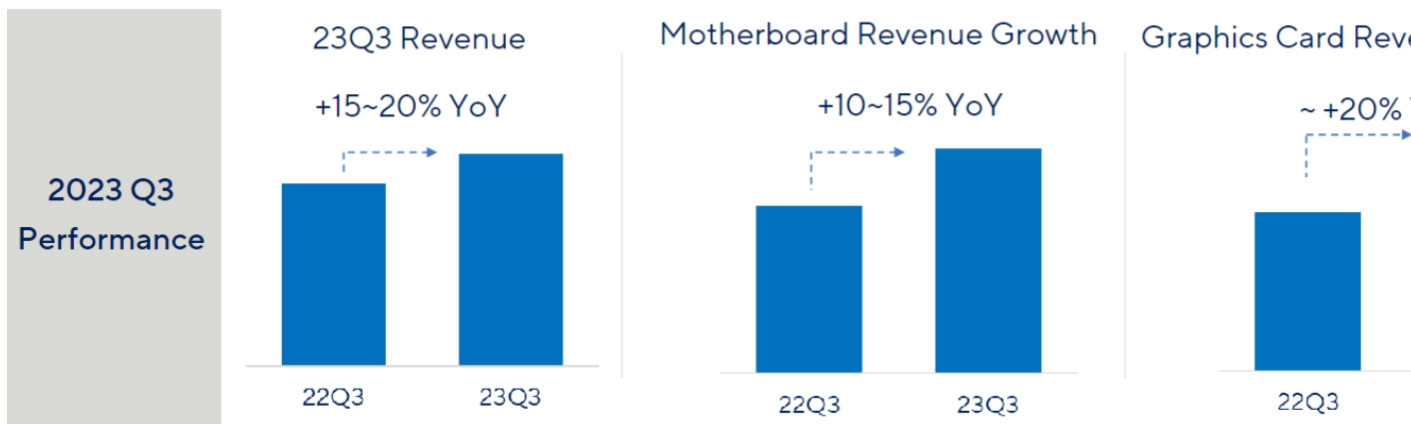
- Asus Q3 2023 revenue decreased 5% YoY to NT\$126 billion (\$3.9 billion)
- Operating profit increased 176% YoY to NT\$8.4 billion (\$261 million)
- Net profit increased 79% to NT\$11.1 billion (\$344 million)
- Product Mix: PC 67%, Component 32%, & Phone 1%
 - Asus' product mix saw a 4ppt decrease in PCs YoY, 5ppt increase in components, and 1ppt decrease in Phones
- Region Mix: 48% Asia, EURP 31%, and 22% Americas

- o 4ppt increase YoY for Americans, with the region mix largely unchanged QoQ



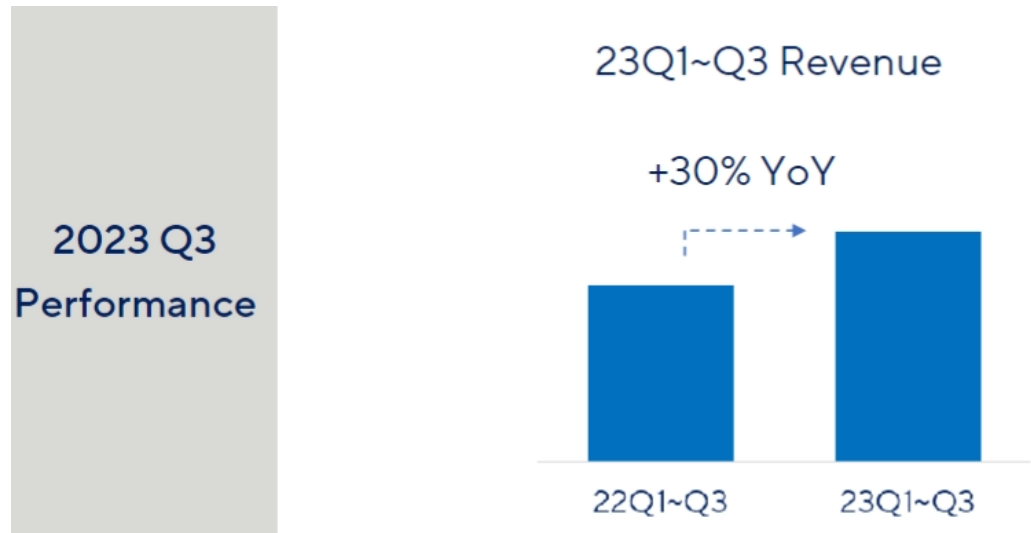
System Business Group

- Q3 2023 revenue decreased 10-15% YoY
- Gaming PC revenue growth expected to be over 20% CAGR
- Asus states it is number one for global gaming market share, with 12% YoY shipment growth so far in 2023
- >60% of Q2 2023 were considered premium PCs
- Asus is still aiming to introduce the "world's first AI PC"



Open Platform Business Group

- Open Platform business group revenue up 15-20% YoY
- Mother Board revenue growth up 10-15% YoY
- Graphics card revenue growth up about 20% YoY



AIoT Business Group

- AIoT Business group revenue grew 30% YoY in Q3 2023
- Asus has taken over Intel NUC and folded it into AIoT business group
- It will be focused on gaming, prosumer, commercial, and industrial markets

Outlook

For Q4 2023, Asus is expecting a 15% decline QoQ for PC revenue but 5% increase QoQ for component revenue. Unlike many other PC companies, it is expecting 2024 to be a good year for shipments and growth as people replace PCs bought during the pandemic; however, Q1 may see a minor QoQ shrink in revenue. Additional insights from the earnings call include:

- Asus believes AI PCs will take off in 2024

- o If Asus is being ambitious with forecasting, it's expecting low single digit penetration ratios in potentially low double digits in 2025
- o Asus expects a simultaneous rollout of AI PCs to both consumers and enterprise
- o AI PCs will have higher MSRP's due to VRAM and processor requirements
- "Decent growth" for gaming notebooks in 2024, with consumer PCs mirroring larger market trends
- ROG Ally amounts to NT\$5 or 10 billion per quarter, with potentially more revenue after Asus releases optimized version next year
 - o It's unclear whether the company is referring to software optimizations or adopting the traditional hardware refresh model of the PC industry

See Also:

[Asus Reports Q2 2023 Financials, Revenue Down 7% YoY to \\$3.4 Billion](#)

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Survey: Holiday Spending Causes Concerns for Shoppers

A new consumer survey from online lending marketplace LendingTree has revealed that nearly half of Americans are "dreading" the holidays this year due to increased costs. The survey found that 47% of Americans are concerned about high costs this holiday season, and that number grows to 60% among parents with children younger than 18. Consumers expect to spend an average of \$654 on holiday gifts this year, and almost a third (31%) think it could send them into debt. Younger consumers are more likely to feel holiday stress than older consumers, leading with Gen Zers ages 18-26 (59%), followed by Millennials 27-42 (59%), Gen Xers 43-58 (43%), and Baby Boomers 59-77 (27%). Lower income consumers are more stressed than high earners, with half of those earning between \$35,000 and \$49,999 saying they're worried about holiday costs, compared to 42% of those earning a six-figure salary.

Half of Americans plan to spend the same amount this year, while 30% plan to spend less and 20% plan to spend more. Gen Zers, six-figure earners, and parents with kids under 18 most likely to increase spending compared to last year.

However, 31% of Americans worry about holiday spending potentially causing debt. 50% of parents with kids under 18 worry about disappointing their children if they don't spend enough on gifts. Over half of Americans are giving up on

expenses to pay for the holidays, with 32% cutting back on items for themselves, reducing dining out or buying 18%, or putting less into their savings 15%.

To help offset costs, about 52% of participants plan to take advantage of sales like Black Friday, led by Gen Z parents with kids younger than 18 (67%) as the most likely groups. Participants are waiting for sales on gifts 46% of gifts, on average, expected to be purchased once they are on sale.

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Survey: Gen Z Shoppers Are More Discerning

Gen Z shoppers are far more likely to lean on social media and price compare online purchases, [according to survey from Nfinite](#). Despite having less purchasing power than older generations, Gen Z shoppers are more likely to make "treating yourself" purchases and multiple smaller purchases instead of a less frequent, big purchases. The vast majority of Gen Z shoppers (84%) have bought from social media ads or content multiple times, with Facebook being the most impactful social platform, followed by Instagram and TikTok. The survey covered 1,019 consumers aged 18-29 (413 male, 606 female). Other insights include:

- 85% engage with influencer marketing or brand collaborations on social media
 - Daily: 8%
 - At least once a week: 23%
 - At least once a month: 32%
 - A few times a year: 23%
- Most effective methods to help make purchase decision
 - Comparing prices and features on e-comm sites (96%)
 - Reading product descriptions and specs (95%)
 - Visiting physical stores to see and test products (95%)
 - Online reviews and ratings (95%)
- 97% of Gen Z are at least slightly willing to buy a product from a brand other than their favorite if it's on sale
 - 35% are slightly willing
 - 43% are moderately willing
 - 20% are very willing

- 90% of Gen Z say personalization is important while shopping
- 91% of Gen Z says sustainability influences their purchase decisions
 - 38% reported a moderate influence
 - 12% reported a strong influence

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Survey: Consumers Willing to Spend on Shipping During the 2023 Holiday Season

According to First Insight's [Retail Consumer Holiday Shopping Trends Report 2023](#), shipping costs experienced the greatest year-over-year (YoY) change out of online purchase conversion factors, increasing 62% compared to 2022. Additionally, 32% of respondents claimed they would spend at least \$10 in shipping fees during the 2023 holiday season, while 75% of Gen X and Boomer consumers are willing to pay \$20 or more. Regardless of shipping prices, 41% of consumers stated a need for promotions between 35% and 50% to convince them to shop online.

Additional Findings

- 87% are willing to pay full price for a gift they know the recipient will want, up YoY from 79%
- 70% of shoppers rarely return gifts, w/ only 13% making returns because they do not like them
- 64% of consumers who are looking to spend less will do so by buying less
- 54% will shop across the in-store & online channels, up from 46% YoY
- 44% are concerned about item availability, down from 55% YoY
- 28% plan to start shopping between November 1 & Thanksgiving, w/ 19% waiting for Black Friday Monday
- 25%-30% is the minimum discount shoppers are looking for this year

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Survey: 74% of Consumers Searching for Deals this Black Friday

According to the 2023 Black Friday consumer sentiment [survey](#) by Boston Consulting Group (BCG), 74% say they will be shopping Black Friday deals (up from 67% in 2022). The BCG survey interviewed upward of 10,000 consumers in the US, Canada, and several European countries, and unveiled that the average spending during Black Friday is forecasted to see an increase between 3-22% (compared to 2022). Notably, more than 50% of surveyed consumers stated that they have cut back on “non-essential” purchases over the last three months. Compared to last year, consumers are checking prices more frequently and 41% are buying more based on deals and promotions.

During Black Friday, Cyber Monday, and Singles’ Day this year, US consumers plan to spend the most on electronics (per head), followed by Switzerland (\$390) and Germany (\$385). Across every country surveyed, shoppers’ preferred ideal type of deal was a clear discount on all items in place of free shipping, bundle deals, or a steep discount on select products. Respondents also shared that in order for a discount to be counted as a “good deal”, it should feature at least 30%-off. Finally, 70% of shoppers said they aren’t sure what brand or product to purchase, leaving space for retailers to shape shopping decisions this holiday season.

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