



Gartner: Foldable phones to account for 5 percent of high-end phones by 2023

Global device shipments will be flat in 2019

Worldwide shipments of devices — PCs, tablets and mobile phones — are on pace to reach 2.21 billion units in 2019, with flat growth year over year, according to Gartner, Inc. The PC market is expected to continue its downward trend, while the mobile phone market is set to return to growth in 2020.

"For the eighth consecutive year, the PC market is at a standstill," said Ranjit Atwal, research director at Gartner. "PC shipments will total 258 million units in 2019, a 0.6 percent decline from 2018." Traditional PCs are set to decline 3 percent in 2019 to total 189 million units (see Table 1). Table 1

Worldwide Device Shipments by Device Type, 2018-2021 (Millions of Units)	Device Type	2018	2019	2020	2021	Traditional PCs	Total		
(Desk-Based and Notebook)	195,317	189,472	182,823	175,058	Ultramobiles (Premium)	64,471	68,869	74,432	79,871
PC Market	259,787	258,341	257,255	254,929	Ultramobiles (Basic and Utility)	149,561	147,963	145,811	143,707
Computing Device Market	409,348	406,304	403,066	398,636	Mobile Phones	1,811,922	1,802,394	1,824,628	1,798,356
Total Device Market	2,221,270	2,208,697	2,227,694	2,196,992	Source: Gartner (April 2019)	"Consumers are increasingly retiring their			

PCs but not replacing them, with shipments down by another 2.5 million units in 2019. For businesses, the Windows 10 migration continues into the next phase. While the U.S. is now in the final phase, China having delayed their migration still has a few years to go. "By moving the Windows 10 migration to 2020, organizations increase the risk of remaining on an unsupported operating system. Windows 7 support is scheduled to end in January 2020," said Mr. Atwal. Gartner analysts predict that Windows 10 will represent 75 percent of the professional PC market by 2021. Mobile Phone Market to Contract in 2019 But Return to Growth in 2020 Shipments of mobile phones are estimated to reach 1.8 billion units in 2019, a decline of 0.5 percent year over year. "Users have reached a threshold for new technology and applications, which means that unless new models provide significant new utility, efficiency or experiences, users don't want or need to upgrade," said Roberta Cozza, research director at Gartner. "As a result, we expect the high-end mobile phone market to continue to show a decline in mature markets during 2019." In 2020, the mobile phone market is forecast to return to growth, with a shipments increase of 1.2 percent from 2019. Nevertheless, vendors need to realize that consumers are extending the lifetime of their phones. Gartner expects the average high-end phone lifetime to increase from 2.6 years to 2.8 years through 2023. Foldable Phones to Account for 5 Percent of High-End Phones by 2023 A number of vendors recently unveiled foldable phones during Mobile World Congress in Barcelona, with many estimated to launch in late 2019. While Gartner analysts expect foldable phones to potentially re-inject innovation in the smartphone market, they are cautious about their short-term uptake due to trade-offs. Gartner estimates that foldable phones will account for 5 percent of high-end phones by 2023, amounting to 30 million units. "We expect that users will use a foldable phone as they do their regular smartphone, picking it up hundreds of times a day, unfolding it sporadically and typing on its plastic screen, which may scratch quickly depending on the way it folds," said Ms. Cozza. "Through the next five years, we expect foldable phones to remain a niche product due to several manufacturing challenges. In addition to the surface of the screen, the price is a barrier despite we expect to decline with time. Currently priced at \$2,000, foldable phones present too many trade-offs, even for many early technology adopters." In the short term, Gartner analysts expect manufacturers to provide more form factor experimentation with foldable phones, as they aim to understand optimal usability patterns and user preferences. "A key consideration for product managers is to place usability at the core of their product development, ensuring the user experience is continuous and seamless across all foldable screens," said Ms. Cozza.

Gartner clients can read more in "Forecast: PCs, Ultramobiles and Mobile Phones, Worldwide, 2017-2023, 1Q19 Update."

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