

Trakin Tech × techarc

A JOINT STUDY

What Will India Do if Smartphones Keep Getting Pricier?

A nationwide study of nearly 6,000 smartphone buyers on how a price rise would reshape their plans for the festive season of 2026.

5,958

PEOPLE SURVEYED

11

BRANDS COVERED

Pan-India

METRO TO RURAL

T H E H E A D L I N E F I N D I N G

More than half of intended buyers would hit pause

54%

of the demand that exists today would not convert into a purchase this festive season if prices rise more than expected.

Crucially, this is mostly demand delayed — not demand destroyed. Most of these buyers intend to come back when prices feel right.

Based on 5,958 respondents · figure reflects intent-weighted demand among buyers and undecided buyers

1 in Every 4 Smartphone Units Could Be Deferred

25-30%

of annual smartphone sales could be affected if prices continue rising at the current pace.

With 54% expected demand erosion in the festive half (Jul-Dec) of calendar year 2026, the overall volume sales could go down by 25-30%. This translates to annual sales in the range of 115-120 million units for the period.

Prices are already up — and will keep rising

Memory cost inflation has repriced nearly every smartphone model — and the trend is set to continue through 2H 2027

+8–12%

avg price rise Jan–May 2026

79

models · 21 brands · 6 price tiers

2H 2027

price rises expected to continue

What is driving this?

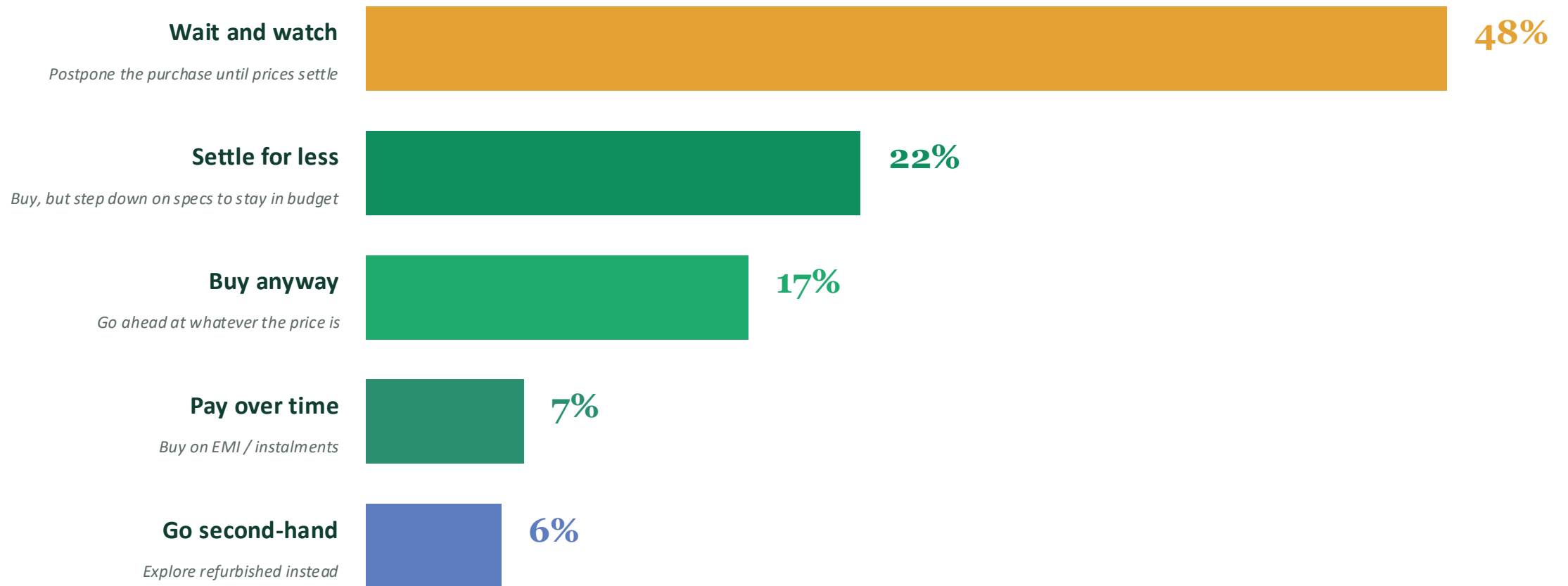
Global NAND flash and DRAM memory costs surged through 2025-26, forcing OEMs to reprice across all tiers. Entry and base segments have been hit hardest — prices have risen 8-12% on average since launch, with the steepest increases in the sub-₹20K segment where memory costs are proportionally highest.

With memory supply constraints persisting and currency pressures continuing, prices are expected to keep rising through 2H 2027 — making the affordability challenge structurally worse before it gets better.

FIVE CONSUMER PATHS - TWO DRIVE EROSION

When prices rise, buyers do one of five things

How the would-be buyers said they would respond to a higher-than-expected price — defer (48%) + second-hand (6%) = 54% demand erosion

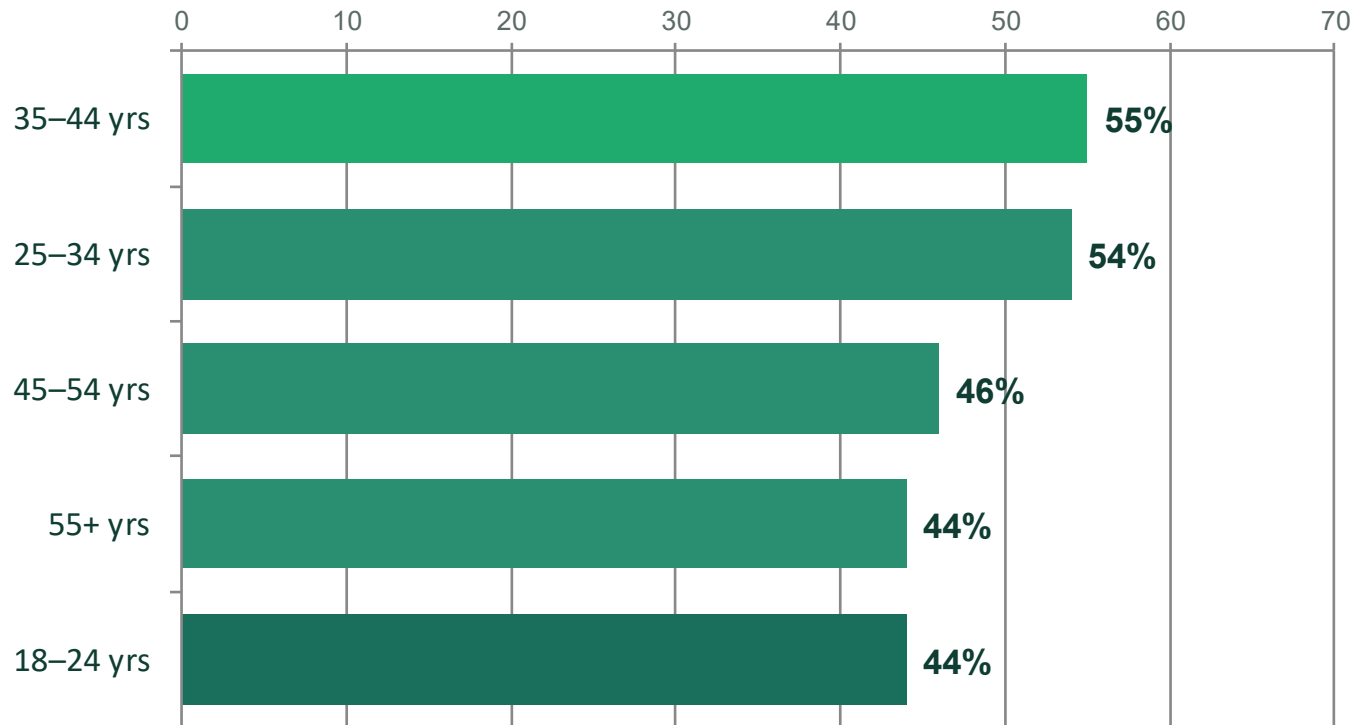


Figures rounded to the nearest whole number and may not sum to 100. Base: 3,116 buyers and undecided buyers.

WHERE TO FOCUS - AND WHERE TO AVOID

It's not the youngest who pull back the most

Buyers in their late 30s and 40s are the most likely to wait — the youngest are the most committed



STRATEGIC IMPLICATION

Family responsibilities

Buyers aged 35-44, deferring at 54.8% — the highest of any band — represent a low-return investment of marketing spend. Buyers aged 18-24, deferring at just 43.1%, are the most resilient cohort and the most aspirationally receptive: the priority growth segment.

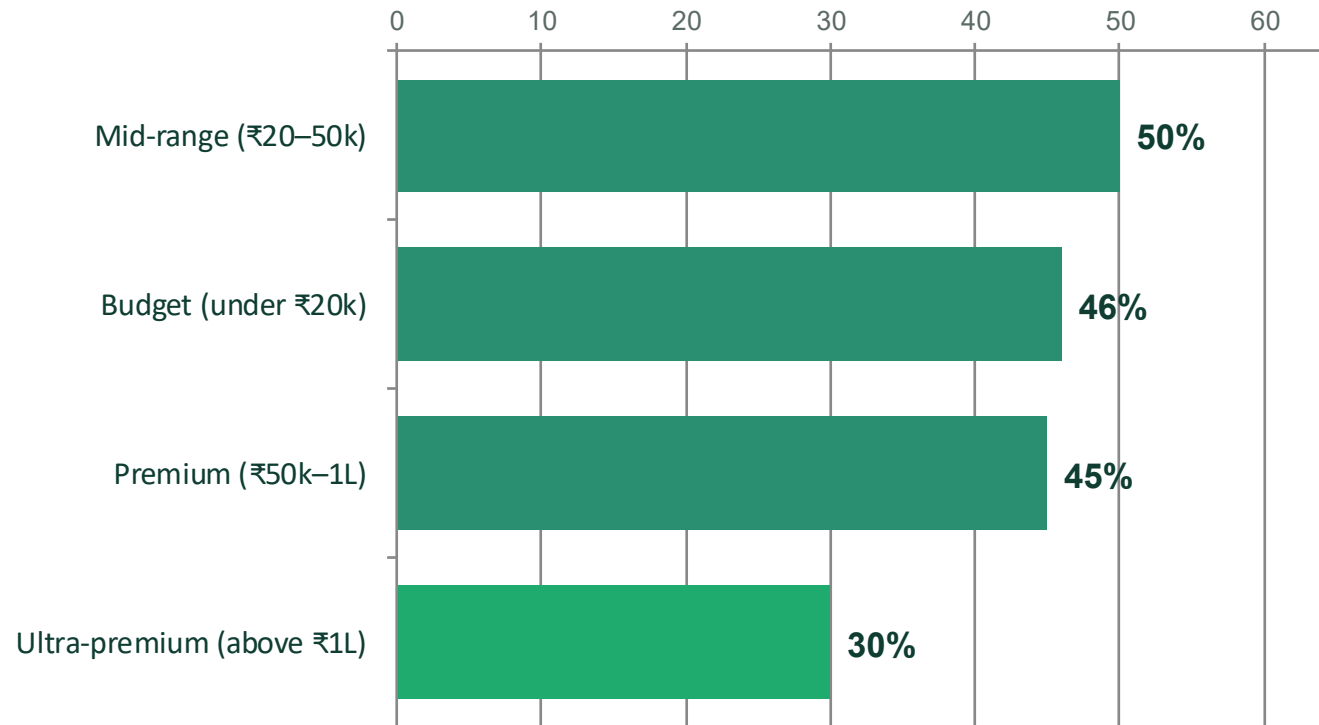
The youngest buyers (18-24), by contrast, are the most determined to buy — a new phone is often a higher personal priority for them.

Share of buyers in each age group who said they would wait for prices to settle. Base: 3,116 buyers and undecided buyers.

T H E P O C K E T S T H E I N D U S T R Y C A N L E V E R A G E

The priciest-phone owners are the calmest

People who already own the most expensive phones are the least likely to pull back



STRATEGIC IMPLICATION

Price matters least at the top

Ultra-premium segment (>₹1L owners) defers at just 30.9% and buys regardless at 44.4% — the most valuable, most defensible pocket. Mid-range (₹15-30K) is the most fragile tier with 49.3% defer rate. Brands should concentrate premium defence spend, not dilute it across all tiers.

The most price-sensitive group sits in the middle — mid-range buyers, where budgets are tighter and alternatives are plenty.

Price tier based on the value of the buyer's current phone. Base: 3,116 buyers and undecided buyers.

NOT EVERYONE BEHAVES THE SAME

Six kinds of buyers in the market

Demographics don't predict price behaviour — behaviour does. These archetypes define the demand landscape and what the industry must do differently for each group.

31%**Frustrated Waiters**

Need a new phone but the price is holding them back

20%**Aspirational Climbers**

Want to step up to a better phone, will adjust to afford it

17%**Patient Deferrers**

In no hurry — happy to wait for the right moment

11%**Determined Buyers**

Will buy regardless of price

10%**Finance-First Buyers**

Will buy if EMI makes it manageable

6%**Second-hand Curious**

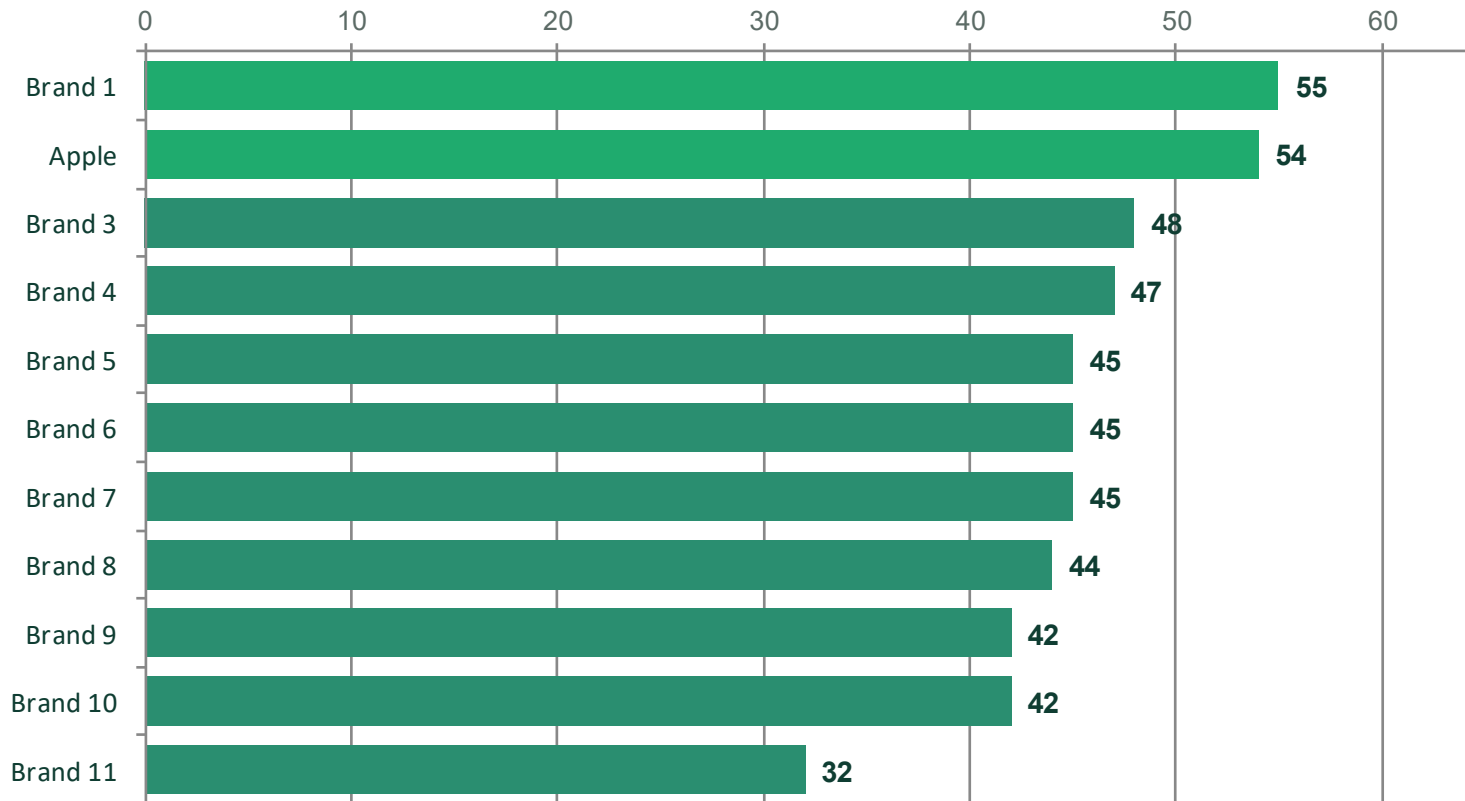
Open to refurbished to save money

Groups derived from buyers' stated price response, phone age and budget. Two smallest niche groups not shown. Base: 3,116.

BRAND RESILIENCE - WHO CAN WITHSTAND THE PRESSURE

Which brands' buyers stay most committed

Some brands have buyers who stick with their plans even when prices rise



HOW TO READ THIS

50 and above

Most committed

Buyers stay loyal to their plans · Apple and only 1 Android brand.

30 to 49

In the middle

A balanced mix of staying and waiting · Most major brands

Below 30

Most price-sensitive

Buyers pull back the most · None this year

Commitment score = share of a brand's buyers who would still buy (at full price, on EMI, or by adjusting specs) rather than wait. Brand groups as collected in the survey.

The market tomorrow looks different from today

Buyer priorities are shifting — the industry needs to respond to where demand is heading, not where it has been

Youth-led, value-driven

57% of respondents are aged 18–24. Students form 46% of the base. This rising cohort will define the market; they defer at 43% — the lowest of any age group — and are highly brand-aspirational and EMI-receptive.

Experience over specs

Camera (60%), battery (57%) and processor (54%) top upgrade priorities. Display and software longevity are rising. Pure spec-sheet upgrades are less compelling — buyers want experiential improvements.

Mid-tier: most contested ground

₹15-30K segment has the highest absolute deferral volume (727 units at risk). 22% of buyers in this band will downtrade rather than wait. The mid-tier SKU pyramid is the most critical battleground.

Finance & refurb going mainstream

Past EMI users are 3.5x more likely to use EMI again. 6.3% are now open to refurbished. Finance and pre-owned pathways are no longer fringe — they are emerging channels that brands must own or lose.

THREE STRATEGIC IMPERATIVES FOR THE INDUSTRY

What these fundamental shifts mean for the industry

How the industry can look at these shifts and strategise to minimise demand erosion

01

Demand is delayed, not gone

More than half of buyers would wait — but waiting means the demand is recoverable. A well-timed festive push can win much of it back.

02

The festive window is decisive

With so many buyers waiting for the right price, the festive season becomes the single most important moment to convert held-back demand.

03

Segment and stratify — not one playbook for all

The resilient pockets — ultra-premium, young aspirational buyers, Tier-2/3 cities — can be leveraged. The fragile ones — senior millennials, mid-range, deal-seekers — need targeted intervention or should be deprioritised in spend.

Every brand needs its own 4P blueprint

The emerging market condition must be cross-analysed with each brand's own portfolio, strengths, and vulnerabilities identified in this survey

Product — right SKU pyramid

Build a mid-spec “Lite” variant that carries flagship experience. Premium SKUs should be held at price; mid-tier is where SKU strategy will win or lose.

Price — tier-specific discipline

Hold pricing on ultra-premium (inelastic buyers). Deploy targeted festive discounts only on mid-tier. No blanket cuts that destroy brand equity without protecting volume.

Place — channel & timing

51.5% of deferrers are online buyers — time interventions to festive flagship events. Tier-2/3 cities show lower defer rates and are an underpenetrated opportunity.

Promotion — archetype targeting

Frustrated Waiters need trade-in offers. Aspirational Climbers need step-up narratives. Finance-Reliant need no-cost EMI. One campaign cannot convert all archetypes.

A B O U T T H E S T U D Y

How we did this

The method, the sample, and the people behind the numbers.

THE PEOPLE BEHIND THE NUMBERS

Who we asked

Nearly 6,000 smartphone users across India took part

5,958

People surveyed

across the country

11

Brands covered

all major smartphone brands

Metro → Rural

Every city type

big cities to small towns

2 languages

English & Hindi

for wider reach

A note on who took part

The study reaches an active, online, tech-engaged audience — the people most likely to be researching and buying a new smartphone. As with most online studies, younger and urban buyers are well represented. The findings describe this engaged buyer well; they are not a census of every phone owner in India.

HOW CONFIDENT CAN YOU BE

How sure are these numbers?

A plain-language guide to reading the findings

The big-picture numbers are solid

With nearly 6,000 responses, the headline findings — like "more than half would wait" — are reliable to within about two percentage points. Margin of error ± 1.8 percentage points at 95% confidence. Think of it like a well-run opinion poll.

This is the engaged buyer, not all of India

The study describes active, online smartphone buyers very well. It is not designed to represent every phone owner in the country.

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Thank you

A joint study on the mind of the Indian smartphone buyer.

TRAKIN TECH

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A technology analytics, research and consulting firm tracking the Indian device and telecom market.

For any queries on this report, please write to info@techarc.net / insights@trak.in