

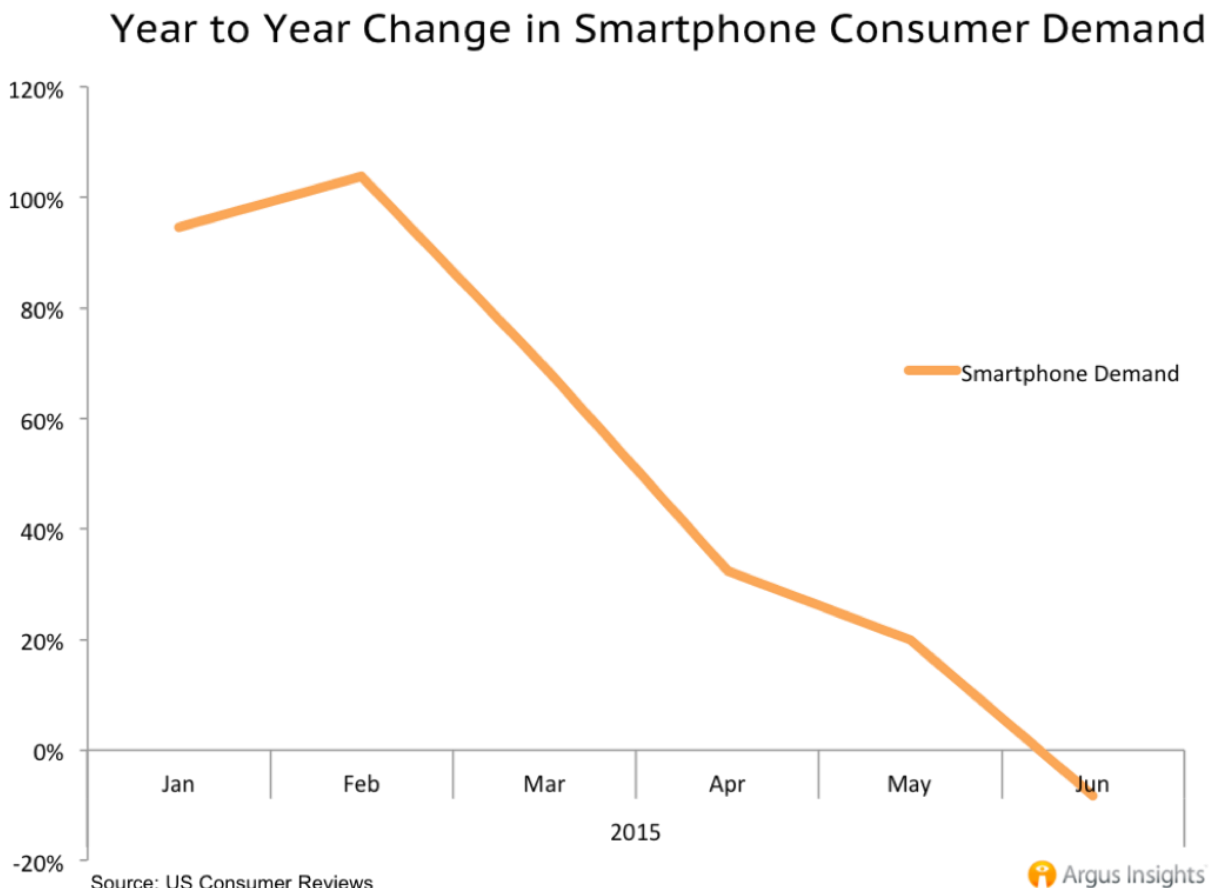
US Smartphone Demand Q2 2015

*Consumer Smartphone Demand is Plummeting
Despite the Introduction of Flagship Phones*

US Smartphone Demand: Q2 2015

Consumers are losing interest in the smartphone market, and Samsung's flashy flagship phones could not reverse the trend. New phones are typically a vague improvement on old ones, with better cameras, memory, etc., but these small improvements are failing to create urgency for consumers to upgrade right away. The holiday season of 2014 saw extreme smartphone demand, and it will take something truly interesting in a handset to inspire those consumers to ditch their holiday gifts and upgrade early. Samsung managed to gain back mindshare in the US market with the release of their flagship Galaxy S6 and S6 Edge handsets in April 2015, but even this high profile release did not boost market demand.

Following a strong holiday season, consumers have been steadily losing interest in the smartphone market, with an 8% drop in smartphone demand compared to June 2014. The smartphone market may have reached a point of saturation, as consumers are failing to demonstrate the same amount of interest as they were during the same time just last year.

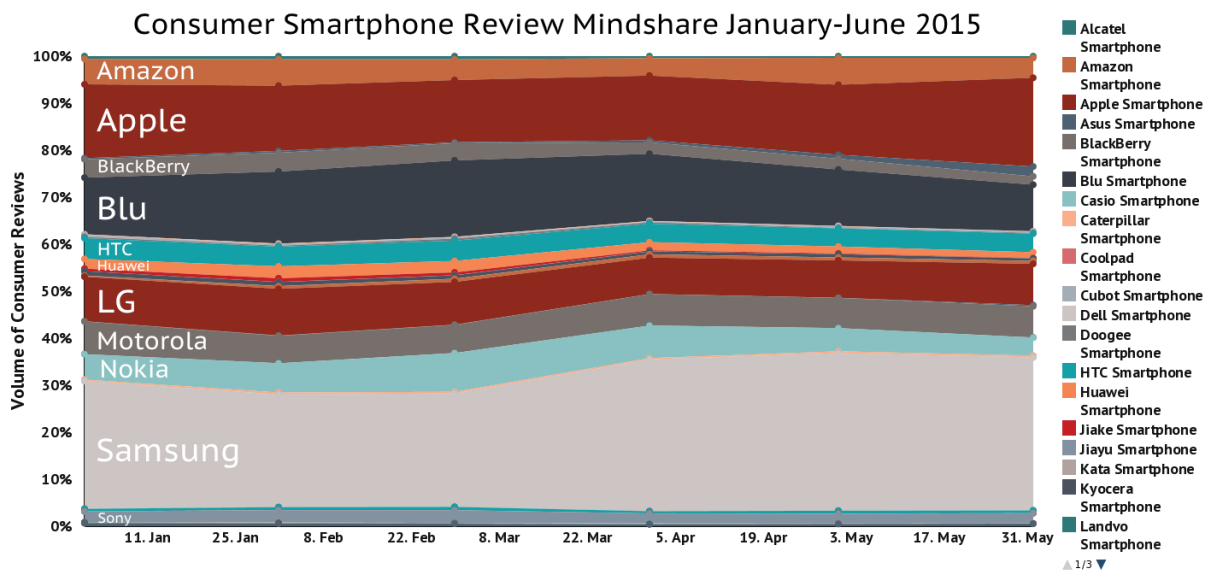


Smartphone Demand has dropped -8% compared to June 2014

Despite the drop in consumer demand, Samsung and Apple maintained their smartphone prowess in a slowing Q2 2015. Their consumer review mindshare within the US smartphone market grew, but only relative to other brands. Samsung secured a large portion of the consumer review mindshare in the US smartphone market, seeing an influx in mindshare corresponding to the time at which the Galaxy S6 and S6 Edge were made available in April. This boost was a result of interest in the Galaxy S6 and S6 Edge, [predominantly contrived by retailer promotions](#), plus sustained interest in the Galaxy S5 and Note 4, all of which helped Samsung to earn back slipping consumer attention in the US market. This additional mindshare came at a time when overall consumer interest was falling, so the mild interest in Samsung's flagships did not help to increase demand.

Apple is the only other major smartphone manufacturer to post mindshare gains in Q2. Though their new iPhones were released back in September, interest continues to grow around the ever-popular iPhone 6. While Samsung is already seeing a stall in mindshare just months after the release of their flagship phones, Apple's iPhone 6 and even older iPhone 5 continue to promote growth in mindshare.

***Apple does not allow consumers to review Apple products on their website, therefore Apple numbers are under represented in this data set, while the trends remain indicative**

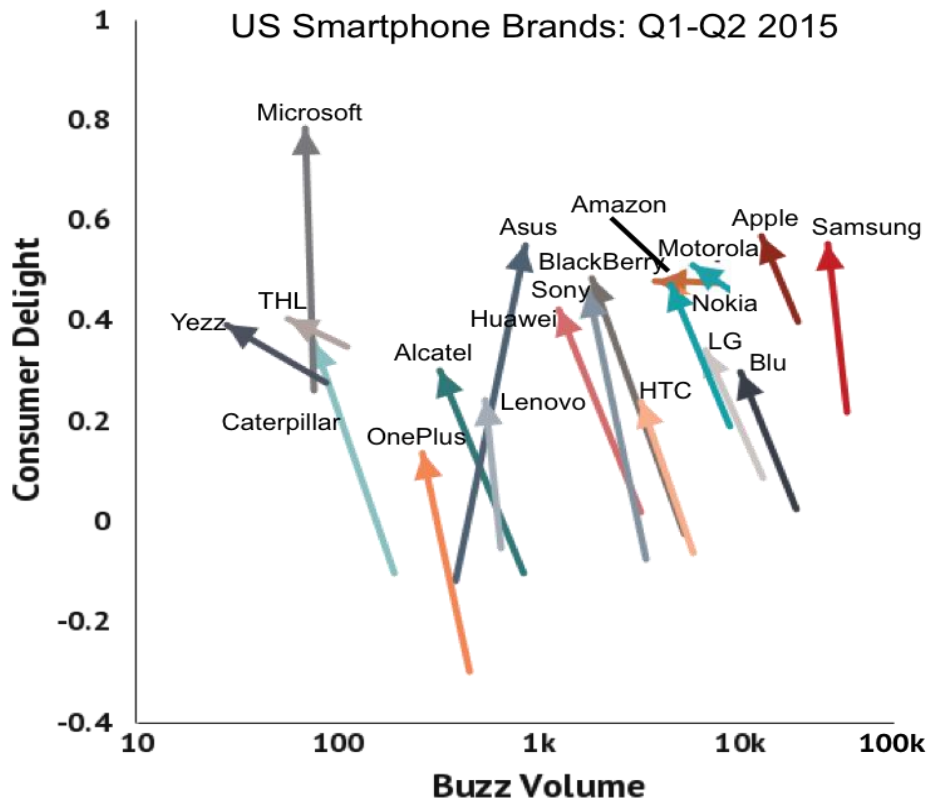


For period 1/1/15 thru 6/30/15, Sources included: Reviews

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Samsung & Apple are the only manufacturers to see growth in consumer review mindshare in the shrinking US smartphone market

In addition to leading the market in terms of mindshare and demand, Apple and Samsung were ranked among the most delightful smartphone manufacturers. The powerhouse brands saw higher satisfaction ratings from US consumers than all other brands, except for the far less popular Microsoft and Asus. In the midst of shifting away from Nokia branding, Microsoft saw an increase in delight from the few consumers reviewing their Microsoft Lumia 640 and the Microsoft Lumia 535 handsets, crowning Microsoft as the most delightful of the quarter. The Asus ZenFone 2 was a top delighter as well, driving up Asus' delight to rank them among Apple and Samsung. Aside from the top delighters of the quarter, Motorola is leading the mid tier manufacturers like LG and HTC in delight, due to happy Moto X and Google Nexus 6 users.

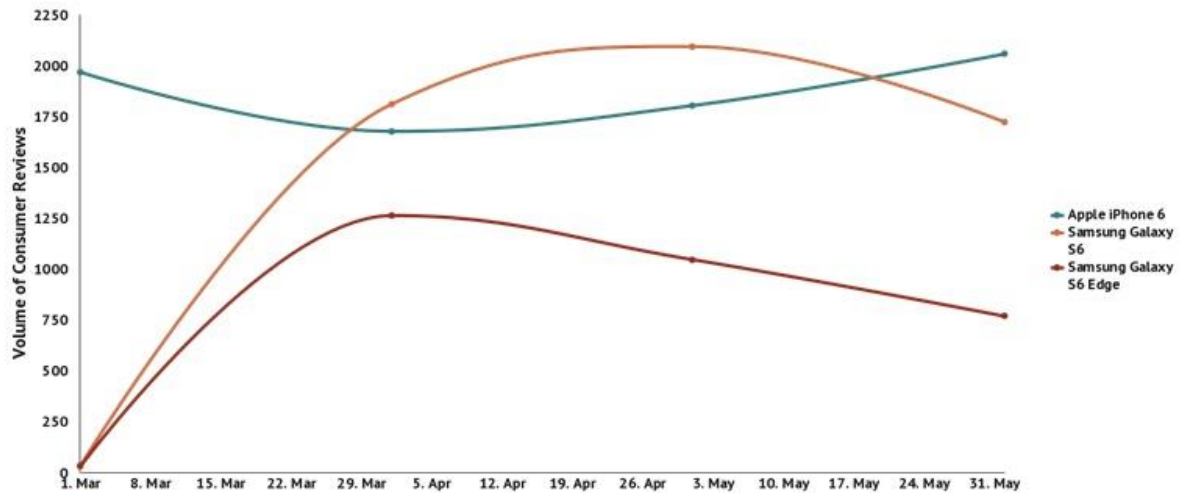


For period 4/1/15 thru 6/30/15, Sources included: Reviews

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The number of delighted smartphone consumers is dropping across most brands

Taking a closer look at the changes in consumer perception of Samsung and Apple, the plight of the Galaxy S6 and S6 Edge in the face of continued iPhone frenzy is clear. After an initial boost in demand just as Samsung's flagships were released, consumers became less and less interested. Demand for the Galaxy S6 and S6 Edge began to drop shortly after their release. At this same time, Apple's iPhone 6 saw an increase in demand, despite being on the market for several months. Samsung's flagship phones failed to challenge Apple for more than a month, even with the aid of promotions. New Galaxy S6 and S6 Edge customers are becoming less satisfied as time goes on while their more obscure handsets are boosting brand delight. Samsung's Galaxy S6 and S6 Edge launch was another failed attempt to challenge Apple's smartphone dominance, as consumers are not budging for more of the same. Smartphone manufacturers have yet to present novel features to greatly improve the consumer experience, and until this happens, consumers continue to flock to iPhones.



For period 3/1/15 thru 6/30/15. Sources included: Reviews

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Apple's iPhone 6 saw increasing interest as the recently launched Galaxy S6 and S6 Edge lost attention

About Argus Insights

Argus Insights is Silicon Valley's first big data driven Market Coach. Recognizing that companies are constantly striving to achieve and sustain market fit in the face of competitive threats and shifting customer preferences, Argus Insights continuously monitors and analyzes millions of consumer touchpoints with their patent pending technology to measure the degree to which products satisfy market demand. Through insights derived from the firm's proprietary customer insights platform, clients take targeted actions to improve market fit and revenue performance so they can surpass the competition.

Argus Insights coaches well-established and developing companies from Fortune 100 to small startups on market fit. We publish monthly market fit reports for a variety of B2B and B2C markets immediately at the month's close while other firms force clients to wait a month or more for results.

Take action today, visit <http://www.argusinsights.com/>

Methodology

Argus Insights is founded on the fact that mindshare predicts demand. Through curated analysis of global consumer reviews and social media conversations, we provide comprehensive visibility at market, product, and attribute levels to determine what is delighting and disappointing the market. Our customers take action on our insights to deliver better products, more impactful launches, create forecasts, perform competitor analysis, and track events and analyst relations.