Media alert: Vivo takes second place in China as market keeps on growing

Palo Alto, Shanghai, Singapore and Reading (UK) – Friday, 29 April 2016

Smart phone shipments in China grew by 1.3% year on year to over 104 million units in Q1 2016. Huawei, Vivo, Xiaomi, Oppo and Apple made up the top five, with Vivo taking second place for the first time. 'Q1 was a promising start to 2016 for China. The Chinese market outperformed the global market, which contracted for the first time in its history. Buyers are looking for the best designs and most innovative user experiences, as well as great quality at the best price, and there are no signs of a slowdown in consumer spending. This means that vendors such as Apple and Lenovo suffered as they lacked new flagship models to tempt customers in the first three months of the year,' said Jessie Ding, a Canalys Research Analyst based in Shanghai.

Apple struggled in China as iPhone shipments fell by around 15% on a year ago, compounding the effect of currency on revenue. 'Local vendors, such as Huawei, Vivo and Oppo, are eating into the premium segment that Samsung and Apple considered their own,' said Ding. Market leader Huawei shipped 16.5 million smart phones in Q1, a 48% year-on-year increase, while Xiaomi is under tremendous pressure to regain its growth momentum. 'Huawei has delivered on its strategy to boost shipments in the premium segment and this has had a knock-on effect throughout its portfolio. But the market moves extremely fast and continues to be disrupted by new players, such as Meizu and LeEco, which are expanding with aggressive pricing models. But Xiaomi's performance shows that companies that bet on low-income consumers to expand will fail to build loyalty.'

Smart phones, China, share of units (%), Q1 2015 and Q1 2016

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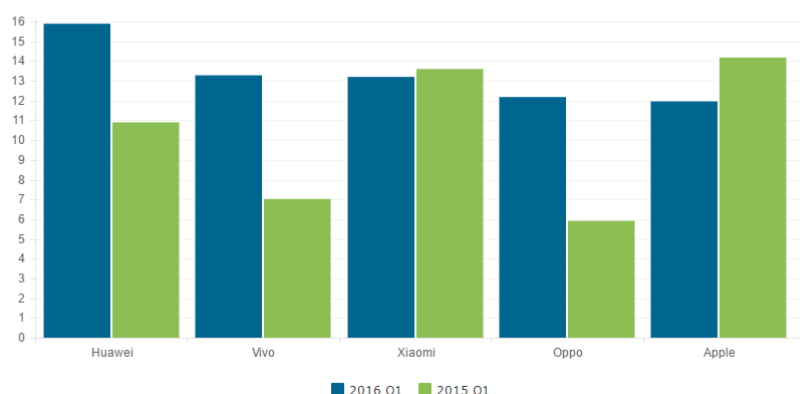
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