Xiaomi beats Samsung to become top smartphone vendor in India

Palo Alto, Shanghai, Singapore and Reading (UK) – Wednesday, 24 January 2018

India’s smartphone market has finally seen a change at the top, with Xiaomi now leading with shipments close to 8.2 million units in Q4 2017. Despite annual growth of 17%, Samsung failed to maintain its lead, shipping just over 7.3 million smartphones to take second place. The smartphone market in India grew by a modest 6% overall, in line with Canalys forecasts, following the seasonal dip as vendors and channel partners take stock after a busy Q3. Vivo, Oppo and Lenovo rounded out the top five, while total smartphone shipments were just shy of 30 million units.

“Xiaomi’s persistence has paid off,” said Ishan Dutt, Canalys Research Analyst. “Its results are commendable, given it entered the market just three years ago. Multiple factors have contributed to Xiaomi’s growth, but the key reason for its current success lies in the autonomy that it granted its Indian unit, letting it run the business locally. Localization in channel strategy, marketing and products has been evident in Xiaomi’s Indian operations.”

Together, the top two vendors now command more than 50% of the smartphone market in India, with market leader Xiaomi at 27% and second-place Samsung at 25%.
“Samsung’s loss comes from its inability to transform its low-cost product portfolio,” said Rushabh Doshi, Analyst. “It has been unable to win over cost-conscious consumers, losing market share in the sub-INR15,000 (US$240) segment to Xiaomi quarter after quarter. Despite its ability to offer better margins and funding to the offline channel, consumer demand for Samsung’s devices has been weak. But it has far superior R&D, and a better hold on the supply chain due to its strong components business. The power struggle between Xiaomi and Samsung will continue well into 2018, as Samsung revamps its low-cost portfolio and fights to take back the aspirational status it once held in minds of Indian consumers.”

Xiaomi’s success in India will have far-reaching implications for its worldwide strategy, giving a big boost to its overseas ambitions. Considerable business in the world’s largest two smartphone markets will build confidence in its partners as well as future investors. “But growth in 2018 will be hard to come by,” added Doshi. “As Xiaomi’s market share reaches saturation point in India, and the market continues to shrink in China, it must contend with slower growth for its smartphone business as it begins to expand in other countries.”

Smartphone quarterly estimate and forecast data is taken from Canalys’ Smartphone Analysis service.

For more information, please contact:

Canalys EMEA: +44 118 984 0520
Ben Stanton: ben_stanton@canalys.com +44 118 984 0525
Canalys APAC (Shanghai): +86 21 2225 2888
Hattie He: hattie_he@canalys.com +86 21 2225 2814
Mo Jia: mo_jia@canalys.com +86 21 2225 2812

Canalys APAC (Singapore): +65 6671 9399
Rushabh Doshi: rushabh_doshi@canalys.com +65 6671 9387
Ishan Dutt: ishan_dutt@canalys.com +65 6671 9396

Canalys Americas: +1 650 681 4488
Vincent Thielke: Vincent_thielke@canalys.com +1 650 656 9016

About Canalys
Canalys is an independent analyst company that strives to guide clients on the future of the technology industry and to think beyond the business models of the past. We deliver smart market insights to IT, channel and service provider professionals around the world. We stake our reputation on the quality of our data, our innovative use of technology and our high level of customer service.

Receiving updates
To receive media alerts directly, or for more information about our events, services or custom research and consulting capabilities, please complete the contact form on our web site.
Alternatively, you can email press@canalys.com or call +1 650 681 4488 (Palo Alto, California, USA), +65 6671 9399 (Singapore), +86 21 2225 2888 (Shanghai, China) or +44 118 984 0520 (Reading, UK).

Please click here to unsubscribe