

Media alert: Xiaomi closes in on Samsung as Indian smartphone shipments grow 12% in Q1

Palo Alto, Shanghai, Singapore and Reading (UK) – Thursday, 27 April 2017

India's smartphone market grew 12% year on year in the first quarter of 2017, with over 27 million units shipped, but no new names entered the top five. With Samsung trading water in first place, significant sequential growth saw Xiaomi and Vivo take second and third place respectively. Lenovo moved up a place to fourth, while Oppo fell back to fifth.



India's smartphone market grew 12% as second- and third-placed @Xiaomi and @Vivo_India made gains on leader @Samsung

The top three players now have markedly different channel strategies. Samsung maintained its market share, shipping just over 6.0 million units. Sustained J-series shipments to its established offline distribution partners ensured that it stayed on top.

Xiaomi continued to grow in Q1 2017, accounting for 14% of shipments in the quarter, up from 3% a year ago, as it closes in on 4 million units. "Xiaomi's success in India is underscored by its online go-to-market strategy. Demonetization seems to have had no impact on it, as its target customer is young, Internet-enabled and primarily buys online," said Canalys Research Analyst Ishan Dutt.

Third-placed Vivo surpassed the 10% mark this quarter, with an impressive 36% growth in sequential shipments. "Vivo was just shy of shipping 3 million smart phones in the quarter. Its strategy to focus on the highly fragmented 'unorganized' retail market is paying off," said Mo Jia, Research Analyst. "Its ability to drive sales by investing in marketing campaigns has seen it displace local vendors that once thrived in this space."

The Indian smartphone market is set for upheaval as the government looks to phase in its Goods and Services Tax in the coming quarters. "We will see a change in vendors' channel strategies as new distribution models become more cost-effective," said Dutt. "Pure online players are likely to suffer, and those that react quickly to the new regulations will benefit."

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