

## Media alert: China conquers India

Palo Alto, Shanghai, Singapore and Reading (UK) - Tuesday, 24 January 2017

In Q4 2016, Indian smart phone vendors were pushed out of the top five as Chinese vendors continued to grab market share with extremely price-competitive devices. Local vendors have also been hit hard by the Indian government's decision to demonetize the INR500 and INR1,000 (US\$7.30 and US\$14.65) banknotes.

"Local brands' target customers typically buy in cash and from independent retailers. With the short-term liquidity crunch caused by demonetization, these retailers are suffering a slowdown in consumer spending. Local vendors are losing out as retailers look to shift their stock to fast-moving, current devices," said Canalys Analyst Rushabh Doshi. "In Q4 2015, Micromax, Intex and Lava took second, third and fifth place, accounting for almost 30% of the market. One year on and all three vendors have dropped out of the top five, with their collective share falling to around 11%."

Samsung continues to lead the market with shipments of around 6.2 million units and a 22% share, in line with the previous quarter. Second-placed Xiaomi's focus on Indian expansion continued to pay off as it reached the 3.0-million-unit mark, growing by more than 230% year on year. Oppo was the best-performing vendor in the top five, shipping 2.6 million units, up from 150,000 a year ago, and a 150% increase from the previous quarter. Lenovo finished fourth with just under 2.6 million units shipped, followed by Vivo, which shipped just over 2 million smart phones.

Indian smart phone market					
Market shares Q4 2016, Q4 2015					
Region	Q4 2016		Q4 2015		Growth Q4'16/Q4'15
	shipments (m)	% share	shipments (m)	% share	
Total	28.1	100%	27.0	100%	4%
Samsung	6.2	22%	7.0	25%	-11%
Xiaomi	3.0	11%	0.9	3%	232%
Oppo	2.6	9%	0.2	1%	1,578%
Lenovo	2.6	9%	3.0	11%	-14%
Vivo	2.1	7%	0.3	1%	647%
Others	11.6	41%	15.6	59%	-25%

Source: Canalys estimates, © Canalys 2017  
Note: Where applicable, a vendor's shipment numbers exclude rebranded products for which they act as an ODM.

"Oppo's intensive brand-building has paid off. In the past year, it has sponsored popular TV shows, T20 cricket and signed up local celebrities Hrithik Roshan and Sonam Kapoor to build popularity," said Research Analyst Lucio Chen. "Beyond sponsorships, Oppo has also driven strong channel expansion activities, investing in channel marketing initiatives and securing vital shelf space with local mobile retailers. While this is a capital-intensive approach, the significance of building a brand in India cannot be underestimated."

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