

India's smartphone shipments fall for the first time, as Xiaomi, Vivo and Oppo post best performances to date

Palo Alto, Shanghai, Singapore and Reading (UK) – Wednesday, 26 July 2017

The Indian smartphone market contracted for the first time in its history, as shipments to the country fell 4% year on year to just under 27 million units in Q2 2017. Samsung continues to lead the market, with a 25% share, followed by Xiaomi, which more than quadrupled its shipments to 4.8 million units this quarter. Vivo took third place, shipping an all-time high of 3.4 million units, owing to its rising popularity among tier-two and tier-three cities. Oppo displaced Lenovo to take fourth place, while Lenovo finished fifth with 1.9 million smartphones.

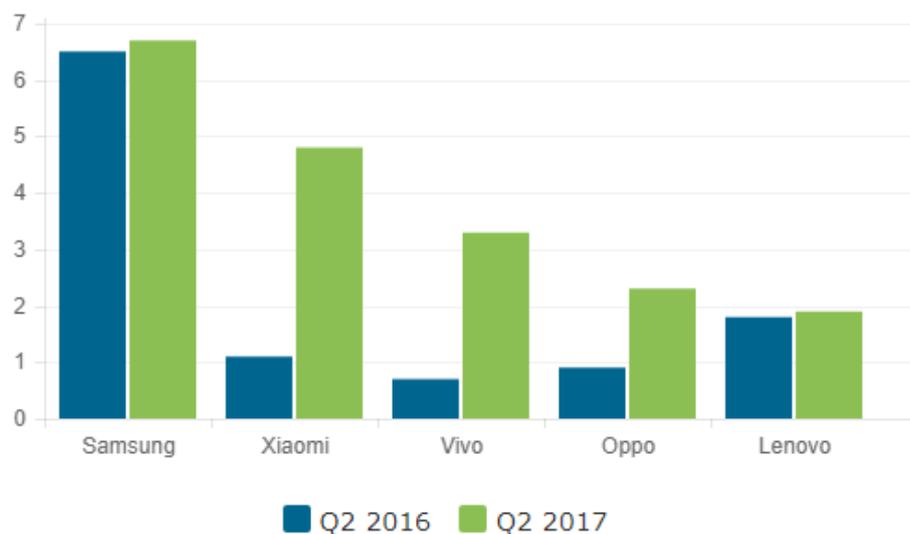


GST affects Indian smartphone market in Q2; negative growth for the first time - via @Canalys

“With China suffering its own decline this quarter, India is a market of huge strategic importance to Chinese smartphone vendors,” said Canalys Research Analyst Ishan Dutt. “Samsung is under immense pressure in the mid-tier from the Chinese players. For now, its low-end J Series is helping it sustain its lead and maintain share. But it needs to use its brand to make its mid-tier devices more desirable. The recently launched S8 and S8+ have helped it win back some of its premium share. It now needs to generate a halo affect around these products in the mid-tier to counteract the threat from China.” Collectively, Xiaomi, Oppo, Vivo, Gionee and Lenovo control over 50% of India's smartphone market.



Smartphones, India, units (millions) by vendor, Q2 2017 - Q2 2016



The Goods and Services Tax (GST), applicable in India from 1 July 2017 across all products and services, has adversely affected the market this quarter. “There is general confusion in the entire market over GST and a lack of awareness about the changes that are needed. Apprehension among distributors and retailers regarding the impact on prices has caused the market to adopt a wait-and-see policy,” said Canalys Analyst Rushabh Doshi. “The market will emerge stronger post-GST. Vendors can look forward to leaner distribution, faster delivery and increased demand from local retailers and distributors.”

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

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About Canalys

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