



India's smartphone market ships record 46.6 million units in 3Q19, owing to multiple rounds of shopping festivals by the online platforms, IDC India Reports

NEW DELHI, November 11th, 2019 - According to the [International Data Corporation's \(IDC\) Quarterly Mobile Phone Tracker](#), India's smartphone market shipped a record 46.6 million units in the third quarter of 2019, with 26.5% quarter-over-quarter (QoQ) and 9.3% year-over-year (YoY) growth. This was driven by multiple online sale festivals, new model launches, and price corrections on a few key models by various brands.

“The continued aggression by the online platforms with attractive cashback and buyback offers as well as affordability schemes like No Cost EMIs and financing options were key in taking the share of the online channel to a record high of 45.4% with YoY growth of 28.3%,” says [Upasana Joshi](#), Associate Research Manager, Client Devices, IDC India.

The offline channel continued to face challenges, leading to a 2.6% YoY decline in 3Q19. Even as the offline channel players tried to match their offers in line with the online players, they fell short of the attractive deals that a consumer could grab in the online space and were still dealing with leftover inventory from previous quarters. Consumer enquiries and footfall were relatively slow at the retail counters through September, compared to the previous years.

While the low-end price segment of US\$200 still accounted for 80% of the overall India smartphone market in 3Q19, its share dropped by five percentage points YoY at the cost of the mid-range segment of US \$200-\$500, gaining six percentage points to 18.9% in 3Q19. The fastest growing segment in 3Q19 was US\$300-500 with double the shipments YoY as key models like the OnePlus 7, Redmi K20 Pro and vivo V15 Pro had good traction. US\$200-300 was the second fastest growing segment with 47.8% YoY growth in 3Q19, with strong shipments of the Galaxy A50, Redmi Note 7 Pro and vivo Z1 Pro. The ASP for the overall smartphone market was US\$159, with 2.7% YoY growth in 3Q19.

In the premium (US\$500+) segment, Apple continued to dominate with a market share of 51.3% in 3Q19, on the back of affordability offers and price drops on previous generation models like the iPhone XR, iPhone 8 and iPhone 7 (128GB), along with the newly launched iPhone 11/Pro series.

The feature phone market, accounting for 43.3% of the total mobile phone shipments, registered a 17.5% YoY decline in 3Q19 with shipments of 35.6 million units during the quarter. 4G-enabled

feature phones declined 20.3% YoY due to heavy inventory in the channel. The 2/2.5G market also saw a decline of 16.2% in 3Q19.

Figure 1

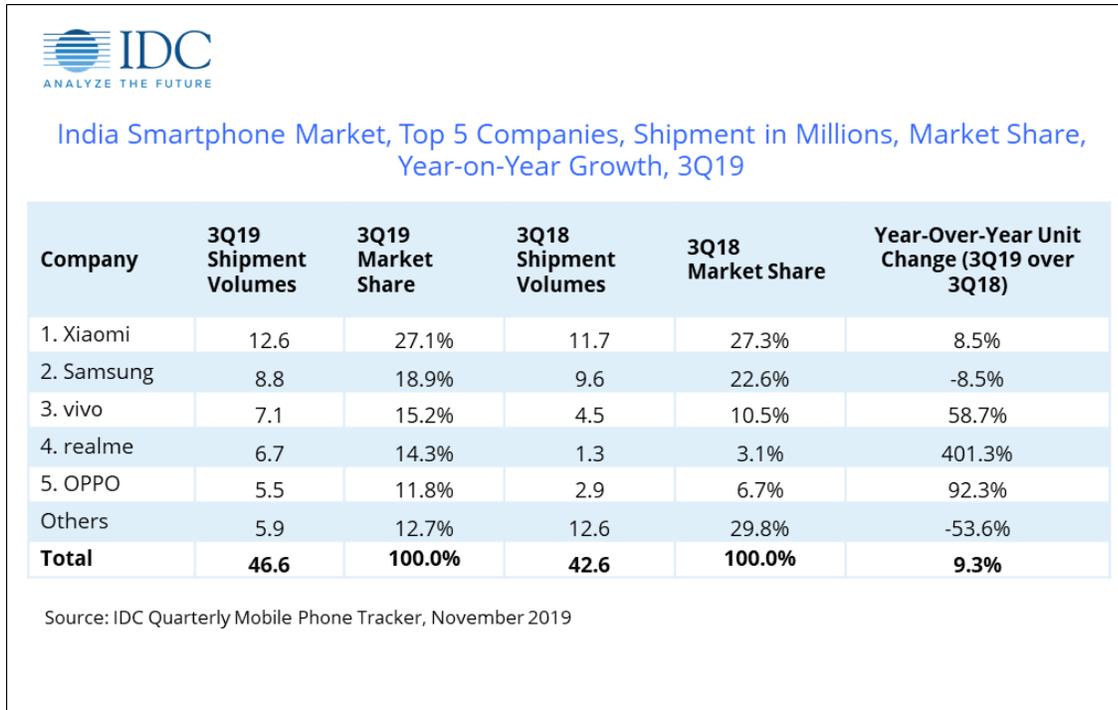
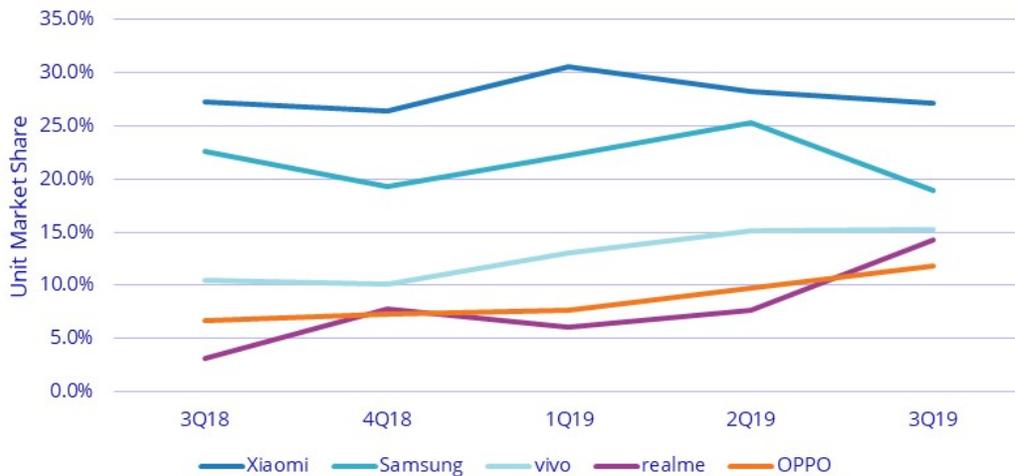


Figure 2

India Top 5 Smartphone Companies, 3Q19 Unit Market Share



Source: IDC Quarterly Mobile Phone Tracker, November 2019

Top 5 Smartphone Vendor Highlights

Xiaomi recorded its highest ever smartphone shipments in a quarter with 12.6 million units, growing at 8.5% YoY. The Redmi 7A and Redmi Note 7 Pro were the highest shipped models in the overall smartphone market. US\$300-500 price segment also gained traction for Xiaomi, driven by the Redmi K20 series. Xiaomi continued to lead in the online channel with a market share of 40.0% in 3Q19, with four out of the five top models from Xiaomi.

Samsung was the only vendor amongst the top five to fall, dropping 8.5% YoY in 3Q19. The lag between older Galaxy A series (Galaxy A10, 50, etc.) and the refreshed Galaxy As (Galaxy A10s, A50s etc.) series just before the Diwali quarter led to this sharp decline. However, newly launched Galaxy M30s registered strong shipments in its opening quarter.

vivo registered a strong YoY growth of 58.7% in 3Q19 on the back of its affordable Y series (Y12, Y91/i) The newly-launched exclusive online Z/U series accounted for more than 20% of its overall shipments, making vivo the third largest online vendor with a market share of 8.2% in 3Q19.

realme climbed to the fourth position in 3Q19, as its shipments grew multifold YoY in 3Q19, driven by heavy shipments of its affordable C2 model and its newly launched 5 and 3i series. The vendor’s online share was at an all-time high of 26.5% in 3Q19, up from 16.5% in the previous quarter.

OPPO slipped to the fifth position in 3Q19, but with a YoY growth of 92.3%. Its A5s was the fifth-highest shipped model in the overall smartphone market. Moreover, OPPO became the second largest vendor in the fast-growing US300-500 segment on the back of its newly launched Reno 2 series. Its online exclusive K series was not able to find traction due to heavy competition by Xiaomi and realme in that segment.

IDC India Forecast

[Navkendar Singh](#), Research Director, Client Devices & IPDS, IDC India mentions, “We expect the smartphone market to see only mid-to-high single digit YoY growth for the year 2019. This can be attributed to a strong undercurrent of passive consumer sentiment and muted shipments in the last quarter of the year due to a record 3Q19 when channel stock levels went up. Additionally, the unabated aggression of the online players will continue to be a challenge for the offline channel, which remains the largest channel for smartphones in India. All these give us an indication of sluggish growth next quarter.”

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