

## India Smartphone Market Posts 1.5% YoY Growth In 1Q20 With 32.5 Million Units Shipped, IDC India Reports

NEW DELHI, May 8<sup>th</sup>, 2020 - According to the [International Data Corporation's \(IDC\) Quarterly Mobile Phone Tracker](#), India's smartphone market saw a relatively flat opening quarter with year-over-year (YoY) growth of 1.5% to 32.5 million units in 1Q20. Despite that, India was the only country amongst the top 3 to see any growth, as both China and USA markets declined YoY by (-20.3%) and (-16.0%) respectively in 1Q20. Inventories remained high throughout the distribution channels due to seasonally low demand in the first quarter, clubbed with the COVID-19 impact from mid-March 2020 onwards as the nationwide lockdown was announced.

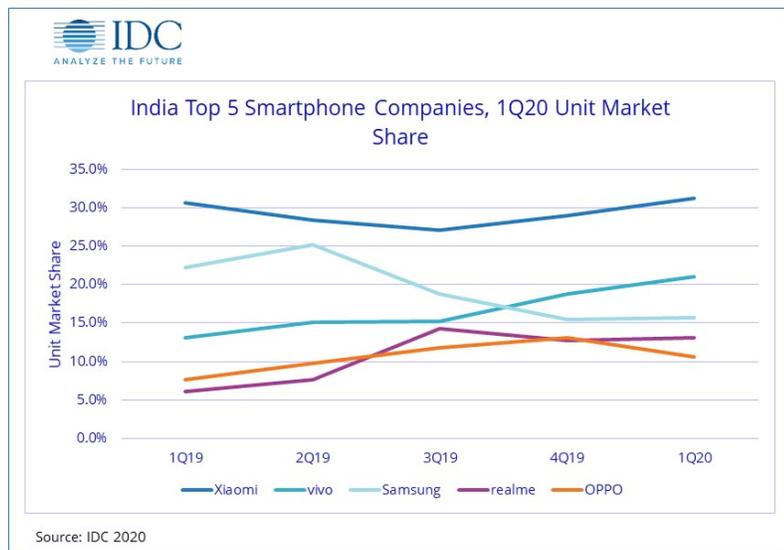
“The online channel grew by 9.0% YoY in 1Q20 due to multiple new launches, attractive discounts, cashback offers, and affordability schemes registering a share of 43.1%. On the other hand, offline channel shipments declined by 3.5% YoY, owing to fewer consumer offers, fewer retail walk-ins, and a more aggressive portfolio available on e-Tailer platforms across leading brands,” says [Upasana Joshi](#), Associate Research Manager, Client Devices, IDC India.

With a 5.5% YoY growth, the ASP for the smartphone market stood at US\$171. The sub-US\$200 segment continued to dominate, accounting for 76.2% of the market. The mid-range segment of US\$200<300 grew 87.4% with its share doubling to 18.2% in 1Q20, mainly due to the Samsung Galaxy A51, vivo S1 pro/S1, and Redmi Note 8 Pro. The mid-premium segment of US\$300<500 with a share of 3.8% declined YoY by (-33.8%); Samsung shipments still witnessed multifold growth with its newly launched Galaxy A71, Galaxy S10 Lite, and Galaxy Note 10 Lite, followed by the realme X2 Pro/X50 Pro and OnePlus 7T. In the premium (US\$500+) segment, Apple continued to dominate with a market share of 62.7%, followed by Samsung and OnePlus. The US\$700<1000

segment registered a high growth as well, as shipments doubled YoY, with the iPhone 11 accounting for 68% of shipments in this price segment.

The feature phone segment, which still accounted for 41.2% of the overall mobile phone market in India, continued to decline YoY by (-29.4%) with shipments of 22.8 million units in 1Q20. Xiaomi continued to lead in the overall mobile phone market for the second consecutive quarter with a market share of 18.3%, followed closely by Samsung and vivo.

Figure 1



India Smartphone Market, Top 5 Company, Market Share, Year-on-Year Growth, 1Q20 (Shipments in million)					
Company	1Q20 Shipments Volume	1Q20 Market Share	1Q19 Shipments Volume	1Q19 Market Share	Year-over-Year Unit Change (1Q20)
Xiaomi					
vivo					
Samsung					
realme					
OPPO					

					over 1Q19)
1.	10.1	31.2%	9.8	30.6%	3.4%
Xiaomi					
2.	6.8	21.0%	4.2	13.0%	63.3%
vivo					
3.	5.1	15.6%	7.1	22.2%	28.4%
Samsung					
4.	4.3	13.1%	1.9	6.1%	119.4%
realme					
5.	3.4	10.6%	2.4	7.6%	41.0%
OPPO					
Other	2.8	8.5%	6.6	20.5%	58.0%
Total	32.5	100.0%	2.0	100.0%	5%
Source: IDC Quarterly Mobile Phone Tracker, May 2020					

Note: The "Company" represents the current parent company (or holding company) for all brands owned and operated as a subsidiary

#### Top 5 Smartphone Vendor Highlights

Xiaomi shipments grew by a modest 3.4% YoY, registering total shipments of 10.1 million in 1Q20. The Redmi Note 8/8/Note 8 Pro/8A series was the highest shipped model nationally, accounting for 22.3% share. Xiaomi maintained its dominance in the online channel with a market share of 45.8% and also surpassed OPPO for the second slot in the offline channel with 20.1% share in 1Q20.

vivo was in second place with strong YoY growth of 63.3% in 1Q20, fueled by its affordable Y series and S1/Pro series.

Further, vivo continued to lead the offline channel for two straight quarters with a 29.8% share in 1Q20, owing to attractive channel partner schemes, timely price corrections, and heavy investments in marketing activities.

Samsung at the third position registered its lowest ever shipments in the past five years, declining by (-28.4%) YoY in 1Q20. The newly launched Galaxy A51 and M31 were the highest shipped models. But low traction for the offline-exclusive Galaxy A series led to high channel inventory for older models from previous quarters. Online-exclusive models like the Galaxy M31 and M30s were at a slightly higher price, leading to low retail shipments. Its shipments in the sub-US\$200 segment dropped significantly too, indicating a shift from the low-end segment to the mid/high segment. However, the newly-launched Galaxy S20/Ultra series had modest demand in its opening quarter.

realme surpassed OPPO for the fourth position in 1Q20, as its shipments grew multifold with several new launches across price segments. The realme 5i, 5s, C2/C3,6 were the top models, accounting for more than 70% of shipments. realme also became the first brand to launch a 5G device, X50 Pro, in India.

OPPO slipped to the fifth position in 1Q20, but with a YoY growth of 41.0%. The affordable A series continued to account for a majority of its shipments. The newly launched F15 and Reno 3 Pro had middling demand owing to the availability of better-priced models by competitors.

#### IDC India Forecast

[Navkendar Singh](#), Research Director, Client Devices & IPDS, IDC India mentions, "COVID-19 will have a substantial impact on the Indian mobile phone market in 2020, with potential supply chain disruptions and slower-than-expected consumer demand for the next few quarters. IDC expects the India mobile phone market to follow a U-shaped recovery from 3Q20 onwards. The pent-up demand from the first half of the year will gradually shift to the second half, rolling over to 2021 as well. A revival in consumer demand is expected around the festive quarter of 4Q20; with amplified marketing and promotional activities. In these challenging times, brands must relook at their marketing investments, supporting offline channels with hyperlocal delivery initiatives in key cities and try to make up for the lost ground in the all-important second half of year, under the assumption that normalcy will gradually resume Q3 onwards."

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