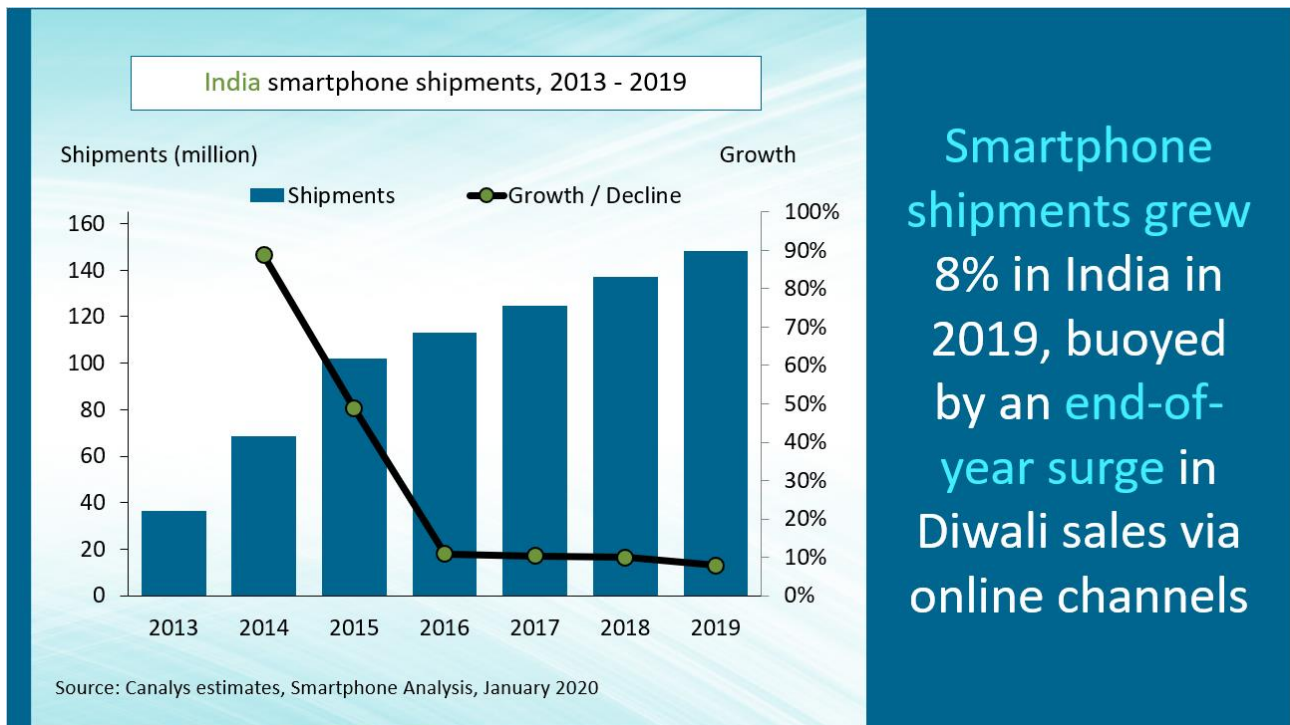


Canalys: Best smartphone performance in India for Apple, as overall market grows 14% in Q4 2019

Shanghai (China), Bengaluru (India), Singapore, Reading (UK) and Portland (US) – Wednesday, 29 January 2020

The Indian smartphone market had a slow start to 2019, but finished with a sprint in the last half. The market grew 14% in Q4 2019, with total shipments at 39.0 million units. For the full year, India grew by 8%, reaching a total of 148 million smartphones. Xiaomi led the market in Q4, with shipments rising 13% to 11.2 million units, holding sell-in steady to Q3 levels. The Chinese vendor shipped 42.9 million units for the full year, against 41.0 million in 2018. Samsung held second place, but declined 7% to 8.1 million smartphones, and ended the year at 32.3 million units, versus 35.4 million in 2018.

Vivo had a tremendous run in 2019, despite finishing third, and is hot on heels of Samsung and could overtake it this year. Its Q4 shipments grew 69%, and full-year shipments by 72%, shipping 7.0 million and 24.7 million units respectively. Fourth-placed Realme was the best performing vendor in 2019, with a shipment growth of 473%, the highest for any vendor. Q4, was also a standout quarter for Realme, as the vendor almost quadrupled shipments to 4.7 million units. Oppo rounded the top five with 4.5 million unit shipments in Q4, growing by 42% year-on-year. For the full year, Oppo shipped 16.1 million smartphones, up by 44% from 11.2 million in 2018.



Smartphone shipments grew 8% in India in 2019, buoyed by an end-of-year surge in Diwali sales via online channels

“India has pulled through this year,” said Canalys Analyst Madhumita Chaudhary. “While the current slowdown continues to shroud the market with much uncertainty, the end-of-year surge saved the market from an otherwise poor first-half performance. Online sales have been a silver lining, with vendors boosting sell-in to online retailers Flipkart and Amazon via exclusive tie-ups. However, relying exclusively on the online channel proved to be a double-edged sword, especially for Realme, which has seen its sell-in fall as online sales slow after the festive season. But overall, Xiaomi, Oppo, Vivo and Realme had a commendable year.”

Apple registered its best-ever performance in India, owing to a cheaper iPhone 11, and excitement around its dual and triple cameras. The vendor shipped close to 925 thousand iPhones in Q4 2019, growing by over 200% annually. Its previous best performance was in Q3 2017 when it shipped 890 thousand iPhones to India. Apple also finished sixth, behind Oppo, its highest rank in India since Q4 2013. For the full year, Apple shipped 2.0 million iPhones versus 1.6 million in 2018.

iPhone shipments to India grew by more than 200% in Q4 2019, crossed the 900,000 mark for the first time ever.



“Apple hit a home-run with its pricing strategy on the iPhone 11,” added Chaudhary. “The partnership with local bank HDFC made iPhones more affordable, with the entry-level iPhone 11 one of the cheapest ‘new’ iPhones in a while. The new iPhones have appealed not just to current iPhone users looking to upgrade, but also to value-conscious premium phone purchasers that are now presented with a formidable price-alternative to the Samsung or OnePlus flagships.”

Canalys expects the Indian smartphone market to grow by 8% in 2020, to over 160 million units. Vendors remain bullish on the smartphone market, even as India looks ahead to its slowest GDP growth in six years.

“Vendors will adopt a wait-and-react stance in 2020,” said Canalys Research Analyst, Adwait Mardikar. “With all eyes on the 2020 budget, vendor short-term and long-term prospects will depend on government regulation and taxation. Potential lowering of direct tax, that correlates to consumer spending in the short-term, will be a key topic. The long-term roadmap, however, depends on two main factors: telcos, and Make-in-India. The cash-starved telcos will need a reprieve, either in the form of waivers or increased tariffs, without which telco investments into 5G will likely slow down, making it difficult for vendors to build a case for 5G smartphones. As for Make-in-India, any changes to import duties for parts will be a contributing factor to profitability, thereby affecting OEM product portfolios and pricing. 2020 will be a year in transition for the Indian smartphone market.”

Indian smartphone shipments and annual growth
Canalys Smartphone Market Pulse: Q4 2019

Vendor	Q4 2019 shipments (million)	Q4 2019 Market share	Q4 2018 shipments (million)	Q4 2018 Market share	Annual growth
Xiaomi	11.2	29%	9.9	29%	13%
Samsung	8.1	21%	8.7	25%	-7%
Vivo	7.0	18%	4.2	12%	69%
Realme	4.7	12%	1.3	4%	268%
Oppo	4.5	12%	2.8	9%	42%
Others	3.4	9%	6.9	20%	-52%
Total	39.0	100%	34.1	100%	14%

Source: Canalys Smartphone Analysis (sell-in shipments), January 2020

Indian smartphone shipments and annual growth
Canalys Smartphone Market Pulse: 2019

Vendor	2019 shipments (million)	2019 Market share	2018 shipments (million)	2018 Market share	Annual growth
Xiaomi	42.9	29%	41.0	30%	5%
Samsung	32.3	22%	35.4	26%	-9%
Vivo	24.7	17%	14.4	10%	72%
Oppo	16.1	11%	11.2	8%	44%
Realme	15.7	11%	2.7	2%	473%
Others	16.4	11%	32.5	23%	-50%
Total	148.2	100%	137.3	100%	8%

Source: Canalys Smartphone Analysis (sell-in shipments), January 2020

The complete and detailed report on the Indian smartphone market will be published to Canalys clients on or before 6th February 2020.

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