

Focusing on making 'good phones in the price range', Xiaomi rose to share the No. 1 position with Samsung in the Indian market

Xiaomi is seeing a strong rise in the Indian market by nearly four times its market share in just one year, becoming the largest smartphone manufacturer here with Samsung.

In 2014, "China's Apple" started hitting the world's second most densely populated market and showed strong appeal when selling 40,000 Redmi 1S units in just 4.2 seconds. By the end of the year, Xiaomi had captured 4% of the Indian market.

However, 2015 and 2016 were two turbulent years for Xiaomi when its market share was only 6%. 2017 was a year of miraculous acceleration when, by the end of September, Xiaomi's market share reached 22.5% with more than 9 million units sold, equal to that of Samsung giant. in India.

What helped Xiaomi flourish in India?

There are several reasons why the Chinese technology company has achieved such impressive results. Currently, Xiaomi accounts for more than 50% of smartphones sold online and this type of device accounts for 35% of total online goods in India. However, only 25% of the population in the second most populous country in the world uses the internet, which means the potential is very much.

Traditionally for a smartphone company to win a promising market like India, it needs to establish a distribution channel across the country. That requires talented personnel, knowledgeable local markets and a scale large enough that people often think of domestic corporations in India or a giant like Samsung. However, it is Xiaomi, not anyone else, that shattered that thinking and created unexpected success while proving that traditional distribution channel is no longer a key factor in the destiny of a company anymore.



The Redmi Note 4 has brought great success to Xiaomi in India

The second reason for "China's Apple" is successful thanks to "good products in the price range". The Redmi Note 4 is equipped with the configuration and features that outperform many other competitors in its price range and make this the best-selling product. According to research by Counterpoint Research, from July to September this year, 3 of the 5 best-selling smartphones are from Xiaomi.

Chinese companies such as Xiaomi, OPPO, and Gionee are holding more than 50% of the market share in India and tend to continue to increase. Thanks to its trendy design and impressive camera and powerful processor, "made by China" smartphones easily outshine Indian domestic smartphones, which are similar in design and lack of emphasis.



Chinese smartphones are much more attractive than Indian domestic products

But with a corporation like Samsung famous for its extensive distribution system and a well-known brand name in a price-sensitive country and a brand like India will prevail?

Less is better

Actually, "laying" too many product lines is the "Achilles heel" of Samsung. In the segment of the price of 125 USD (about 2.8 million VND) to 234 USD (about 5.3 million VND) - accounting for 45% of smartphones sold

in India - the Korean electronics firm has more than 13 The phone model is different, while the number of Xiaomi is only 6. And sadly, none of Samsung products has achieved the same success as the Redmi Note 4 made this year.

In a short time, Xiaomi focused on the "lucrative" segment in the Indian market with prices from 156 USD (about 3.5 million VND) to 234 USD (about 5.3 million VND). Meanwhile, Samsung does not really have any outstanding products in this segment.

Xiaomi and Samsung are acting in opposite directions

The market share is on par with Samsung, for Xiaomi is really a success while with the world's No. 1 smartphone company is a threat. In this context, both are trying to make up for the missing parts of their business strategy to preserve the throne.



Xiaomi's Mi Home Store

Xiaomi started out in the traditional distribution segment in India through the Mi Home store chain. In conjunction with a major retailer like Croma, the company plans to build 1,500 stores in 30 cities in the country. As of December, Xiaomi had 600 stores. Samsung is acting the opposite as it moves to focus on developing online businesses in the world's second most populous country.

But both need to learn from Nokia, which has held more than 75% of the market here for more than a decade and disappeared quickly when slowing down in the smartphone movement.

According to ZDNet

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