

# Xiaomi usurps Samsung in the Chinese market

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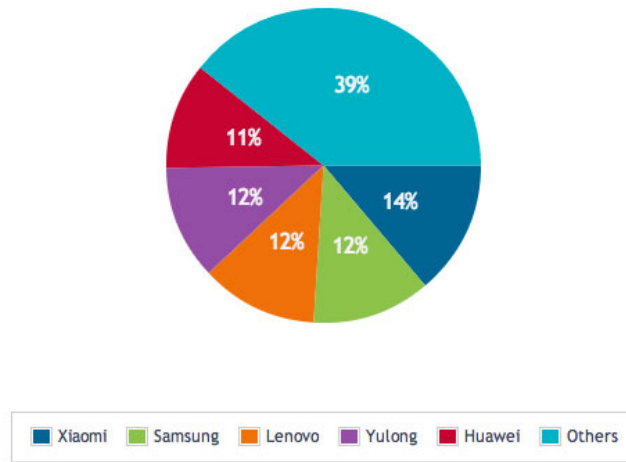
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The domestic company called *Xiaomi* shipped nearly 15 million phones in China in the second quarter of this year, surpassing Samsung's 13.2 million phones, according to research firm *Canalys* .



Before that, Xiaomi was the third largest phone retailer in China in the first quarter, and is the sixth largest retailer in the world.

The smartphone market in China is dominated by most domestic manufacturers, Samsung is the only foreign company to be in the top 5.



Structure of smartphone market share in China in the second quarter.

The Korean-based company admitted to investors about the difficult business situation in China through disappointing smartphone sales last week.

Samsung said the company is losing market share to the low-income customer segment, the market segment accounts for selling the number of smartphones sold throughout the country.

Samsung representative said that the company faced fierce competition from Chinese companies, the demand for 3G phones decreased when a series of 4G LTE models were being launched.

Samsung is planning to release new models to compete with cheap phones in the mainland.

Never hiding a huge investment in marketing, the company is willing to pour more money to solve inventory of outdated phone models to get area for new goods.

This move has narrowed marginal profits of Samsung in the present and will continue in the future, even if the company's new affordable phones are well received.

Xiaomi, China's " *rising star* " in recent times, has a strategy against Samsung in many respects.

While Samsung spends no money on hands and builds deep relationships with retailers, Xiaomi has been tackling marketing and sales largely on the Internet.

The company has almost no inventory, thanks to the new models selling very well.

Xiaomi is considering attacking the more advanced market segment with the new Mi4 phone model launched last week, attracting the attention of the media because of the direction and design ' *bold* ' iPhone.

The difficulties Samsung faced were once hard to Apple.

While Apple claims it is gradually regaining its performance in this market, Canals's report shows that the market share has shrunk in the second quarter.

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