

# Chinese smartphone vendors look to premium device market to sustain 2021 growth

Article

The news: **Xiaomi** became the **second-largest global smartphone vendor** by shipments in Q2 2021, **according to** a new report from Canals, knocking **Apple** out of the No. 2 spot. The

Chinese company captured **17%** of global market share, just behind **Samsung (19%)** but ahead of Apple (**14%**).

Xiaomi was propelled to the second spot by a **staggering 83% YoY growth** thanks to strong sales in **Western Europe, Africa, and Latin America**. Xiaomi's smartphones are geared toward entry- and mid-tier segments with prices hovering around **40% and 75% cheaper** than Samsung and Apple devices respectively, **per** Canalys research manager **Ben Stanton**.

**More on this:** Xiaomi's surge in sales, similar to **Huawei's ascent** before it was **banned**, is indicative of a market trend to Chinese smartphone vendors selling affordable devices in emerging markets.

- Canalys found that **Oppo** and **Vivo** lagged behind Apple in fourth and fifth place, respectively. Both of these Chinese smartphone brands had growth rates above **27% YoY**, compared with Samsung's **15% YoY** and Apple's meager **1% YoY** growth.
- "Xiaomi is growing its overseas business rapidly," Stanton **told** Bloomberg, noting that its shipments increased **300% YoY** in Latin America and **50% YoY** in Western Europe.

**The takeaway:** With Apple and Samsung's growth showing signs of stagnation, we can expect Chinese manufacturers like Xiaomi, Oppo, and Vivo to obtain more global market share. This will especially be the case in **emerging markets**, where there's **less demand for 5G** and consumers are **more price-sensitive**.

**Smartphone innovation has hit a plateau.** Handset vendors are iterating on designs and materials as well as improved camera and display technologies but lack clear direction for growth. Samsung, for example, is hoping new form factors like **foldables** will generate interest in yet another premium smartphone category, **despite** consumer ambivalence. These features may also not matter as much in emerging markets.

The Canalys report identified growth of **high-end device sales** as a **major priority** this year for Chinese smartphone-makers. If Chinese firms can offer phones with feature parity to Samsung and Apple flagships, but at much lower prices, they stand to potentially **further disrupt the global smartphone market** and gain more market share.

# Worldwide smartphone shipments and Growth: Q2 2021

## Samsung



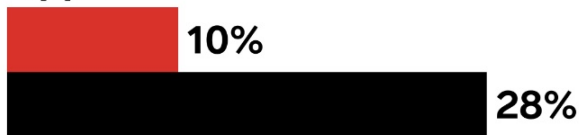
## Xiaomi



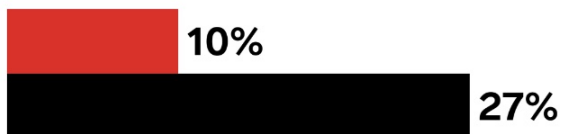
## Apple



## Oppo



## Vivo



■ Share

■ Growth

Source: Canalys Smartphone Analysis, July 2021

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