

Xiaomi smartphones seize No.1 position—but Samsung's and Apple's upcoming releases will challenge its lead

Article

The news: **Xiaomi** overtook **Samsung** to become the world's No. 1 smartphone company for the first time ever, per Counterpoint Research.

Xiaomi passed **Apple** last month—becoming the second-largest global smartphone vendor as measured by shipments during Q2—on the strength of its unprecedented **83% YoY** growth in **Western Europe, Africa, and Latin America**.

Samsung slipped to the No. 2 position in global smartphone rankings in June 2021, per Counterpoint. Samsung's market share dropped to **15.7%** as Xiaomi rose to the No. 1 position behind a rise in market share of **171%**.

Xiaomi's stratospheric climb is partly a result of rival Huawei's misfortune. Only a year ago, Huawei became the No.1 smartphone maker. But its reign was short-lived, as it was hit with various sanctions. Expansion into Huawei's strongholds in **Europe** and **Southeast Asia** helped Xiaomi grow its market share overseas.

Why it's worth watching: Xiaomi's success is built on entry-level and mid-range smartphones in emerging markets, with prices hovering around **40%** and **75%** cheaper than Samsung and Apple devices, respectively. Both Samsung and Apple are starting to reach market saturation, especially for flagship devices.

- **Samsung:** Its Unpacked event this week will help launch Samsung's latest premium smartphones and foldables, including updated **Galaxy Z Fold** and **Galaxy Z Flip** products. Twitter smartphone leaker Evan Blass has revealed the first **Android-powered smartwatches**, created in tandem with **Google** and **Fitbit**, and new **noise-canceling earbuds**. Samsung is trying to expand into new product segments that it can dominate as the smartphone market continues to plateau.
- **Apple:** Its new iPhones will include **pro-focused camera and video updates**, per Bloomberg. Last year's iPhone 12 launch coincided with a splashy 5G rollout, which resulted in wide adoption of iPhones. Since 2021 is an iterative year for iPhones, new models will feature incremental upgrades—likely focused on camera performance and pro-level video recording features—which may not attract as many users.

The takeaway: It remains to be seen if Xiaomi can hold onto the smartphone leadership position in the face of **Samsung's** and **Apple's** upcoming smartphone releases. Xiaomi does have a lot of room to grow, especially in emerging markets, while Samsung's and Apple's growth continues to plateau globally.

Worldwide smartphone shipments and growth: Q2 2021

Samsung



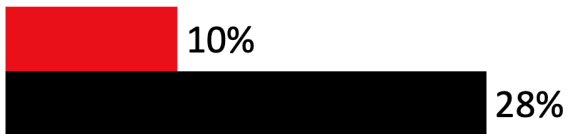
Xiaomi



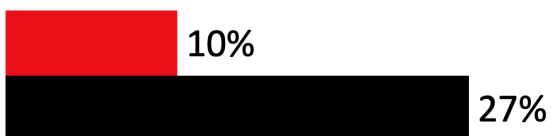
Apple



Oppo



Vivo



■ Share

■ Growth

Source: Canals Smartphone Analysis, July 2021

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