China's Transsion rings a bell in India's smartphone market

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Chinese brand Transsion, which does not sell a single mobile phone in its home market but has become a force to reckon with in Africa, is quietly making inroads into India and is close to joining the coveted club of top five smartphone players by volume.

In 2023 (CY23), Shenzhen-based Transsion won 8.6 per cent of the Indian smartphone market, according to data from Counterpoint Research.

Three of its brands — Itel, Infinix, and Tecno — collectively had a 6.3 per cent share in CY22. It is even closing in on Oppo, a Chinese competitor, whose market share in CY23 as well as in CY22, was constant at 10 per cent. The share of the country's top five brands in CY23 collectively shrank to 73 per cent, down from 80 per cent in CY22. Overall, the smartphone market has fallen by 2 per cent in CY23.

But one of the key gainers has been Transsion, which has made a dent by playing a bigger role in the lower end of the smartphone play, its sweet point being the below ₹12,000 segment.

The company was set up by Zhu Zhaojiang (a former executive with phone company Ningbo Bird) in 2006 and is already the fifth largest smartphone maker and the largest feature phone maker in the world. In India, it ended last year in feature phones with a market share of 28 per cent as its flagship brand Itel locked horns with homegrown Lava.

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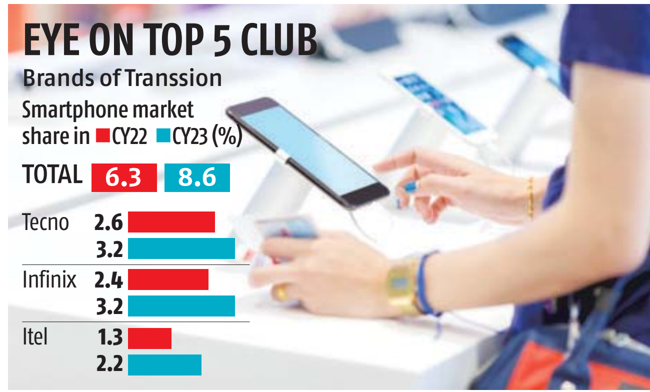
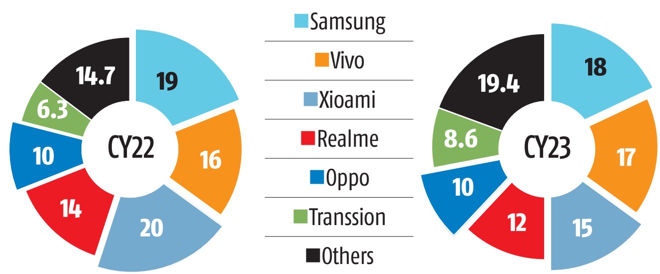


Smartphone market share by volume (%)



Source: Counterpoint Research

ations for the FTA is scheduled for this month. Both sides intend to conclude the negotiations by next month since general elections in both countries are expected over the next three-four months.

Transsion...

While the overall smartphone market has shrunk, at the upper end companies like Apple and at the lower end companies like Transsion have grown volumes at the expense of some of the top five brands.

The reason is that the premiumisation of the sweet spot in the market has moved to over ₹20,000, while many of the top five brands, such as Xiaomi and Realme, concentrated on the ₹10,000-20,000 range, which has been shrinking.

"Transsion's targeted strategy has yielded significant growth, especially in the affordable smartphone segment," said Shilpi Jain, senior analyst in Counterpoint Research. "Noteworthy fluctuations in its individual brand shares show its adaptability in a competitive market. Its success story is accentuated by an emphasis on diffusing premium features like the 8GB RAM and 5G capability into the affordable mass segment."

Transsion India Chief Executive Officer Arijeet Talapatra said the company was planning the launch of 20-25 new models under Tecno with enhanced artificial intelligence (AI) features and marketing its foldable devices aggressively.

"Our emphasis on online sales is unwavering. Tecno has emerged as the fastest-growing smartphone brand on Amazon with 167 per cent growth below ₹35,000 and 67 per cent growth under ₹20,000. We have a 360-degree focus with 1,100-plus distributors reaching every corner, backed by 1,200 Carlcare service centres and three factories," said Talapatra.

The Itel brand has become a leader in the less than ₹10,000 play, catering to those looking to upgrade from feature phones.

Infinix is a mid- and high-value segment brand with a range of phones from ₹6,500 to ₹16,000. The premium brand Tecno, which is available both offline and online, is priced up to ₹90,000.

Transsion has been able to improve its average selling price in India, according to the data available, from \$76 in Q2 2021 to \$86 in Q2 2023. India is already its second-largest market, accounting for 16 per cent of its total sales in Q2 2023 (Africa and the Middle East are number one with 57 per cent and southeast Asia is 12 per cent).

Bhargava...

The plan was to reduce duty to 70 per cent from 100 per cent and then to 10 per cent in the fifth year for a maximum of 46,200 vehicles. It had agreed to go down to a zero per cent tax regime but with a cap on the number of vehicles.

In the last Union Budget, the duty on CBU (completely built units) cars with a CIF (cost insurance and freight) value under \$40,000 was increased from 60 per cent to 70 per cent, and those above that was at 100 per cent.

In the case of electric vehicles, in CBU form with a CIF value of more than \$40,000 duty was increased, again from 60 per cent to 70 per cent.

Bhargava pointed out the fact that companies like Maruti Suzuki were exporting 700,000 cars a year was a testament to the fact that India was globally competitive.

He said Suzuki in Japan, for instance, exports small cars through Maruti Suzuki, to Africa and West Asia because it was cost-competi-

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