



Programme: Master of Business Administration

Module: International Business Concepts

Module code: LCMB7034

Title: India's Smartphone Industry and Xiaomi's Market Position

Lecturer: Akshay Narayanan

Student Name: Md Faisal Miah

Student ID: 2430612

Word Count: 5117

Executive Summary

This report analyses the competitiveness of the smartphone industry in India and then analyses the attractiveness of that environment to Xiaomi as a foreign Multinational. The argument is constructed in three steps. Section 2 outlines the main tension: India is a country that integrates the scale of an excellent market and the momentum of its policies supported by manufacturing and the pressure of low costs, slower replacement and intense competition (International Monetary Fund, 2025; Press Information Bureau, Ministry of Commerce and Industry, 2025; Press Information Bureau, Ministry of Electronics and IT, 2026). As Michael Porter says, India does well in product assembly, reaching its customers and selling via various channels. Nonetheless, it continues to rely on the other nations to supply most of the parts and does not have full control over the entire manufacturing process (Raju and Saradhi, 2020; Banga, 2023; Reddy and Sasidharan, 2021). The Xiaomi price is even more rigid than the generic hard-to-break-in-the-market story. India is a strategic target, though unless it further localises, improves offline performance, and convincingly higher-end motion, Xiaomi is likely to keep falling back in India (Canalys, 2025a; Counterpoint Research, 2026a; Chaurasia, 2025; Chaturvedi and Kalra, 2026).

Table of Contents

Executive Summary	1
1. Introduction	5
2. Industry and Country Overview	6
2.1 India's Market and Manufacturing Context	6
2.2 Size, Scope and Economic Importance of the Industry	6
2.3 Major Domestic and Multinational Firms and Relative Positioning	8
2.4 Bridge to Competitive Analysis	9
3. Porter's Diamond Analysis of India's Smartphone Industry.....	11
3.1 Factor Conditions.....	11
3.2 Demand Conditions.....	11
3.3 Related and Supporting Industries.....	12
3.4 Firm Strategy, Structure and Rivalry.....	13
3.5 Government, Chance and Competitiveness Judgement	13
4. Xiaomi Evaluation in India	15
4.1 Why Xiaomi Is the Right Focal MNC.....	15
4.2 Political and Legal Factors Affecting Xiaomi's Success	15
4.3 Economic and Industry-Structure Factors Affecting Xiaomi's Success	16
4.4 Cultural and Consumer-Behaviour Factors Affecting Xiaomi's Success	17
4.5 Strategic Fit Through OLI, Integration-Responsiveness and Value-Chain Localisation	18
4.6 Overall Market Attractiveness and Critical Success Judgement	20
5. Conclusion.....	22
6. Reflective Account: Kolb's Experiential Learning Cycle	23
6.1 Concrete Experience	23
6.2 Reflective Observation	23

6.3 Abstract Conceptualisation	24
6.4 Active Experimentation.....	25
<i>References</i>	26

1. Introduction

The smartphone market in India offers a solid international business opportunity due to the fact that it is experiencing a very high consumer demand, a manufacturing capacity with growing credibility, apparent government interference, and high multinational competition in a single market. The two related questions that the report seeks to address are, firstly, the extent to which India has a smartphone industry that is internationally competitive, and, secondly, to what extent is that industry appealing to Xiaomi as a foreign multinational whose past success in India was based on value-based disruption, not institutional depth or premium-market power? To answer those questions, the report begins with an industry and country overview, then applies Porter's Diamond to the industry's competitiveness, and only then evaluates Xiaomi through political, economic, legal and cultural analysis supported by OLI, integration-responsiveness logic and value-chain localisation (Porter, 1990; Dunning, 2001; Blind, Jastram and Müller, 2024). The thesis pursued all along becomes evident: India is an opportunity at the country and industry level, yet Xiaomi is now only conditional, but not self-evident.

2. Industry and Country Overview

2.1 India's Market and Manufacturing Context

India must be considered within the context of international business since it has a huge market of smartphones, and its manufacturing sector is on the rise. In the past ten years, India has emerged as a more powerful manufacturing hub for smartphones, making it a target of investment and operation by global companies. India, according to the International Monetary Fund, is a strong and rapidly developing economy (International Monetary Fund, 2025). Government statistics also indicate that today India is the second-largest mobile manufacturing hub in the world, and smartphones were one of the major export products in the country in 2025 (Press Information Bureau, Ministry of Electronics and IT, 2026).

Nonetheless, the Indian smartphone market has its issues too. According to Canalys, smartphone shipments decreased in early 2025, whereas the first quarter of 2026 was the weakest in six years, as supply has been impacted by the affordability problem and a slow replacement cycle (Canalys, 2025a; Counterpoint Research, 2026a). As such, India is highly potential but also competitive and challenging to the market.

2.2 Size, Scope and Economic Importance of the Industry

The Indian smartphone market comprises manufacturing, exporting, distributing, financing and after-sales services as well as smartphone-related links that impact the market competitiveness of the handsets. This industry is significant as it fosters digital need, creation of jobs, expansion of manufacturing and enhancement of exports. Policies of Linked Incentive Production Linked Incentive (PLI) is linked with government reports that investments, production and employment in the preferred sectors are expanding at a rapid pace, especially smartphone manufacturing (Press Information Bureau, Ministry of Commerce & Industry, 2025; Press Information Bureau, Ministry of Electronics and IT, 2026). Another study by Choudhury (2022) also outlines the fact that mobile manufacturing has become a major portion of the Indian economy.

The industry is a strategically important one due to three reasons. First, it links robust domestic demand to the policy of the manufacturing sector, which creates growth opportunities. Second, it assists India in joining the global supply-chain diversification. Third, it alters the operation

of the multinational companies as it prompts the companies to manufacture the goods locally instead of depending on imports only. Nevertheless, there are still limitations to the smartphone industry in India. Research indicates that local value addition is low, with most of the production being done on assembly but not on complete component production (Raju and Saradhi, 2020). Banga (2023) says that more intense involvement in global value chains demands greater local capacities. Thus, the smartphone market in India is very large and expanding, yet underdeveloped in certain respects.

Table 1. Snapshot of India's smartphone industry

Indicator	Current evidence	Strategic implication
Macroeconomic resilience	India remained a strong, large economy in FY2024/25 (International Monetary Fund, 2025)	Supports continuing multinational interest
Manufacturing scale	India is now the world's second-largest mobile manufacturing country (Press Information Bureau, Ministry of Electronics & IT, 2026)	Strengthens the factor conditions for assembly-led competitiveness
Export momentum	Smartphones led Indian exports in calendar 2025 (Press Information Bureau, Ministry of Electronics & IT, 2026)	Improves India's international production relevance
Policy support	PLI-backed investment, output and jobs (Press Information Bureau, Ministry of Commerce & Industry, 2025)	Confirms strong state commitment
Demand difficulty	Weak Q1 2025 and Q1 2026 shipment performance (Canalys, 2025a; Counterpoint Research, 2026a)	Shows that scale does not remove market strain

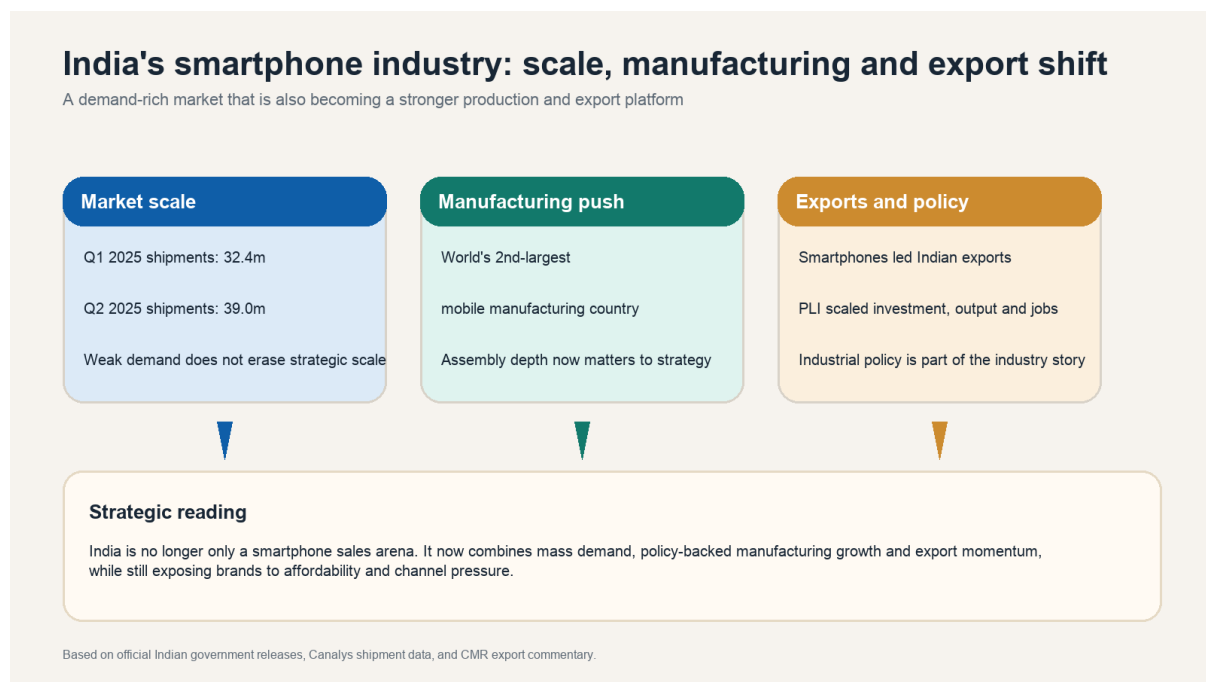


Figure 1. India's smartphone industry combines market scale with manufacturing and export momentum.

Source: Press Information Bureau, Ministry of Electronics & IT (2026), Press Information Bureau, Ministry of Commerce & Industry (2025), and CyberMedia Research (2025b).

2.3 Major Domestic and Multinational Firms and Relative Positioning

The smartphone business in India is very competitive and unstable. Canalys ranked vivo at the top of Q1 2025, and Samsung with Xiaomi at the third place, with CMR and Counterpoint Research indicating that the segment performance varies dramatically across high-end, 5G, and value-based bands (Canalys, 2025a; CyberMedia Research, 2025a; Counterpoint Research, 2026b). The contribution of Apple also has its significance since premium manufacturing and export earnings have been more and more tied to Apple and Samsung as compared to Xiaomi (CyberMedia Research, 2025b). It is not a low-price competition in the market. It is a stratified industry where brand credibility, channel penetration, localisation intensity and platinum credibility of the channel all count.

Samsung is in the best all-around position due to its capabilities of integrating scale with depth in manufacturing, credibility of service with premium headroom. Vivo and OPPO are strong due to their channel discipline, and Apple alters the structure of aspiration and margin in the

industry despite not leading the unit volumes. The relative position has been eroded, which has led Xiaomi to lose its competitiveness despite its installed base, value reputation and broader ecosystem aspirations. According to Canalys reports, Xiaomi has been weaker in Q2 2025, and the market has improved during the period (Canalys, 2025b). To adapt to changes in the market, Xiaomi is currently laying more emphasis on offline retail and retail stores (Chaurasia, 2025).

Such evidence is not just important for ranking. It demonstrates that the Indian smartphone market is now incentivising a wider range of capabilities than it did with the initial ascension of Xiaomi. As indicated in Table 2, leadership is no longer based on just one winning proposition.

Table 2. Relative positioning of major smartphone competitors in India

Firm	Core strength	Current pressure point	Strategic reading
vivo	Strong offline execution and current market leadership	Must defend position in a volatile market	Shows the value of channel discipline
Samsung	Broad portfolio, manufacturing presence, premium reach	Faces mass-market rivalry	Stronger structural fit than Xiaomi
OPPO	Wide channel presence and resilient mainstream appeal	Competitive crowding	Important rivalry benchmark
Apple	Premium demand and export-linked manufacturing influence	Narrower volume base	Reshapes industry aspirations and margins

2.4 Bridge to Competitive Analysis

This summary creates a situation of tension, but not a structural reason. Weak margins can be co-existent with great demand, and incomplete supplier depth can be co-existent with export growth. The reason why the smartphone industry in India is both attractive and challenging, and not just to reiterate that it is huge, is thus the need for the Diamond proposed by Porter.

3. Porter's Diamond Analysis of India's Smartphone Industry

Porter's Diamond is of the view that national competitive advantage is the result of the interaction between factor conditions, demand conditions, related and supporting industries and firm strategy, structure and rivalry with government and chance determining the outcome (Porter, 1990). The model is applied in this report to evaluate the competitiveness of the smartphone industry in India, but not the position of Xiaomi in this industry.



Figure 2. Porter's Diamond shows India as a competitive but institutionally demanding smartphone location. Source: author-created from Porter (1990), Press Information Bureau, Ministry of Electronics & IT (2026), International Monetary Fund (2025), Canalys (2025a), and Raju and Saradhi (2020).

3.1 Factor Conditions

India is well-endowed in terms of factor conditions as compared to most of the countries, which depend largely on imports. The government statistics indicate that Production Linked Incentive (PLI) policies have boosted manufacturing, sales and investment in India (Press Information

Bureau, Ministry of Electronics and IT, 2026; Press Information Bureau, Ministry of Commerce and Industry, 2025). Production as well as sales are now significant in India. According to Choudhury (2022) and Singh *et al.* (2018), industrial policy and manufacturing development increase competitiveness. Another reason why the electronics industry in India is doing well is a favourable business environment.

It has its share of faults. India depends on foreign parts and low value addition in localised manufacturing of electronics (Raju and Saradhi, 2020). As Banga (2023) and Rijesh (2020) state, technological modernisation is still dependent on foreign supplies and international chains of supply. Therefore, assembly, exports, and expansion of production are the strengths of India, whereas full-scale production of electronics is the weakness. These strengths still make India competitive in the Smartphone market.

3.2 Demand Conditions

Among the most evident advantages of India is the demand conditions. The nation has a large installed base and ongoing upgrade requirements, and 5G transition and device upgrades, which ensure the market is strategically valuable even during less favourable quarters (Canalys, 2025a; Counterpoint Research, 2026a). Simultaneously, demand is highly value-disciplined as opposed to being automatically premium-seeking. Baishya and Samalia (2020) demonstrate that monetary value and performance expectations are major factors influencing adoption among the lower-income groups, whereas Kala and Chaubey (2024) report that the perceived value continues to be the central element in 5G adoption. The demand conditions in India are thus very favourable to scale but more favourable to margin.

3.3 Related and Supporting Industries

The smartphone market is not only competitive with good sales figures like India has, but also supported by its supporting industries. The manufacturing development, export, retail chains, e-commerce, financing services, and post-sale services are government-led initiatives that assist businesses to work efficiently in the market (Press Information Bureau, Ministry of Commerce and Industry, 2025; Chaurasia, 2025). Research by Chetia *et al.* (2025) indicates that the benefits of foreign investments are greater in industrial clusters, i.e. it is more promising in support structures at some locations as compared to others.

Nevertheless, the supporting industries continue to prioritise more on assembly and distribution as opposed to high local component production. Research indicates that the integration of India into the global value chains is not even, and reliance on imported inputs is still present (Reddy and Sasidharan, 2021; Raju and Saradhi, 2020).

3.4 Firm Strategy, Structure and Rivalry

The smartphone industry of India is highly competitive and motivates firms to enhance their strategies. The leadership in the market shifts rapidly, and customers and brands should constantly modify their sales points and target audiences to keep up with the competition (Canalys, 2025a; Counterpoint Research, 2026b). Companies such as Apple, Samsung, vivo, and Xiaomi demonstrate that the key to success lies in keeping up with the changes in the market. Nevertheless, intense competition also makes it more likely to make a mistake, because declining market share can rapidly decrease due to poor performance and inventory concerns (Counterpoint Research, 2026a; Kumar, 2026a).

3.5 Government, Chance and Competitiveness Judgement

An important factor contributing to the competitiveness of the smartphone industry in India is government support. This goal has been achieved through applying such policies as Production Linked Incentives (PLI), manufacturing support and export-oriented strategies (Press Information Bureau, Ministry of Commerce and Industry, 2025; Press Information Bureau, Ministry of Electronics and IT, 2026). Nevertheless, the market is still subject to uncertainty. Smartphone companies face challenges due to economic risks, decreased demand, pressure on inventory, and fluctuating market rankings (International Monetary Fund, 2025; Canalys, 2025a; Counterpoint Research, 2026a).

Table 3. Diamond summary of India's smartphone industry

Diamond element	Strongest evidence	Main limitation	Overall judgement
Factor conditions	Manufacturing scale, export growth, policy support	Lower upstream depth and value addition	Strong but downstream-heavy
Demand conditions	Huge installed base and upgrade demand	Price sensitivity and stretched replacement cycles	Strong but margin-disciplined
Related and supporting industries	Channels, manufacturing clusters, export and service support	Uneven component depth	Moderately strong
Rivalry	Constant pressure from leading global brands	Instability and profitability pressure	Strong for competitive discipline
Government and chance	PLI and state support	Regulatory and market volatility	Strong but institutionally demanding

As indicated in Table 3, the smartphone market in India is competitive in the world because of high demand, growth in manufacturing, exports, government support, and high competition. The industry is still tricky since it is rather dependent on downstream production and policy assistance than on a well-built high-value ecosystem.

4. Xiaomi Evaluation in India

4.1 Why Xiaomi Is the Right Focal MNC

Xiaomi is the most suitable multinational company to undertake this assignment since it distinctly reveals the challenges and opportunities of the Indian smartphone market. Xiaomi is still a relevant enterprise in India, but there is a high rivalry and market pressure. This is why it is practical to use as an example of studying the reaction of multinational companies to the changing business environment. Xiaomi continues to have a presence all over the world, though it is no longer limited to smartphones. The company has adopted a more comprehensive ecosystem approach (smart devices and connected products) (Xiaomi Corporation, 2026; Xiaomi India, 2025).

In India, Xiaomi is no longer perceived as a disruptive market leader as it was before. According to market tracker statistics, Xiaomi was placed fourth in the ranking compared to such firms as vivo and Samsung and occasionally, even against OPPO (Canalys, 2025a; Counterpoint Research, 2026b). According to business reports, Xiaomi is currently placing more emphasis on lower-cost products and increasing its retail presence to access customers more efficiently (Tripathi, 2026).

Xiaomi is hence a powerful case study since it throws light on how the competitive market in India challenges the multinational companies. The company is not failing, but it needs to change its strategy to stay competitive and continue its growth in a competitive market.

4.2 Political and Legal Factors Affecting Xiaomi's Success

With the help of an FDI lens, India continues to provide Xiaomi with powerful host-country pulls: scale, access to labour, manufacturing-policy support and a sensible market-seeking-investment rationale. The materials in this module highlight that market size, government incentives, and strategic rivalry are issues relevant to FDI decisions, and India ranks highly on the above issues when it comes to smartphone companies. The increase in exports and manufacturing, as well as PLI, demonstrate that the Indian state is interested in foreign brands engaging in the local activity instead of the market being considered as a pure import destination (Press Information Bureau, Ministry of Commerce & Industry, 2025; Press Information Bureau, Ministry of Electronics & IT, 2026).

The problem is that India also influences the structure of participation in a much more active way than previously. The previous ascent of Xiaomi relied on a rapid, inexpensive and digitally literate framework; the present setting has put increased importance on conforming to localisation, predictable manufacturing frameworks, and discipline and legal respectability in the channels. The article published by Reuters on the tariff dispute between Xiaomi over royalty-related imports on the tariff reveals how contract manufacturing and localisation can cause institutional exposure, as opposed to mere benefit (Chaturvedi and Kalra, 2026). The same is channelled by the Reuters news about Indian concerns about smartphone brands and online shops: a winning sales model could turn into a governance problem as well (Reuters, 2024).

The simplest and most precise conclusion is thus not that India has become politically unfriendly towards Xiaomi but that the principles of legitimacy have been altered. These are helpful in that Blind, Jastram and Muller (2024) reveal that institutional settings and standards, as opposed to the abstract global-versus-local trade-offs, influence subsidiary strategy. In India, Xiaomi is currently not merely being evaluated as a prosperous peddler of devices, but as a multinational, the localisation of which, the treatment of its taxes, its adherence to the rules and its behaviour in channels, should be strategically readable. That makes political-legal fit a competitive capability, the more important.

4.3 Economic and Industry-Structure Factors Affecting Xiaomi's Success

India is too essential economically to Xiaomi to give up on. It is an exceptionally rare market where scale, ecosystem potential and manufacturing relevance exist. Even weak quarters in recent times cannot alter the basic reality. India continues to record over 32million and 39million shipments in Q1 2025 and Q2 2025, respectively, and CMR records both affordable 5G and super-premium growth (Canalys, 2025a; Canalys, 2025b; CyberMedia Research, 2025a). To Xiaomi, this type of market is still relevant to maintain its installed-base retention and selective ecosystem growth.

However, the industry structure has changed very unfavourably to the old model of Xiaomi. Both of the aforementioned reporting tools indicate that Xiaomi has lost ground, and the year 2025 in particular is particularly eye-opening since the market has recovered, and Xiaomi is continuing to fall year after year (Counterpoint Research, 2026b; Kumar, 2026a; Canalys,

2025b). This indicates that Xiaomi has an issue that is not macro softness. It is a competitive fit.

That has three structural changes that explain that. To start with, India is no longer an online-based market. Omdia claims that offline is now essential to fund, convert premiums and reassure the brand, which undermines any organisation that remains overly linked to digital alone disruption (Chaurasia, 2025). Second, the market has been segmented. The information provided by CMR on the affordable 5G and super-premium expansion indicates that India is no longer a single-volume market without divisions (CyberMedia Research, 2025a). Third, Apple and Samsung have captured premium manufacturing and export gains at a higher rate than Xiaomi has, and being able to capture the structural upgrade of the industry does not necessarily work to the benefit of Xiaomi (CyberMedia Research, 2025b).

The economic judgement is thus not a negative but conditional. India remains a good place to Xiaomi, but the value has shifted. Scale is still rewarded in the market, but trusted execution is now favoured as much as price-led disruption alone, as well as channel depth and selective premium movement.

4.4 Cultural and Consumer-Behaviour Factors Affecting Xiaomi's Success

The cultural aspect in this situation can only be explained using consumer behaviour and ownership expectations, and not using the general national culture labels. Indian smartphone consumers are very sensitive to value perceptions. Baishya and Samalia (2020) demonstrate that the adoption in lower-income groups is highly influenced by monetary value and expected performance, whereas Kala and Chaubey (2024) conclude that perceived value is at the centre of 5G adoption. These results justify the effectiveness of the historical value-for-money identity of Xiaomi in India.

The entire market is, however, not explained by price. Kumar and Menon (2017) demonstrate that loyalty is also influenced by satisfaction, experience and perceived quality, whereas Raj, Singh and Lascu (2023) demonstrate that trust and quality risk influence the way Indian consumers consider technology brands. The same argument presented by Chaurasia (2025) regarding the offline shift of the market supports that one made by this author channel-wise: confidence is a growing process developed by the presence of retail, the reassurance of financing and ownership. The struggle of Xiaomi is practical, rather than symbolic. It has to

turn familiarity into trust. That translates to improved after-sales assurance, software support, offline implementation and a more realistic premium ladder in the existing Indian market.

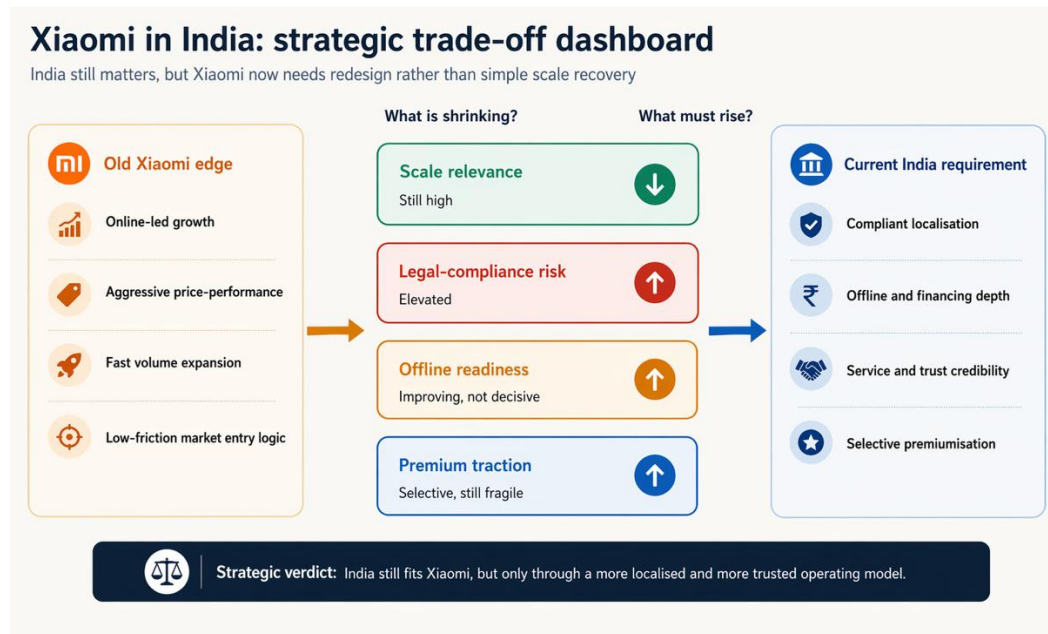


Figure 3. Xiaomi's India position is shaped by a difficult trade-off between scale retention and strategic redesign.

Source: author-created from Canalys (2025a), Counterpoint Research (2026a), Chaurasia (2025), Chaturvedi and Kalra (2026), and Tripathi (2026).

4.5 Strategic Fit Through OLI, Integration-Responsiveness and Value-Chain Localisation

India is a rational place where Xiaomi can be, yet only if the company restructures its competition in this country, using the OLI paradigm of Dunning. The brand recognition, the coverage of an ecosystem, cost engineering, and the organisational size remain the ownership advantages of Xiaomi (Xiaomi Corporation, 2026). India continues to provide good location factors in terms of market size, manufacturing opportunity and localisation supported by policy (Press Information Bureau, Ministry of Electronics and IT, 2026; Press Information Bureau, Ministry of Commerce and Industry, 2025). Internalisation is also noteworthy since software support, ecosystem control and quality consistency are far too central to outsource flimsily in a very competitive market (Dunning, 2001).

It is not whether India matters, but how far Xiaomi needs to integrate, using integration-responsiveness logic. Harzing (2000) and Blind, Jastram and Müller (2024) demonstrate that multinational strategy is reliant on the intensity of adaptation pressures at the local level and that India has placed high pressure on it today through regulation, channel structure, consumer trust and price segmentation. Chung and Sparrow (2024) reaffirm that such pressures influence the organisational systems and the positioning on the market. Xiaomi can thus not afford to trust pure global standardisation, but it also cannot afford to have a complete local model that is fragmented.

Selective localisation is the most powerful response using a value-chain localisation lens. The operations that transform institutional fit into commercial credibility that Xiaomi needs to localise include assembly, compliance, channel design, financing partnership, after-sales support and retail implementation. The design of core platforms, ecosystems and broader product coordination must be more centrally managed. Gereffi, Humphrey and Sturgeon (2005) contribute to making it clear why: value is not only about being part of a chain, but also the governance of the chain. Xiaomi does not have to localise everything in India. It also calls on Xiaomi to localise the connections that the trust, compliance and market access are actually gained.

It is due to this that the appeal of India to Xiaomi cannot be deciphered solely in factory presence. Part of the policy logic can be fulfilled by a local plant, but it alone cannot provide solutions to the more difficult problems of the market in terms of trust, service, channel quality and premium conversion. When the manufacturing decisions and market-facing decisions complement each other, the strategic fit of Xiaomi is enhanced. Table 4 shows a single lens of those three.

Table 4. Xiaomi's strategic-fit matrix in India

Lens	Xiaomi advantage	India condition	Strategic implication
OLI	Brand, ecosystem, cost engineering	Scale, localisation opportunity, export relevance	Continued commitment remains rational

Lens	Xiaomi advantage	India condition	Strategic implication
Integration-responsiveness	Capacity to adapt channels and portfolio	High pressure from policy, trust and retail structure	Global standardisation alone no longer works
Value-chain localisation	Scope to localise assembly, compliance and service	Downstream strengths exceed upstream depth	Selective localisation is the most credible path

4.6 Overall Market Attractiveness and Critical Success Judgement

India is structurally favourable to Xiaomi in that it has long-term relevance, scale and a path to more localisation. However, the foundation of that attractiveness is different. The previous strength of Xiaomi in India was through online disruption and value-oriented. The market that currently exists favours compliant localisation, robust offline performance, credibility of the service and selective premiumisation. India remains the correct market for Xiaomi, but it is no longer on the conditions that initially made Xiaomi strong there.

This is where the firm-level verdict differs from the Diamond verdict in an effective manner. Section 3 revealed that the smartphone industry in India is competitive in general. Section 4 demonstrates that Xiaomi does not necessarily become competitive merely because it can operate in that location. The country's strength and firm fit now have different speeds. At the same time that Xiaomi has lost its former source of strength, India has become a more plausible location to manufacture smartphones. It is that gap that is the key strategic insight of the report.

Table 5. Xiaomi attractiveness matrix for India

Strength	Risk	Condition for success
Large demand base and continuing market relevance	Weak recent shipment trajectory	Regain relevance through better segmentation
Policy-backed manufacturing opportunity	Legal and regulatory exposure	Treat compliance as a strategic capability
Ecosystem potential beyond smartphones	Offline and trust deficits	Improve service and retail execution
Historical brand recognition	Premiumisation challenge and fierce rivalry	Move from value alone to value plus credibility

Table 5 explains the imbalance in the position of Xiaomi. The judgment in general is deliberately transparent. India is structurally conducive to the long-term relevance of Xiaomi, and no longer conducive to the long-term volume-based advantage of Xiaomi. Xiaomi is bound to lose ground in India without a structural redesign. There is still hope of recovering, but as a more mature, more localised multinational than the one which initially conquered India.

5. Conclusion

This report assessed the competitiveness of the smartphone industry in India and assessed whether the market is appealing to Xiaomi. The key finding is that there is a difference in response to these two questions. Smartphones in India enjoy international competitiveness due to high consumer demand, increasing manufacturing, rising export expansion, aided by the government and stiff competition. India excels in assembling, distributing and fulfilling customer demand for smartphones. It is still dependent on imported parts and does not have extensive local production systems. This makes India a lucrative, but challenging, market to smartphone investors (Press Information Bureau, Ministry of Electronics and IT, 2026; Raju and Saradhi, 2020; Banga, 2023).

In the case of Xiaomi, India is a significant market because it is large and has a possibility of localisation. Nevertheless, the market is not as appealing as it used to be at the time of Xiaomi in its initial stages of development. They note decreasing deliveries, decreasing standings, changing channels of sales and problems with regulations (Canalys, 2025a; Counterpoint Research, 2026a; Chaurasia, 2025; Chaturvedi and Kalra, 2026). The previous approach of Xiaomi to concentrate primarily on low prices and online sales is no longer sufficient. The company needs to enhance customer confidence, better after sales service, adhere to localisation policies and branch out to premium products to be able to stay competitive. In general, India is still a strategically valuable place for Xiaomi in the future, but the only thing left to do is to adjust its business model to a more competitive and challenging market.

6. Reflective Account: Kolb's Experiential Learning Cycle

6.1 Concrete Experience

According to Kolb and Kolb (2022), experiential learning can be applied to situations when experience is analysed and not described only. This applied in this case since initially, my first thought was to make the assignment too broad. My initial approach was to consider the case as the broader consumer-technology ecosystem in India, which appeared promising since it appeared to provide more space for evidence and the Xiaomi ecosystem narrative. Practically, that breadth obtained a loose fit. The task required a country and an industry, and therefore, I limited the scope to the smartphone industry in India and made the broader ecosystem only where it specifically described how it was used in manufacturing, channels, service or how Xiaomi fitted in.

The other experience that was significant was the report structure. To make Section 4 on Xiaomi so overwhelming in my initial thought was quite logical, as the portion of the brief devoted to the company is rather long. However, when I began to form the argument itself, it became clear that this could put Porter's Five Forces at its most like a bridge as opposed to a complete analysis job. I thus modified the framework in such a way that Section 3 would need to conclude with its own competitiveness analysis prior to the discussion of Xiaomi. A third solid moment was of the source pack. India was originally looked at directly due to growth in manufacturing and export statistics. Having added weaker evidence of shipment, that of Xiaomi, and the material of legal risk, the argument was even more disciplined. I also had to leave behind an initial visual representation that put Xiaomi within the Diamond itself, as it committed the same conceptual error of reducing competitiveness in the industry to the level of firms.

6.2 Reflective Observation

In hindsight, it was not the absence of evidence that was the greatest risk in my process but the appeal to a tidy story. India created so much good juice that one could readily drift towards an unruffled "India is winning" narrative. The issue with that instinct was the fact that it confused the line between country attractiveness and firm attractiveness. As soon as I included Canalys and Counterpoint evidence about the weaker demand and the weaker position of Xiaomi, the

story became more balanced since it could not rely on the scale only anymore (Canalys, 2025a; Counterpoint Research, 2026a; Counterpoint Research, 2026b).

Another less strong aspect of my own writing process that I identified is that I initially considered more theory as automatically better. That was misleading. Once I allocated each framework a specific task, the report improved as I did not place models all over the paper as I used to before. I observed the same problem concerning Xiaomi. The Xiaomi is the most captivating section of the case, so it was hard not to overindulge in letting the company seem too early and too frequently. Fixing that ensured that Section 2 was more believable and Section 4 earned its spot instead of being dictated.

A practical lesson of this step of reflection is that good postgraduate work is as much about what is not included as it is about what is included. Many potential directions of discussion were eliminated not on account of being erroneous, but of distorting the main judgement.

6.3 Abstract Conceptualisation

Most of the assignment became better when claims were tested instead of labelled through the application of theory. The most evident one was that of Porter. Before its application, I was nearly persuading manufacturing development, exports, and policy activism were sufficient evidence of competitiveness. The Diamond obliged me to divide the factors into circumstances, demand, supporting industry, rivalry and government impact, which revealed that the strengths of India are clumped in demand, assembly and scale endorsed by government as opposed to full upstream depth (Porter, 1990). That clarified the industry judgment.

The integration-responsiveness and OLI at that time altered my perception of Xiaomi. The paradigm by Dunning was what made India continue to be a strategic location to Xiaomi, but failed to provide how Xiaomi would compete in India now (Dunning, 2001). The second question was answered by Harzing (2000) and Blind, Jastram and Müller (2024), who made local responsiveness more visible. This brought a more accurate conclusion: the issue with Xiaomi in India is not that the market is important, but the fact that this company can localise the correct elements of its value chain, retain the global coordination where it continues to generate value. What I learned as the key idea in this is easy. The international business analysis can be strengthened when it is dealt with as a question and not as an answer.

6.4 Active Experimentation

In case of doing a similar assignment in the future, there are four ways in which I would enhance the process. To start with, I would create conflicting evidence for the research pack. In this assignment, only the inclusion of weaker market data and the evidence of legal risks of Xiaomi helped to make the argument fully persuasive. Second, I would split the country-level and firm-level evidence much earlier in my notes. This boundary was the critical point of analysis in the report, and I realised how important it is when I reorganised the structure.

Third, I would delegate the work of each framework prior to writing paragraphs. After assigning Porter, OLI, integration-responsiveness and Kolb unique roles, the report was easier to manage and understand. Fourth, I would develop the reflection log and figure register during the planning phase and not later. Both made the work better since they both required me to think in a concrete way about what had been changed in the process and what each visual was meant to demonstrate. The general message that I would bring with me is that better MBA writing does not consist of complicating the paper. It is a by-product of bringing the judgment to a more specific result, the evidence to a more even balance and the structure to a more disciplined result.

Had I used that lesson in a previous assignment, I would likely have arrived at the point of the argument quicker and spent less time reorganising it later. That would leave more time to engage in deeper literary comparison and closer integration of visuals, theory and prose.

References

- Baishya, K. and Samalia, H.V. (2020) 'Factors Influencing Smartphone Adoption: A Study in the Indian Bottom of the Pyramid Context', *Global Business Review*. Available at: <https://journals.sagepub.com/doi/10.1177/0972150919856961> (Accessed: 23 April 2026).
- Banga, K. (2023) 'Global value chains and product sophistication in developing countries; the case of Indian manufacturing', *The Journal of International Trade & Economic Development*. Available at: <https://www.tandfonline.com/doi/full/10.1080/09638199.2022.2124437> (Accessed: 23 April 2026).
- Blind, K., Jastram, S. and Müller, J.-A. (2024) 'Subsidiary strategy and importance of standards: An institutional development of the integration-responsiveness framework', *European Management Journal*. Available at: <https://www.sciencedirect.com/science/article/pii/S0263237324001282> (Accessed: 23 April 2026).
- Canalys (2025a) 'India's smartphone market enters 2025 with weak consumer sentiment, Q1 shipment fell 8%'. Available at: <https://www.canalys.com/newsroom/india-smartphone-market-q1-2025> (Accessed: 23 April 2026).
- Canalys (2025b) 'India's smartphone market rose 7% in Q2 2025 after an early inventory-led slowdown'. Available at: <https://www.canalys.com/newsroom/india-smartphone-market-q2-2025> (Accessed: 23 April 2026).
- Chaturvedi, A. and Kalra, A. (2026) 'Xiaomi challenges India tax authority over tariffs on royalties in closely watched case', *Reuters*. Available at: <https://finance.yahoo.com/news/xiaomi-challenges-india-tax-authority-090929959.html> (Accessed: 23 April 2026).
- Chaurasia, S. (2025) 'No more online-centric smartphone brands in India', *Omdia*. Available at: <https://omdia.tech.informa.com/blogs/2025/july/smartphone%20brands%20in%20india> (Accessed: 23 April 2026).

Choudhury, R.N. (2022) 'Assessing the Impact of the Mobile Manufacturing Sector on Indian Economy', *Emerging Economy Studies*. Available at: <https://journals.sagepub.com/doi/10.1177/23949015211070414> (Accessed: 23 April 2026).

Chung, C. and Sparrow, P. (2024) 'Exploring the configuration of international HRM strategies for global integration and local responsiveness in MNEs', *The International Journal of Human Resource Management*. Available at: <https://www.tandfonline.com/doi/abs/10.1080/09585192.2024.2320768> (Accessed: 23 April 2026).

Chetia, P., Behera, S.R., Mishra, T. and Parhi, M. (2025) 'FDI spillovers, innovation and the role of industrial clusters: Evidence from innovative Indian manufacturing firms', *Economic Modelling*. Available at: <https://www.sciencedirect.com/science/article/pii/S0264999325002354> (Accessed: 23 April 2026).

Counterpoint Research (2026a) 'India Smartphone Market Sees Weakest Quarter in Six Years'. Available at: <https://counterpointresearch.com/en/insights/india-smartphone-market-q1-2026> (Accessed: 23 April 2026).

Counterpoint Research (2026b) 'India Smartphone Market Share: Quarterly'. Available at: <https://counterpointresearch.com/en/insights/india-smartphone-share> (Accessed: 23 April 2026).

CyberMedia Research (2025a) 'Affordable 5G and Premium Smartphone Segments Fuel 8% YoY Growth in India Smartphone Market in Q2 2025'. Available at: <https://cmrindia.com/affordable-5g-and-premium-smartphone-segments-fuel-8-yoy-growth-in-india-smartphone-market-in-q2-2025/> (Accessed: 23 April 2026).

CyberMedia Research (2025b) 'India's Premium Manufacturing Shift Delivers 8% Export Growth in Q3 2025: CMR'. Available at: <https://cmrindia.com/indias-premium-manufacturing-shift-delivers-8-export-growth-in-q3-2025-cmr/> (Accessed: 23 April 2026).

Dunning, J.H. (2001) 'The Eclectic (OLI) Paradigm of International Production: Past, Present and Future', *International Journal of the Economics of Business*. Available at:

<https://www.tandfonline.com/doi/abs/10.1080/13571510110051441> (Accessed: 23 April 2026).

Gereffi, G., Humphrey, J. and Sturgeon, T. (2005) 'The governance of global value chains', *Review of International Political Economy*. Available at: <https://www.tandfonline.com/doi/abs/10.1080/09692290500049805> (Accessed: 23 April 2026).

Harzing, A.-W. (2000) 'An Empirical Analysis and Extension of the Bartlett and Ghoshal Typology of Multinational Companies', *Journal of International Business Studies*. Available at: <https://link.springer.com/article/10.1057/palgrave.jibs.8490891> (Accessed: 23 April 2026).

International Monetary Fund (2025) *India: 2025 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for India*. Available at: <https://www.imf.org/en/publications/cr/issues/2025/11/25/india-2025-article-iv-consultation-press-release-staff-report-and-statement-by-the-572056> (Accessed: 23 April 2026).

Kala, D. and Chaubey, D.S. (2024) 'Perceived Value and Adoption Intention for 5G Services in India: Moderating Effect of Environmental Awareness', *Journal of Telecommunications and the Digital Economy*. Available at: <https://jtde.telsoc.org/index.php/jtde/article/view/921> (Accessed: 23 April 2026).

Kolb, A.Y. and Kolb, D.A. (2022) 'Experiential Learning Theory as a Guide for Experiential Educators in Higher Education', *Experiential Learning and Teaching in Higher Education*. Available at: <https://journals.calstate.edu/elthe/article/view/3362> (Accessed: 23 April 2026).

Kumar, A. (2026a) 'India's smartphone shipments drop by 7% on-year in 4Q25; Xiaomi sees highest decline: Omdia', *ETTelecom*. Available at: <https://telecom.economictimes.indiatimes.com/news/devices/indias-smartphone-shipments-decline-7-yoy-in-q4-2025-xiaomi-faces-largest-drop-omdia/126942357> (Accessed: 23 April 2026).

Kumar, S.S. and Menon, R.P. (2017) 'Brand Loyalty of Customers in Smartphone Brands', *Indian Journal of Marketing*. Available at: <https://indianjournalofmarketing.com/index.php/ijom/article/view/111417> (Accessed: 23 April 2026).

Porter, M.E. (1990) 'The Competitive Advantage of Nations', *Harvard Business Review*. Available at: <https://hbr.org/1990/03/the-competitive-advantage-of-nations> (Accessed: 23 April 2026).

Press Information Bureau, Ministry of Commerce & Industry (2025) 'Production Linked Incentive Scheme Strengthens India's Manufacturing Capacity and Export Performance'. Available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2202979&lang=1®=3> (Accessed: 23 April 2026).

Press Information Bureau, Ministry of Electronics & IT (2026) 'India emerges as Second Largest Mobile Manufacturing Country; Smartphone Exports lead in 2025'. Available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2238427> (Accessed: 23 April 2026).

Raj, S., Singh, A. and Lascu, D.-N. (2023) 'Green smartphone purchase intentions: A conceptual framework and empirical investigation of Indian consumers', *Journal of Cleaner Production*. Available at: <https://www.sciencedirect.com/science/article/abs/pii/S0959652623008168> (Accessed: 23 April 2026).

Raju, S. and Saradhi, V.R. (2020) 'What Ails India's Electronic Manufacturing Industry: An Assessment', *The Indian Economic Journal*. Available at: <https://journals.sagepub.com/doi/10.1177/0019466221998621> (Accessed: 23 April 2026).

Reddy, K. and Sasidharan, S. (2021) 'A Portrait of Global Value Chain Linkages of Indian Manufacturing', *Journal of Asian Economic Integration*. Available at: <https://journals.sagepub.com/doi/10.1177/26316846211039419> (Accessed: 23 April 2026).

Reuters (2024) 'India accuses Samsung, Xiaomi of colluding with Amazon, Flipkart', *CNBC*. Available at: <https://www.cnbc.com/2024/09/15/india-accuses-samsung-xiaomi-of-colluding-with-amazon-flipkart.html> (Accessed: 23 April 2026).

Rijesh, R. (2020) 'Trade Liberalisation, Technology Import, and Indian Manufacturing Exports', *Global Economic Review*. Available at: <https://www.tandfonline.com/doi/abs/10.1080/1226508X.2020.1798267> (Accessed: 23 April 2026).

Singh, M.K., Kumar, H., Gupta, M.P. and Madaan, J. (2018) 'Competitiveness of Electronics manufacturing industry in India: an ISM-fuzzy MICMAC and AHP approach', *Measuring Business Excellence*. Available at: <https://www.sciencedirect.com/science/article/pii/S1368304718000131> (Accessed: 23 April 2026).

Tripathi, V. (2026) 'Xiaomi India Shifts from Volume to Value to Regain Ground', *Outlook Business*. Available at: <https://www.outlookbusiness.com/corporate/xiaomi-india-shifts-from-volume-to-value-to-regain-ground> (Accessed: 23 April 2026).

Xiaomi Corporation (2026) *Xiaomi Corporation 2025 Fourth Quarter and Annual Results Presentation*. Available at: https://ir.mi.com/system/files/encrypted/nasdaq_kms/assets/2026/03/24/6-20-53/Xiaomi%20Corp_25Q4_ER_ENG%20vF.pdf (Accessed: 23 April 2026).

Xiaomi India (2025) *About Us - Xiaomi India*. Available at: <https://www.mi.com/in/promotion/2025/about-us/> (Accessed: 23 April 2026).