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## Lava may become second largest local smartphone brand

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NEW DELHI: Lava is likely to replace Karbonn as India's second largest local smartphone vendor in a ranking led by Micromax, handsets import data indicates.

Data from market research firm Cybex Exim Solutions, which tracks only domestic phone vendors, shows that Micromax imported 3.7 million smartphones in the third quarter of 2014 while Lava imported 1.9 million and Karbonn 1.8 million. Karbonn, however, said it remains ahead of Lava as per its own calculations.

In the feature phones category, Lava topped the list in the number of handsets imported, followed by Micromax and Karbonn. Overall, Micromax maintained its lead, with Lava pipping Karbonn to second spot. All three vendors import devices mainly from China. Next week, market research firms IDC and CounterPoint Technology are expected to come out with their shipment data, which will indicate the market share rankings for the July-September period.

India's surging but volatile smartphone market, is expected to nearly double to over 80 million devices by end of 2014. In the April-June period, it was led by Samsung at 29 per cent. Micromax was a close second at 18 per cent, followed by Karbonn (8 per cent) and Lava (6 per cent).

In India, feature phones still account for over 70 per cent of the market, but are being fast replaced by smartphones.

Karbonn and Lava are facing strong competition from the likes of Lenovo-Motorola, Xiaomi and Gionee, while Microsoft-Nokia is also trying to regain lost market share.

Noida-based Lava has been growing consistently and at a healthy rate since the beginning of the current financial year, according to IDC and Convergence Catalyst's founder analyst Jayanth Kolla. "In terms of growth, it has got to be Lava. Starting with the first quarter, they were at the smaller market share. In terms of rate of growth, they have been on a roll among the three players," Kolla said.

Lava is the first India phone vendor to introduce its own user interface or skin —Hive— on the Android OS. No other domestic brand has invested on this front lately. Kolla said it is a strong product differentiator for Lava devices in India.

The change in the ranking dynamics was predicted by IDC in its handset market report for the second quarter. "It will not be a surprise if Lava topples Karbonn to clinch the third spot in the smartphone category in the coming quarters," the market research firm had said.

Karbonn's executive director Shashin Devsare said the company is not worried. "Our shipment trends in the last quarter keep us at number 2 in smartphones," he said.

Devsare said the company is seeing quarter over quarter growth, which is in line with internal targets. "We have been maintaining our position with 6-7 lakh smartphones per month in the last quarter, on an average. We focus on meeting targets rather seeing if we are growing in terms of market share," he said.

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