

THE BIG PICTURE

Transsion's Triumph

A look at Transsion's monumental growth, unique marketing strategies and future growth potential.

BY GARRETT O'BRIEN – AUGUST 14, 2022



The launch of Tecno Mobile's flagship store in Lagos, Nigeria, 2019. Credit: Tecno Mobile

Chinese phone manufacturer [Transsion](#) has become a major player in the global mobile phone market all without selling a single product in China. The affordability and specialization of Transsion products for consumers in the Global South, particularly in Africa, have helped propel the Shenzhen-based company to international stardom.

The company first entered the global market in 2008 selling basic phones in Nigeria, Africa's largest economy. Since then, Transsion has entered 70 different countries and ranks third globally in mobile phone market share.

This week, *The Wire* explores Transsion's monumental growth, unique marketing strategies, and future growth potential.

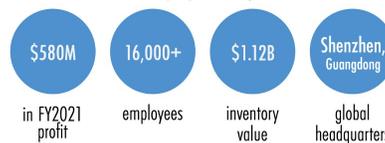
AFRICAN SUCCESS

Since Transsion's entrance into the African market, it has enjoyed exponential growth in both revenue and market share. Transsion controlled [47 percent](#) of the smartphone market in Africa in 2021 with its next biggest competitor, Samsung, lagging behind with 21 percent, according to the International Data Corporation (IDC).

Two key aspects differentiate Transsion from its competitors in Africa: price point and specialization

TRANSSION'

Transsion is the world's third largest mobile phone manufacturer, with a special focus on the African market. Transsion has sales offices in more than 70 countries and has grown its presence in the Middle East and Southeast Asia in recent years. The company was founded in Hong Kong in 2006 and became a listed company in Shanghai in 2019.

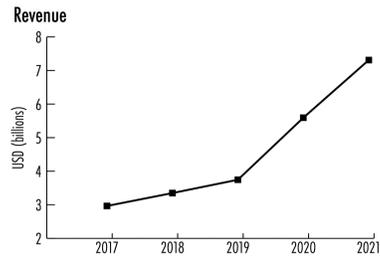


to the African market. Transsion prices are significantly lower than its competitors, selling phones with high speed data transfer capabilities like 4G LTE for as little as \$20. In contrast, the least expensive Samsung phones on the market sell for about \$80.

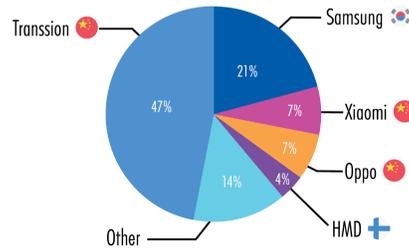
Analysts say that Transsion customers trade off a larger screen size and memory capabilities for these lower prices. Transsion phones also have characteristics specific to the African market, such as cameras designed to [optimize](#) photos of users with darker skin tones. In addition, Transsion phones come preloaded with Swahili and Amharic keyboards.

“Their strategy is to push volume into the market. They have the ability to make sure to give customers a good phone with specialized aspects at an affordable price,” says [Arnold Ponela](#), an IDC mobile phone analyst based in South Africa. “This is something that the African market, which is still very price sensitive, is looking for. In no time, we’ve seen the brand go from country to country, growing exponentially.”

Transsion focuses its advertising campaigns on physical displays that are specific to the local environments in which they are operating. Sky-blue Transsion billboards have become a staple in central business districts across Africa.



Average Market Share of African Mobile Phones, 2021



Data: Transsion Annual Reports, IDC

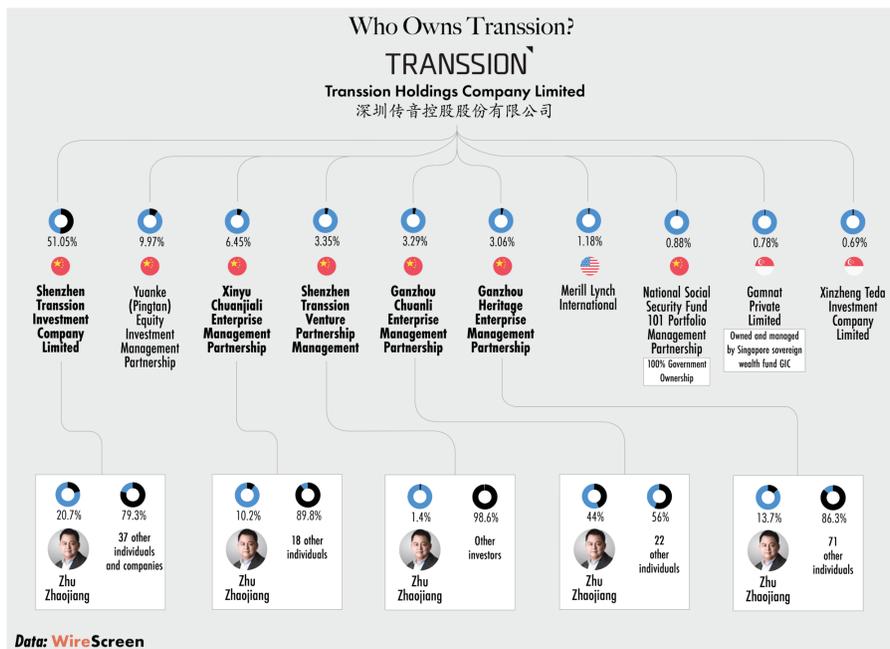
“ Transsion has realized that there’s an effectively untapped market in rural areas that is generally neglected. ”

— [Bulelani Jili](#), a China-Africa technology researcher and cyber fellow at Harvard’s [Belfer Center](#).

Oftentimes, Transsion will use local artists and musicians to promote their products. “They generate good brand equity locally because they are seen in a lot of countries as a ‘local brand’ because their marketing ploys, product designs, and apps all have a local feel to them,” says [Yang Wang](#), a London-based senior analyst at [Counterpoint](#), a market research firm headquartered in Hong Kong.

MARKET GROWTH

Transsion’s chief executive officer, [Zhu Zhaojiang](#), holds a large stake in the company through a number of investment vehicles, according to WireScreen.¹ Before founding Transsion in 2006, Zhu worked as an international marketing manager for Ningbo Bird Company, a low-end Chinese mobile phone maker. In this role, Zhu traveled to more than 90 markets, exposing him to the potential global growth of the mobile phone industry.



Other noteworthy investors in Transsion include the American investment bank Merill Lynch, the Singapore sovereign wealth fund, GIC, and China's National Social Security Fund.

Shanghai-listed Transsion has expanded its global presence in recent years by ramping up operations in Pakistan, India, and Bangladesh. Although these new markets offer huge potential growth, Transsion faces serious competition from other Chinese phone manufacturers, such as Xiaomi, [Oppo](#) and [Vivo](#). Analysts believe that the largest potential market for Transsion is in rural communities in Africa.

Most of Transsion's competitors tend to focus sales and marketing efforts in urban areas due to the higher concentration of people and wealth. However, Transsion has made efforts to bring its products to long overlooked rural areas where demand for smartphones is still high. "Transsion has realized that there's an effectively untapped market in rural areas that is generally neglected," says [Buleclani Jili](#), a China-Africa technology researcher and cyber fellow at Harvard University's [Belfer Center](#).

Given Africa's growing population and income levels, it is viewed as one of the largest potential smartphone markets in the world. "The biggest opportunity lies in staying with the key markets, which is pretty much the entire continent, while deepening and widening the channel, so that products are available to people in the most remote areas," says Wang, at Counterpoint.

THE ROAD FORWARD

Although Transsion does not sell in China, a vast majority of its manufacturing and corporate structure is based there. However, Transsion is increasing its manufacturing capacities abroad through building factories in both [India](#) and [Ethiopia](#). As smartphones become a financial possibility for most of its market, ensuring localized manufacturing can help lower costs. Long term investment into existing markets and customers may hold the key to Transsion's long term success.

Transsion operates three brands. Itel is the most affordable and lowest tech option followed by Tecno and then Infinix. Transsion has acquired much of its market share through Itel's brand equity as the most affordable option on the market. Transsion is playing the long game, hoping to convert Itel users into Tecno users and Tecno users into Infinix users. "Growth opportunities are seen by moving customers into mid range and premium

segments. That definitely is a strategy that we're seeing they are taking," says IDC's Ponela.



Source: Counterpoint Research

Transsion's most successful markets are beginning to spill out of Africa and into the Middle East and South Asia. Over the past year, Transsion smartphone sales have jumped [18 percent](#) in the Middle East and [79 percent](#) in Asia, according to Counterpoint.

Transsion's long term success in new markets depends on smartphone sales. Although smartphones accounted for less than half of Transsion shipments in 2021, they made up over [80 percent](#) of revenue for the company, according to Counterpoint.

"Transsion always looks to expand their product by effectively aiming to meet the local demands of the smartphone market. In that sense, it's really about thinking globally while acting locally," says the Belfer Center's Jili.



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COVER STORY



Pole Position

BY EYCK FREYMANN

In public, Chinese diplomats and climate negotiators deny that they see any link between climate change and geopolitics. But there is a deeply cynical consensus within China's academic

Q & A



Jörg Wuttke on China's Self-Destruction

BY ANDREW PEOPLE

The EU Chamber of Commerce in China president talks about China's self-inflicted problems; how he gets away with being so outspoken; and why he believes in China's comeback gene.

NEWS AND ANALYSIS



BGI Shakes Up Sequencing

BY GARRETT O'BRIEN

BGI has entered the American genome sequencing market for the first time, forcing scientific innovation to clash with national security.

and policy communities that climate change creates geopolitical opportunities that China can exploit — and must exploit before its rivals do. Greenland was the proof of concept for this strategy. And it caught the U.S. flat-footed.



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