

Xiaomi Looks to Dial in a Startup Ecosystem in India

The Times of India, 7th January 2015

<http://timesofindia.indiatimes.com/Tech/Tech-News/Xiaomi-looks-to-set-up-startup-ecosystem-here/articleshow/45791709.cms>

Co keen to work with Indian startups in mobile tech, content aggregation and connected devices

Xiaomi, which recently closed a \$1-billion funding round, is keen to work with Indian startups in mobile technology, content aggregation and connected devices, a top company executive has told ET.

For Xiaomi India, setting up its own startup ecosystem, like it has done in China, is one of its key priorities this year.

"We may co-develop, invest or launch their products. We have discussed with a few startups so far," said Manu Jain, Xiaomi's India head, while declining to name the startups or the investment size.

Xiaomi identifies itself not as a smartphone maker but as a mobile technology and e-commerce company, and has invested in Chinese startups in areas like smart light bulbs, a video site and fitness band.

"Startups would find it lucrative to work with Xiaomi versus other corporates, as it is agile and has been able to grow, coupling the scale brought forward by both the internet and mobile era," said Jayant Kolla, partner at research firm Convergence Catalyst.

The Indian division of one of the most valuable startups in the world works out of a diminutive office in a Bengaluru tech park and has sold a million devices in India over the past five months.

Xiaomi, which is currently valued at \$45 billion, has big plans for India in 2015 -smartphones being the least of them.

Xiaomi, which translates to 'little rice' or millet in Chinese, has its own skin called MIUI — a play on the words 'Me, you, I'— that sits on top of Google's Android operating system.

The MIUI app store, through which it sells themes, content and video, is one of the means through which it cross-subsidises for its low-cost phones. Undeterred by recent controversies, including a ban on its smartphones in India, which has since been partially lifted, Xiaomi expects to bring in more product lines to India, including the Mi TV, Mi Band and a router that enables home automation. To that end, the company wants to open its own ecommerce front, Mi.com, to sell its products directly to customers, in addition to its current tie-ups with players like Flipkart and Airtel.

To provide quality follow-up services to its customers, Xiaomi also aims to open up 100 exclusive service centres across India this year, up from five that are currently set up.



And Xiaomi hopes to pump up efforts in this direction, starting with a 20,000 square foot office space in Bengaluru focused on research and development, its first outside of China, to develop India-specific software to roll out 10 more Indian languages and phone themes in addition to other products.

The 18,000-strong MIUI fan community will also be tapped to beta-test products.

“Cricket and Bollywood are so unique to India — you can build it only in India because of the cultural context involved,” said Jain. “The starting point for us will be to build for India, and then it would not be far away for us to also start building products for other markets, like Southeast Asia and Brazil.”