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A Study on the Performance Evaluation of Transsion Holdings from an Internationalisation Strategy Perspective

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Abstract: Against a backdrop of increasing volatility in global supply chains and intensifying competition in emerging markets, Transsion Holdings, as a representative enterprise of China's manufacturing sector expanding overseas, has faced pressure from declining performance in recent years.Taking Transsion Holdings as a case study, this paper employs the Balanced Scorecard to systematically evaluate the performance of its internationalisation strategy across four dimensions: financial, customer, internal processes, and learning and growth. The research reveals structural imbalances across these four dimensions, with the financial dimension under significant pressure whilst the learning and growth dimension continues to receive investment, reflecting the typical challenges encountered during the lag in strategic implementation for internationalised enterprises. This paper aims to provide methodological guidance for the performance evaluation of corporate internationalisation strategies.

Keywords: Internationalisation Strategy; Performance Evaluation; Transsion Holdings; Balanced Scorecard

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1. Introduction

As competition in the domestic market becomes increasingly saturated, 'going global' has become a strategic consensus among Chinese manufacturing enterprises.Whereas enterprises initially focused on product exports, they have now entered a phase of in-depth operations, with Chinese firms continuously expanding the breadth and depth of their internationalisation. Whilst the majority of Chinese enterprises going global have set their sights on mature markets in Europe and the US, Transsion has charted a different course, focusing on emerging markets such as Africa and South Asia that have been overlooked by international giants. Through localised innovations—such as photography optimisation for darker skin tones, multi-SIM support, and sweat-resistant designs—it has gradually established market barriers that are difficult for domestic competitors to replicate.

In recent years, Transsion's performance has attracted widespread market attention. Following a period of rapid growth, the company now faces multiple pressures: rising costs due to global supply chain volatility, an accelerated influx of competitors into emerging markets, and a squeeze on its core market share by industry peers. Given the significant time lag between strategic investments and outcomes, financial metrics alone cannot fully address this issue; non-financial dimensions such as R&D, branding and ecosystem development are equally critical.In response, this paper seeks to introduce the Balanced Scorecard—a strategic performance management tool—to systematically evaluate Transsion Holdings' international strategic performance across four dimensions: financial, customer, internal processes, and learning and growth. The aim is to provide a more comprehensive analytical perspective for understanding the strategic effectiveness of companies expanding overseas.

2. Overview of Transsion Holdings

Shenzhen Transsion Holdings Co., Ltd. (hereinafter referred to as “Transsion Holdings” or “Transsion”) is committed to becoming the most favoured provider of smart devices and mobile internet services for consumers in emerging markets. Since its establishment, Transsion has focused on providing users with high-quality, multi-brand smart devices centred on mobile phones, whilst delivering mobile internet services based on its proprietary smart device operating system and traffic entry points.Transsion Holdings was established in 2013 and is headquartered in Shenzhen. It listed on the STAR Market of the Shanghai Stock Exchange in September 2019. The company founded the Transsion brand and launched the “TECNO” mobile phone. Through its deep insight into the needs of emerging markets and localisation strategies, it has gradually established a leading position in Africa and is hailed as the “King of African Mobile Phones”.

Transsion Holdings’ sales are primarily concentrated in emerging markets such as Africa, South Asia, Southeast Asia, the Middle East and Latin America. According to IDC data, the company’s mobile phone shipments in 2024 reached approximately 201 million units, with a global market share of 14.0%, ranking third globally.By region, the company ranks first in the African smartphone market with a 61.5% market share; it also holds the top position in the smartphone markets of Pakistan and Bangladesh. The company has subsidiaries in 32 countries and regions overseas, with production bases in Ethiopia, India, Bangladesh and elsewhere. Foreign employees account for approximately 40% of the workforce, demonstrating the company’s deep roots in emerging markets.

3. Drivers of Transsion Holdings’ Internationalisation Strategy

3.1 The Belt and Road Initiative

National policies have provided robust institutional safeguards and strategic guidance for Chinese enterprises to ‘go global’. Transsion’s international expansion aligns closely with the Belt and Road Initiative, as the markets it has cultivated—including Africa, South Asia and Southeast Asia—are key regions along the Belt and Road routes.The Belt and Road Initiative has fostered cooperation between China and countries along the route in areas such as infrastructure connectivity and the facilitation of trade and investment, creating a favourable external environment for Transsion’s localised operations in overseas markets. Numerous economic and trade cooperation arrangements under the framework of the Forum on China-Africa Cooperation have reduced trade barriers between the two sides, providing policy advantages for Transsion to establish production bases and develop sales channels in Africa.Furthermore, a series of financial policies introduced by the state to support enterprises in ‘going global’ have effectively reduced the risks and costs associated with Transsion’s international operations. Departments such as the Ministry of Commerce and Customs have continuously optimised customs clearance measures, providing efficient safeguards for product exports and supply chain management. Strategic guidance and policy support at the national level have been a key source of confidence for Transsion in resolutely advancing its internationalisation strategy.

3.2 Saturation of the Domestic Market

China’s smartphone industry has entered a phase of competition for existing market share, with market concentration steadily increasing and growth prospects narrowing. Enterprises should prioritize internationalization strategies, particularly the development of in-depth internationalization, as it plays a crucial role in enhancing their innovation capabilities[1]. As smartphone penetration in China rises and the market approaches saturation, sales of new handsets now rely primarily on replacement demand, and growth has slowed significantly.At the same time, leading brands such as Huawei, Xiaomi, OPPO and vivo dominate the vast majority of the market share, resulting in exceptionally fierce competition that has severely squeezed the survival space for small and medium-sized brands. Against this backdrop, ‘going global’ has become the common choice for domestic mobile phone manufacturers seeking new growth opportunities. In emerging markets such as Africa, South Asia and Southeast Asia, smartphone penetration remains at a relatively low level, forming a stark contrast to the domestic market, and the window of opportunity for the transition from feature phones to smartphones still exists.

According to GSMA data, the proportion of smartphone connections in sub-Saharan Africa stands at only around 50%, far below the global average of 75%. This significant disparity indicates immense market potential. Transsion has keenly identified this industry trend and shifted its strategic focus to emerging overseas markets, thereby avoiding the cut-throat competition in the domestic market whilst seizing structural opportunities abroad, achieving a differentiated breakthrough.

3.3 Expanding Overseas Markets

From the company's own perspective, the competitive pressure faced in the domestic market was a key driver behind Transsion's decision to break through overseas. When the company was first established, the domestic mobile phone market had already been divided up by international giants such as Nokia and Samsung, as well as local brands like Boway and TCL, with the competitive landscape largely set in stone. Rather than choosing to compete head-on with industry giants in the domestic market, Transsion charted a different course by turning to overseas markets.Transsion lagged significantly behind leading domestic manufacturers in terms of brand awareness, channel resources and technological expertise; had it chosen to engage in a head-on battle in the domestic market, it would have struggled to secure a space for survival and development. Consequently, the decision to avoid the domestic 'red ocean' and shift focus to emerging markets was a rational strategic choice made by Transsion based on an assessment of its own capabilities. This strategy of expanding into international markets enabled Transsion to avoid direct confrontation with international mobile phone manufacturers during its early development stages, thereby securing a valuable window of opportunity for the company's growth within the industry.Whilst domestic mobile phone brands were embroiled in price wars, Transsion had already established an unshakeable first-mover advantage in Africa. The combined effect of the 'push' from domestic competitive pressures and the 'pull' of opportunities in overseas markets shaped Transsion's path to internationalisation.

3.4 The Need for Scalable Expansion

Through its long-term commitment to the African market, Transsion has accumulated extensive localised operational capabilities, laying a solid foundation for its further international expansion. In response to the specific needs of African consumers, the company has developed a range of personalised features, including deep-skin-tone camera technology, night-time photography capture technology, low-cost high-voltage fast-charging technology, ultra-long battery life, and sweat-resistant USB ports, thereby establishing unique product competitiveness.Transsion has established partnerships with over 2,000 distributors, with a service network covering more than 2,000 service points globally, building one of the most comprehensive after-sales service systems in emerging markets. Once these core capabilities were established, an endogenous demand for large-scale expansion emerged. From 2015 onwards, Transsion began allocating substantial resources to Southeast and South Asia, transferring and replicating the 'localised innovation' methodology accumulated in Africa. Furthermore, as the company expanded, its sole reliance on the mobile phone business posed operational risks; the prospectus indicates that mobile phone revenue accounts for approximately 90% of total revenue. This has prompted Transsion to diversify its business structure through international expansion to mitigate risks and achieve a strategic shift from being the "King of Africa" to a "Global Leader in Emerging Markets".

4. Performance Analysis of Transsion Holdings from an Internationalisation Strategy Perspective

As a comprehensive strategic performance management tool, the Balanced Scorecard's core function lies in breaking down corporate strategic objectives into quantifiable performance indicators and systematically evaluating operational effectiveness across multiple dimensions; it has been widely adopted in corporate management practice. The use of the Balanced Scorecard for performance evaluation is not merely to replace traditional performance evaluation methods, but rather to employ a scientific approach to assess the extent to which the strategy contributes to performance[2]. This paper focuses on the four dimensions of the Balanced Scorecard—financial, customer, internal processes, and learning and growth—and uses these as a basis for a systematic evaluation of Transsion Holdings' performance from the perspective of its internationalisation strategy.

4.1 Financial Dimension

The financial dimension is the top-level dimension of the Balanced Scorecard, reflecting the ultimate economic outcomes of the implementation of the internationalisation strategy. For Transsion Holdings, the evaluation of the financial dimension is conducted across four levels: profitability, growth potential, operational efficiency, and cash flow and risk. Enterprise performance reflects the operating results of a business over a certain period, while the level of enterprise performance management is primarily reflected through performance evaluation. Designing a reasonable and effective performance evaluation method plays an important role in corporate decision-making[3]. Key financial indicators are selected from the above metrics for analysis (as shown in Table 1), providing a comprehensive examination of the company's performance.

4.1.1 Profitability Indicators

As shown in Table 1, Transsion Holdings' profitability exhibits an inverted V-shaped trend, rising initially before declining, with 2023 serving as a clear dividing line. From 2019 to 2021, the company's profitability remained relatively stable, with the net profit margin hovering between 7% and 8% and ROE maintaining a high level of around 30%, reflecting the strong competitive advantage established during the early stages of its deep engagement in the African market.In 2022, affected by global economic volatility and supply chain disruptions, the net profit margin temporarily fell to 5.29%, but rebounded rapidly to 8.97% in 2023, with ROE recovering to 31.08% and the gross profit margin also rising to 23.55%, indicating that the company demonstrated strong operational resilience and cost control capabilities in the post-pandemic period.

However, profitability saw a significant decline in 2025. The net profit margin fell to 3.97%, a drop of 5 percentage points from the 2023 peak; ROE plummeted to 12.71%, a decline of nearly 60%; and the gross margin fell below 20% to 19.15%, the lowest level in nearly seven years. This dramatic shift was driven by both external and internal factors.Externally, a sharp rise in global memory chip prices has driven up procurement costs for core components, whilst limited pricing power for mid-to-low-end products has made it difficult to pass these costs on to downstream customers;Internally, in response to intensifying competition and to drive long-term development, the company increased its investment in R&D and sales against the market trend, further squeezing profit margins. The sharp deterioration in profitability indicates that Transsion's traditional profit model, centred on value for money, is facing severe challenges; the transition to high-end products and cost optimisation are now urgent priorities.

4.1.2 Growth Capability Indicators

Transsion Holdings' growth capacity has exhibited a pattern of sharp fluctuations characterised by "sharp peaks and troughs". As shown in Table 1, the company's revenue growth rate started at 11.92% in 2019, surged to a peak of 49.10% in 2020, and remained at a high of 30.75% in 2021, primarily driven by deep penetration of the African market and rapid expansion into the South Asian market.However, in 2022, affected by global economic volatility, revenue contracted by 5.70%. Yet, it rebounded swiftly in 2023 to a historic high of 33.69%, demonstrating strong operational resilience. Subsequently, the growth rate continued to slow, falling to 10.31% in 2024 and turning negative again to -4.55% in 2025.In terms of net profit growth, fluctuations were even more pronounced: after reaching a high of 122.93% in 2023, it fell to -53.49% in 2025, reflecting a deterioration from a situation of 'revenue growth without profit growth' to one of 'declining revenue and profits'.Rising external supply chain costs continue to squeeze profit margins, whilst competitors such as Xiaomi and Honor are accelerating their entry into the African market. In response to this competition, the company has increased its R&D and sales expenditure against the market trend, further eroding profits. Overall, Transsion is facing a critical test as it navigates a shift in its growth drivers.

4.1.3 Operational Efficiency Indicators

As shown in Table 1, Transsion Holdings' operational efficiency has remained relatively stable overall, though individual indicators exhibit varying patterns of change. In terms of total asset turnover, the figure has gradually declined from 1.804 in 2019 to 1.467 in 2025, reflecting a general downward trend. This shift indicates that the pace of the company's asset expansion has outstripped revenue growth, resulting in a decline in asset utilisation efficiency.In 2023, the total asset turnover ratio rebounded slightly to 1.619 times, reflecting the positive impact of rapid revenue growth that year on asset turnover; however, it continued to decline over the following two years, indicating that the company's asset expansion did not yield a commensurate increase in revenue.In terms of inventory turnover, performance has been relatively stable, fluctuating between 5.3 and 6.6 times, and rebounding to 6.038 times in 2025, an improvement on the 5.662 times recorded in 2024. This indicates that the company has maintained good control over inventory management, with the risk of inventory build-up remaining relatively manageable.Overall, whilst Transsion's operational capabilities show a trend of weakening, they remain generally healthy. The decline in total asset turnover warrants attention, suggesting that the company needs to place greater emphasis on improving asset utilisation efficiency whilst expanding its scale.

4.1.4 Cash Flow and Risk Indicators

Performance evaluation can significantly increase employee motivation and also reduce the operational risks of the enterprise[4]. As shown in Table 1, Transsion Holdings' financial risk indicators remain generally within manageable limits, though they exhibit some volatility. In terms of the debt-to-equity ratio, the company's figures fluctuated within the range of 48% to 61% between 2019 and 2025.In 2020, the debt-to-equity ratio reached a temporary peak of 59.56%, before falling to a lower level of 48.57% in 2022, reflecting an improvement in the company's debt-repayment capacity during this period. In 2023, the debt-to-equity ratio rose to 60.59%, the highest level in the past seven years, primarily due to increased capital requirements resulting from rapid business expansion and higher inventory levels that year. Over the following two years, the debt-to-equity ratio gradually fell to 53.48%, with financial leverage stabilising and overall debt levels remaining within a reasonable range.

In terms of the current ratio, the company's short-term debt-repayment capacity has generally remained robust. From 2019 to 2025, the current ratio fluctuated between 1.6 and 2.2, consistently maintaining a level above the safety threshold of 1.5.The current ratio peaked at 2.232 in 2022, indicating a strong capacity for current assets to cover current liabilities that year. It subsequently declined gradually to 1.637 in 2025, yet remained within a reasonable range. Overall, Transsion Holdings' financial structure is relatively sound, with a moderate debt-to-equity ratio and a healthy current ratio, and short-term debt repayment risks are generally manageable.

Table 1: Transsion Holdings Financial Evaluation Indicators, 2019–2025

Indicators	Financial indicators	Year						
		2019	2020	2021	2022	2023	2024	2025
Profitability Ratios	Return on Equity (ROE) (%)	33.53	28.9	32.2	16.78	31.08	28.35	12.71
	Gross profit margin (%)	27.36	23.64	21.3	21.32	23.55	21.28	19.15
	Net profit margin (%)	7.09	7.09	7.92	5.29	8.97	8.15	3.97
Growth indicators	Revenue growth rate (%)	11.92	49.1	30.75	-5.7	33.69	10.31	-4.55
	Net profit growth rate (%)	172.8	49.8	45.52	-36.46	122.93	0.22	-53.49
Operating Efficiency Ratios	Total Asset Turnover Ratio (times)	1.804	1.728	1.72	1.496	1.619	1.507	1.467
	Inventory turnover ratio (times)	6.535	6.644	5.923	5.366	5.764	5.662	6.038
Cash Flow and Risk Indicators	Debt-to-Equity Ratio (%)	53.42	59.56	55.31	48.57	60.59	54.85	53.48
	Current ratio	1.896	1.7	1.876	2.232	1.679	1.618	1.637

4.2 Customer Dimension

The customer dimension is a key link in the Balanced Scorecard that connects internal operations with financial results, directly reflecting a company's competitive position in its target markets. Transsion Holdings' performance in the customer dimension reveals a divergent pattern, with pressure in core markets and promising growth in emerging markets. In terms of market share, Africa—the company's core base—accounted for approximately 40% of the smartphone market in 2025. Although it remains the market leader, this represents a significant decline from the over 50% share it previously held. Xiaomi's shipments in Africa grew by 34% year-on-year in the third quarter of 2025, whilst Honor saw a 158% surge in sales in South Africa, indicating that the 'one-brand dominance' pattern is being disrupted. The South Asian market shows marked divergence: Transsion holds over 40% and 35% market share in Pakistan and Bangladesh respectively, ranking first in both and maintaining a solid lead. In the Indian market, however, it holds only 4.0% and ranks eighth, facing difficulties in breaking through.The Southeast Asian market is growing rapidly; in the second quarter of 2025, Transsion ranked second in the region with an 18% market share and firmly held first place in the Philippines with a 37% share, demonstrating its ability to replicate its success in Africa. In terms of brand influence, Transsion has established a matrix of three major mobile phone brands—TECNO, itel and Infinix—which consistently feature on lists of brands favoured by African consumers; however, competitors are accelerating their brand-building efforts, posing a challenge to Transsion's competitive edge.Overall, the core concern regarding the customer dimension lies in the fact that market share in Africa—the company's core profit-generating market—is under competitive pressure. The continued deterioration of customer-related metrics will indirectly impact the financial dimension in the future. Whether Transsion can stabilise its core market share and accelerate expansion into new markets such as Southeast Asia will determine the success or failure of its internationalisation strategy.

4.3 Internal Process Dimension

The internal processes dimension acts as a bridge between the learning and growth and customer dimensions in the Balanced Scorecard, reflecting the organisation's efficiency in translating strategy into action.Transsion Holdings' evaluation of internal processes is primarily conducted across three dimensions: supply chain efficiency, channel management capabilities and the level of localised operations. In terms of supply chain efficiency, the company's inventory turnover ratio has been relatively stable, standing at 6.038 in 2025, with inventory turnover days at approximately 60 days, which remains within a reasonable range. This indicates strong inventory management capabilities and a manageable risk of inventory build-up.However, the accounts receivable turnover situation warrants caution. Days sales outstanding (DSO) have risen steadily from 9.4 days in 2019 to 19.5 days in 2025, whilst the proportion of accounts receivable relative to revenue has increased from 3.15% to 5.68%. This reflects a marked slowdown in payment collection from downstream distributors, with channel pressures being passed upstream.In terms of channel management, the company has established partnerships with over 2,000 distributors, building a three-tier distribution system covering both urban and rural areas across Africa. This deeply localised channel network is Transsion's core strength; however, competitors are accelerating their market penetration, with Xiaomi opening its own flagship stores in Morocco and planning to enter more than 15 new African markets.In terms of localised operations, the company operates production bases in Ethiopia, India, Bangladesh and elsewhere, putting into practice the philosophy of 'local production for local markets'. However, inventory reached 9.83 billion yuan in 2025, with increased stockpiling to counter rising raw material prices tying up substantial capital.Transsion's internal operational capabilities are generally robust, yet underlying risks are emerging. The deterioration in accounts receivable turnover is the most critical risk signal requiring attention; failure to effectively manage channel receivables risks will further exacerbate the company's cash flow pressures.

4.4 Learning and Growth Dimension

The Learning and Growth dimension emphasises employee capability development, technological innovation and organisational culture building. As a key dimension of the Balanced Scorecard, it encompasses indicators such as the proportion of R&D expenditure and employee satisfaction.As shown in Table 2, Transsion Holdings' R&D expenditure exhibits the distinct characteristics of "continuously expanding scale and fluctuating intensity". In terms of expenditure scale, the company's R&D investment grew from RMB 805 million in 2019 to RMB 2.95 billion in 2025, representing a cumulative increase of over 266% over seven years, with an average annual compound growth rate of approximately 24%.Even during the difficult period of 2025, when revenue declined and profits halved, R&D expenditure continued to grow against the trend, rising by approximately 17.2% year-on-year, fully demonstrating the company's strategic resolve to "sacrifice short-term profits for long-term capabilities".

In terms of R&D intensity, the proportion of R&D expenditure relative to revenue has shown an overall upward trend, rising from 3.18% in 2019 to 4.50% in 2025, an increase of 1.32 percentage points.However, R&D intensity reached a temporary peak of 4.46% in 2022, before falling slightly to around 3.6% over the following two years, and then rebounding to a historic high of 4.50% in 2025. This "V-shaped" trend reflects shifts in the company's strategic priorities at different stages of its development.Following increased investment in 2022, economies of scale helped to reduce the R&D expense ratio in 2023–2024, whilst in 2025, the company continued to increase investment against the trend despite performance pressures, demonstrating its strong commitment to technological innovation.

Table 2: Transsion Holdings' R&D Expenditure and Proportion, 2019–2025

Year	2019	2020	2021	2022	2023	2024	2025
R&D expenditure (billion yuan)	8.05	11.58	15.11	20.78	22.56	25.17	29.5
Total R&D expenditure as a percentage of revenue (%)	3.18	3.06	3.06	4.46	3.62	3.66	4.5

5. Conclusion

Based on the Balanced Scorecard framework, this paper systematically evaluates Transsion Holdings' performance from the perspective of its internationalisation strategy across four dimensions: financial, customer, internal processes, and learning and growth.The research reveals that Transsion's internationalisation strategy is currently undergoing the growing pains of a 'strategic transition phase', with the four dimensions of the Balanced Scorecard exhibiting significant structural imbalances. Specifically, the financial dimension is under comprehensive pressure, with return on equity (ROE) falling from 31.08% to 12.71% and both revenue and profit experiencing negative growth;in the customer dimension, core markets are being eroded, with market share in Africa retreating from its peak and the competitive landscape shifting; in the internal processes dimension, accounts receivable turnover continues to deteriorate, with channel pressures being passed upstream; only the learning and growth dimension is bucking the trend, with R&D investment rising to 2.95 billion yuan, reaching a historic high of 4.50% of revenue.

Enterprises need to comprehensively examine their current development status and grasp key information such as national policy directions and industry development trends[5]. This imbalance reveals a typical dilemma arising from the time lag in the transmission of international corporate strategies: investment in learning and growth has not yet been effectively translated into competitiveness in the customer dimension, and consequently has failed to rectify performance in the financial dimension. The key to Transsion's survival lies in stabilising its market share in Africa, translating AI R&D into product competitiveness, and achieving commercial breakthroughs in the mobile internet ecosystem. These represent not only the challenges facing Transsion but also provide important strategic insights for Chinese enterprises expanding overseas.

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