

The Analysis of Xiaomi Mobile Phone Marketing Strategy

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Abstract: With the rapid development of China's mobile communication industry, the total number of mobile phone users in China reached 900 million, China has become the world's largest mobile phone market. Facing mobile phone environment huge market capacity, competitiveness, Xiaomi mobile phone in the domestic mobile phone brand, the new power suddenly rose. Through a group of excellent marketing strategy, caused a strong reaction.

First of all, a brief introduction on the Xiaomi mobile phone, through the SWOT analysis, comprehensive analysis of Xiaomi's strengths, weaknesses, opportunities and threats, etc. Then further analysis on the marketing strategies of Xiaomi mobile phone currently used, the establishment and implementation of the whole marketing system of Xiaomi mobile phone is expounded in six aspects: advertising strategy, promotion strategy, online promotional distribution strategy, product strategy, pricing strategy and channel strategy. and find out the problems in the marketing process, then the analysis of Xiaomi mobile phone marketing problems, to bring forward corresponding solutions. At the same time for the development of other domestic mobile phone provide reference basis, I suggested the appropriate marketing strategies and profitable way for reference. so this article by analyzing management problem, market positioning problem, quality and profit problem, the brand value is low, because of "hunger" and injured and after-sales service problem they face, combined with its current marketing strategy, solve countermeasures for the existing problems, make Xiaomi mobile phone to maintain steady growth.

Keywords: Xiaomi; SWOT analysis; marketing; price strategy; hunger marketing.

I. INTRODUCTION

China has a huge population base, in 2014 the number of mobile users exceeded 1.1 billion, including smart phone users reached 400 million, for the first time beyond the United States, to become the world's largest smart phone consumer market. At the same time the domestic smart phone market is highly competitive, and the best way to improve product sales is undoubtedly a good marketing program planning and implementation. One of the core content of the marketing strategy is 4C, 4P theory. China's domestic mobile phone leader Xiaomi phone is undoubtedly 4P and 4C's theory successful example, its focus on product and pricing strategy implementation, resulting in a higher cost-effective become the main reason swept the country, combined with the appropriate promotion strategy, make it in the domestic mobile phone Stay in the forefront. But at the same time in the development process also faces some challenges and threats, so this article by analyzing the threats they face, combined with its current marketing strategy, find out the existing problems, make enterprises to maintain steady growth.

II. OBJECTIVES

August 16, 2011, when the Xiaomi Technology CEO Lei Jun appeared on the stage of the 798 Art District, Beijing Clubhouse, the presence of the Xiaomi fans shouted "Lei Busi" name, this is no doubt that, in the minds of Xiaomi fans and look forward to Lei Jun as the next Steve Jobs, hope Xiaomi become to "China's Apple phone". TechCrunch Disrupt conference held in Beijing on November 1, 2011, the Xiaomi Technology CEO Lei Jun said, the Xiaomi technology goal is to become a "world-class" mobile Internet company and successfully broke into the top 500 list of "Fortune" "Apple iPhone" redefined the smart phone, and other smart phone products in the past five years, could not keep up with the iPhone for the same reason I launched Xiaomi mobile phone.

III. XIAOMI MOBILE PHONE PROFILE AND ITS SWOT ANALYSIS

3.1 Xiaomi mobile phone profile:

Xiaomi Inc. is a privately owned Chinese electronics company headquartered in Beijing. It is the world's 4th largest smart phone maker. Xiaomi designs, develops, and sells smart phones, mobile apps, laptops, and related consumer electronics.

On August 16, 2010, Xiaomi officially launched its first Android-based firmware MIUI. The Xiaomi Mi1 smart phone was announced in August 2011. It was shipped with Xiaomi's MIUI firmware which is based on Android and resembles Samsung's TouchWiz and Apple's iOS. The device could also be equipped with stock Android. Mi 1 appears immediately caused a sensation in the has been choppy mobile phone market. And this is not only because of its powerful configuration, but also because of its attractive price, so that the popularity of Xiaomi rapidly rising. Almost overnight, "Xiaomi" has become a hot topic on concern mobile phone enthusiasts. Followed by a series of listed M2, M3 and Redmi pushed Xiaomi phone on the front of the domestic mobile phone.

3.1.1 Mitalk:

Mitalk is Xiaomi production of a mobile phone terminal free instant messaging tool, it can not only cross iPhone, Android, Symbian mobile phone platform, can also cross China Mobile, China Unicom, Telecom so on different operators. As long as through the mobile phone network (WiFi, 3G, GPRS), can communicate with the relevant contacts for real-time information communication, send and receive pictures and audio, it is important to consume only network traffic.

3.1.2 MIUI:

MIUI officially released on June 1, 2010, it is Xiaomi company depth customization of an Android mobile phone operating system, MIUI aim at native Android system for a number of improvements to optimize, its user covers in 23 countries, by the majority of mobile enthusiasts highly sought after. MIUI original features MIUI interface system, is committed to providing smart phones in the most extreme calls and text messages comfortable experience ,for Chinese users use habits are perfect match, Xiaomi technology is China's first use of Internet development model for mobile phone operating system development team , reference MIUI Community enthusiasts feedback to improve, weekly updates iterations, always give users the latest experience. And MIUI has the world's largest mobile phone wallpaper theme library, personalized themes and lock screen mode, as well as a wealth of custom methods.

3.2 Introduction to SWOT analysis method:

SWOT analysis method is a kind of enterprise strategy analysis method, which is based on the enterprise's own inherent conditions to analyze, find out the advantages, disadvantages and core competitiveness of enterprises. The internal factors: S represents strength , W represents weakness; The external factors: O represents opportunity, T represent threat.

3.3Xiaomi mobile phone SWOT analysis:

3.3.1 Strength:

Xiaomi mobile phone can win the hearts of the people, its advantages are mainly summarized as five aspects: the enterprise internal advantages, mobile phone itself advantage, price advantage, sales channel advantage, unique promotional strategy.

3.3.2 Weakness:

Xiaomi phone shortcomings are: mobile phone itself defects , lack of credibility, after-sales service has been questioned.

Mobile phone itself defects:

1. There are many hardware problems

- The screen become warped foot problem
- The phone off the paint problem
- The back cover closing cracks imprecise problems
- Phone body shaking have a sound problem
- In the original accessories without headset
- Battery heating problem

2. Lack of credibility

3. After-sales service has been questioned

Worry about the system stability and the quality of the product workmanship of people each accounted for 63.64%, worry about after-sales service and battery heating problem respectively accounted for 61.36%, 43.18%, and 9.09% are worried about other issues.

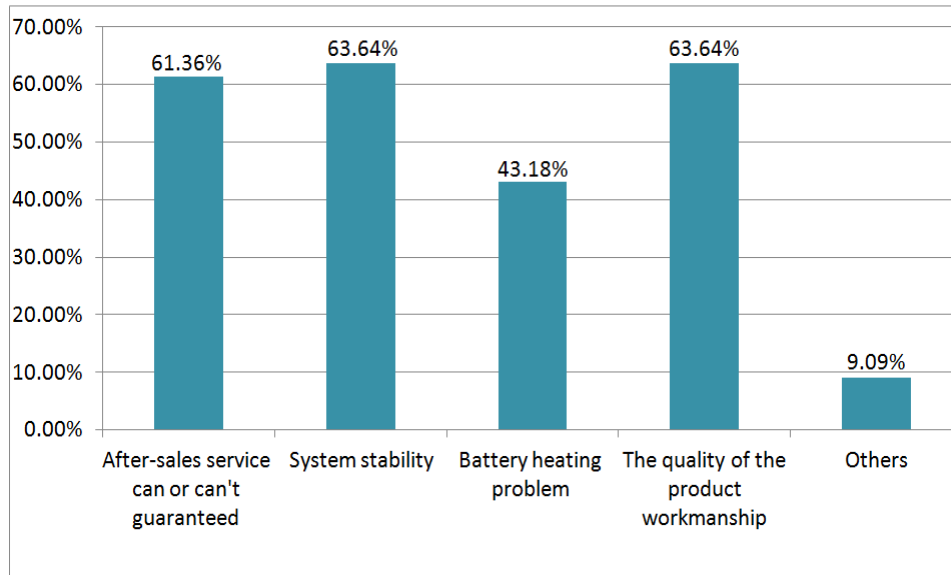


Fig.3.2 Choose Xiaomi mobile phone concerns

3.3.3 Opportunity:

1. Competitors to weaken
2. Mobile phone computerized trend
3. The development of future mobile terminal
4. China market advantage

3.3.4 Threat:

1. The smart phone market is highly competitive
2. The independent property rights is not high
3. Public opinion pressure challenge

IV. THE ANALYSIS OF XIAOMI MOBILE PHONE MARKETING STRATEGY

Current Xiaomi sales and attention in China continues to rise, its brand influence and awareness have reached the peak of domestic mobile phones, and even comparable to Apple, its marketing strategy is its innovative and can be used for reference in China, it has reference significance for any industry, especially for now most of the domestic mobile phone manufacturers. So here is specific analysis of its marketing strategy.

4.1 Xiaomi mobile phone advertising strategy analysis:

4.1.1 Xiaomi mobile phone appeal point:

1. Emotional appeal:

- A. Name --- Xiaomi (kind and lovely, generous like a friend)
- B. Logo ---inverted a little less heart (to help users solve difficulties, let users to more save worry a little)
- C. Seven-color electric board ----- pursuit of the details connotation, color highlight personality

2. Rational appeal:

Dual-core processor, large memory, 4-inch Sharp screen, high-pixel camera equipment collocation ¥1999 price is very difficult not to let people heart;

B. Mi key, Mi talk, cloud services truly achieve "mobile Internet"

4.1.2 Consumers for house of Xiaomi views and attitudes:

Consumers attitude toward Xiaomi mobile phone: 66.67% consumers think Xiaomi is low-cost and high-end smart phone. 4.76% think Xiaomi copy Apple. 11.9% think Xiaomi exaggerated publicity, look impressive but worthless.

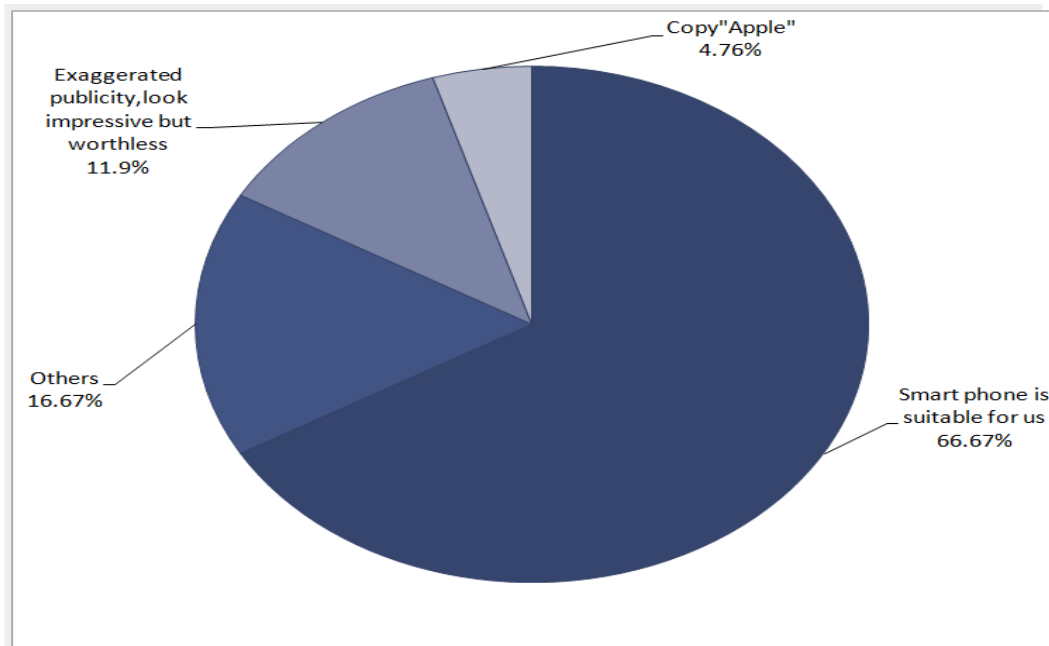


Fig.4.1 Consumers for house of Xiaomi views and attitudes

4.1.3 whether or not will choose to replace the phone:

Survey shows that consumers want to replace their current mobile phone reached 80.85%, only 12.77% of consumers do not want to replace their mobile phones. Believe that just listed Xiaomi mobile phone will have a good market prospects.

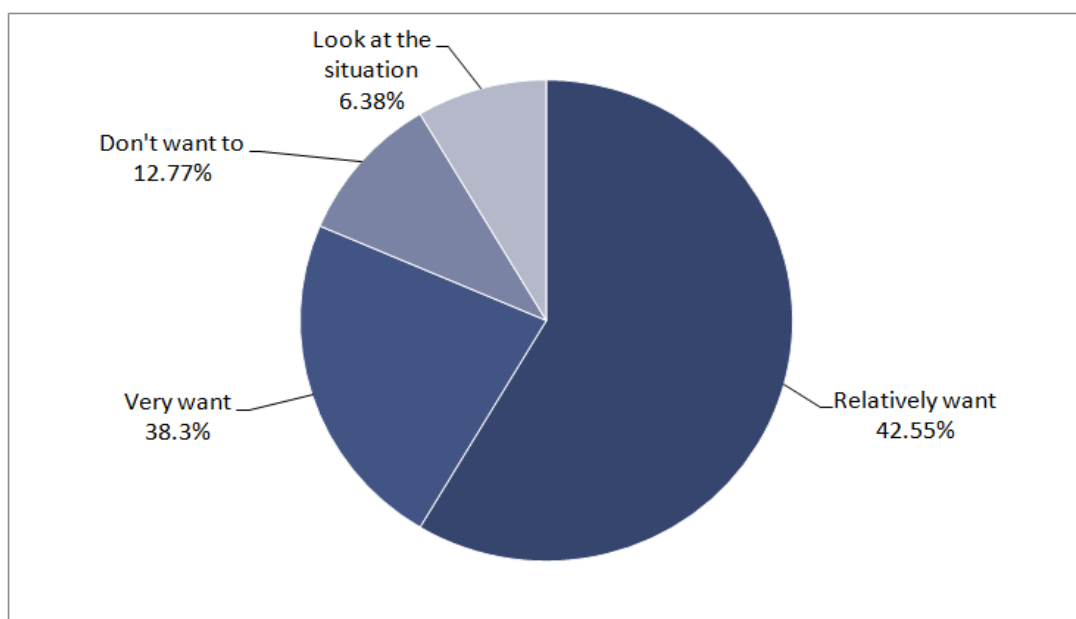


Fig.4.2 Whether or not will choose to replace the phone

4.2 Promotion strategy:

1. Manufacturing media hype topic:

This rumor - Mobile phone is stolen by Xiaomi has been appeared, Xiaomi is no official clarification or denial this kind of rumors , so caused Xiaomi phone supporters and another purpose is also for Meizu mobile phone enthusiasts supporters slobber battle. So that Xiaomi phone once again won the attention of consumers, but also makes Xiaomi phone more mysterious.

2. Xiaomi phone high-profile release:

As one of the co-founder of Xiaomi Lei Jun successful interpretation a clone Steve Jobs. With its reputation and appeal in the software industry, Xiaomi Company held a conference in Beijing. Xiaomi mobile phone has thus opened a precedent for domestic mobile phone, got the attention of consumers, especially Internet users attention.

3. Hunger marketing tools:

The so-called hunger marketing is make a such surprise price, to attract potential consumers, then limit the supply, resulting in demand exceeds supply hot sell illusion. Initially Xiaomi just online sales, only pre-sale of test machines, the provisions of the day must be listed in the Xiaomi forum has 500 points in order to get Xiaomi phone snapped up qualifications. As a result, the emergence of a large number of Xiaomi phone forums willing to act as free Xiaomi water army. With this heat, M1 limited to 10,000 sets network pre-sale , leading to a large number supporters of M1 were patiently wait for a long time, not yet rush to purchase , until the emergence of M2, M3 and Redmi, has not yet meet the needs of the majority enthusiasts . During each new product network pre-sale period, every Tuesday at 12:00, due to the limited number of mobile phone and numerous buyers , led to the company website paralyzed, enthusiasts frequently brush website, afraid to miss the opportunity to buy Xiaomi phone.

From the chart can be seen that 69.77% of people from the network to know and understand the Xiaomi phone. 6.98% through newspapers and magazines. 32.56% are oral communication . 13.95% through a press conference. 11.63% through other ways.

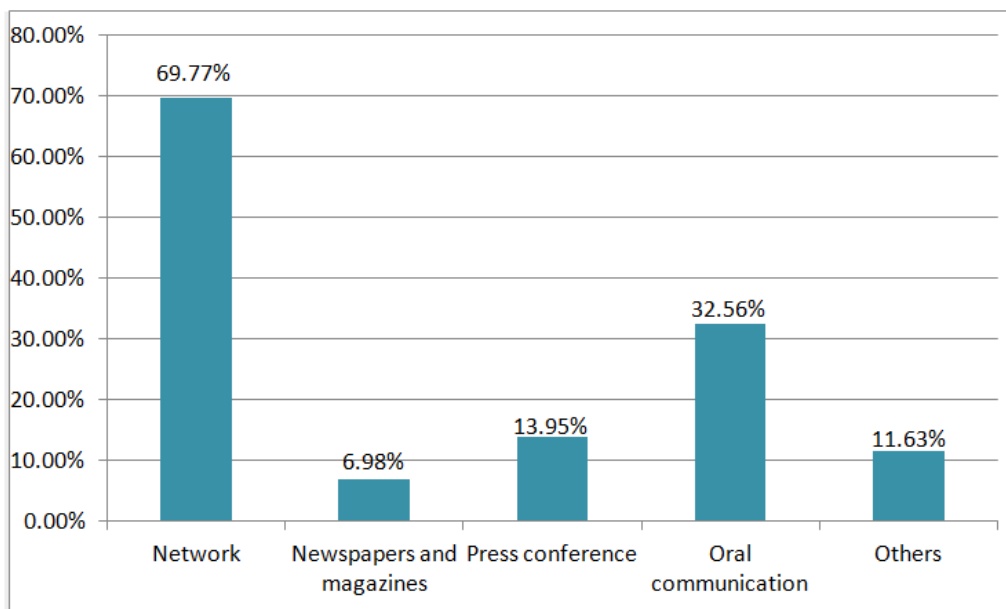


Fig.4.3 Consumers understand the Xiaomi mobile phone channels

4.3 Online promotional distribution strategy:

4.3.1 Online promotion strategy:

(1) The network public relations

1, site publicity. Xiaomi Company’s official website designed a personalized home page, not only establish a corporate image, but also attract more Internet surfers to access, played a role in advertising.

2, online news release. Xiaomi website site directly face to the public dynamically publish Xiaomi news, let the public keep abreast of Xiao mi updates.

(2) Network promotion activities

At present, Xiaomi company and Alipay jointly launched a lucky free week activities, users through the Alipay quick payment will have the opportunity to get free opportunity. Xiaomi phone airborne the most popular "Singles' Day", HuiYuan Network lead the rechargeable card lucky draw ordering system planning. customers custom Xiaomi mobile phone need to register as a member first, and then select the goods to confirm orders, through the order tracking, inspection and sign to complete the order process.

4.3.2 Online distribution strategy:

1. Production network planning. Xiaomi company adopts flexible production, so that the production network can be adjusted at any time according to the requirements of consumers, in order to produce consumer need personalized products.

2. Online direct marketing. Xiaomi company did not set up distribution channels, but through the establishment of different offline outlets, in major cities have the house of Xiaomi .

3. Service network planning. Xiaomi website with online customer service, consumers can through the Xiaomi customer service email, forum, micro-blog , customer service hotline, so as to realize apply for repair and return. Xiaomi company also implemented the invoice system, IMEI number query, to provide consumers with timely service.

4.4 Product strategy:

1. Xiaomi mobile phone sales group is mainly aimed at enthusiasts and young consumers. The core selling point is mainly high configuration, high cost performance, for enthusiasts. Hardware and software are relatively consistent with the Chinese habits. But its positioning can be said to be a "pseudo" positioning, relatively speaking, Xiaomi phone is mainly for some of the young people have two mobile phones, the main role is to replace the cheaper that two phones. This complexity of a simple product practices, makes some potential customers to maintain a wait -and-see attitude, and thus lose these potential customers. The early Xiaomi mobile phone is mainly rely on enthusiasts stimulate sales, but although the main sales target is the enthusiasts and brand loyalty is not high of young people, but not equal to say "Xiaomi phone is the enthusiast phone".

2. Xiaomi phone hardware configuration is the most glamorous place, as domestic and even the world's strongest dual-core Android phone, the height of the hardware by Xiaomi phone refresh again in our mind . Xiaomi 3 uses the world's first NVIDIA Tegra 4 and Qualcomm Snapdragon 800 the latest version, 8274AB of 8x74AB series the top quad-core processor, (8974AB support 4G, 8274AB support China Unicom 3G, namely WCDMA.) using ultra-sensitive touch 5 inches 1080p display screen, equipped with 3050mAh lithium-ion polymer battery, Sony 13 million pixel camera, Philips dual LED flash, standard NFC and dual-band WIFI, 8.1 mm ultra-thin body. Using the Sharp and LG's high-definition IPS retina screen, the screen size up to 5 inches, the resolution up to 1080p level, the number of pixels per inch to 441PPI, compared with the previous Xiaomi 2 / 2S 's 342PPI has a substantial upgrade. This high-quality screen, even in the strong sunlight, can still see the screen, so as to avoid the majority of mobile phones "see light die" problem.

3. Xiaomi mobile phone Production research and development has been "enthusiasts" to participate, the purpose is to promote its products, so that it is not sale but it is hot ,have a certain reputation. But its innovative production mode, really played a very good effect. Its main also want to let consumers participate in this model, so as to achieve the purpose of pleasing the consumer, evoke consumer's purchase desire.

4. Packing. Especially anti-fall and anti-heavy, but also a way to highlight the Xiaomi mobile phone product quality characteristics. The quality of the product has been the main in Xiaomi phone On the other hand, the quality problem of the domestic mobile phone has been a weakness in the eyes of consumers, Xiaomi mobile phone makes a lot of publicity in this aspect, when purchase the mobile phone consumers will consider mobile phone quality factor at first, according to the survey, the vast majority of consumer mobile phone life can have two years, nearly 20% of consumers mobile phone life can be up to two years.

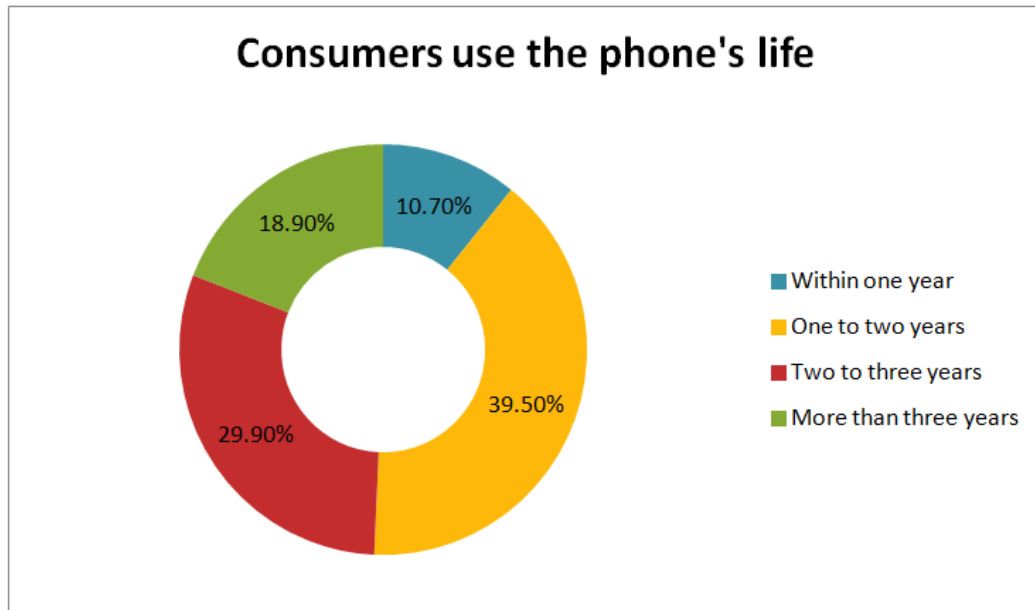


Fig.4.4 Consumers use the phone's life

4.5 Pricing strategy:

Xiaomi mobile phone sales price from the initial M1 1999 yuan, to today's Redmi 699 yuan, has been using cost pricing strategy, compared to the same price on the market of smart phones, Xiaomi series high configuration hardware ,can be said to be attractive and high cost performance.

Xiaomi phone price is one of the main factors influencing the market demand and purchase behavior, directly related to the benefit of the enterprise. Xiaomi mobile phone product price strategy use extremely successful, appropriate ways, so as to promote the sales of Xiaomi mobile phone, also makes the Chinese market share increased, enhance its brand awareness and competitiveness of enterprises.

According to the survey: a small part of the consumer can accept 1,000 yuan of mobile phones. Can accept 1000 ~ 2000 and 2000 ~ 3000 the number of consumers is almost same, and 22.7% of consumers can accept more than 3,000 yuan of mobile phones. Enough to prove. At present, consumers pay attention to the grade of mobile phones.

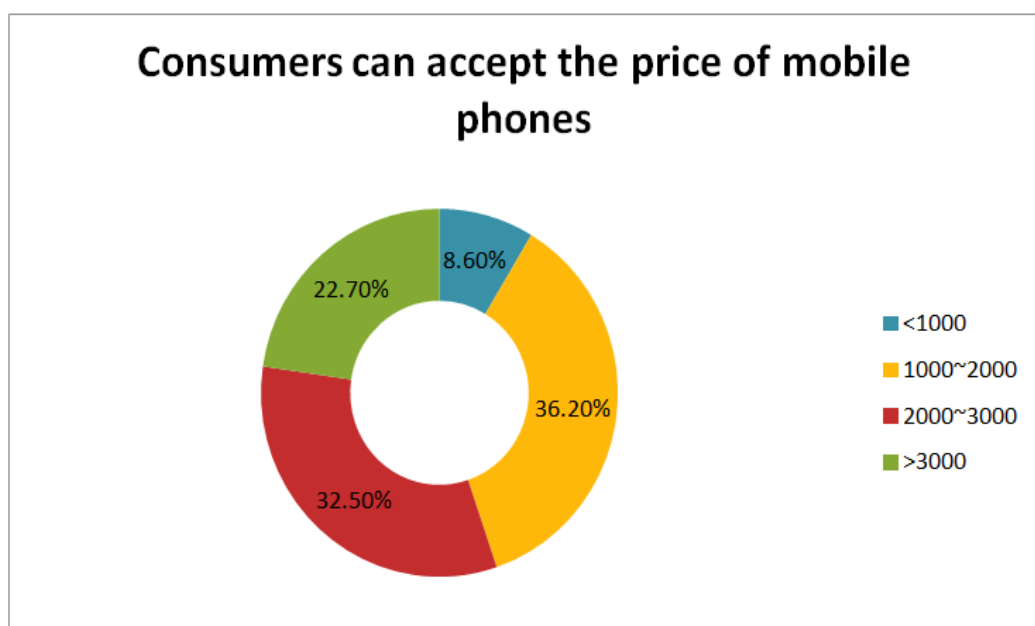


Fig.4.5 Consumers can accept the price of mobile phones

4.6 Channel strategy:

Xiaomi mobile phone and Xiaomi technology is a rapid development of enterprises, Xiaomi mobile phone sales channels from the initial M1 only network pre-sale development to today's network pre-sale joint entity store sales, and with China Mobile, China Unicom, China Telecom co-launched the contract machine, the network pre-sale mode to save the back of the market and channel costs, it is fashionable, is novel and unique. Logistics and inventory is Vanc1 support, for Xiaomi, is undoubtedly a significant cost savings. While the entity shop goods and low-cost contract machine turned out, and make up for the defects of the lack of pre-sale sales network.

Survey shows that 22% of consumers want network order, 6% of consumers choose the telephone order. 10% consumers choose TV order. Most consumers still choose entity shop to buy.

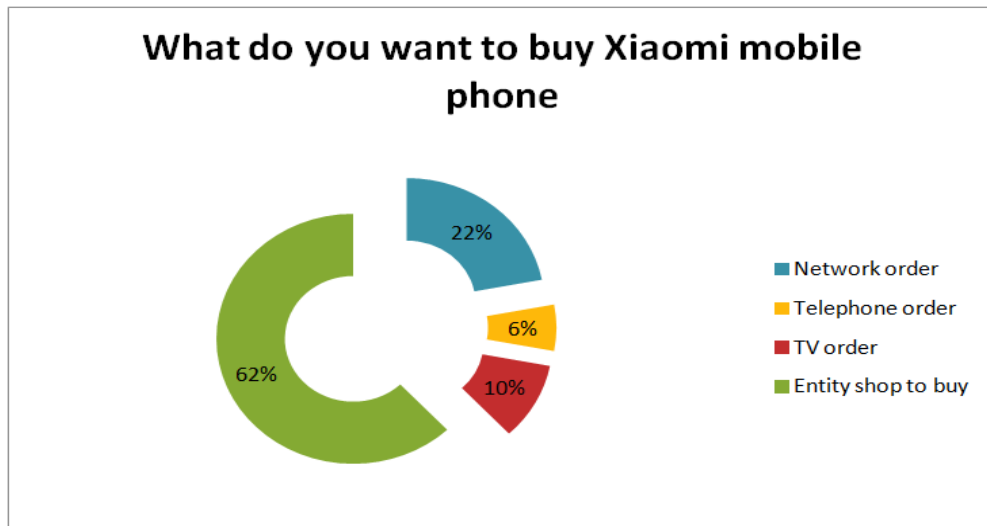


Fig.4.6 What do you want to buy Xiaomi mobile phone

V. THE ANALYSIS OF XIAOMI MOBILE PHONE MARKETING PROBLEMS

Xiaomi phone rapid development caused by a lot of problems, these exist problems will not be conducive to the development of the company in the future.

- 5.1 Management problem
- 5.2 Market positioning problem
- 5.3 Quality and profit problem
- 5.4 The brand value is low
- 5.5 Because of "hunger" and injured
- 5.6 After-sales service problem

VII. SOLVE THE COUNTERMEASURES OF XIAOMI MOBILE MARKETING PROBLEM

- 6.1 Professional team management company
- 6.2 Clear market positioning
- 6.3 Keep improving
- 6.4 Brand product development proposal
- 6.5 "Hunger", but also to moderate
- 6.6 After-sale problem improvement
 - 6.6.1 Site selection

6.6.2 Special maintenance

6.6.3 Time difference

6.6.4 The house of Xiaomi operation problems suggestion

6.7 Result of research with recommendation

VIII. CONCLUSIONS

From the main text of a series of data and investigation reflect the facts that the Xiaomi phone marketing strategy is innovative. On the one hand, the use of high cost performance and excellent system, on the other hand, he also has a group of capable marketing team and the correct marketing program to do the guidelines, Xiaomi phone will be able to achieve higher achievement , so as to achieve Xiaomi company established the market target. But it is inevitable there are some problems in the marketing strategy , this paper through the Xiaomi phone SWOT analysis and analysis of its marketing strategy, and then discovers the existing marketing problems, and further puts forward corresponding solving measures. We hope that in the appropriate environment, Xiaomi mobile phone can actively seize the opportunity to have more sales and more development space, to help the company to seize more market share. In short, the marketing strategy of Xiaomi phone, for Xiaomi technology after launched a series of new products to lay a solid consumer groups and provide successful experience. By studying the successful listing of Xiaomi phone and effective marketing strategy, but also for the subsequent development of Chinese enterprises to provide some practical development experience.

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