

Analysis of the operation strategy for Xiaomi's online and offline markets

Jingxin Lin*

Ruian high school, Ruian, Zhejiang, 325200, China

Abstract. The world's smartphones are developing rapidly, Apple, Huawei, millet, and other products in various countries are outstanding. In addition to Apple occupying the world market, other mobile phone brands have flagship stores in Asia, Europe, Latin America, and other places. Among them, the Xiaomi brand was founded in 2010, and its operating strategy is constantly being optimized and iterated. Focus on creating new products to continuously meet the needs of target customers and create a unique IOT ecosystem to help attract more loyal users. Actively explore customer needs in marketing and solve problems raised by customers. Millet will collect users' opinions on mobile phones and other products and make adjustments in a short period, which brings a sense of participation to Millet users and is one of the reasons for their high loyalty. Xiaomi opens online stores, official website flagship stores, and offline product experience stores to meet customers' experience needs. This paper analyzes the marketing strategy of the Xiaomi brand and puts forward suggestions for the future development of the Xiaomi brand for industry reference.

1 Introduction

Due to the influence of the Internet on economic activity traditional areas of study, such as satisfaction and loyalty, have received a new impulse as a consequence of the incorporation of businesses in the virtual medium. In this case, the product synergy strategy, price synergy strategy, and promotion synergy strategy among multiple channels become the key to avoid conflicts and conflicts between retailers' entities and network channels [1-3] and affect the success of retailers' transformation and upgrading [4-6]. Xiaomi, as an emerging brand that occupies a place in the Chinese mobile phone market, has the advantages of high cost performance, a complete ecosystem, and high user loyalty. Xiaomi has invested in 761 companies throughout its development. This figure reflects the extensive activities of Xiaomi and its affiliates in the area of investment and mergers and acquisitions. Xiaomi's investment strategy mainly focuses on building a technology foundation and expanding its ecological chain, covering a wide range of investments from supply chain companies to emerging technologies. At the same time, Xiaomi's global patent number has reached 37,000 by the end of 2023. Continuous technological innovation has expanded the uniqueness and diversity

* Corresponding author: jingxin.lin@u-plus.org

of Xiaomi products. Then the high correlation between various products has given Xiaomi a large base of loyal fans.

Xiaomi mobile phones can use this platform to comprehensively display their marketing information. The loyal users of Mi mobile phones consist of a large number of users aged 30 to 39 and young people aged 20 to 29, mainly in prosperous provinces and cities, such as Guangdong, Jiangsu, Zhejiang, Shandong, Beijing, and so on. Users between the ages of 30 and 39 are an important part of the Xiaomi ecosystem, and this group of people built the Xiaomi community on the Weibo platform (similar to Twitter) when the original Xiaomi phones came out. In the Xiaomi community, users can share product experiences. Users in the community will also post feedback about product problems, and Xiaomi's technical staff will collect problems in the forum and deal with them regularly. This experience of participating in product construction, which is different from other brands, makes Xiaomi's high loyalty of users have a basic prototype. Later, "fanatical fans" among Xiaomi users will spontaneously promote new products and set up offline physical stores funded by fans themselves during the special planning period, which is also the native of Xiaomi's large number of offline stores. Taking Xiaomi as an example, this paper analyzes the success factors of Xiaomi's online and offline models and summarizes them for reference.

2 Marketing strategy analysis

2.1 Online marketing

2.1.1 Endorsement and forum

Wide audience coverage: Through the network platform, network broadcast can cover a wider audience group. Strong interaction: Audience and anchor, audience and audience can interact in real time, improving user participation and stickiness. Fast transmission speed: Network broadcast is not limited by time and space, and the information transmission speed is fast [7]. Lei Jun, the boss of Xiaomi enterprise, is the chief spokesperson of Xiaomi and the number one anchor of Xiaomi. As the boss and spokesperson of Millet, he used vivid and interesting language, excellent speech technology, and the gimmick that Millet mobile phones are far below the market price, making Millet every new product conference set off waves in the market. For example, Xiaomi's 55-inch TV only costs 2,799 yuan, compared to SONY's 5,499 yuan for the same product directly cutting the price in half. Make it stand a place in the market.

Xiaomi's online community is also a very important part of Xiaomi's online marketing. As the core part of the online integrated marketing communication system, the integrated marketing communication aggregation platform can well connect consumers and potential consumers. Xiaomi mobile phones can use this platform to comprehensively display their marketing information. The accelerated global flow of production factors such as capital, commodities and technology brought by information flow has led to the rise of the global "network economy", in which the economic and trade relations and cooperation among countries have been greatly strengthened [8]. There are a variety of topics, such as CarWith circle with 122,000, photo studio circle with 475,000, and rice noodle gossip circle with 251,000. In addition, has set up a community activity circle, and has attracted 382,000 followers. These figures reflect the high degree of user activity and participation in the Xiaomi community. Xiaomi forum is an important platform for Mi fans to communicate and interact, as well as an important publicity channel for Xiaomi. At the same time, millet users can also feedback on the problems encountered in the use of millet products, millet will regularly collect and unified treatment. Because of millet's high-cost performance and the

speed of solving problems, they have obtained a large number of rice fans (the fanatical fans of the millet brand), and occupy a relatively stable part of the market.

2.1.2 Live streaming

Data-driven personalized experiences provide users with more intimate and personalized services and products through the collection and analysis of user behavior, interests, preferences, and other data [9]. Such as online drainage strategies mainly include holiday price cuts, live streaming with goods, product launches, and millet communities. Live streaming and short video campaigns are Xiaomi's main online marketing tools. Take the recent Xiaomi SU7, which was a highly controversial product. When Lei Jun first decided to do the project, there was a lot of opposition. Neither company insiders nor Xiaomi users are very optimistic about this product. But the final result was quite ideal, 28 days after the official launch of the car, the number of locks reached 75,723 units. Among them, Lei Jun, the head anchor of millet, has made a great contribution. He proved Xiaomi's products in a hands-on way. Such as the millet car's long journey of the whole direct shooting to verify the endurance of the millet tram, in addition, Lei Jun also went to test the racing driver's license and millet car turns in place and other gimmicks to take video. After the publicity, the 3-hour live broadcast on the night of the conference, the online number of Tiktok live broadcast rooms has been maintained at more than 100,000. Data show that the peak popularity of the broadcast room reached 510,000, and the number of viewers was 14.89 million.

2.1.3 Product innovation

Xiaomi has always attached great importance to innovation and development, and so far has more than 30,000 global patents. It has the 12th most patents in the world, with tens of thousands more pending. A large number of patents are Xiaomi's reliance in a highly competitive market environment. As a diversified e-commerce brand, Lei Jun, founder of Xiaomi, has invested in a large number of projects since 2004. Among these projects, 2 companies have been listed, 3 companies have been listed on the New Third Board (the third national stock exchange after the Shanghai Stock Exchange and Shenzhen Stock Exchange established following the securities Law, and it is also the first stock exchange operated by a company system in China. The National Small and Medium Enterprises Share Transfer System Limited liability Company shall be its operating institution, provide places and facilities for the New Third Board market, organize the specific operation of the new third Board market, and supervise and manage the new third Board market. The New Third Board market was registered in the State Administration for Industry and Commerce on September 20, 2012, and officially opened for operation on January 16, 2013. It is under the direct management of the China Securities Regulatory Commission., 2 were acquired by Xiaomi, 1 was acquired by Ali, and Another nine projects advanced to Round C and beyond. So far, Xiaomi has acquired more than 400 companies to improve its ecosystem and drive product innovation. Xiaomi's ecosystem includes large appliances such as air conditioners, cooktops, and refrigerators, as well as small electronic devices such as washing phones, children's watches, and toothbrushes. It is the strong relevance and comprehensiveness of Xiaomi's products that have allowed Xiaomi to occupy a place in today's highly competitive market.

2.2 Offline strategy

Xiaomi has a large number of physical stores, collectively referred to as Millet Home. Including the millet home directly operated store, which is an official offline directly operated retail store integrating image display, product experience consultation, and sales functions;

Join Xiaomi or Xiaomi authorized stores, and the authorized experience store/area is a store with a lower positioning; Service outlets: official and third-party cooperative maintenance points. These make up Xiaomi's complex offline operating model.

Xiaomi's offline marketing model is a good demonstration of its IoT ecosystem (Xiaomi's ecosystem). To lay out the IoT market at the fastest speed, Xiaomi has actively carried out investment activities during the period from 2015 to 2023, using resources such as technology, brand, and channel to invest in the layout of ecological chain enterprises and build a closed-loop intelligent hardware ecosystem [9]. It enables Xiaomi to obtain traffic through offline consumers' experience of related products, and then realize traffic through small profits and quick sales online. At the end of 2017, Xiaomi announced a plan: people can directly pick up goods on its official website after passing an exam. This makes a large number of millet "fanatics" in various places to open millet offline self-operated stores, but because millet products have almost zero profits, most of the people who decided to open stores just because of the temporary brain heat are unable to make ends meet and declared bankruptcy. Later, Xiaomi did not have a unified standard for its stores, which made its brand image once fall into a state of confusion. In 2016, millet began to re-organize stores, unified rectification of self-operated stores to rebuild Millet's home, millet's brand image was gradually corrected.

3 Xiaomi's online and offline marketing strategy evaluation

3.1 Lack of core technology publicity

Although the brand has a lot of patented technology, no patent can make consumers remember it. In the mobile phone market, Xiaomi has also long positioned itself on cost-effective electronic products. However, there is a lack of bright spots in the high-end phone market. Compared with the in-depth study of a single industry by other companies, Xiaomi is more like an all-encompassing grocery store with a lack of sparkle.

3.2 Serious negative comments

The more serious negative evaluation is the excessive advertising placement of Xiaomi mobile phones; The quality of mobile phones is not guaranteed; The lack of innovation in the operation interface and the long waiting time for maintenance. The above evaluation makes Xiaomi always lag when competing with similar products. It is worth noting that with the increasing coverage of the Internet, especially in the case of high frequency and long time for young people to surf the Internet, such a large number of negative remarks will cause Xiaomi products to bring negative brand effect to young people, which is contrary to the sales concept of Xiaomi brand, and will also cause a large number of young customers to flow to other brands. At the same time, the negative information on the Internet will also bring bad experiences and impressions to the users and customers of Xiaomi itself, which will further lead to more serious product image loss and customer flow loss.

3.3 Fierce competition in the field of high-end brands

High-end products of other brands (such as Huawei mobile phones), due to their long-term cooperation with suppliers, their product production costs have been very low, and a lot of time and money will inevitably be spent on publicity in the competition process. Therefore, in how to gain a foothold in the fierce high-end market competition, the cost problem is one of the primary factors to consider. In addition, brand image is also very valued by customers

in the high-end market, which is to decide whether to buy and become another major factor of product loyalty.

3.4 Quality issues and value preservation issues

Xiaomi is a later electronic product manufacturing company, and the reason why Xiaomi can succeed is due to the high-cost performance of Xiaomi products and Xiaomi's enthusiastic attitude. However, due to the lack of capability of the initial supplier, customers got uneven goods, and some initial versions of Xiaomi mobile phones even had many bugs. While the relevant personnel of Xiaomi will get feedback from customers and update it once a week, the quality problems of Xiaomi products still have a certain impact on its market prospects. Although Xiaomi already has relatively stable customers, potential users will be lost if Xiaomi's product quality and delivery quantity cannot be improved. If the product cannot maintain its value or the period of preservation is too short, it will cause serious damage to the interests of this group generating complaints, and further damaging the brand.

3.5 Product Innovation

The MIUI system of Xiaomi's mobile phone is deeply optimized, customized, and developed by its Android system. MIUI and millet are constantly improving and optimizing, such as the MIUI 14 version, rich in features while reducing the system's hardware occupation, improving the basic experience and fluency, and adding the function of repetitive file cleaning. New features can promote the best-selling products, but still need to have their own more distinctive and unique innovation, that is, the uniqueness of the product, to be remembered by the consumer group, is effective.

To sum up, Xiaomi attaches great importance to the user's sense of experience, and to increase user stickiness, it has been constantly creating and innovating in technology. It has a lot of patents and has established a unique IOT ecosystem, which is very beneficial to Xiaomi's brand promotion work. Consumers will find that millet brand technology has become better and better, the coverage is more and more extensive, and in the future can become the leader of the electrical industry. However, millet's product quality problems and after-sales service are the points that Millet needs to improve.

4 Analysis of Xiaomi mobile phone marketing status and problems

4.1 Brand positioning analysis

The brand positioning of Xiaomi mobile phones is different from other mobile phone industries. Its products, services, or prices are all based on corresponding marketing strategies, such as differentiated marketing strategies and combined product and brand service marketing strategies. Since 2014, Internet companies such as letV and Xiaomi have sprung up and tried to seize the market share of Internet TV with Internet-like low-cost sales model [10] This requires the related products of millet mobile phones to complement each other, that is, to a certain extent, highly related products can encourage users to buy other products.

4.2 Analysis of communication structure

The communication structure of the Millet mobile phone is vertical, which is not conducive to the market-oriented modern marketing thought. Because this is the result of management's

single perspective and single communication, some potential customers may be ignored in the communication process. The flat communication structure is helpful for the publicity of millet products, which can promote the transmission of information and cost management.

4.3 Analysis of marketing methods

Online, millet mobile phone marketing methods mainly include an official website, official online monopoly, official Weibo, social networking sites, and advertising. Judging from the content of its official website, online monopoly, and official Weibo, it is a conceptual description plus pictures, and the monotonous introduction makes it difficult to attract consumers to buy. The display of phones and other products in the ecosystem in physical stores helped Xiaomi attract a large number of customers. However, problems such as the slow maintenance of Xiaomi products and excessive advertising are still the reasons that bring bad experiences to customers and lead to weak market competitiveness.

4.4 Suggestions

Through the research on the online and offline integrated marketing of Xiaomi mobile phone, this paper finds that brand effect, communication structure, and marketing strategy are effective means to promote the integrated marketing of Xiaomi mobile phone. Traditional offline marketing is mainly completed using store sales, promotion, terminal sales, etc. Offline marketing communication can gather consumer information and update and expand consumer databases [10]. However, to truly achieve the brand effect, Xiaomi's mobile phone needs to participate in relevant public welfare activities and offline advertising to fully display and enhance its brand image. If it can improve the quality and after-sales problems of Xiaomi products and combine online and offline marketing methods, Xiaomi will have opportunities to enter the high-end market in the future.

5 Conclusion

To sum up, Xiaomi's combination of online and offline marketing has laid the foundation for Xiaomi's success at this stage. This paper analyses Xiaomi's marketing strategies and specific strategies of Xiaomi online and offline in real-time, showing how Xiaomi's company can occupy large part of current market, and summarizes them, to facilitate the reference of industries that are willing to use this method. If Xiaomi has corrected those gaps, it will keep up with The Times and iterate on its publicity methods and products. Xiaomi will have to wait for big returns in the future. Moreover, other company which have same situation may can use the similar way to running their companies. And cause by internet's growth the strategy analyses in the passage may become a extraordinary competitive way.

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