

“PRODUCT POSITIONING STRATEGIES OF XIAOMI INC.”

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ABSTRACT

Xiaomi is an amazing brand. Xiaomi has become a very successful smart phones producer & seller. Xiaomi product is successfully through social marketing. Xiaomi with its innovative marketing and business models is redefining the mobile phone market around the world, and it's sure that they would be able to reach the top position in a few years time.

Xiaomi Inc.is a privately owned Chinese electronics company headquartered in Beijing. 4th largest Smartphone maker. Xiaomi designs, develops, and sells smart phones, mobile apps, laptops and related consumer electronics. This research paper is an attempt made by researcher for understanding the various strategies used by Xiaomi Inc.

Keywords- *Xiaomi Inc., china, products, Models.*

Objectives of the Study

1. To understand Xiaomi Inc. in detail.
2. To create awareness among youth how company is providing good product.
3. To conclude various product positioning strategies of the company and the product.

Statement of Problems

In today's world there are many cell phone Industries. Xiaomi Inc. is one of it Interested of the product is not aware to large part of population.

Relevance of the Study

The study would provide analysis of product positioning strategies of Xiaomi Inc. To gives suggestion to new Enterprisers for running sucefull business.

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Research methodology

The present study is outcome of the secondary data. Researcher read various articles and books about Xiaomi Inc.

Introduction to Xiaomi Inc.

Xiaomi was co-founded by eight partners on 6 April 2010. In the first round of funding, institutional investors included Temasek Holdings, a Singaporean government-owned investment company, the Chinese venture capital funds IDG Capital and Qiming Venture Partners, and mobile processor developer Qualcomm. On August 16, 2010, Xiaomi officially launched its first Android-based firmware MIUI. The Xiaomi Mi1 Smartphone 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.

Product Introduction by Xiaomi Inc.

Xiaomi has gained market share in mainland China with the release of its first Smartphone in August 2011 and expanded into developing a wider range of consumer electronics, including a smart home (IOT) device ecosystem. The company's founder and CEO is Lei Jun, China's 23rd richest person according to Forbes. The company sold over 60 million Smartphone's in 2014. The company has over 8,000 employees, mainly in mainland China, India, Malaysia, and Singapore, and is expanding to other countries such as Indonesia, the Philippines and Brazil.

At the end of December 2014, Xiaomi became the world's most valuable technology start-up after it received US\$1.1 billion funding from investors, making Xiaomi's valuation more than US\$46 billion. Xiaomi entered the Indian market in July 2014 and since then expanded rapidly in India. Earlier, Xiaomi used to sell exclusively on Flipkart until it announced its partnership with both Amazon.com and Snapdeal on 7 April 2015. This is seen as a bid by the Smartphone manufacturer to expand its retail base in India. It has also teamed up with AirTel Store and The Mobile Store to sell some of its selected devices. Later, in Q1 2015, it started its own store and stopped selling its accessories to online stores. On its first anniversary in India, it launched its own Mi Store App. On August 11, 2015, it started its first factory in Sricity, Andhra Pradesh in a partnership with Foxconn.

Product Positioning of Xiaomi Inc.

- In April 2015 Xiaomi announced it would make its Mi devices available through two of India's major e-commerce sites, and through offline retailers for the first time.
- On 23 April 2015, Xiaomi CEO Lei Jun and VP Hugo Barra came together to announce a new telephone named Mi 4i in India, the first phone to be launched in India before any other country. Mi Band was launched in the same event.
- On 30 June 2015, Xiaomi announced its expansion into Brazil with the launch of locally manufactured Redmi 2, the first time the company sells a smart phone outside Asia or assembles one outside China.
- On 24 February 2016, Xiaomi launched the Mi5, with Qualcomm Snapdragon 820. It has a power-efficient 5.15 inch HD 1080p display with a 16-LED backlight technology giving a picture of brightness 600 nits. There are models in black, white and gold cases, and available storage of 32 GB, 64 GB, and 128 GB.
- On 10 May 2016, Xiaomi launched the Mi Max, with Qualcomm Snapdragon 650/652 processor. It has a power-efficient 6.4 inch FullHD 1080p display with 342ppi. With the ultimate 4850 mAh battery, 4 GB of RAM, 16 MP back-facing camera, a 5 MP front-facing unit, and includes a fingerprint sensor. Xiaomi later on launched the Mi Max in India on 30 June 2016.
- In July 2016, Chinese artists - Liu Shishi, Wu Xiubo and Liu Haoran became the first ambassadors of Xiaomi's Redmi series in China.

Guinness Record Achievement

Xiaomi celebrated its 5th birthday on 6 April 2015 with the Mi Fan Festival, which includes an online shopping day with offers and discounts. Xiaomi managed to break the world record for "most mobile phones sold on a single online platform in 24 hours", by selling 2,112,010 handsets through its direct-to-customer website Mi.com. sometime in April and immediately patched soon after.

Product Positioning Strategies and Business Model

- **Service Centre:** A Xiaomi Exclusive Service Centre for customer support in Kuala Lumpur. A selected range of products is on display but purchase can only be made online.

- **Flash Sales:** Xiaomi is no. 2 on the list of 50 Smartest Companies 2015 by *MIT Technology Review*, which noted in the publication that "the fast-growing smart phone vendor is maturing beyond its original 'cut-price Apple' model with ideas like flash sales over its mobile messaging platform";
- **Reinvention in Smart Phone:** No. 3 in the list of Most Innovative Companies 2014 by *Fast Company*, "for reinventing the smart phone business model in the world's largest mobile market"
- **Innovations:** No. 35 in the list of the Most Innovative Companies 2014 compiled by The Boston Consulting Group. Xiaomi's innovative business model has been characterized as a disruptive force to the existing smart phone industry by a number of commentators.

Xiaomi is actually the first "Internet of Things" company. Xiaomi is integrating everything itself and selling everything one need on Mi.com to a fan base primed to outfit their homes for the very first time. It's absolutely a vertical strategy.

Conclusion

Xiaomi has made such a big success in Smartphone business. The result from the research tells that Xiaomi has attracted a large number of very loyal customers and the high performance hardware and very efficient online selling channel.

Xiaomi has a unique business model and a very interesting method which is disrupting the smartphone and technology world. It has been successful at incorporating a crowd sourcing strategy into its product development process. At the same time, it has dispensed with all traditional marketing methods and is fully engaged in utilising online communities and social marketing for its marketing. In just 4 years after its founding, it has already become the world's third largest smartphone maker, and is the world's most valuable technology start-up company which has just been valued at US \$46 billion.

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