

Mobile phone and mi company essay sample

[Business](#), [Company](#)



PART 1.(Mingqiang Du)

Xiaomi was founded in 2010 by Lei Jun, who believes that high-quality technology doesn't need to cost too much money. Seven people set the firm up together. We can't imagine how fast the corporation developed. On October 30, 2014 (Last month) Xiaomi Company already more than Lenovo and LG Company, became the world's third-largest smart phone maker, behind Samsung and Apple Company (Six months sales of about 55 billion dollars). Why Xiaomi company is so successful?

LOGO:

As is known to us, the logo of Xiaomi is 'MI'. On the one hand, it is the abbreviation of 'Mobile Internet'. It's meaning that the nature of the company is the mobile Internet company. On the other hand, if the logo is upside down, it's the word " 囍 " without a dot. It means he wants to free his users from worries. Slogan:

The slogan of Xiaomi is "Born to fever". The staffs in this company are equal and free. It is mean that not a rigidly hierarchical firm, and they are all partners. They advocate the creation and fast work environment.

China's Apple

Xiaomi, often described as China's answer to Apple, is actually quite different. "But we have never compared ourselves to Apple—we are more like Amazon," says Lin Bin, Xiaomi's co-founder, who once worked for the Chinese arms of Microsoft and Google. Apple sells its iPhone 6 for around \$860 in China and has the industry's highest margins. Xiaomi offers its handsets at or near cost: the Mi-4, its new flagship, costs 2,000 RMB (\$330).

Xiaomi sells direct to customers online, rather than via network operators or retail stores, which also keeps prices down. Crucially, its business depends on selling services to its users, just as Amazon provides its Kindle readers at low prices and makes its money on the sale of e-books. The idea is to make a profit from customers as they use the handset, rather than from the sale of the hardware, says Mr. Lin.

Products:

Xiaomi selling only cell phones in the past. But now they create remarkable hardware, software, and Internet services for – and with the help of – our Mi fans. We incorporate their feedback into our product range, which currently includes Mi 4, Mi 3, Mi Pad, Mi Box, Mi TV, Redmi 1S and Redmi Note, Mi Power Bank and other accessories. We sell direct to customers to keep our prices competitive. And with more than 18 million handsets sold in China in 2013 and products launched in Taiwan, Hong Kong, Singapore, Malaysia, Philippines, India and Indonesia, we are ready to go global. Our mantra: “Always believe that something wonderful is about to happen”.

PART 2.(Hao Wang)

STP Analysis

1. Segmentation

a. Geographical factors

MI is suitable for most parts of china due to its lower price, but there are different strategies in different places.

b. Demographic factors

MI is suitable to buy for the people who are 18 to 30 years old MI's price is less than \$350, so the people who have general income can accept the price.

MI is very popular for young people and its products aimed at students and young office workers. c. Psychological factors

MI has an affinity for customers due to its shape and design MI uses many entertainment features to attract consumers

Hunger marketing inspired consumers desire to buy

2. Targeting

MI Company has analyzed the consumers coming from different generation:

The people who are between 1970s and 1980s have heavy life pressure and they were living economically. The people who are between 1980s and

1990s have less stress; they are always ready to enjoy everything and

pursue fashion. The people who are after the generations of 1990s like to

accept new things, but some people do not have the ability to buy. So the

target consumers as follow: a. The people who usually purchase something

online and are easy to accept new things b. The people who rely to the

Internet and pursue fashion

c. The price-sensitive consumers and they belong to the middle income

group 3. Positioning

MI's configuration:

Price

\$333/unit

CPU

Quad-core 2. 3GHz

Camera (back)

13 Megapixels

Camera (front)

2 Megapixels

Battery

3050mAh Li-ion Polymer battery

RAM

2GB RAM

Flash memory

16GB

Display

5-inch Full HD 1080p LCD touch display

Resolution

1920×1080 FULL HD

Basic positioning: high configuration, low price

Special positioning: Students, young office workers, mobile phone

enthusiasts Competition positioning: Only sell their products via the Internet and make products have clear differences in terms of some characteristic or attribute, which allows MI avoids competing with competitive enterprise.

4P Analysis

Product

MUIU System: Android ROM

MI Phone

Price

Lower price

Middle and low-end market

Place

Internet selling

Delivery service

Promotion

Hunger marketing

Price-off promotion

Current Marketing Strategy

1. Release new product in a high profile, low-price strategy Before a new product is going to be released, MI Company usually place the information of new product on the Internet. However, MI Company only provides customers with a limited number of tickets (only 1000 tickets, \$33 per ticket). Tickets are always sold out within 5 minutes.

2. Hunger marketing strategy

3. Network marketing strategy

MI Company uses social software that is very popular in china to spread the information of new product, such as Sina Microblog, Wechat, QQ and so on. In 2012, MI Company organized a interactive activity through Sina Microblog, it have reached almost 1. 5 millions for the number of participants.

4. word-of-mouth marketing strategy

Target market: The people who want to use a smartphone but think the price of cellphone in market is too expensive. They are mobile phone enthusiasts. MI Company organized campaigns and increase their exposure.

5. Chain-like marketing strategy

MI Company cooperates with the wireless carrier, such as China Unicom and China Telecom. Release cellphone with a contract.

SWOT Analysis

Strength

Strong team, a lot of talents

Higher configuration, lower price

Weakness

Starting late, lower reputation

Many bugs in the initial stage of product

Lower production efficiency

Opportunity

Iphone has a higher price

Many people who are between 17 to 18 years old are fans of MI The development of e-business

Smartphones are in high demand

Threaten

Keen competition in the mobile phone market

Technology is still limited by Android

High costs, low profits, high pressure

PART 3.(Hao Zhou)

As we know, MI use its hard driver and suitable price to attract the consumers. So when Chinese consumers recall a national phone brand, the

first profile they come up is high price-performance ratio. Because its sale strategy is hungry marketing, consumers are willing to own a MI phone.

Consumer awareness, knowledge, brand identification, "share of mind"

Customer awareness refers to a awareness of customer consume goods in the long-term shopping environment and activities in the form of purchase.

The image of MI Company is simple and easy to remember, a "M" plus "I".

And the under color is red, matching its slogan "Born to be fevered" and showing the creation and technology. This image also shows in the cover of

phone, it makes people identify the brand in a long distance. When you

mention the national phone brand, most of people may recall MI Company.

Because customers cannot buy the phone on the Internet, and there is no retail store, so they keep the curious about this product. In other word, if you

get a new MI phone when it publishes, you catch the fashion at prime time.

Beside that, MI phone represents high price-performance ratio.

Although Apple and Samsung is international brand, sometimes it is too expensive for student and workers after graduation. In the industry where the cycle life is one for two years, MI use low price but good quality to win the most share of customers mind.

Brand elements, attributes, perceived instrumentalities

The MI Company is focusing on customer experience. Technology and creation is their aim, so the hardware and software is the first important consideration for them. Every time they publish new phone, the first thing they want to introduce to consumer is processor. So we think MI Company wants to pay more attention to the processor, and that is the most important

attribute in their brand. In the after-sale service, they also do a good job. They can collect the feedback of users immediately, rapid perceiving what market need and what customers want.

Difference and sustainable competitive advantage

Because MI focuses on the hardware creation, they do less in the body design. For example, in MI 1, it uses white cover and black surface, but in the MI 3, it is all black. Although creation is good, customer may confuse about the color and form. Without an uniform design on appearance and looking the logo at first glance, people would not easy to identify which brand its. Different from others cellphone manufacturers, MI begin to produce other electronic products, such as TV, wireless router, tablets, and some accessories such as bag, toys. It can be seen that MI Company is growing their brand awareness and continuing to upgrade their hardware to compete in the phone market.

Marketing support program

The main marketing strategy of MI Company is the Internet. It can hardly find their advertisement in the TV or other traditional media, and it still famous and popular in China. So I think their marketing strategy is buzz marketing. The consumers of their product give a high reputation for the company and recommend the phone to their friends. Companies just need to catch their aim consumers, and then use customers' " mouth" to help them advertise. And now, MI company add more technology and color elements into their product (phone cover, toys and cup), all this things can influence brand expansion, making the brand deep into people daily life.

Brand leveraging and brand extensions

As we mention above, MI company has produce some other electronic products. This is one point for the brand extension. These products has help them increase market coverage and enhance the parent brand, all of their extension products show that MI company focus on the Internet and electronic industry. But in other view, the company expands their market to digital and appliance may increase their cost but cannot get the profit as expectation.

PART 4.(Hao Wang, Hao Zhou)

MI Defects

1. According to the analysis above, MI does well in hardware. It constantly upgrading products in hardware, but MI's technology is still limited by Android. There are still no special performances in software, even some bugs, which has a strong impact on the user experience. The flaws of China-made mobile phones are still there. 2. MI company sell products only via Internet; so sales channels are too single. 3. No guarantee for after-sales service

4. Their aim consumers prefer to the young, so it means their loss a part of other older consumers. Their smartphone usually with colorful cover, and the entertainment software occupy most of their software. Businessman or our parents would not choose this kind of phone because it is not functional enough. 5. The main market of MI Company is China, and it has a good reputation in mainland of China. But these are a national brand, not a international brand. Although consumption of Chinese is huge, If they want

to make more profit and get the recognition of world, they should expand their market oversea.

Proposal

Proposal for development

1. To increase share of market and attract more different age people, MI Company should pay more attention to their design and software exploitation.

They can change the color and add more daily software such as weather forecast or health guideline into the software. In conclusion, they should provide more services. 2. Mi Company has been a great success in mainland of China, if they want to continue to expand their success; the only way for them is develop international market.

Proposal for products

1. It should develop its own core systems and personalize its own products 2. Develop an operating system that consumers can customize. 3. Expand sales channels
4. After sale service should be perfect

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