

Offline Marketing Model of Intelligent Ecosystem: Research on Xiaomi

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Abstract:

In the era of the Internet, establishing an intelligent ecosystem brings lots of convenience to people's lives. Xiaomi is regarded as the top brand in the smart industry market, and the system model they designed had research implications for other brands in the same industry. At the same time, the emergence of the smart ecosystem has also allowed more brands of smart products to discover a larger new market. It also allows more families to experience the new lifestyles and habits brought about by technology. At the same time, this paper examines the marketing model of Xiaomi's offline stores, analyzing its current brand marketing strategies, brand user loyalty, and the pros and cons of the offline store user experience. The paper also offers some suggestions for integrating Xiaomi's offline stores with online marketing. The findings aim to provide insights for Xiaomi and similar brands on future development and attracting more potential customer groups.

Keywords: Xiaomi intelligent ecosystem; brand market; new lifestyles and habits; online marketing

1. Introduction

With the continuous advancement of scientific and technological information, the era of the Internet of Everything is becoming increasingly evident. The proliferation of the Internet has led people to seek for greater convenience in their lives which leads to the development of various intelligent home appliances and a trend toward sustainable development [1]. As the largest smart home brand in China Xiaomi's intelligent ecosystem significantly influences other domestic enterprises. Xiaomi's personalized marketing strategy has enhanced consumer brand loyalty [2]. Previous studies have mainly focused on comparing different enterprises in the smart home industry and

examining Xiaomi's marketing methods on online platforms [3][4]. However, research on Xiaomi's offline smart ecological experience stores is limited. Offline experience stores can offer consumers a more profound impression and a comprehensive usage experience. Therefore, this paper focuses on analyzing Xiaomi's offline stores and existing issues, with a particular emphasis on data collected from questionnaires. Using Xiaomi as a case study, the paper analyzes the marketing model of Xiaomi's intelligent ecosystem through actual offline store experiences and related literature. It fills the gap in research on Xiaomi's offline store marketing and provides suggestions for Xiaomi and similar brands through re-

search and innovation.

2. Research Methods

2.1 Questionnaire

A questionnaire survey is an efficient data collecting method, quickly obtaining a large volume of clear data. This survey collected responses from 203 participants and analyzed the data to determine the extent of agreement or disagreement with various behaviors or opinions.

2.2 Interview

Interviews can help to develop the intended questions, the respondents were given the same amount of information about the interview, which was followed by a follow-up questionnaire that was changed according to the interviewee answers. Four of the subjects in this study were interviewed: one of whom was female of 17 years old, a male of age of 19, a male of age of 27 and a male of age of 30 years old.

2.3 Literature Review

The study direction, the best way to find, and the research areas are all made easier with the aid of literature study. In order to fill in the gaps in this paper, this paper firstly reviews the cases analyzing of related companies, then draws on prior research findings, and then moves on to the research direction of this study to answer the following research questions.

3. Brand Awareness

3.1 Brand Usage

In recent years, Xiaomi has addressed the challenges in China's market, where products were either expensive or of poor quality, by maintaining a gross profit margin of 21.2% in 2023. By adhering to cost-effective principles and maintaining a gross profit margin between 10%-30%, Xiaomi has successfully captured the market. This approach has attracted a significant user base through reasonable pricing and high-cost performance. Xiaomi has built a comprehensive sales model by establishing its online mall and expanding its offline stores [5][6]. This brand strategy has allowed Xiaomi to enter the mass market and achieve high brand usage. Xiaomi's strategy of offering low-priced products enables users to enter its sales chain, leading them to prefer the same brand when purchasing additional smart products. Xiaomi's ecosystem further strengthens customer loyalty. According to the

questionnaire survey as illustrated in Figure 1, 73.40% of the 203 respondents have smart products at home, with 67.79% using the Xiaomi brand, surpassing brands like Haier and Midea. This indicates Xiaomi's dominant position in the smart home market in China.

Figure. 1 Brand usage distribution of smart home users

3.2 Brand Marketing

Xiaomi is a domestic company that is a leader in the smart home industry and has created intelligent ecosystem chain that includes smartphones, headphones, charging banks, smart home appliances and smart everyday consumables. Xiaomi has developed a financially sensible, ecologically efficient ecosystem that includes a wide variety of products because of its strong supply chains, which is why Xiaomi's marketing strategies for the development of the market need to be investigated.

Although consumers use brands mostly for physical shopping, while only some consumers want physical shopping products. But the online shopping is the favourite mode because of the limitation of time. While, offline stores have a physical technological process, online purchase is still the choice of many people because of the limited amount of time. After that, interviews indicated that offline marketing has a relatively more obvious sense of the use of technological devices, and can give the consumers to have products in person which can increase their purchasing intention. Therefore, many people do not choose online shopping as much as they do, and they are willing to buy online.

Based on the results of the study as illustrated in Figure 2, 93.6% of respondents believe the development of Xiaomi's intelligent environment to a good extent in the future, and the majority of people are familiar with Xiaomi's smart product (e. g. TikTok/Weibo) by means of the Internet, which indicates that Xiaomi's Internet publicity is also a major channel of promotion, so the promotion of Xiaomi's smart product is very helpful to the people in the future and online advertising is not only about the labor costs but also about the day and the efficiency of marketing can be increased.

Xiaomi's low level of offline store publicity, as well as the information level, creates brand marketing innovation space for the company's brand. Xiaomi should pay more attention to offline marketing and online or offline marketing, which can further improve product understanding and purchase demand to increase potential customers and improve the product knowledge of customers to buy. To increase the number of offline sales to stimulate more offline transactions. After that, advertising should pay attention to the advantages of offline purchases and high-end

after-sales service, and pay off the price of offline transactions to pay attention to the promotion of offline sales. Therefore, promote offline transactions to a certain extent. Figure. 2 Consumers' understanding of Xiaomi brand

4. Brand Loyalty

According to the results of the questionnaire survey, among the 82 people who have been to Xiaomi's offline experience store, 98.78% of them feel that Xiaomi's products are smart and convenient, and 96.34% will continue to choose the Xiaomi brand when choosing smart products in the future.

This shows that after the brand has created a complete intelligent ecosystem, users will make a second choice of the brand because the products of the same brand are more relevant, so it is important to adopt the intelligent ecology created by all their own products.

5. Brand User Experience

Respondents enjoyed the ability to experience all product features offline and see products in person. They appreciated the interactive experience offered by offline stores. While online purchasing permits customers to judge whether products fit their requirements, offline stores give a more complete experience.

In-store observations revealed that the first floor of the shop features electronic products like mobile phones and TVs, while the second floor showcases smart products such as smart audio devices and sweeping robots. The second floor also includes a model room with smart devices, allowing users to experience different scenarios like kitchens, bedrooms, and living rooms.

This immersive experience, coupled with salespeople explaining the intelligent ecosystem, enhances the purchase intention and rate.

6. Conclusion

Xiaomi managed to stand out from other brands due to its high-cost performance and comprehensive functionality. Although offline stores provide a better technological experience, online shopping remains the primary choice for most consumers due to time constraints. Xiaomi should increase the visibility of its offline experience stores to allow more potential customers to understand and experience its products. Offering low-priced introductory

products can attract customers, who are likely to continue choosing Xiaomi for subsequent smart product purchases. Xiaomi's ecosystem strategy ensures continuous customer loyalty.

However, the tendency to buy online after visiting stores highlights the need for effective online integration. Xiaomi can attract more consumers by enhancing offline store promotions, offering store-exclusive discounts, and utilizing online-offline interoperability. Effective advertising can further emphasize the benefits of offline purchases and after-sales service.

Although the domestic store promotion of Xiaomi is insufficient, the offline store marketing is not enough to achieve the high level of development of intelligent environment and to maintain its market competitiveness. Although offline store can attract more customers and provide useful technology experience, but the lack of professional suggestions for online shopping is still the reason of online publicity.

Therefore, it is necessary for the enterprise to integrate the offline marketing and online marketing, which can not only improve sales and visibility, but also ensure the sustainable development of the brand.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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