Final Project Report

"A Descriptive Study on Digital Marketing Strategies XIAOMI"

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In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by:

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NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

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CERTIFICATE

This is to certify that **Mr. Atish D. Vaidya** has submitted the project report titled, **"A study on Digital Marketing Strategies XIAOMI"**, towards the partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Prof. Shubhangi Jepulkar   **Dr. Sonali Gadekar**
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Place: Nagpur
Date:

Academic Year 2022-2023

DECLARATION

I here-by declare that the project with title **"A Descriptive study on Digital Marketing Strategies XIAOMI"** has been completed by me in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S.College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course under taken by me.

Atish D. Vaidya

Place: Nagpur
Date:

Academic Year 2022-2023

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunityto express my sincere regards to **Dr. S S. Kathaley**, Officiating Principal, G. S.College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide **Prof. Shubhangi Jepulkar** for her guidance throughout the project. I tender my sincere regards to the Coordinator, **Dr. Sonali Gadekar** for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Atish D. Vaidya

Place: Nagpur
Date:

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Chapter 1

INTRODUCTION

INTRODUCTION

What Is Digital Marketing?

The term digital marketing refers to the use of digital channels to market products and services in order to reachconsumers. This type of marketing involves the use of websites, mobile devices, social media, search engines, and other similar channels. Digital marketing became popular with the advent of the internet in the 1990s.

Digital marketing involves some of the same principles as traditional marketing and is often considered a new way for companies to approach consumers and understand their behavior. Companies often combine traditionaland digital marketing techniques in their strategies. But it comes with its own set of challenges, including implicitbias.

- Digital marketing involves marketing to consumers through any number of digital channels, includingwebsites, mobile devices, and social media platforms.

- This form of marketing is different from internet marketing, which is exclusively done on websites.

- Digital marketing is a broad field, including attracting customers via email, content marketing, searchplatforms, social media, and more.

- One of the biggest challenges digital marketers face is how to set themselves apart in a world that isoversaturated with digital marketing ads.

- Digital marketing comes with various challenges, including implicit bias.

How Digital Marketing Works

Marketing refers to activities that a company uses to promote its products and services and improve its market share. It requires a combination of advertising savvy, sales, and the ability to deliver goods to end-users if it's going to be successful. Professionals, known as marketers, take on these tasks either internally (for companies)or externally with marketing firms.

Corporations traditionally focused on marketing through print, television, and radio. Although these options stillexist, the internet led to a shift in the way companies reach consumers. That's where digital marketing came intoplay. This form of marketing involves the use of websites, social media, search engines, and apps—anything that incorporates marketing with customer feedback or a two-way interaction between the company and its customers.

Increased technology and newer trends forced companies to change their marketing strategies. Email became apopular marketing tool in the early days of digital marketing. That focus shifted to search engines like Netscape, which allowed businesses to tag and keyword stuff to get themselves noticed. The development of sites like Facebook made it possible for companies to track data to cater to consumer trends.

Smartphones and other digital devices now make it easier for companies to market themselves and their productsand services to consumers. Studies show that people prefer using their phones to go online. So it should come as no surprise that 70% of individuals make buying decisions (usually on their phones) before they actually hit the purchase button.

Sources and Receivers

Advertisers are commonly referred to as sources, while members of the targeted ads are the receivers. Sources frequently target highly specific, well-defined receivers like McDonald's did with shift workers and travelers

The company used digital ads because it knew these people made up a large segment of its late-night business. McDonald's encouraged them to download the Restaurant Finder app, targeting them with ads placed at automated teller machines (ATMs), gas stations, and websites that its customers commonly frequented.

Types of Digital Marketing Channels
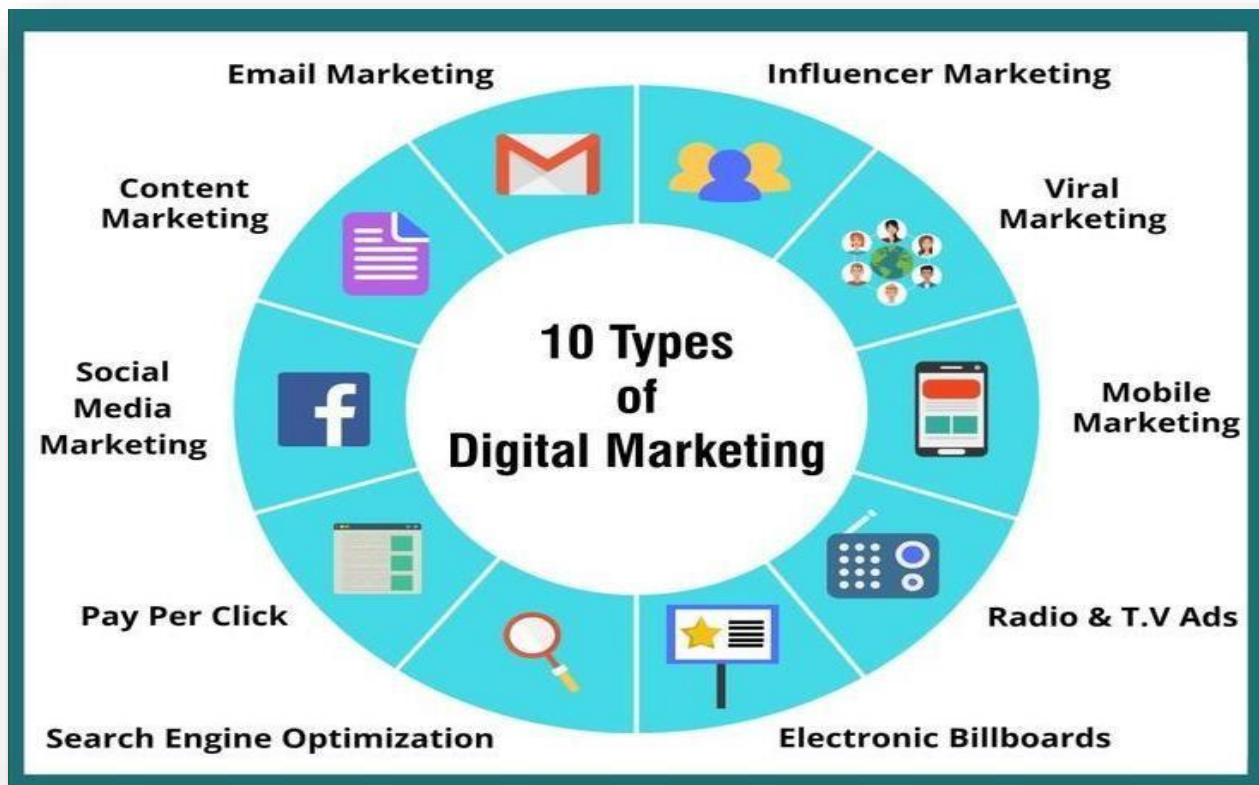
As noted above, marketing was traditionally done through print (newspapers and magazines) and broadcast ads(TV and radio). These are channels that still exist today. Digital marketing channels have evolved and continueto do so. The following are eight of the most common avenues that companies can take to boost their marketingefforts. Keep in mind that some companies may use multiple channels in their efforts.

- Website Marketing

A website is the centerpiece of all digital marketing activities. It is a very powerful channel on its own, but it's also the medium needed to execute a variety of online marketing campaigns. A website should represent a brand,product, and service in a clear and memorable way. It should be fast, mobile-friendly, and easy to use.

- Pay-Per-Click Advertising

Pay-per-click advertising enables marketers to reach Internet users on a number of digital platforms through paidads. Marketers can set up PPC campaigns on Google, Bing, LinkedIn, Twitter, Pinterest, or Facebook and showtheir ads to people searching for terms related to the products or services.

These campaigns can segment users based on their demographic characteristics (such as by age or gender), or even target their particular interests or location. The most popular platforms are Google Ads and Facebook Ads.

- Content Marketing

The goal of content marketing is to reach potential customers through the use of content. Content is usually published on a website and then promoted through social media, email marketing, search engine optimization, or even pay-per-click campaigns. The tools of content marketing include blogs, ebooks, online courses, infographics, podcasts, and webinars.

- Email Marketing

Email marketing is still one of the most effective digital marketing channels. Many people confuse email marketing with spam email messages, but that's not what email marketing is all about. This type of marketing allows companies to get in touch with potential customers and anyone interested in their brands.

Many digital marketers use all other digital marketing channels to add leads to their email lists and then, throughemail marketing, they create customer acquisition funnels to turn those leads into customers.

- Social Media Marketing

The primary goal of a social media marketing campaign is brand awareness and establishing social trust. As yougo deeper into social media marketing, you can use it to get leads or even as a direct marketing or sales channel.Promoted posts and tweets are two examples of social media marketing.

- Affiliate Marketing

Affiliate marketing is one of the oldest forms of marketing, and the internet has brought new life to this old standby. With affiliate marketing, influencers promote other people's products and get a commission every

time a sale is made or a lead is introduced. Many well-known companies like Amazon have affiliate programs that pay out millions of dollars per month to websites that sell their products.

- Video Marketing

YouTube is one of the most popular search engines in the world. A lot of users are turning to YouTube before making a buying decision, to learn something, read a review, or just relax.

There are several video marketing platforms, including Facebook Videos, Instagram, and even TikTok to use to run a video marketing campaign. Companies find the most success with video by integrating it with SEO, content marketing, and broader social media marketing campaigns.

- SMS Messaging

Companies and nonprofit organizations also use SMS or text messages to send information about their latest promotions or give opportunities to willing customers. Political candidates running for office also use SMS message campaigns to spread positive information about their own platforms. As technology has advanced, many text-to-give campaigns also allow customers to directly pay or give via a simple text message.

Chapter 2

COMPANY PROFILE

COMPANY PROFIL

XIAOMI CORPORATION

'Quality products at honest pricing' is almost everyone's need. Xiaomi has a separate fan base for its high-gradeproducts built with cutting-edge technology at reasonable prices. Xiaomi is a Chinese company that has its majorground in electronics. The company has its presence in over 100 countries and regions and has been hailed as the world's most valued tech startup already in 2014. Xiaomi currently ranks in the 70th position on the Top 100Most Valuable Global Brands in 2021 by Kantar BrandZ.

Xiaomi Mobiles have also gained much popularity in India, which has only seen growth year on year. The company tops the list of the best-selling phones in India. Xiaomi India even made it to the 'GUINNESS WORLDRECORDS' by building the largest light mosaic (logo) in the world. It was set by placing 9,690 bulbs and this momentous work is found on the terrace of Xiaomi's head office in Bengaluru. Here are some more interestingfacts and

Xiaomi – Company Highlights

Startup Name	Xiaomi
Headquarters	Beijing, China
Sector	Consumer Electronics
Founders	Lei Jun
Founded	April 2010
Total Funding	$7.4 Billion
Revenue/Turnover	RBM 76.9 billion, YoY growth 54.7%(Q1 2022)
Adjusted Net Profit	RBM 6.1 billion, YoY growth 163.8% (Q1 2022)
Parent Organization	Xiaomi.Inc
Website	WWW.mi.com

About Xiaomi

Xiaomi is an electronics company based in Beijing, China. It was founded by Lei Jun in April 2010, and in 2014, Xiaomi was the largest smartphone company in China. Today, Xiaomi is one of the top five smartphone vendorsin the world. The smartphone commodities of Xiaomi include different series such as Mi Series, Mi Note Series,Mi Max Series, Mi Mix Series, Mi NoteBook Series, Redmi Series, Blackshark, and Pocophone. Xiaomi has around 291.6 million active users for its MIUI updates. Besides, the company also offers laptops, mobile apps, mobile accessories, wearables, home appliances, and smart-home devices**.**

From 2019, Xiaomi even started selling accessories such as caps, bags, glasses, backpacks, and also lunchboxes,pillows, cups, filters, umbrellas, and screwdrivers. In 2018, Xiaomi launched Mi Credit in India for easy accessibility of personal loans. The company also offers various value-added-internet services like 'Mi Music','Mi Video' and 'Mi Game'.

Xiaomi - Founders/Owners

Lei Jun is the founder, CEO, and President of Xiaomi. The other co-founders are, Lin Bin, Dr. Zhou Guangping,Liu De, Li Wanqiang, Wong Kong-Kat, Hong Feng and Chuan Wang.

Lei Jun is a graduate in computer science from Wuhan University. In 1992, Lei Jun joined Kingsoft, a Chinesesoftware company as an engineer. In 1998, Lei Jun became the CEO of Kingsoft. In December 2007, he resignedfrom Kingsoft for health-related issues. While he was still working with Kingsoft, Lei Jun founded an online bookstore named Joyo.com. Joyo.com was acquired by Amazon.com in 2004.

After resigning from Kingsoft, Lei Jun became an angel investor and invested in over 20 companies. He still invests in various companies through Shunwei Capital. In 2008, he joined UC Web as Chairman, and in 2010 Lei Jun founded Xiaomi.

Xiaomi co-founder & President Lin Bin is a graduate in radio electronics and holds a rich experience of working with companies like ADP, Microsoft, and Google. Lin Bin is also a member of the board of advisors of Tufts University School of Engineering located in Boston (USA).

Dr. Zhou Guangping, who is a Ph.D. in Electrical Engineering, worked with Motorola and held various pivotalpositions in the company before joining Xiaomi. Currently, Dr. Zhou leads the hardware and BSP teams at Xiaomi.

Liu De is an M.S. and an expert in Industrial design. He established the Industrial Design Department at the University of Science and Technology Beijing. In 2003, Liu De founded 'New Edge', an Industrial Design Company. Mr. Liu currently looks after the industrial design and Ecosystem Development teams at Xiaomi.

Li Wanqiang is known as one of the earliest UI and HCI experts in China. After completing his graduation in Industrial Engineering in 2000, Mr. Wanqiang joined Kingsoft, where he was leading many important and well-known software projects. In 2010 Wanqiang joined Xiaomi as a co-founder.

Wong Kong-Kat graduated in computer science in 1997 and joined Microsoft, where he worked till 2010. Mr.Wong is now in charge of the Mi wifi and Mi Cloud teams.

Hong Feng holds a post-graduate degree in computer science. He started his career with Siebel System as a Lead Software Engineer. In 2006, Mr. Hong joined Google as a Senior Software Engineer. Later he also lookedafter the development of the various localized products of Google (in China) like Google Music and Google Pinyin Input as a Senior Product Manager at Google China. Mr. Hong now looks after the MIUI division at Xiaomi.

Xiaomi co-founder Chuan Wang is a seasoned entrepreneur. In 1997, Mr. Wang founded Thunderstone Technology, which grew to be the largest VOD (Video on Demand) system provider in China. In 2007 Chuan Wang founded a digital book company named Beijing Duokan Technology of which he is currently the CEO. In 2012, Mr. Wang joined Xiaomi as the co-founder and Vice President. Presently he manages the Mi TV.

Xiaomi – History

Lei Jun founded Xiaomi in 2010, as a software company and created MIUI ROM based on Google's Android. The idea behind developing MIUI was to offer more functionalities and a better UI than Android. MIUI indeedgot the popularity it deserved. As per reports in March 2020, the MAU (Monthly Active Users) of MIUI increased to 330.7 million worldwide.

In 2011 Xiaomi entered the hardware segment by launching the Mi One phone. The Xiaomi team's focus has been on creating quality hardware devices and sell them at comparatively lower costs than those available in themarket while they intended to make revenue through their services and content. The company today not only sells mobile phones but much more like mobile apps, wearables, home appliances, and smart home devices.

Xiaomi - Name, Tagline & Logo

The meaning of the word 'Xiaomi' is 'Millet' and few reports show that it also means 'Rice'. Lei Jun relates theword 'Xiao' to the Buddhist concept that, a single grain of rice is as great as a mountain', indicating the company's endurance. "Only for fans" was its tagline before.

The logo of the company shows the word 'MI'- written in white placed inside an orange rectangle. 'MI' is the abbreviation for "Mobile Internet", but Xiaomi has mentioned that it can also be read as "Mission Impossible",representing all the challenges the company has faced so far.

2.1. Xiaomi – Competitors
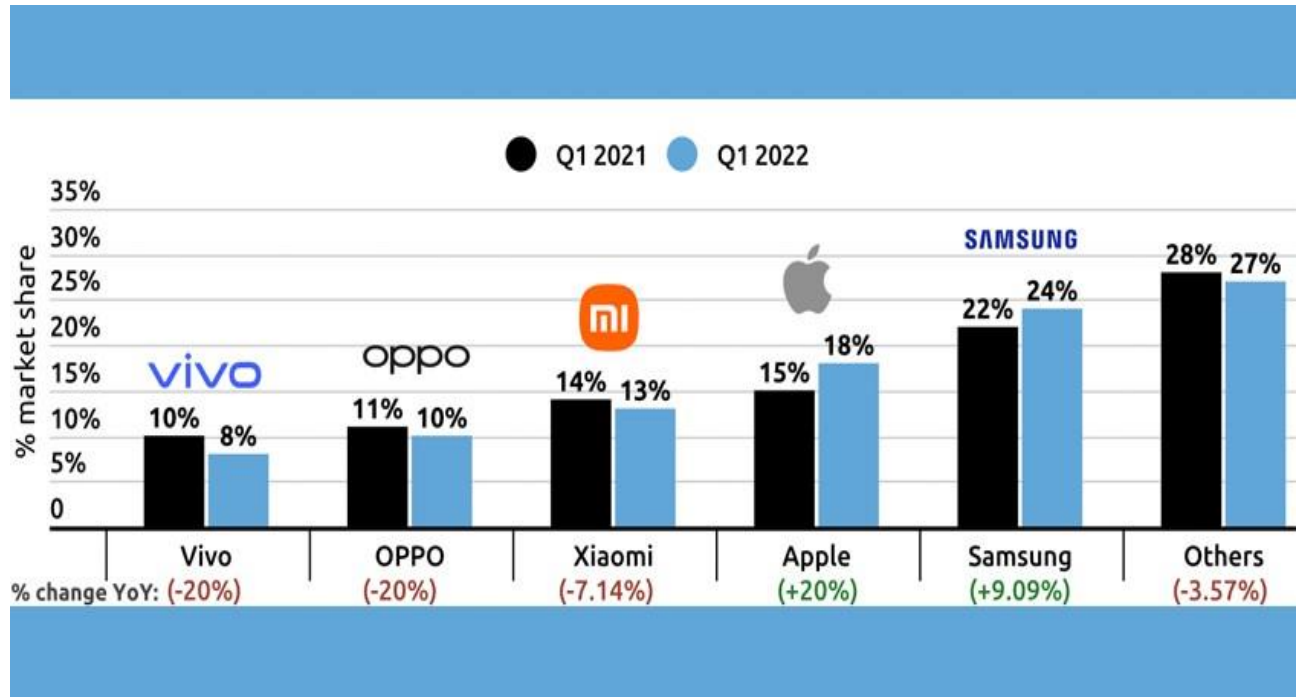
Top competitors of Xiaomi include Samsung Electronics, Apple, Huawei, Samsung, OnePlus, and Oppo. Xiaomisustains its paramount position with constant updates and optimization along with marketing at reasonable prices. Apple and Samsung provide good quality phones but have high prices. Whereas Xiaomi provides a number of features at reasonable prices.

Redmi smartphones are priced for as low as 6000 rupees on Amazon, and Xiaomi continues to have the highestmarket share for smartphone shipments in India. One of Xiaomi's strongest competitors is Realme. Realme is adaughter brand of Oppo also coming up with equally great phones like Xiaomi. And thus there is strong competition between Realme and Xiaomi. Motorola and Samsung are increasing the competition. Samsung released the M series where they actually did focus on value for money without compromising necessary specs.

Xiaomi - Revenue Model

Xiaomi's primary source of revenue is from smartphones, the Internet of Things (IoT) and lifestyle products, internet services, and other miscellaneous products and services that the company offers.
A major portion of Xiaomi's revenue comes from the sale of smartphones. In 2018, the company is reported to have sold 119 million smartphones. Around 25% of Xiaomi's revenue comes from IoT and Lifestyle products. The company deals in a wide variety of IoT-enabled products like smart TVs, electric scooters, vacuum cleaners,cameras, rearview mirrors, etc. As regards the internet-based services provided by the company, pre-loaded appsand services form a good part of Xiaomi's revenue. Besides the company offers monthly subscriptions to its TV shows, games, and movies, and also earns by providing advertisement services.

Xiaomi - Growth & Revenue

Xiaomi has grown in sales and product ranges. The company reportedly has around 22,074 employees worldwide.

However, due to the Coronavirus pandemic, the smartphone company saw a decline in the Q1 of 2020. However,Xiaomi has also been declared as the only brand among the top five smartphone sellers, to achieve comparativelysound sales in the first quarter of 2020. It saw a 1.4% YoY from 2019, during the first quarter of 2020.

In 2019, Xiaomi's total revenue was approximately RMB 205.84 Billion, and gross profit was nearly RMB
28.55 Billion. In the Q4 of 2019, the company's total revenue grew by 27.1% to RMB 56.5 Billion with anattuned net profit of RMB 2.3 Billion and a 26.5% YoY increase.

According to reports dated September 1, 2021, Xiaomi has revealed that it would not be launching any more ofits products with the Mi brand. The Chinese tech giant has decided to withdraw the "MI" name from all their future products.

Xiaomi - Future Plans

Xiaomi's vision is to make quality technology accessible to everyone, i.e., "Innovation for everyone". The company makes this possible with its high-quality products and remarkable services.

In 2020, Xiaomi intends to keep its focus on the development of 5G smartphones, and thus improve its positionin the premium smartphone segment. The company also has plans to invest big in AIoT.

According to reports, Xiaomi has 7 factories in India, four of which are in Andhra Pradesh, two in Tamil Naduand one in Noida. As claimed by the company about 99% of Xiaomi phones are produced in India. As said by Manu Jain, the company has also started a pilot project whereby the company is exporting Xiaomi phones madein India to Bangladesh and Nepal. Besides smartphones, the company claims that almost 100% of smartphone chargers, USB cables and batteries are made in India. Xiaomi also has a smart TV manufacturing plant in Tirupati, Andhra Pradesh.

With an aim to expand its business in India, MI increased its production capacities in the country by establishing2 more factories to manufacture smartphones in India, and 1 factory dedicated entirely for the Smart TV divisionof the brand, as of February 2021.

2.2. Target Market and Segmentation Strategy of Xiaomi

Xiaomi's market positioning is aimed at bridging the gap between the mass market and the high-end segment of the market. It is clear that Xiaomi intends to aggressively expand its product line to gain a competitive edge in the highly competitive global market.

Target Audience of Xiaomi

Smart Phones

Brand	Target Market
• Redmi	• General customer
• Poco	• Customer with budget of more than ₹20k
• MI	• Customer with budget of more than ₹30k
• Black shark	• A Gaming Smartphone

Smart watches

Mi Smart Brand	General Customer
Redmi Watch	General Customer
Mi Watch	Customer with a budget of more then ₹30k

Other Offerings

Laptop, Speakers, Earphones, Wifi Routers, Powerbanks, and related accessories

2.3. Marketing Mix of Xiaomi

Marketing mix model is a practical way of conceptualising how you should approach marketing in a business. The framework of this model is based on the parameter of 4Ps: Product, Price, Place and Promotion. This framework helps in understanding what a business is offering and how it is offering to its target audience and target market.

So let us know go the first 4Ps in the comings section concerning Xiaomi's offerings.

Product Strategy of Xiaomi

Xiaomi entered the Indian market through aggressive pricing and impressive product offerings but has now found its niche in the sub-continent being first amongst the many to sell smartphones that are feature-packed and priced at the level of entry-level smartphones.

This has led to a lucrative segment of the low-cost smartphone segment having a mass appeal due to Xiaomi's high offerings at affordable prices. And now that the company has expanded into other markets, from smartphones to TVs, it's clear that it has no intention of slowing down its revolution toward dominating the Indian markets.

Price Strategy of Xiaomi

The core business model of the brand is built on expanding its product offerings through aggressive price reduction. This pricing strategy is aimed at gradually gaining a foothold in the market by providing low-cost alternatives to more expensive products without compromising on quality or features.

As of 2020, the price of Xiaomi's smartphone range from as low as ₹5,000 to as high as ₹200,000. This affordable pricing strategy has been a crucial pivot for the company, making them India's no.1 smartphone brand.

Place and Distribution Strategy of Xiaomi

Xiaomi is now present in over 100 countries with an affordable range of smartphones, smart TVs, laptops, wearable and gaming devices. With a global footprint, great product quality at competitive prices, the company is expanding its reach to various new markets every year.

Most of the sales are done online rather than offline which has also proved to be beneficial for the manufacturer and as well as the consumers. However, it has shifted its primary focus towards expanding into offline markets as well.

Promotion Strategy of Xiaomi

In its starting years, Xiaomi relied very little on marketing. But now, it has shifted to a more active approach inpromotional activities as it focusing on key regions like the US and Europe, India as well as China itself.

Xiaomi's promotion strategy changed dramatically around 2016. The company realized that it needed to expandbeyond just selling its products and started focusing specifically on India and China — two countries with largepopulations but limited disposable income.

Its recent marketing moves come after years of gradually gaining prominence in the mobile phone market through its low-cost phones.

Selling smartphones at affordable prices has helped Xiaomi gain a significant following in countries like Chinaand India previously and now it hopes to expand its influence across the globe through expanded distribution and better marketing tactics.

2.4. Marketing Strategy of Xiaomi

From the very beginning, Xiaomi has attempted to save its costs by reducing marketing spends. From having almost zero budget for advertising to building a strong fan base, Xiaomi has succeeded in making its marketingextremely unique and personal.

With rising competition in the market as well as changing customer behaviors, the company has started focusing on its marketing efforts by increasing its marketing spends year on year.

With that being said, let us go through some of the common as well as unique marketing measures used by Xiaomi to maintains its relevance in the market.

Brand Ambassadors of Xiaomi

Brand ambassadors are the voice of your brand, your face and your ears as well. They're the ones that get to spread your message to a larger audience that most likely wouldn't be aware of your brand if it weren't for them.

Xiaomi India has signed Ranveer Singh as its brand ambassador to promote its products in India. It very recentlysigned Sonu Sood for promoting the Redmi brand of products.

Flash Sales by Xiaomi

Xiaomi is the brand that makes most sales on online shopping platforms through flash sales. The Flash sales model has proved to be incredibly beneficial for the Chinese smartphone company since it creates a sense of urgency.

People wait for weeks and days for the anticipated launches which also disguisedly promotes the products onlineas people talk about them on various online forums.

Since the mobile prices and other electronic gadgets are cheap and affordable they run out of stock shortly. Hence keeping potential customers hooked for the next flash sale.

Xiaomi's MI Community

Xiaomi has always made adequate use of social media. From the very beginning when the company was still astart-up, the founder of the company along with his team used to post about its products on the online forums. That is how more and more people got familiar with the existence of its product.

When the brand launched its products their fans were the first customers who got the products. Today, it has a separate app for Mi users. Mi Community App is an online community where you can get help with your questions and can also solve the problems of other Xiaomi users. It's designed to be a personal place where usersfrom all over the world can share their experience and its solutions, without the corporate gatekeepers getting intheir way.

Marketing & Advertising Campaigns of Xiaomi

Marketing campaigns are a great way to publicize your product or business. They can be used to promote a website and its content, assist in the storytelling of products and services, or sell products.

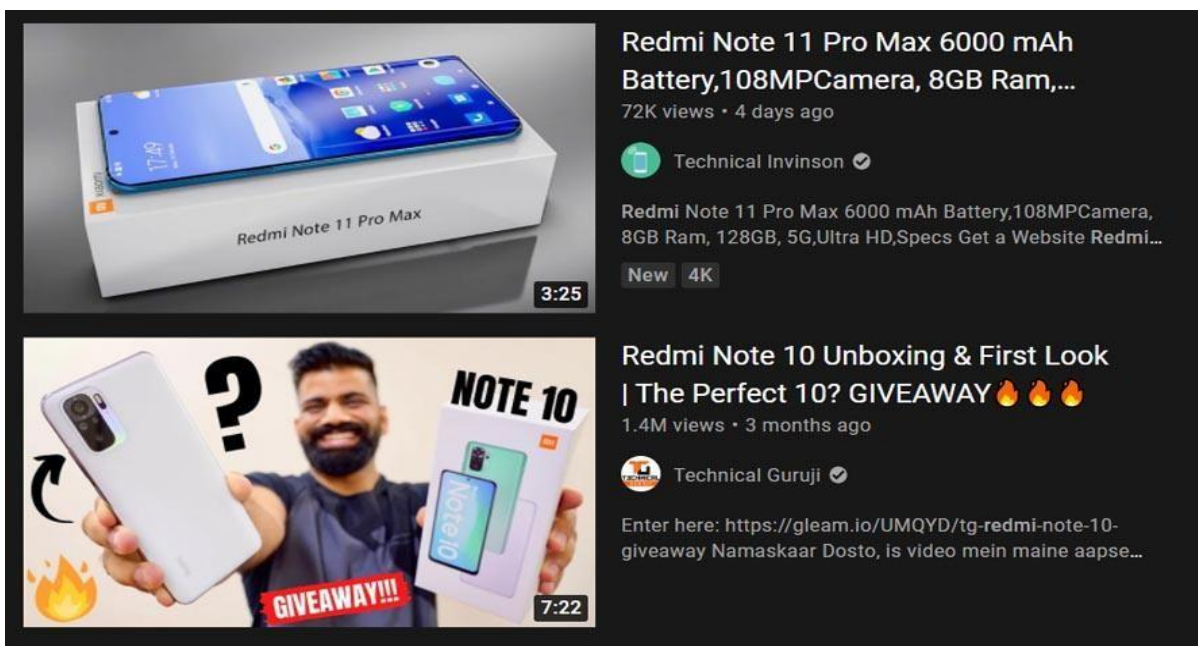Let us go through some of the marketing campaigns done by Xiaomi in the coming sections.

#SonuKiSuno – A Marketing Campaign of Redmi India

"Sonu Ki Suno" is a recent marketing campaign of Redmi, which focuses on tapping into the rising passion forsmart devices in India. It was promoted with a tag line "#PowerPacked". The campaign revolves around showcasing how the basic elements in life that should be considered while buying a smartphone and how Redmioffers all these necessary features that are helpful in day to day life.

Redmi Note Series Launch Campaigns:

Xiaomi launched several new advertising campaigns for its Redmi Note series over the past few years. The newcommercials also feature Ranveer Singh, showcasing the ability of Redmi Smartphones. All the rounds of ads highlight what value these devices offer to customers.

Xiaomi has done various campaigns for its products over the years through a variety of mediums such as Newspapers, Television, Social Media Advertising as well as getting products reviewed from Youtubers.

#GuessTheCup- A Social Media Campaign on Facebook by Mi India

To promote the Mi Bands, the brand connected with people across Facebook with a contest. The users were asked to guess the cup under which the band was present in a video uploaded. The lucky winners would get a chance to win bands from Mi India.

#Shot on RedmiNote7s

On Instagram, the camera quality of the Mi phones was explored and promoted in the best way. Xiaomi relied on Social media to engage with Mi fans, consumers and used the platform to share thoughts, converse with like-minded people and generate high-quality content.#ShotOnRedmi helped communicate the value of a phone fora potential consumer and also helped in retaining followers for the brand.

2.5. SWOT Analysis of Xiaomi

A SWOT (Strength, Weakness, Opportunities and Threats) analysis is used to identify strategic opportunities and weaknesses within a company for management to take effective action. It basically represents a clear pictureof problems, opportunities and helps in implementing a prospective change.

Strengths of Xiaomi

- Xiaomi is one of the largest smartphone makers in today's time
- Sells the products at very affordable and low prices
- Variety of products on the shelf to offer

Weakness of Xiaomi

- Online sales have proved to be beneficial but also has been a weakness for the company because noteveryone trusts buying from online platforms
- Xiaomi misses the chance to reach high-income customers as it has created an image that tells theaudience that its products are made for middle-class customers.

Opportunities for Xiaomi

- The brand has started focusing more on its offline stores which can increase their sales and bring in morerevenue
- Creating strong research & development like that of Apple & Samsung will help Xiaomi to adapt tovarious technological changes quickly.

Threats for Xiaomi

- Xiaomi's biggest threat is the presence of numerous competitors within the industry
- Misinformation and rumors about the brand in the market can also be a huge threat. This is why peopleshould be well informed about the brand and the products it offers.
- Controversies are a huge risk to any brand. Xiaomi should be extremely cautious while getting associatedwith any type of controversy.

With this, the comprehensive case study on Xiaomi comes to an end, let us now go through the final thoughts inthe coming section.

How Xiaomi is strengthening its Offline presence in India.

For reaching out to customers in the offline market, Xiaomi has adopted a three pronged strategy, which includeslarge format retailers, preferred partners and MI Home.

Xiaomi India, an online-only brand, started building its offline business aggressively from the first quarter of 2017. And it seems the company's 'direct to retail' strategy is working for the brand, as Xiaomi India has witnessed 10X increase in its offline sales lately. The offline sales now contributes 20 per cent to overall salesof the company in India, which has gone up from less than 10 per cent six months ago. The company now plansto cross 30 per cent by the end of this year.

To increase its offline presence in the country, Xiaomi has adopted a different 'direct to retail' strategy, considering the fact 67 per cent of smart phones are still sold offline. While the traditional offline channel, includes national distributor, regional distributor, city distributor and a retail, before a product reaches a consumer, Xiaomi's 'direct to retail' strategy only includes a distributor and a retailer. Also using traditional channel means increasing the cost by more than double, for which a consumer pays, a cost which is reduced in the company's method. The company also has a 'Mi Home concept' for offline market, where the product directlyreaches the consumer.

For reaching out to customers in the offline market, Xiaomi has adopted a three pronged strategy, which includeslarge format retailers, preferred partners and Mi Home.

Mi Home is a franchise based company store, where consumers can experience all Xiaomi ecosystem productslaunched in India. Consumers can also buy the products at the Mi Home and to manage the demand, Xiaomi hasactivated a pre-booking option, where a unit is reserved for the buyer.

Chapter 3

LITERATURE REVIEW

LITERATURE REVIEW

- Internet usage history and intensity also affect online shopping potential Consumers with longer historiesof Internet usage, educated and equipped with better skills and perceptions of the Web environment havesignificantly higher intensities of online shopping experiences and are better candidates to be captured in the well- known concept of flow in the cyber world **(Sisk, 2000; Hoffman and Novak, 1996; Liao and Cheung, 2001).**

- Those consumers using the Internet for a longer time from various locations and for a higher variety of ser-vices are considered to be more active users **(Emmanuele's and Hammond,2000).**

- **As Bellman et al. (1999)** mention, demographics are not so important in determining online purchasingpotential. Whether the consumer has a wired lifestyle and the time constraints the person has are much more influential. Risk taking propensity is also a powerful factor.

- E-shoppers have higher risk taking tendencies. Consumers with high levels of privacy and security concerns have lower purchasing rates inonline markets but they balance this characteristic with their quest for making use of the information advantage of the environment **(Kwak et al., 2002; Miyazaki and Fernandez, 2001).**

- These educated individuals, As more confident decision makers, are much more demanding and have greater control over the purchasing process from initiation to completion **(Rao et al., 1998).**

- The authors Explained market entry strategies and unique business model of the company that helped itto gain maximum market share. This case can be useful for management students as well as professionalsto learn about business success of Xiaomi and the complexities of Indian market.

- Culture and its implications are crucial for Xiaomi to move to next level after the initial success with penetration of new technology and shut down of Indian based handset manufacturer's brand, it is not easy for any foreign brand to penetrate and move beyond Citation.

- According to data from IDC for worldwide smartphone shipments in the third quarter of 2014, Xiaomi made the top five list for the first time, coming in at number three behind Samsung and Apple. Xiaomi has a presence in six countries and regions but has not yet entered the Japanese market, so few people [in Japan] know the brand. This paper gives the background of the founder of Xiaomi and its history and describes the competitive strategy supporting Xiaomi's rapid growth Cite **(Fangqi Xu, Kinki University, Japan.)**

Chapter 4

RESEARCH METHODOLOGY

4.1. NEED OF STUDY

Xiaomi Corporation is one of the top five smartphone vendors in the world. As per that the Xiaomi Corporationhas grown in a significant way through digital marketing. So this study is to understand the strategies and development of Xiaomi Corporation.

4.2. OBJECTIVE OF STUDY

The main objective of the study is as follows :-

- To Analyze the business development strategies adopted by Xiaomi Corporation

- To study on digital marketing strategies of Xiaomi Corporation

- To establish factors influencing Brand Loyalty of Xiaomi Corporation.

- To study how to visits Website and leads the customers

4.3. LIMITATIONS OF THE STUDY

As said a basic research was conducted at the company to enable the company to assess how far the customers are satisfied with product and services of XIAOMI CORPORATION. During the course of the study the following limitations were observed:

- The method will be unsuitable if the number of persons to be surveyed is very less as it will be difficultto draw logical conclusions regarding the satisfaction level of customers.

- Interpretation of data may vary from individual depending on the individual understanding the productfeatures and services of the company.

- The method lacks flexibility. In case of inadequate or incomplete information the result may deviate.

- It is very difficult to check the accuracy of the information provided.

- Since all the Services and services are not widely used by all the customers it is difficult to draw realisticconclusions based on the survey.

4.4. RESEARCH DESIGN

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as paradigm, theoretical model, phases and quantitative or qualitative techniques. Amethodology does not set out to provide solutions - it is, therefore, not the same thing as a method. Instead, it offers the theoretical underpinning for understanding which method, set of methods or so called "best practices"can be applied to specific case, for example, to calculate a specific result.

It has been defined also as follows:

- "the analysis of the principles of methods, rules, and postulates employed by a discipline"
- "the systematic study of methods that are, can be, or have been applied within a discipline"
- "the study or description of methods"

RESEARCH DESIGN: –

The research design used in this study was both 'Descriptive' and 'exploratory'.

SAMPLING TECHNIQUE: -

The selection of respondents will be doing on the basis of convenience sampling (Non- Probability). Basically will use random sampling method.

STASTICAL TOOLS:

MS-EXCEL will use to prepare pie- charts and graphs and MS-WORD will use to prepare or write the whole project report.

RESEARCH DESIGN:

The research design is purely and simply the framework of plan for a study that guides the collection and analysisof data. Types of Research Design:

- **Exploratory Research** – The main purpose of such studies is that of formulating a problem for moreprecise investigation or of developing the working hypotheses from an operational point of view.
- **Descriptive Research** – Those studies which are concerned with describing the characteristics of aparticular individual, or of a group.
- **Hypothesis Testing Research –** They are those where the researchers tests the hypotheses of casualrelationships between variables.

SAMPLE SIZE

Detail:

Size of Data   :   100

Area   : NAGPUR

Sampling Technique

Sampling techniques can be broadly classified in to two types:

- Probability Sampling.
- Non Probability Sampling.

4.5. <u>Methods of Data Collection Testing of</u>

<u>Questionnaire</u>

Primary Data:

Primary data is basically the live data which I collected on field while doing cold calls with the customers and Ishown them list of question for which I had required their responses.

Source:

Main source for the primary data for the project was questionnaires which I got filled by the customers orsometimes filled myself on the basis of discussion with the customers.

Secondary Data:

Secondary data for the base of the project I collected from intranet and from internet, magazines, newspapersetc.

Statistical Analysis:

In this segment I will show my findings in the form of graphs and charts. All the data which I got form themarket will not be disclosed over here but extract of that in the form of information will definitely be here.

TOOLS AND TECHNIQUES OF ANALYSIS

Tools for analysis

- Bar chart (Bar charts will be used for comparing two or more values that will be taken over time or ondifferent conditions, usually on small data set)
- Pie-chart (Circular chart divided in to sectors, illustrating relative magnitudes or frequencies)

Tools and Techniques

As no study could be successfully completed without proper tools and techniques, same with my project. Forthe better presentation and right explanation I used tools of statistics and computer very frequently. And I amvery thankful to all those tools for helping me a lot. Basic tools which I used for project from statistics are-

- Bar Charts
- Pie charts
- Tables

Bar charts and pie charts are really useful tools for every research to show the result in a well clear, ease andsimple way. Because I used bar charts and pie charts in project for showing data in a systematic way, so it need not necessary for any observer to read all the theoretical detail, simple on seeing the charts any body could know that what is being said.

4.6. HYPOTHESIS

- **H0**:- Digital marketing practices doesn't have a significant positive impact on Xiaomi Corporation.

- **H1**:- Digital marketing practices have a sign0.ificant positive impact on Xiaomi Corporation.

Chapter 5

DATA ANALYSIS
&
INTERPRETATION

ANALYSIS & INTERPRETATION

Q.1. How you aware about Xiaomi

Corporation?Table No. 1:

Option	No. of Respondents	Percentage
TV Ads	20	20%
Existing customers	25	25%
Magazines	10	10%
Friends	15	15%
Internet	30	30%
Total	100	100%

GRAPH No.1:
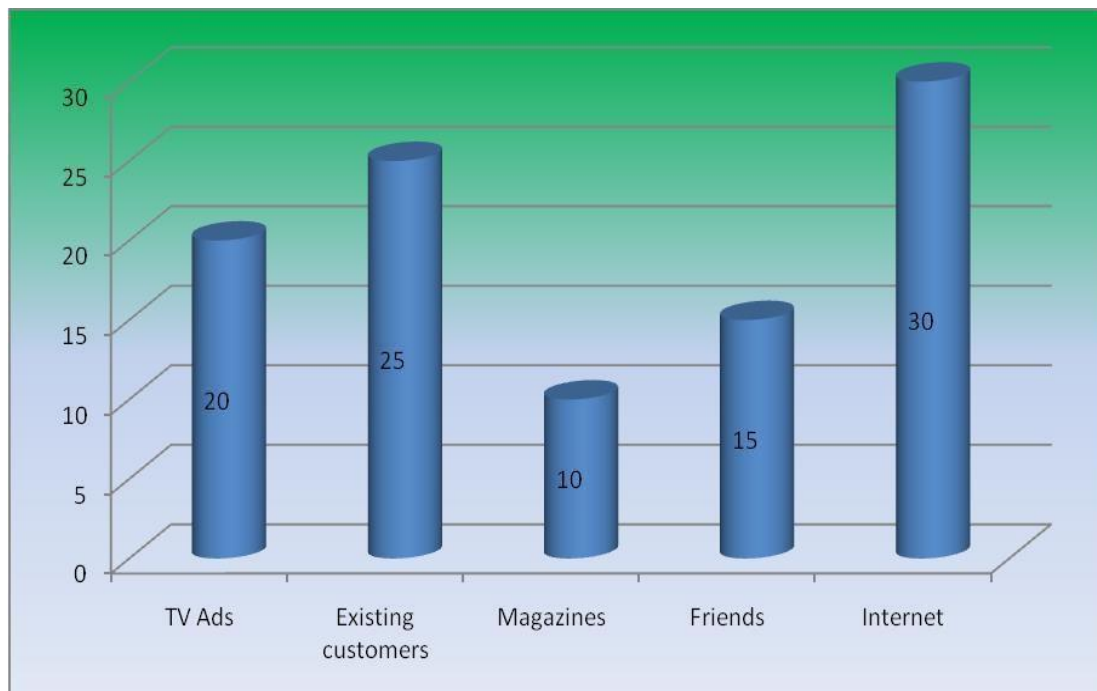
Interpretation: From the above graph shows that 20% of the respondents came to know of Xiaomi Corporationthrough TV ads, 10% of the respondents through magazines, 25% of the respondents through the existing customers and 15% of respondents from friends, 30% of respondents through internet. The above graph explained that majority of respondents are Existing customers ads and Internet.

Q.2. What is your perception about Xiaomi Corporation?

Table No. 2:

Particulars	No. of Respondents	Percentage
Good	45	45%
Ordinary	25	25%
No comment	25	25%
Poor	5	5%
Total	100	100%

Graph No.2:
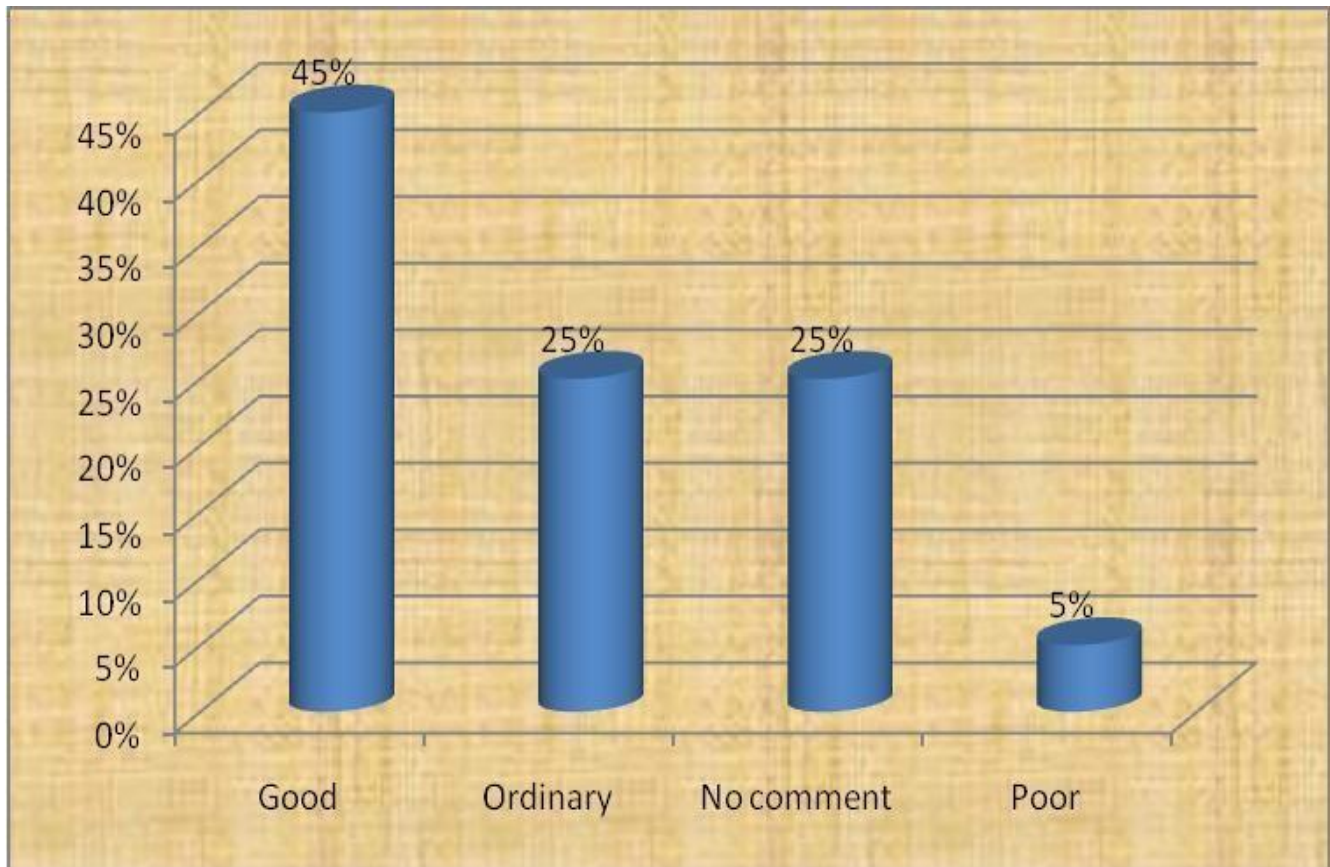
Interpretation:

The above graph reveals that good perception comes from 45%, 25% have ordinary perception about theXiaomi Corporation and rest by 25% have No Comment, 5% have poor perception.

Q3.: Xiaomi Corporation have Good

Quality?Table No. 3

Particulars	Number of Respondent	Percentage
Strongly agree	35	35%
Agree 45 45%	45	45%
Neither agree	15	15%
Disagree	5	5%
TOTAL	100	100%

Graph No. 3
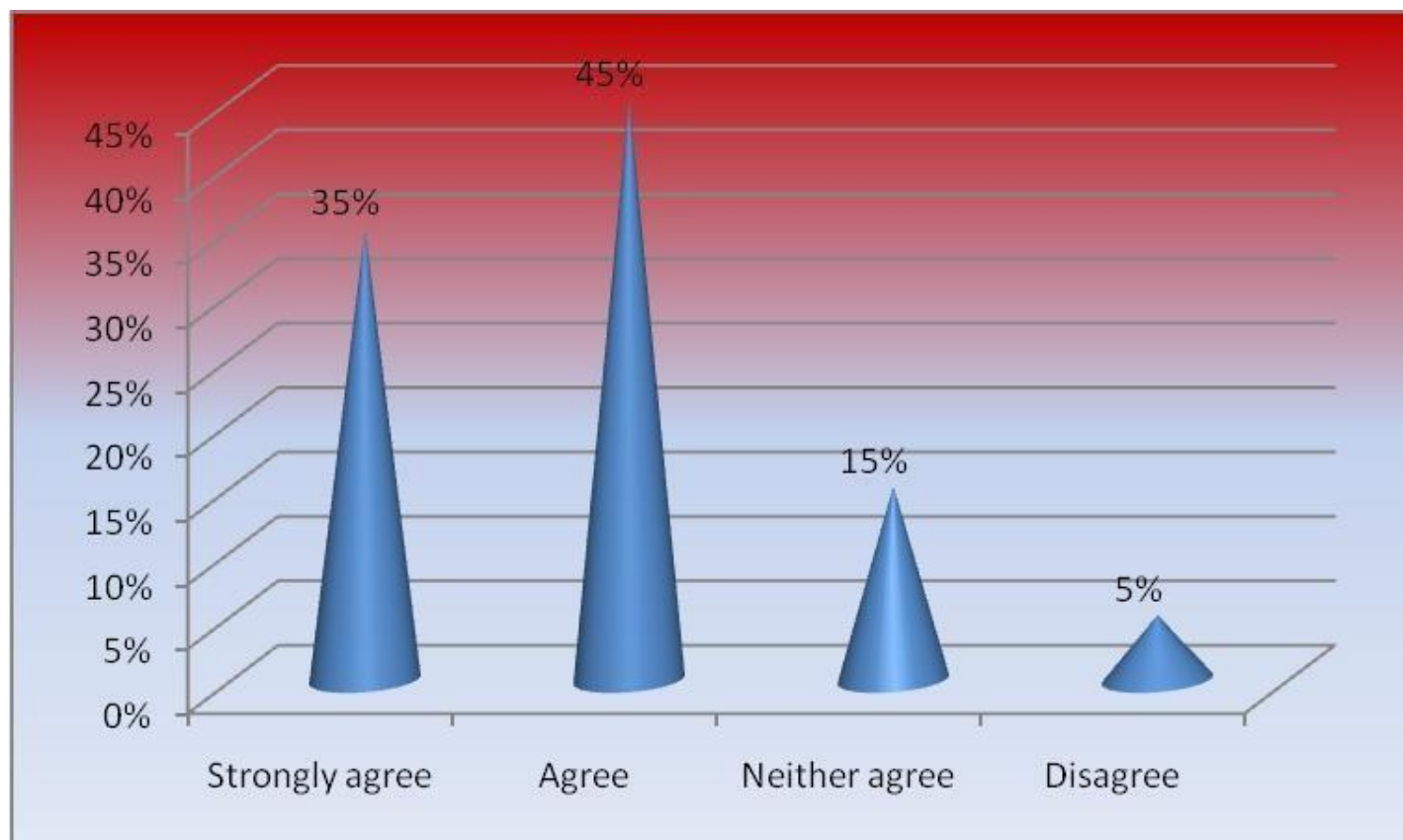
Interpretation:

The above graph shows that 35% of respondents strongly agree Xiaomi Corporation have Good Quality, 45% agree, 15% Neither agree and 5% of respondents disagree.

Q4. Do you think Xiaomi Corporation Services are more Quality & beneficial thanothers?

Table No.4:

Produc t	No. of Respondent	Percentag e
Yes	65	65%
NO	35	35%
Total	100	100%
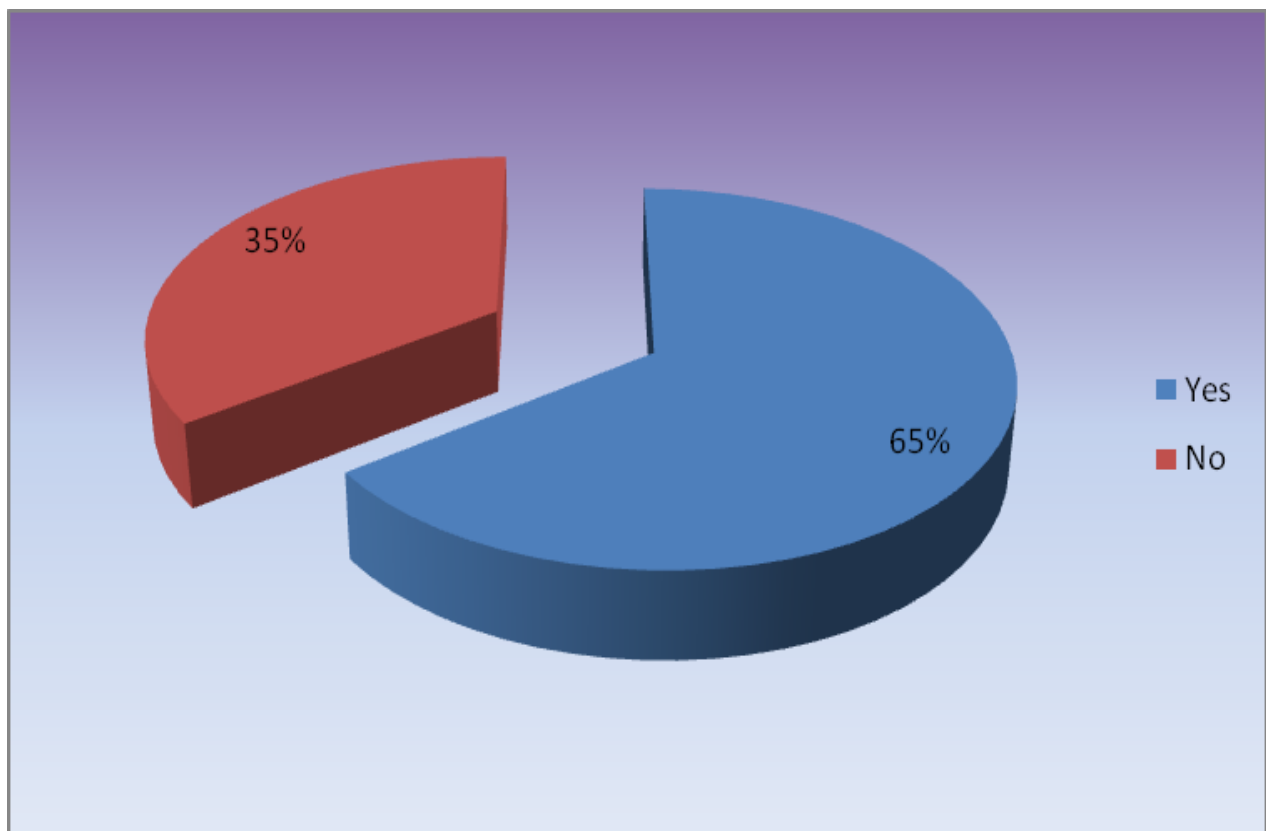
Interpretation: The above graph showing is 65% of respondents says Xiaomi Corporation are more qualityand beneficial than others. Only 35% of respondents Say No.

Q5.: On the basis of price and feature comparison, is Xiaomi Corporation

economical?Table. No.5:

Option	No. of respondents	Percentage
Extremely Agreed	15	15%
Highly agreed	20	20%
Agreed	45	45%
No Comments	12	12%
Disagreed	8	8%
Total	100	100%

GRAPH No. 5:
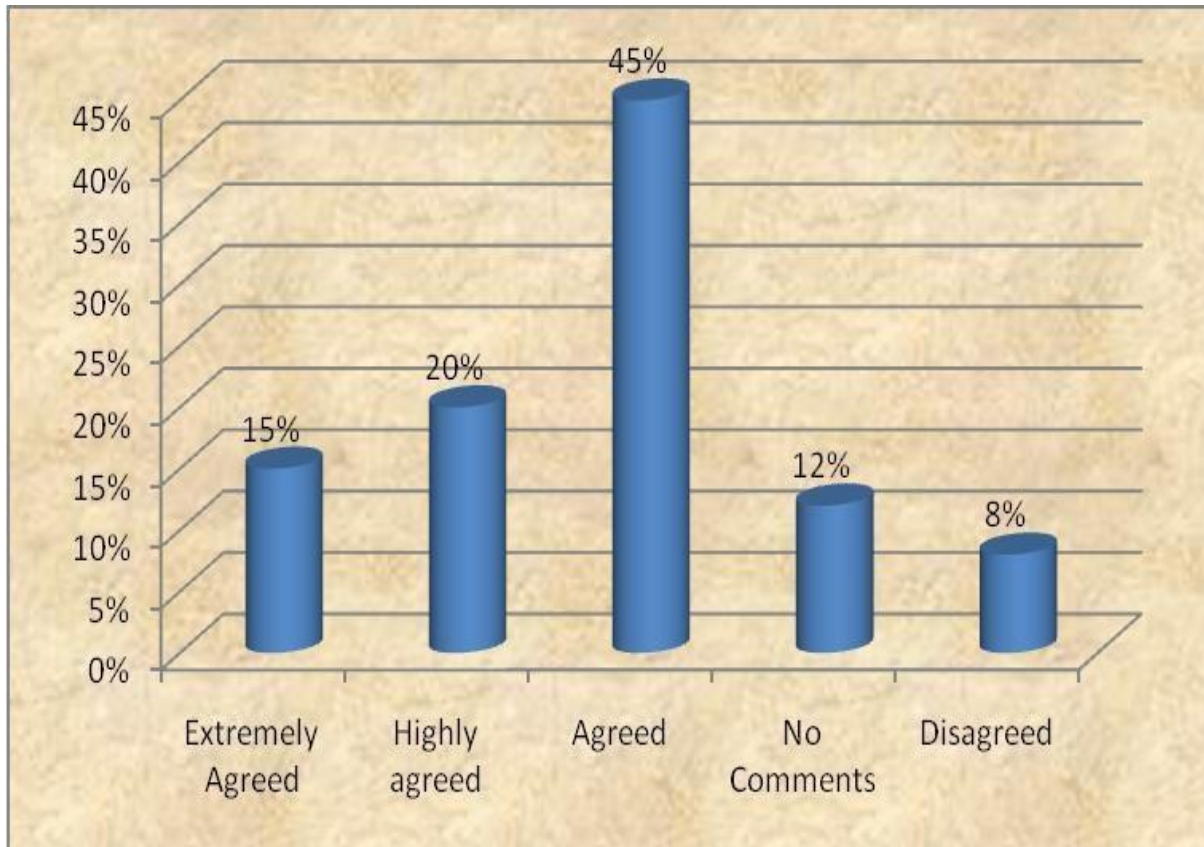
Interpretation: The above graph showing is Xiaomi Corporation are economical. 15% of public is extremely agreed with this statement, 20% is highly agreed, 45% is agreed and rest of peoples answer isnegative.

Q6. What is the Selling scale System of Xiaomi

Corporation?Table No.6

Option	No. of Respondents	Percentage
Excellent	35	35%
Good	25	25%
Fair	16	16%
Poor	12	12%
Very poor	12	12%
Total	100	100%

Graph No. 6

Interpretation: In the above graph shows that 35% of people says excellent about selling scale system ofXiaomi Corporation, 25% Good, 16% Fair, 12% Poor and rest 12% says very poor.

Q7. State the level of satisfaction for the Xiaomi Corporation Services?Table No.7

Option	No. of Respondents	Percentage
Satisfied	65	65%
Dissatisfied	15	15%
Not at all satisfied	13	13%
Neither Satisfied nor dissatisfied	7	7
Total 100 100%	100	100%

Graph No. 7

Interpretation: The above graph shows that 65% of respondents satisfied with Xiaomi CorporationServices. Only 15% of respondents dissatisfied with its Services.

Q8. How many years have you been using Xiaomi

Corporation?Table No.8:

Years	No. of Respondent	Percentage
1-2 Yrs	22	22%
2-3 Yrs	32	32%
3-4 Yrs	25	25%
More than 4 Yrs	21	21%
Total 100 100%	100	100%

Graph No.8:
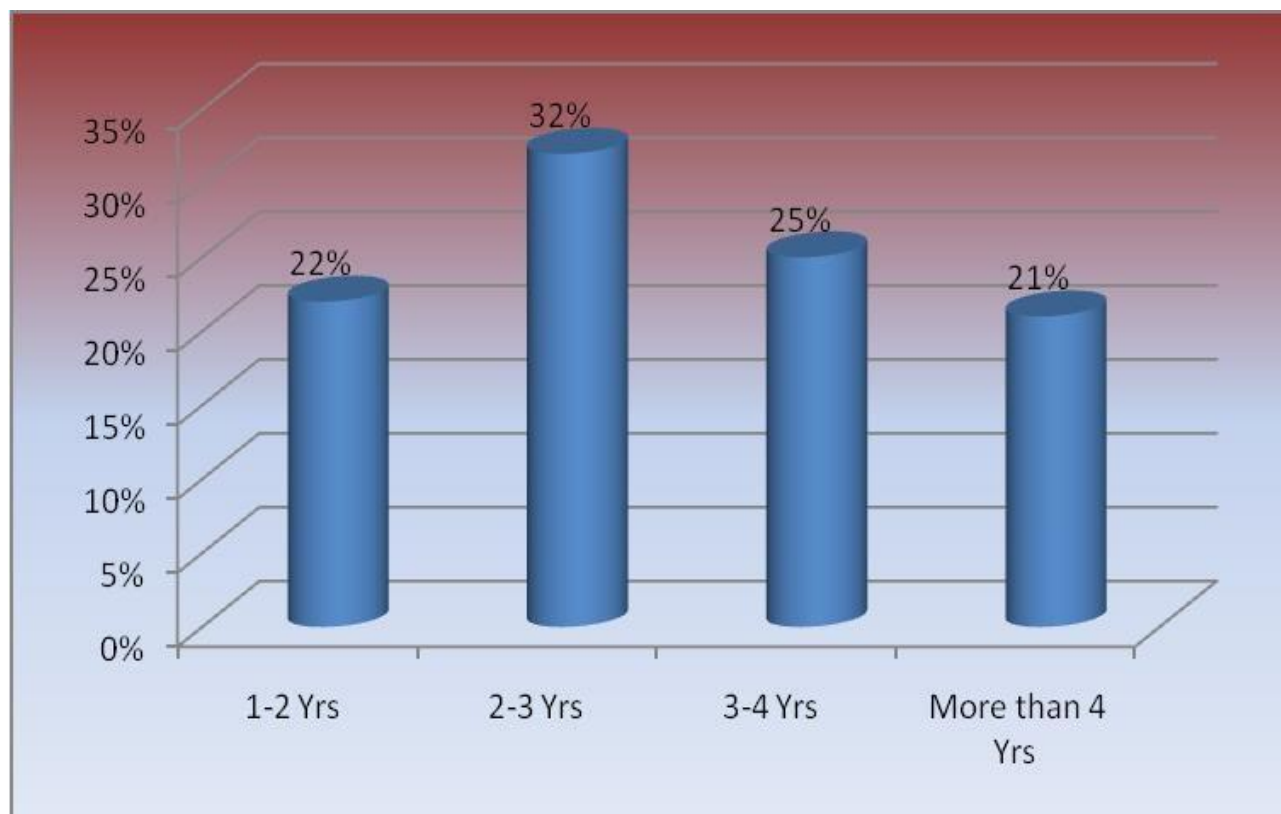
Interpretation: In the above graph shows that 22% of people using Xiaomi Corporation1-2 years, 32% respondents using 2-3 years, 25% respondents using for 3-4 years and rest 21% respondents using More than 4years.

Q9. Distribution of Respondents According to

OccupationTable No. 9

OCCUPATION	RESPONDENTS	PERCENTAGE
RETIRED	14	14%
PRIVATE JOB	12	12%
GOVT JOB	42	42%
STUDENT 16 16%	16	16%
BUSINESS	16	16%
TOTAL	100	100%

Graph No. 9
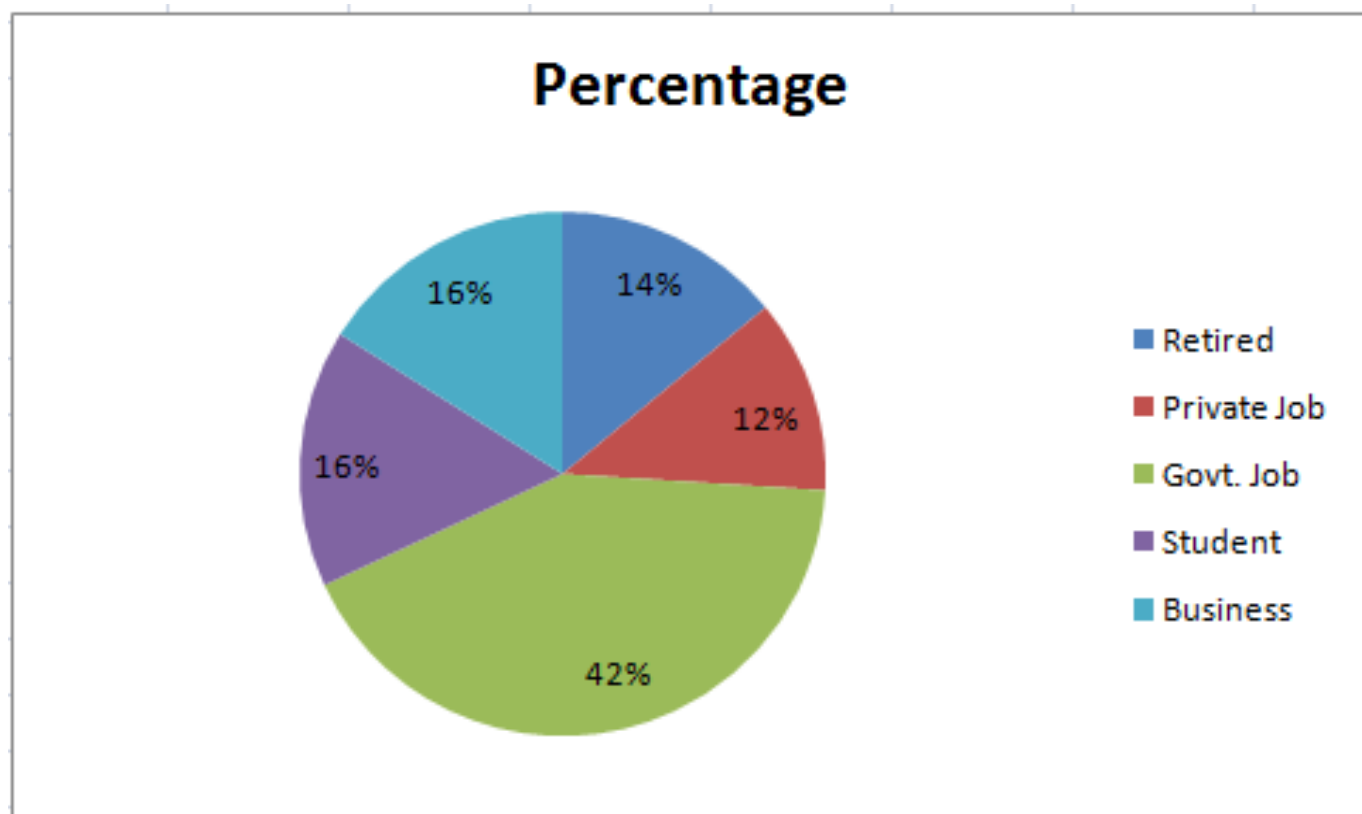
Interpretation : Out of 100 respondents 14% were retired,12% were private job holders,

42% weregovernment job officials, 16% were students and 16% were businessman.

Q10. Distribution of Respondents According To

QualificationTable No. 10

QUALIFICATION	RESPONDENTS	PERCENTAGE
MATRICULATE 8 8%	8	8%
INTER 12 12%	12	12%
GRADUATE	64	64%
POST GRADUATE	16	16%
TOTAL	100	100%

Graph No. 10
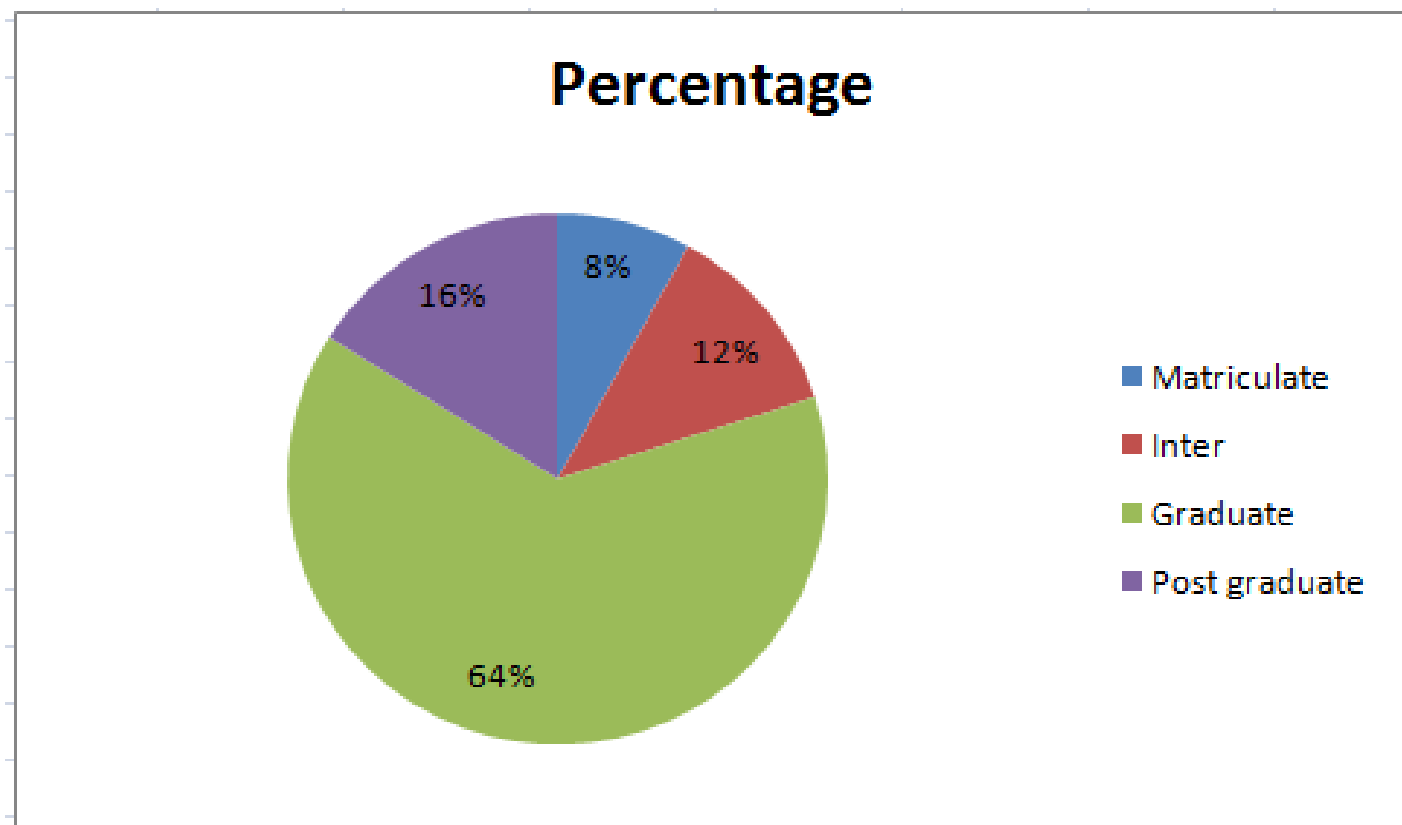
Interpretation : Out of 100iirespondents, 8% were matriculate, 12% were intermediate,

64% weregraduate and 16% were post graduate.

Q11. Does Advertisement Influence your decision in choosing Xiaomi Corporation Services?

Table No. 11

Particulars Percentage	No. of Respondents	Percentage
Yes	87	87%
No	5	5%
Can't say	8	8%
Total	100	100%

Graph No. 11
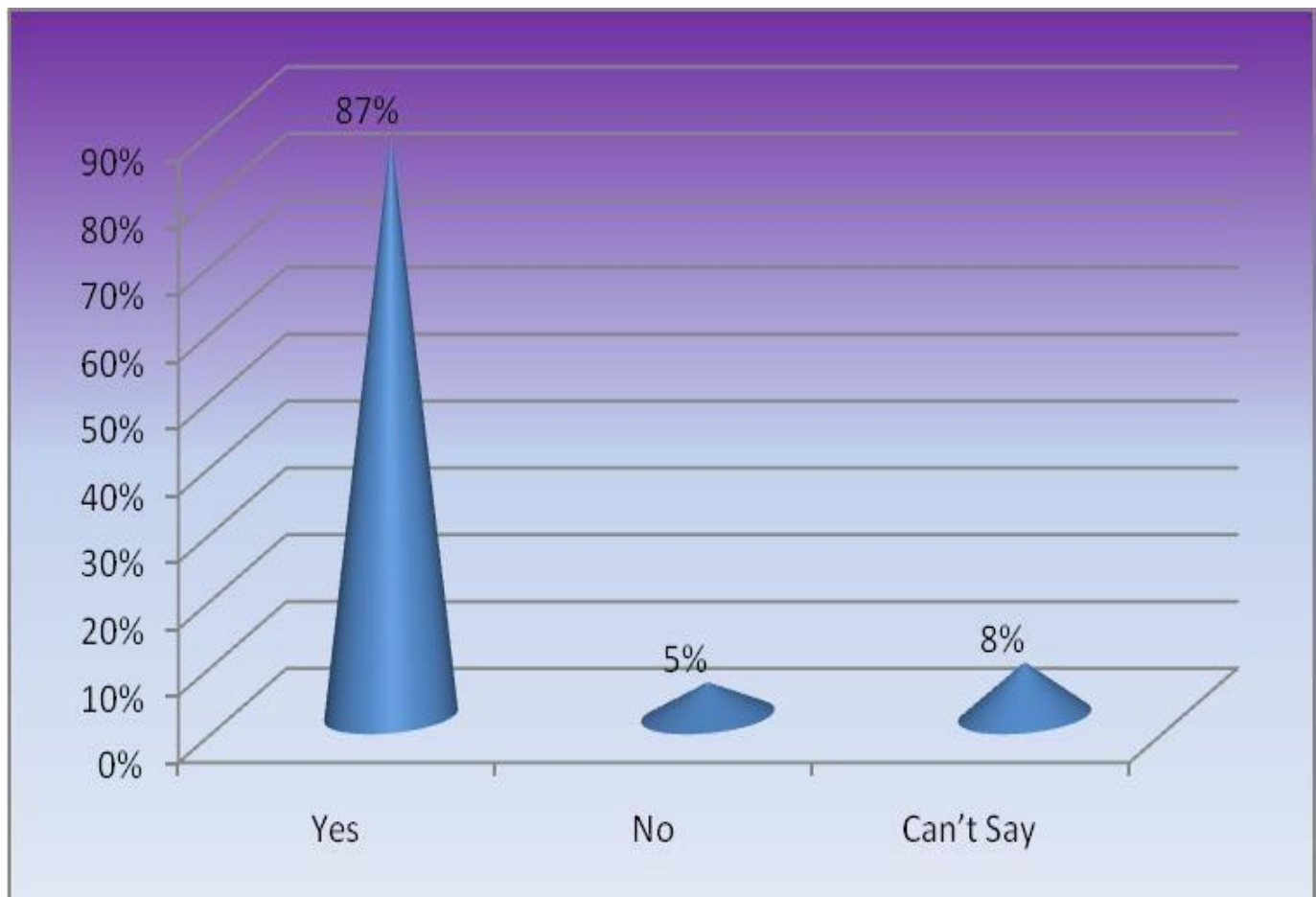
Interpretation: In the above graph shows that 87% of customer says yes advertisement influence decisionin choosing a Xiaomi Corporation.

Q12. How many years have you been using Xiaomi Corporation Product?Table No. 12

Years	Percentage
1-2 Yrs	10%
2-3 Yrs	10%
3-4 Yrs	16%
More Than 4 Yrs	64%

Graph No. 12
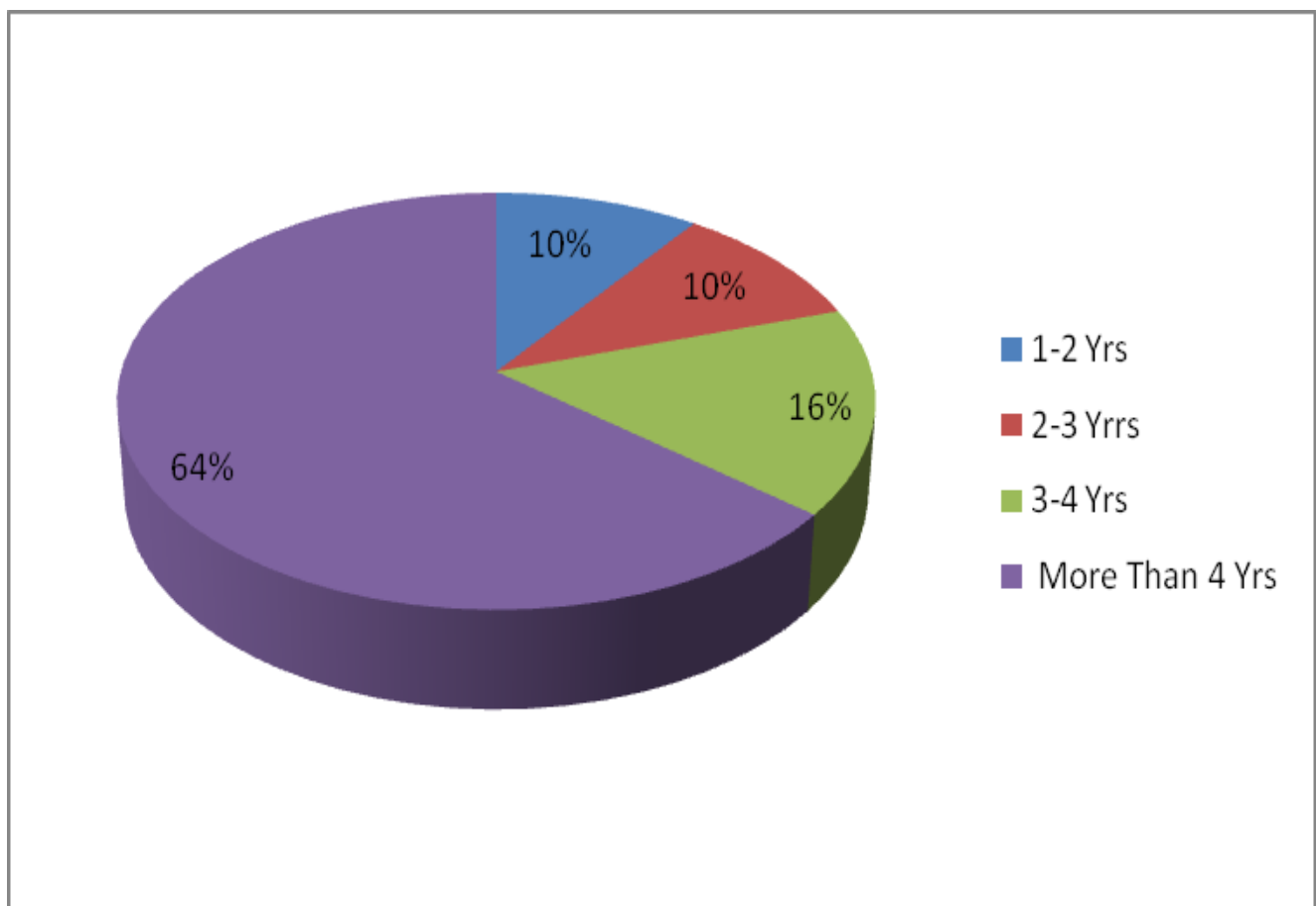
Interpretation: The above graph showing that 64 % customer are using This product more than

4 years.16 % are usingii3-4 years . and rest are using below 3 years.

Q13. What is the selling scale System of Xiaomi Corporation

Product?Table No. 13

Particulars	Percentage
Excellent	60%
Good	10%
Fair	10%
Poor	10%
Very poor	10%

Graph No. 13
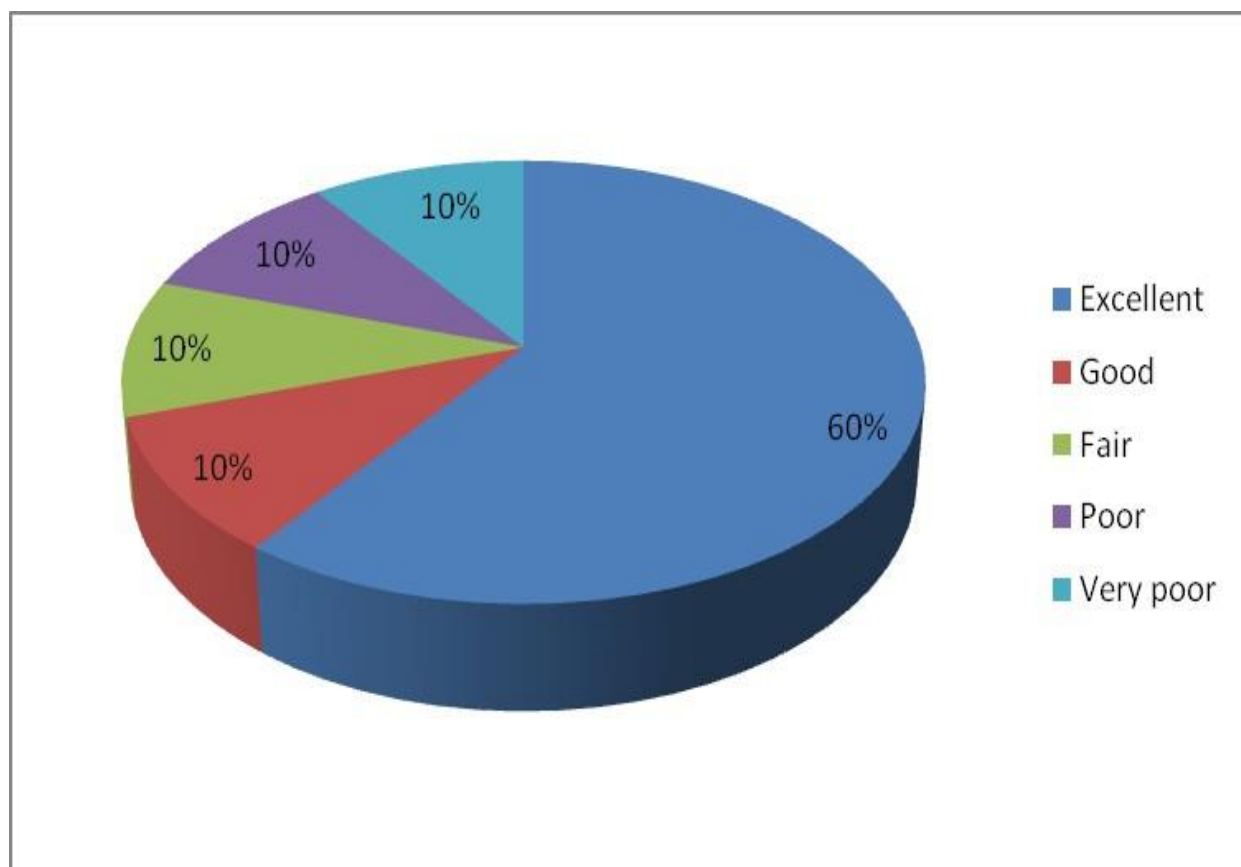
Interpretation: The above graph showing that selling scale of Xiaomi Corporation product is very enough.Rest customer says equally about this product.

Q14. Which factor is most liked

by you?Table No. 14

Option	Percentage
Pricing	15%
Advertisement	
Quality	70%
Stylish	5%

Graph No. 14

Percentage
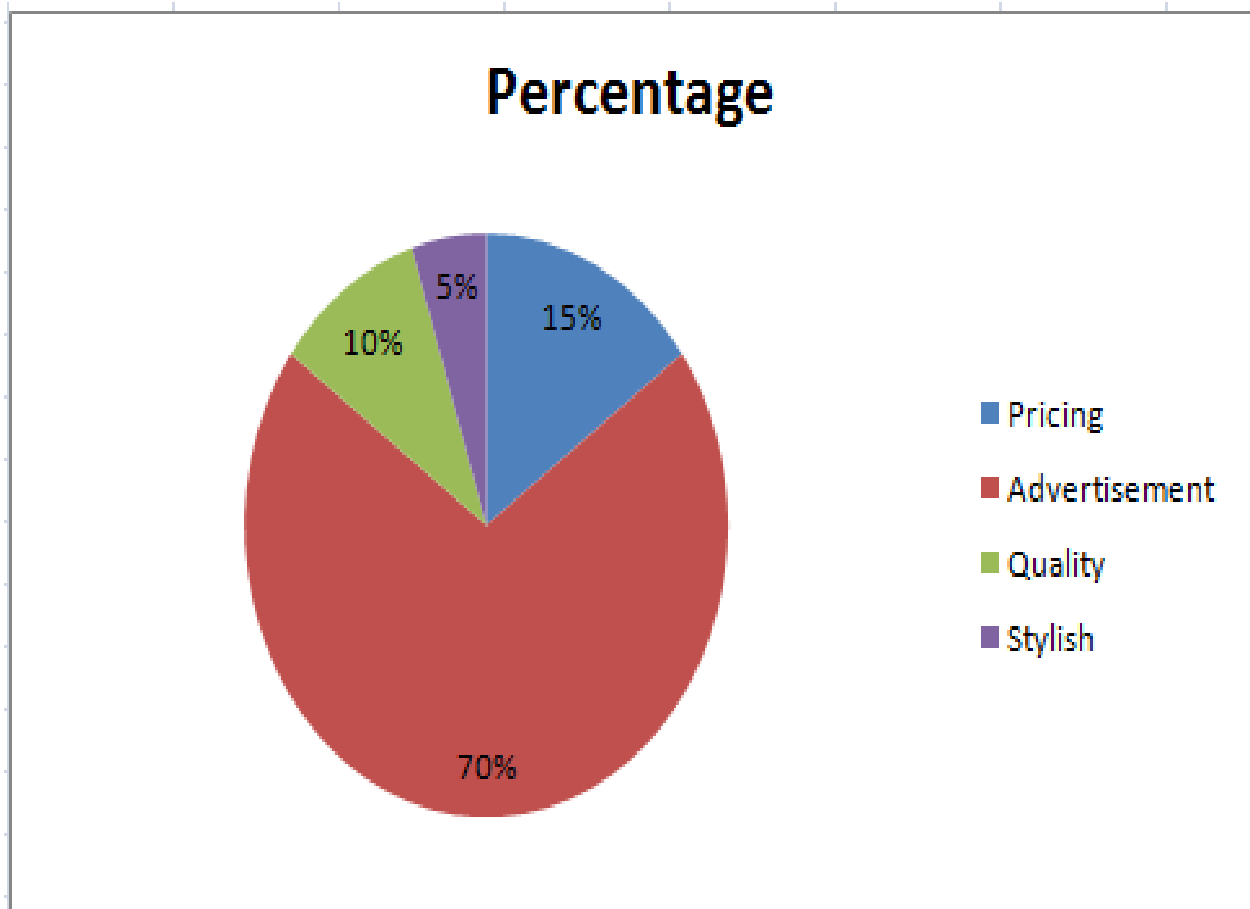
Interpretation: The above graph showing that 70 % customer is attract towards Xiaomi Corporationproduct due to Advertisement. 15 % customer says that pricing is good of Xiaomi Corporation.

Q15. Is there any complain from customer? If yes then why?Table No. 15

Option	Percentage
Price	15%
Product	20%
Quality	30%
Other	5%
No	30%

Graph No. 15

Percentage
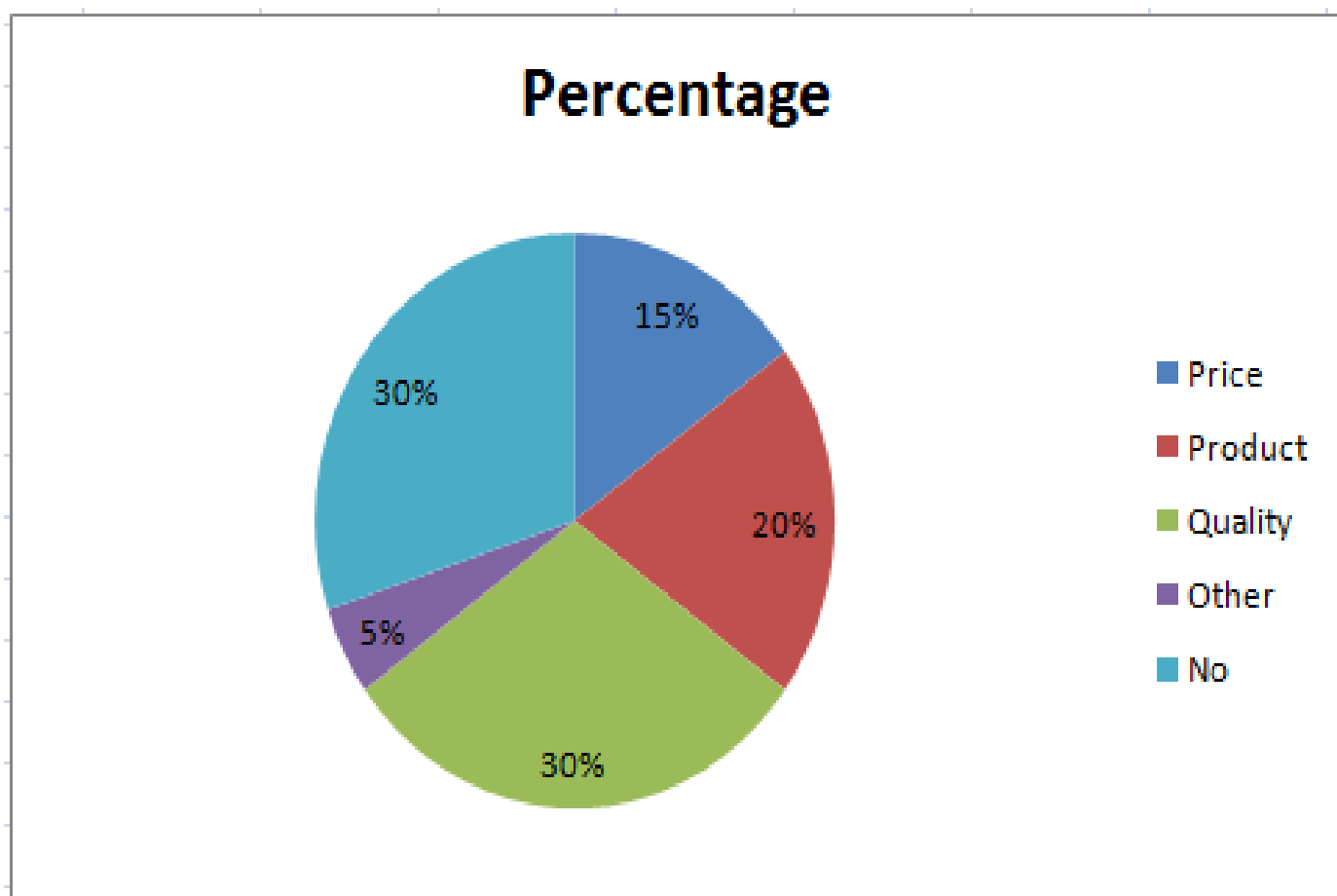
Interpretation: The above graph showing that 30 % customer want to complain Xiaomi Corporation due toits quality. 15% for price and 20 % for product and 5 % for other reasons.

Q16) Which of these marketing applications have you used in the present? Table No. 16

Particulars	No. of Respondents	Percentage
Facebook Business Pages	12	24%
Free Webs	18	36%
Google ad words	8	16%
SMS Marketing	12	24%
Total	50	100%

Graph No.16
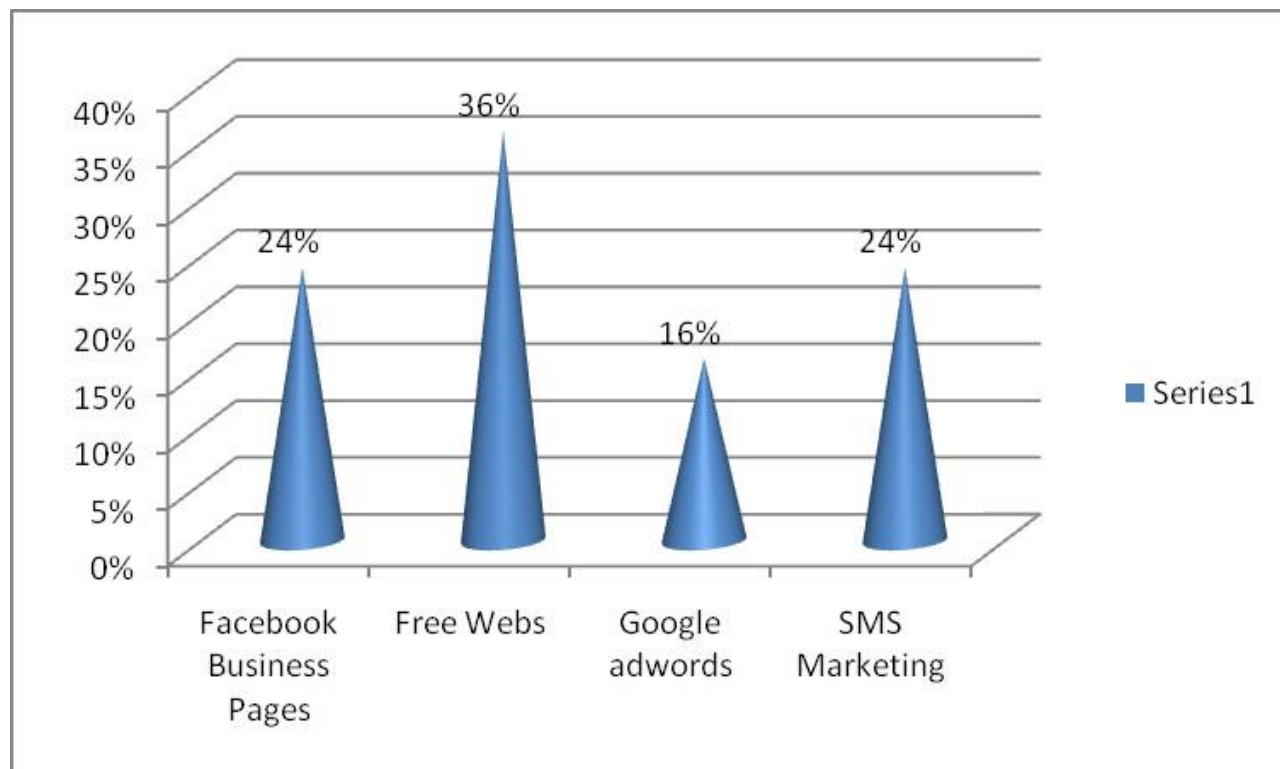
Interpretation :

It reveals that Facebook Business Pages (24%), Free Webs (36%), Google adwords (16%) & SMS Marketinguse 24% marketing applications in present.

Q17) For which of your digital communications do you use analytics to track audience response and behavior?

Table No. 17

Particulars	No. of Respondents	Percentage
Company Website	18	36%
Facebook Pages	12	24%
Email Campaigns	7	14%
SMS Marketing	13	26%
Total	50	100%

Graph No.17
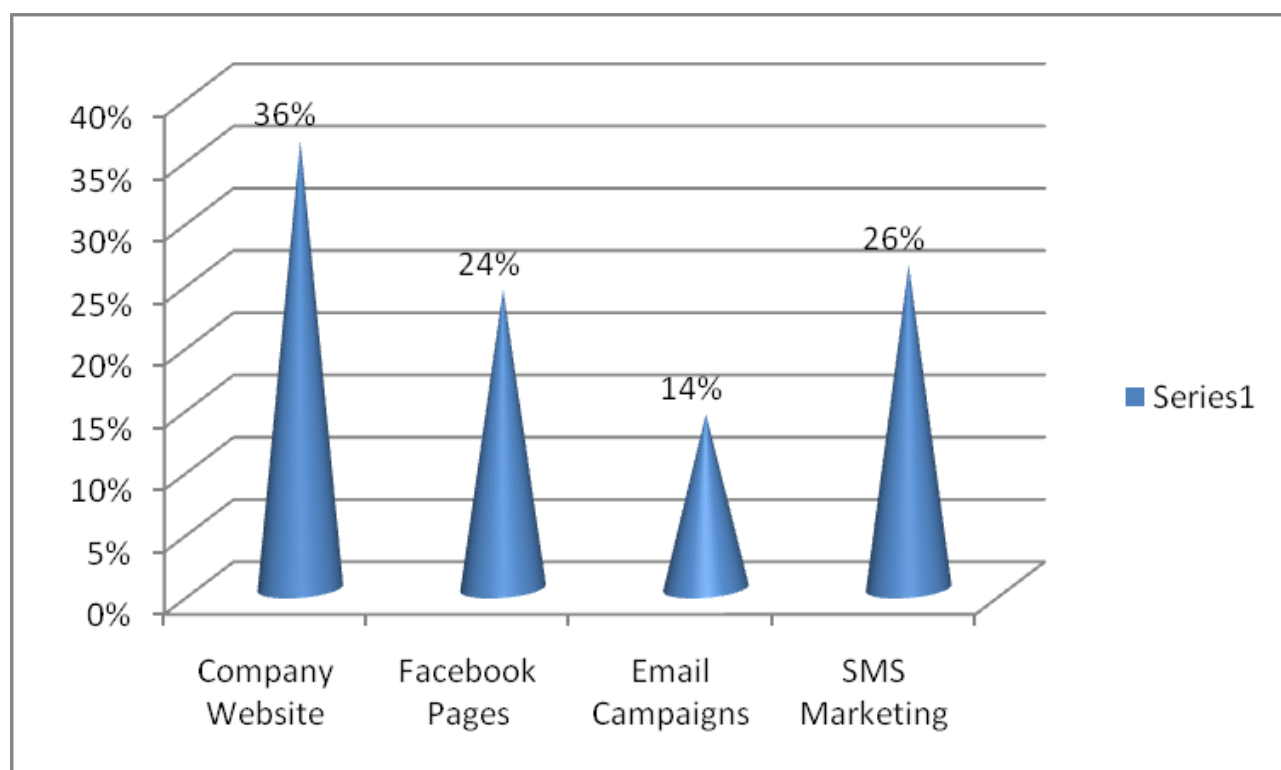
Interpretation :

It is observed that approx 36% of respondents use company website & 26% use SMS Marketing to trackaudience response and behaviour.

Q18) In what ways do you currently communicate with your Staff members?Table No. 18

Particulars	No. of Respondents	Percentage
e-mail newsletter	8	16%
Facebook	12	24%
Mobile device application	15	30%
Text message marketing	8	16%
Blogging updates	4	8%
Others	3	6%
Total	50	100%

Graph No. 18
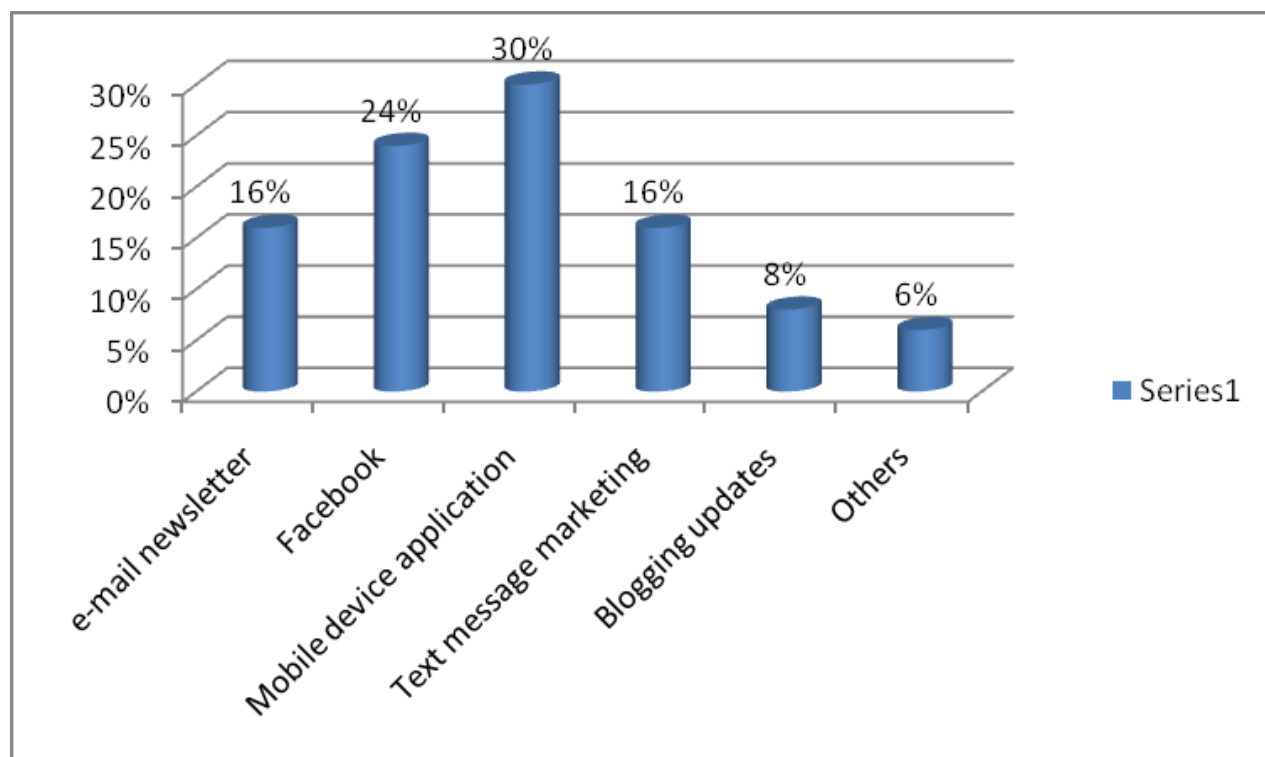
Chapter 6

FINDINGS

- It reveals that 33% of the respondents came to know of Xiaomi Corporation through TV ads, 24% of therespondents through magazines, 21% of the respondents through the existing customers and 12% of respondents from friends, 10% of respondents through internet. The above graph explained that majorityof respondents are TV ads and Magazines.

- It reveals that good perception comes from 45%, 25% have ordinary perception about the Xiaomi Corporation and rest by 25% have No Comment, 5% have poor perception.

- It is observed that 35% of respondents strongly agree Xiaomi Corporation have Good Quality, 45% agree, 15% Neither agree and 5% of respondents disagree.

- It reveals that 35% of people says excellent about selling scale system of Xiaomi Corporation, 25% Good, 16% Fair, 12% Poor and rest 12% says very poor.

- It is observed that Xiaomi Corporation are economical. 15% of public is extremely agreed with this statement, 20% is highly agreed, 45% is agreed and rest of peoples answer is negative.

- It reveals that 65% of respondents says Xiaomi Corporation. are more quality and beneficial than others.Only 35% of respondents Says No.

- It is observed that 65% of respondents satisfied with Xiaomi Corporation Services. Only 15% of respondents dissatisfied with its Services.

- It reveals that 87% of customer says yes advertisement influence decision in choosing a Xiaomi Corporation.

- Majority (37.5 %) of the retailers are aware of the Xiaomi Corporation. The next majority (35 %)

- majority (55%) of the retailers have opinioned that they are satisfied with the sales Xiaomi Corporation.A considerable proportion of the retailers have opinioned only neutral about their satisfaction level.

- It reveals that Most of the respondents purchase Electronic items & Gifts from Online.

- It reveals that 30%iiofiirespondent says TV, Newspapers (24%) & only 20% of respondent says Online.

- It is observed that 84% of respondents read the news through online and rest 16% of respondents don'tread the news through online.

- It reveals that Facebook Business Pages (24%), Free Webs (36%), Google adwords (16%) & SMSMarketing use 24% marketing applications in present.

Chapter 7

CONCLUSION AND SUGGESTION

CONCLUSION

Digital Marketing is not only concerned with placing ads in portals, it consists of integrated services and integrated channels. Marketers want to use these components in an effective way to reach target groupsand to build a brand. In this digital era marketer is not the custodian for a brand, people who are connectedacross the digital platforms are the custodians.

- The ability to interact with the customers of the company should be viewed as a very positive aspect byany business. It offers very real insight into how the company's are viewed.

- The feedback shared on the review social networking sites such as Facebook, LinkedIn, Twitter, Google+, holidayiq.com & TripAdvisor is an opportunity to improve the service offering.

- Measuring the affects that reviews, Wall-posting, Blog, Photo Video, Pop-up, tweets and posts can directly have on bookings could be quite difficult.

- Digital Media creates a real Connection between companies and customers; that connection creates a trend for purchase Intensity.

- Digital Networking provide ample of opportunities for interacting with any industries partners.

- Digital Marketing provides a platform to innovative advertising to be effectively used for business growth of any industries.

- Industry with use of Social Networking Sites can gain competitive advantage by reducing advertising cost , create awareness, capture large market, able to transact globally , can improve customer service quality and acquire new customers.

SUGGESTIONS

- The digital networking strategy should sufficiently flexible to allow it to adapt to new developments andto determine what works and what does not work.

- A dedicated social media co-ordinator is recommended to monitor the impact of any changes implemented. A dedicated co-ordinator would also allow for consistency in communication. At the veryleast a profession agency experienced in digital media marketing should be consulted at from the earliestplanning stages.

- The reviews and complaints raised by the customers on the SNS should be effectively managed and proper actions should be taken by the management and the action taken should also be communicated tothe customer.

- The promotional offers during season on should be displayed on the Social Network Site on regular basis,so that large number of customers is captured.

Chapter 8

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ANNEXURE

ANNEXURE

1. **How you aware about Xiaomi Corporation Services?**

   a) TV Ads   b) Existing customers

   c) Magazines   d) Friends

    e) Internet

2. **What is your Perception about Xiaomi Corporation Services?**

   a)   Good   b) Ordinary

   c) No Comments   d) Poor

 3. Xiaomi Corporation Services has Good Quality?

   a)   Strongly agree   b) Agree

   c) Neither agree   d) Disagree

 4. Do you think Xiaomi Corporation Services are more Quality & beneficialthan others?

   a) Yes   b) No

5. On the basis of price and feature comparison, is Xiaomi Corporation Serviceseconomical?

a) Extremely Agreed   b) Highly agreed

c) Agreed   d) No Comment   e) Disagreed

6. What is the selling scale System of Xiaomi Corporation Services?

a) Excellent   b) Good   c) Fair

d) Poor   e) Very poor

7. State the level of satisfaction for the Xiaomi Corporation Services?

a) Satisfied   b) Dissatisfied

c) Not al all satisfied   d) neither satisfied nor dissatisfied

8. Does Advertisement Influence your decision in choosing a Xiaomi CorporationServices ?

a) Yes   b) No   c) Can't Say

9. Why do you use Xiaomi Corporation India services?

a) Good price   b) Better Quality

c) Easily available   d) Diversified categories of product

10. How many years have you been using Xiaomi Corporation India?

a) 1-2 yrs   b) 2-3 yrs

c) 3-4 yrs   d) More than 4 years

11. What is the selling scale System of Xiaomi Corporation India?

a) Excellent   b) Good

c) Fair   d) Poor   e) Very Poor

12. Which factor is most liked by you?

a) Pricing   b) Advertisement

c) Quality   d) Stylish

13. Which of these marketing applications have you used in the present?

a) Facebook Business Pages   b) Free Webs

c) Google Adwords   d) Others

14. For which of your digital communications do you use analytics to trackaudience response and behavior?

a) Company Website   b) Facebook Pages

c) Email campaigns   d) SMS Marketing

15. In what ways do you currently communicate with your chamber members?

a) E-Mail Newsletter   b) Facebook

c) Mobile Device Application   d) Text message marketing

e) Blogging Updates   f) Others

16. Any Suggestions?