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ABSTRACT

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The international marketing strategy of companies is the key to highlighting their product advantages and adjusting their business models. Under the background that the world economy is recovering from the new coronavirus epidemic, the original advantages of Chinese companies are no longer obvious. They urgently need to achieve new development on the basis of the original international marketing strategy. Xiaomi was founded in 2010, and its products rank third in the Chinese market. Xiaomi has been established for a short time, but it has been successful in the Indian and Southeast Asian markets. Because Europe has a good market environment and a deep economic foundation, Xiaomi will take it as a new target market. This paper takes Xiaomi as the research object, uses the PEST model and the SWOT model to analyze the European market environment and the formation of Xiaomi's international marketing strategy. This paper uses STP theory and 4P model to find out the problems of Xiaomi's current marketing strategy in Europe, and then proposes solutions.

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INTRODUCTION

At the beginning of 2020, with the spread of COVID-19 around the world. The global market has suffered a huge impact. Starting in May 2020, the world economy is gradually recovering. Companies are also seeking new breakthroughs after trauma. According to the traditional theory of international marketing strategy, companies should choose to restore and maintain the existing market at this time. This theory often overlooks the importance of opening up new markets for companies. How to open up new markets so as to seize the opportunity in this special period has become the focus of a company's international marketing strategy.

In this context, the subject of this paper is the formation and development of international marketing strategies. The research object is determined to be China's Xiaomi company and its new target market. That is the European market. Specifically, it is to study how Xiaomi adjusts its international marketing strategy in the European market.

The method selected in this paper is the on-site investigation method, that is, to go deep into Xiaomi's internal literature review and interview investigation.

The goal of this paper is to investigate the current situation of the European market and Xiaomi's international marketing strategy. Through literature analysis and data analysis, find the advantages and problems of Xiaomi's international marketing strategy. To reach the goal of the paper the following tasks should be solved:

1. What is the current status of the European market?

2. What are the advantages and disadvantages of Xiaomi's international marketing strategy in Europe?

3. How to adjust Xiaomi's international marketing strategy in Europe?

The structure of this paper is as follows: The first chapter introduces the theoretical basis of international marketing; the second chapter, I use the PEST model to analyze the European market environment. I use the SWOT model to analyze the current situation of Xiaomi in the European market. The third chapter uses 4P marketing mix theory and STP theory to analyze the problems of Xiaomi's marketing strategy in the European market. Then solve them by adjusting product positioning and other methods.

This paper studies the international marketing strategy of Xiaomi in Europe. This paper enriches the theories related to international marketing strategies by analyzing Xiaomi's unique marketing methods in the European market. This paper summarizes the advantages and disadvantages of Xiaomi's international marketing strategy in the European market. This provides certain experience and suggestions for other Chinese brands to explore the European market.

1 ANALYSIS OF RELATED THEORIES AND CONCEPTS OF INTERNATIONAL MARKETING

1.1 Motivation and strategy of the company's international marketing

This chapter will outline the motivations of corporate international marketing and the relevant theories of corporate international marketing strategies.

The motivational theory of corporate international marketing. Including traditional theories, theories suitable for enterprises in developing countries, and new theories. Start with traditional theory. [1] Before the 1980s, developed countries such as the United States, Japan and Europe led the development of the global economy. Therefore, the theoretical circle mainly focused on the international marketing theories of companies in developed countries and formed a traditional theoretical system represented by the eclectic theory of international production. Among them, the theory of monopoly advantage believes that under imperfect competition, the monopoly advantage of a company is the decisive factor for its overseas business activities; internalization theory emphasizes that through internal Management system, enterprises can transfer advantages in various departments with less cost, this ability prompts enterprises to invest abroad; the theory of international production compromise believes that the advantages of ownership, internalization and location of enterprises jointly determine their overseas Commercial behavior; the theory of marginal industrial expansion proposes that transnational investment should start from industries that are at a disadvantage. [2]

This article divides the above theories into two categories, one is the OLI model.

The three most basic elements that determine the multinational operation of a company: Ownership, Location, and Internalization; the other is transaction cost theory, which mainly discusses how supranational companies develop based on transaction costs Overseas operations.

Traditional theories comprehensively analyze the influencing factors that drive companies to conduct overseas business activities, and the conclusions drawn are more in line with reality. However, the traditional theory also has some shortcomings. Traditional theories ignore the differences in the nature of the transnational operations of enterprises under different production relations. For example, in some developing economies, the international operation of enterprises is often dominated by national development strategies. [3]

A theory suitable for enterprises in developing countries. Due to the limitations of traditional theories, there are more and more studies on multinational companies in emerging markets . The small-scale technology theory believes that the sustainability advantage of companies in emerging economies is low manufacturing costs, and this advantage is related to the type of domestic market. The theory of technology localization points out that companies in developing countries mainly use mature technologies and continue to make internal adaptive innovations in the subsequent development process. The theory of technological innovation and industrial upgrading concludes that the distribution of industries operated by underdeveloped countries overseas shows a dynamic trend, and such changes are predictable. [4]

The above-mentioned theories show that even companies with backward technology

and small production scales can enter the world stage. Since the 1990s, companies in emerging economies have participated in international competition on an unprecedented scale and speed. Brouters K.D analyzed the reasons why companies in developing countries conduct international marketing from the perspectives of "pull force" and "push force". Among them, "push force" includes lack of system, reform and opening up, and self-development; "pull force" includes resource acquisition, market development, strategic asset search, and efficiency improvement. [5] It can be seen that while the economies of emerging market countries are taking off, they are also actively exploring international markets.

Recent theories. Recently, scholars have studied the driving factors of corporate internationalization from a more microscopic perspective. The research of Manesh and Rialp-Criado found that the philosophical views of entrepreneurs are the key driving force for the internationalization of early-stage startups. They found that multinational companies in underdeveloped countries can be viewed from the perspective of "springboard" to carry out overseas business activities, that is, these multinational companies use overseas operations as a springboard to obtain the social resources needed for their own development and weaken the influence of the home country's market. This is basically consistent with Buckley's (2010) view of "institutional lack". He summarized the motivations of internationalization into three categories: market motivations, strategic asset motivations, and institutional motivations. He also tested the influence of internationalization motivations on the entry mode, and used quantitative analysis methods to support and supplement the traditional "springboard" view. [6]

With the increasing international influence of China, Chinese companies have also aroused widespread concern in theoretical circles. Xiong Huibing and Deng Xinming (2010) used the top 500 Chinese companies in 2007 as a survey sample. The study found that the goal of Chinese companies' internationalization is to explore overseas markets and obtain assets, and the driving factors of internationalization are closely related to market entry models and target location choices. In addition, cross-border mergers and acquisitions of corporate resources have become the main way for Chinese companies to internationalize. Chinese scholars analyzed five typical overseas M&A cases including "Beijing Machine Tool" and came to three conclusions:

Conclusion 1: Companies in underdeveloped countries acquire core technologies and realize technological innovation through mergers and acquisitions of scientific and technological resources in developed economies;

Conclusion 2: Companies in underdeveloped countries have to rely on the resources they already have to carry out cross-border mergers and acquisitions in the process of overseas operations;

Conclusion 3: Companies in underdeveloped countries carry out cross-border mergers and acquisitions to try to avoid the restrictions of the home country's market and break the host country's trade barriers.

With the increasing dependence among the world's economies, private enterprises have also begun to consciously improve their global business capabilities, and actively enter overseas to allocate resources and expand channels. They found through empirical research that market-seeking motivation is the main driving factor for Chinese private

enterprises to explore overseas markets, while the impact of resource factors on private enterprises is not significant. However, they did not elaborate on the reasons why the resource factor is not significant.

Although the above-mentioned related research is abundant, there are still the following five problems: first, insufficient attention is paid to emerging markets; second, too little attention is paid to small private enterprises; third, qualitative analysis is mostly used, and quantitative research and synthesis are lacking Analysis; Fourth, too much attention has been paid to traditional theories and factors, and there is insufficient research on the influencing factors and operating rules under the new normal of the economy. Fifth, there are more studies on how to use advantages and less research on how to change disadvantages. [7]

Relevant theories of corporate international marketing strategy. Including the traditional international marketing strategy theory and the summary of China's international marketing strategy theory.

The motives of enterprises for international marketing are related to their strategic layout. The motivation of the international marketing of a company is related to its strategic choice and implementation steps. Morgan, et al. [8] proposed that companies mainly adopt low-cost strategies and target market strategies in international competition. However, with the changes in the world economic structure, the explanatory power of the original theory has been diluted, and many scholars have turned to sum up new universal laws from the new economic form. They classified the research of overseas development strategy into two categories: one is based on cost

economics and other theories, that is, the entire research process is carried out around existing theories, and commercial phenomena are used to support theoretical results; the other is based on enterprises. The study of overseas commercial activities is the starting point, and its purpose is to eliminate the obstacles that enterprises carry out overseas commercial activities. [9]

The Chinese economy will be more deeply integrated into the world economy in the future. Therefore, Chinese companies must establish a global brand awareness, coordinate the development of domestic and foreign linkages, and learn to adapt to new production and operation methods and commodity trading models. China's international marketing strategies are divided into two types: one is for export, investment, transnational mergers and acquisitions directed at advanced western countries; the other is for direct investment and strategic alliances directed at developing countries.

During the period when companies are deploying overseas markets, they are bound to be affected by many factors. Enterprises entering overseas markets rely on their own quality and the support of their own government and related organizations. The relevant departments of developed economies mainly provide assistance to enterprises from three aspects: first, set up specific financing institutions to provide enterprises with preferential credit loans; second, cultivate international high-level talents and provide market information services; third, strengthen organization and coordination, and promote the development of cooperation between enterprises. [10] At present, many developing countries have also increased their support for domestic enterprises to carry out transnational operations. However, its own factors such as the lack of global

management awareness, single financing channels, and defects in the property rights system will still restrict its internationalization process. Especially when small and medium-sized enterprises are developing overseas markets, they lack patents and brand awareness, making it difficult to form core competitiveness.

In response to these dilemmas, scholars have given relevant suggestions. Hong Lianying and Luo Nengsheng (2007) conducted an empirical analysis of the development path and business strategy of Chinese companies in overseas markets based on the theory of productivity heterogeneity, and concluded that: First, companies must rationally choose development planning and implementation paths; second, they must adopt systems Innovate and optimize the allocation of resources to increase the output rate; finally, it is necessary to use a hybrid integrated strategy to improve the overall strength of the enterprise and promote the "going global" of the enterprise. Regarding the development status of the internationalization of private enterprises, Qian Lijie (2008) proposed: First, we must cultivate world market awareness and master the rules of the world market; secondly, we must focus on technological progress and substantively improve products; and finally, we must pay attention to the cultivation of cross-region Operating compound talents. In addition, she also emphasized that relevant government departments should improve supporting measures to optimize the business environment for private enterprises. These research results will provide key theoretical guidance to Chinese companies so that they can better go to the world and participate in international competition.

1.2 Research status of international marketing theory

Marketing originated in the United States. With the continuous development of social economy, this discipline has become a comprehensive management discipline that includes economics, sociology, psychology, mathematics and other disciplines. American international marketing scholar Philip R. Cateora pointed out in the book "International Marketing": "International marketing refers to the business activities that lead the goods or services produced by enterprises to consumers or users in more than one country." For domestic marketing, international marketing faces a more complex marketing environment, with limited controllable factors, and requires multi-country coordination and control. Its "transnational" nature increases the complexity, variability and uncertainty in the marketing process. [11]

Marketing includes many marketing strategies and marketing activities. McCarthy divides the complex marketing activities into four perspectives: Product, Price, Place and Promotion, namely the 4P marketing mix theory. Subsequently, Philip Kotler added Public Relation and Politics on this basis, namely the 6P theory. The 6P theory reveals the key points that companies should pay attention to in the marketing process, but it does not reflect the key role of consumers in the marketing process. In 1990, Professor Robert Laupente perfected the 4P theory, shifting from a corporate perspective to a consumer perspective, and proposed the 4Cs theory, which requires companies to consider the four perspectives of Customer, Cost, Convenience, and Communication to choose a suitable marketing method. In 1991, Bailey and Pala Suraman made a breakthrough in the concept of relationship marketing, that is, they believed that a

benign relationship with customers should be maintained in the marketing process, and that "relationship marketing is that the market is regarded as relationship, interaction and network." 2001 In 1988, Don E. Schultz proposed a new 4Rs theory. He believed that companies need to establish a proactive relationship with customers at a higher level as the society develops. Marketing needs to pay attention to the four aspects of Relevance, Respond, Relation, and Return.

At present, the research of Chinese scholars on the theory of international marketing mainly focuses on the marketing environment and business operations.

Two aspects of marketing strategy. For the marketing environment, the SWOT method is mainly used for analysis. As for the marketing strategy, it mainly relies on the 4P marketing mix to conduct research on related cases. Crawford used PEST and Porter's five forces model to analyze the macro environment and industry environment of Haier's commercial air-conditioning in Europe. After clarifying the company's advantages, disadvantages, opportunities and threats, he formulated Haier's commercial air-conditioning in Europe. The marketing strategy of the market believes that localized marketing strategies should be implemented in the marketing process. [12]

Research status of international marketing of Chinese mobile phone brands. The international marketing research of Chinese scholars on mobile phone brands started with Apple mobile phones. They believe that Chinese mobile phone brands have problems such as lack of R&D and design capabilities, lack of strategic planning and core competitiveness, lack of overall effective marketing strategies, lack of excellent management talents and scientific management methods. The success of Apple mobile

phones in the Chinese market mainly lies in its Pay attention to consumers' feelings, pay attention to product differentiation and personalization, and have innovative marketing strategies and business models. These aspects are worth learning from domestic mobile phones. Based on the market segmentation theory, research on the marketing strategy of Apple mobile phones in China. It is believed that Apple mobile phones have segmented Chinese users in terms of age, industry, and psychology, and selected the closest target users from them, focusing on product differentiation and experience differentiation . She believes that Apple's mobile phone uses a product strategy, price strategy, channel strategy, promotion strategy, customer strategy and value-added service strategy marketing mix, coupled with hunger marketing, experiential marketing and word-of-mouth marketing innovative marketing methods, is the brand in the Chinese market An important reason for the great success.

Liu Xiaoyu conducted research on the marketing environment and marketing strategies of TRANSSION's mobile phones in the African market, and believed that TRANSSION has a great market advantage in the African market. Through market segmentation, TRANSSION's precise positioning of products is very localized and directly hits the pain points of African users. The marketing methods that closely fit the African market have effectively increased the brand's market share in the African market. [13]

Xie Zhengjun believes that domestic mobile phones need to focus on brand building and learn from each other's strengths. Focus on market segmentation in brand positioning and select the most appropriate target users. In terms of brand

communication, it is necessary to achieve refinement and differentiation, change the "low-end" image of domestic mobile phones, and strengthen user experience and word-of-mouth publicity. [14]

Research status of Xiaomi mobile phone marketing. According to internationalization theories such as product life cycle theory and internalization theory, the internationalization strategy, motivations and advantages and disadvantages of Xiaomi mobile phones should be studied, and several candidate foreign markets should be evaluated. It is believed that Xiaomi mobile phones should enter India first , Brazil, Mexico and other developing countries, after gaining market share, they then moved to other international markets.

Taking Xiaomi as a case study to study its entry mode in the international market, it points out the many problems that Xiaomi has encountered when entering overseas markets, mainly including lack of understanding of overseas markets, improper choice of entry mode, and lack of foreign partners. For the above problems, Xiaomi needs to enhance its research on overseas markets by screening target markets and researching selected markets, constantly adjusting its entry model, and enhancing cooperation with local channel vendors.

Xie Zhengjun analyzed the marketing strategy of the Xiaomi mobile phone market, but the main research object was the domestic market. By analyzing the marketing strategy of Xiaomi mobile phone in the domestic market, he found that there are some problems in the marketing mix strategy, such as the hunger marketing of Xiaomi mobile phone. May have a counterproductive effect. Therefore, Xiaomi should focus more on

word-of-mouth marketing and community marketing. [14]

M.Sajid Khan studied the marketing strategy of Xiaomi mobile phones in the mobile Internet era, and believes that Xiaomi's rapid development is mainly due to the combination of its core product smart phones and Internet marketing methods, and the use of Internet publicity methods to make it cost-effective And the characteristics of a good reputation are deeply rooted in the hearts of the people.

Earl Naumann analyzed that the main reason for Xiaomi's success was Xiaomi's marketing strategy, that is, precise market positioning, successful product strategy, clever pricing methods, and online direct sales channel strategy. But Xiaomi still needs to pay more attention to product innovation and brand building. [15]

The current research on Xiaomi's marketing strategy mainly focuses on domestic marketing methods and marketing methods, among which Xiaomi's famous "hunger marketing" and "fan marketing" methods are very famous. However, few people have studied the marketing methods in the international market, especially in the European and American markets where Xiaomi mobile phones have not yet occupied a dominant position.

1.3 Theory and professional term explanation

The 4P marketing mix theory was proposed by Jerome McCarthy in his book "Basic Marketing" in 1960. McCarthy divides the complex marketing activities into four perspectives: Product, Price, Place and Promotion. Among them, product strategy refers to focusing on product selling points and product positioning, so that all aspects of the

product meet the needs of users; price strategy refers to setting prices in accordance with market rules and market habits, or making a series of price adjustments to achieve user satisfaction; Channel strategies mainly include direct channels and indirect channels, that is, the ways and methods for users to contact products; promotion strategy is to make users or potential users understand products and brands through various publicity methods, and stimulate users' desire to buy. Picture 1.1 is a model of 4p strategy.



Picture 1.1 - 4p marketing mix

The 4C theory mainly has the following parts: First, aiming at consumer's need. First, we must understand, study, and analyze the needs and desires of consumers, rather than first consider what products the company can produce. Second, the cost that

consumers are willing to pay. First understand how much consumers are willing to pay (costs) to meet their needs and desires, rather than price the product first, that is, how much money is required from consumers. Third, the convenience of consumers (convenience). The product should consider how it is convenient for consumers to use. Fourth, communicate with consumers. It is very important to implement marketing communication with consumers as the center. Through interaction and communication, the internal and external marketing of the enterprise are continuously integrated, and the interests of both customers and the enterprise are invisibly integrated.

The four elements of marketing in 4R theory: First, Relevancy, that is, the belief that enterprises and customers are a community with a shared future. Second, reaction. In an interactive market, the most difficult problem for operators to achieve is not how to control, formulate and implement plans, but how to think about problems from the perspective of customers. Third, relationship. In a market environment where the relationship between enterprises and customers has undergone substantial changes, the key to seizing the market has changed to establish long-term and stable relationships with customers. Fourth, rewards. The consolidation and development of any transaction and partnership is a matter of economic interest. Therefore, a certain reasonable return is not only the starting point for correct handling of various contradictions in marketing activities, but also the end of marketing. [16]

The basic theory of this article is 4P theory, of course, it also combines some key points of 4C and 4R theory, making the theoretical foundation of the article more complete and clearer.

PEST analysis method. It is an analysis of the external macro environment of marketing, which mainly includes four parts: political environment, economic environment, social environment and technological environment.

The political environment refers to the political system, system, policies, laws and regulations of a country or region. These factors often affect the business behavior of the company, especially the long-term investment behavior of the company.

Economic environment: The economic environment faced by enterprises in their marketing activities, including the total economic volume, the stage of economic development or the level of economic development, and the consumption structure. The host country's macroeconomic indicators, economic systems and trade policies will affect the opportunities and risks of marketing activities. Among them, macroeconomic indicators mainly include gross domestic product, inflation rate, unemployment rate, balance of payments, etc.

Social environment: The social environment in which the company's marketing is located, mainly including living habits, religious beliefs, cultural customs and other factors that may affect marketing methods. Different cultural environments will cause differences in people's consumption habits. [19] The marketing process needs to adapt to the cultural orientation of the host country as much as possible.

Technical environment: The technical level will affect the marketing methods of the enterprise in many ways. Especially modern technology has affected people's work and life in all aspects. Therefore, when analyzing the macro-environment, we must consider the level of local technology, and select suitable products to put into the market

according to the local technology level.

SWOT analysis is a situation analysis based on the internal and external competitive environment and competitive conditions. It lists various major internal advantages, disadvantages, and external opportunities and threats closely related to the research object through investigations and lists them according to the matrix. Arrange the forms, and then use the thought of system analysis to match various factors to analyze, and draw a series of corresponding conclusions, and the conclusions usually have a certain decision-making nature.

Using this method, it is possible to conduct a comprehensive, systematic, and accurate study of the situation in which the research object is located, so as to formulate corresponding development strategies, plans and countermeasures based on the research results. Its elements are strengths, weaknesses, opportunities, and threats. According to the complete concept of corporate competitive strategy, strategy should be an organic combination of what an enterprise can do (that is, the strengths and weaknesses of the organization) and what it can do (that is, environmental opportunities and threats).

STP theory. In 1956, American marketing scientist Wendell Smith proposed the concept of market segmentation, that is, companies classify the market according to the different needs of different consumers in the overall market, and divide the overall market into several sub-markets with their own emphasis. Each submarket has a one-to-one correspondence with consumers with corresponding needs. American marketing scientist Philip Kotler further proposed the target market selection and market positioning on this basis, that is, after dividing potential markets and consumers through

certain standards, selecting the market suitable for their own products as the target market, and according to This target market positions its own products and services. Therefore, Segmenting, Targeting and Positioning together form the STP theory.

Market segmentation. International market segmentation is to identify countries and consumers with key similar characteristics that respond well to products and related marketing mixes. Due to the different living environment and cultural habits, consumers of different regions, different ages, and different occupations have different requirements for products. International market segmentation is generally divided into two steps: macro-segmentation and micro-segmentation: Macro-segmentation refers to dividing the world market into several sub-markets according to uniform standards, such as the demand for products according to administrative divisions, geographic locations, and economic levels. The difference is divided by different standards. The micro-segmentation is based on the macro-segmentation. According to the difference of consumer demand, the sub-market after the macro-segmentation is subdivided again, such as demographic standards, psychological standards, etc., so as to obtain precise and detailed target markets.

Target market selection. After segmenting the market, you need to choose the target market that suits your products in different markets, that is, target market selection. When choosing a target market, many factors need to be considered, including market size, market growth rate, trade costs, comparative advantages of competition, company goals and resources, and other conditions, as well as market potential and sales potential. After investigating many of the above standards, combined with their own

circumstances, choose the most beneficial market for them, that is, the target market.

Positioning in the international market. Market segmentation is to classify the market differently according to the difference of the market, and the market positioning is to choose the position of one's own products in the market according to the different consumer preferences in different markets after segmentation, in other words, to choose the position of one's own products in the market. The product is affixed with a "label" that caters to the needs of consumers, and products that meet this label are created in the minds of consumers. When positioning the market, you first need to confirm your own competitive advantage, especially the potential competitive advantage, that is, choose the advantage that suits the target market from your own competitive advantage, so as to convey your market positioning to consumers, which is different from other similar products.

Network marketing refers to business activities that are based on modern marketing theories and use the Internet, communications and digital media technologies to achieve marketing goals. Creating value for users is the core idea of network marketing, and various methods based on Internet tools are the basic means of developing network marketing. [17] The Internet has brought many unique conveniences to marketing, such as low-cost dissemination of information and media to listeners and audiences. The interactive nature of Internet media in terms of immediate reverberation and arousing reverberation is the unique characteristic of Internet marketing which is different from other marketing methods.

Network marketing is the planning, implementation, and operation management

activities that connect enterprises, users and the public based on the network and social network, deliver valuable information and services to users and the public, and achieve customer value and corporate marketing goals. Internet marketing is an integral part of the overall marketing strategy of an enterprise. Internet marketing is carried out to achieve the overall business objectives of the enterprise. It uses the Internet as the basic means to create an online business environment and uses the interactivity of digital information and online media to assist the marketing objectives. A new type of marketing method realized.

Information transmission characteristics of online marketing: higher information transmission efficiency, diversified information transmission methods, multiple information transmission channels, two-way interaction of information transmission directions, and information transmission noise transmission barriers.

Brand theory. Brand theory is a new management model led by the brand. The focus is on the use of brand ecology to realize the integrated, comprehensive and innovative development of brand management technology. The brand and technological communication technology are closely integrated, and the emphasis is on the construction of a brand management system. Under the premise of this, the brand development of the product can be realized in this way. In the process of analyzing brand strategy. It is based on production and circulation, and implements the brand strategy in a virtuous circle. In the process of analyzing the development of product branding, the author focuses on product management, product design, and product technology application. In this way, the brand communication and product market

operation effects are relatively improved. [18]

Localized strategy. The application of local marketing theory needs to be analyzed from the perspectives of product localization and localized management of foreign development. Under the premise of focusing on the construction and implementation of brand strategy, it needs to be analyzed from the perspectives of brand image, brand appeal and brand localization management. In the process of focusing on product localization marketing, based on brand knowledge, brand image and brand value, the localization marketing effect has been relatively improved. It uses the local marketing theory to design and analyze the brand's international development. It adjusts the brand's localized business model from the perspective of international market operation and development, so as to realize the brand image and company image. Comprehensive adjustment and implementation in other aspects. In the process of analyzing the brand strategic marketing system, the relative improvement of the corporate marketing strategy is achieved in the form of brand technology and brand consumption. In the process of analyzing the internationalization of corporate brands, Miles is based on the development process of brand internationalization. And take the localized operation of the product as the core, and then realize the localized operation of the product in other regions, which has a positive effect on improving the international development of the product and the market appeal. Under the premise of differentiated brand strategy and brand localization, realize brand strategy management.

The differentiation strategy was proposed by the "father of competitive strategy" Professor Michael Porter in his classic book "Competitive Strategy". Differentiation

means that through different designs, the products launched by the company make certain differences according to the different customer groups. The core is to obtain a certain uniqueness that is valuable to customers. However, the differentiation strategy does not produce differences through simple specifications or model changes. Such differences can easily be imitated or even surpassed by competitors, thus losing the significance of the differentiation strategy. Companies can use the following four methods to differentiate their own products with a competitive advantage: first, reduce the overall cost of customers using products; second, improve the performance of customers using products; third, improve user satisfaction through intangible means; fourth, differentiated design should be closely related to the company's own core advantages.

In the process of analyzing brand differentiated marketing, differentiated services, etc., from the perspectives of market operation, differentiated marketing, and consumer demand, the branding of products, market economy, and enhancement of market core competitiveness are carried out. Adjustments to improve the effectiveness of product marketing services. It studied the advantages and disadvantages of brand internationalization development, he relied on the Internet platform and used Internet big data to realize the construction and implementation of a differentiated marketing department. From the perspective of brand image inertia, it takes products, services, and marketing as the center, and takes product culture and product services to achieve the construction and application of a differentiated marketing system. In the process of achieving differentiated marketing, Internet services are used to integrate consumer

needs to achieve a relative improvement in the effect of differentiated marketing.

In the process of researching and analyzing the development of brand internationalization, the analysis is conducted from the perspectives of marketing theory, brand theory, local marketing theory, and differentiated marketing. In the process of gradual realization of international development, the focus of the brand is the brand Differentiation, brand regionalization and brand internationalization.

Summary

This chapter mainly introduces the current research status of international marketing strategy and some scholars' research on Xiaomi. This chapter also explains some theoretical and professional terms. Through the research of this chapter, I found that:

Traditional research on international marketing strategies mostly focuses on the global layout of a company. But when a company is in a different market environment, the corresponding marketing strategies should also be different. From the perspective of different marketing strategies in different markets, we can get more targeted conclusions. This can also bring new suggestions for other companies of the same type to enter the market. The current research on Xiaomi is mainly concentrated in China and India. These two markets are the two most successful markets for Xiaomi. The European market is Xiaomi's new target market. There is very little research on Xiaomi's marketing strategy in the European market.

2 THE CURRENT SITUATION OF XIAOMI IN THE EUROPEAN MARKET

Europe is located in the northwestern part of the Eastern Hemisphere, covering an area of 10.16 million square kilometers and a population of approximately 740 million, second only to Asia and Africa. Europe is densely populated, with a population density of about 70 people per square kilometer. Europe is the most economically developed region in the world, especially Western Europe, which is home to many developed countries such as Britain, Germany, France, and Italy. [20] European countries are closely connected, transportation and trade are convenient, and politics and economy are all showing a trend of integration.

2.1 PEST analysis

The macro-marketing environment mainly refers to various social factors that affect the marketing activities of a company, including politics, economy, population, culture and many other factors. This article uses the PEST analysis method to analyze the marketing environment of the European market from four aspects: political environment (Politics), economic environment (Economy), social environment (Society) and technology environment (Technology). [21]

2.1.1 Political environment

The political environment refers to the political situation faced by the corporate marketing market. A good political situation is conducive to the development of the economy and the increase of people's income, and at the same time it also affects the psychological expectations of consumers, thereby affecting consumers' buying behavior.

Political conflicts or political constraints will not only affect consumers' buying behavior, but also government agencies may restrict foreign companies or products through measures such as import controls and foreign exchange controls.

European countries mainly implement a monarchy or republican system of government, while the monarchy system is dominated by a parliamentary monarchy, that is, the parliament is the center of state power, and the monarch has only symbolic meaning. After the end of World War II, European politics showed the characteristics of integration. Western European countries such as France, Germany, Italy, and the Netherlands formed the European Community in an effort to increase their right to speak in the world political arena. After the disintegration of the Soviet Union, Poland, Czech Republic, Romania, Hungary and other Eastern European countries became independent and joined the European Union one after another. As Europe's largest regional economic cooperation organization, the European Union currently has 27 member states and has a decisive influence on European political development. The purpose of the EU is to establish a space without internal borders and strengthen the coordinated development of economy and society. EU countries implement a customs union and a common foreign trade policy, implement a unified tariff rate externally, and form a unified large market internally, and gradually eliminate various non-tariff barriers.

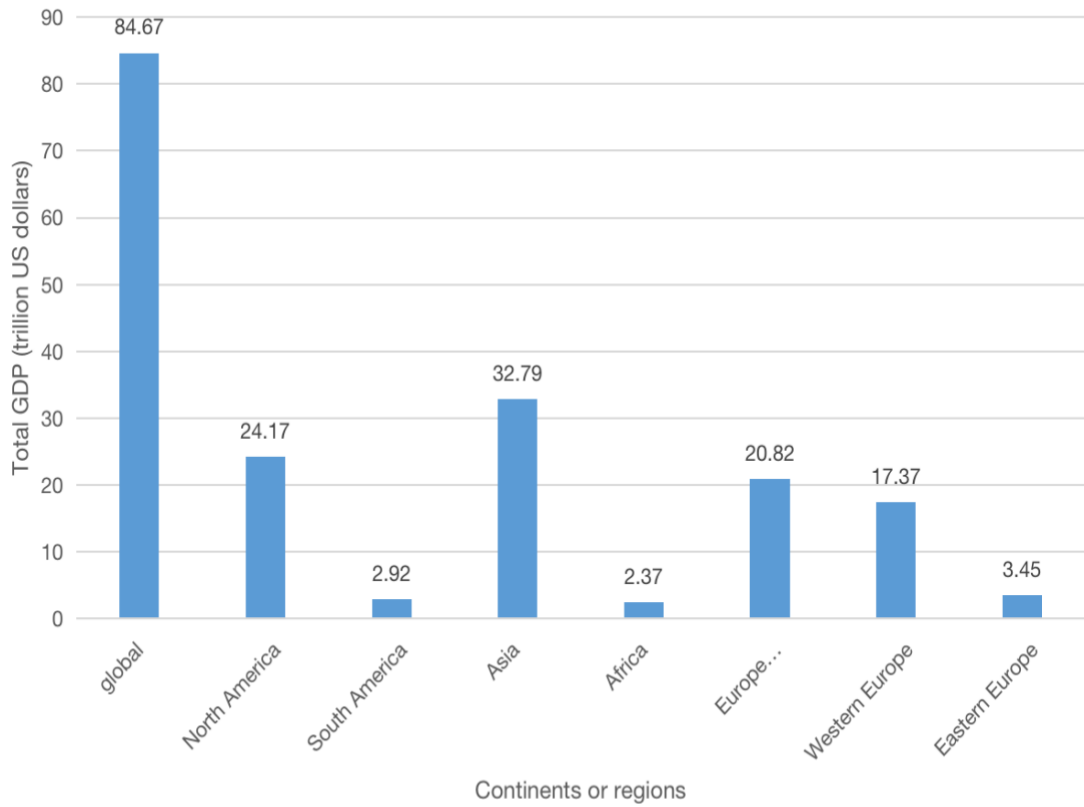
In 1975, China formally established diplomatic relations with the European Community, the predecessor of the European Union. Since the establishment of the "Comprehensive Strategic Partnership" between China and the EU in 2003, China-EU

trade has developed rapidly. The EU has become China's largest trading partner, and China has become the EU's second largest trading partner. With the introduction and continuous advancement of the "Belt and Road" initiative, many European countries, including Portugal and Italy, have joined the "Belt and Road", and China-EU relations have risen to a new height.

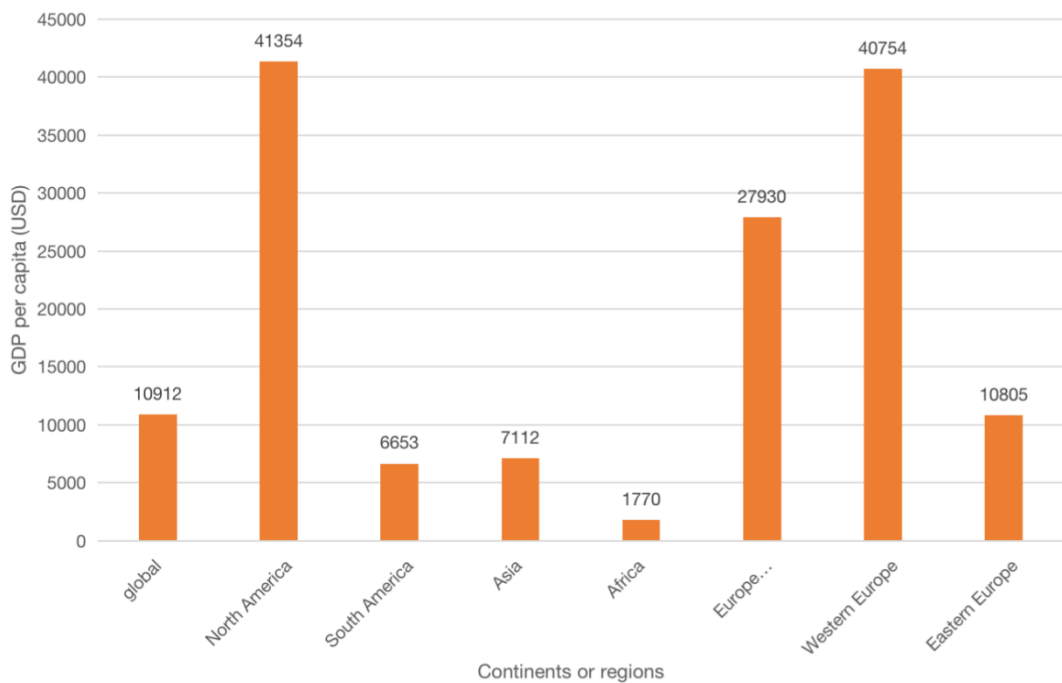
In 2016, the British public voted to "Brexit", but the "Brexit" process was hindered by various parties, adding many uncertainties to the European political environment.

2.1.2 Economic environment

Picture 2.1 and picture 2.2 show the comparison of GDP in major regions of the world. GDP per capita is the ratio of the GDP of a country or region to the total number of local population, and it is an indicator to measure the living standards of local people. By 2020, Europe will rank second in global per capita GDP, with a per capita GDP of 27,900 US dollars. This region has a population of 742 million and a total GDP of 20.82 trillion U.S. dollars. Europe is generally divided into Western Europe and Eastern Europe. Western Europe is relatively developed and is the first region where humans entered the industrial society. Taking Western Europe alone, the total GDP is 173,700. With a population of 423 million and a per capita GDP of US\$40,800, which is only slightly lower than North America (US\$41,400) as a whole; Eastern Europe's total GDP is US\$3.45 trillion, a population of 320 million, and a per capita GDP of US\$10,800. Therefore, Eastern Europe is actually only slightly higher than the world average, and most Eastern European countries are middle-income countries.



Picture 2.1 - Total GDP comparison of five continents chart in 2020



Picture 2.2 - GDP per capita comparison of five continents chart in 2020

At the beginning of 2020, a new crown virus broke out globally. The outbreak in Europe predates the United States, and the social distancing measures adopted by governments to prevent and control the epidemic are generally stricter than those in the United States. [22] Europe has also introduced loose monetary and fiscal stimulus policies that are larger than those during the financial crisis, but they are limited by the collective decision-making mechanism of the European Union and the Eurozone. The policy strength is not as strong as that of the United States, and the speed of action is also slower than the United States. These factors have caused the European economy to shrink more than the United States in the epidemic.

According to Eurostat data, in the second quarter of 2020, the euro zone GDP fell by 11.8% from the previous quarter (the largest decline was only 3.1% during the financial crisis), of which Spain fell by 21.5%, the recession was the worst, and Germany, the best performer, also fell by 9.8%. Higher than the 9% decline in the United States over the same period. The decline in the UK was as deep as 19.8%, and the Bank of England called it the worst recession in 300 years.

After a large-scale "closed city" and "foot-free", the European epidemic was once well controlled, and the number of new cases and new deaths fell to 1/10 and 1% of the peak in spring. The economy also experienced rapid recovery. In the third quarter, Eurozone GDP surged by 12.6% month-on-month, and the UK rebounded by 15.5%.

However, the relaxation of quarantine and the restart of the economy have also caused the epidemic to rebound rapidly. After the summer, the epidemic situation in Europe has been out of control. The death toll has not exceeded the previous peak). Due

to the "second epidemic", major European countries such as Britain, France, Germany, and West successively re-implemented the "foot ban" in November, but the measures were far less severe than those in the spring.

Under the "second epidemic" and "second blockade", the momentum of European economic recovery has slowed down significantly. Authoritative institutions, including the European Central Bank, believe that the economic outlook for the euro zone has deteriorated. European Central Bank President Lagarde pointed out that the increase in new crown cases and related anti-epidemic measures are affecting economic activities, and the euro zone economic growth rate is likely to turn negative again in the fourth quarter. [23]

The Kiel Institute for World Economics (IFW) in Germany predicts that the pace of economic recovery in the euro zone will slow down significantly, especially in Spain and France. If the epidemic cannot be controlled, it may enter a second recession. If Spain's recession eventually reaches twice that of Germany, no recovery fund or rescue plan will help it out of its predicament. The widening of the North-South economic gap in Europe will also increase the risk of conflicts in the distribution of interests among EU countries, thereby weakening the collective resistance of member states to risks.

Looking forward to 2021, there are several positive blessings for the European economic rebound. First of all, Europe has the conditions to start large-scale vaccination against the new crown. Germany's Biontech stated that delivery of vaccines in Europe could start in the second half of December 2020 at the earliest. The vaccine production of Biontech and Pfizer could reach 50 million doses during the year, and as many as 1.3

billion doses will be produced in 2021. Second, the external environment in Europe is expected to improve significantly. The change of the US government will obviously repair the relationship between the United States and Europe, and the trade dispute between the two sides is expected to be resolved. In addition, in order to prevent the deterioration of the European economic outlook, the European Central Bank has made it clear that it will study and introduce monetary easing policies to further support the upward economic and inflationary growth during the year. Institutions generally predict that the European Central Bank will expand the scale of its emergency bond purchase plan by approximately 500 billion euros. Financing conditions in the euro zone are expected to remain loose for a longer period of time.

The IMF, OECD and European Commission predict that the euro zone economy is expected to grow by 4.2%-5.2% in 2021. But this obviously cannot make up for its shrinking of about 8% in 2020. It is optimistic that the Eurozone will not be able to return to its pre-epidemic economic output level until the second half of 2022 at the earliest. After the last financial crisis, the euro zone's economic recovery was interrupted by the European debt crisis, and it took more than 6 years to return to the pre-crisis level. That time the United States took 3 years.

2.1.3 Social environment

As of March 22, 2020, the total population of 50 European countries is 745 million people, of which Russia ranks first with 144 million people, becoming the most populous country in Europe, and Germany is second with 83 million people, and third to third. The tenth places are: Britain, France, Italy, Spain, Ukraine, Poland, Romania,

etc. Among them, developed countries such as Western Europe and Southern Europe have higher population densities. However, the current birth rate in Europe is relatively low, with an average population growth rate of about 0.21%, which is far lower than the world population growth rate. After the 2008 financial crisis, the population growth rates of countries such as Portugal and Italy with heavy debt have all declined significantly. Portugal has even experienced negative population growth for several consecutive years. Russia also experienced negative population growth in 2018 and 2019. In Table 2.1. You can see the population growth rates of major European countries from 2010 to 2019.

Table 2.1 - The population growth rate of some European countries from 2010 to 2019 (unit: %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
UK	0.47	0.45	0.48	0.47	0.45	0.38	0.28	0.29	0.18	0.56
France	0.48	0.49	0.46	0.5	0.52	0.78	0.41	0.39	0.35	0.14
Germany	-0.24	-1.93	0.13	0.24	0.3	0.53	1.2	0.42	0.4	0.27
Spain	0.53	0.39	0.32	-0.19	-0.46	-0.13	-0.02	0.19	0.28	0.59
Portugal	0.1	-0.01	-0.29	-0.52	-0.57	-0.5	-0.32	-0.31	-0.18	-0.14

End of table 2.1

Italy	0.32	0.29	0.05	0.49	1.84	0.02	-0.21	-0.13	-0.17	-0.21
Russia	0.04	0.08	0.17	0.21	0.22	0.19	0.17	0.11	-0.01	-0.07

The demographic structure in Europe has been unbalanced for a long time, and the low birth rate has led to a very serious problem of population aging. The situation in Portugal, Germany, Italy and other countries is severe. As of 2019, the proportion of people aged 65 and above in the total population is 17.3%, and the proportion of people aged 80 and above is 6.7%. The aging of the population has caused a shortage of labor resources in Europe, and at the same time, it has greatly increased the social expenditure for supporting the elderly. The low birth rate and the intensification of the aging population have caused European countries to alleviate population pressure by introducing young and middle-aged immigrants. However, excessive liberalization of immigration policies will increase social instability. Therefore, the number of immigrants in European countries has been declining in recent years.

The development of education in European countries is relatively complete, and the education level of residents is generally higher. Seven of the top ten countries in the world's per capita education rankings are from Europe. Among them, 52.7% of people in Russia have a secondary education. European countries have different education systems, but most of them consist of basic education, higher education or vocational colleges. The quality of people in European countries is generally high, and their ideological concepts are relatively advanced. Due to the relatively high level of income

and education, European consumers tend to pay more attention to product performance when buying products, are less sensitive to prices than emerging market countries, and their consumption habits are more rational. [24]

2.1.4 Technical environment

The major scientific and technological policies proposed by Europe in recent years include:

1. Horizon 2020 work plan. Integrate the scientific research resources of the EU member states, promote scientific and technological innovation, and promote the sustainable development of the European economy and society.

2. EU 2030 Climate and Energy Framework Plan. Build a guaranteed energy system, widely use clean energy, reduce greenhouse gas emissions, and ensure climate safety.

3. German Industry Plan 4.0. Improve the competitiveness of German industry and enhance the intelligent level of manufacturing.

4. 2013-2020 National Science and Technology Development Plan. Improve Russia's technological competitiveness and ensure the leading role of science and technology in modernization.

Europe's emphasis on technology originated from the Industrial Revolution, and many European universities have bred a large number of scientists. European governments generally attach importance to the development of science and technology, and have initiated a number of strategic measures to encourage scientific research and innovation. Since its establishment, the European Union has issued many documents

that encourage the integration of science, technology, and talent, such as the Single European Law, the Rome Treaty, the Lisbon Treaty, and the Maastricht Treaty. [25] The European Union has also established a unified scientific and technological management and research institution-the European Commission Research Directorate and the European Joint Research Center. In recent years, the European Union has introduced a number of scientific research and innovation policies to promote cooperation between European countries and embark on the road of rapid technological development.

European countries attach great importance to 5G technology. 5G technology greatly improves network speed by improving system spectrum efficiency and increasing base station deployment density. This technology will cause major changes in daily life, and European countries attach great importance to the development of 5G technology. As early as 2013, the European Union allocated 50 million euros for research and development of 5G technology. In 2015, Guze Ottinger, a member of the European Union Digital Economy Organization, expressed the European Union's desire to cooperate with companies with strong 5G technology in the world, and hope that Europe will take the lead in the development of next-generation mobile technology. According to the British Times, the European Union will put into operation its own 5G network between 2019 and 2024.

European countries not only attach importance to technological innovation, but also pay more attention to the protection of intellectual property rights. In 2010, the European Union proposed an intellectual property protection strategy, which involves patents, trademarks, copyrights and other aspects. It aims to protect the intellectual

property rights of European countries in the digital age. In Table 2.2, you can see a summary of the various elements of the PEST model.

Table 2.2 - The collection of elements of the PEST model

<p>P (Political)</p>	<p>E (Economic)</p>
<p>Positive:</p> <ol style="list-style-type: none"> 1. The political environment is stable 2. China is Europe's second largest trading partner 3. Uniform trade policy (EU) 4. Many European countries join China's Belt and Road Initiative <p>Negative:</p> <ol style="list-style-type: none"> 1. Britain leaves the European Union 	<p>Positive:</p> <ol style="list-style-type: none"> 1. High per capita disposable income 2. Economic stability 3. Low inflation rate 4. The people have a strong willingness to consume <p>Negative:</p> <ol style="list-style-type: none"> 1. GDP and its growth rate decline 2. Rising unemployment rate
<p>S (Social)</p>	<p>T (Technological)</p>
<p>Positive:</p> <ol style="list-style-type: none"> 1. The average educational level is high 2. Perfect social welfare 3. Large population <p>Negative:</p> <ol style="list-style-type: none"> 1. Uneven income distribution (Western Europe is higher than Eastern Europe) 2. Low birth rate and severe aging 	<p>Positive:</p> <ol style="list-style-type: none"> 1. Europe attaches importance to 5G technology 2. High degree of technology commercialization 3. Emphasize the protection of intellectual property rights <p>Negative:</p> <ol style="list-style-type: none"> 1. High patent fees 2. High risk of technology investment

2.2 Competitor analysis

According to data released by Counterpoint in March 2021. In 2020, the European smartphone market has experienced rollercoaster-like ups and downs. In the first quarter of 2020, the COVID-19 epidemic hit the European region hard. There are problems with the supply and demand of smartphones and accessories. European consumers have reduced their spending because of concerns about economic and employment issues, and the lockdown of cities in many European countries has also made consumers unable or unwilling to go out to buy new mobile phones.

In 2020, the European smartphone market fell by 14% year-on-year. In April 2020, the European smartphone market fell to the bottom, with sales plummeting 51%. With the warming of the weather, the number of confirmed cases has decreased, countries have begun to cancel the lockdown and control, and the smartphone market has gradually recovered in the summer. However, the second round of the epidemic hit in September, and the number of confirmed cases surged. European countries began to implement a new round of city closure policies in November, so the market fell again at the end of the year. Although Apple released the new iPhone 12 that supports 5G mode in October, it still cannot reverse the overall downward trend in the market.

In Table 2.3. You can see the sales of various mobile phone brands in the European market in 2019 and 2020. Sales of major mobile phone brands in Europe in 2020. Samsung ranked first with 59.8 million units shipped, Apple ranked second with 41.3 million units shipped, Xiaomi ranked third with 26.7 million units sold, and Huawei ranked fourth with 22.9 million units sold.

Table 2.3 - Sales and growth in the European market from 2019 to 2020

Europe smartphone market	Sales (million)		Share (%)		Growth (YoY %)
	CY 2019	CY 2020	CY 2019	CY 2020	CY 2020
SAMSUNG	67.9	59.8	31%	32%	-12%
APPLE	41.7	41.3	19%	22%	-1%
XIAOMI	14.0	26.7	7%	14%	90%
HUAWEI	40.4	22.9	19%	12%	-43%
OPPO	3.6	6.5	2%	4%	82%
ONEPLUS	2.1	2.2	1%	1%	5%
REALME	0.1	1.6	0%	1%	1083%
OTHERS	46.2	24.9	21%	13%	-46%
TOTAL	216.1	185.9	100%	100%	-14%

. The fifth to eighth places are OPPO, ONEPLUS, REALME, and OTHERS. In addition to the cause of the epidemic, the US ban has prevented Huawei from launching new models and mass-produce existing models. This creates opportunities for other manufacturers, so although 2020 is very difficult, there are still manufacturers that achieve growth. [26]

Huawei was unable to produce competitive smartphones due to the US ban and almost withdrew from the European market. In May 2020, Huawei once surpassed Apple to become the second largest brand in Europe. The main reason is that the high-end market has been hit hard by the COVID-19 epidemic, and Apple is in the middle of

two new product launches and lacks product connectivity. In 2020, Huawei's market share fell from 15% in January to 5% in December.

Samsung's market share in Europe is relatively stable. The market share increased slightly because Samsung's sales decline was smaller than the overall decline in the market. Samsung did not seize Huawei's lost share as expected by the market, and it still faces challenges in all aspects. First of all, the high-end mobile phone Galaxy S20 has poor sales, and its performance is not as good as the mid-level mobile phones Galaxy A51, A71, iPhone 12, Redmi 9, Note 9 and other mobile phones. Second, competition in the European market is very fierce, and many new entrants compete for Huawei's lost share. Third, the iPhone 12 released by Apple is a 5G mobile phone, which means that Samsung has ended its monopoly on the high-end 5G market. Although the expected sales of the new Galaxy S21 may be higher than that of the S20, Samsung must work very hard to achieve this goal.

Xiaomi has good sales in Europe in 2020, ranking third, and it is the beneficiary of the US ban on Huawei. Xiaomi performed well in Spain and Italy, with sales shares reaching 28% and 17% in the fourth quarter, respectively. In 2020, Xiaomi achieved a significant year-on-year growth of 90% in Europe. Currently, the challenge for Xiaomi is how to replicate this growth in other countries, especially in high-end markets such as France, Germany, the United Kingdom and Russia. In February 2021, Xiaomi's new mobile phone Xiaomi 11 may help Xiaomi to open the market.

Apple's sales in 2020 will only drop slightly. Apple delayed the release of the iPhone 12 series for two reasons: iPhone 11 and iPhone SE continued to sell in multiple

markets throughout the year; and the accumulation of market demand for new models. After the iPhone 12 series was launched in October, the market responded enthusiastically and sales grew rapidly, making it one of Apple's most popular models so far. As a result, Apple's market share reached 30% in the fourth quarter, setting a record high.

OPPO entered the European market in 2018, but did not make significant progress until 2020. OPPO has established cooperation with Europe's largest operators Vodafone, Telefónica, Orange and Deutsche Telekom, and has established inventory in major operator channels. Although OPPO's sales in the region have grown slowly, its market share has doubled over the previous year, and its performance in the fourth quarter has also been excellent, marking a good start for 2021.

REALME is the fastest-growing brand in the European market, with sales increasing ten times over 2019. REALME's strong value proposition has enabled it to achieve rapid growth in price-sensitive Italy, Spain and Eastern Europe.

Samsung, Apple and Huawei currently dominate the European market. These three brands entered the European market early and have a high market share. They are the main competitors of Xiaomi to open up the European market. Although Oppo in China and REALME in Europe have low market share, their sales growth rate is high. They are potential competitors of Xiaomi.

2.3 Overview of Xiaomi Company

2.3.1 Product analysis

Established on March 3, 2010, Xiaomi is a global mobile Internet company focusing on the research and development of smart hardware and electronic products. It is also an innovative technology enterprise focusing on the construction of high-end smart phones, Internet TV and smart home ecological chain. "Born for fans" is Xiaomi's product concept. "Let everyone enjoy the fun of technology" is Xiaomi's vision. Xiaomi has applied the Internet development model to develop its own products, made products with an innovative spirit, and used the Internet model to remove intermediate links, and is committed to let everyone in the world enjoy high-quality technology products from China. [27]

The founders of Xiaomi are Lei Jun, Lin Bin, Li Wanqiang and others. They have held important positions in large multinational Internet companies such as Google and Microsoft. Xiaomi uses the Internet marketing model and directly sells on Xiaomi's official website to greatly reduce the cost of intermediate links and greatly reduce the price of smart phones. Since then, cost performance has become synonymous with Xiaomi products. [28]

Xiaomi's core product is smartphones. As the company continues to grow, Xiaomi's product types continue to increase. As of 2020, Xiaomi's product types can be summarized into five categories: smart phones, smart home appliances, smart travel, computers, and daily necessities. In Table 2.4 You can see the main products of Xiaomi and their classification.

Table 2.4 - Xiaomi's existing products

Smart phone	Basic: Redmi 7, Redmi 8, Redmi 9, Redmi Note 8, Redmi K 30
	Middle range: Redmi K 30pro, Redmi K 40, Redmi 10X
	Advanced: Xiaomi 11 Youth Edition, Redmi K 30S, Black Shark 4, Redmi K 40pro
	Flagship: Xiaomi 10, Xiaomi 11, Xiaomi 10pro, Xiaomi 11pro
Smart Appliances	Smart TVs, smart air conditioners, sweeping robots, air purifiers, routers, smart lamps, kitchen appliances, smart door locks
Smart travel	Smart kart, balance bike, smart skateboard, bicycle, Xiaomi bracelet, smart rearview mirror
Computer	Xiaomibook Pro14, Xiaomibook Pro15, Redmibook Pro14, Redmibook Pro15, Redmi G, Redmibook 16
Daily necessities	Suitcases, sofas, umbrellas, sports shoes, mattresses, pillows, signature pens, thermos cups, toothbrushes, etc.

The smart hardware products launched by Xiaomi include smart TVs, laptops, artificial intelligence speakers and smart routers. Among them, smart TVs mainly include Master, Transparency, MAX and other series, with built-in unique artificial intelligence TV system Xiao Ai. At the same time, Xiaomi TV can be used in conjunction with a set-top box independently developed by Xiaomi to enrich the consumer experience.

Xiaomi's laptops are mainly thin and light and cost-effective. Currently, there are mainly three types of Air, Pro and game-specific. In 2017, Xiaomi launched the artificial intelligence speaker-Xiaoai Speaker. Users can voice control the speaker after connecting to a wireless network. Its intelligent use and small and cute shape are deeply

loved by users. Xiaomi smart routers adapt to users' differences in signal strength and usage area, and are divided into 3A, 4G, 4C and other categories, so that users can choose suitable products according to their actual needs.

Xiaomi focuses on integrating technology into all aspects of life, making home life more intelligent, and has developed a variety of smart home appliances for life, such as smart rice cookers, air purifiers, and balance cars. In order to manage household items more intelligently, Xiaomi launched its own IoT platform in 2018, which can control smart home appliances through the Xiaomi Family APP. As of October 2020, Xiaomi's IoT platform has been connected to 3,000 products and 132 million smart devices. In addition, Xiaomi has also reached a strategic cooperation with the famous home furnishing brand IKEA, combining Xiaomi's IoT platform with IKEA smart home, and all IKEA smart lighting products can be controlled through the Xiaomi IoT platform.

2.3.2 Analysis of the internal structure of the organization

At the beginning of its establishment, in order to maintain a good momentum of development, Xiaomi abandoned the traditional tree structure management model and adopted a flat management model. [29] The flat model only has three levels of organization, founder-head of subordinate organization-ordinary employee. The person in charge of the department regularly communicates with R&D engineers and front-line sales personnel to obtain the latest product and user information. The organization department will follow up the market trend in real time based on the latest feedback information, and make timely feedback and adjustments to the needs of consumers.

However, as the chain of Xiaomi's business increases, the flat management model is no longer applicable. Therefore, after listing, Xiaomi reorganized its organizational structure, refined the division of departments, and gradually promoted bureaucratic management. At present, in addition to the group headquarters, Xiaomi is divided into 11 organizational departments, including 4 hardware departments, 1 ecological chain department, 2 platforms, and 4 high-tech departments. Among them, there are 6 subordinate organizations of the Mobile Phone Department, which are mainly established based on the mobile phone component modules. The staff department was restructured from the original mobile phone cost department, and the hardware research and development department was established in February 2019. In addition, the Xiaomi International Business Department, as a subordinate department of the Sales and Service Department, is composed of 4 divisions, namely the International Sales Department, Russia and the CIS, the New Southeast Asia Region, and the African Region.

2.3.3 Analysis of Xiaomi's international marketing capabilities

International marketing capabilities. Xiaomi's hardware products mainly include online and offline sales channels. Online sales include online direct sales and online distribution. Among them, online direct sales refer to consumers buying related products directly through Xiaomi's official website, and online distribution is selling through e-commerce platforms such as Tmall, Suning, and Amazon. Offline sales refer to sales through distributors, operators, Xiaomi physical stores, etc. In the European market, Xiaomi mainly sells through a combination of online distribution and offline sales.

Xiaomi chooses well-known local distributors for cooperation in Europe, such as Ingram, Tekpoint, etc.

Product development capabilities. As a company engaged in the manufacture of Internet and high-tech products, Xiaomi has always attached great importance to product innovation and research and development. With technology research and development as the core, it has a total of 123 independent research and development including full-screen mobile phone wireless communication technology, intelligent scene recognition, face detection, etc. technology. Xiaomi's investment in technology research and development has increased year by year, and its proportion of operating income has been maintained at a relatively stable level, about 5%. Xiaomi has been absorbing all kinds of outstanding technical personnel. The company has a total of 18,874 employees, of which 7,515 are technical personnel, accounting for 43% of the company's employees. The leaders of the R&D team mainly come from high-tech companies such as Microsoft, Google, Qualcomm, Motorola, etc., with rich technical experience.

Xiaomi's supply chain. Xiaomi's smart hardware products, such as smart phones, laptops, routers, etc., are all assembled by Xiaomi's third-party foundries. Xiaomi itself does not produce parts. At present, the main foundries in cooperation are Foxconn and Inventec. The "Technical Manual" is signed between Xiaomi and the foundry, and the foundry needs to assemble and produce in strict accordance with the "Technical Manual". After the product is produced, Xiaomi will check and accept the product in accordance with the pre-agreed standards, if any unqualified product is found, it has the

right to refuse the acceptance. Therefore, the "high quality" of Xiaomi products is guaranteed.

For Xiaomi's other ecological chain products, Xiaomi mainly adopts the method of cooperation with other ecological chain hardware companies for production. Xiaomi has signed a number of agreements such as the "Business Cooperation Agreement" and the Quality Framework Agreement with the ecological chain hardware companies, and requires them in accordance with the standards of its own products. From the early product design and R&D, to production and after-sales service, Xiaomi manages and monitors the entire production cycle. In addition, Xiaomi has also conducted strict quality system audits on ecological chain hardware companies and their foundries to create "high-quality" products. Table 3-3 shows Xiaomi's main ecological chain suppliers.

2.3.4 Innovative profit model

Xiaomi's rapid growth is inseparable from the continuous innovation of its profit model. In different periods of development, Xiaomi continues to make new innovations to achieve profitability. At the beginning of its establishment, it creatively proposed the "Triathlon" strategy as a long-term development strategy.

The "Triathlon" strategy can occupy traffic portals through mobile phones, TVs, boxes, routers and other hardware, increase user visits by providing free video content and other methods, and expand brand awareness; use MIUI, Michao and other software to strengthen user stickiness and increase audiences. However, due to the rapid development of WeChat in 2011, Mi Talk was lost and was abandoned by the company.

Xiaomi randomly realized traffic monetization through application games and financial services.

By 2019, with the increase in business chains, Xiaomi will revise the original "Triathlon" strategy into a "hardware + new retail + Internet" model:

1. More than 100 million Xiaomi mobile phones and 160 million terminal devices obtain traffic for Xiaomi and increase its popularity;
2. The new retail business focuses on price advantages, and comprehensively spreads products online and offline, involving culture, sports, entertainment, technology and other fields, broadening Xiaomi's industrial chain;
3. Use advertising, financial services and other methods to achieve profitability.

2.4 SWOT analysis of Xiaomi's marketing strategy in Europe

2.4.1 Strengths

1. Advantages of marketing model and channels:

Xiaomi was founded in a period of vigorous development in the Internet era. Its business model is deeply influenced by the Internet and has become a classic Internet marketing case. When Xiaomi launched new products, due to the limited production capacity of manufacturers and the over-enthusiasm of users, there were often scenes of short supply and hard-to-find machines. Some people believed that this was Xiaomi's "hunger marketing" sales strategy. Regardless of whether Xiaomi's original intention is like this, this sales method has indeed aroused the enthusiasm of users and the

enthusiasm of buying new phones. [30]

In the European market, when the Mi Home opened, there was the same hot buying scene, which shows that this marketing method is also effective in the European market. Unlike Chinese users who like to buy bare machines directly, European mobile phone users are mostly accustomed to buying contract machines. Therefore, in the European market, maintaining a good relationship with dealers or operators is very important. Xiaomi chooses to cooperate with local distributors that have a good reputation, such as Ingram, Tekpoint, etc. While cooperating with these more mature local distributors or distributors, Xiaomi is also actively looking for operators to cooperate.

2. Technical advantages:

With technological research and development as the core and technological innovation as the driving force for overall business development, Xiaomi has independently developed a number of core technologies. The core technologies currently owned by Xiaomi include full-screen mobile phone wireless communication technology, mobile phone

There are 123 core technologies such as machine terminal automatic test technology, ceramic material body, full screen technology, high-voltage fast charging technology, etc., involving mobile phone hardware and software. Most of the technologies are independently developed and created by Xiaomi. In addition, as of October 2019, Xiaomi has a total of 2,789 international patents, of which 514 are invention patents, 426 are design patents, and 1671 are utility model patents. For the core components, Xiaomi has also conducted in-depth research and continuous exploration, inventing and

manufacturing "surging" mobile phone processors, which are used in Xiaomi 5C products. It can be seen that Xiaomi itself has the ability to develop the core hardware of mobile phones, and it can also be seen that Xiaomi has high requirements for its own technological innovation. Although the "surging" chip still has a big gap with Qualcomm's "Snapdragon" and Huawei's "Kirin" processors, consumers and investors are still very confident that Xiaomi will develop a chip of their own.

3. Product and price advantage:

One of the biggest features of Xiaomi products is their high cost performance. On the premise of ensuring product quality, Xiaomi minimized the purchase cost, and at the same time adopted an Internet marketing model to reduce sales costs through online direct sales. Under the premise of ensuring the normal operation of the enterprise, Xiaomi returns most of the profits to consumers, so the price is much lower than that of other brands with similar configurations. However, low prices do not mean low quality. Xiaomi pays attention to product quality issues, and strictly controls every production link for its own products and ecological chain products.

Xiaomi's ecological chain products, including air purifiers, balance cars, sweeping robots, smart door locks and other home appliances, have a simple and elegant design and high quality. At the same time, they can be intelligently controlled through mobile phone software or Bluetooth headsets to achieve intelligent Internet of Things . A variety of products meet the needs of the middle and high-income class for smart life.

4. Successful experience in the Indian market

Among the overseas markets that Xiaomi has opened up, the Indian market is the largest overseas market, and it is also the most successful overseas market for Xiaomi. The Indian market has a large consumer population and has extremely broad market potential and market prospects. At the same time, due to the relatively low level of economic development in the Indian market, consumers prefer Xiaomi phones with extremely high cost performance, especially the more affordable Redmi series phones.

According to Xiaomi's 2020 overseas market financial report, Xiaomi has seized a 25.6% market share in the Indian market and has been ranked first in the Indian mobile phone market for 4 consecutive quarters. Xiaomi currently has more than 500 Xiaomi experience stores in India. Moreover, the complete relocation of the production line and assembly line to India not only reduces the logistics and transportation costs, but also receives strong support from the Indian government for driving the development of the local labor force.

The success of Xiaomi in the Indian market reflects the potential of Xiaomi to tap overseas markets. Xiaomi's success in the Indian market has not only accumulated rich experience in overseas operations for Xiaomi, but also treated the Indian market as a "mega advertisement", which greatly increased Xiaomi's reputation worldwide.

2.4.2 Weaknesses

1. Xiaomi entered the European market late:

Prior to 2018, Xiaomi's strategic focus will be on the Chinese market and the Indian market. Xiaomi regards these two markets as its target market. Although Latin

America, Africa, Central Asia, and Europe are also Xiaomi's target markets, these regions have not been elevated to the status of strategic target markets.

For the European market, Xiaomi only sold in Spain, France, and Greece because of the lack of cooperation from local operators in the early days. It wasn't until December 2018 that Xiaomi's international marketing department officially made Europe a strategic target market.

Previously, the European market has been mainly occupied by world-renowned mobile phone brands such as Samsung, Apple, and Huawei. European brands such as HMD and Nokia have also occupied a large market share due to their local advantages. Therefore, Xiaomi lacks a broad user base in Europe, and Xiaomi's brand and reputation have little influence in Europe. Compared with several other mobile phone brands, Xiaomi is in a weak position in terms of popularity, brand influence and publicity.

2. Online direct sales have not been promoted in Europe:

Online direct sales is one of the important reasons for Xiaomi's initial success. It is also the most important way for Xiaomi to lead other mobile phone manufacturers in the early stage of business models and marketing models in the Internet era. This kind of sales method is that customers first place an order online, and Xiaomi then assembles the mobile phone product and mails it to the customer within one month. This method does not have too much product storage pressure, and accurately produces products according to demand, greatly reducing storage costs, transportation costs and sales costs.

At present, online direct sales methods such as Xiaomi Mall and Tmall flagship store are important ways for Xiaomi to sell in the Chinese market. However, in Europe, Xiaomi Mall has not yet popularized sales functions, only providing users with product information and offline physical store addresses. Online sales are mainly through third-party e-commerce platforms such as Amazon. This sales method will increase related costs, and it will not be able to obtain user feedback in a timely and effective manner.

In addition, the penetration rate of online sales in Europe still has a big gap compared with that in China. Consumers in Europe are generally more willing to choose to buy smart phone products through physical stores, especially contract machines launched by operators. Therefore, the promotion of the online sales model in Europe is very difficult, and Xiaomi's unique marketing method is also at a loss in Europe for a while.

3. Fan marketing methods have not yet taken shape in Europe:

Xiaomi initially accumulated a large number of Xiaomi fans through the MIUI system, Xiaomi community, forums, and extremely high cost performance. Through fan marketing, it promoted the development of Xiaomi mobile phones and Xiaomi ecological chain products. This marketing model has been successful in China and India. In Europe, although the number of Xiaomi's fan base is increasing day by day, it has not yet formed a large-scale degree. Therefore, the fan marketing model is not effective enough in Europe. If Xiaomi wants to promote the fan economy in Europe, it needs to integrate local culture and user habits, and carefully manage the relationship with users.

2.4.3 Opportunities

1. The development of new technologies and the arrival of the 5G network era:

In 2014, Samsung took the lead in announcing the development of a mobile transmission network based on 5G core technology, and completed the commercial promotion of 5G in 2020. It is foreseeable that in the near future, 5G will fully enter people's lives and will gradually replace the current mainstream 4G networks in Europe. The 5G network environment will place higher requirements on smart phones, and will further promote the development and use of smart hardware such as smart phones. On February 24, 2019, at the 2019 Mobile World Congress in Barcelona, Spain, Huawei, Samsung and other mobile phone manufacturers successively released 5G mobile phones. Among them, Samsung was the first to launch 5G mobile phones with foldable screens, becoming the audience Focus. This shows that the era of a comprehensive 5G network is coming. Whoever develops a better 5G mobile phone first can become one of the leading players in the mobile phone market in the future.

2. One Belt One Road Policy:

In 2013, China put forward the "One Belt One Road" initiative, which is to build the "New Silk Road Economic Belt" and the "21st Century Maritime Silk Road", and establish a global trading system from East Asia to Central Asia to Eastern Europe and Western Europe. Europe is an important part of the "Belt and Road" initiative, and trade between China and Europe is becoming more frequent. Especially in recent years, after the opening of many direct trains from China to Europe, trade between China and Europe has become more convenient. Although the United Kingdom and

France and other countries are willing to respond to the US's trade boycott against China, China has established in-depth trade cooperation with Russia, Spain and other countries. This also brings new opportunities for Xiaomi to explore the European market.

3. Stable Sino-European trade relations:

China and Europe have had close relations in recent years. Although political relations have been relatively tense, the growth rate of trade exchanges has been accelerating. In recent years, President Xi has made many state visits to European countries. According to the Eurostat website, China is the EU' s largest import trading partner and the EU' s second largest export market. A sound and stable China-EU relationship will help Chinese companies go abroad and accelerate the expansion of the international market. At the same time, a good trade relationship will bring China-EU relations to a new level and promote China-EU cooperation in political, economic, cultural and other fields. A win-win situation.

4. The consumption power of the European market is gradually recovering:

As we all know, the COVID-19 pneumonia in 2020 makes the global consumer market seem to have returned to the period of the financial crisis of 2008 years. China has taken the lead in achieving comprehensive control of the epidemic and restoration of the consumer market. Although the European consumer market has been greatly affected by the epidemic, it has slowly recovered with the efforts of many parties. Moreover, most of Europe is a developed country with a high level of economic development and generally higher income levels and education levels of residents.

Therefore, the demand for smart products and equipment such as mobile phones is higher than in other regions. In addition, European consumers generally have higher standards of living, and Xiaomi's ecological chain products and smart electrical products can meet the needs of smart homes. Therefore, the consumer market for smart phones and smart home products in Europe has a lot of room for development.

2.4.4 Threats

1. Technology blockade of other brands:

Technology is very important to any mobile phone company. If you use the technology patents of other companies, you will be subject to other companies. When other companies want to impose sanctions, they will be in a very passive position. Qualcomm is a world-renowned communications technology company that once provided mobile phone chips for famous mobile phone companies such as Apple. Xiaomi has been cooperating with Qualcomm for a long time. As one of the shareholders of Xiaomi, Qualcomm provides chip technology support for Xiaomi and is the largest chip supplier for Xiaomi mobile phones. In 2018, Qualcomm and Apple had a dispute over "patent licensing fees" and filed a lawsuit in the Fuzhou court, demanding that the sales of certain models of Apple mobile phones be prohibited in China. Xiaomi has also encountered problems with patent licensing. Apple filed a lawsuit against Xiaomi in the United States, claiming that the technologies contained in many of Xiaomi's mobile phone products have not obtained valid licenses and violated its intellectual property rights.

2. Fierce market competition:

The European smartphone market is very competitive. Although the sales volume of Xiaomi in the European market in 2020 is second only to Samsung, there is a big gap between the gap and Samsung. And because of the COVID-19 epidemic, Xiaomi's total sales in 2020 are much lower than in 2019. Many mobile phone brands such as Samsung, Apple and Huawei have already occupied a certain market foundation in Europe. The new mobile phone brands have also repeatedly promoted in the European market. For example, OPPO selected its new mobile phone launch event in the Louvre, France, which attracted the attention of a large number of consumers and the media. According to a report from Alibaba Big Data Research Institute in 2020, the penetration rate of mobile phones in the European market is about 83%, and the mobile phone market is close to saturation. At this time, Xiaomi chooses to use the European market as a key market for international marketing and has to face very fierce competition. Undertake a very large amount of pressure.

3. Faster update of mobile phone products:

The update speed of mobile phone products is very fast, and the time for users to keep their mobile phones fresh is getting shorter and shorter. Therefore, mobile phone companies must ensure continuous innovation, timely updating, and keeping up with or even ahead of user needs in order to make their products meet user requirements. R&D innovation requires huge financial support and talent support, which is a very big challenge and pressure for any mobile phone company.

4. Trade sanctions:

The United States began to impose trade sanctions on China in 2019, and in January

2021, some European countries have also joined the team. On March 22, 2021, the European Union imposed sanctions on China on the so-called human rights issue. This time the European Union imposed sanctions on a large enterprise and some trading entities under the pretext of "violating human rights in Xinjiang." China also immediately imposed small-scale trade sanctions on some EU countries. In Table 2.5 You can see a summary of the elements of SWOT analysis.

Table 2.5 - SWOT analysis model

S	W
<ul style="list-style-type: none"> 1.High cost performance 2.Advantages of marketing model and channels 3.Have its own chip technology 4.Have successful experience in India and China 	<ul style="list-style-type: none"> 1.Xiaomi entered the European market late 2.Online direct sales have not been promoted in Europe 3.Fan marketing methods have not yet taken shape in Europe
O	T
<ul style="list-style-type: none"> 1.The arrival of the 5G era 2.China's One Belt One Road Policy 3.Stable Sino-European trade relations 4.The consumption power of the European market is gradually recovering 	<ul style="list-style-type: none"> 1.Technology blockade of other brands 2.Fierce market competition (Apple, Samsung, and Huawei are powerful) 3.Faster update of mobile phone products 4.U.S. trade sanctions against China

Summary

Countries in Western Europe are generally economically developed and have relatively high per capita income. Although Eastern Europe is insufficient compared to Western Europe, its economic level is also at the world average level. The political situation in Europe is stable, the people's education level is generally higher, and it has great market potential in the smart phone and smart home appliance industries. Because European consumers have higher average incomes, they pay more attention to experience and humanity in shopping.

The criteria for consumers in Western Europe to choose smart products are high quality and good market reputation, and their sensitivity to prices is lower than that of consumers in Eastern Europe. At present, Xiaomi's main competitors in the European market are Samsung, Apple, and Huawei. Secondary competitors include oppo, vivo, and European local brands. After the SWOT analysis of Xiaomi's marketing strategy, I was investigating and reviewing information through interviews. In the end, it was concluded that products with greater demand in the European market should meet these standards: high quality, appropriate prices, good after-sales service, and user-friendly purchase channels. The most suitable marketing strategies for Xiaomi in Europe are Intensive growth strategies and differentiation strategies. Make full use of its own high cost performance and advantages of the Internet of Things platform, and cooperate with Huawei to increase the market share of its products in the European market.

3 ANALYSIS AND SUGGESTIONS FOR XIAOMI EUROPEAN MARKETING STRATEGIES

This chapter will use STP theory and 4P model to analyze Xiaomi's current marketing strategy in the European market, and put forward some suggestions for improving Xiaomi's international marketing strategy. [31]

3.1 STP analysis

STP analysis includes market segmentation (Segmentation), target market selection (Targeting) and market positioning (Positioning). [32]

3.1.1 Segmentation

Market segmentation is to classify user groups with similar characteristics, including both macro and micro aspects. [33] When Xiaomi first entered the international market, it subdivided the global market at a macro level. Xiaomi divides the world market into emerging country markets and developed countries markets. Among them, the emerging country market is the main target market for Xiaomi. After China's triumphant victory, Xiaomi shifted its vision to India, a potential emerging country market, and developed rapidly in the Indian market relying on its extremely high cost-effective and accessible prices.

Xiaomi's European market can be divided into two parts: Western Europe and Eastern Europe. The Western European market mainly includes the Netherlands, Spain, the United Kingdom, France, Belgium and so on. Most of these countries are developed countries and the average income level of the people is relatively high. Consumers in

these countries pay more attention to the quality and performance of products and are not sensitive to prices. The Eastern European market mainly includes Russia, Austria, Czech Republic, Poland, Hungary, Romania, Bulgaria and other countries. Different from consumers in Western Europe, consumers in Eastern Europe pay more attention to the cost-effectiveness of products. Therefore, Xiaomi mobile phones should be divided into several different standards according to the product configuration and price in the European market.

According to the product configuration and price, the types of Xiaomi smartphones should be divided into flagship, high-end, mid-range and basic, corresponding to the Xiaomi Pro series, K series and Redmi series respectively.

1. Among them, the main products of the Mi Pro series, Mi 10 Pro and Mi 11 Pro, are positioned for business people who have higher requirements for the quality of mobile phones, and the income of these groups is above the average income. Pricing is around US\$620 to US\$1,000.

2. The K series of mobile phones, including Xiaomi 11 Youth Edition, Redmi K30 and K40 series, are targeted at consumers who value the price-performance ratio of mobile phones, and are priced from US\$300 to US\$500.

3. The Redmi series, which was founded only 2 years ago, is positioned as the basic and mid-end, and is priced below US\$300.

From the perspective of customer segmentation. First of all, men aged 21-40 whose income is higher than the local average income are Xiaomi's first-level target customers.

Because this group of people pay more attention to status and status, a high-level mobile phone will be their first choice; college students are the second-level target customers. They are highly educated. Once they enter the society to take part in work, they will be the majority of the high-income class in society. Their spending power is also relatively high; white-collar ladies and middle-income consumers between the ages of 20-35 are the third-tier target customers. Such people will have a higher demand for the appearance of the mobile phone and the ability to take pictures.

3.1.2 Market targeting

The market targeting strategy that Xiaomi chooses is a differentiated marketing strategy.

After segmenting the market, you need to choose the target market and determine which markets to enter. The European mobile phone market has huge consumption power. Despite the fierce competition and the high penetration rate of mobile phones in the European market, Xiaomi still decides to make the European market the second largest overseas target market after the Indian market due to the rapid replacement of electronic products. Xiaomi divides the European market into Western Europe and Eastern Europe. For the Western European market, which has relatively stronger purchasing power and consumption levels, Xiaomi focuses on launching its high-end flagship mobile phones and ecological chain products to attract users through the advantages of intelligent IoT. For the Eastern European market, Xiaomi pays more attention to market share, hoping to seize market share through mid-to-high-end mobile phones and entry-level phones.

3.1.3 Market positioning

The market positioning strategy chosen by Xiaomi is Strategy of Product Differentiation. From the beginning of its establishment, Xiaomi has positioned its brand as the king of cost performance. From the comparison of products of the same type and level, the price of almost all products of Xiaomi is lower than that of Samsung, Apple and Huawei. It can be seen from the table below. In the same level of mobile phones, except for the CPU that is weaker than the iPhone 12, Xiaomi's other parameters are higher than those of Apple and Huawei. Xiaomi Mi 11 and Samsung S21 are evenly matched. But the price of Mi 11 is much lower than the other three products. In Table 3.1. You can see the comparison of the parameters of similar products from Samsung, Apple, Huawei, and Xiaomi.

Table 3.1 - Comparison of product parameters of Samsung, Apple, Huawei, and Xiaomi at the same level

	Samsung S21 Ultra(12+256GB)	iPhone12 Pro(6+256GB)	Huawei Mate40 Pro(8+256GB)	Xiaomi 11 Ultra(8+256GB)
Price (USD)	1500	1450	1090	859
Operator support	5G	5G	5G	5G
WiFi	Wi-Fi 6	802.11	802.11	Wi-Fi 6
Phone size	165.1*75.6*8.9 mm	146.7*71.5*7.4 mm	162.9*75.5*9.1 mm	164.3*74.6*8.38 mm

End of table 3.1

Screen material	AMOLED	OLED	OLED	AMOLED
Screen Resolution	3200x1440	2532×1170	2772×1344	3200x1440
CPU	Snapdragon 888	A14	Kirin 9000	Snapdragon 888
RAM	256GB	256GB	256GB	256GB
Camera (10,000 pixels)	10800+1200+1000+1000	1200+1200+1200	5000+2000+1200	5000+4800+4800

One of the biggest features of Xiaomi products is that they have extremely high cost performance, whether it is a core product smart phone, or a derivative product of a smart phone, smart home products, etc. Under the premise of similar configuration, its price is lower than other brands. Xiaomi has always insisted that the comprehensive net profit margin of hardware does not exceed 5%, and all the excess will be returned to users. The intelligent Internet of Things sharing platform is another major feature of Xiaomi. The Xiaomi Eco-Chain products are developing rapidly, and most of the smart home appliances can be controlled by Xiaomi mobile phones. Founded in Sweden, IKEA is the world's largest furniture and home furnishing company and has a very high reputation in Europe. In 2018, Xiaomi announced its cooperation with IKEA, and its IoT platform will cover all IKEA smart home products. Users will be able to control IKEA's smart home products through Xiaoai smart speakers and Xiaomi home APP. In addition, Xiaomi also has strategic cooperation with large supermarket chains such as Auchan. The smart home products sold in these supermarkets can also be controlled

with Xiaomi's smart phones. These strategic cooperations have not only expanded Xiaomi's popularity in Europe, but also promoted ecological chain products and IoT platforms, enabling more international consumers to learn about Xiaomi's intelligent IoT platforms.

Xiaomi has also implemented a differentiation strategy on the outer packaging of its products.. Xiaomi strives to be the best in all aspects of its products, even the packaging of its products is highly concerned. The packaging box of the Xiaomi mobile phone uses imported pulp to prevent paper scraps from entering. Other mobile phones use general plastic bags for packaging, while Xiaomi chose a more textured frosted pocket. Other mobile phones directly wrap the wires with iron wires, while the binding wire used by Xiaomi is a rubber sleeve. Through many similar details, the favorability and loyalty of Xiaomi users has been continuously improved.

Xiaomi provides differentiated services. Xiaomi positions itself as an Internet company, and mobile phone hardware products are only part of its business. In addition, Xiaomi also provides Internet product services. The MIUI operating system independently developed by Xiaomi combines hardware products with Internet products to provide users with a variety of Internet products, such as Xiaomi App Store, Xiaomi Browser, Xiaomi Music, Xiaomi Video, etc. In addition, Xiaomi has also launched a variety of software such as Xiaomi Mall, Youpin, and Xiaomi Home APP to provide users with special Internet services, which differentiates Xiaomi from other single mobile phone brands.

3.2 Initiative Marketing based on 4P strategy

This chapter mainly chooses the 4P marketing strategy combination proposed by McCarthy, namely product, price, channel, promotion

Four major strategies. According to the results of the SWOT analysis, this article believes that Xiaomi is the most suitable choice for the initiative marketing strategy in the European market in the context of internal strengths and external opportunities. [34]

3.2.1 Product Strategy

Products are the foundation of a company's international marketing, so product strategy is the foundation of Price strategy, Place strategy and Promotion strategy. Product strategy enables companies to use technological innovation and other means to make products meet the various needs of customers in the marketing process. With the rapid development of the Internet era and the continuous advancement of technology, electronic products such as mobile phones are playing an increasingly important role in users' lives.

1. Product innovation should communicate more with customers. Users participate in the process of mobile phone research and development. R&D engineers will listen carefully to the needs and feedback of fans and users during the design process. Xiaomi founder Lei Jun will also actively ask users' needs on social media such as Weibo. When a new product is designed, it will give priority to some technical fans to try it out, listen to and adopt their feedback, and then modify and improve the product. The new products launched in this way greatly reduce the research and development costs, and

the zero-distance communication with users also makes the products closer to users' needs.

2. Accurate product positioning. The replacement of smart phones is very fast, and the functions and main advantages of mobile phones have become the first choice for attracting users. The main reason why Xiaomi mobile phones are popular is that the product positioning of Xiaomi mobile phones is very accurate. It is not aimed at all users, trying to seize all the markets, but starting from the users, and even opened up a market for users alone, that is, the market for mobile phone enthusiasts. With the growth of people' s economic income and the rapid spread of the Internet, many users have developed a keen interest in electronic devices and have a good understanding of the internal configuration of electronic devices. At the same time, such enthusiast users are more loyal to the brand and have a greater user stickiness. After feeling the high cost performance of Xiaomi products, they will continue to buy and use other products launched by Xiaomi.

3.2.2 Price Strategy

Price strategy is a very important aspect in the international marketing process. Price will affect the market share of a product, and at the same time will directly determine the profitability of the company. The European market is different from other international markets because it has its own particularities. Therefore, Xiaomi needs to pay attention to the differentiation strategy in its price strategy.

For mobile phone products, most brands will choose to seize the market with low-configuration and low-price mobile phones, and use high-priced mobile phones to make

profits. And Xiaomi chose a unique approach, that is, high configuration and low price, attracting a large number of users through extremely high cost performance, and then enhancing user stickiness through other value-added services and products to obtain profits. But this does not mean that Xiaomi can only sell low-priced mobile phone products in Europe. After Xiaomi launches flagship, high-end, mid-range, and basic mobile phones in Europe, it should make every type of mobile phone cheaper than other brands of similarly configured mobile phones.

Compared with the Chinese market and the Indian market, the European market has relatively high user income and consumption levels, so most users are less sensitive to product prices. And more willing to buy some high-configuration, high-priced mobile phone products. Facing the European market, Xiaomi has launched the flagship series of Xiaomi Pro series mobile phones, priced between 500 and 700 yuan. The customized version of the Xiaomi Forbidden City mobile phone is targeted at ultra-high income groups. The price is 2,000 US dollars. The combination of culture and high-tech electronic products is more attractive to overseas users who are interested in Chinese culture. At the same time, Xiaomi also launched a new sub-brand of Black Shark mobile phones, which are specially designed for the European market to attract European high-end consumers and game lovers. But at the same time, the price will be more favorable compared to other brand flagship phones with similar configurations.

There are still some European users who are more concerned about the price, especially when the mobile phone configuration is similar, they will often choose products with more favorable prices. Therefore, Xiaomi's high-end flagship phones may

be more favored by European users than high-end phones such as Apple and Samsung. For example, the price of Mi 11Pro in France is only US\$620, but Apple's iPhone 12 starts at US\$870.

The price is affected by many factors, such as cost, expected profit margin, brand image, etc. For smart phone products, cost is a major factor affecting pricing. The cost also includes the cost of product development, manufacturing, sales, and transportation.

1. Product development. Xiaomi abandoned the closed R&D process of other brands. Instead, through cooperation with technical organizations such as partners and fans, the preliminary R&D and design process was made transparent, which not only enhanced communication with users, but also received user feedback and design at the first time. Products that can meet the needs of users, and can

Reduce your own R&D and design costs.

2. Product manufacturing. Xiaomi should continuously optimize procurement and production while ensuring product quality, such as choosing a lower-cost Qualcomm processor. Compared with other suppliers, Qualcomm has relatively lower procurement costs and supply chain costs. At the same time, Qualcomm can provide Xiaomi with other accessory products, which can save a large part of the cost for Xiaomi. In addition, Qualcomm became one of the shareholders of Xiaomi by taking a stake in Xiaomi, and Qualcomm will also give Xiaomi more preferential treatment in terms of raw material supply.

3. In terms of transportation. Xiaomi's warehouses for the European market are

mainly concentrated in southern coastal cities such as Shenzhen, and exports mainly through Hong Kong. Xiaomi should change most of the contract terms of export trade from FOB to CPT or CIP, and transfer the autonomy of overseas transportation from customers to its own hands. This not only enhances the controllability of the transportation process, but also greatly reduces the transportation cost.

4. In terms of sales. Xiaomi should adopt Internet marketing, directly through online direct sales, breaking the traditional channel marketing, skipping the channels of middlemen, and directly facing customers at the ex-factory price, which greatly reduces the price of the product. In the eyes of users, Xiaomi's most prominent brand image is cost-effective, which is also Xiaomi's market positioning all the time. Therefore, compared with other mobile phone brands, Xiaomi's pricing targets should be mainly market share and brand image.

3.2.3 Place Strategy

Xiaomi's main channel strategies in the European market include online sales and offline sales.

1. Online sales methods include Xiaomi's own channels and e-commerce platforms.

Xiaomi's online sales channels in Europe are temporarily only its own Xiaomi Mall, Xiaomi Youpin and European e-commerce platforms. At present, the main e-commerce platforms Xiaomi cooperates with in Europe are Amazon and AliExpress. Xiaomi should cooperate with Cdiscount, Auchan, Boulanger, FNAC, DARTY and other e-commerce platforms to expand its sales channels.

This way of online direct sales can reduce intermediate links and directly provide Xiaomi preferential prices and good services to customers. Among them, Xiaomi Mall and Xiaomi Youpin are Xiaomi's unique sales methods. Customers can learn about Xiaomi's products, performance, and prices. But at present, only users in China and India can purchase products directly in the Xiaomi store. In addition, the Mi Mall APP provides users with a customized shopping experience by analyzing users' transaction status and browsing records, in an effort to increase user stickiness and cross-selling. Directly place an order to buy a mobile phone through Xiaomi's official website. This online direct sales method has been widely recognized by users with the vigorous development of the Internet era. However, this online direct selling method has not been promoted in Europe. For European users, Xiaomi's official website can only provide information reference services and after-sales service at present.

2. Offline sales methods include operators, agents and independent channels.

The buying preference of most consumers in Europe is the contract machine. Therefore, operators are critical to entering the European mobile phone market. For example, the major French mobile phone operators are Orange, SFR, Bouygues, and Free. When Xiaomi mobile phones enter the French market, they need to reach cooperation agreements with these four major operators.

Agency channels. Compared with other mobile phone brands, Xiaomi's cooperation with European operators is not mature, so it is difficult to enter the European market. Therefore, while intensively speeding up cooperation with operators, Xiaomi is also actively seeking support from offline agents.

Millet House. Xiaomi Home is an offline retail store of Xiaomi that displays a variety of products under Xiaomi, including electronic products, hardware products, and household goods. Customers can contact and experience many of Xiaomi's products at Xiaomi's Home, and purchase them directly. Mi Homes should be set up in areas with denser traffic, such as around shopping malls, and play a role of publicity while selling products. Xiaomi can also successively open offline experience stores in Russia, Belarus, Spain, Poland and other countries.

Currently in the European market, Xiaomi mainly sells its products to distribution partners. The distribution partners distribute the products to other secondary distribution partners or retailers in designated areas, and the secondary distribution partners or retailers sell the products to end users. Distribution partners are generally professional communication equipment distributors and have a good local distribution network and channels. [35] Xiaomi generally signs non-exclusive framework agreements with distributors to sell products to distributors in accordance with orders. According to the agreement, distributors are not allowed to return products to Xiaomi, and Xiaomi has no obligation to buy back products from distributors. However, Xiaomi will provide distributors with a certain percentage of stock-ready products so that distributors can provide end users with exchange services. In January 2019, Xiaomi will launch a global strategic alliance with Changjiang Hutchison, and many of Xiaomi's products will be put on shelves in Changjiang Hutchison stores worldwide. Changjiang Hutchison's telecom assets are mainly concentrated in the European region, which means that Xiaomi has a strong partner in the development of the European market. According to

the agreement between the two parties, Xiaomi's products will be launched in stores in Austria, Denmark, Ireland, Italy, Sweden and the United Kingdom, and priority arrangements will also be given to places such as Denmark, Ireland and Sweden. At the same time, Xiaomi is also actively cooperating with offline partners DARTY, FNAC and Carrefour to sell various Xiaomi products in France.

3.2.4 Promotion Strategy

Some of Xiaomi's marketing methods have been successful in the Chinese market, such as hunger marketing and fan marketing. For the European market, Xiaomi should make improvements based on the actual situation in Europe while applying its successful promotional strategies. [36]

1. Fans Marketing

Fans are the support of a brand, a group of people who have extremely high enthusiasm for a certain brand and its products. Fan marketing refers to a company attracting a large number of consumers to become its fans through excellent products or its brand image, and through fans

The mutual influence of the fans promotes the growing fan base, and at the same time achieves the purpose of enabling fans to buy products. At the beginning of its establishment, Xiaomi had such a group of fans. They are mainly consumers who know more about mobile phones or hardware electronic products. This group of fans is not only very loyal to the Xiaomi brand, but also actively participates in the design and development of mobile phone products and the process of experience scoring, making a

great contribution to the innovation of Xiaomi products.

When the European Mi House opened, some fans braved the bad weather and still lined up to buy Mi products. For Xiaomi, fans not only promoted the local sales of Xiaomi products, but also expanded the local popularity of Xiaomi products and established a reputation, which enabled more and more people in Europe to know Xiaomi, experience Xiaomi products, and finally buy and use them. Xiaomi products.

Fan marketing is a two-way street. The reason why Xiaomi's fans are so loyal to this brand is inseparable from Xiaomi's maintenance and management of the relationship between Mi Fans. For example, Xiaomi CEO Lei Jun will often personally do customer service to solve problems for users, and will also hold various offline fan exchange meetings from time to time. Xiaomi should be holding the Xiaomi Fan Festival at the end of each year, inviting fans from Europe to come and participate.

For users, another unique feature of the Xiaomi brand that attracts them is the sense of participation. The secret of Xiaomi lies in the sense of participation, that is, inviting users to participate in the process of new product development, involvement, and modification. Because of fans, "Xiaomi" is Xiaomi's attitude towards fans. It is enough to see the importance of fans to Xiaomi and the importance that Xiaomi attaches to fans. For overseas markets, Xiaomi also attaches importance to the effects of fans and their role, not only for overseas Users set up special overseas customer service centers and often hold lottery activities to fully mobilize overseas users' enthusiasm and enhance their sense of participation, so as to successfully move the fan marketing model to overseas markets. Xiaomi should cultivate and maintain a good one in the European

market. Batch fans, these fans will enable Xiaomi to successfully open up the European market. [37]

2. Advertising and marketing.

With the advent and rapid development of the Internet age, the form of advertising has undergone earth-shaking changes. Traditional forms of paper advertisements and physical advertisements are gradually shifting to online, driving product exposure and popularity through traffic. [38]

Emerging media such as Weibo, WeChat official account, and Douyin have become the main carriers of advertising in the Internet era. Since the beginning of its establishment, Xiaomi has not invested much in advertising, but has given back this part of the funds to users, thus gaining the reputation of extremely high cost performance. Since the advent of the media age, Xiaomi's advertising campaigns have also been carried out on social networks such as Weibo and WeChat. Xiaomi has never asked for a spokesperson in the early days. The biggest spokesperson of Xiaomi is Lei Jun, the founder of Xiaomi. Jeans, sports shoes, Hubei Mandarin, bad English... these labels have made Lei Jun the image of "Chinese Jobs". Lei Jun is often referred to as "Thunder Tiger", "Rebs" and so on. The above label is also the image of many rice noodles. Xiaomi has projected the image of rice noodles on Lei Jun, so that the rice noodles can gain self-identification in Lei Jun, and thus become more popular. Starting in 2018, Xiaomi began to use spokespersons, choosing popular stars Wu Yifan and Wang Yuan as the image spokespersons for the Xiaomi Pro series and Xiaomi 11. Both of them not only have extremely high popularity in China, but also have a certain reputation in the

international market, which has played a certain role in the growth of Xiaomi mobile phone sales.

3. Hunger marketing.

Hunger marketing refers to the fact that manufacturers use artificial control of the number of products to create a phenomenon in which the number of products exceeds supply in the market, so that consumers have an urgent need for product psychology. Hunger marketing can not only reduce the inventory rate and prevent the overproduction of products from causing a backlog, but also expand the influence of the brand. However, hunger marketing has high requirements for products. Generally, only scarce products are suitable for the promotion of hunger marketing. [39]

Since its inception, Xiaomi has often been in short supply, and many new products are often sold out when they are scheduled. Regardless of whether Xiaomi's original intention was to create "hunger marketing" gimmicks to attract users, the final effect will make users more enthusiastic about Xiaomi's products, and "successfully grabbing a Xiaomi phone" as a very fulfilling thing.

Before launching a new product, Xiaomi must first conduct large-scale publicity through various social platforms, hold a new product launch conference, and conduct an online live broadcast. After that, Xiaomi announced the time and price for the new product to be officially launched, creating the expectations of users. After the official sales start, Xiaomi will restrict purchases or even stop sales based on production capacity. In general, this promotion method has increased the visibility of the Xiaomi brand and drove consumers' enthusiastic pursuit of Xiaomi products. In Table 3.2. You

can see the summary of the 4p strategy.

Table 3.2 - Marketing mix strategy summary

Target segments	Desired Market position	4P strategy			
		Product	Price	Place	Promotion
Men aged 21-40 , Higher than the local average income	Consumers ' first choice	Flagship level products: Long service life, low-key appearance but very high configuration	Competition-driven pricing: The price is lower than the competition	Combining online and offline	1.Hunger marketing 2.Social media promotion
University student	Consumers ' first choice	1.The game is powerful. 2.Fashionable appearance. Internet of Things platform	Competition-driven pricing: The price is lower than the competition	Online	1.Hold a fan festival 2.Discount promotion
White-collar ladies aged 24 to 40	Consumers ' second choice	1. Professional camera function 2.Internet of Things platform 3. Large battery capacity	Customer-driven pricing:	Online	1.Social media promotion 2.Advertising promotion

3.3 Existing problems

3.3.1 Excessive emphasis on product cost-effectiveness

The cost-effective advantage has always been Xiaomi's main marketing method. It tries to attract and bind customers through cost-effectiveness, and does not pay enough attention to advertising and user experience. In the early process of entering the international market, Xiaomi mobile phones focused on the low-end market and adopted low-cost marketing strategies for brand promotion. [40] Although this approach reduces operating costs, it has a negative impact on the international market position and market influence of the Xiaomi brand. The sales volume of Xiaomi in Europe has been increasing year by year, but the sales volume has not been well converted into net profit. According to data from Xiaomi's 2020 financial report, Xiaomi's gross profit margin in the European market is 8.4% in 2020, which is far lower than the 17.7% gross profit margin in the Chinese market. According to the data shown in the financial report, the average selling price of each smart phone of Xiaomi in 2019 is 181.2 US dollars, and the average selling price of each smart phone of Xiaomi in 2020 is 178.4 US dollars. Although Xiaomi's smartphone sales are increasing, the average price and gross profit margin of each smartphone is decreasing.

3.3.2 Hunger marketing is not suitable for the European market

Due to the high cost performance of Xiaomi products, there are often situations where the goods cannot be grabbed. Through market research, this article found that 67% of respondents do not like this way of not being able to buy the products they want. Some consumers even believe that Xiaomi specializes in hunger marketing to

gain attention. While hunger marketing makes users have a fanatical demand for products, it also poses a big threat to Xiaomi's reputation. Especially users who have not been able to grab a mobile phone product often complain through social media, which affects Xiaomi's users' minds. In the image. Xiaomi's response to this is that it has never deliberately "hungry marketing", but the supply is far from satisfying the demand. If this is true, then Xiaomi's supply chain management needs to be continuously improved. From the early supplier distribution, to processing and assembly, and then to warehouse logistics and distribution, each link needs to be continuously optimized to achieve close coordination of all links.

3.3.3 Insufficient degree of differentiated marketing

Compared with international mobile phone brands such as Apple, Samsung, and Huawei, Xiaomi entered the European market later. Although Xiaomi's market share in Europe ranks second in 2020, it is far behind Samsung, which is the first. The total sales volume of smartphones in the European market in 2020 is very low, so the sales data in 2020 does not prove that Xiaomi has well developed the European market. Xiaomi's market popularity and user base are lower than those of its competitors. In the marketing process, Xiaomi chose to replicate the successful Internet marketing method in the Chinese market to the European market. This will inevitably lead to inappropriate situations due to different market conditions. Although Xiaomi is actively cooperating with European operators to promote mobile phone products through contract machines, there is still a big gap compared with domestic brands such as Samsung, Apple and Huawei. In terms of promotion, Xiaomi is not even as good as REALME in Europe.

[41]

3.3.4 Advertising content is not rigorous enough

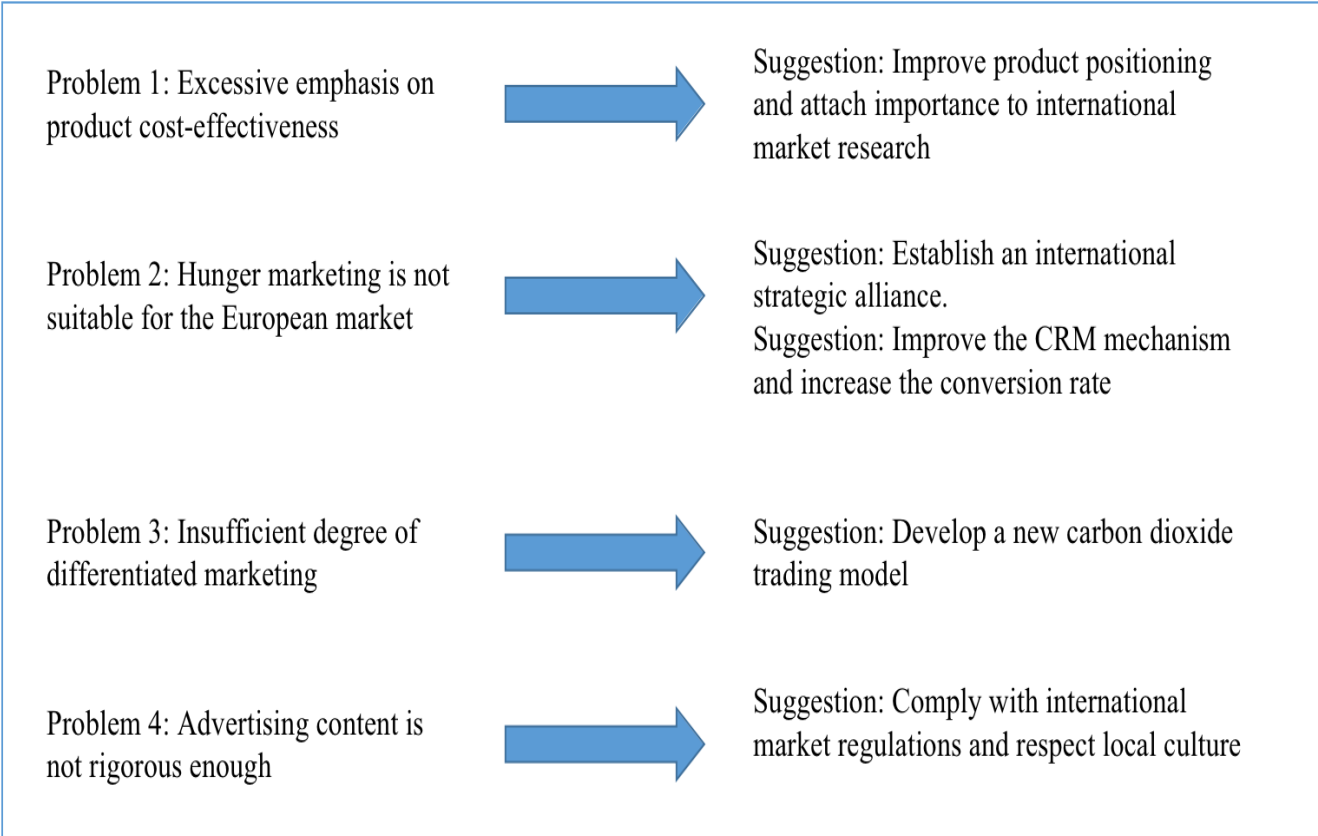
Xiaomi's advertising content in the international market is also not rigorous enough. In June 2020, a video advertisement of Xiaomi in Japan caused Xiaomi to fall into a huge controversy. Xiaomi released a video ad in Japan to promote the fast charging performance of the Redmi Note9 series. In the video, the white man exploded in the air after eating fat, forming a "mushroom cloud" picture, which aroused the resentment of Japanese netizens. The images of "mushroom cloud", "white man" and "fat man" are reminiscent of the images put on by the United States in Nagasaki during World War II. The atomic bomb was named "Fat Man". After arousing great disgust from Japanese netizens, Xiaomi International has removed the video and issued an apology on Xiaomi's official Twitter. According to Xiaomi's official public response, the video was made by an overseas outsourcing company. This article believes that this is a problem in the details of marketing. Whether it is an outsourcing company or a video produced by Xiaomi itself, Xiaomi should perform a review of the content and its partners.

In fact, this is not the first time Xiaomi apologized for marketing and advertising issues in 2020. On April 24, 2020, the vice president of Xiaomi Group released a Weibo and forwarded it to Twitter and Facebook simultaneously. This advertisement promotes the telephoto camera function of the upcoming Mi 10 Youth Edition. However, due to improper copywriting and suspicion of vulgar marketing, the majority of netizens resisted. Then Xiaomi's vice president deleted the advertisement. The words in this

advertisement, such as basketball court, examination papers, and girls' dormitory, have been given other meanings. Under pressure from public opinion, Xiaomi issued an apology for this incident on April 26.

3.4 Suggestions for Xiaomi International Marketing

In Picture 3.1 you may see summary of conducted analysis.



Picture 3.1 - Problem and Suggestion

3.4.1 Improve product positioning and attach importance to international market research

In Western Europe, which is a concentrated market in developed countries, consumers have generally higher income levels, and users pay more attention to brand and product experience. Therefore, the low-price strategy adopted by Xiaomi has not

achieved obvious results in the European market. Although Xiaomi's smartphones are divided into different grades such as basic, mid-range, high-end, and flagship. The original intention is to meet the needs of different consumers. But in Western Europe, whether it is per capita income level or consumer values. Both tend to have a better brand and experience. Based on this, Xiaomi's main products in the Western European market should be high-end and flagship smartphones, such as the flagship Pro series. At the same time, Xiaomi should establish offline experience stores in countries that have not yet opened Mi Homes. Countries like the United Kingdom, France, Germany, and Russia do not yet have Mi Homes. This kind of experience store not only sells Xiaomi mobile phones, but also other electronic goods, including smart speakers, electric scooters, Xiaomi sports bracelets, smart home products, etc. Xiaomi needs to use these high-quality derivative products to enhance the brand's level in the hearts of Western European consumers. Then improve the brand image, thereby promoting the further development of Xiaomi in the European market.

There are obvious differences in consumer preferences in different markets. Only by clarifying its product positioning and comprehensively analyzing the import policy, traditional culture, consumer preferences and business environment of the target country, can the company accurately determine the degree of matching between the product and the user's needs, and thus precision marketing. Generally speaking, the markets of Eastern European countries are more sensitive to prices, and consumers in Western Europe are more concerned about the experience and feelings of mobile phones. Xiaomi has a total of 4 brand series. In Eastern European countries, Xiaomi

should focus on some products of the lower-priced Redmi series. This series of mobile phones have the advantages of large battery capacity, good operating experience, and low price, which meet the needs of Eastern European consumers.

Before Xiaomi decides to enter the market of a certain European country, it must carefully investigate the marketing environment and market conditions of the market. It is necessary to carefully analyze the economic, political, and social environment of the target market, conduct an in-depth analysis of the preferences of local consumers, and pinpoint its own brand positioning. The economic situation and market environment of different regions are different, and blindly following the trend and forcibly entering the market may cause heavy losses to enterprises. In the choice of overseas markets, Xiaomi has successfully developed the Indian market by combining its own cost-effective advantages and consumer demand in the Indian market. It should be on this basis to conquer other overseas markets. After entering the overseas market, companies still need to conduct timely and continuous market research and market analysis based on actual product sales, pay close attention to changes in the international market, and adjust marketing strategies and methods in a timely manner according to the marketing situation and the international environment. At the same time, companies should pay close attention to the political environment and laws and regulations in overseas markets to reduce marketing risks in overseas markets.

Market changes are related to the destiny of enterprises. Currently, 75% of large international high-tech companies have established market research departments. Xiaomi needs to set up a dedicated European market research department. Prior to the

implementation of major decisions, Xiaomi can entrust specialized research institutions to conduct industry analysis and market research, so as to implement precise business strategies. After gaining a firm foothold in the European market, Xiaomi should closely follow the trend of changes in the macro environment based on the actual sales of its products, continue to follow up market research, and adjust product positioning and consumer positioning in a timely manner to adapt to the market.

3.4.2 Establish an international strategic alliance

In the early days of developing the European market, Xiaomi's inattention to intellectual property and patent protection caused a great negative effect on the Xiaomi brand. Therefore, Xiaomi must attach importance to the research and development of its own intellectual property rights and increase its investment in research and development funds. But Xiaomi currently has fewer patents in stock. In this case, Xiaomi can establish strategic alliances with technology giants in overseas markets to avoid many unnecessary international disputes. International strategic alliance is a cooperative relationship established by two or two upper enterprises in order to make up for their disadvantages, enhance their competitive advantages, share risks, and achieve common goals. It can quickly open up new markets, acquire new technologies, increase productivity, reduce marketing costs, seek strategic competitive strategies, and seek additional sources of funding.

Xiaomi's team culture and partner structure partially lack the innate awareness and ability to deploy overseas. As the founder, Lei Jun is a typical Chinese business elite. Although other partners have experience in multinational companies, their main

business processes are still in China. More importantly, most of Xiaomi's partners were formerly in IT software. The characteristics of the software determine that these people do not need too much contact and establish channels and supply chain relationships. This problem has affected Xiaomi's earliest sales model choice, and it also means that Xiaomi not only has a weak channel relationship in China, but also has no channel foundation abroad.

Huawei's communications equipment business has been operating in Europe for many years, and Huawei's mobile phone shipments in Europe once surpassed Samsung in 2019. Huawei is very experienced in controlling distribution channels and supply chains. Xiaomi can sign a strategic cooperation agreement with Huawei. The agreement stipulates that the future cooperation between the two parties will focus on cloud service support, personal computer equipment, artificial intelligence and other aspects. And further integrate Huawei's cloud computing, 5G and other technologies with Xiaomi mobile smart devices. Since most of the accessories of Xiaomi mobile phones overlap with Huawei, Huawei's supply chain channels can be borrowed to improve Xiaomi's own supply chain and sales chain.

3.4.3 Improve the CRM mechanism and increase the conversion rate

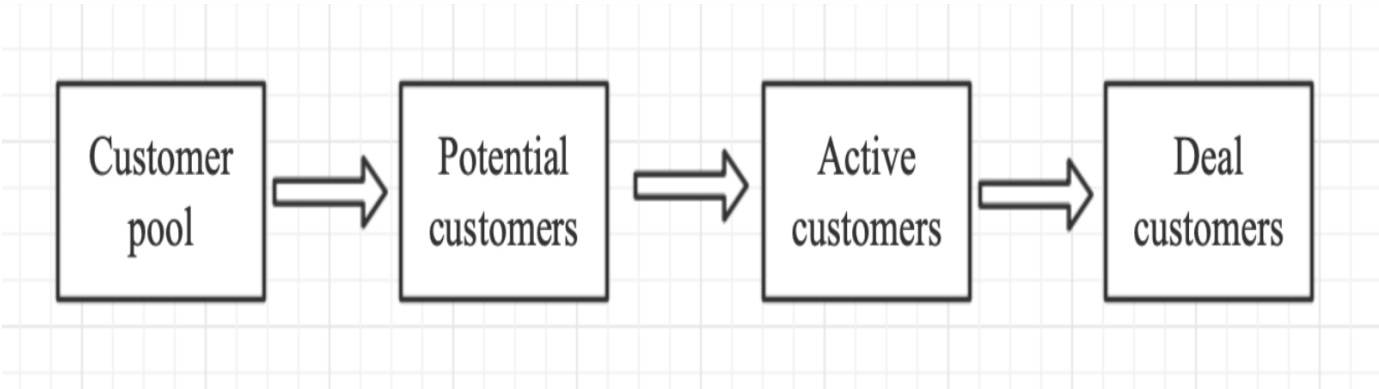
Xiaomi needs to open 30 new offline experience stores in the European market within six months. The long-term goal is to open offline experience stores in cities with a population of more than 1 million in Europe. Xiaomi's autonomous online platform is Xiaomi Mall, but it has not yet opened the booking and sales functions. Xiaomi should open an online sales platform as soon as possible. In this way, it will not be restricted by

the advertising and price of third-party platforms such as Amazon. After perfecting online and offline stores. It is necessary to improve the corresponding Customer Relationship Management (CRM) mechanism. To increase the conversion rate of potential customers.

Conversion rate calculation formula:

- 1. Payment conversion rate = the number of people who bought the product/the number of visitors * 100%
- 2. The conversion rate of potential customers = the number of people who bought the product / the number of potential customers * 100%

According to the requirement of increasing the conversion rate, this article provides optimization suggestions for Xiaomi's CRM system. And specially developed a workbench for each salesperson, highlighting each link of sales conversion, and dividing Xiaomi's entire sales steps in order:



Picture 3.2 - Sales steps

Customer pool is all the people who have accepted Xiaomi's advertising, and their numbers are huge. Potential customers are those who need to send information regularly

to increase their purchase intentions. Active customers are those who take the initiative to pay attention to Xiaomi's advertisements and have strong purchasing intentions. Deal customers are those customers who have purchased Xiaomi products. The goal of Xiaomi's CRM system is to transform those in the Customer pool into deal customers step by step. To do this, it is necessary to increase the conversion rate between each link.

In the CRM system, the first is to add three additional states: active follow-up, potential follow-up, and abandoned. This corresponds to the sales conversion link. [42]

Active follow-up refers to customers who have the intention to buy but have not made the payment due to the need to shop around or other reasons. Such customers can be converted into single status or placed back into Potential customers. Such customers need Sales staff often pay attention to and actively promote customers to purchase products.

Potential follow-up refers to potential users. Such users have purchase intentions but have not obtained enough product information or the advertising rate is relatively low. Such customers can be converted into Active customers or put back into the Customer pool. When returning to the client pool, the system will mark his status as: Abandoned.

Customers in the Customer pool are all customers to be allocated and processed. The first thing the CRM system needs to do is to allocate the customer resources here to different sales. The sales will get the information of these customers, but at this time the status of the customer is still unknown. The first thing the sales needs to do is to give the customer a return visit to determine whether the customer is a potential customer. If it is a potential customer, change their status to a potential customer. If it is not, it is

directly marked as abandoned, and the purpose of saving time has been achieved.

3.4.4 Develop a new carbon dioxide trading model

Carbon trading means the trading of greenhouse gas emission rights. Among the six greenhouse gases required to be reduced in the 1997 "Kyoto Protocol", carbon dioxide is the first. Therefore, the trading of greenhouse gas emission rights is calculated based on each ton of carbon dioxide. Under the premise of total emission control, greenhouse gas emission rights, including carbon dioxide, have become a scarce resource, thus possessing commodity attributes. In the United States, Tesla has already put "carbon trading" into practice. Since 2010, Tesla has earned nearly \$2 billion in revenue by selling federal carbon dioxide emission credits to automakers such as General Motors and FCA.

Xiaomi has joined China's carbon dioxide emissions trading system in China. If Xiaomi wants to make progress in European marketing, it can also join the European carbon dioxide emissions trading system. Trading of carbon dioxide emissions is mostly carried out at the company and national levels. And ordinary consumers did not participate very well. Because Xiaomi has its own financial system and has a deep strategic cooperation with Alibaba's Alipay. So, I designed a model for Xiaomi. It allows ordinary consumers to participate in the carbon trading system. This mode is temporarily named Mi Forest. The specific idea is as follows:

First, through Alipay and Xiaomi's own financial system, a carbon trading account is created for each Xiaomi mobile phone user. Mi Forest is a small game, it belongs to a public welfare project. Users only need to collect and accumulate certain green points in

the virtual game, and then they can plant a tree in the game. At the same time, the Xiaomi staff on the other side will be in the European desert area or the area where trees need to be planted. Plant a tree that belongs to you. The way to generate green points is also very simple, that is, through low-carbon living and green travel, they can be obtained. For example, if you walk 1,000 steps a day, or choose to take a bus instead of driving, you will get green points.

The Mi Forest model has three purposes. First, let users participate through tree-planting games, so that they understand what low-carbon emission behaviors are, and cultivate user habits step by step. Convert the green points accumulated by users into offline tree planting behavior. Second, refer to the internationally accepted voluntary emission reduction trading mechanism, carry out emission reduction project transactions, and encourage enterprises and individuals to purchase. Third, promote individual carbon emission reduction activities to form a nationally recognized methodology, and incorporate them into the type of European voluntary emission reduction projects, establish an account for individuals to participate in carbon dioxide trading, and participate in future carbon market trading and investment.

This model not only opens up a way for individuals to participate in international carbon dioxide trading, but also allows Xiaomi to accumulate carbon dioxide emission points for subsequent transactions and transactions. The biggest cost of Xiaomi is the establishment of an offline planting team, and this cost can be counted as a public welfare fund. Because planting trees is originally a kind of company's public welfare activities. This model not only gives customers a strong sense of participation in energy

conservation and emission reduction, but also greatly enhances Xiaomi's corporate image in Europe. It can improve Xiaomi's public relations very well.

3.4.5 Comply with international market regulations and respect local culture

In the process of international expansion, companies must pay attention not only to performance growth and brand influence, but also to risks. [43] Although the expansion of Xiaomi's international market has brought considerable economic benefits, it has also increased the company's operating costs. It also exposes Xiaomi to many uncertain risks, such as market competition risks, intellectual property protection and other risks. Therefore, in the process of international expansion, companies complying with relevant laws and regulations in new markets (such as European value-added tax (VAT) policies, Russian antitrust laws, etc.) will increase the cost of conducting business in foreign jurisdictions. Sometimes, even if Xiaomi has implemented policies and procedures in accordance with laws and regulations, there is a possibility that employees, contractors or agents will violate relevant laws and regulations. Moreover, under certain specific circumstances, compliance with the laws and regulations of one country may also violate the laws and regulations of another country. If a multinational company violates local laws and regulations, it will inevitably have an extremely negative impact on the company's brand, international growth and business.

With the increasing internationalization of Xiaomi's enterprises, when products are distributed all over the world, when it comes to advertising and marketing planning, we must fully consider the cultural differences of various countries. This is the responsibility of a responsible enterprise. Don't blindly create content that humiliates

the country's culture or involves sensitive events, either intentionally or unintentionally, in order to gain eyeballs and clicks.

For the European market, Xiaomi's advertising and marketing model needs to be adjusted when it enters the European market. Although Chinese celebrities have a certain reputation in the international market, choosing local well-known artists will obviously be more accepted by consumers in the local market. For example, the choice of social media should be in line with the local situation in the European market. The coverage of social media such as Weibo and WeChat abroad is not particularly high, so the more popular local social networks, such as Twitter, Instagram, YouTube, etc., should be adopted. The spokesperson should also choose a celebrity that is more familiar and loved by European users. The endorsement fees of Chinese celebrities are too high, and the cost savings can be better transferred to consumers.

Summary

This chapter first analyzes the market segmentation, market positioning and target market of Xiaomi in Europe. Xiaomi divides the European market into Western Europe and Eastern Europe. Consumers in the Western European market have strong purchasing power, so Xiaomi's main products in this market are flagship and advanced products. The Eastern European market pays more attention to cost performance, so Xiaomi's main products in this market are high-end and mid-level products. Compared with its competitors, Xiaomi is not just a company that produces mobile phones. All of its products can be interconnected, that is, a mode of Internet of Things such as controlling smart home appliances through mobile phones. Xiaomi also

focuses on differentiated marketing and localized marketing. Its sales channels are mainly offline experience store sales and contract machine sales.

The two advantages of high cost performance and mature IoT model have enabled Xiaomi to establish a good brand image in the hearts of European consumers. This also gives Xiaomi mobile phones a good foundation for exploring Europe. But Xiaomi's international marketing strategy has also encountered many problems in Europe. Xiaomi has placed too much emphasis on the low price of its products, ignoring the quality and customer experience. Xiaomi's usual hunger marketing strategy has also been resisted. Differentiated marketing strategies are not well implemented in the European market. The quality of advertising is not rigorous enough. To this end, this chapter proposes a series of solutions. Including improving product positioning and paying attention to market research. Xiaomi and Huawei enter into a strategic alliance. Respect the differences in markets and cultures. Improve the CRM mechanism to increase the conversion rate. Develop your own carbon dioxide trading model.

CONCLUSION

A series of marketing measures adopted by Xiaomi mobile phones in the European market have effectively increased its market share in Europe. The advantages of high cost performance and the characteristics of intelligent interconnection with other household products have gradually established a good reputation and brand effect of Xiaomi among European consumers. This has also made Xiaomi mobile phones very popular in Europe, and their development speed has increased by leaps and bounds. However, there are many mobile phone brands in the European market, and many other mobile phone brands also regard the European market as their overseas target market. Xiaomi mobile phones are facing huge competitive pressure and need to further optimize marketing methods. Xiaomi mobile phones rely on the Internet marketing model to win in the Chinese market. If this model is copied to the European market, it may not have the same effect. Therefore, Xiaomi needs to formulate localized marketing methods in line with its own development in accordance with the current situation of the European market.

In the process of researching and analyzing Xiaomi's international marketing strategy, this article puts forward suggestions on differentiated services, improving product positioning, establishing strategic alliances, and increasing conversion rates to help Xiaomi better explore the European market. These suggestions are quantifiable and have a positive effect on the adjustment of Xiaomi's international development, business model, and foreign market expansion. In particular, Xiaomi's proposal to join the CO2 Trading Alliance was responded to by Xiaomi's marketing department. This article is

dedicated to realizing the comprehensive improvement of Xiaomi's market economy and market share in the European market.

From Xiaomi' s European marketing strategy research, this article draws the following conclusions:

1. International marketing strategies need to pay attention to differentiation and localization. In the process of formulating marketing strategies and plans, any company needs to combine its own development status and local market conditions to carry out multi-level development of international marketing strategies. Can not completely copy the successful model in other markets. For different markets and consumers, different flagship products and marketing plans are required. In the marketing process, attention should be paid to localized marketing, and marketing channels and promotion methods that are highly acceptable to target users should be selected.

2. The Internet of Everything can effectively expand the derivative functions of products and stimulate consumers' desire to buy. And it has the potential of bundling sales. Compared with other mobile phone brands such as Samsung, Huawei, and Apple, Xiaomi mobile phones are unique in that they can be connected with other Xiaomi smart homes to jointly build an Internet of Things platform and control smart homes through mobile phones. As long as a customer purchases a certain Xiaomi product, he is likely to purchase other Xiaomi products because of the Internet of Things platform.

3. Enterprises should attach great importance to the role of market research when developing new markets. Including an advertisement and an event, market research is required. Respect the laws and regulations of the international market, and ultimately

the local culture and regulations.

4. There are no permanent competitors, only permanent interests. When the company's supply chain, sales channels, hardware technology, etc. in the international market are restricted. Alliance with competitors who have the same problems is definitely not a bad thing. Alliances between companies and competitors can complement each other and help companies gain a foothold in the international market.

5. In the development of the company, it pays more attention to the establishment of brand effect and the research and development of core technologies. Chinese companies are on the rise, but most Chinese brands are still subject to foreign control of core technologies, and they can only do some basic assembly work in China. On the other hand, Chinese mobile phone brands focus on cost performance in foreign markets, but their core competitiveness and innovation are far from adequate.

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