How Marketing Strategy Empowers Brand Effectiveness: A Comparative Study of Xiaomi Mobile Phones and Huawei Mobile Phones

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Abstract. Under the background of the vigorous development of mobile communication technology and the strong demand of the business in China's smartphone market, the brand power of domestic mobile phone brands is also increasing, and a large number of excellent domestic mobile phone brands such as Huawei, Xiaomi, VIVO, OPPO and so on have emerged under this background. However, in the high-end market, the iPhone still occupies most of the high-end market in China, and only Huawei briefly surpassed it in 2019 among domestic mobile phones. Therefore, in terms of domestic mobile phones, only Huawei's high-end products can compete with Apple, among many domestic mobile phones, Xiaomi's configuration belongs to the first echelon, but it has never been able to enter the high-end market like Huawei and Apple. In this context, this paper will use the literature analysis method and the process tracking method in case studies to explore the reasons why Xiaomi mobile phones failed to hit the high-end market from the perspective of marketing strategy, and conclude that Xiaomi's failure to hit the high-end market was the result of its failure to change its marketing strategy according to market conditions and brand power, and then concluded that marketing strategy has a huge impact on the empowerment of brand effectiveness.

Keywords: Marketing strategy, brand effectiveness, brand image.

1   INTRODUCTION

As mobile communication technology enters a new era of technology, mobile devices have also undergone tremendous changes and progress. It was initially a simple communication tool at the beginning. However, it has gradually developed into a device that integrates audio, video, entertainment life guidance, and other functions. Meanwhile, the establishment and improvement of the IOT platform and the practical application of smart home theory also provide the basis for its technology. According to Deloitte's statistics in 2023, the estimated data released in 2023 shows that by the end of 2023, global smartphone sales will reach 1.85 billion, an increase of 180 million units compared to 2018, of which 180 million units will be sold for more than $8,000.

As a consequence, Mobile devices have a broad market and considerable profits. At the same,   time as the rise of the digital economy, a new form of marketing of community marketing also emerged, and the theory of community marketing emerged. Based on the reality of the rise of the digital economy and the theory of community marketing, if a company adjusts its marketing methods according to products and markets in the early stage, whether the market positioning of the products brought by its marketing methods inside and outside the company will have a brand power impact on the transformation and upgrading of the company's product positioning in the future. Therefore, the difficult problem that this study hopes to solve is that the initial positioning has formed a brand effect in the market, but the formed brand effect hinders the positioning and upgrading of the later product, this research is of practical significance, and the ultimate research goal is to determine how to develop the right marketing strategy to promote the growth of product effectiveness. This paper mainly adopts the literature analysis method and the process tracking method in case studies, and further discusses and analyzes this problem through the research analysis of predecessors in this field.

2   LITERATURE REVIEW

Research on the marketing methods of smartphones in China is now mainly focused on the strategic research of the customer side. According to its characteristics, it can be divided into product marketing strategy and product use and maintenance strategy. In terms of product marketing strategies, there are mainly community marketing theories, that is, the use of Internet platforms to connect people together to form one or more community groups, so as to achieve the purpose of broadening the group of users and maintaining users. The earned model in the POE media delivery model uses third-party social media or e-commerce platforms to broaden the sales channels of products through likes and recommendations from others [1]. A flash sale model, in which a specific version is designed, and the existing group of customers feels treated differently to increase their loyalty to the brand [2]. Hunger marketing strategy, which means, in the early stage of product release reducing the circulation of products in the market, so as to observe the market trend and formulate subsequent marketing strategies. Differentiation strategy, even if its own product is significantly different from other products to gain an advantage [3]. In the aspect of product use and maintenance strategy, open innovation in the innovation strategy, so that its products have always remained consumer-oriented, continue to absorb consumer opinions to improve products and win the love of consumers [4]. The academic community has mainly studied from the perspective of its external marketing methods and other methods and product development strategies, which mainly demonstrates the positive externalities of the correct marketing strategy on the product in terms of entering the market and selling. However, it has not been discussed whether the marketing strategy formulated according to the product characteristics and market in the early stage of a product will have a shackling effect on the future market positioning of the product and the upgrading of the positioning of subsequent products.

3   BRAND CONCEPT

"Born for You", Burn for MI is the initial concept of Xiaomi products and one of the important company cultures of Xiaomi company. "Born for You", Burn for MI means that Xiaomi's product is designed for fancier which means someone who has great passions in some areas. Xiaomi has been able to become one of the giants of China's smartphone market and the youngest Fortune 500 company in less than a decade, not just because of the times. It is tightly relevant to the concept of its products, which are "Born for You", Burn for MI, and Make everyone enjoy the Fantasy of Technology. Its best product Xiaomi 6th was developed based on the concept of "Born for You", Burn for MI. With the software advantages of a self-developed MIUI system and high hardware conditions, it successfully opened up the Chinese smartphone market that was monopolized by Samsung and Apple at that time. Its main cost-effective product strategy attracts many technical personnel, because its products focus on high configuration, technical personnel have a high understanding of the mobile phone parts themselves and whether the mobile phone is configured, so they can look at the product with more rational logic. Therefore, the target group of Xiaomi phones at the beginning of entering the market is those technology enthusiasts who are oriented to the core path of the ELM model. Another reason that allowed it to occupy the Chinese smartphone market in the early stage is its initial low pricing, which attracted a large number of students and other groups with insufficient spending power.

3.1   Broaden the Market

After Xiaomi successfully entered the smartphone market, it focused on the in-depth mining of the TOC end and the improvement and upgrading of products. In terms of product improvement and upgrading, Xiaomi chose to build its own ecological interconnection system, launched a variety of intelligent interconnection devices, greatly enhanced the applicability of mobile phones, and due to the development of Internet technology, Xiaomi's mobile phones and home appliances such as lights and TVs can also be perfectly interconnected, which enhances the functionality of Xiaomi's mobile phones as a mobile phone.

In terms of marketing at the TOC end, Xiaomi can be mainly divided into two aspects: internal and external. Internally, it mainly uses the theory of community marketing to develop the Xiaomi community, so that users can widely participate in the improvement of Xiaomi equipment and the update and maintenance of software systems so that old users can form a Xiaomi-centered community to achieve the purpose of retaining and revitalizing old users. Externally, the POE advertising model is mainly used, and search engine publicity and various paid advertisements are widely used on the eve of the release of the new machine, as well as the promotion of Xiaomi's own social platform accounts. During the selling process, the method of hunger marketing is used in the new machine release process, and a smaller number of products are released at the beginning to stimulate consumers' desire to consume. At the same time, in terms of sales channels, Xiaomi mobile phones have always adhered to e-commerce sales channels as the main channel and attracted consumers to buy the product through

subsidized low prices on various e-commerce platforms [5]. Within Xiaomi company, there are also different ways of publicizing products with different positioning and pricing. For products for women, it will adopt the method of celebrity endorsement, and at the same time, more attention will be paid to the camera function and the appearance design of mobile phones in product design. For the core path-based group, hardware stacking and system upgrades are adopted.

3.2   Hit the High-End Market

With the US-China trade war and Huawei's sanctions on its inability to produce its own chips, a large percentage of China's smartphone market has been vacant. Major domestic smartphone companies began to take over the market share left by Huawei ambitiously. After a long period of accumulation of products and users, Xiaomi has also put forward the slogan of "benchmark against Apple, hit the high-end". However, Xiaomi's three shocks into the high-end market since 2020 have not been successful. The reasons for its failure to hit the high-end market are mainly hardware reasons and marketing strategies. The hardware reason is mainly: Xiaomi does not have the ability to independently develop chips, and can only rely on the Snapdragon chip provided by Qualcomm, but the Snapdragon 888 and Snapdragon 888+ launched in 2020 and 2021 respectively have huge problems in process and manufacturing, resulting in serious hot in mobile phones. The most important aspect of technology is also because it also uses outsourcing as the main form in terms of parts, and lacks core competitiveness [6]. Another problem is the marketing strategy of Xiaomi mobile phones. First of all, Xiaomi phones have a huge problem with pricing, due to the low pricing of their products, which has led consumers to form the stereotype that Xiaomi phones are inferior to the same competitors in the market due to their lower pricing. This has had a negative impact on Xiaomi's brand image. Also, the initial product positioning in order to save costs also had a negative impact on Xiaomi's impact on the high-end market. From the perspective of the whole process of marketing, in the sales part Xiaomi mainly uses Internet media advertising, and its publicity has not formed an effective publicity specifically for high-end consumer groups. In the after-sales service process, Xiaomi has outsourced most of its after-sales service, which has also led to uneven after-sales service levels, which will also make consumers have a negative perception of Xiaomi products. In terms of differentiation and innovation, Xiaomi is different from Huawei and has its own self-developed Kirin chip, which also causes Xiaomi to not have any differentiated advantages among competing products in the high-end market, so it is difficult to stand out.

4   HUAWEI'S STRATEGY TO HIT THE HIGH-END MARKET

Since Huawei's main business is the TOB business, only Huawei's consumer business is on the C side. As a consequence, in this part, the TO C side will be discussed. In the aspects of hardware equipment, Huawei has invested a lot in research and development

to have its own self-developed chip SOC, the Kirin chip, and because it controls most of the communication technology, this also brings hardware technical support to Huawei's mobile phone, which makes its products themselves different from products on the market except Apple. At the same time, Huawei has always controlled its core parts while using the global supply chain to supply components for it, which has achieved Huawei's status as a scientific research and innovation company and laid the technical foundation for its product differentiation [7]. In the aspect of product positioning, Huawei also divides its own products into three product lines: medium, high, and low, but Huawei mainly focuses on the publicity and research and development of high-end mate series.

In the aspect of price, Huawei is constantly increasing the price of its products while empowering its own product research and development, which caters to consumers' "the more expensive the better" mentality, and virtually establishes a brand image of high-end products for Huawei in terms of brand image. In the aspect of sales strategy, Huawei adopts a combination of online sales and stores. Meanwhile, With the help of modern Internet technology, Huawei's organizational structure has been further optimized, and the optimized team has also provided solutions for subsequent optimal strategies in the field of marketing strategies [8]. Huawei has also launched differentiated product positioning and launched the MATE Porsche series to cater to groups with stronger consumption power.

5   COMPARATIVE ANALYSIS OF MARKETING STRATEGIES

Huawei and Xiaomi are hugely different in product positioning. The positioning of Huawei mobile phones has always been positioned to hint the high-end. In the process of rising product power of its own products, Huawei is also constantly changing its pricing and publicity strategies, for example: raise the price to a price close to the price of mobile phones such as Apple and Samsung, and more publicizing the biggest advantages of their products - self-developed SOC, Kirin chip. However, Xiaomi mobile phones in this regard are still based on the slogan of cost performance as propaganda, which inevitably makes consumers think the product strength of Xiaomi products is insufficient, so they have to take the price as their own market advantage stereotype. It also further lowered the brand image of Xiaomi's mobile phones, making it unable to smoothly impact the high-end market. In the aspect of differentiated competition, Huawei has its own Kirin SOC, while Xiaomi mobile phones can only use the Snapdragon chip developed by Qualcomm in the United States, and Xiaomi's products do not have differentiated advantages compared with other competing products. In terms of after-sales service, Huawei products also have huge advantages, and the poor after-sales experience of consumers caused by Xiaomi's outsourcing after-sales has become a major disadvantage, which is one of the important reasons why consumers cannot highly recognize Xiaomi. At the same time, the hunger marketing strategy that Xiaomi has been pursuing also has a lot of risks, because Xiaomi's supply chain often has a shortage of dilemma, so when Xiaomi cannot provide consumers with the originally

promised products, then consumers will switch to other mobile phone products, which will also have a huge impact on Xiaomi's brand image [9].

6 THE PRINCIPLE OF MARKETING STRATEGY EMPOWERING BRAND EFFECTIVENESS

The marketing strategy achieves the improvement of product awareness through the promotion of product positioning, but only the correct marketing strategy can achieve the positive effect of the marketing strategy to correctly empower the marketing effectiveness. Hence A correct and comprehensive marketing strategy can provide a correct empowerment path and effect for the product. Only the right marketing strategy can establish a positive brand image for the product, so as to enhance the consumer's perception and stickiness of the brand. The right marketing strategy can also provide the right consumer data and market data, so as to promote product reform and upgrading, and then promote the product to further adapt to the development of the market. The formation of a brand's brand power is not only its initial sales stage, but also its after-sales service stage is inseparable, and the adoption of more active after-sales service can greatly retain old users. The right pricing strategy can determine the differentiation position of the product in the market, thereby improving the competitiveness and recognition of the product. Effective brand design and advertising can convey the values and corporate culture of the enterprise and can promote the promotion of the brand and the company's popularity. Suitable channel publicity can also promote the products and services themselves to effectively reach consumers, and achieve the rapid delivery effect from the sales end to the consumer end. Sales strategy will also have a huge impact on the sales of the product, and will also have a different impact on the brand image of the product. Marketing strategies that respond to market demand can have a positive impact on products and boost sales. Sales strategies that fail to respond to market demands can have a negative impact. From the perspective of the whole process of marketing, the analysis and acquisition of market data in the early stage of marketing can help the positioning of products and the formulation of subsequent marketing strategies, which in turn affects the empowerment effect of the brand. The formulation of sales strategy in the sales process also depends on the changes in the market and the characteristics of the product, and the marketing strategy formulated according to the changes in the market can correctly respond to the market and expand the brand effectiveness of the product. Therefore, the choice of marketing strategy and changes will have a huge impact on the expansion of brand effectiveness of subsequent products. Solving the hindrance of subsequent product upgrades caused by the lack of marketing strategies can only be achieved by continuously improving product strength and changing marketing methods. For example, target the product to business people with high spending power, and change the function and operation mode of the product according to their needs. Separate high-end product lines from low-end and mid-to-low product lines to create different products. Improve the quality of after-sales service and provide differentiated services for high-end user groups. The most important thing is to improve its own product strength, and then achieve a breakthrough from low-end to high-end in

terms of products. Therefore, in the context of today's digital era, the traditional fixed marketing strategy can no longer meet the needs of society, and enterprises must rely on consumer needs and social needs to scientifically optimize their marketing strategies [10-13].

7   CONCLUSION

The research results of this study are: Xiaomi mobile phones failed to successfully hit the high-end because they failed to change their own marketing strategies and product positioning according to the current market status and brand image, resulting in the brand image formed in the minds of consumers and the market, which is a low-end product with low cost and poor quality. From its marketing strategy, differentiation strategy, and after-sales service, it can also be clearly seen that there are big problems in the whole process of its marketing, that is, everything is about reducing costs rather than serving consumers. Based on this, it can be further concluded that the marketing strategy of a product will have a huge impact on the brand effectiveness of the product itself, especially the initial publicity strategy of the product and the quality of the marketing process such as brand image construction and after-sales service. This study provides valuable reference significance for future research in this direction, mainly affecting the research on whether marketing strategies at different times will have an impact on brand effectiveness. Future research should focus more on the impact of marketing strategy on brand effectiveness from a time perspective.

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