Proceedings of ICMRED 2025 Symposium: Effective Communication as a Powerful Management Tool
DOI: 10.54254/2754-1169/2025.BL23677

Analysis of Xiaomi Auto's Marketing Strategy

Tongyue Mao

Brunel College London, North China University of Technology, Beijing, China
2281376@brunel.ac.uk

Abstract: This study analyzed Xiaomi's innovative marketing strategy for entering the fiercely competitive electric vehicle market in China as a cross-border enterprise. This study focuses on Xiaomi's unique "hardware + software + ecosystem" approach, exploring how the company can leverage its existing brand user loyalty, CEO personal IP marketing, and intelligent ecosystem synergy advantages to achieve differentiated competition among traditional car companies and industry leaders such as Tesla. Research has found that Xiaomi has achieved significant results through high cost-effective pricing strategies, user centered experiential marketing, and seamless connectivity of smart devices. However, it also faces key challenges such as insufficient production capacity, safety concerns caused by the SU7 fire incident in April 2025, and a lack of large-scale testing of its intelligent driving system in real road conditions. Research shows that Xiaomi's original Internet marketing model provides valuable experience for cross-border enterprises, but its long-term competitiveness depends on solving quality control and expanding production capacity. These findings contribute to understanding the new trends in the marketing of new energy vehicles, where ecosystem integration and user experience are becoming decisive competitive factors.

Keywords: Electric Vehicle Marketing, Ecosystem Strategy, User-Centric Innovation, Pricing Competitiveness, Intelligent driving system

1. Introduction

1.1. Background

With the rapid development of the global new energy vehicle industry, China has become the world's largest electric vehicle market, accounting for over 60% of global electric vehicle sales in 2023. This growth is mainly due to China's policy driven and sustained subsidies for new energy, as well as consumers' increasing emphasis on smart technology. In this context, cross-border car manufacturing by enterprises has become a new trend in the industry. As a company with a user base of 500 million MIUI, Xiaomi officially entered the new energy vehicle market in 2024. However, in the competitive situation where Tesla and BYD have already occupied 35% of the market share, Xiaomi Automobile, as a latecomer in the market, faces multiple challenges such as consumer doubts about the safety of cross-border enterprise car manufacturing and fierce market competition. Existing research mostly focuses on the marketing strategies of traditional car companies such as Tesla, while there is still a lack of research on how cross-border enterprises can use ecological advantages and CEO personal IP to achieve differentiated competition.

DOI: 10.54254/2754-1169/2025.BL23677

1.2. Related research

Previous studies have explored various aspects of marketing strategies in the electric vehicle (EV) industry, particularly focusing on policy support, ecosystem integration, and consumer behavior. Shanahan et al. (2019) empirically demonstrated that personalized social media engagement significantly enhances brand loyalty [1]. Similarly, Rong et al. (2017) analyzed EV business ecosystems across China and Europe, revealing that latecomer manufacturers in emerging economies strategically organize their ecosystems through vision development, platform integration, and institutional reconfiguration to achieve competitive differentiation [2]. Shih et al. (2014) examined Xiaomi's fan-centric social media model, demonstrating how the company successfully engaged young consumers through co-created marketing content and developed a business model with fan demand as its core strategy [3]. Consumer preferences in the electric vehicle market have also been investigated. Liao et al. (2016) conducted a comprehensive literature review on the adoption of electric vehicles and found that factors such as technological attributes, purchase prices, and infrastructure attributes have always been key determinants of consumer preferences in multiple markets [4]. Meanwhile, Liu and Kokko (2013) analyzed China's new energy vehicle industry structure, highlighting how state-led industry alliances between automakers, universities, and research institutes were strategically formed to balance collaboration and competition in this policydriven market [5]. Li et al. (2016) analyzed the evaluation of Chinese consumers on new energy vehicle policies through a four quadrant model and found that the importance scores of technology support and infrastructure policies were high (mean 4.43 and 4.298), but the satisfaction level was low (mean 1.77), reflecting consumers' concerns about technology maturity [6]. Zhao et al. (2025) analyzed survey data from 510 Chinese consumers and found that all five experiential marketing dimensions (sense, feel, think, act, and relate) significantly positively influence both experiential value and green purchase intentions for electric vehicles, with experiential value mediating this relationship [7]. Zhang et al. (2017) conducted a comparative analysis of China's electric vehicle policy and international practices and found that China's electric vehicle policy mechanism needs to be improved. They suggested adopting incentive measures targeted at specific regions to encourage the production and purchase of electric vehicles [8]. Wu Zhao and Lei Yi (2022) analyzed Xiaomi's IoT ecosystem development and found that the company successfully established itself as the first global IoT smart home hardware provider by implementing an "investment + incubation" model through its Smart Hardware Eco-Chain Business Unit [9]. Fan et al. (2025) conducted a comparative analysis of China's incentive policies for electric vehicles and found that although fiscal incentives play an important role in the initial market, sustained industry development ultimately depends on technological progress to reduce production costs and improve product competitiveness [10].

1.3. Objective

This study aims to analyze the innovative marketing strategies of Xiaomi Auto as a cross-border car manufacturing enterprise, with a focus on three core objectives: firstly, to explore in depth the application effect of Xiaomi's "hardware + software + ecosystem" business model in the automotive field, especially how Xiaomi converts its 500 million MIUI users into potential car consumers; Secondly, evaluate the unique value of Lei Jun's personal IP marketing, including the impact of his approachable behavior on brand trust; Finally, in response to the challenges faced by enterprises in cross-border car manufacturing, such as insufficient production capacity and safety concerns, an open and transparent quality inspection process should be established, real data and popular science content should be used to eliminate consumer doubts, and membership benefits should be used to enhance user stickiness. By analyzing the marketing cases, user feedback, and competitors of Xiaomi cars, we summarize how Xiaomi has transformed mobile phone users into potential consumers of Xiaomi cars,

DOI: 10.54254/2754-1169/2025.BL23677

and analyze and evaluate the personal IP value of the company CEO, providing practical suggestions for cross-border enterprises to enter the new energy vehicle market for the industry.

2. Xiaomi's marketing and promotion strategy for automobiles

2.1. Intelligent experience and high cost-effectiveness

Xiaomi promotes its automotive business through its existing brand awareness and large loyal user base. Xiaomi emphasizes the seamless connection experience between its electric vehicles and existing smart products, such as the connection between smartphones and cars, and cross platform synchronization with smart homes. Through this brand recognition based marketing strategy, Xiaomi has successfully transformed existing mobile phone and home appliance users into potential consumers for purchasing cars. This advantage makes users familiar with Xiaomi products feel unique value. Although Xiaomi cars are priced relatively high compared to other electric car brands, their excellent intelligent experience and cross device collaboration capabilities provide users with a cost-effective choice that surpasses traditional cars.

2.2. User centered ultimate experience

In the field of automotive marketing, Lei Jun has redefined user service standards with a series of unconventional marketing techniques, making "don't compare marketing with Lei Jun" an industry consensus. The CEO who deeply understands Internet thinking has achieved the ultimate in "user experience": opening doors for car owners in person, serving as a driver for the first batch of car owners, one-on-one driving explanation, and teaching car operation hand in hand. Lei Jun has created a unique brand temperature with these ritual details. He has also become the 'Chief Product Experience Officer', building user trust in the most intuitive way by personally testing core functions such as winter range and autonomous driving. These innovations not only break down the barriers between car companies and users, but also make every car owner a "spokesperson" for Xiaomi cars.

2.3. Competitive pricing strategy

Xiaomi continues its consistent style of "high-end but affordable" pricing for cars, just like its strategy when selling smartphones and home appliances. Their electric vehicles are priced more competitively than similar products - offering high-end configurations at more affordable prices. In order to attract the first batch of buyers, Xiaomi has launched limited time discounts, such as free charging packages or additional services. The strategy of clear pricing is also in line with Xiaomi's image of "high cost-effectiveness", and it also provides flexible purchasing methods such as installment payments to lower the entry threshold. In this way, it can not only attract technology enthusiasts who pursue new technologies, but also attract ordinary consumers who value affordability, covering a wider range of car buyers.

2.4. Focusing on environmental protection and technology

Xiaomi mainly emphasizes environmental protection and technological innovation when promoting cars, highlighting the green advantages of electric vehicles and showcasing its progress in autonomous driving and intelligent connectivity technology. By emphasizing research and development investment and cooperation with leading suppliers, Xiaomi has enhanced users' trust in its technological capabilities. In addition, Xiaomi leverages its reputation in the smart home and AI fields to position cars as a mobile technology platform, attracting environmentally friendly consumers and technology enthusiasts. To solve the charging problem, Xiaomi actively cooperates with charging operators and energy companies to address consumers' concerns about the practicality of electric

DOI: 10.54254/2754-1169/2025.BL23677

vehicles. Not only does it ensure product quality, but it also eliminates users' concerns about the practicality of electric vehicles, helping Xiaomi quickly establish a foothold in the fiercely competitive new energy vehicle market.

3. Promotion comparison

3.1. Brand positioning

Although Xiaomi and Tesla are both technology companies transforming into car manufacturers, their brand positioning is completely different. Tesla is taking the global high-end technology route, focusing on disruptive innovation and elite image, and its prices are relatively high; Xiaomi, on the other hand, continues its positioning as a "national technology brand", emphasizing high cost-effectiveness and ecological connectivity, with a more affordable price. The starting price of Xiaomi SU7 is nearly 50000 yuan lower than Tesla Model 3. In contrast, Xiaomi has three major advantages in brand positioning: firstly, it understands Chinese consumers better, and after-sales service is Xiaomi's strength. Its promised "1-hour quick repair" service network covers the whole country, far exceeding Tesla's service response speed. Secondly, there is a strong ecological synergy, where buying a car allows you to enjoy the interconnected experience of mobile phones and home appliances; The third is a more approachable brand image. Xiaomi founder Jun Lei continues to create a "practical engineer type " persona, often interacting with fans through practical expressions on social media, which is in stark contrast to Tesla CEO Musk's controversial remarks. While Tesla is still using the grand narrative of "changing the world" to attract geek groups, Xiaomi has won the recognition of a wider range of consumer groups with better understanding of Chinese products and services. This differentiated brand positioning makes Xiaomi more competitive in attracting mass consumers and increasing user loyalty.

3.2. Marketing strategy

Xiaomi's Internet marketing ability is far superior to that of its peers, and its marketing cases can always lead to heated discussion on the whole network, which is hard for other brands to achieve. Taking "benchmarking against Porsche" as an example, this marketing campaign not only successfully shaped Xiaomi's high-end image, but also created a viral spread on social media. This is inseparable from the powerful influence of Jun Lei's personal IP. He personally tested the vehicle's functions and compared the marketing methods of luxury cars, creating one hot topic after another. This "boss personally endorsed" model has transformed professional and boring automotive technology into a popular topic of discussion among the public. In contrast, although Nezha Motors has also attempted to generate buzz through the IP linkage of the "Nezha" animation, this type of film and television IP cooperation has obvious limitations: on the one hand, the audience range is relatively fixed, and on the other hand, it is difficult to continuously generate fresh topics. Xiaomi can package professional automotive technology into social topics that ordinary consumers can understand and are willing to discuss. The ability to transform professional technical discourse into content that the public is willing to explore is also the core competitive advantage of Xiaomi's marketing.

3.3. Pricing strategy

The pricing strategies of Xiaomi and Krypton are essentially different, just like the thinking differences between Internet companies and traditional enterprises. Xiaomi, with its deeply rooted "high cost-effectiveness" brand image, has successfully shaped a more approachable market positioning. SU7 precisely entered the market with a starting price of 215900 yuan. Xiaomi sells cars with the idea of selling mobile phones, first setting prices relatively low to attract customers, and then

DOI: 10.54254/2754-1169/2025.BL23677

continuing to make profits through other services. For example, SU7 may be sold at a price close to cost, but profitable through subsequent software upgrades, smart home linkage, and other services. As a traditional car company, Jike's pricing method is more traditional. They will carefully calculate the cost of car manufacturing and price it with a reasonable profit margin. Although this is more secure, price adjustments are slower and require a lot of processes. Xiaomi values the long-term value brought by users' continuous consumption after buying a car, while Jike pays more attention to the current profit of each car. This mode allows Xiaomi to adjust prices at any time according to market conditions, which is very flexible.

3.4. Future development of new energy vehicles

In the future, new energy vehicles will develop towards three directions: intelligence, ecology, and service. Vehicles will evolve into mobile intelligent terminals, deeply interconnected with daily life scenarios, and develop a trend of obtaining stable income by providing continuous services. On the rapidly developing track of new energy vehicles, Xiaomi has demonstrated strong development potential with three unique advantages. Firstly, relying on the brand premium capability of Xiaomi's technology ecosystem, SU7 cleverly enters the mid to high end market with a pricing strategy starting from 215900 yuan, avoiding price wars in the low-end market and establishing a sustainable profit model through HyperOS system services and intelligent ecological interconnection. Secondly, the over 500 million MIUI user base provides Xiaomi Auto with a natural user base, and the conversion efficiency of this strong user base far exceeds the cost of acquiring users for traditional car companies. More importantly, Xiaomi has precisely targeted the urban consumer group in the price range of 200000 to 300000 yuan, using intelligent cockpit experience and technological ecology as differentiated selling points, rather than simply competing for range or performance parameters. This business model of "hardware+software+ecosystem" has given Xiaomi an advantage in the process of shifting from performance competition to user experience competition in new energy vehicles. Xiaomi was born for the 'intelligent era'. It redefines the intelligent travel experience with the mindset of a technology company, and is more in line with the future development trend of new energy vehicles in terms of ecological integration, user operation, and business models.

4. Challenge and solution

As a representative of cross-border car manufacturing by technology giants, Xiaomi Auto has attracted much attention since its release, but it also faces many challenges, especially the recent vehicle fire incident, which has impacted the brand image and consumer trust. Xiaomi Auto is currently facing four core challenges: firstly, the crisis of product quality and safety trust is quite prominent. Taking the SU7 fire incident that occurred in April 2025 as an example, videos of vehicles smoking and catching fire while driving have been widely spread on social media. This incident has received increasing attention from the outside world in recent days, triggering a public opinion storm about the safety performance of electric vehicle intelligent driving systems and the safety design of mechanical door locks. Although the official response stated that the preliminary investigation was caused by an external collision, it still raised doubts among consumers about the safety and quality control capabilities of the battery. The safety issues of new energy vehicles are extremely sensitive, and if not handled properly, they may have a long-term negative impact on the brand. The Tesla "brake gate" incident is a warning from the past. When a new technology is widely applied in daily life, it is inevitably subject to nationwide supervision. This kind of supervision is not only driven by public anxiety about safety, but can even become a driving force for companies to iterate their technology. Secondly, Xiaomi's car production capacity cannot keep up. Due to the fact that the factory has just started operating and production efficiency is still in the climbing stage, the monthly

DOI: 10.54254/2754-1169/2025.BL23677

delivery of vehicles is very limited, and many consumers who have placed orders have to wait for a long time to pick up their cars. If the bottleneck problem on the production side is not resolved in a timely manner, it will seriously affect Xiaomi's market performance and brand reputation. Thirdly, the market competition is extremely fierce, with brands such as Tesla, BYD, and AITO dominating the market. Xiaomi still needs to establish a differentiation advantage, while also dealing with the inherent consumer perception of its "cost-effectiveness" and the contradiction between SU7's pricing of over 200000 yuan to create high-end products and become a high-end brand. Finally, Xiaomi's intelligent and autonomous driving technology has not been fully validated by the market, and its "independently developed" intelligent driving system lacks large-scale testing in real road conditions, leading consumers to still maintain a wait-and-see attitude towards it. These challenges constitute a key bottleneck for the development of Xiaomi automobiles.

In response to the current challenges, Xiaomi Auto needs to adopt a multi-faceted and simultaneous response strategy. In terms of crisis public relations, for emergencies such as "vehicle fires", rapid response and transparent investigation must be achieved: a statement must be released through official channels in a timely manner, inviting the General Administration of Quality Supervision, Inspection and Quarantine or third-party organizations to intervene in the investigation, and publishing detailed technical analysis reports; If design defects are found, they should be immediately recalled or provided with free upgrades, and further services in related directions should be launched; social media resources should also be leveraged for positive communication, reshaping consumers' confidence in products through measured data and popular science content.In terms of brand building, the focus should be on strengthening the differentiated label of "technology + intelligence", creating the image of a "high cost-effective high-end car" through the high-end configuration and flexible solutions of the car itself, and fully utilizing the existing user base to launch exclusive rights. The field of intelligent driving still needs to accelerate technological upgrades and improvements. By collecting real driving data, more Xiaomi cars can be tested under real road conditions, using more accurate navigation maps and other methods to continuously improve the autonomous driving experience. The effective implementation of these strategies can help Xiaomi Auto gain an advantage in the fierce market competition.

5. Conclusion

This article focuses on analyzing Xiaomi's marketing strategy for automobiles. Research has found that Xiaomi has successfully shaped its unique market competitiveness through a differentiated positioning of "high cost-effectiveness + intelligent ecosystem", relying on brand base user loyalty and CEO personal IP marketing. Compared with competitors such as Tesla, Xiaomi has shown significant advantages in pricing strategy (such as SU7 starting price of 215900 yuan), user service (1-hour quick repair network), and ecological collaboration (mobile home car interconnection). However, as a cross-border car manufacturer, Xiaomi still faces challenges such as a crisis of trust in vehicle safety (such as the 2024 SU7 fire incident), insufficient production capacity, and a lack of practical road validation for its intelligent driving technology. To address these issues, the research suggests adopting a combination strategy of "transparent crisis public relations + data-driven technology optimization and improvement + user conversion". These findings not only reveal the competitiveness of the new business model of "hardware + software + services" in the digital age, but also indicate that the competition for new energy vehicles will shift towards "intelligent experience + ecological integration" in the future. For the industry, the important inspiration of Xiaomi's case is that cross-border enterprises need to deeply integrate their marketing advantages in existing fields with the characteristics of new products, while establishing a rapid response mechanism to address core challenges such as quality and safety. Subsequent research can focus on the conversion efficiency of user data in automotive marketing, as well as how short video platform algorithms can

DOI: 10.54254/2754-1169/2025.BL23677

affect the consumer decision-making path of new energy vehicles. These will provide new theoretical support and practical guidance for the digital transformation of the industry.

References

[1] *Shanahan, T., Tran, T. P., & Taylor, E. C. (2019). Getting to know you: Social media personalization as a means of enhancing brand loyalty and perceived quality. Journal of Retailing and Consumer Services, 47, 57–65. https://doi.org/10.1016/j.jretconser.2018.10.007*

[2] *Rong, K., Shi, Y., Shang, T., Chen, Y., & Hao, H. (2017). Organizing business ecosystems in emerging electric vehicle industry: Structure, mechanism, and integrated configuration. Energy Policy, 107, 234–247. https://doi.org/10.1016/j.enpol.2017.04.042*

[3] *Shih, C.-C., Lin, T. M. Y., & Luarn, P. (2014). Fan-centric social media: The Xiaomi phenomenon in China. Business Horizons, 57(3), 349-358. https://doi.org/10.1016/j.bushor.2013.12.006*

[4] *Liao, F., Molin, E., & van Wee, B. (2016). Consumer preferences for electric vehicles: a literature review. Transport Reviews, 37(3), 252–275. https://doi.org/10.1080/01441647.2016.1230794*

[5] *Liu, Y., & Kokko, A. (2013). Who does what in China's new energy vehicle industry? Energy Policy, 57, 21- 29. https://doi.org/10.1016/j.enpol.2012.05.046*

[6] *Li, W., Long, R., & Chen, H. (2016). Consumers' evaluation of national new energy vehicle policy in China: An analysis based on a four paradigm model. Energy Policy, 99, 33-41. https://doi.org/10.1016/j.enpol.2016.09.050*

[7] *Zhao, N., Nik Hashim, N. M. H., Kakuda, N., & Si, S. (2025). Charging the soul: Tailoring five experiential marketing dimensions to harness the appeal of electric vehicles for different psychological traits. Technology in Society, 82, 102902. https://doi.org/10.1016/j.techsoc.2025.102902*

[8] *Zhang, X., Liang, Y., Yu, E., Rao, R., & Xie, J. (2017). Review of electric vehicle policies in China: Content summary and effect analysis. Renewable and Sustainable Energy Reviews, *70*, 698-714. https://doi.org/10.1016/j.rser.2016.11.250*

[9] *Zhao, W., & Yi, L. (2022). Research on the evolution of the innovation ecosystem of the Internet of Things: A case study of Xiaomi (China). Procedia Computer Science, 199, 56-62. https://doi.org/10.1016/j.procs.2022.01.008*

[10] *Fan, H., Li, Z., Duan, Y., & Wang, B. (2025). Incentive policy formulation for China's electric vehicle market: Navigating pathways to sustainable mobility with a green premium analytical model. Energy Policy, 202, 114610. https://doi.org/10.1016/j.enpol.2025.114610*