

Marketing Strategy Analysis for Mobile Phone Brands Based on The Marketing Mix

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Abstract: Based on the 4p model, this paper analyzes the marketing strategies of mobile phone enterprises by taking Xiaomi and Apple as examples. The results show that Xiaomi mainly uses low - and medium-end mobile phones, closely connect with users through the network, and maintains its market share through its high-cost performance and high user stickiness. Apple, which focuses on high-end phones, provides users with high-quality services and high positioning to attract high-income groups to buy its products, which can serve as a reference for the marketing strategies of different mobile phone brands.

Keywords: marketing mix, marketing strategy, brands marketing.

1. Introduction

Under the influence of the epidemic environment, the economy is down, the mass income is down, and the sales of mobile phones are down year-on-year. Global smartphone shipments fall 9% in Q2 2022. The marketing requirements for enterprises are increased. Therefore, enterprises must have perfect marketing strategies to survive in the market environment, but different marketing strategies for mobile phone enterprises should be formulated according to the unique characteristics of enterprises. In this context, this paper studies Xiaomi and Apple, two representative enterprises in low-end mobile phones and high-end mobile phones, analyze how they develop marketing strategies, and puts forward suggestions for similar enterprises. Through the 4P model, both give full play to their product advantages and adopt different marketing methods, such as different ways of using hunger marketing, which produces different results. The next part of Section2 is the research and analysis of the 4p model by combing the literature. In Section3, the differences between Xiaomi and Apple in marketing are analyzed from four aspects: product, pricing, channel, and promotion. In Secton4, the conclusions are summarized, and suggestions are put forward for similar enterprises.

2. Related Literature and Contribution

This study applies the 4p model, known as the marketing mix, a classic and ever-living model in marketing. There are many scholars whose studies have applied the marketing mix and their research has enriched and developed theories related to the marketing mix. Work of Hanaysha, J. R. et. al provides a recent review of the marketing mix [1].

Yoo, B. et. al discusses the relationship between marketing mix and brand equity, noting that marketing of low-brand equity products tends to be characterized by low prices and relatively low marketing activities. Products with high brand equity have higher marketing expenditures and show higher store image, distribution network, etc [2]. Stokes, D. used in-depth interviews with entrepreneurs to understand successful entrepreneurs' perceptions of the marketing mix. His study noted that successful entrepreneurs target customers through a bottom-up elimination process rather than deliberate segmentation, targeting, and positioning strategies [3]. Meng, S. K., & Chatwin, C.; Kalyanam, K., & McIntyre, S. both consider the marketing mix in the context of e-commerce [4-5]. Kalyanam, K., & McIntyre, S. compare the differences between the marketing mix in a traditional environment and the marketing mix in an e-commerce environment. K. & Chatwin, C. discuss the importance of the marketing mix elements in e-commerce. Thabit, T., & Raewf, M. Analyzed the marketing mix on merchandising sales [6]. They pointed out that 1. promotion has a high impact on increasing product sales. 2. good distribution of products can have a positive impact on customer satisfaction. 3. the company's promotion policy has a positive impact on increasing product sales. Ismail M. et al. considered firm characteristics and comparatively analyzed the differences in marketing mix between small and large firms [7]. Sriram, K. V et al. analyzed the effect of marketing mix on consumer loyalty and popularity of e-commerce websites in the context of e-commerce. They found that popularity received the effect of the promotion method [8]. Mahendratmo, B. P. J., & Ariyanti, M. analyzed the effect of marketing mix on consumer purchase in e-commerce through an empirical study [9]. Marketing mix impact on consumer purchase decisions in the context of e-commerce. They demonstrate that e-marketing mix variables explain consumer purchase behavior to a large extent (58.49%). Rana, A. et al. Consider the creation of online brand equity from a marketing mix perspective in the Indian context [10].

3. 4P's Marketing Strategy

As is known to all, competition between different brands of mobile phones is becoming increasingly intense. To improve their competitive advantages, brands adopt different marketing strategies to meet the changes in the market. In 1960, Professor Jerome McCarthy of Michigan State University summarized these elements into four categories in his book Basic Marketing: Product, Price, Place, and Promotion. Among them, the Product pays attention to the developed functions, requires products to have unique selling points, and puts the functional appeal of products in the first place. Price according to different market positioning, to formulate different price strategies. Place refers to the contact way between enterprises and consumers, the way for consumers to understand products, and the platform for enterprises to sell products. Many people understand Promotion in a narrow sense as "Promotion", but there are a series of marketing strategies such as brand publicity, public relations, promotion, and so on. Through promotion, consumer behavior is stimulated to achieve the target effect. The following will analyze the marketing strategies of iPhone and Xiaomi through the 4Ps under the Internet.

3.1. Product

Product classification of Xiaomi Mi mobile phone products include the Mi series and Redmi series, subdivided into Mi digital sub-column, Mi MIX series, Mi CC series, and Mi Note series. Mi Note series has superior configuration and performance, a high-end model in the whole MI mobile phone. The Redmi series, also known as the youth version of Xiaomi phones, includes the Redmi Digital series, Redmi K series, and Redmi Note series, mainly aimed at the low and mid-end market. Xiaomi has a wide variety of products that cater to most consumers' needs.

Product classification of Apple Apple's mobile phone classification is simple and refined. The iPhone Pro, iPhone Promax, and iPhone mini-series have been added to the initial iPhone and iPhone plus series. In September 2022, Apple held the autumn new product conference and released the iPhone 14 series of mobile phones. Among them, the iPhone 14 and iPhone 14 Plus are priced at a relatively lower price and have been upgraded in terms of performance and photography capabilities compared to the iPhone 13. The most significant difference between 14pro and 14promax is the size difference, which will lead to a difference in weight, but there is no difference in performance and configuration.

Comparison of product positioning between Xiaomi and Apple With the positioning of "a low price and high-cost performance", Xiaomi mobile phone has formed a group of "enthusiasts" through Internet publicity and attracted young people who are sensitive to price. Xiaomi has always been oppressed in the fiercely competitive market, where Samsung and Apple occupy the main positions. Therefore, it is difficult for Xiaomi to gain a foothold in the market environment, so Xiaomi has set up the sales concept of low price but high quality in the environment. Instead, Apple's product positioning of high quality, and high price, this dimension of its advantage in technology and high-end image just coming into the market, and slams the door on the function of its traditional phone sets, reducing the user to "clean up phone junk", to avoid the cumbersome process, make "fanboys" under the psychological effect will increase the positioning of their products, Create Apple is a high-end machine this psychological construction.

3.2. Price

Xiaomi's phone pricing According to its 2022 financial report, the average selling price of Xiaomi's phones reached 1,189 yuan. Millet in the early part of the enterprise's product, with a low price on the pricing strategy of image, cost-effective mobile impressed consumers, take the meager profit but high turnover of pricing strategy, at the lowest prices, higher sales volume to get more customers, chairman of Lei Jun said only to sell more than 3 million units in the mobile phone can turn a profit, and the profit on each phone is only 200 yuan. The price of the product is determined by the market. Now the competition in the mobile phone market is fierce, the mobile phones of middle and high-end brands have already had a stable market, and the mobile phones of domestic brands are difficult to count. To improve the competitiveness of the products in the market, setting a reasonable price is crucial to the development of Xiaomi mobile phones.

Apple's phone pricing Apple's mobile phone is specially designed for middle and high-end consumers, and its pricing increases year by year. For example, the iPhone 14 series has increased its pricing in the context of the global consumption chain due to the increase of raw material price and labor cost, as well as the exchange rate change, but the higher pricing has not affected the sales of the iPhone. Apple adopts a high price strategy: the starting price is high, and the price of the old product is gradually reduced or removed from the shelves when the new generation of products is introduced. Unlike the low-price promotion of domestic mobile phones, Apple's price reduction is limited so its mobile phones remain at a stable price. With the support of high profit, the premium strategy of Apple mobile phone is carried out smoothly. According to the latest research report released by Counterpoint, the iPhone accounted for 13% of global smartphone sales in the second quarter of 2021, and the profit margin is as high as 75%, which is a hard profit point for other brands of mobile phones to reach. With sufficient funds to build premium brand value, it can maintain the high price of the iPhone launch.

Pricing comparison between Xiaomi and Apple Apple's main direction is high-end, facing some people who need to consume "decently", so it will not significantly discount the brand value in promotional activities. It carries out publicity through the psychological effect of consumers to maintain a high price. Counterpoint data showed that in 2021, the average price of the global mobile

phone ASP exceeded 2,000 yuan. Among them, the average price of Apple's mobile phone was 5,314 yuan, and that of Xiaomi's mobile phone was 1,243 yuan. The average price of Samsung's mobile phone was 1,776 yuan, less than one-third of Apple's. Equivalent to Apple iPhone with a cliff edge stuck in the price of C, and with a single force to move the global mobile phone average price of 2000 yuan. Compared with Apple's high-price strategy, Xiaomi faces consumers who are sensitive to price changes and young people who are willing to accept new things. Therefore, it indirectly reduces the price of mobile phones by issuing discount coupons, discounts, and other promotional activities, and increases the sales of mobile phones to gain profits and gain a firm foothold in the fiercely competitive market.

3.3. Place

Sales channels of Xiaomi mobile phones Xiaomi's mobile phone sales mainly rely on the Internet platform to reach across the country. Xiaomi caught up with the rapid development of domestic e-commerce, reduced the cost of offline stores, and tried its best to reduce information inequality with the new O2O model. O2O online sales model plays a vital role in Xiaomi's sales strategy. Social media such as Douyin, Xiaohongshu, and Weibo permeate our daily life. Xiaomi has established its exclusive accounts on these platforms, sought Internet celebrities, broadcast, and other publicity methods, and used big data to analyze users' preferences and interact with users to increase brand exposure and enhance their trust. The Internet era brings new marketing requirements, information asymmetry is eliminated, consumers have more rights to know and choose, and the quality of product experience becomes the key. The birth of O2O, a new consumption model, has changed consumers' experience from the heart to action.

Sales channels of iPhone As the most famous mobile phone company in the time range, the experience and service of its offline stores are an essential part of Apple's ecological chain. According to Apple's official website, Apple has 52 directly operated stores in China, mostly covering the major first-tier cities in China. Most stores are sold through agents, distributors, and directly operated stores. Apple's online marketing scale is far lower than offline.

Comparison of sales channels between Apple and Xiaomi Xiaomi's online sales model reduces labor service costs and offline store management costs, helps consumers improve time efficiency, and saves transportation costs. At the same time, Xiaomi builds its account on the Internet social platform to contact users at zero distance, summarizes users' sense of the use of mobile phones, mobile phone performance, and other information, understands customers' real needs, and obtains real opinions and feedback. On the contrary, the effect of Apple's offline store sales is much higher than that of online sales. The offline store is clean, spotless, simple, open to human feelings, and a warm service attitude brings fresh feelings to consumers. The perfect after-sales service brings customers a godlike experience, which online sales do not have.

3.4. Authors

To promote sales, Xiaomi and Apple actively adopt different publicity methods, and this paper chooses the very representative "hunger marketing" to analyze. Although both adopt hunger marketing strategies, there are still some differences, and the differences between them are analyzed as follows.

Xiaomi's hunger marketing Millet adopts the strategy of zero inventory before the products on sale in the network released product information, creates a strong public opinion, and wins the value of the brand has been popular, so born the "geeks" such loyalty and users, capable of propaganda and millet by limiting the purchased quantity of the user, the hunger marketing strategy play

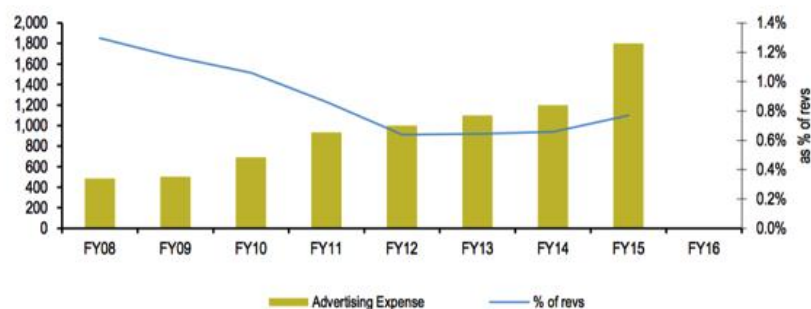
incisively and vividly, lead to products have just listed appears so out of stock, The phenomenon of goods flying out of stock.

Apple hunger marketing Apple's hunger marketing can be seen as the following steps: information control → release → launch date announcement → wait → full range of news coverage → overnight queue → official sale → full line out of stock → hot selling → scalpers price.

Apple's use of information control is a model of the industry, and it is the way most manufacturers in China are learning now. Whenever a new device is being developed, or a technological breakthrough has been made, Apple will take the means of "insider disclosure" to make a wave of attention, giving the impression that it is true or false. This step is to create conditions for higher ratings of the event. During the event, Apple will confirm some of the news and talk about the advantages of the phone in general, and the wait between the end of the event and the official launch of the phone will keep people interested. During this period, Apple will invest a large amount of advertising on major social media and mainstream media. Coupled with the successful development of short video platforms in recent years, various review blogs have also become an essential way of advertising. These moves have raised expectations for the iPhone to new heights.

As the world's largest mobile phone manufacturer and a company with a market value of more than one trillion dollars, Apple's efforts in promoting its products are among the few in the world.

It can be seen in figure 1 that Apple Inc. spends billions of dollars on advertising every year, and there is a gradual upward trend, which shows the importance of advertising in hunger marketing. Apple has limited the first wave of mobile phones, which will cause our familiar queue overnight, one machine is hard to find, plus scalpers hype, the price of apple mobile phone is also a rising tide lifts all boats, and could be on sale for the first time to buy an apple mobile phone has become a symbol of status and capacity of power, it will further improve the people's desire for apple. Although Apple did not pursue the hunger marketing strategy in the iPhone14 marketing approach, and even the scalper price has fallen below the original price, there is no doubt that the Apple 13 and previous series of phones, hunger marketing has been an enormous success.



Source: Company reports and Wells Fargo Securities, LLC
Note: Apple did not provide details in its 2016 10-K.

Figure.1: Advertising Expense (in \$MM) and as a percent of revenue.

Comparison of hunger marketing strategies between iPhone and Xiaomi There are many differences between the iPhone and Xiaomi. In terms of products and prices, influenced by Jobs, Apple always takes "focus, innovation, simplicity and detail" as its product concept, creating Apple products with superior performance and perfect design. Coupled with the different target customers, its products have become synonymous with fashion, perfection, and nobility. Xiaomi, on the other hand, focuses on the concept of "fever" to build a cost-effective smartphone. This makes the iPhone products must always remain proud, independent, and mysterious, to reveal their status, while millet

inspired people's usually "affordable" psychological was quickly accepted, and the ultimate goal of hunger marketing is to promote sales, but apple to promote sales also won't sell at a discount greatly, the most common promotion education is favorable, namely, through the gift promotion, Avoid large radian fluctuations in price, and Xiaomi can only maintain its image of high-cost performance through continuous product upgrading and technological progress to gain a foothold in the market

4. Conclusions

To sum up, through the 4p model, we compare the Apple mobile phone and Xiaomi mobile phone from the perspectives of product, price, channel, and promotion. The two have different market targets and target very different user groups.

Therefore, advocate hit mid-range phones company is the most important is close to the target population, according to customer's purchasing power prices accordingly, and through the Internet to promote their products and sales, with the user to build trust, to provide users with more information related to the mobile phone, and a small number of the high-end market to enrich its product development chain. The most important thing for companies focusing on high-end phones is to improve the user experience and improve marketing efforts to increase their recognition among high-income groups. Improve the quality of mobile phones and offline services so that we can gain more market share in the high-end market.

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