

Xiaomi vs. Huawei: A Comparative Analysis of Marketing Strategies and Performance in the Overseas Expansion of Electronic Manufacturing Enterprises

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ABSTRACT

This study focuses on Xiaomi and Huawei to compare their overseas marketing strategies and performance. Through a variety of research methods, it is found that the two have significant differences and advantages in overseas market positioning, marketing strategy and performance. Xiaomi has developed well in emerging markets with its cost-effective products and combined online and offline sales model. Huawei relies on technology research and development, brand building and localization strategy in the global market, especially in the high-end market. This study provides experience for Chinese electronics manufacturing enterprises to go to sea and help them develop more effective strategies for going to sea.

KEYWORDS

Electronic manufacturing enterprises; Offshore marketing; Millet; Huawei; Marketing strategy; Performance comparison

1 Introduction

In the wave of economic globalization, Chinese electronics manufacturers have actively expanded overseas markets, and Xiaomi and Huawei have made remarkable achievements as industry leaders^[1,3,8]. Xiaomi has risen rapidly in emerging markets such as India with its cost-effective products, while Huawei has relied on strong technology research and development capabilities to win recognition in the field of communications equipment and smartphones, especially in the high-end European market^[1,8]. Previous studies mostly focused on the marketing strategy of a single enterprise in a specific market, and focused on financial indicators when studying performance, and insufficient research on the universal strategy of Chinese enterprises in the new pattern of international trade^[1-9].

2 Literature Review

Li, Yulong and Sun, Wen (2022) pointed out that Xiaomi attracted a large number of price - sensitive consumers in India through its cost - effective product positioning. It adopted an integrated online and offline sales channel and actively carried out market promotion activities, such as holding new product launch conferences and promotional events^[1]. Kesharbani, Neerajkumar and Kumar, Rohit (2021) believed that Xiaomi's in - depth understanding and rapid response to the Indian market were the keys to its success. It could adjust product functions and marketing strategies according to the needs of local consumers and innovatively launched an online flash - sale model^[2]. Ma Shuang (2020) emphasized that the competition between China and the United States brought political pressure to Huawei's international market expansion. However, Huawei responded by enhancing its 5G competitiveness through technological innovation, implementing a diversified market layout, and adopting a proactive public relations strategy^[3]. Lei Shaohua (2019) proposed that Huawei's success in the European market benefited from technological innovation, brand building, localization strategies, and customer relationship management^[4]. Li, Xin and Cao, Yangfeng (2014) and other scholars also pointed out that Huawei increased R&D investment in Europe, launched localized products, enhanced its brand image by sponsoring sports events, and strengthened cooperation with local operators and enterprises to expand sales channels^[8]. Existing studies provide a theoretical and practical basis for this paper. However, there is a lack of a comprehensive and systematic comparison of the overseas strategies of Xiaomi and Huawei, insufficient attention to non - financial performance indicators, and in - depth research on universal strategies. This study will make up for these deficiencies, comprehensively compare and analyze the overseas marketing strategies and performance of the two companies, and provide references for Chinese electronic manufacturing enterprises going global^[1-9].

3 Comparison of Overseas Market Positioning between Xiaomi and Huawei

3.1 Xiaomi's Overseas Market Positioning

In overseas emerging markets, Xiaomi targets young consumers who pursue cost - effectiveness. Taking the Indian

market as an example, in view of the characteristics of local consumers being price - sensitive and pursuing practical functions, it launched smartphones with high configurations and affordable prices. It also continuously expanded its ecosystem products such as smart home appliances and smart wearable devices, emphasizing the scientific and technological sense and cost - effectiveness of products^[1].

3.2 Huawei's Overseas Market Positioning

Huawei has a diversified global market positioning. In the high - end market, it launched flagship mobile phones with core technological advantages such as 5G technology and Kirin chips, competing with international brands and establishing a high - end technology brand image. It also has a layout in the mid - to - low - end market to meet the needs of different consumer levels. Huawei pays attention to market segmentation and launches localized products according to the needs of consumers in different regions and market characteristics. It emphasizes high - end quality and technological innovation in Europe and focuses on practicality and cost - effectiveness in developing countries^[8].

3.3 Analysis of Market Positioning Differences

The differences in market positioning between Xiaomi and Huawei stem from differences in brand strategies, technological strengths, and resource advantages. In its early stage, Xiaomi took cost - effectiveness as its core competitiveness, reduced costs and occupied the market through large - scale production and online sales. Huawei, with its strong technological R&D strength, has long - term investment in technological innovation, has a deep technological accumulation in the communication field, has a complete R&D, production, and sales system, and strong resource integration capabilities, enabling it to implement a diversified market positioning strategy^[1,8].

4 Comparison of Marketing Strategies between Xiaomi and Huawei

4.1 Product Strategy

Huawei's R&D investment remains at a high level, and it has achieved fruitful results in fields such as 5G technology, chip R&D, and imaging technology. The continuous upgrade of Kirin chips has contributed to the high - end development of mobile phones. Xiaomi also attaches importance to R&D and has made progress in fast - charging technology and imaging algorithms. However, there is a gap between Xiaomi and Huawei in terms of R&D investment scale and technological innovation depth^[8].

At the same time, Huawei has a rich product portfolio covering multiple fields. It realizes product interconnection through the HarmonyOS, enhancing user stickiness. Xiaomi expands its ecosystem products with smartphones as the core and creates a large - scale ecosystem through investment and cooperation. In terms of product differentiation, Huawei focuses on differentiation brought by technological innovation. For example, its cooperation with Leica in mobile phone imaging technology has improved the photography effect. Xiaomi, on the other hand, achieves differentiation through cost - effectiveness and product design. Its mobile phone appearance design is fashionable and novel, conforming to the aesthetic of young consumers^[1,8].

4.2 Price Strategy

Xiaomi adopts cost-effective pricing strategy, based on cost, combines market demand and competition to set a lower price, and reduces costs by optimizing supply chain management, mass production and online sales. Huawei adopts a tiered pricing strategy, high-end products by virtue of technological innovation and brand advantages of high pricing, low-end products according to market demand and competition reasonable pricing, such as P series, Mate series positioning high-end, enjoy series for the low-end market^[8].

4.3 Channel Strategy

Xiaomi attaches great importance to online e - commerce platform sales. It cooperates with major e - commerce platforms to expand its sales scope. At the same time, it actively expands offline stores, such as Xiaomi Home and authorized stores, to provide consumers with product experience and after - sales services, enhancing the brand image and user satisfaction. Huawei closely cooperates with operators, leveraging the channel advantages of operators to promote products. It has a large number of operator partners globally and improves market coverage through joint marketing. In addition, it vigorously builds Huawei exclusive stores and experience stores, which not only sell products but also provide product experience, technical support, and other services, enhancing the brand image and customer

service quality^[8].

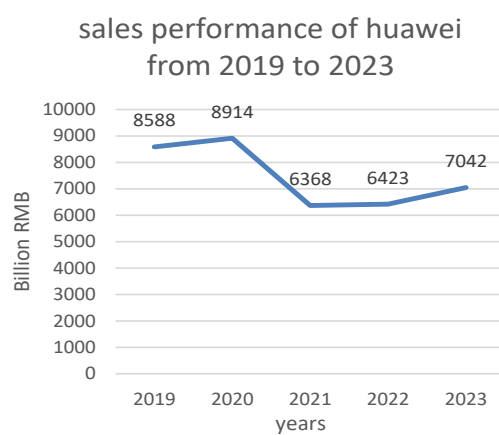
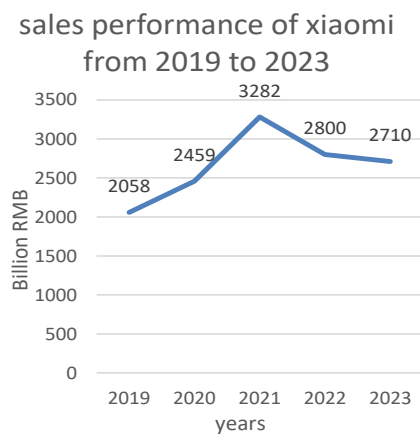
4.4 Promotion Strategy

Xiaomi's advertising and promotion mainly rely on online channels, with a youthful and creative style. For example, it conducts creative marketing activities on social media to attract the attention of young consumers and enhance brand awareness. Huawei's advertising and promotion focus on brand image building and technological strength display. It conducts promotions through TV commercials, outdoor advertisements, and participation in international exhibitions. It also places advertisements in internationally renowned sports events to enhance its international influence and showcases technological innovations and functional features at new product launch conferences to attract consumers^[8].

5 Comparison of Overseas Performance between Xiaomi and Huawei

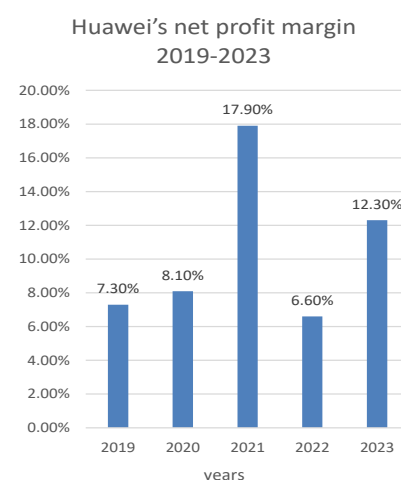
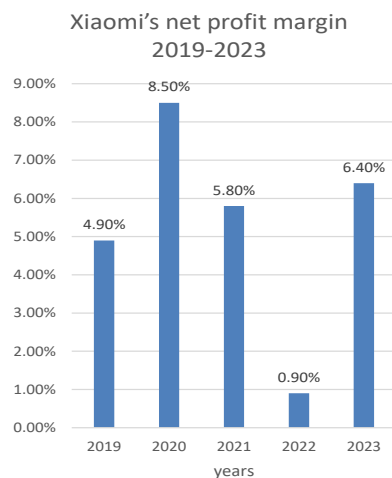
5.1 Analysis of Financial Performance Indicators

In terms of sales revenue data, Huawei has a large overseas revenue scale, especially in the communication equipment field, where it occupies an important share in the global market. Its high - end mobile phone products also bring considerable profits. However, affected by factors such as US sanctions, Huawei's overseas revenue and profits have fluctuated in recent years (growth from 2019 - 2020, decline in 2021, and a gradual recovery from 2022 - 2023)^[8].



Xiaomi's overseas revenue has grown rapidly, especially in emerging markets such as India and Southeast Asia, where its market share has been continuously expanding. However, due to Xiaomi's cost - effectiveness pricing strategy, the profit margin of its products is limited, and its overall profit margin is relatively low. The profit margin has fluctuated greatly in the past five years (the profit margin was relatively low in 2022, and it was relatively stable in other years)^[1].

In terms of cost control, Huawei reduces production costs through large - scale procurement and technological R&D. It has established production bases globally and reduces raw material procurement costs by optimizing the supply chain



management. At the same time, Huawei's technological R&D achievements can improve production efficiency and further reduce production costs. Xiaomi reduces marketing costs through optimized supply chains and online sales. Its online sales model reduces intermediate links and sales costs. In addition, Xiaomi optimizes the procurement process through close cooperation with suppliers to reduce raw material procurement costs^[1].

5.2 Analysis of Market Performance Indicators

Huawei's market share in the smartphone market in regions such as Europe and the Middle East has been steadily increasing, and its market share in the communication equipment market is also high. Technological innovation and brand building have made it highly competitive in the high - end market. Xiaomi's market share in the Indian smartphone market has long ranked among the top, and its share in emerging markets such as Southeast Asia has gradually expanded. Its cost - effective products and integrated online and offline sales model are its competitive advantages in emerging markets^[1].

Market research data shows that Huawei has a high global brand awareness and reputation. It has won the recognition of consumers in terms of technological innovation, product quality, and social responsibility. Xiaomi has a high brand awareness among young consumers, and its cost - effective product image is deeply rooted in the hearts of the people. However, there is a gap between Xiaomi and Huawei in terms of brand reputation and high - end market brand influence^[1].

5.3 Analysis of Technological Innovation Performance Indicators

Huawei's technological innovation achievements such as 5G technology and Kirin chips have promoted the growth of its communication equipment and smartphone businesses. It continuously launches competitive products through technological innovation, enhancing its market share and brand influence^[8]. Xiaomi's innovations such as fast - charging technology and imaging algorithms have contributed to the improvement of product competitiveness and market expansion. However, due to relatively weak R&D investment and innovation capabilities, the contribution of technological innovation to business growth is relatively limited^[1].

6 Case Studies of the Success of Xiaomi and Huawei Overseas

6.1 Xiaomi's Success Case in the Indian Market

In the initial stage of entering the Indian market, Xiaomi cooperated with the local e - commerce platform Flipkart for online sales and launched the cost - effective Redmi series of smartphones. It held offline flash - sale activities to stimulate consumers' purchasing enthusiasm and actively carried out local operations. It recruited local employees, optimized the mobile phone's heat dissipation design according to the local climate, and enhanced the camera function, resulting in a continuous expansion of its market share^[1].

6.2 Huawei's Success Case in the European Market

After entering the European market, Huawei attached great importance to the localization of technological R&D. It established R&D centers in countries such as the UK and Germany, gathered local talents, optimized 5G technology, and provided leading communication solutions for European customers. In terms of brand building, it sponsored local sports events in Europe to enhance brand awareness and favorability, established close cooperative relationships with operators and enterprises, and jointly promoted products and provided customized services. It actively participated in the formulation of local industry standards, strengthened communication and exchanges with governments and industry associations, and coped with political and regulatory environment challenges. As a result, it achieved remarkable results in the communication equipment and smartphone markets, and its market share gradually increased^[8].

6.3 Case Comparison and Enlightenment

Xiaomi's success in India stems from its accurate grasp of local consumer needs. It opened up the market with cost - effective products and an innovative sales model. Huawei's success in Europe relies on its strong technological R&D strength, in - depth local operations, active brand building, and good government - enterprise relationships^[8].

The cases of the two companies provide enlightenment for Chinese electronic manufacturing enterprises going global: Before going global, it is necessary to conduct in - depth research on the target market, and formulate market positioning and marketing strategies according to market characteristics; continuously increase R&D investment to

master core technologies; attach importance to local operations and integrate into the local market; strengthen brand building and expand cooperative relationships to enhance brand awareness and reputation, and achieve resource sharing and complementary advantages^[1-9].

7 Conclusion

This research compares and analyzes the overseas marketing strategies and performance of Xiaomi and Huawei and finds significant differences between the two in overseas market positioning, marketing strategies, and performance.

In terms of market positioning, Xiaomi focuses on the mid - to - low - end consumer groups in emerging markets, while Huawei implements a diversified market positioning. In terms of marketing strategies, in the product strategy, Huawei has a large R&D investment, a rich product portfolio, and focuses on technological differentiation, while Xiaomi achieves differentiation through cost - effectiveness and product design. In the price strategy, Xiaomi focuses on cost - effectiveness, and Huawei adopts hierarchical pricing. In the channel strategy, Xiaomi integrates online and offline channels, and Huawei closely cooperates with operators and builds exclusive stores. In the promotion strategy, Xiaomi's advertising and promotion are youthful and focus on fan interaction, while Huawei focuses on brand image building and technological display. In terms of performance, in financial performance, Huawei has a large revenue scale but is affected by sanctions and fluctuates, while Xiaomi's revenue grows rapidly but has a low profit margin. In market performance, Huawei has a considerable market share in the high - end market and a high brand awareness and reputation, while Xiaomi has a prominent market share in emerging markets and a high brand awareness among young people. In technological innovation performance, Huawei leads in the number and quality of patents, and technological innovation significantly promotes business growth, while Xiaomi has innovation achievements in some fields but still has a gap compared with Huawei^[1,8].

Chinese electronic manufacturing enterprises going global should choose market positioning according to their own resources and strength. When formulating marketing strategies, they should increase R&D investment, launch differentiated products, flexibly formulate price strategies, develop online and offline channels in a coordinated manner, and carry out promotional activities in combination with brand positioning and target markets. At the same time, they should pay attention to the international situation, establish a risk early - warning mechanism, strengthen local operations, integrate into local cultures, abide by regulations, and participate in the formulation of industry standards^[1-9].

This study has certain limitations. The data obtained are not comprehensive and accurate enough, the research scope mainly focuses on Xiaomi and Huawei, and the case analysis does not cover all overseas market situations. Future research can broaden the data collection channels, adopt more scientific analysis methods, expand the research sample, and track and study the adjustment of enterprises' overseas strategies to provide more timely and targeted suggestions for the development of the industry^[1-9].

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