

ENTREPRENEURSHIP

BUS 452

Midterm






COMPUTER SCIENCE ENGINEERING

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Xiaomi Smartphones:

In this assignment, I reviewed the Xiaomi smartphones from Chinese electronics company Xiaomi. Because, I bought 3 different model of Xiaomi (Redmi) phones at the different times. Redmi is a sub-brand owned by the Chinese electronics company Xiaomi.

 Key Partners	 Key Activities	 Value Propositions	 Customer Relationships	 Customer Segments
<div data-bbox="62 518 309 746" data-label="Text"> <p>Acquisition of particular resources and activities</p> </div> <p>As example , Xiaomi is a partner of Google. It uses Android system and message-calling apps from Google.</p>	<p>Production:</p> <p>Xiaomi is also manufacturing firm. It produces phones and transport them to costumers.</p> <p>Problem solving:</p> <p>With mi forums and feedback app in phones, Xiaomi listens to costumer problems. And if the problems are solved, Xiaomi will send an update.</p>	<p>Newness:</p> <p>Xiaomi has very innovative firm feature. With the Mi Alpha model, it has the feature of being the first phone with such a large screen in the world. The Mi 10 phone is the first phone with Snapdragon 865 chipset.</p> <p>Performance:</p>	<p>Personal assistance:</p> <p>In mi stores, there are personal assistance to assist you during the sales process. It hasn't selfservice feature.</p> <p>Communnities:</p> <p>There are different xiaomi forums to support costumer after sales. Mi forums and community is for that.</p>	<p>Mass market:</p> <p>Xiaomi don't distinguish between different Customer Segments. Anyone who wants to buy a phone, can buy from Xiaomi. In fact, Xiaomi's products are products with different attention both in China and globally. Products in china are more</p>

Reduction of risk and uncertainty

Xiaomi doesn't produce Operating System for own phones. Because if it starts produce own operating system , Google will not give to Xiaomi Android licence and it is a very big risk.



Key Resources

Physical:

Xiaomi has set up a new factory in Beijing to manufacture its flagship phones and serve the R&D department. 60 phones per minute can be produced in the ultra-modern facility.

Xiaomi sets up new factory for 5G phones.

Intellectual:

The company keeps the costumer's information its in database via Mi Cloud.

Some of Xiaomi phone models are for gamers such as Xiaomi Black Shark model. It is for pure performance.

Design: Some Xiaomi phone's designed by some designer.

Price: Redmi is a subbrand owned by the Chinese electronics company Xiaomi. They use less expensive components and thus have lower prices while retaining higher specifications.



Channels

Xiaomi uses channel types such as Web sales, Own stores, Partner stores and Wholesalers. Company has own website to sell phones. For Turkey <https://www.mi.com/tr/>. It has also own stores name is mi store. Xiaomi's partner store in Turkey is Evofone. Beside these, Xiaomi sells own product to wholesalers in China. Look at the "exporters.sg"

elaborate. But it doesn't mean it's segmented.

Niche Market:

Some of Xiaomi phone models are for gamers. Some of them is for photographer. So , it can be specialized for users.

Diversified:

Xiaomi makes and invests in Smartphones, mobile apps, laptops, home appliances, bags, shoes, consumer electronics, and many other products. Huami, Mija, Aqara, Yeelight, Blackshark, Poco, Youpin and Redmi are sub-brand owned by the Chinese electronics company Xiaomi.

Convenience/usability:

For example, Xiaomi Cloud wants you sign in for giving free cloud.



Cost Structure

Cost-driven:

Redmi phones are very cheap from other. It use close plastic component for cover of phones and price will be cheaper.

Variable cost:

The more phones are produced, the more chips are used. it uses so much material. It depends quantity of products.

Economies of scale:

As example, Xiaomi's software team make the MIUI software for the phones. The more phones produced, the less cost distribution.



Revenue Streams

Asset sale:

Costumers can use smartphones as they want.

Cloud revenue.

Advertisement in music and files application.

Xiaomi Phones' Concept Statement

Xiaomi Phones

Product

Xiaomi phones have the feature of being high performance and cheap. It is the brand that used the latest versions of Snapdragon processors first. Xiaomi phones seem to keep up with technology in their designs. The company has increased its range of products. Its smartphones include: Mi Series, Mi Note Series (got a new update after 3 years, with the Mi Note 10 Pro), Mi Max Series, Mi Mix Series, Redmi and POCO Series. Xiaomi said they sell their phones close to cost and intends to make profit on services. It sells millions of technology-driven or cheap-priced high-performance phones around the world every year.

Target Market

Xiaomi Inc targeted consumer who are tech-savvy as well as who are in the group of age 18–35 ie from students to working class people, who want good quality products and knew that market leaders like Samsung, LG and Apple were overpriced for the specifications they were providing in their products.

Why Xiaomi Phones?

Xiaomi offers so many options. As examples, There is a special black shark-3 model for players with Snapdragon 865 chipset. This chipset has 2.84 GHz frequency and FHD+ Amoled screen with size of 6.67 inches. There is another model that Poco x3 is also known as a cheap priced game phone. 128GB memory and 6GB RAM model is just 240 USD dollar. This model has 120Hz screen. Another special model is Xiaomi Mi 10 Pro for photographer. And as the last special model, there is Redmi 9 phone with 5020 mAh battery and FHD+ screen. This model with 128GB memory and 4GB RAM is just 149 USD dollar.

Special Feature

Xiaomi is the brand that used the latest versions of Snapdragon processors first. It can offer a high performance 4 camera phone at very low cost. 10-year-old Xiaomi is the world's third-largest smartphone vendor. It allows users to change the software of the phone as much as possible. The actual difference of Xiaomi from other brands is that it offers a lot of options. Xiaomi phones have also MIUI interface made by Xiaomi developers. It gives the costumers easy use

Management Teams

Xiaomi's Founder, Chairman and CEO, Xiaomi is Lei Jun. During his last year of college he started his first company. Xiaomi's key executives include Lei Jun and 8 others.

Lin Bin - Co-founder, President

Li Wanqiang - Co-founder, Vice President

Zhou Guangping –Co-founder, Vice President

Huang Jiangji - Co-founder, Vice President

Hong Feng - Co-founder, Vice President






Wang Chuan - Co-founder, Vice President

Liu De - Co-founder, Vice President

Hugo Barra - Vice President

Competitor firm and firm's products - **Huawei Smartphones**

The Business Model Canvas of Huawei Smartphone:

 Key Partners	 Key Activities	 Value Propositions	 Customer Relationships	 Customer Segments
<p>Huawei works in close conjunction with a broad network of partner organisations to ensure the quality of its products and the efficiency of its delivery. Huawei names a number of its partners on its website. This includes Leica tech., TechStrata, SYNEX, SoftNet Solutions, Profulgent Technology, Saasfire, and PrimaSense.</p> <p>Acquisition of particular resources and activities:</p> <p>Huawei has an agreement with gsm companies like Turkcell. It collaborates with Leica company for camera production.</p>	<p>Production activities:</p> <p>For Huawei, this type of key activities are more important than the others because Huawei both designs, manufactures and distributes its products. Besides that, Huawei is currently a manufacturing company.</p> <p>Problem solving:</p> <p>Although not as effective as the production activities, Huawei can solve customers' problems with forums and communities it builds.</p>	<p>Newness:</p> <p>Huawei P30 Pro: Huawei's flagship phone of the year and first to launch with 50x Zoom.</p> <p>Actually, most of the time, Huawei lags one step behind in innovation, but it is a fact that it is innovative and has potential.</p> <p>Performance:</p> <p>This type is more important than others .Huawei has its own processors calles Kirin and also has EMUI interface for high performance. Kirin chipsets are produced by HiSilicon company wholly owned by Huawei. Performance issue stands out.</p>	<p>Personal Assistance:</p> <p>People can buy Huawei smartphones on-site, in huawei shops and personal assistances will assist and inform the costumer about phones.</p> <p>Communities:</p> <p>This type is more important than others. Huawei helps costumers after sellling with forums and Huawei communities. Ex. Consumer.huawei.com and forum.huawei.com. In these places, costumers ask their question or tell them problems. So, problems are resolved in a short time.</p>	<p>Mass Market:</p> <p>Huawei takes care of this type more. Huawei phones don't distinguish between different customer segments. Anyone who wants to buy a phone from Huawei, they can buy. That's why Huawei phones are included in the mass market.</p> <p>Diversified:</p> <p>Huawei sells its 5G tech to rivals. Its 5G technology is already used in UK but prevention is on the UK agenda. Huawei's 5G download speeds 10 times faster than today will radically change how we work, communicate and stream videos.</p>

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There was cooperation with Google's android, but Google left the deal and Huawei was very impressed. And Huawei had to write its own operating system which name is HarmonyOs.

Reduction of risk and uncertainty:

Huawei is working with Samsung to manufacture AMOLED displays. It has agreements with BOE and LG for the production of OLED screens. These agreements reduce the risk.



Key Resources

Physical:

Huawei has manufacturing factories in India and China mostly and it produces its own first chipset factory in Wuhan. It is powerful in the IT and logistics sector.

Intellectual:

Huawei Technologies has been granted 2,722 invention patents in China in the first half of 2020. And its brand feature provides to be intellectual key resources.

Human:

Huawei needs human resources in its own factories or sales channel.



Channels

Huawei sells its own smartphones both by itself and with its partners. Besides, Huawei has an affiliate program whose name is Sales Partner Program. At the beginning, the products go to global partners, regional partners, distributors and value-added partners. After that, they go to the downstream partners and then to end users. Huawei makes web sales with its own website and also it has its own store.



Cost Structure

Value-driven:

Huawei pays attention to affordability, but pays a lot of attention to features, especially after America's blocking. It makes money from the value of the devices especially with the importance it attaches to the camera and design part. Although the US blocked Huawei and Google sanctioned Huawei, it is an indication of this that Huawei was selling too much.

Huawei's cost structures have both **fixed and variable costs**. Huawei pays a flat fee for its own market. The cost of the sales location does not change with the change in the sales amount of the product.

As variable cost, The more chipsets Huawei produces, the lower the unit cost. Production cost of chipsets or graphic card vary according to production volume. Looking at this, we can say that it **has economies of scale**.



Revenue Streams

Asset sale:

Users have the right to use or sell the product as they wish. They can even cause harm if they want to. They can even change the user interface to any ROM.

Advertising:

Huawei provide Ads publisher service and even it is at background level it earns from ads.

Pricing Mechanisms:

Huawei phones are sold with fixed menu pricing. The features and prices of the phones are predetermined. They are priced differently according to memory capacity and ram features.