

The Transformation of Xiaomi

(Market Disruption Strategies)

Strategic Acumen for Product Leaders

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IPL EMBA Batch: 2020A

Tasks

- 1. Map the evolution of the Chinese market in significant dimensions. (Hint: Adopt **PESTEL model and disruptive forces**) Vineet
- Discuss the competitive landscape of Xiaomi. (Hint: Seven Forces and Strategy Canvas)- Navdeep
- 3. What strategic choices did Xiaomi make to overcome its late entry issues? (Hint: **Business Model Canvas**) Asit
- 4. Detail out the collaborative product development approach adopted by Xiaomi? (Hint: Value Stream Mapping) Asit
- 5. What best practices do you draw from the Indian market about the ascendance of Xiaomi- Vineet, Navdeep & Asit

Background

Few years ago, Xiaomi launched and marketed smartphones to unprecedented levels of success, but its market share has since stagnated and then declined. Xiaomi's large domestic and international competitors both reacted aggressively to their every move in order to seize a share of their customer base from it.

Xiaomi's executives are still debating how to restart the brand's growth storey in China. It was in desperate need of a new strategy to help it grow and eventually take over the market.

Business Model Canvas

Key Partners

- Taiwan Semiconductor Manufacturing Corporation (TSMC) is the main processor supplier for Xiomi
- Xiaomi partners with Inventec and Hon Hai for assembly, Wintek and TPK for screen technology
- Unicorn for PCB (printed circuit boards)
- Google Android
- Baidu/Amazon/E-com
- Brick & Mortar stores

Key Activities

- Technology Dev
- Procurement
- Operations
- Supply Chain
- Marketing & SalesServices

Key Resources

- Firm Infrastructure
- Human Resources
- Inbound Logistics
- Outbound Logistics
- IP Creation

Value Propositions

- User Experience
- East-to-activate
- Flashlight
- Lunisolar calendar
- Customizable dial tone
- Mi Chat
- ROM&MIUI
- Xiaomi smartphones
- loT devices
- Air purifier
- Air conditioner

Cust. Relationships

- User engagement through online community
- Engineers
 encourage to
 interact with user

Channels

Reseller

Cust. Segment

- China (Tier 1)
- Emerging Market

Cost Structures

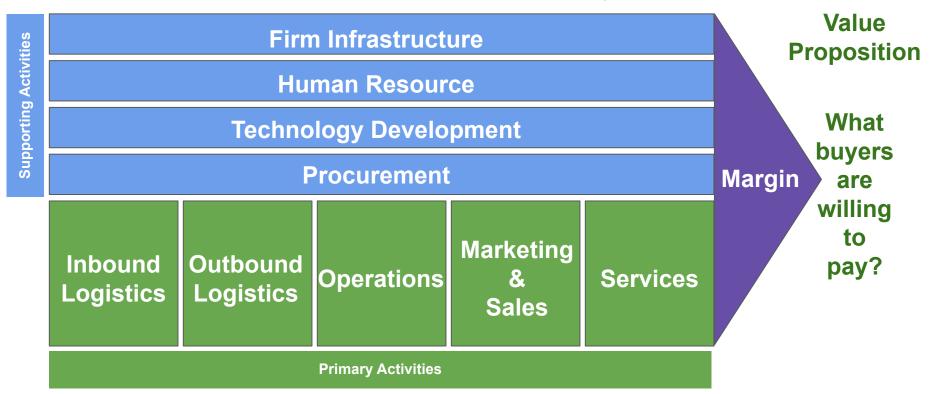
- Firm Infrastructure
- Human Resource
- Technology Development
- Procurement / Sourcing

- Operations
- Marketing & Sales
- Supply Chain
- Services

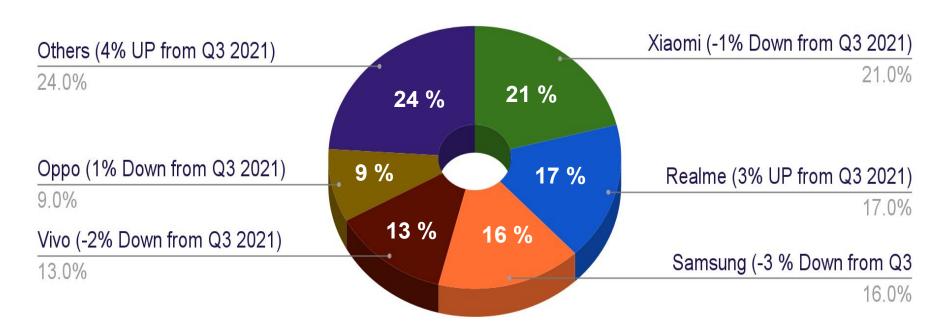
Revenue Streams

- Revenue from sales of smartphone, Mi band (fitness, heart rate & sleep tracker), smartmi (air purifier, air conditioning), mi robot vacuum, roborock (floor mopping robot), tinymu (smart toilet sheet)
- Commission from service provider

Essence of Xiaomi Value Chain Analysis

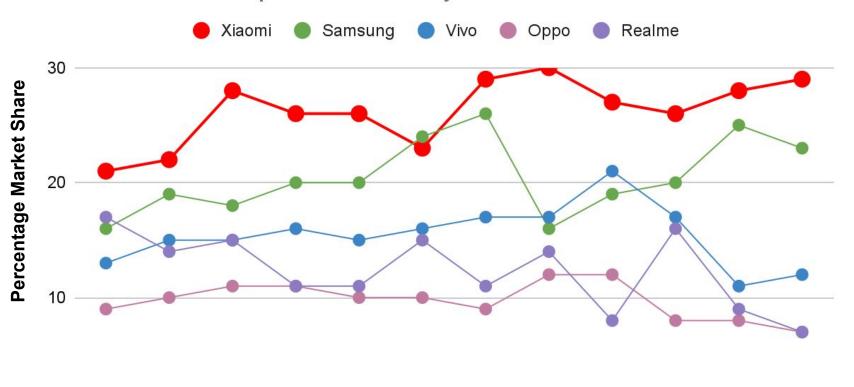


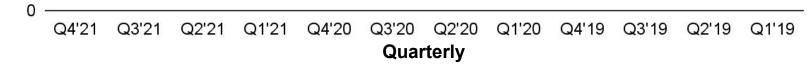
Indian's Smartphone Market Share (Q4 2021)



Source: https://candytech.in/smartphone-market-share-india/

India - Smartphone Quarterly Market Share Trend in %







Thank You!

Q&A?