



Air University:

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Business communication 2

FINAL PROJECT REPORT:

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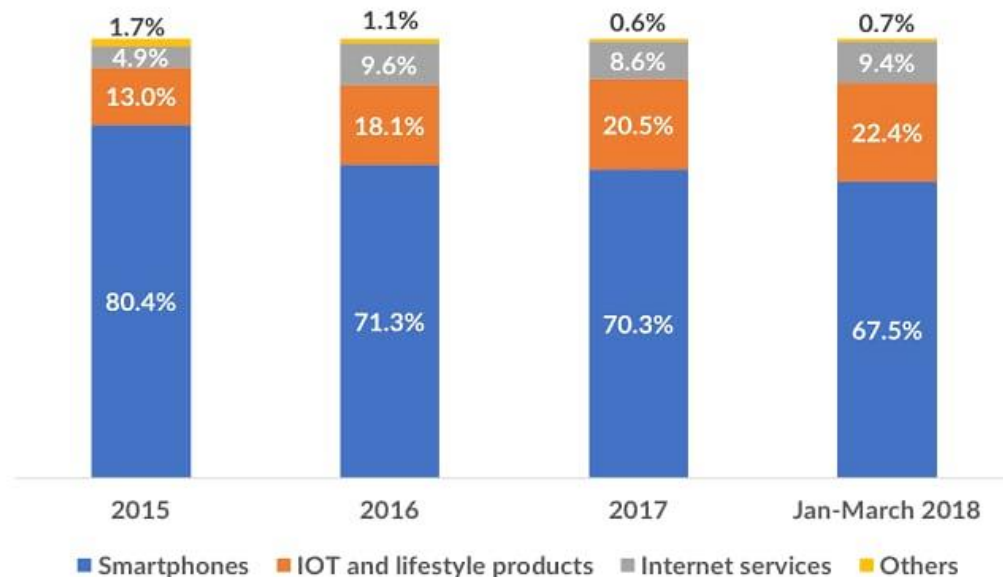
Xiaomi



Executive summary:

- Xiaomi is basically an ecommerce company.
- Xiaomi can place cheaper batch orders.
- They are designing great products at a reasonable price.
- They are focusing on usage of product rather than profits.
- They can gain their customer loyalty by solving few things which are mention below.
- They also sell their products without any advertisement.

Evolutions of segments of Xiaomi revenue



Source: Xiaomi IPO filings, WalktheChat analysis

Introduction:

Every business starts with any idea most importantly you should be able to present an idea in such a way that it will inspire others to act. Xiaomi has risen to the top of ultra-crowded Chinese technology markets and now counts itself as the most valuable internet companies in the world. Basically, Xiaomi develop smart phones, audio equipment's, power banks and other electronic exercises accessories which was founded by lei Jun in 2010. Xiaomi also sales its product in Pakistan, you can buy their products directly from the websites and we can also consult from Ali express. Xiaomi has started running their own community by making fine products and to bring up their customers loyalty all over the world (MI Globe). It is present at the 74 markets globally and over 300 million people is using their products. They are also providing services like internet.

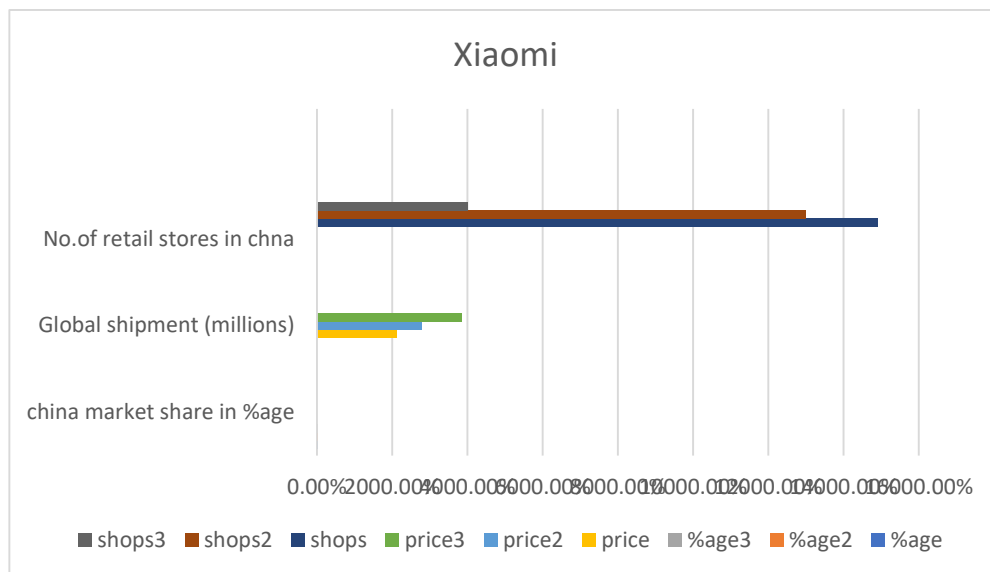


Methodology:

1. Using lower premium like apple is using premium of price about \$700, Samsung is using of price \$600 and Xiaomi is using premium of price \$325 due to which their phones are affordable, and everyone can buy it.
2. Secondly, using new kind of social commerce, social media is an important part of the way it remains visible and engaged with both customers and prospective buyers and large amount of their sales are done through social media.
3. Gaining their customers loyalty, Xiaomi, however, has a well-established program under the VIP Users Center part of its bobs. Being a Xiaomi VIP entails will be getting discounts on his future purchase and repairing their accessories within a week in warranty.



4. The Challenge of Xiaomi is that they are trying to do something that hasn't been done before by either Apple or Fitbit, becoming a software company built on hardware.
5. There 70 percent of the sales were from smartphones.
6. When customers shop for Xiaomi phones at its storefronts, they may also end up buying its non-phone products like a power bank and vice versa these types of small sales also increase their profit.
7. Xiaomi is generating a profit of 5% through smartphones sales, basically they are doing marketing they are focusing that customer should use their product rather than profits, they are generating profit through their ads, subscription and internet services.
8. Their website is known as www.mi.com which is world's 8th largest e-commerce platform and almost 150 million to 200 million people visit there side in a month.
9. Xiaomi main target was offline phone selling like if a phone has a price of 10000 its will be sale at 15,000 to 20,000 through e retailers' commotion from offline selling but Xiaomi is selling that product in 11,000 directly to the customers.
10. Xiaomi has a world record which was given by Guinness World Records of selling 2.11 million smartphones in just 24 hours.



Findings:

1. Xiaomi business model is only proven in china because the google services like Google play store and Google play etc. are blocked in china so they have created their own services there, but they compete with other iOS and android companies.

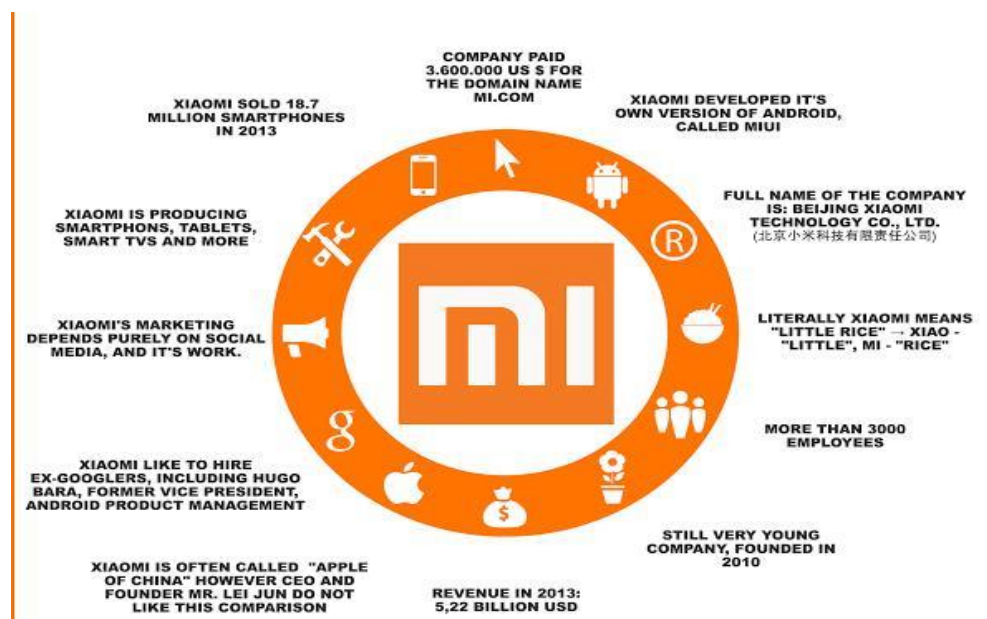


2. Xiaomi is doing a flash sale which will be for 1 to 5 min within that time they become out of stock so a big company should not afford that.
3. As Xiaomi has a 70 percent of their sales through smartphones so they are focusing on it but they are launching 2 phones with same specification like there phone Redmi 8a was launch after some time they had launched Redmi 8a dual with same specification due to which people get confused.
4. Selling to retailer without knowing and customer of retailer face warranty problems, in this way they there get poor feedbacks.
5. As Xiaomi is an internet company, they are not taking too much profit through there devices their markup is very low, but they are generating their profits through their ads that are shown only on their product. They are showing too much ads that their new customer will not buy that product again.
6. F secure company had found out that Xiaomi company is sending their user data to china server through remote server without their permission. If people get to know that their international sales will be finish.



Conclusion:

Xiaomi has come with a different idea that why they are 4 largest smartphone company they have started selling at the right time because at the 2010-11 people has started using smart phone and selling hardware through software was a unique idea. It has dispensed with all tradition and marketing methods and is fully engaged in utilizing online communities and social marketing for marketing. Xiaomi is like Apple Company of china they can become world largest company by changing their few strategies.



Recommendations:

1. If they have created their own mi cloud and mi store so they should be better than Android and iOS like iOS is providing more than 2 lac application, Android is providing more the 1.5 lac but mi store is providing only 50 thousand application due to which customer may not be satisfy.
2. Xiaomi is coming in top 5 world best companies of the world. If they are doing such events like flash sales, they should manufacture more product and flash sale should be for large time no for 5 or 10 min in this more people can buy their product if they are focusing on usage more than profit.
3. To avoid confusion they should launch one phone at a time rather than 2 phones at a same time half of the sales are coming from one phone and half from other one if they focused on one phone they will make it better and it will be easy for customer to select.
4. Xiaomi must know about their customers to avoid retailer. They can avoid them if anyone is purchasing large number of products the company should know about his personal data that why he needs too much products.
5. After a survey on internet we get to know that Xiaomi customer is facing too much ads problem and Xiaomi is also generating their profit through ads this may be avoid if Xiaomi should make their product premium of high quality and should increase markup rather than showing more ads.
6. Customers will feel free and comfortable if its data will be saved so Xiaomi should avoid remote server in order to stay in market.



References:

As xiaomi is an Chinese company so it was very difficult to gather information so we have taken their information from smart link company which is official Mi dealers in Pakistan on <https://slt.com.pk/#contact> .

Secondly, We have also gather some information from <https://www.techinasia.com/10-strategies-xiaomi-secret-sauce>.

Lastly, we have asked from xiaomi customers in our relatives.

Appendix:

Question no 1: What type of quality Xiaomi is using? Why their phones are cheap?

Question no 2: Why they came through idea of online selling?

Question no 3: How they are gaining their customer loyalty?

Question no 4: Is Xiaomi will be successful in the world as apple and Samsung type companies are?

Question no 5: Which product or service of Xiaomi has a high demand?

Question no 6: How the small type of gadget is purchased?

Question no 7: How much annually sales they are producing from smartphones? And why?

Question no 8: On which official website you are selling your products?

Question no 9: What was Xiaomi main target for their highest demanding product?

Question no 10: Is Xiaomi is honored by someone for their hard work?