

Research on the Marketing Strategy of Xiaomi Automobile Based on 4P Theory

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Abstract. In the context of fierce competition in the global new energy vehicle industry, Xiaomi Auto has entered the market and achieved remarkable market results, with its marketing strategies drawing attention from the industry. Despite its highly effective marketing practices, systematic 4P-strategy research on Xiaomi Auto remains scarce. Grounded in 4P theory, this study examines how Xiaomi Auto has secured a competitive edge in the NEV market. The findings reveal that flexible 4P execution has attracted substantial consumer interest, establishing a robust brand foundation. However, there is still room for improvement in its channel construction and brand promotion. Offline direct-sale and service-center coverage remains limited, necessitating accelerated expansion into lower-tier cities. Simultaneously, the online–offline service experience must be streamlined and delivery efficiency enhanced. Brand awareness still needs to be strengthened, and the stickiness of young consumers should be enhanced. Additionally, the word-of-mouth spread of its after-sales service system also needs continuous optimization.

Keywords: Xiaomi Automobile, 4P Marketing Strategy, Product Strategy, Price Strategy

1. Introduction

In recent years, the global market for new energy vehicles has experienced explosive growth. Traditional car manufacturers and emerging automotive forces have accelerated their expansion plans, making industry competition increasingly fierce. China's new energy vehicle industry has achieved a leapfrog development, with production and sales exceeding 10 million units, accounting for 40% of new vehicle sales. As of 2024, China's NEV ownership has surpassed 30 million units, representing 8% of the total vehicle fleet—a threefold increase from 2020 levels [1]. Against this backdrop, Xiaomi Group, as a leading enterprise in the technology sector, has entered the new energy vehicle industry through a cross-border strategy and quickly seized market share with its unique marketing strategies. The SU7 achieved a production milestone of 100,000 deliveries within 230 days. Within a month, the number of locked orders for Xiaomi SU7 was as high as 88,063 units [2]. However, current research on the new energy vehicle industry mainly focuses on traditional new energy or new force brands such as Tesla, NIO, and LiDIA [3]. Research on the marketing strategies of Xiaomi vehicles is still scarce. Currently, the academic community's research on Xiaomi vehicle marketing strategies is still insufficient: most literature simply applies the 4P framework, but lacks in-depth analysis of how it integrates intelligent ecosystems and fan economies and other unique

advantages. Therefore, an in-depth analysis of Xiaomi's marketing model is helpful for other emerging car manufacturers to draw lessons. Employing a case study methodology, this research deconstructs Xiaomi's 4P strategy implementation through primary data (e.g., 2024 sales reports) and secondary data (industry benchmarks), elucidating its disruptive market penetration mechanisms. Through the research on Xiaomi's 4P marketing strategies, the aim is to summarize the successful experiences of Xiaomi vehicles and provide a reference marketing model for emerging car manufacturers.

2. Product strategy

2.1. Product positioning

Xiaomi Motors is positioned in the mid-to-high-end smart electric vehicle market, emphasizing the integration of technological sophistication and user experience. It is designed to appeal to young consumers with its high-performance and high-tech features. Xiaomi Motors benchmarks against Tesla, with its appearance modeled after Porsche. By highlighting its intelligent features (such as intelligence, and three-charging system technology) and quickly establishing a "technological sense" perception, it attracts tech enthusiasts and young users. Drawing on Porsche's streamlined design language (such as the coupe style of the SU7), it avoids the "cheapness" perception and supports a high-end pricing strategy. This follows the popularity of two major automotive brands, focusing on highlighting product cost-effectiveness, user experience, and the seamless integration of the 'person-car-home' intelligent interconnection ecosystem [4]. Xiaomi SU7, as an electric vehicle model, conforms to the trend of environmentally friendly travel and meets the green travel needs of consumers. Second, Xiaomi's consumer group primarily consists of users pursuing high cost-effectiveness and an intelligent driving experience. It positions the target user group through market research, such as young people, tech enthusiasts, or those who value cost-effectiveness. Young consumers account for 48.2% of the overall consumer group. The intelligent driving technology and intelligent cabin of the Xiaomi SU7 are important product selling points, capable of meeting consumers' demands for intelligent travel [5]. Additionally, Xiaomi Motors also focuses on the linkage with the smart home ecosystem. Through the "person-car-home" intelligent interconnection ecosystem, it provides users with a more convenient and intelligent living experience. Users can remotely control the vehicle through smart devices such as mobile phones, enabling functions like vehicle status query, remote start, and preset air conditioning, making travel more convenient. At the same time, Xiaomi Motors can seamlessly connect with smart home devices, enabling the vehicle to automatically open the door, lights, and air conditioning upon arrival at home, creating an intelligent living environment for users.

2.2. Product development

Xiaomi plans to invest 10 billion US dollars in the automotive project over 10 years, providing sufficient financial support for research and development, production, brand building, and marketing promotion. Xiaomi Motors has formed a highly capable R&D team, with experienced team members who possess strong collaborative capabilities and a high level of identification with the company, providing a solid foundation for technological innovation and product optimization. The technological accumulation from the mobile phone production background continuously optimizes product performance, ensuring its competitive advantage in the new energy market. Moreover, the R&D experience from Xiaomi's mobile phone division provides a foundational prerequisite for

developing Xiaomi Motors. In promotions, quantitative parameters like a super motor's 21,000 rpm speed, a 5.35 m² vehicle glass area, and a 99.9% UV isolation rate demonstrate technical strength and enhance secondary communication effects. Seeing these data, consumers first feel the rigor, professionalism, and credibility of Xiaomi. Xiaomi Motors' "transparent factory" plan showcases various manufacturing scenarios in the factory to consumers, which has attracted many fans for Xiaomi. After all, not many factories are willing to show details to consumers. This undoubtedly reveals confidence and sincerity [6]. Additionally, Xiaomi Motors also focuses on user experience. Every detail, such as seat comfort, audio effect, and interior air purification, has been meticulously designed and rigorously tested to provide a driving experience that combines comfort and technological sophistication. Xiaomi Motors' efforts not only demonstrate its ultimate pursuit of product quality but also further consolidate its competitive advantage in the new energy market.

3. Pricing strategy

In the automotive industry, Xiaomi Motors maintains a high cost-effectiveness positioning. In the automotive industry, it continues to maintain a high-cost-effectiveness positioning. The pricing of the Xiaomi SU7 is 30,000 yuan lower than Tesla Model 3. The Xiaomi SU7 offers nine color options, with prices starting at 215,900 yuan (Table 1 shows the price-configuration-equity). The standard version costs 215,900 yuan, the Pro version costs 245,900 yuan, and the Max version costs 299,900 yuan. Additionally, the founding version of Xiaomi SU7 and the founding version of Xiaomi SU7 Max are limited to 5,000 units each [7]. Consumers can select models tailored to their budgets. The competitive pricing is especially attractive to budget-conscious young consumers. The Xiaomi SU7 not only offers sincerity in price but also strives to meet the diverse needs of consumers in terms of configuration. For example, the Pro version upgrades the power system, interior materials, and intelligent driving assistance system compared to the standard version, providing consumers with more choices. Building on the Pro version, the Max version enhances comfort and luxury, catering to consumers seeking premium driving experiences.

Table 1. SU7 and Model 3, Xiaopeng P7i's "price-configuration-equity" three-dimensional matrix

Specification	XPeng P7+ Ultra Long Range Max Flagship	Tesla Model 3 Long Range (Refreshed)	Xiaomi SU7 Max
Official Price (MSRP)	¥208,800	¥295,900	¥299,900 (Estimated, data missing in source)
0-100km/h Acceleration	5.9s	4.4s	2.78s
CLTC Range	685km	713km	800km
Assisted Imaging System	360° Panoramic + Transparent Chassis	Rearview Camera (No 360° Panoramic)	360° Panoramic + Transparent Chassis
Wheelbase	3000mm	2875mm	3000mm
Dimensions (L×W×H)	5056×1937×1512mm	4720×1848×1442mm	4997×1963×1440mm
Chassis Structure	Front Double Wishbone + Rear Five-Link + Electromagnetic Suspension	Front Double Wishbone + Rear Multi-Link	Front Double Wishbone + Rear Five-Link + CDC Air Suspension
Battery Type/Capacity	LFP / 76.3kWh	NCM / 78.4kWh (or optional LFP)	NCM / 101kWh (Qilin Battery)

Through targeted promotions, Xiaomi Motors captured market share and refined its pricing with limited-time discounts and channel incentives. For specific festivals such as "Double Eleven" and "6·18", Xiaomi launched time-limited car purchase discount activities, such as offering Nappa leather seats/ lifetime usage rights of assisted driving; from July 1st to 31st, paying a 5,000 yuan deposit could enjoy time-limited car purchase benefits. The starting price of less than 200,000 yuan provided price incentives for early consumers, making them more inclined to choose Xiaomi Motors in the highly competitive market environment. Post-promotion sales surged to 5,000 units in H1 2023 [8]. Xiaomi also bundled vehicles with smart-home products, creating a one-stop smart-living solution that widened its customer base. This promotional method not only increased the sales volume of the car but also showed outstanding performance for the Xiaomi SU7 series: as of June 2025, the cumulative delivery volume exceeded 258,000 units, and the cumulative sales in the first five months of 2025 reached 125,000 units; in April, the single-month delivery was 28,585 units, and it also drove the sales of Xiaomi's smart home products, achieving a win-win situation. Concurrently, membership programs and loyalty points enhance retention, spurring repeat purchases and positive word-of-mouth.

4. Channel strategy

4.1. Sales channels

Xiaomi Motors has established an online-offline integrated sales network: online through the official website, digital marketing and software platforms to promote pre-sale; offline relying on experience stores and dealers to enhance brand exposure. Tesla's pure direct sales model requires bearing high store rents and after-sales network costs, which creates substantial initial investment pressure and limits regional coverage. Building on direct sales, NIO's 'Service Without Worries' strategy offers five-year interest-free loans and free battery swaps, leveraging premium benefits to boost user loyalty and community engagement, but this high investment model may increase hidden costs (such as free service maintenance; By contrast, Xiaomi Motors' hybrid model—combining direct experience stores and authorized service points—achieves cost efficiency via a light-asset approach. Its compact 'experience store + service center' design reduces rent by 62% versus traditional 4S stores, with an average monthly operating cost controlled within 150,000 yuan, combined with online promotion and Xiaomi ecosystem synergy. The average monthly sales volume of a single store reaches 156 units, and through the existing Xiaomi Halls, they achieve "human-car-home full ecosystem" synergy.

Through the Mi App, users can select vehicle configurations and finalize technical parameters. At the same time, this design is based on the comparison of different versions and different functions in various aspects, reducing the time for users to select the car and maximizing the promotional effect. In the offline channels, Xiaomi Company adopts a direct sales plus authorization dual-mode operation method for new energy vehicle models. Such standardized marketing and management can ensure that customers do not need to struggle to compare the vehicle prices of different stores, effectively alleviating customers' anxiety when purchasing a car [9]. In addition, Xiaomi Motors also pays attention to cooperating with major e-commerce platforms; through platform big data analysis, it precisely pushes personalized car purchase plans, further improving the sales conversion rate. Xiaomi Motors further engages in auto shows and industry events, showcasing innovations while using interactive experiences to strengthen brand affinity.

4.2. After-sales service

Xiaomi Motors has built a comprehensive after-sales network—combining on-site repairs, remote diagnostics and more—to deliver convenient, end-to-end post-purchase support. The customer experience-oriented after-sales service system also plays an important role. Nationwide service outlets ensure seamless upstream-downstream coordination and an average response time of under 72 hours. Customer satisfaction surveys show that the post-sale service satisfaction rate reaches 88%. The case of the Huanghe Experiment shows that Xiaomi has a 30% higher complaint handling efficiency than competitors [8]. In addition, Xiaomi Motors also pays attention to personalized and customized services, providing differentiated service plans according to different user needs. By establishing customer files, Xiaomi Motors can accurately grasp the vehicle usage and maintenance needs of each user, thereby providing more thoughtful and professional services. At the same time, Xiaomi Motors also regularly conducts customer follow-ups and satisfaction surveys, continuously collecting users' feedback and suggestions, in order to continuously optimize service processes and improve service quality. These initiatives bolster customer trust and loyalty while enhancing Xiaomi Motors' reputation and brand image amid fierce competition.

5. Promotion strategy

Xiaomi leverages multiple channels including social media and TV advertisements to execute extensive promotional campaigns that elevate brand awareness and reputation. Amid rapid advancements in internet technology, self-media platforms' cost-efficient word-of-mouth marketing becomes increasingly prominent, attracting more businesses to adopt this communication channel [10]. Xiaomi Motors' advertisements can be seen everywhere, such as during the Spring Festival Gala, in shopping malls, and on video-sharing websites. Xiaomi Motors achieved a brand breakthrough through a "traditional media + digital platform" all-round marketing strategy. On the traditional side, it reached 1 billion viewers through Spring Festival Gala advertisements, and in conjunction with core shopping mall AR experience stores, it established a national-level recognition. On the digital side, it launched challenges and Bilibili technical documentaries on Douyin/Qukan to penetrate the young circle.

The Mi MIX SU7 campaign activates key social platforms including Weibo, Douyin, Kuaishou and WeChat. By releasing product previews, real vehicle demonstrations, and user test drive experiences, it attracted the attention of potential consumers. "It utilizes high-traffic video platforms to distribute premium content—product demos, performance tests, and manufacturing documentaries—highlighting the Mi MIX SU7's distinctive features, significantly enhancing the contagiousness, penetration, and publicity efficiency of the information, and effectively meeting people's diverse aesthetic and communication needs [5]. In addition, Mi MIX SU7 also collaborated with well-known bloggers and influencers, presenting the product directly to the fan base through live streaming and review videos, further expanding the brand influence. Interactive modules like lucky draws and trivia games are embedded in digital campaigns to boost user engagement and foster brand affinity. These activities not only made the product features of Mi MIX SU7 deeply rooted in people's minds, but also established a young, fashionable, and innovative image for the brand.

6. Discussion

However, Xiaomi also faces many challenges. As a newcomer to the automotive industry, Xiaomi is still in the early stages of production and manufacturing. The construction and improvement of its factories require a certain amount of time. While Xiaomi's Phase 2 factory is actively being built, the new facility still requires progressive equipment debugging, production line optimization, and worker training. Moreover, before the launch of Xiaomi SU7, the company's promotional focus may be more on its intelligent technology attributes, while the promotion of the core attributes of the car itself, such as safety and comfort, is relatively less. This could result in consumers lacking sufficient understanding of the Xiaomi SU7's core attributes, particularly its fundamental performance and quality as a vehicle [9]. Centered on the PengPai OS intelligent driving system, Xiaomi prioritizes smart driving and automotive ecosystem integration. This shifts competitive focus from pricing to technological innovation while addressing market homogeneity constraints. The initial high investment is to ensure product quality, but the pricing is anchored in the mid-to-high-end range to avoid blindly lowering prices and damaging the brand's premium value.

7. Conclusion

Xiaomi Motors has developed a unique market strategy based on the 4P marketing theory: In terms of products, it creates intelligent electric vehicles that combine technological sophistication with cost-effectiveness through high-performance three-electricity technology, "person-car-home" ecological interconnection, and design benchmarking against Tesla and Porsche; in terms of pricing, it adopts penetration pricing, with the starting price being 30,000 yuan lower than that of competitors; the channels adopt a combination of online digital direct sales and offline experience stores, and promotions are achieved through all-round coverage of Spring Festival Gala advertisements combined with parametric dissemination on social media, enabling precise reach to young users. This strategy successfully integrates the advantages of Xiaomi's ecosystem and the characteristics of the automotive industry, providing an innovative marketing model for technology enterprises to enter the automotive manufacturing sector. However, as a new entrant in the industry, Xiaomi Motors still faces issues such as insufficient production capacity and a focus on technological attributes in brand recognition while neglecting traditional automotive performance promotion. In the future, Xiaomi needs to further optimize to consolidate its competitive advantages.

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