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Strategic Brand Management of Technology Brands Entering the Automotive Sector in China—A Case Study of Xiaomi Auto

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Abstract. Nowadays, China's new energy vehicle (NEV) industry has experienced rapid growth, driven by government policies and technological innovation. This study focuses on Xiaomi Auto as a representative case to explore how a technology company can transfer into NEV market through strategic brand management. Using semi-structured interviews with diverse consumer groups and a literature review, the research applies an integrated analytical framework combining the SWOT analysis. Research found that Xiaomi has strength in generating public attention and interest, through its technological and youthful brand image, mature ecosystem and marketing capability. However, the purchase actually may be influenced by concerns over safety, reliability, after-sales service, etc. The SWOT analysis shows that there is a trust deficit, which highlights Xiaomi Auto's weaknesses in previous automotive experience despite significant opportunities from smart mobility trends. According to the survey results, it is recommended that Xiaomi continue to leverage the advantages of its fan community and reinforce its image of intelligence, high performance, and a mature ecosystem. Also, it is vital to strengthen service capability and improve safety in order to convert consumer interest into actual purchases. Based on brand management principles, these strategies can also provide actionable insights for other technology brands entering the traditional manufacturing industry.

Keywords: Xiaomi Auto, New Energy Vehicles, Strategic Brand Management, SWOT Analysis

1. Introduction

Nowadays, China's new energy vehicle (NEV) industry is experiencing rapid growth, supported by incentives and policy frameworks from the Chinese government. The New Energy Vehicle Industry Development Plan (2021–2035) explicitly points out China's strategy to vigorously promote the development of new energy vehicles over the next decade or so [1]. A lot of subsidy policies were issued to support this national strategy. For example, the 2025 Vehicle Trade-in Policy accelerates the transformation of the automobile industry by expanding support for vehicle renewal, like providing subsidies for trade-ins, and allocating funds to encourage replacement [2]. This national strategy makes the NEV market in China more and more crowded. On the one hand, traditional car

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manufacturers like JAC and BYD aim to finish their transition. On the other hand, NEV companies like NIO and Li also want to get profit from this era of NEVs.

In this highly competitive context, it's not so easy for Xiaomi as a newcomer to enter the NEV sector. But as a leading technology company with a strong ecosystem in smartphones, IoT devices, and AI-driven applications, Xiaomi also has some opportunities. Xiaomi positions itself as more than a car manufacturer: it aspires to become a smart mobility provider. According to Xiaomi's official statements "people, cars, and homes" and the official slogan for the Xiaomi SU7 "Man and car as one, my heart races", Xiaomi aims to position its vehicle as an integral part of its broader ecosystem, allowing consumers to be fully immersed in it [3].

Some recent academic studies and papers have provided many insights into the current situation faced by NEVs in China. Cui et al. found that consumers often evaluate new energy brands based on environmental influences and price, while also being influenced by their own personality (such as openness) and self-esteem [4]. Yang et al. pointed out that China's national policies have a very large impact on the new energy vehicle industry [5]. Ouyang et al. stated that the total cost of ownership of different models is different, which also leads to the need to apply different strategies among new energy vehicles [6]. Zhou et al. specifically analyze Xiaomi, noting that its unique strength lies in the "hardware–software–ecosystem" integration, but its lack of automotive manufacturing experience raises questions about safety, quality, and service credibility [7]. A comparative study between Xiaomi and Tesla further underscores Xiaomi's attempt to differentiate itself through affordability and interconnectivity, in contrast to Tesla's premium positioning around technology performance and branding [8].

Despite these findings, most existing studies focus either on established domestic automakers like BYD or global ones like Tesla, or just a general analysis of Xiaomi Auto, so there remains a gap in understanding how technology companies like Xiaomi can make use of their digital brand fame and community culture to overcome skepticism from customers and build long-term trust in the NEV market.

Strategic brand management, which refers to the process by which enterprises systematically build, measure, and manage brand equity, can help companies achieve long-term competitive advantage [9]. This study analyzes Xiaomi Auto from the perspective of strategic brand management and aims to provide feasible solutions for Xiaomi and other technology companies seeking to enter the automotive industry on how to transform their technological and other strengths into competitive advantages in the automotive sector.

2. Method

This study uses semi-structured interviews to explore consumer perception across different segments. All interviewees participated voluntarily and consented to recording, and all data were treated anonymously in this study.

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2.1. Interviewees

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Interview	Gende	Age	Occupation	Vehicle Experience	Xiaomi Familiarity
A	Male	21	Student	None	Xiaomi fan
B	Male	49	Employee	Hybrid NEV user (BYD)	Moderate
C	Male	23	Student	Mazda owner, loves old gasoline cars and car racing	Limited
D	Female	22	Student	No car yet, but has interest in NEV's smart features (e.g., large screen, massage seats, auto-parking)	Knows Xiaomi's tech news, curious but not a fan
E	Couple	Both 30	Newly married, preparing to buy first family car	Considering different car types, comparing prices	Neutral, some familiarity with Xiaomi but undecided

As shown in the table 1, A represents loyal young "Mi Fans" (Fans of Xiaomi), highlighting emotional brand attachment. B, as a middle-aged person who owns a NEV, can make a relatively rational evaluation of NEVs based on his own usage experience. C, who likes and owns traditional fuel vehicles, can provide evaluations of Xiaomi and other NEVs from different perspectives. D reflects the new understanding and new demands of today's young people towards automobiles. This can provide great reference value for the functional design of NEVs. E, a newly married couple preparing for their first car purchase, reflects family-oriented decision-making under budget and other considerations.

This ensures that the interviews cover a wide range of consumer backgrounds, making the findings more representative.

2.2. Question setting

The interview outline was prepared based on formal literature on consumer behavior and NEV sector, etc. In particular, themes were drawn from studies on brand trust, purchase intentions, and cost-related concerns, etc. (e.g., Cui et al.; Wang et al.). The questions were then combined with Xiaomi's specific condition to explore consumer perceptions of technology company which is newly entering the automotive field.

The key questions included some different aspects. For example, attention getting, such as the ways in which people become aware of Xiaomi Auto and the news that left a strong impression. Brand perception, including how participants view the brand image of Xiaomi Auto and how they understand its brand positioning. Purchase concerns, which included the factors that would influence people's decisions to purchase a Xiaomi Auto, such as price, safety, service, and ecosystem integration. Brand strategy suggestions, which includes participants' suggestions regarding the actions Xiaomi should take to improve its brand as an NEV manufacturer.

Through these questions, it is possible to gain a comprehensive understanding of the interviewees' views on Xiaomi Auto and other NEVs. Furthermore, it can also identify how

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Xiaomi's branding strategies influence different consumer groups and gain some suggestions for NEV companies in China from different people.

2.3. Interview procedure

The interviews were conducted between July and August in 2025. Each interview lasted approximately 20-30 minutes, depending on the participant's engagement. The semi-structured interview was chosen because it balances the reliability of getting important elements with the openness of gaining new and unexpected insights.

The conversations were recorded with approval, through multiple methods such as audio recording, note-taking and chat apps. Recordings were transcribed and later translated into English for analysis.

2.4. Data analysis

Depending on transcription, the texts were subjected to thematic text analysis. Segments of the content of the interviews were extracted into meaningful units, such as "quality", "safety worries", "ecosystem friendly" and "after-sale services". After that, summarize the image of Xiaomi Auto in consumers' mind.

This process makes the interview content more concise and the focus more prominent, which is conducive to drawing conclusions and making targeted suggestions for optimizing brand building. Also, it facilitates the subsequent SWOT analysis.

3. Results and findings

3.1. A certain choice for the fans

Xiaomi fans regard Xiaomi Auto as a natural part of the Xiaomi ecosystem. Interviewee A highlighted that having already owned multiple Xiaomi devices, he trusts the brand's technological integration and looks forward to the seamless interconnectivity between smartphone and vehicle. When Xiaomi Auto and other devices become an integrated whole, the ecosystem will produce a "1+1 greater than 2" effect, which is highly attractive to many young digital enthusiasts who pursue multi-device synergy.

3.2. Doubts about professionalism

Consumers who own gasoline cars or NEVs produced by traditional manufacturers, such as interviewees B and C, expressed a cautious attitude toward Xiaomi Auto. Although they acknowledged Xiaomi's advantages in high technology and its ecosystem, they questioned whether a technology company with no prior automotive manufacturing experience could provide reliability, safety, and comprehensive after-sales service. Compared with established automakers, Xiaomi is perceived as lacking professional depth in car manufacturing. They emphasized that the most fundamental aspect of a car is safety and stated that they would probably not choose a vehicle without safety assurance simply because it is new.

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3.3. The appeal of Lei Jun and racing events

Interviewee C, although knowing little about Xiaomi Auto, is aware of many anecdotes about Xiaomi's CEO Lei Jun and the record set by the Xiaomi SU7 Ultra at the Nürburgring due to frequently browsing social media and following racing. This shows that Xiaomi is making efforts in brand emotional connection and brand storytelling, which plays a significant role in the brand communication of Xiaomi Auto.

3.4. Positive perception of Xiaomi's smart and Hi-tech features

For young and family consumers like D and E, the advantage of new energy vehicles lies in their ability to integrate many advanced smart features into the driving experience. Functions such as large interactive screens, smart parking, and in-car entertainment are highly attractive. Regarding Xiaomi, they believe that Xiaomi also has the potential to redefine cars as lifestyle products, meeting the younger generation's diverse demands for comfort and functionality. However, as young consumers, they note that whether to purchase Xiaomi Auto still depends on feedback from existing users and pricing.

3.5. Impact of policies on purchase

Interviewee D also mentioned that, as a couple starting a family, purchasing a new energy vehicle requires considering government subsidies and other related policies to achieve the best value. For example, nowadays in China, NEV license plates are easier to obtain than those for gasoline vehicles, which is especially useful in big cities where license plates are very difficult to acquire due to the large number of cars. In addition, the installation of charging stations must be combined with the local power infrastructure—without infrastructure support and permission for installation, it is impossible to charge conveniently. This shows that factors influencing NEV purchases are not limited to the enterprises themselves, and Xiaomi, as a NEV manufacturer, is certainly no exception.

4. Analyze with SWOT

In order to provide accurate branding strategies for Xiaomi, the well-known SWOT analysis method was used after the text analysis. Based on the perspectives of the interviewees as well as insights from existing literature, Xiaomi Auto's strengths, weaknesses, opportunities, and threats were identified.

Table 2. SWOT analysis of Xiaomi Auto

- Strong tech ecosystem and brand loyalty among fans - Digital marketing expertise - Youthful brand image - Significant leader(s)	S W	- Lack of automotive experience - No established after-sales network - Unclear vehicle safety reputation
- NEV policy support and consumer tech acceptance - Co-branding or partnership with established car original equipment manufacturer (OEMs), etc. - Capitalizing on "smart mobility" trends	O T	- Competition from Tesla, BYD, NIO, etc. - Consumer skepticism toward cross-industry brands - Negative perception of "cheap domestic brands"

(S-strengths, W-weakness, O-opportunities, T-threats)

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As shown in table 2, the SWOT analysis reinforces that Xiaomi's brand extension faces a trust deficit, especially on aspects like safety, durability, and post-sale services, which are areas emphasized in both literature and empirical interviews.

5. Possible strategy based on SWOT and strategic brand management

The SWOT analysis indicates that Xiaomi possesses strong brand equity in consumer electronics, a loyal fan base, and a unique advantage in integrating smart devices into an ecosystem. These strengths provide a reason for purchasing for young, tech-oriented people who value smart functions and digital ecosystem connectivity.

However, there are still weaknesses and threats. Neutral consumers generally express concern about Xiaomi's lack of automotive manufacturing experience, doubts about long-term safety and reliability, and uncertainty in after-sales service. In addition, the NEV market is highly competitive, with established players such as Tesla and BYD enjoying strong consumer trust and brand reputation. If these gaps are not addressed, Xiaomi may be perceived as an "outsider" brand, with expertise rooted in digital products rather than automobiles.

To overcome these challenges and build a sustainable competitive edge, several strategic directions emerge from the SWOT analysis. Also, integrate the perspective of strategic brand management in order to enhance the analytical rigor and persuasiveness.

Firstly, SO Strategy (Strength × Opportunity) suggests leveraging Xiaomi's strength in in operating online communities and the fact that online video users in China have reached 1.085 billion (96.7%) of total internet users. Xiaomi Auto should make use of video platforms and new media channels to create brand stories, highlight its unique brand image, and increase exposure, thereby enhancing consumer attention and recognition [10]. As for brand image, Xiaomi should leverage the IoT, the support policies of the Chinese government for NEVs and the background of global sustainable development to integrate the concept of "good ecosystem, high cost-effectiveness, green environmental protection and sustainability" into the shaping of its brand image.

Secondly, ST Strategy (Strength × Threat) recommends strengthening consumer trust by publishing transparent performance data, safety reports, and indicators measuring battery reliability in social media, thereby building Xiaomi into a reliable automobile manufacturer. Xiaomi can also demonstrate its capabilities in safety and performance by participating in automobile safety evaluation programs or conducting lap time tests at professional racing tracks. In this way, it can not only establish a "reliable" brand image in the minds of consumers through the recognition of professional institutions, but also attract young consumers who are interested in automobile performance to choose Xiaomi instead of other automakers that only focus on daily driving.

Thirdly, WO Strategy (Weakness × Opportunity) suggests establishing partnerships with experienced automobile manufacturers or suppliers to compensate for its lack of production experience and accelerate Xiaomi's credibility building in terms of quality and safety. Besides, according to the Xiaomi Corporation White Paper on Climate Action (2023), Xiaomi can establish partnerships with battery recycling or green energy enterprises to make up for its manufacturing shortcomings [11].

Lastly, WT Strategy (Weakness × Threat) recommends focusing on the improvement of after-sales service infrastructure, such as enhancing warranty services and moderately reducing additional services (such as certain in-car functions) to lessen consumer hesitation, ensuring that Xiaomi Auto is not only affordable but also gradually builds a good reputation. Also, once Xiaomi addressed user concerns on Weibo in a "series" format, publishing questions and answers with scientific explanations. This transparent and efficient approach, unprecedented in the automotive industry,

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strengthened its brand image as technology-driven and consumer-friendly. This approach is worth continuing [12].

6. Conclusion

This study examined Xiaomi Auto's strategic brand management and marketing strategy through a SWOT analysis, highlighting both opportunities and challenges the company faces as a newcomer in China's competitive NEV sector.

The SWOT analysis tells that only by reducing consumers' negative perceptions and forming a unique image through brand building and brand management can Xiaomi establish long-term competitiveness in the NEV sector. In the meanwhile, this study also provides some feasible strategies and suggestions for other technology or internet companies that want to enter the automobile industry.

Future research can further explore consumer perceptions through large-scale surveys and compare Xiaomi's development with other technology companies entering the NEV industry, such as Huawei. In addition, cross-cultural comparisons may provide unique insights into how Xiaomi's brand strategy can adapt to global markets.

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