

Marketing Analysis of Small Home Appliance Enterprises in the Context of Cross-border E-Commerce: A Case Study of Midea Group

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Abstract. In 2025, China's home appliance exports reached 111.41 billion USD. Cross-border e-commerce has become the core channel for small home appliances to go global. However, tariff fluctuations, green barriers and homogeneous competition restrict industrial development. This paper takes Midea Group as the research object, adopts the single case study method and 4P marketing theory to systematically analyze the implementation path and effect of its cross-border e-commerce marketing strategies for small home appliances. The study finds that Midea has achieved market breakthroughs through multi-platform layout, localized product customization and intelligent product upgrading. Nevertheless, it still has shortcomings in high-end brand awareness, after-sales service in emerging markets and marketing system construction. Accordingly, this paper puts forward targeted optimization suggestions. Midea should adopt layered intelligence, refined price matrix, enhanced dealer empowerment, strengthened overseas localized marketing and service internationalization. The conclusions provide references for marketing transformation of leading home appliance enterprises. This research also enriches empirical cases for the cross-border marketing of China's household appliance industry.

Keywords: Cross-border E-commerce, Small Home Appliances, Midea Group, 4P Theory, Localized Marketing

1. Introduction

Global digital trade is developing rapidly. Cross-border e-commerce has evolved from a supplementary channel to the main channel for Chinese manufacturing to go global. Data from the General Administration of Customs shows that China's cross-border e-commerce import and export scale kept expanding in 2025. Home appliances, especially small home appliances, have become core categories of cross-border e-commerce due to high standardization, controllable logistics costs and popular consumption scenarios. Data from China Household Electrical Appliances Association reveals that in 2025, the main business revenue of China's home appliance industry reached 1.97 trillion yuan, a slight year-on-year increase of 0.1%. The total profit was 169.1 billion yuan, down 3.3% year-on-year. The industry featured stable total volume, structural differentiation and profit

pressure. Annual home appliance exports hit 111.41 billion USD, down 0.9% year-on-year, showing strong resilience amid tariff pressure [1].

Chinese policies support high-quality trade development, institutional opening-up and digital trade growth, backing home appliance cross-border e-commerce. The industry faces three constraints. First, trade policy uncertainty exists. In 2025, China's home appliance exports to the US reached 16.6 billion USD, down 19.9% year-on-year [2]. US tariff changes heavily impacted small home appliance exports. A 150-day tariff adjustment window from February to July 2026 brought short-term order opportunities, but long-term risks remain. Second, green trade barriers tighten. EU directives such as ErP and Ecodesign raise requirements on energy efficiency, eco-materials and recyclability. Export-oriented small home appliances must adopt green production and certification. Third, homogeneous competition and low-price involution prevail. Many small manufacturers rely on cost performance and lack brand premium and technical barriers, failing to cope with rising compliance costs [3]. Midea Group is a leading player in China's home appliance industry. In 2025, Midea ranked first in retail volume of core small home appliances including induction cookers, rice cookers and electric fans, with shares of 48.48%, 42.21% and 45.77% respectively [3]. In cross-border e-commerce, Midea deploys Amazon, Alibaba International, independent websites and third-party platforms, covering both B2B and B2C. It also promotes localized operation and independent brand building overseas. Its marketing practice is typical and exemplary. Therefore, systematic analysis of Midea's cross-border e-commerce marketing strategies for small home appliances is practically significant for the industry's high-quality globalization.

This paper aims to solve three questions. First, what 4P marketing model has Midea formed for small home appliances in cross-border e-commerce? How does it balance localization and globalization? Second, what is the effect of Midea's current cross-border marketing strategies? Third, how can Midea optimize its cross-border e-commerce marketing system to seize tariff window opportunities and build long-term competitiveness in the global market? This study fills a research gap regarding cross-border e-commerce research on large corporations, whilst integrating the 4Ps theory and localised marketing into the cross-border e-commerce sector, thereby expanding the scope of application of traditional marketing theory.

2. Literature review and theoretical basis

2.1. Literature review

Studies on cross-border e-commerce marketing focus on 4P theory, omni-channel operation, social media marketing, live-streaming e-commerce and AI digital empowerment. Górka verified the value of digital precise marketing in 4P dimensions [4]. Zhang et al. confirmed that omni-channel integration and localized social media content improve conversion efficiency [5]. Li et al. analyzed consumer purchase logic in overseas live-streaming [6]. Gu et al. explored AI application in cross-border operation and pointed out pain points such as data compliance [7]. However, these studies rarely discuss supply chain collaboration, R&D-driven marketing and global brand building of manufacturing leaders.

Most studies on small home appliance cross-border e-commerce target small exporters in the Yangtze River Delta and Pearl River Delta. Che studied product selection, cost optimization, logistics and overseas warehouse layout [8]. Zhang & Li built a green production framework and proved that green transformation enhances export competitiveness [9]. Zhang analyzed cross-border inventory and reverse logistics cost control [5]. Few studies focus on integrated marketing of leading enterprises across markets, brands and platforms.

Studies on Midea's internationalization analyzed global layout, digital channels and localized marketing, but lacked systematic research on full-link cross-border e-commerce strategies and timely analysis of latest trade policies [10]. No literature integrates tariff fluctuations, green barriers, channel changes and leading enterprise marketing. This paper fills the gap with Midea as the case.

2.2. Theoretical basis

The 4P theory was proposed by Jerome McCarthy in 1960, including Product, Price, Place and Promotion. Product emphasizes function and unique selling points. Price refers to strategies and discounts based on market positioning. Place focuses on dealer development and sales network. Promotion stimulates consumption through short-term activities [11]. Combined with cross-border e-commerce features, overseas brand localization is divided into four dimensions. Product localization means designing products to fit local demand preferences. Price localization sets pricing matching local purchasing power and competition. Channel adaptation means complying with platform rules and user habits. Cultural adaptation integrates local cultural elements and cooperates with local IP.

3. Research methodology

This paper adopts an exploratory single case study method. Midea is selected for three reasons. First, it is industrially representative. Midea has promoted digital and intelligent transformation since 2012, with over 20 billion yuan invested in digitalization by 2025, evolving from manufacturing to smart manufacturing. Second, it is typical. Midea runs both B2B and B2C, OEM/ODM and independent brands, facing common challenges such as high-end breakthrough, green compliance, tariff risks and localization. Third, data is accessible. As a listed company, Midea discloses sufficient annual reports, ESG reports, official releases and media coverage for cross-validation.

Data sources include: (1) Official data: Midea's financial reports (2013-2025) [3]; (2) Industry data: 2025 China Home Appliance Industry Operation Analysis and 2026 Outlook by China Household Electrical Appliances Association [12]; (3) Literature data: academic papers on small home appliance exports and cross-border e-commerce marketing; (4) Media and platform data: financial reports, public operation data and brand cases. Content analysis and framework analysis are used. Data is coded to extract key information such as product, price, channel, promotion, localization and green marketing. Data is matched with the 4P framework to summarize marketing features and effects. Combined with trade policies, industry challenges and competition, problems are identified and strategies derived to ensure rigorous, credible and feasible conclusions.

4. Midea's cross-border e-commerce marketing strategy analysis

4.1. Product strategy

Midea builds a full-category, multi-level and intelligent product matrix for differentiated advantages. Its products cover major home appliances, small home appliances, robotics, building technology and digital innovation. In 2025, Midea's smart home business revenue reached 300 million yuan, up 11.28% year-on-year [3]. It led in retail volume of core small home appliances. In brand stratification, COLMO and Toshiba serve as high-end engines, with retail sales growing over 45% year-on-year [3]. COLMO focuses on AI and whole-house intelligence. Toshiba highlights artistry

and heritage. Hualing targets young users as a trendy and cost-effective brand. The brand matrix covers high-end, mid-range and cost-effective markets.

In intelligent products, Midea upgrades products and services via digital transformation. The Meiju APP enables whole-house interconnection. It shifts from hardware sales to a "product + service + solution" model. In 2025, R&D investment hit 17.8 billion yuan (Figure 1), with 23,000 R&D personnel and 165,000 global patents, including 36,000 invention patents. Technological innovation supports product leadership and customer-oriented service transformation.

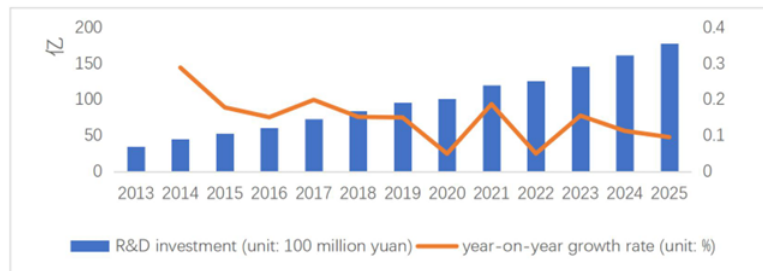


Figure 1. R&D investment and year-on-year growth rate of midea group (2013–2025) [3, 13]

4.2. Price strategy

Midea adopts brand-stratified and market-oriented pricing to build barriers across price bands. COLMO targets high-end markets, competing with international premium brands. It held over 20% share in high-end floor-standing air conditioners in 2025, supported by AI technology and design premium. Hualing uses penetration pricing for young and mass markets. The main brand adopts competition-oriented pricing, 10%-15% lower than rivals with same configuration. Toshiba positions at mid-to-high end.

The main brand and Hualing maintain cost performance in mid-to-low end markets. Scale production and lean manufacturing control costs. Online sales accounted for over 50% in 2025. Interest e-commerce platforms such as Douyin achieved rapid penetration with hit products. Midea uses rebates, discounts and trade-in subsidies to adjust prices. It joined the national subsidy program in 2025, with over 40,000 stores participating. Digital tools prevent price chaos and stabilize the pricing system. In 2025, Midea's total return on assets reached 7.25% (Figure 2), rising steadily in four years. Efficient supply chain and cost control support flexible pricing, balancing market share and profitability.

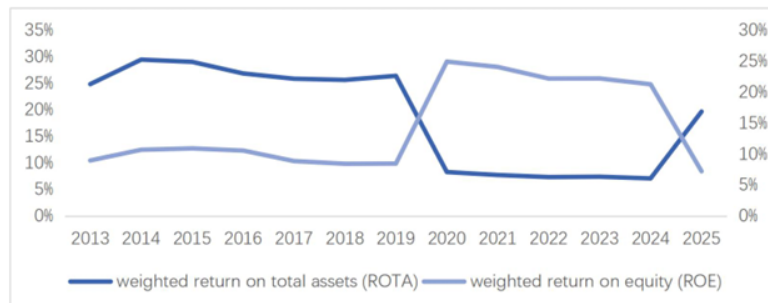


Figure 2. Profitability indicators of midea group (2013–2025) [3, 13]

4.3. Place strategy

The core of Midea's 2025 channel reform is DTC mode and overseas OBM integrated strategy for global layout. For domestic channels, Midea deepens DTC by directly connecting over 30,000 stores via the Meiyunxiao APP. The unified cloud warehouse model raises on-shelf rate by 13% and shortens delivery. It promotes O2O integration covering 50,000 offline stores, cooperating with Douyin, Meituan and Amap for local life drainage and instant delivery. It expands in township markets and engineering projects.

For overseas channels, Midea implements OBM integration and full-link digitalization. Overseas revenue reached 195.9 billion yuan in 2025 (Figure 3), up 16% year-on-year. OBM accounted for over 45% of overseas smart home revenue. Midea runs 29 R&D centers and 43 major manufacturing bases overseas, adopting "China for global + regional for regional" supply. The overseas iBOS platform covers over 4,000 channel clients with over 35 million self-service orders. Overseas own-brand e-commerce revenue grew over 50%. Midea operates on 23 Amazon sites, ranking first in 29 categories. It builds a four-level global spare parts supply chain, cloud call centers covering 16 countries and iService systems in 18 overseas subsidiaries.

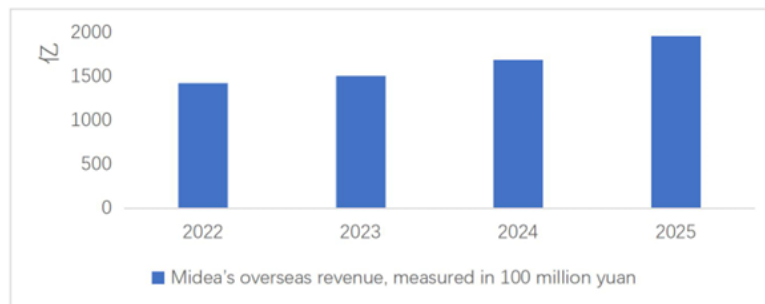


Figure 3. Midea's overseas revenue growth (2022–2025) [3, 13]

4.4. Promotion strategy

Midea's promotion shifts to digital, social and service-oriented integrated mode. Midea conducts global branding and sports marketing. It ranked 246th in the 2025 Fortune Global 500, rising 31 places. Partnership with Manchester City and Erling Haaland reaches hundreds of millions of global fans. Localized branding is strengthened in North America and Southeast Asia. In content and digital marketing, Midea deploys deeply on Douyin and Xiaohongshu, using AIGC, influencer marketing and live-streaming. It ranked first in user assets among home appliance brands on these platforms in 2025. "Data + AI" optimizes advertising and builds a full-link conversion closed loop. Hualing's AI creation campaign gained over 700 million UV exposure. In user operation and service, Midea has over 230 million registered members. Meiju APP had 88 million domestic registered users and 21 million monthly active users by 2025. It provides "Meifen 2.0" benefits including free returns, appliance steward and cleaning services. Over 60 million Meiju users and 100 million connected IoT devices enable proactive smart home services.

5. Problems

5.1. Product issues

Midea promotes intelligent products and launched MevoX and whole-house intelligence strategy in 2026 to build technical barriers, but faces two constraints. First, weak consumption restricts high-end intelligent products. China's home appliance retail market shrank 4.3% to 893.1 billion yuan in 2025. Downturn real estate weakens domestic demand. High-end products such as COLMO have long market cultivation cycles and low sales contribution. Second, full product matrix presses gross margin. Midea's gross margin fell 0.08 percentage points in 2025. Rising raw material costs and price competition compress premium space. Competition barriers based on category width are weakening, requiring deeper technical moats.

5.2. Price issues

Midea raised air conditioner prices by 3%-10% in early 2026 to cope with cost pressure and shift to value competition, but faces dilemmas. First, cost transmission conflicts with policy dividends. The 2026 national subsidy covers only first-class energy-efficient products with a lower rate. Price hikes may reduce policy effects and hurt consumer perception. Second, "price return" clashes with share protection. Hualing competes with low prices in the mass market, while the main brand raises prices in mid-to-high end. This dual strategy may lower overall brand perception and makes share retention difficult.

5.3. Channel issues

Midea promotes domestic DTC reform and overseas e-commerce expansion, but omni-channel development has shortcomings. First, online competition intensifies and customer acquisition costs rise. Content e-commerce competition, higher traffic costs and e-commerce tax challenge efficiency. Midea leads in shelf e-commerce but needs refined operation on content platforms. Second, dealer interest restructuring is in adaptation. The "unified inventory" and "zero inventory" models transform dealers from stockers to value creators. Uneven adaptation and profitability threaten retail network stability.

5.4. Promotion and operation issues

Midea accelerates overseas expansion, aiming for 50% overseas revenue by 2028, but has weaknesses in branding and risk response. First, OBM brand premium is weak. Though OBM accounted for over 45% of overseas revenue in 2025, high-end brands such as COLMO are still labeled "cost-effective" in Europe and America, with lower premium than local brands. High-end and localized branding needs improvement. Second, external risks test response flexibility. The US suspended de minimis exemption. The EU imposed fixed tariffs on low-value packages from July 2026. Midea's overseas revenue growth slowed in Q1 2026. Local manufacturing capacity is building, but short-term policy adaptability is insufficient.

6. Optimization suggestions

For product strategy, Midea should enhance high-end and service-oriented development for differentiated competitiveness. First, focus on whole-house intelligence for high-end users and

single-product intelligence for mid-range markets to drive penetration. Secondly, it should accelerate the cost-saving and efficiency-enhancing benefits of artificial intelligence. The cost savings should be passed on to mid-range products, thereby lowering the barrier to entry for smart experiences. Thirdly, Midea should tap into incremental demand by launching innovative product categories to avoid homogenisation.

For price strategy, Midea should move away from low-price competition and adopt value-based pricing. First, Midea should highlight value anchors for premium. Price increases should be linked to product upgrades and services, rather than being based solely on cost considerations. Second is to refine price matrix management. It should clarify the positioning of each sub-brand, establish clear consumer perceptions, and avoid internal competition. Third is to use financial tools to reduce price sensitivity, thereby maintaining conversion rates during price increases.

For channel strategy, Midea should build a same-price and benefit-sharing channel system to stabilize dealers. It should use AI to optimize traffic efficiency and expand emerging channels such as instant retail. Secondly, it should enhance service capacity to help dealers shift from product sales to service sales, thereby improving offline customer retention rates. Furthermore, it should offer training and after-sales support to reduce dealers' transformation resistance.

For promotion strategy, Midea should reduce simple price promotions and strengthen high-end branding and experiential marketing. Through localized marketing, including celebrities and IP cooperation, the company should enhance brand premium and value recognition. Secondly, It should use overseas bases to avoid tariff barriers and expand emerging markets to diversify geopolitical risks. Thirdly, it should leverage its overseas supply and service networks to upgrade from product export to service export. Fourthly, it should align with regional green policies and convert compliance requirement into brand advantages.

7. Conclusion

This paper studies Midea's small-home-appliance cross-border marketing under 4P framework and answers three initial research questions. Midea forms a mature 4P operation model with localized production and multi-channel deployment and achieves stable overseas performance. It still has defects in high-end brand recognition and emerging-market after-sales service. The given targeted strategies support its brand globalization transformation. The given targeted strategies support its brand globalization transformation. This paper summarizes replicable experience in product matrix, pricing and multi-platform operation for small home appliance enterprises. It proposes feasible solutions to common problems such as tariff fluctuations and weak after-sales service. It also supports enterprises to seize the 2026 tariff window, expand high-growth markets such as the EU and ASEAN, and upgrade from OEM/ODM to independent brands.

The research is limited to single-case analysis without peer-brand comparison. Empirical data mainly comes from public published files instead of field interviews. No quantitative modeling is applied to measure marketing input-output efficiency. Future research will add multi-brand comparative analysis and original interview data. Later studies focus on two fields: quantitative influence of tariff and green regulations on home appliance export, and the correlation between digital localization operation and overseas brand premium growth.

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