

CHAPTER 1

MARKETING IN THE DIGITAL ERA

1.1. INTRODUCTION

In recent years, the Internet has brought about a profound change in society and the economy by entering most households and businesses around the world. It has become an information and communication environment in which a direct distribution can be carried out through transactions and promotions to reach the final consumer.

Internet originated in the military industry in 1969. The main objective was to connect several networks in a decentralized manner. In this way, if they suffered an attack, it did not focus on a central nucleus destroyed by the enemies (Fernández Gómez, 2004). That was the way through Arpanet was created, which main goal was to keep safe all the military data.

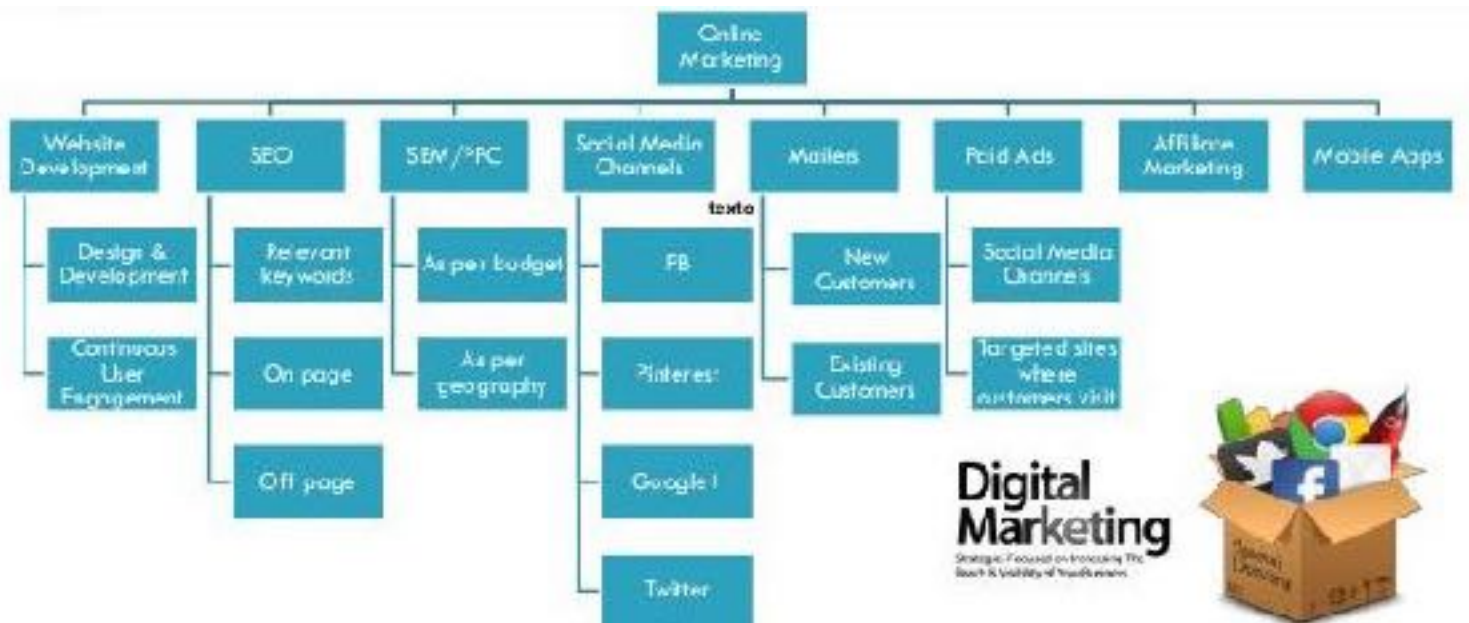
Technology has been a factor of revolutionary change in all areas and industrial sectors, entrepreneurs and others (Fernandez Gómez, 2004). For this reason, this has become the most used resource in these sectors; the sectors that have been able to take advantage in one way or another of the new and varied options that this digital era offers them.

Among the sectors that have been most positively impacted by technology evolution is marketing. Marketing has seen its greatest expansion opportunity with the new tools that technology has been providing in recent years. Nowadays, marketing has been one of the sectors that have most taken advantage of the new opportunities of the digital era, and have been able to use the most effective and global communication tools in their favor to apply their promotion strategies and others. This is why the technological transformation of marketing has had one of the most profitable and fruitful technological revolutions of all sectors (Rodriguez Ardura, 2008).

This revolution is translated into the birth of the Digital Marketing concept. Digital marketing is the term used to describe the way in which marketing techniques and strategies have evolved, which are now more effective and modern, but above all, very widely spread.

That is why the youngest companies in the market try to base their business strategies on digital marketing. An excellent example of this type of business is the Xiaomi company, which we will analyze throughout this thesis. We will start by doing a broad search for information about the main concepts of digital marketing, starting from the definition of this concept to analyze its main advantages and disadvantages, its tools used and the main strategies known to date.

Later, in a second chapter focused on analysis, we will try to break down the company Xiaomi with the aim of examining all the actions that the company carries out in its digital marketing. In this way we will achieve our main objective which is the technological analysis of digital marketing that the company Xiaomi develops when it comes to making its products available to the public.



1.2. DEFINITION OF DIGITAL MARKETING

To carry out and understand in a more detailed way the concept of digital marketing, it is necessary to begin by defining what marketing is. According to the "father of marketing" Philip Kotler (1999), marketing is a process in which a group of individuals exchange goods and services to meet their needs. Marketing stimulates exchanges. For this to happen, there must be 4 conditions:

- 1) The participation of a minimum of two people is required.
- 2) Each part must put something of value that the other part wishes to possess.
- 3) Each part must be willing to give up their valuable thing.
- 4) The parts have to be able to communicate with each other.

Based on the term Marketing we can deepen what Digital Marketing would be. Digital Marketing is the application of marketing strategies carried out in digital media. It's about taking all the techniques off-line to the online world. In this new digital world (online) appear new tools very useful as the immediacy, the new networks that arise every day and the possibility of making real measurements of the strategies used (Kotler and Keller, 2000).

Within the new field of Digital Marketing, we find that a new instance is developed until then not known; the so-called Web 2.0. It is now the users who have the most important power, even ahead of the media. It is opinion that makes users strong, being able to talk about the brand freely.

Marketing techniques must change their point of view. It is now consumers who have the power of opinion, leaving behind distributors, producers and the media. Thanks to the power of search engines such as Yahoo, Google, etc., users are able to find everything they want, including exchanging information with other users.

That is why Digital Marketing is so important in today's society. Digital media is what allows the user to be connected to the information 24 hours a day, at any time and in any place they wish. They are also an increasingly common source of entertainment, news, shopping and social interaction.

Therefore, we can say that there are currently three keys to the success of Digital Marketing: managing customer relationships in all channels, developing dynamic and relevant interactions with customers, and obtaining Big Data values to make the best decisions as quickly as possible.

1.3. MAIN GOALS AND ADVANTAGES/DISADVANTAGES

1.3.1. Main goals

As we have previously explained, digital marketing is an interactive system that uses telematic communication systems to try to achieve a measurable response to a product or a commercial transaction. It allows customers to make a query about the product and also select and acquire the existing offer at a specific time of a certain product.

Digital marketing has tools to establish a continuous relationship between the company and its customers, so its two main objectives are: to establish a communication system with the market and a measurable and stable feedback.

Regarding the first objective, unlike traditional marketing, it seeks to inform and stimulate consumers' purchasing responses using communication tools. These instruments allow the generation of messages tailored to each interlocutor and in customized formats.

Referring to the second objective, as we all know, the reactions of the audience to which the marketing actions are directed are measurable, either through the control of the audience levels of the website, the response messages or their purchase decisions. The actions of digital marketing must be provided with these mechanisms (control of audience levels) to know when a company should withdraw the product from the market because the demand for it is non-existent.

1.3.2. Advantages

Almost all advantages are what digital marketing offers us. However, it is interesting to analyze each of them from the point of view of the consumer and the seller.

1.3.2.1. Buyer's point of view

The first thing to keep in mind is comfort and convenience. Internet offers the possibility of making the purchase from any place and at any time (the delivery of the order at the address of the consumer will be done later).

Another of the highlights would be the lower opportunity cost due to savings in time, displacement, efforts and inconvenience. As we already know, another clear advantage over traditional marketing would be the numerous search options and the obtaining of ample information relevant to the purchase decision.

The ease of evaluating offers and making comparisons as well as the absence of pressures and influences of the seller, make digital marketing the new tool in most companies. On the other hand it is also important to point out that these tools facilitate access to a global market, in continuous growth of product offerings, especially those that are difficult to acquire locally.

That navigation is carried out through an attractive environment and interacting with multimedia elements together with the fact that the purchase process is carried out

in a more private and intimate way (absence of establishment staff and other buyers) causes the purchase to be more comfortable for a certain user profile.

1.3.2.2. Seller's point of view

As we have already said it is also important to analyze the point of view of the seller since there are not always advantages for both (this is not the case). The seller is allowed to access a global market with exponential growth in which the costs derived from the physical exposure of products disappear. Also the fact that the seller can quickly change the characteristics of its offer, adding products and modifying the sales conditions makes it can quickly adjust to the evolution of the market.

As for the entry of new vendors into the market, the low entry costs and the easy operation of the service in the virtual sales space, makes these vendors seek interaction with users through the network. Another of the main advantages of such marketing is the fact that you can operate with lower stocks, minimizing the cost of updating and distributing catalogs.

There is the possibility of offering promotional videos, demonstrations and animated offers while the purchase process takes place, which generates more attention from the buyer. Contacting clients directly improves the ability to build ongoing relationships with them. Last, but not least, the tools used allow an effective control of the results of the actions carried out by the marketing.

1.3.3. Disadvantages

Not everything that is related to this technique are purely advantages, although it is true that it is the latest trend in the marketing branch. Certain drawbacks are those that make certain companies (for example, those with a low volume of employees or those that follow a more traditional line of business) do not accept digital marketing as an improvement over traditional marketing.

These companies say that through this new technique we are losing the direct relationship with the customer and the product they want to buy. Another aspect to keep in mind is that there are many people who nowadays do not have access to the internet or who prefer other means such as television or radio.

Also the dependence generated by digital marketing with regard to the connection to the internet is considered a disadvantage, since in certain cases the connection may fail, generating a bad image of the company.

Digital marketing does not escape being ignored by certain consumers who close the ad or change channels on television when they are not interested in the information offered. It can also be the case that customers may be unhappy because when they receive the product it does not look like the one they saw on the screen.

Finally, there are many people who distrust the Internet when they have to make a payment, since in many cases there have been online thefts or scams.

Advantages	Disadvantages
 Typically high click-through rates	 Increasingly lower click-through rates
 Relatively quick/easy to implement	 Relatively long/difficult to implement
 Active audience	 Passive audience
 Highly measurable	 Difficult to measure
 Trusted source / credibility	 Low credibility / trust
 Relatively inexpensive	 Can be expensive
 Can be well targeted	
 Direct response	

1.4. DIGITAL MARKETING

In this chapter, we will analyze three very important aspects of digital marketing, such as marketing on internet, search digital marketing and the four P's of digital marketing.

1.4.1. Marketing on internet

As we have said before, digital marketing is intimately related to the use of the internet and related to this we can find several types of marketing.

Of all the methods that we can find related to the use of marketing on internet there is not one that, due to its qualities, is the best. But there is a wide range of marketing actions that can be used by the company. That is why it is often said that marketing is infinite on the internet (Rafael Muñiz González, 2010). Of all the ways to do internet marketing the best known due to its large field of application are the following.

1.4.1.1. One to one marketing

One of the great advantages of using the internet is the interactivity with the user, which generates that the company has information about the first impressions of the consumer, allowing to adapt the offer of products and services. At first, these data were obtained from questionnaires that the user filled in, but later systems of tracking, obtaining information and personalization of the offer have been developed; these new systems are marketing platforms one to one.

These platforms allow different actions such as observing the user's navigation, observing data to configure the client's profile, generate statistics through these data to make the right strategic decisions, achieve very personalized interactions with the client so that the client receives only the information relevant to it and, finally, offer the products and services expected in the market.

Marketing one to one is a system of personalization that becomes one of the bases of digital marketing planning. The client should know that companies use platforms that analyze and adapt their needs.

1.4.1.2. Permission marketing

As we already know, many companies try to be known by the indiscriminate sending of messages (spam). Marketing professionals have understood that the reaction of customers to this type of advertising is negative, so they have found new techniques of direct marketing in the network. On the other hand, they have understood that these mechanisms allow a unique segmentation through which it is possible to evaluate their impact immediately.

As a result of spam, the concept of permission marketing arises. It is about making direct communications to the public that has really allowed to receive the message and therefore is interested in it (Seth Godin, 2003). That is, take advantage of the database of people who at some point have been interested in the products of the company and therefore it is sent to these people the messages and ads that fit with their consumer profile. Definitely, the permission marketing is a very big step towards perfect segmentation.

1.4.1.3. Attraction marketing

This type of internet marketing consists in generating visits and repeating them. This strategy works through actions in the search engines. It is about carrying out the largest number of marketing actions to be as effective as possible. Definitely, be present in many different sites to create new entry to potential customers.

1.4.1.4. Retention marketing

This type of marketing consists of creating reasons for people who visit the website to stay there. To achieve this, it is necessary to take into account different aspects such as the dynamics of the website and the frequency of updating, the adaptation of the website, the structure and navigability criteria for the visitor and internal promotions by the company.

The capability of retention is an important measure that is used to know the level of interest of the visitor and their degree of adaptation. If the client stays longer on the web he is able to know more about it, access more information and become familiar with its use. This usually leads to a high level of customer loyalty.

1.4.1.5. Recommendation marketing

This type of marketing is based on the fact that the client has to become a prescriber, starting a new cycle. This strategy is based on viral marketing strategies through which the brand receives new customers due to the loyalty of previous consumers.

Viral marketing is a modality that can be generated automatically with actions of spontaneous recommendation. It is usually the result of specific incentive programs or the result of a combined strategy.

Nowadays, this type of actions accounts for approximately 30% of the generation of new traffic on the website of a company. To this we must add the fact that, being users who are convinced by the opinion of a prescriber, it increases the probability of being a highly interested visitor.

1.4.2. Search digital marketing

One of the most important aspects that we must deal with in this thesis is the fact of the positioning of our brand in the search engines. Being well positioned is the ability of Internet users to find us when looking for terms related to our business or our location. Search engine positioning is the technical process through which changes are made to the structure and information of a web page with the aim of improving the visibility of a website in the organic results of the different search engines. As we know there are different ways to position yourself in a search engine and they are all important because we do not know the way in which we are going to be searched. Next, we will explain in detail the concepts of SEO and SEM.

1.4.2.1. Search engine optimization (SEO)

SEO (search engine optimization) is a set of techniques that aim to improve the positioning of the web within certain search engines such as Google, Bing, Yahoo Search, etc., working on the use of certain keywords that users enter when they search some web pages (Orense Fuentes y Rojas Orduña, 2010).

SEO optimization uses tools, techniques, strategies and methods so that a certain website is in the top ranking of search engine results (Kristopher B. Jones, 2008). That's why the main objective would be to leave a website in the first place of the search when searching for terms related to it.

It takes a lot of work to make SEO work. We may have to change or add certain aspects to be well optimized and accessible to the search engines. These will include a lot of information about the most popular keywords and the niche market where our brand is located.

1.4.2.2. Search engine marketing (SEM)

In the same way as SEO, Search Engine Marketing (SEM) is also connected to the search mechanisms. It is a set of actions that aim to improve the visibility of web pages in

the search mechanisms (Orense Fuentes y Rojas Orduña, 2010). It uses SEO as a strategy in addition to sponsored links and other tools. It is a technique by which companies must pay to be in the top three positions of the search. That's why many digital marketing professionals say they are more effective than SEO, since the SEM is a continuous process, a constant dispute over the dominance and prevalence of a page as the best destination option for the result of a keyword in a search website.

After explaining the concepts of SEO and SEM, it would be interesting to analyze the various advantages and disadvantages of both search mechanisms. The main advantage of SEO over SEM is the low cost of the first one. Also keep in mind that SEO generates more confidence (more traffic information) and therefore can target any keyword. However, the SEM is faster than SEO, it does not matter the URL and it is also easier to measure. Regarding the disadvantages they present are diverse and very varied. For SEO it takes more time, a well-made website and it is difficult to use. The SEM can be very expensive and does not generate much confidence in those people who perform the searches.

In addition to SEO and SEM there are other related concepts that are also important. We are talking about Social Media Optimization (SMO) and Social Media Marketing (SMM).



The SMO is one of the two methods of optimizing websites (the other is SEO). Its main objective is to increase the number of visitors within any social media through various strategies, such as adding the possibility of shared content, facilitating user interaction, etc. However, the SMM is the area responsible for any strategy of marketing within social media. It aims to create quality content and attract readers to share their content on the web.

1.4.3. Four P's of digital marketing

The model of the four P's of marketing, developed by McCarthy in 1960, has the objective of planning the elements that intervene in the commercialization of goods and services in order to satisfy the needs of customers. This model is made up of four variables: price, product, promotion or communication and distribution that must be established in a way that they pursue the same purpose and reinforce each other

This model focuses on the product and over time has been adapted to give greater importance to the tastes and needs of the consumer. With the birth of online marketing, a new model of the 4Ps has been developed aimed at the digital domain. Specifically, in 2001, Idris Motte was in charge of adapting this model to the reality of digital marketing. These new 4 P's are more focused on the user and less on the product.

The new 4 P's of digital marketing are:

1) Personalization: Products and services are designed to meet the needs of customers to satisfy their expectations. It is achieved by increasing the ability to find, measure and store data of web users and their behavior, which allows a more personalized experience. An example would be the Google ads in the G-mail.

2) Participation: Consists of involving clients in the marketing strategy. Once the online experience becomes personal, people think and recommend, making the concept of co-creation of value a reality. An example is the Starbucks coffee shops, where customers on social networks create their own products.

3) Pair to pair in communities: Clients trust more in the suggestions and recommendations that other users give about the product or service than in the information given by the publicity. For this we must socialize with marketing messages in social media as it is the only way for companies to spread their messages as equals, socializing their marketing.

4) Modeled predictions: One of the advantages of online marketing is the ability to measure and store the behavior of users immediately. Huge amounts of data are stored every day and analyzes of these data trace the new online marketing models. The clearest example is Google Analytics.

With the previous information, we can point out that there are many businesses that follow the traditional 4 P's model, but with the arrival of the web and the e-business a new context is necessary.

In the online world, relations with customers are deeper and as Maram (2010) points out, "today's marketing is driven by social networks, enabled by technology and marked by a high density of information".

1.5. DIGITAL MARKETING TOOLS

Now more than ever, digital marketing becomes the true nucleus of a company strategy, since it meets all the known objectives: to publicize the brand, generate visitor purchases, retain buyers, etc.

The techniques of strategic planning are similar to those used in conventional marketing and therefore should take into account the areas of analysis, objectives and actions that are contemplated in any strategic marketing plan. With all this we are referring to the segmentation and research of the target public and competitive analysis (sector, market and competition). A company has to choose between all the online marketing forms evaluating which will be most cost-effective in achieving communication and sales objectives.

1.5.1. Websites

Companies must design Web sites that embody or express their purpose, history, products, and vision and that are attractive on first viewing and interesting enough to encourage repeat visits. Jeffrey Rayport and Bernard Jaworski propose that effective sites feature seven design elements they call the 7Cs. To encourage repeat visits, companies must pay special attention to context and content factors and embrace another "C"—constant change.

Visitors will judge a site's performance on ease of use and physical attractiveness. When we say 'ease of use' we have to take care because it includes a lot of things. 'Ease of use' means that the site downloads quickly, the first page is easy to understand and also that it is easy to navigate to other pages that open quickly. On the other hand, not always physical attractiveness is ensured, for this reason we have to pay attention to the fact that individual pages have to be clean and not crammed with content, typefaces and font sizes are very readable and also that the site makes good use of color (and sound).

Going back to the 7 Cs that Rayport and Jaworski proposed, we can say that they are the seven key design elements of an effective website. First of all we have to evaluate the context, including layout and design. Later we have to focus on the content, that is to say, text, pictures, sound and video that the site contains. After that, if you want to be connected with the consumer you have to create a community, what means how the site enables user to user communication. Customization is also an important factor and it is related with the site's ability to tailor itself to different users or to allow users to personalize the site. Another aspect (that has a close relationship with the community) is the communication, that is to say, how the site enables site-to-user, user-to-site, or two-way communication. Last but not least, we find two concepts that are connection and commerce. The first one reflects the degree that the site is linked to other sites and the second one the site's capabilities to enable commercial transactions.

Companies must also be sensitive to online security and privacy-protection issues. One set of researchers recommends transforming various "touch points" related to privacy on the Web site into a positive customer experience by: developing user-centric privacy controls to give customer control, avoiding multiple intrusions, and preventing human intrusion by using automation whenever possible.

Besides their Web sites, companies may employ individual Web pages or clusters of pages that function as supplements to a primary site. They're particularly relevant for companies selling low-interest products.

1.5.2. Search advertisements

Another very important aspect of digital marketing would be the paid search or pay-per-click ads. In paid search, marketers try to bid through an auction the search terms that are used as a proxy for the interests of the consumer. What happens is that when looking for some of the words in certain search engines (Google, Bing, etc.) marketers' ads should appear next to the results. We should know that advertisers only

pay when people click on links, but marketers say that the main prospects are customers who have already shown their interest by participating in the search.

The popularity factor of the searched word and the position of the link in the ranking make the costs per click different in many cases. The fact that paid per click ads have increased their popularity, means that there is increasing competition among those who offer keywords, resulting in higher prices for search ads. All this makes it possible to prioritize when choosing the best keywords, bidding strategically for them and therefore controlling the effectiveness and efficiency of the results.

We must not forget that customers are always influenced by the opinions and comments of external people who may have been consumers of that product. Through these opinions, some informal social networks are created and that serves as a complement to those created by the company. Therefore, the company must take care of the satisfaction of all its customers, trying to minimize the bad opinions of other customers. Online opinions are an important aspect for all companies and they have to take care about the image that the company has in the market (Kotler and Keller, 2001).

1.5.3. Display advertisements

This type of marketing strategy is also known as banner ads and these are small rectangular boxes which contain text and sometimes certain pictures that the company must pay to place on the web. The more known, popular and visited is the website the marketer has to pay a higher price to place the ad. Currently, it is estimated that users click between 2 and 3 percent of the display ads they see. Taking into account that consumers use only 5 percent of their time looking for information on the Internet, we can say that banner ads are a great promise compared to display ads. However, it is necessary that these ads have a better control of the information, looking for target markets to launch them. Interstitials are ads that usually contain an animation video or similar and that appear between page changes within a web site or across web sites.

1.5.4. E-mail

E-mail is a very useful tool in digital marketing that allows marketers to inform and communicate with consumers at a lower cost than with d-mail or direct mail. Through e-mail, customers feel unique when it comes to a personalized message, and that is why the speed at which purchases are generated is three times greater than that generated by ads on social networks.

It should also be noted that many of the clients of a company that receive e-mails do not show interest in them, even getting to find it annoying to receive them every day. This can lead to a rejection of the brand and generate bad propaganda on the part of the consumer towards other possible consumers.

We can describe some important steps for launching productive e-mail campaigns (Kotler and Keller, 2001).

- 1) Give the consumer a reason to respond: offer powerful incentives for reading e-mail pitches and online ads, such as trivia games, scavenger hunts, and instant-win sweepstakes.
- 2) Personalize the content of your e-mails: an engaging subject line is especially critical.
- 3) Offer something the customer can't get via direct mail: because e-mail campaigns can be carried out quickly, they can offer time-sensitive information.
- 4) Make it easy for customers to opt in as well as unsubscribe: run controlled split tests to explore how location, color, and other factors affect "Sign Up Now" messages.
- 5) Combine e-mail with other communications such as social media.

New studies are using "heat mapping" to detect the movement of the eyes of the person in front of the computer. Through this tool it is possible to know what people really read on the screen and in this way marketers can position their ads on strategic sites.

1.6. SOCIAL MEDIA PLATFORMS

An important component of digital marketing is social media. Social media consists of sharing texts, images, videos and more information between consumers and other companies. Through social media consumers can express their opinions and therefore have a public voice and presence in the online world. Due to its great day-to-day update and its great immediacy character, sometimes companies take advantage of this situation to be innovative and to be informed of the latest trends. Marketers try to seek the participation of consumers in the company through the creation of online communities and other mechanisms that, in turn, also help customers to have greater loyalty and long relationships with the company (Kotler and Keller, 2001). There are three main platforms for social media.

1.6.1. Online communities and forums

There is a wide variety of types of online communities and forums. They can be created by the consumers of the product, which do not seek an economic benefit and neither any type of affiliation with the company. Others are created by the company itself to establish a direct and simple relationship between customers and managers. There are also communities that talk about a particular type of product or simply about a brand (Mark Stuart Polen, 2003). All these online communities are of great help and interest to the company, since from certain comments and opinions shared by consumers many aspects of the company can be improved.

One of the key factors for the success of an online community is the creation of activities among consumers, making members feel unique for belonging to that community. These groups are those that will give a unique value to the brand since they will become a marketing medium. We must also take into account and consider that the information we find in communities and forums must be analyzed in detail to be able to obtain useful conclusions for the company.

1.6.2. Blogs

Blogs have become the new online journals or diaries being very important for certain companies. As with online communities and forums, blogs can be of different types. We can find certain personal blogs for family and friends, others designed to influence a large number of people and many others. One obvious aspect of blogs is that they attract people who share very similar interests. Also corporations are creating their own blogs and trying to control those of certain companies.

Because many consumers analyze the information of blogs when they have to buy certain products, the Federal Trade Commission requires that bloggers objectively show their relationship with the brand to demonstrate that the company's advertising is objective. On the other hand, some customers use blogs to show their discrepancies and bad experiences about a certain product or brand.

1.6.3. Social networks

The great importance of social networks has led to the development of a huge amount of these, providing different benefits to companies. Marketing professionals try to

learn every day how to get the most out of the use of social networks. Most people use social networks to communicate with each other, but they are very useful for businesses. By scanning data we can obtain a large amount of information about the likes, preferences and trends of consumers (Michael Brandon Ferrel, 2004). There are different ways to use social networks as a work tool (advertisements, etc.). Companies can also join groups or communities and interact as if they were one extra member.

Everything described above refers to what is known as web 2.0. It is an evolution of web 1.0 in which the web page was a static content where users were not able to interact through it. With the creation of interactive pages, consumers are able to establish certain links with people who are also connected to the web.

However, a new concept (not yet developed) is known as web 3.0. Said type of web would be a semantic web that uses artificial intelligence to promote new forms of communication between users. It would also be based on the intervention of the user during the creation, organization and performance of the content through a globalized cooperation model.

Social media allows consumers to feel engaged with a brand more than ever before. However, it is not usually the only marketing tool used by the company to build loyalty and maintain customers. Marketers recognize that when they use social media, not all consumers show an interest in the brand, much less over a long period of time.

Making good use of social media and the internet, brands can generate an online presence that is very advantageous especially when there are criticisms of the company. Brands offer different points of view within their campaigns favoring the participation of users. In addition, if the company has created a large community of users these people will defend the brand before any difficulty, turning consumers into marketers of the brand.

1.7. MOBILE MARKETING

Being able to use smart phones and tablets anywhere and the possibility of marketers to personalize all types of messages based on the tastes, preferences and characteristics of consumers, the concept of mobile marketing appears.

	Web 1.0	Web 2.0	Web 3.0
Communication	Broadcast	Interactive	Engaged / Invested
Information	Static / Read-only	Dynamic	Portable & Personal
Focus	Organization	Community	Individual
Personal	Home Pages	Blogs / Wikis	Lifestreams
Content	Ownership	Sharing	Curation
Interaction	Web Forms	Web Applications	Smart Applications
Search	Directories	Keywords / Tags	Context / Relevance
Metrics	Page Views	Cost Per Click	User Engagement
Advertising	Banners	Interactive	Behavioral
Research	Britannica Online	Wikipedia	The Semantic Web
Technologies	HTML / FTP	Flash / Java / XML	RDF / RDFS / OWL

A mobile device is characterized by four key functions: it is uniquely tied to one user; it is virtually always “on” given it is typically carried everywhere; it allows for immediate consumption because it is in effect a channel of distribution with a payment system; and it is highly interactive given it allows for geotracking and picture and video taking (Kotler and Keller, 2001).

The development of mobile apps has led to an increase in the use of mobile phones in all areas of our routine. Apps have been developed to implement useful tasks-social value, incentives, entertainment-and above all to make life easier for consumers. As we have seen in a short period of time, the development of apps in all market sectors has reached all types of companies and all kinds of products.

Mobile phones have also been developed for the use of these apps. Being connected all day facilitates companies that can obtain a greater amount of feedback from customers, generating a unique relationship between customer and brand. By tracking the location of consumers, companies can send consumers certain offers and coupons for certain items that are close to their location. This is one of the main advantages of the use of apps and also one of the main reasons why the traditional coupon is disappearing. The new coupons can present different formats and are customized for each type of customer.

Cookies allow you to track the user's online activity, however they do not work with applications that require wireless. But the development of new technologies is making it possible to track this activity through smart phones and tablets. Always respecting the user's privacy, these new apps allow reaching consumers in a more direct way.

However, the experience of consumers on web sites is totally different from what they have when using apps. The screens are smaller, download times are longer and problems of software compatibility may appear. That is why marketers try to design clean and clear sites, paying special attention to the consumer experience in the app.

Experts point out that being concise is critical with mobile messaging, offering the following advice:

- 1) Mobile ad copy should occupy only 50 percent of the screen, trying to avoid complex viewing experiences that may take a toll on consumers' battery and data availability as well as on their time.
- 2) Brands should limit their ads to a pair of phrases (the offer and the tagline).
- 3) Brands should place their logo in the corner of the mobile ad frame.
- 4) Ads should use at least one bright color, but no more than two. Calls to action should be highlighted with a bright color.

CHAPTER 2

THE CASE OF XIAOMI

2.1. OVERVIEW OF THE COMPANY

2.1.1. History of the brand

Xiaomi is a Chinese technology company founded in 2010 by entrepreneur Lei Jun. With the collaboration of six other very powerful partners, Lei Jun established strong ties with the government of China and Singapore. The company is dedicated to the design, development and sale of high-tech products based on the vision “innovation for everyone”. It has sales outlets in over 30 countries and regions around the world and also features a website through which you can buy any type of product, making Xiaomi a global brand.

Using curious promotion strategies, manufacturing processes, distribution and sales of hardware and software (particularly on smartphones), it aims to compete with large companies such as LG, Samsung, HTC and Apple. He has also achieved a great reputation due to the personality of his CEO Lei Jun, who has a way of dressing and a way of communicating and gesturing very similar to that of Steve Jobs.

After three years in the market, Xiaomi managed to outperform Apple in terms of mobile phone sales in China, with a market share of 2.5% and a value of \$10 billion. All this has been achieved by selling medium-high range phones at a relatively affordable price for the entire population. The company does not distribute a large number of phone models with small variations between them, however, it has focused on positioning the brand and evolving from it.

One of the things the company needs to improve is the profit margins it presents for each product sold. This can be beneficial in terms of brand sales volume, however, these margins decrease as the product spends more time in the marketplace. It should also be noted that the company benefits from the sale of smartphone-related devices, in addition to other household products, smart devices and audio.



2.1.2. Culture and values

Xiaomi presents as a brand a large number of followers who buy its products on the same day of its launch. It has internal communities for communication between customers and employees and also a large number of fans who act as a marketing tool for the brand.

The logo presented by Xiaomi goes beyond what most consumers can imagine. "MI", which initially meant "Mobile Internet", has also taken on other meanings such as "Impossible Mission" as the brand is facing great challenges that seem impossible at first.

The idea presented by the brand on its website is that of "only for fans", as it is intended that these are the ones who lead each of the steps in the growth of the company. A curious fact is that many of the current members of the company have previously been "Mi Fans", and by joining the company have been able to provide a realistic view of the market. All this, together with the continuous search for perfection and innovation, makes Xiaomi one of the highest ranks in the technology market.

As they state on their website, it is an open, horizontal and innovative company in which there are no long processes, and therefore it is a decisive company. Together with the idea of innovation, they introduce a new concept on which the company is also based: creativity. The constant quest for perfection in its products seeks to be solved by organizing various events between the members of the company and those of the community "Mi Fans". In this way, a co-creation activity is used, obtaining products that are much closer to the needs of potential clients. Xiaomi is focused on being the most user-centric mobile company and constantly seeks to exceed expectations by updating software, hardware and services. Their main objective is to become the company with the best user experience.

2.1.3. Mission, vision and milestones

As we have already mentioned, culture is based on the company's mission and vision. As their main mission they claim they try "to make high quality products that touch people's hearts with accessible and honest prices, and to empower everyone to enjoy technology". Through this purpose Xiaomi seeks to reach a large number of audiences, thus covering large segments of the market.

The company's vision is a bit more idealistic, being “be friends with our users. Be the coolest company in the heart of our users”. Both the mission and the vision are a pure reflection of the company's daily work, a fact that is valued by a large number of its consumers.

The rapid impact of the company since it entered the market does not cease to surprise anyone, being able to define relevant milestones every year since its appearance.

Our Milestones

Our unique mission, vision and core values have made the following significant achievements possible since our inception in 2010:

- 2012: Annual sales exceeded US\$1 billion (two years after inception)
- 2014: Number one smartphone company in mainland China by unit shipments, according to IDC (three years after launching our first smartphone)
- 2014: Annual sales exceeded US\$10 billion, four years after inception, which is the fastest in history, according to iResearch.
- 2015: MIUI MAUs exceeded 100 million
- 2017: The world's largest consumer IoT platform in terms of the number of connected devices (excluding smartphones and laptops), according to iResearch
- 2017: Number one smartphone company in India by unit shipments in the fourth quarter of 2017, according to IDC (three and a half years after officially entering the India market)
- 2017: Fastest growing internet company and second fastest growing company globally, as measured by organic revenue growth compared to publicly-listed profitable companies with revenue of over RMB100 billion in 2017, according to iResearch

2.2. XIAOMI AND ITS DIGITAL MARKETING

2.2.1. Xiaomi on internet

Despite having only 8 years of life, the Chinese brand Xiaomi has positioned itself among the most important manufacturers in the technology market, specifically in medium-high range smartphones (although the company has diversified its offer towards other products).

Top Five Smartphone Company, Shipments, Market Share, and Year-Over-Year Growth, Calendar Year 2017 Preliminary Data (shipments in millions)

Company	2017 Shipment Volumes	2017 Market Share	2016 Shipment Volumes	2016 Market Share	Year-Over-Year Change
1. Samsung	317.3	21.6%	311.4	21.1%	1.9%
2. Apple	215.8	14.7%	215.4	14.6%	0.2%
3. Huawei	153.1	10.4%	139.3	9.5%	9.9%
4. OPPO	111.8	7.6%	99.8	6.8%	12.0%
5. Xiaomi	92.4	6.3%	53.0	3.6%	74.5%
Others	577.7	39.5%	654.5	44.4%	-11.7%
Total	1472.4	100.0%	1473.4	100.0%	-0.1%

Source: IDC Worldwide Quarterly Mobile Phone Tracker, February 1, 2017

Knowing the beginnings of the brand will help us to better understand its strategy and business approach based on digital marketing.

Undertaking its journey through the design and sale of its own software based on Android, MIUI, began to have a presence in the mind of the consumer, raising awareness of the brand so that, once launched its first mobile phone, have the confidence and credibility necessary in a market as saturated and aggressive as mobile telephony.

The great market leaders, Apple and Samsung, while still the great "emperors" of mobile technology, became the strategic hub for Xiaomi that can be summed up very simply: "Do what leaders do but at a low price".

Its strategy is clear: Xiaomi has managed to penetrate the market through the strategy of the "persecutor" or "imitator", reducing risks that others have already had and copying what works but at lower prices (with a profit margin of around 2% guiding profits in the long term through the sale of accessories and applications).

The first years of Xiaomi were focused on selling exclusively online to save costs. Online selling continues to be its greatest strength thanks to its skilful communication strategy with customers and potential customers. The company use social networks but, little by little, has expanded his business through distributors and physical stores that are very familiar visually because they have a concept similar to Apple stores.

Knowing the basic pillars of your business strategy (which we will develop in the following points) is necessary to understand each of the actions carried out in its digital marketing strategy:

- Reduction of costs
- Low manufacturing
- Imitator of the best but at a lower price. (Avoiding risks)
- Special care in the design
- Very strong customer base acting as prescribers

This last point is very important in the trajectory of the company since its growth and consolidation in the market has been based on its focus on the consumer, which is reflected in all its digital marketing actions.

Xiaomi's competitive advantage is based on: cost savings (with economies of scale, low cost of ownership, etc.), great bargaining power with its suppliers to be able to obtain components at lower prices than its competitors and reduction of indirect costs (intermediaries and advertising) by making effective use of social networks. They sell their products mainly online, both on their own websites and on other e-commerce sites (Ebay, Aliexpress, Gearbest); in other words, they have hardly any physical stores, thus avoiding the use of intermediaries and the corresponding cost (Xataka, 2016).

Its expansion into other markets has led to a shift in strategy, opening stores in markets such as Spain (currently 4 physical stores and is expected to increase the number in 2018, xiaomitoday.es).

Great reception in the Spanish market, displacing one of the largest companies.

The image shows a screenshot of a news article from El País. At the top left is the El País logo, and at the top right is the word 'TECNOLOGÍA'. Below the logo is a navigation bar with links for 'MÓVILES', 'REDES SOCIALES', 'BANCO DE PRUEBAS', 'RETINA', and 'MERISTATION'. The article title is 'Xiaomi desplaza a Apple como tercera marca de móviles en España'. Below the title is a sub-headline: 'El fabricante estrena en el mercado español el MIX 2S y el Redmi Note 5 para celebrar los seis meses de su llegada'. There are social media sharing icons for Facebook, Twitter, and Messenger. At the bottom left, it says 'KANÓN MUÑOZ' and 'Madrid - 17 MAY 2018 - 19:50 CEST'. At the bottom right, there are icons for a heart, an envelope, and a share icon.



Image of a physical store (as we can see it is very similar to Apple's ones).

In 2017, it set itself the goal of increasing its network of physical stores in China and other countries by adding 200 "My Home" stores to its network of physical stores. Xiaomi plans to build 54 stores in China, but also wants to do the same in North America and intensify its presence in India (xiaomitoday.com).

Its store management policy is based on offering store management to distributors in each country. RW Mobile Distributions and Balmore Atlantic are Xiaomi's two official distributors in Spain, each with two stores under their management.

It is worth mentioning that the Indian market is very significant for the company, as sales of smartphones exceeded one billion dollars in 2016. Although we refer to Apple, because it is known as the Apple of China, Xiaomi's closest competitor is OPPO, Vivo and Huawei.

To conclude this first introduction to Xiaomi, we can't ignore the product diversification they have chosen, a clear example of the well-known Long Tail that emerged with the drive of digital marketing at a global level. Although its core business is mobile devices, it has embarked on the creation and marketing of a wide range of products: tablets under the name of MiPad, external batteries, activity bracelets, headphones, bluetooth loudspeakers, televisions, action cameras and wifi routers (The Free Android, 2016).

This broad portfolio of products could lead them to lose strength in the development of more ambitious or differentiated smartphones (Xataka, 2015).

We will now go into the tactics and areas of digital marketing that are the gear for Xiaomi to continue increasing its market share.

2.2.1.1. One to one marketing of Xiaomi

Xiaomi is consumer-oriented, so much so that the channel of communication with its current and potential customers, Facebook, is not only the basic tool to convey their message but to listen and be advised by users. This allows the company to make future improvements through its "My Fans" sign, incorporating customer feedback into the product range.

Its objective in network communication is feedback, leading to the development of new products that meet the needs of its consumers.

Facebook is precisely one of the most developed and prepared tools for micro-segmentation according to the tastes, interests and behaviour of its users. It is one of the best tools to carry out one to one marketing actions.

Ongoing networking, constant interaction and measurement help the brand to generate flexible and dynamic actions towards the people of its interest.

As a result, they benefit greatly from creating and maintaining a more personalized relationship with users. It increases user satisfaction and probably word-of-mouth, as it is the user who becomes the prescriber for new users.

The use of Facebook to communicate with users on a regular basis (with the aim of obtaining feedback) has played an important role in the development of new products that meet consumer needs. Such use of social networks, positions Xiaomi as a unique company, doing what very few companies or businesses are capable of doing.

In terms of profile customization, Xiaomi has directed its expansion to other countries outside of the Asian influence, expanding its social networking profiles in the countries where it has settled. These profiles are adapted to the nature of the user in that country.

For example, we can show the inauguration of the Spanish profiles (more or less accurate due to the stereotype marked with which they show us).



In this first message launched from the official global profile, they greet the new Spanish network through an image in which Xiaomi's "mascot" dances with a flamenco dancer (Movilzona 2017).

Other one to one actions performed by Xiaomi include:

Retargeting: ads placed on blogs, websites, platforms and social networks based on data extracted from users' browsing. This technique is one of the most successful because it has a high level of certainty in reaching users interested in that family of products or services.

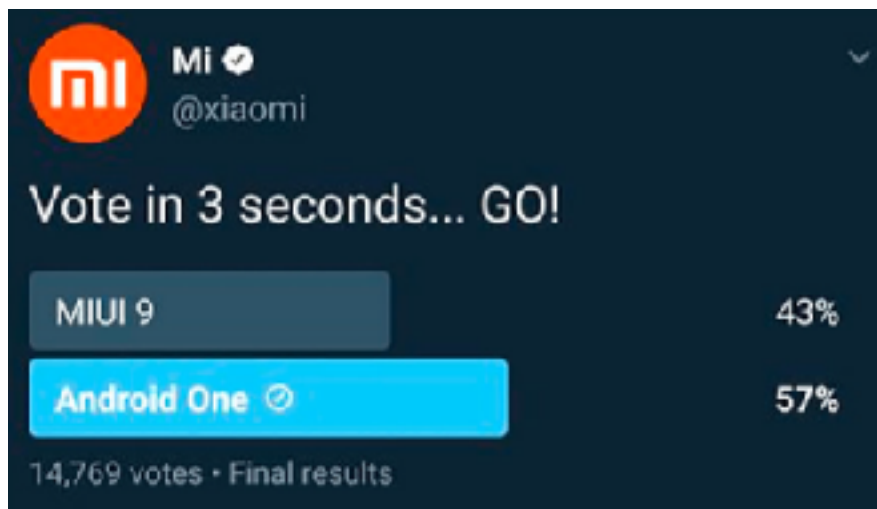
banner <https://www.xatakandroid.com>

User actions: one of the most common actions in the management of Xiaomi's social networks is the actions aimed at users so that they are the ones who champion the brand and product. For example, taking advantage of Xiaomi's eighth anniversary, the brand carried out a campaign on Facebook in which it was the user who showed his or her products purchased from the brand.



Personalized recommendations: a technique that is based primarily on the benefits offered by the sales channel of other platforms, such as Amazon. Through the measurement system, the platform knows the user's behavior and interests and shows similar recommendations.

The use of Facebook to obtain information about its products and to improve them is one of the techniques that contributes the most value to the brand. But it has not always used this technique with success as was the case with the survey that deleted from Twitter after a result that was not as expected. Xiaomi launched a poll to his followers on his official Twitter account asking them if they preferred MIUI (the company's interface) or Android One (the clean version they used on the Xiaomi Mi A1). The result was contrary to what the brand expected and the firm deleted the original tweet, but not without being able to prevent some users from capturing the result. The biggest mistake that the brand could have made was to eliminate the survey because it viralize the situation even more (the elimination of the result) than the result itself.



2.2.1.2. Permission marketing of Xiaomi

The Internet is the channel where we give the most information about ourselves and our behavior. We currently receive a large number of emails from commercial brands that saturate our inbox and many of those emails received will not be opened or read by the user.

On the other hand, government agencies and user protection authorities are increasingly limiting the use of user data by companies. This is why obtaining the user's consent to be able to contact him is essential. And we will only succeed when the consumer give us its trust.

Once the permission is obtained, it becomes a closer and more personal relationship since the brand has your authorization and it know beforehand your interest in the company.

Xiaomi invites users who enter its website to receive its offers or promotions through registration in its database.

As mentioned above, digital social channels are, today, one of the most effective permission marketing tools since it is the user who decides who follows and what he or she likes. Today the most effective and used permission marketing technique, that works as a fundamental part for brand development and communication of Xiaomi, are social networks, especially Facebook and Twitter.

2.2.1.3. Attraction marketing of Xiaomi

Xiaomi is consumer-oriented, so its communication is very elaborate to capture the attention of its customers. Like Apple, Xiaomi has a large number of loyal followers who become prescribers thanks to the horizontal nature of their communication.

A brand that follows a close line with its target follows the essence of the attraction marketing tactic: to capture the attention by taking care of the image, believe in what it says and connect with its target. One of the recent examples based on this last item is the campaign for the World Cup that has been carried out through micro-videos, with the predictions of a cleaning robot and its product showing the flag of each country that faces the World Cup.



The use of instant sales helps the company sell its smartphones and other products in limited quantities and within very limited time periods. This is an important sales strategy that allows the company to save money that would have been used in the ads as the strategy creates urgency and anticipation for consumers. Only a limited quantity of products is produced and sold, making others wait for the next batch. The wait is always long in advance and urgent. Many people end up talking especially on social networks, unknowingly promoting Xiaomi products. As an example we can talk about its 5th Anniversary, when it became a Guinness Sales Record. As part of its fifth anniversary celebration, Xiaomi filled its website with discounts, resulting in a total of 2,112,010 smartphones sold in 24 hours. This event led the company to enter the Guinness World Record book of 2015, a record that has yet to be broken.

2.2.1.4. Retention marketing of Xiaomi

Customer retention is vital to growing any business. Not only because selling to a customer you already have is easier than selling to a new customer, but because customers who are satisfied with your business are also likely to become your brand ambassadors, recommending your products or services to their family and friends. Xiaomi has a very large fan base that has been able to successfully show its support for Xiaomi products. These are fans who are always present every time a new product is launched. The presence of a fan base like Xiaomi's is enough to attract the attention of potential customers.

Being a reference brand in China, it has been reaching new markets, becoming a reference in Asian countries and increasingly in Occident (it is the fifth in the ranking of sales in Spain).

One of the pillars of their success is their overwhelming number of fans and followers on their social networks: more than 4 million on Facebook in their global profile. But, what does that loyalty of its fans mean?. The confidence it gives a customer to have a Xiaomi smartphone is one of the main pillars when it comes to the recommendation of the buyers themselves. And that confidence has a return to the company because, by becoming a guarantee of purchase, Xiaomi achieves better prices in its negotiations with suppliers, thus obtaining a lower cost in the components that will affect the final customer.

Xiaomi's good relationship with its clients, its ability to communicate and listen to its users and sell them what they need, is essential for the firm's career. Xiaomi want to know its users, want to understand what they are asking for, want to know their wishes, suggestions, answers to their questions, etc. And there's only one way to do it, to bring a

part of the users together in a VIP event and talk to them as friends. This is what Xiaomi does, it uses it to bring its products to the public and win over the person behind that user (elgrupoinformatico.com).

Some call Xiaomi, the Apple of China. To talk about Xiaomi is to talk about a Chinese icon, just like Apple. The barriers of "Made in China" were broken long ago when it came to Xiaomi, and all thanks to her legion of fans, who are the best ambassadors of the brand.

2.2.1.5. Recommendation marketing of Xiaomi

As we have advanced, satisfied customers are the ones who can best sell products to other potential customers. Through their social networks and technology forums, Xiaomi fans recommend the products.

2.2.2. Xiaomi and search digital marketing

Search engines have become a business engine for any brand. It is already a reality that any company that wants to have a minimum presence in the mind of the consumer, must work in depth the techniques of search engines to be seen in a market as global, saturated and aggressive as the Internet. Even more important when it comes to mobile technology, where the race for innovation and pricing strategies is very dynamic and changing.

2.2.2.1. SEO of Xiaomi

The presence in Xiaomi's search engines owes its result to the optimization and content relevance of its websites.

We could say that the websites of a brand must be created by and for users, with relevant and quality content so that the sipes of the search engines interpret the website as relevant and rise in the search engine ranking. As a consequence of this, it would be possible to opt for the first positions and be located by the user. But it is not only the content that must be taken care of but also a series of factors such as usability, structure, layout, labels, well named pages and correct descriptions, etc.

After an analysis of the website (Xiaomi.com) using the Woorank tool, we can highlight certain aspects in which the brand could improve.

Headers: the website does not use SEO-friendly header tags (<H1> to <H6>) or has too many HTML headers. A possible recommendation would be to use its keywords in the headings making sure that the first level (<H1>) includes the most relevant keywords. For more effective SEO, use only one <H1> tag per page. However, you can use multiple <H2> - <H6> tags.

Keyword coherence: it is important to always use the same keywords. To improve the likelihood of positioning yourself well in search results with a given keyword, you should use the relevant keywords consistently not only in their content but also in titles, descriptions, headings, etc. All this without forgetting to include these terms in the anchor texts of internal links and backlinks.

Site map: we checked the robots.txt file for %(domain)s but couldn't find an XML site map. By specifying your XML site map in the robots.txt file you ensure that search engines and other crawlers find it and access it easily every time they access your site. It is important to add only the pages you want to index in the search engines, so you should avoid putting those that have been blocked through the robots.txt file. You also need to make sure that no URL causes a redirect or returns an error code. This means being consistent with your URLs, for example, adding only your favorite URLs (with www. or without www.), with the correct protocol (http or https) and also making sure that all URLs are finished correctly (with or without slash).

Blog: It does not have a blog but it is not necessary because its content source is in social networks, where its interaction is very high.

Optimization for mobile: despite being responsive, there is a limitation of use because of the size of many of its buttons, making it difficult to navigate. The same happens for touch screen operation.

Graphics window: without a graphics window mobile devices will display the page as it would appear on a computer; with the same screen width, but with the proportions adjusted to the device's screen. Pages optimized for mobile devices must include a graphic window meta tag in the document header and must follow a certain formatting.

Social networks are not well configured with the web. A very important factor given the activity in these channels.

2.2.2.2. SEM of Xiaomi

Here are the paid appearances of Xiaomi from the Google search engine (.es).

Google

Todo Noticias Shopping Imágenes Vídeos Más Configuración Herramientas

Aproximadamente 337.000.800 resultados (0,53 segundos)

Xiaomi en Amazon.es | Ahorra en Xiaomi
[Anuncia](#) www.amazon.es/xiaomi
Compra cómodamente online desde donde quieras. Envío gratis con Amazon Prime

Oferta de día xiao-mi oficial | Entrega en 24 horas en España
[Anuncia](#) www.xiaomi.es/xiaomi/offer
Ahora hay oferta de día. Mejor oferta 2 años de garantía. Seguimiento Del Pedido. Cambios Y Devoluciones. Garantía De 2 Años. Opciones: RAM De 2GB, 3GB, 4GB, 6GB.
Equipos De Audio · Teléfonos Mi · Gama De Accesorios

Xiaomi - Compra móviles Mi en línea - Xiaomi España - Xiaomi España
<https://www.mi.com/es/>
Compra en línea móviles y accesorios como Mi MIX 2, Redmi 4A, Mi A1, Redmi 4X, Mi Band 2 en la Tienda oficial de Xiaomi España.
Redmi Note 5 · Teléfono Redmi · Mi A1 · Todos los accesorios

Xiaomi España - Mi.com
<https://www.mi.com/es/redmi-5-plus/>
5,99": El modelo Redmi con la pantalla más grande. Relación de aspecto 18:9. Pantalla modificada al nuevo estándar. Todo pantalla: Diseño con esquinas ...






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ABOUT US: Xiaomi · Press & Media · User Agreement · Privacy Policy. FOLLOW MI: Facebook · Instagram · 1 833 XIAOMI (1 833 042 6618). SERVICE HOURS ...

Google

Todo Imágenes Noticias Shopping Vídeos Más Configuración Herramientas

Aproximadamente 425.000.000 resultados (0,47 segundos)

Comprar smartphone cheap rate Parrochales

 Nokia 3 - Smartphone D... 366,24 € Amazon.es De Google	 Samsung - Smartphone L... 199,90 € Corte Inglés 20% menos De Google	 LG - Smartphone Libre C9 Negro... 191,90 € Corte Inglés ★★★★★ (177) De Google	 Nokia - Smartphone L... 249,00 € Corte Inglés ★★★★★ (264) De Google	 XIAOMI - Smartphone L... 108,90 € Corte Inglés ★★★★★ (154) De Google
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Best cheap phones 2018: our top budget mobiles | TechRadar
<https://www.techradar.com/news/best-cheap-phone> Traducir esta página
25 abr. 2018 - If you're in the market for a cheap smartphone then you're in luck, as ... If price and battery are the most important features for you, the Moto E4 ...
Moto G5 review · Wileyfox Swift 2 Plus · Pour one out for Wileyfox · Moto E4 Plus

The Best Cheap Phones You Can Buy in 2018 | Digital Trends
<https://www.digitaltrends.com/mobile/best-cheap-smartphones/> Traducir esta página
25 mar. 2018 - Is our guide to the best cheap phones you can buy, we highlight the ultimate phones that don't have an outrageous price tag. If you have a little ...

Smartphones: Buy Smartphones Online at Low Prices in India ...
<https://www.amazon.in/smartphones-baso-nebled/b?ie...> Traducir esta página
Amazon.in: Buy Smart phones online at best selling prices from Samsung, Micromax, Apple, Nokia, Blackberry, Sony, HTC and more at Amazon.in.

Some exercises have been carried out with generic search words and directly with the brand search. The results show that in Spain (google.es) no direct payment ads are identified. They do exist from other platforms such as Amazon or Google shop.

2.2.3. Four P's of Xiaomi

In this section we will show in a synthesized way the reality of Xiaomi's digital marketing through the description of the 4 P's. We have seen much of the information in previous sections as they form part of its business and marketing strategy and directly influence the techniques analysed.

1) Personalization: today, our behavior leaves a trail in the digital world that, through the right tools and knowledge, can be interpreted to direct business strategies by companies towards users.

There are different systems for tracking and capturing information that some platforms know how to make the most of, such as Google or Amazon, hosting a large amount of information about the interests of users.

Xiaomi knows its users, current and potential customers, thanks to the effective work of its engineers, marketing technicians and web analysts (the navigability of its website, the leads obtained, coverage, user interests, the information they provide from social networks, profiles that follow, their activity with the brand or with the competition,...). In addition, we must not forget the Xiaomi team's constant efforts to connect with their fans. The high participation of its followers and its actions through Mi Community, where innovation issues are focused, give rise to improvement proposals and ideas for new products.

Their proposals are heard and those that pass the analysis of the Xiaomi team are prototyped and launched on the market. In addition, its copycat strategy offers great advantages because it is based on the trends of its competitors' brands: it studies the products that are successful for its competitors, the consumer trends of its users and responds to them with lower cost products.

2) Participation: Xiaomi has a very active use of social networks, among other marketing channels, not only to convey its messages and agenda, but also to stay active and stay in touch with its customers and potential customers.

In addition, Xiaomi engineers especially use Facebook to communicate with users and get feedback. Such feedback is used in the development of new products.

Its digital platform (Mi Community) is dedicated not only to recommendations, tips on how to use its products or to indirectly sell its new products, but users have a high degree of participation, earning points for it. These points give them advantages and degrees as brand ambassadors.

3) Pair to pair in communities: the digital world has opened up a new level of consumption by users. The over-information and the ability to obtain data about products or services makes the users very knowledgeable about those materials/products/services that interest them.

Forums on technology, telecommunication trends, etc. are today a large core of information offered by users interested in these areas.

Social networks are small communities that include people with similar interests, where participation with the brand and other users is done directly, instantaneously.

Xiaomi knows the great advantages that these channels offer and has worked on a user strategy that brings great benefits, since the recommendations of other users generate sales.

There are many studies about the persuasiveness or effectiveness of user recommendations in relation to advertising. Among them, the Initec study, "Impact of digital marketing on consumers", from which we obtain significant data such as that 2 out of 3 people take into account the recommendations of other users before making a purchase. Although there are other social networks that are becoming increasingly popular in user behaviour, Facebook is still the most widely used network to find out about a brand.

Here we have an example in which it is the user himself who shows and "sells" the brand to other potential users through contests. Users are the best sellers of Xiaomi (#Miexplorers).

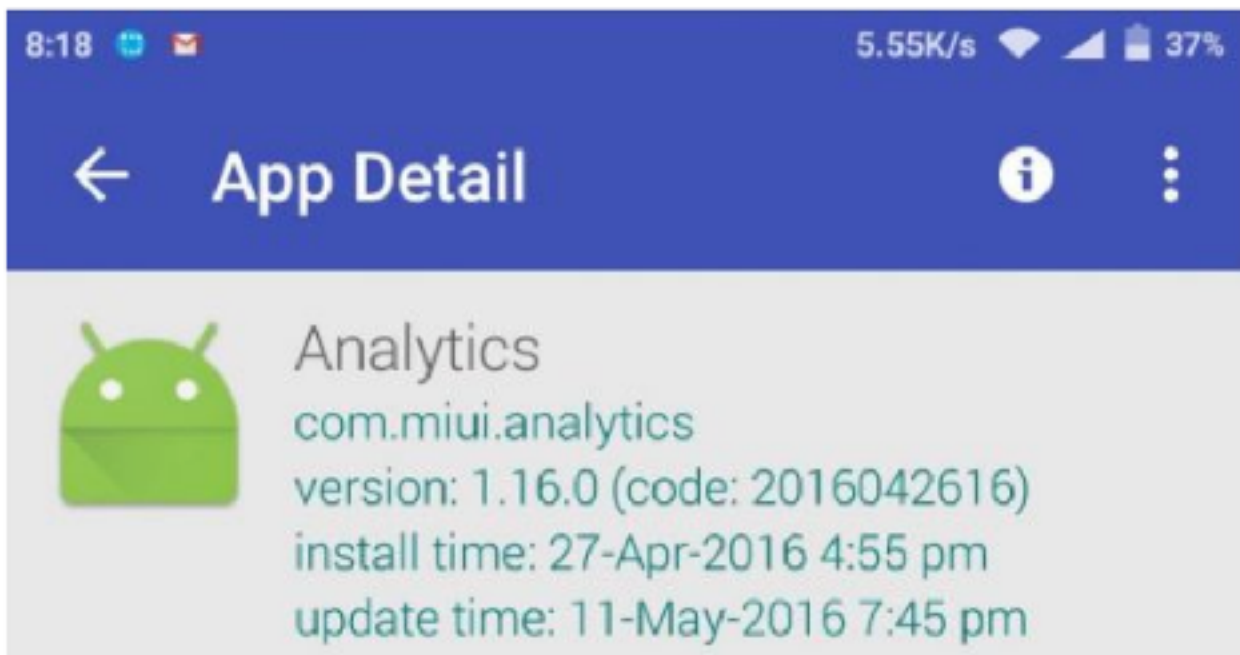


4) Modeled predictions: it is the system of analysis that uses historical data, to which it applies statistical techniques to obtain, through the study of patterns, behavioral models. The information we leave behind in our online actions is the source of the predictive analysis of user behavior.

Xiaomi's CRM collects customer data by age, gender, interests, etc. This type of data is part of the structured data. On the other hand, systems such as Google Analytics manage web traffic, user data by country, which pages are of most interest or how long they are on the web.

At the same time, the company's online campaigns through banners with clicktag, allows redirecting to the URL in question (specific product, landing page,...) and thus its analysis is feasible to know the entries of users.

In this section we should mention the controversial Xiaomi Analytics app on their mobile devices. A backdoor has been discovered on Xiaomi mobile devices under the name AnalyticsCore.apk or com.miui.analytics.



It is an app pre-installed on mobile phones that is constantly updated and records the user experience. It is a controversial fact that has raised the alarm for two reasons: because it is a possible entry for hackers and because it is a data collection application without the user knowledge. According to a spokesman for Xiaomi, Analytics (or AnalyticsCore) is part of the MIUI system. It is there for "data analysis purposes to improve the user experience". For example, for system error analysis.

In forums such as ["xda-developers.com"](http://xda-developers.com) they propose the only possible solution for this application to stop working (even if you delete it, it will appear again). The temporary alternative would be to block the device's connection to Xiaomi's servers or any business-related domain names. You can install a Firewall app on your device for this purpose. This, however, could block system updates sent by the company.

But artificial intelligence continues to advance into broad fields of research and data analysis, such as Predictive Model Markup Language (PMML), an XML text markup language developed by Data Mining Group (DMG). This standard language is used to represent predictive models.

Large developers of predictive analytics applications, such as IBM, SAS, SAP, Oracle, Microsoft, Alteryx or KNIME, offer solutions. These solutions are developed by an expert team of analysis and computer engineers who store the information generated by users through their activity on social networks, their way of consuming products, etc., offering a great statistical source for large companies.

Xiaomi, an advanced technology company, is aware of the great opportunities offered by artificial intelligence and the technology called Machine Learning. Such technology creates the behavior patterns of users through their experience and fingerprints that they leave with the use of technologies.

Proof of this are Xiaomi's banners and pop ups that appear on the devices of users interested in mobile technology through applications of universal use such as Google, Siri (Apple), Cortana (Microsoft), Facebook and Twitter social media analytics and other private tools developed by the brands themselves. Given the broad portfolio of Xiaomi products in the different sectors, the company needs powerful tools to be able to analyze each consumer profile, differentiating the behavior of each one of them.

2.3. XIAOMI AND ITS DIGITAL MARKETING TOOLS

Nowadays, digital marketing has become a fundamental factor for business development. It involves different areas that, in their coordinated combination, offer an axis of action and feedback for the brands. Xiaomi, a company that is based almost exclusively on digital territory, uses the tools and strategies so that each action converges with the rest of the areas, thus marking its "modus operandi". The various functionalities covered by the brand are: e-mail marketing, lead nurturing (content marketing), social media, landing pages, web forms, CRM, remarketing, analytics and reports and events.

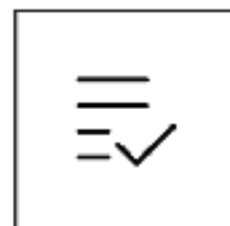
OUR STRATEGIES



Unwavering focus on innovation, quality, design and user experience



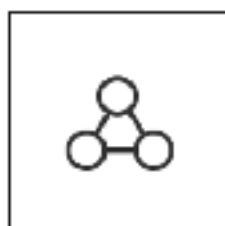
Maintain relentless efficiency



Expand killer product offerings



Deepen internet services



Invest in and expand our ecosystem



Broaden international expansion

2.3.1. Websites

Its website is the business matrix. Online selling is its greatest value and is currently the main sales engine. Therefore the website must be perfectly optimized (although we have seen in the SEO analysis aspects to improve).

The web is the showcase whose objective is to achieve sales. That is why it has created a website where attractive and very visual design is the key feature. It is an intuitive website, easily navigable and with direct access to the products. Simple web design, following the trend visual code as we can see in its competitors: large images with large and short texts. Product landings where each product is developed visually and in detail to close with the sale (very eye-catching call to action button).

Due to its expansion, it has developed different websites according to the opening market, but all of them keep the corporate image and the same structure.

2.3.2. Search advertisements

As part of its cost policy, its investment in advertising is minimal, focusing its efforts on social networks and flash promotions. Through its collaborations with other sales platforms, there is greater advertising activity (for example Amazon or casademi.es). It is important to note the context of the Chinese market since Google has a smaller entry in that country, with Bing being one of the most widespread search platforms.

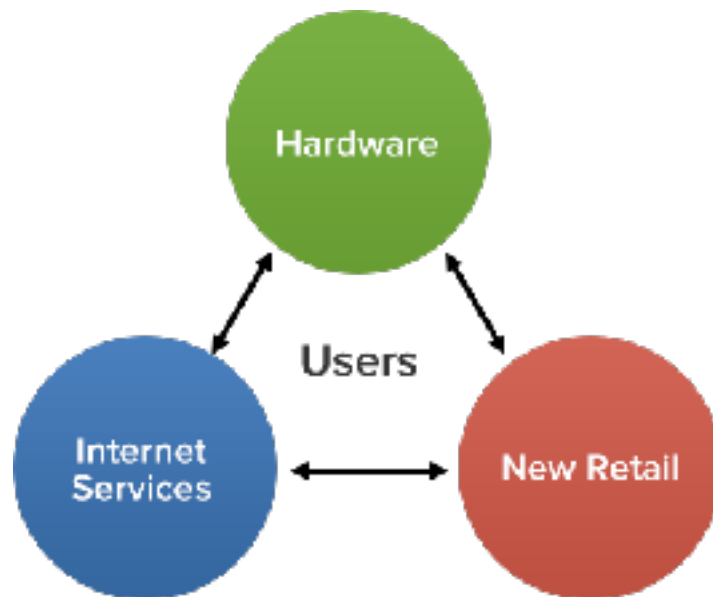
2.3.3. Display advertisements

We could say, regarding this strategy, that it is not one of the most used by the company, although it is true that there is a rotation of banners through forums and blogs specialized in technology such as Xataka. Elandroide.es and others.

2.3.4. E-mail

Once registered on its website they send commercial emails with offers but there is no abuse of it. The emails are focused on the sale of specific products by redirecting the user to the corresponding product landing page.

The brand itself describes its strategy as a "Triathlon business model" in which the main pillars are the development of high quality and innovative hardware, efficient new retail to make products accessible and engaging internet services.



2.4. XIAOMI ON SOCIAL MEDIA PLATFORMS

2.4.1. Online communities and forums

Xiaomi works in depth on the alternatives offered by digital marketing, so the company has created "Mi Community". It is the official App of the Xiaomi community for Android. To participate, each user must register. This is not a classic forum where you will find only tips and tricks but also more advanced actions from different ROMS or a guide to flashing our Xiaomi. It offers a more playful part that gives the possibility to get points as we perform actions. The points are used to change status within the forum in order to know which users are the most active and who contribute the most. In the future these points could give us access to product launches before other users, attendance at parties like Mi Pop and even visits to the Mi office (elandroidelibre).

MIUI FORUM is a community to "co-create" with its clients. In it, customers indicate what they want to have in the next version of their phones. More than 200 of its employees scan the content daily for requests or possible improvements. And when one of them is identified, it is implemented and communicated within a maximum of one week on the future product. This results in a quick development and a great engagement of users, who expect to know the status of their requests. MIUI forum has more than 10 million registered users and more than 100,000 daily publications, a great value for the company where it receives feedback from customers (ideas4allinnovation.com).

2.4.2. Blogs

XIAOMITODAY is a technological news portal where not only the reality of the company and its current situation is transmitted, but it also uses the space to provide information about new technologies, other brands in the sector and trends, as well as the presentation of new products and their analysis. It is a portal adapted to the different countries in which the brand operates. In Spain it looks like the one shown in the figure.



It is an agile space that not only keeps the most loyal followers of the brand but also those interested in the sector, since it becomes a source of information on mobile technology.

2.4.3. Social networks

The social networks in which the brand is active are:

Facebook: is one of the pillars of the business, offering technical information, as well as connecting with its community through contests, games and attractive images. Loyal followers act as prescribers and are attentive to each of the news the company publish. It should be noted that, as with other brands, once they expand into other markets, they open up new profiles aimed at those markets. At the same time, the stores themselves create their own profile, so the brand presence quadruples globally.

Twitter: (827000 followers). A communication parallel to Facebook. It usually publishes the same information with some adaptations and isolated actions for the exclusive use of this network.

Instagram: (363,000 followers). With a less active profile. It echoes Facebook's campaigns and actions. Currently he is constantly publishing about the Russia 2018 Football World Cup. The publications mainly emphasize the attributes of the integrated camera in their smartphones.

2.5. MOBILE MARKETING OF XIAOMI

What was a few years ago a trend of the future is now a reality: the mobile phone is the definitive tool for the user when it comes to communicating, shopping, getting information and entertainment.

As we have seen in the SEO and web analytics section of Xiaomi, it has some weak elements for the good use of mobile marketing, such as small fonts and buttons that are difficult to access from the mobile phone that create barriers for the user. However, the use and intention of marketing actions by Xiaomi is well received by users. We should add that its target is already educated or used to the use of mobile phones to perform different actions.

Apart from the improvement in the responsive design of Xiaomi, its actions in this area are based on the actions we can see in social networks: games, applications and contests, concise and powerful messages for a good readability on the screen, geolocation to segment and customize communication to its users, etc.. Videos are getting louder and louder. Therefore, Xiaomi's audiovisual pieces are brief and attractive to the user with the intention of viralizing or to lead directly to a product landing page.

2.6. CONCLUSION

As we have seen throughout this second chapter of analysis, Xiaomi is perfectly adapted to the new times of marketing. As a relatively young company, its development has taken place in a purely digital environment and it is therefore a leading company in this field. It is true that some aspects could be improved in terms of its website, search engine optimization and mobile marketing.

As I mentioned previously, we can provide various solutions to the aspects of the company that need improvement. As for the website and the SEO, certain aspects such as the headers, the key word coherence and site maps can be improved simply by using the same key word all the time or for example by checking that URL's does not cause any errors. Possible blogging could make it easier for the company to attract new consumers and customers. However, due to the high number of followers on social networks, such action could be inefficient. Another aspect that the company should improve is the presentation of the website in mobile format. Despite being responsive, there is a limitation of use because of the size of many of its buttons, making it difficult to navigate. The same happens for touch screen operations.

There are few aspects to be improved in relation to the digital marketing of Xiaomi, however, some things could be improved in terms of the structure and organization of the company. Being such a young and expanding company, the basic pillars in certain market segments have not been well established. For example, some customers have complained about the short time the phones have been on the market, which means you don't have the latest phone from the brand for a long time. Another aspect that would be important to improve would be the after-sales service offered to the customer. The waiting times for certain repairs are too long and Xiaomi has already announced that it will use more resources in this regard.

When we talk about Xiaomi we are talking about two fundamental concepts: advanced technology and the consumer as a central aspect. This second aspect is the one that has facilitated the great recognition of the Chinese company in all types of markets. Focusing first on mobile telephony and then on other segments, the brand has achieved a wide range of possibilities to offer in a market as saturated as today's.

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