

## The Impact of Marketing Innovation on Corporate Strategy Implementation: Evidence from Chinese Multinational Companies

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**Abstract:** Reform and opening up and economic globalization have promoted mutual cooperation between enterprises, and the competition among enterprises has become fiercer. The formulation and selection of corporate strategies occupy a fairly important position. The correctness and execution of the strategy fundamentally determine the future development and direction of the company. To survive and develop in a dynamic environment, companies must actively adapt to the changing market environment. Innovative marketing is a long-term plan and profound thinking. It is the only way for them to survive and develop in the face of fiercely changing market environment. This will directly affect the implementation of corporate strategy. Based on the above reasons, this article will take Xiaomi Company as an example to analyze its the marketing innovation by using Porter's five-force model, which effectively proves the impact of marketing innovation on corporate strategy implementation.

### 1. Introduction

With the acceleration of China's economic transformation, the competition among enterprises is becoming increasingly fierce, and the survival of enterprises faces unprecedented challenges. The implementation of corporate strategy is particularly important in this context, which has led to a lot of research. In February 2019, Zeng Daoxin took Huawei as an example and analyzed the implementation of the brand strategy of Chinese enterprises and its significance [1]. In March 2017, Lin Zhijun put forward some views on the establishment and implementation of the enterprise strategic quality cost system [2]. In June 2017, Li Wei put forward relevant opinions on the implementation of the “going out” strategy of enterprises, from policy to technology, from organization to personnel [3]. In June 2016, Dong Yuting and Wen Jiquan conducted in-depth research on the connotation and characteristics of reverse logistics, focusing on the strategic value of reverse logistics [4]. Song Zhenliang and others also put forward many objective feasibility opinions from various perspectives[5].

In the context of the rapid progress of economic globalization and integration, enterprises are facing more and more competitive pressures. In the market competition among enterprises, marketing has occupied the most important position, and at the same time, marketing innovation has become the focus of the research. For example, in December 2018, Tang Yongping analyzed the innovation of marketing model under the background of the Internet, and put forward some suggestions from the analysis of marketing model innovation under the Internet background and the analysis of marketing model innovation under the Internet background [6]. In April 2019, Daisuke conducted a detailed analysis of the main problems in power marketing and the main countermeasures for power marketing innovation, and put forward some opinions [7]. In May 2019, Li Yinghui studied the innovation and countermeasures of China's corporate marketing strategy, analyzed the application of marketing concepts at home and abroad, the problems existing in corporate marketing strategy innovation, and the main countermeasures for corporate marketing

strategy innovation. Put forward his own views on the innovation and countermeasures of corporate marketing strategies [8]. Due to the influence of marketing innovation on corporate strategy, many scholars have discussed it and given some inspiration [9].

This article breaks the traditional marketing model and emphasizes the importance of marketing innovation. The marketing innovation and enterprise strategy are introduced in detail. Through the case of Xiaomi Company, it is proved that marketing innovation has a significant impact on the implementation of corporate strategy, and some suggestions for this case analysis are provided for reference.

## 2. The Concept of Marketing Innovation

Marketing innovation is a complex activity. It not only includes the optimization of marketing model and management organization mode, but also the adjustment and optimization of supply and demand mode between enterprises and consumers. Marketing innovation can improve the quality of corporate marketing activities, optimize the way of corporate marketing activities, and bring many economic benefits to enterprises [10]. The advent of the era of big data provides powerful data support for enterprise marketing innovation, provides a solid data foundation for enterprise marketing innovation, can fully optimize and enhance the level of enterprise marketing innovation. And it can optimize the quality of marketing management scientifically and comprehensively. The types of corporate marketing innovation mainly include the following aspects. First is product innovation. Through the analysis and judgment of various data in the era of big data, enterprises can accurately grasp the needs of consumers and accurately obtain the satisfaction of consumers with enterprise products. On this basis, in order to meet the needs of consumers, companies adjust and optimize their products, occupy a larger market, win the recognition of consumers. At the same time, it also promotes the optimization and upgrading of its own products. The second is the innovation of the marketing process. This is a method innovation. In the era of big data, through data analysis and judgment, companies can accurately grasp the psychological needs of consumers, and encourage enterprises to adopt scientific marketing methods, such as product packaging, price promotion, channel sales and other innovations.

The Porter Five Force Model is an indispensable method and a commonly used tool, often used to develop development strategies and analyze industry competition. It believes that there are five forces in the industry that determine the scale and extent of competition. These five forces together affect the attractiveness of the industry and the competitive strategic decisions of existing companies. These five forces are the bargaining power of the supplier, the bargaining power of the buyer, the threat of potential competitors or innovator, the threat of the substitute and the competitiveness of the competitor in the same industry.

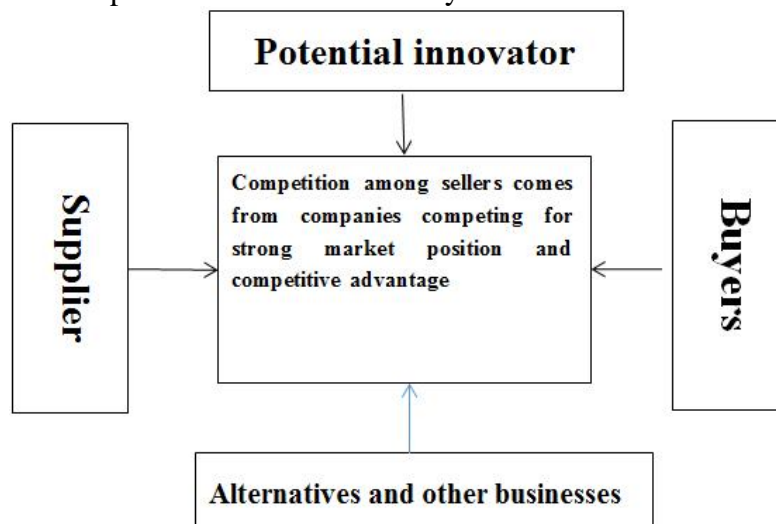


Figure 1. Porter's Five Force Model

### **3. The Concept of Corporate Strategy**

Corporate strategy is the general plan of enterprise development goals, ways and means to achieve goals for long-term survival and sustainable development when enterprises are facing fierce changes and severe challenges. It is the concentrated expression of the strategic thinking of the enterprise, the scientific norm of the business scope of the enterprise, and the basis for the formulation of the plan. Strategy is one of the most concerned issues for companies. The quality of corporate strategy directly affects the survival and development of enterprises. Therefore, enterprises attach great importance to strategy and the theory of strategy formulation is quite rich. However, if a good strategy is to be implemented well, it can play a corresponding role. Therefore, the implementation of the corporate strategy is very important.

Develop strategies based on corporate goals and objectives while assessing the company's future environment, resources, capabilities and opportunities. However, the environment, resources and capabilities of enterprises are constantly changing, and the life cycle of products and enterprises is constantly changing. These changes can only be gradually adjusted and adapted through the planning system and operation of the strategy implementation during the implementation of the strategy.

### **4. Research Area**

Xiaomi Mobile is in a setting that is different from the traditional mobile phone manufacturers' marketing path and boldly adopts new media for marketing. More importantly, Xiaomi has not only made a choice in marketing strategy, but also applied innovatively according to its environment and its own characteristics.

This paper selects the most representative Xiaomi mobile marketing strategy: social media marketing, fan marketing and hunger marketing, and details the performance of Xiaomi marketing innovation, and elaborates on relevant theories. Social media provided Xiaomi with a marketing platform. Fan marketing and hunger marketing for Xiaomi mobile phones were launched on this platform. Social media marketing has won a lot of consumer attention for Xiaomi, and fan marketing has turned these consumers into fans of Xiaomi mobile phones. Hunger marketing is the way Xiaomi mobile phones promote sales. These three, especially the latter two marketing strategies, have radiated new brilliance under the strong support of the network.

#### **4.1. Social Media Marketing.**

When the Xiaomi mobile phone enters the smart phone market, the market competition has reached a feverish state and formed a normal state of competition. According to the traditional mobile phone marketing model: production of products, market distribution, media advertising and terminal promotion activities, this series of procedures requires a lot of capital investment, Xiaomi is still in the startup period, not so much money. Moreover, all kinds of products have a certain market acceptance time. If you follow the above model, Xiaomi is likely to miss the golden age of the smartphone market. The end point of any marketing is to point to consumers. If Xiaomi wants to develop rapidly in a short period of time, It must find the fastest, most direct and closest contact with consumers. Social media happens to be such a platform. On the platform, enterprises can directly "talk" to the full-fee, allowing consumers to understand and trust the company in a short time. This method was used by Xiaomi mobile phone, which quickly opened up the market situation and achieved amazing growth in just four years.

#### **4.2. Fan Marketing.**

Xiaomi has successfully attracted a group of Xiaomi fans by creating a star image. If you want to successfully implement fan marketing, you must first send some of them together. The network environment is the soil for Xiaomi companies to cultivate Xiaomi fans. Xiaomi uses social media such as forums, microblogs and Wechat to gather dispersed Xiaomi fans and build a fan platform.

In August 2011, the Xiaomi Company established a Xiaomi community on its official website as

the main Xiaomi fans and users. Under the Xiaomi community, there are Xiaomi forums, Xiaomi games, colleges, applications, city clubs, shopping malls, customer service, etc. Besides the Xiaomi community, Weibo is also an important gathering place for Rice. Xiaomi has multiple IDs registered on Sina Weibo, such as "Xiaomi Company", "Xiaomi Mobile", "Xiaomi Fan Support Association", "Xiaomi Community", "Xiaomi TV", etc. There are a large number of fans and microblog posts under each ID. . In addition, Xiaomi's founder, Lei Jun's Weibo, is also very popular. His Weibo fans reached 21.28 million and gathered a large number of fans.

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Table 1 Xiaomi Weibo account number, number of fans, number of posts

Weibo ID	Number of fans	Number of microblogs
Xiaomi Company	13.91 million	16503
Xiaomi Community	610,000	9684
Xiaomi phone	29.1 million	17533
Xiaomi TV	4.69 million	12183
Mi Box	2.39 million	10546
Xiaomi slab	940,000	3193
Xiaomi router	1.87 million	4061
Xiaomi House	1.54 million	6874
Xiaomi Game	1.38 million	5168
LeiJun	21.28 million	9112
Xiaomi Fan support club	1.59 million	16004
total	79.30 million	110861

In the past, Xiaomi Fans appeared separately in the major mobile phone forums, Rom forums, technology forums and sticker bars, and millet formed a huge fan group by building millet communities. Xiaomi Fans can participate in topic discussion and various activities, share their own experience in use, and communicate with the employees of millet, ask questions and get professional answers. The gathering of Xiaomi Fans can produce a greater fan effect. Every millet event will involve thousands of rice noodles, forming a huge momentum on the Internet. Millet attracts more people's attention. It is a very good opportunity for millet publicity.

### 4.3. Hunger Marketing.

On September 5, 2011, Xiaomi Mobile officially opened its network reservation, and the pre-purchase amount of Xiaomi mobile phone reached 300,000 units in a short period of time. Subsequently, Xiaomi official website announced that it had stopped pre-ordering and closed the purchase channel. Since then, Xiaomi has embarked on the road of "hunger marketing."

Hunger marketing means that in today's buyer's market, in order to occupy a dominant position, sellers artificially create product shortages and create the illusion of oversupply to satisfy consumers' appetite, thereby achieving the purpose of regulating supply and demand and maintaining supply and demand. The product price is high and the company's profit is high. But not all companies can adopt the "hunger marketing strategy", because once the conditions of use of the enterprise are not mature, not only will it not bring profits to the enterprise, but it will also cause the enterprise to close down, and there is no image at all. "Using the hunger marketing strategy,

companies must meet the premise of high cost performance, lack of market competition, fewer substitutes or more fans. In short, companies must have the advantage that other companies in the same industry have no or no access to gestational hypertension in a short period of time. The quality of the marketing of Hungry Marketing is not unilaterally relying on the form of entertainment supply and out of stock to create a "starvation state", cultivating consumers' strong interest and desire to purchase Xiaomi mobile phones. The form of out-of-stocks provokes consumers to "immediately act" and "buy" behaviors, even if they can't buy them, they are willing to wait for waiters or increase fares to buy irrational behaviors. Xiaomi's mobile phone marketing uses skillfully the irrational emotions of consumers stimulate them to achieve a "crazy state." The consumer, the demand and the corresponding behavioral performance are transformed into "sun" on the social media platform.

## 5. Result

Xiaomi mobile phone has not yet officially sold its attention, it has entered the top of the mobile phone brand in 2011. In the Baidu data research, in the "2011 Mobile Phone Industry Annual Report" published in February 2012, "2% of the attention of Xiaomi mobile phone from Q3 increased to 12.9% in Q4, and the attention increased by 12.71%. In one fell swoop, it entered the top three of the Android camp."

Table 2 2011 mobile phone market product attention ranking

Ranking	Mobile phone products
1	IPhone4 (16GB)
2	SNMSUNG i9100 (16GB)
3	Motorola ME525 (Defy)
4	Nokia C5-03
5	XiaoMi M1 (MIUI)
7	SNMSUNG Galaxy Ace Sentence830
8	MeiZu M9 (8GB)
9	IPhone4s (16GB)
10	HTC Sensation (G14)
11	Nokia N8
12	Nokia N9 (16GB)
13	HTC Wildfire S (G13)

After four years of development, millet has grown to be the third largest mobile phone manufacturer in the world, after Samsung and Apple. Xiaomi has also been included in the first camp of Chinese Internet companies. In the past four years, the company has grown rapidly. In 2014, the total sales of mobile phones reached more than 60 million, far exceeding the 40 million predicted by Lei Jun. In 2012, Xiaomi's H round of financing has surpassed Sina and Sohu. In 2014, Xiaomi's fifth financing, capital valuation exceeded 45 billion US dollars, equivalent to two Sony companies or three Lenovo Group.

After nearly a decade of precipitation, Xiaomi is slowly gaining its heel in the mobile phone market. The mobile phone is changing at a very fast speed. In the past ten years, many mobile phone companies that have made great splashes on the historical stage have been unable to adapt to market changes. Speed, cater to the market demand, has already left the scene silently with the footsteps of the times. According to Figure 2, the mobile phone market share in 2018, we can see that Xiaomi has developed in the mobile phone market through various factors such as marketing innovation and product performance.



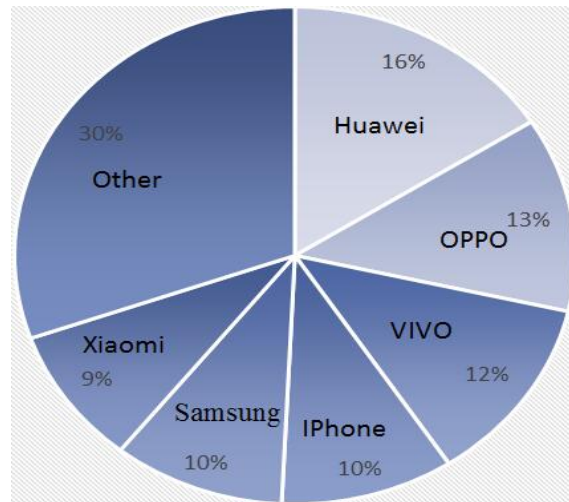


Figure 2. The proportion of mobile phone market in 2018

The target market positioning of Xiaomi mobile phone is mobile phone enthusiasts and technical fans. This group of people first participated in the joint development of MIUI, and became a fan of Xiaomi in the long-term interaction. They have a high loyalty to Xiaomi, will follow the launch of each product of Xiaomi I will participate in Xiaomi's city, powder reversal, and also buy every product of Xiaomi. Driven by these enthusiastic fans, Xiaomi has received more and more attention and won more and more customers and fans. For companies, products and consumers are important factors in business development. Proper product positioning and target consumer choice are prerequisites for business success. Through the above analysis of the Xiaomi, some suggestions are made for reference by other companies.

- (1) Accurately segment the target market in a homogenous market state;
- (2) Exploring the characteristics and needs of the target market as the basis for product positioning;
- (3) "Customize" products and reasonable prices for consumers based on information mined from the target market;
- (4) To highlight the unique advantages of products, we should highlight the compatibility between products and target market segments, and reflect the differences with other products.

## 6. Conclusion

This paper starts with the influence of marketing innovation on the implementation of corporate strategy. Taking Xiaomi Company as an example, it analyzes in detail the impact of marketing innovation on corporate strategy implementation. The study found that with the rapid development of the economy, consumers can choose more and more products, and their needs are becoming more diverse. If enterprises want to develop in the long run, they must formulate their own marketing strategies, and at the same time change their internal structure to adapt to market changes, otherwise they will be eliminated by the market, losing market share and living space.

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