

Analysis of Xiaomi YU7 Automotive Marketing Strategy

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Abstract:

Against the backdrop of intense competition in the new energy vehicle market and the new trend of technology companies crossing boundaries to create cars, Xiaomi has laid a solid brand and user foundation for its second product YU7 with the success of its first model SU7. This article takes Xiaomi's second car model YU7 as the research object, focusing on its marketing methods under the successful background of SU7. Combining online and offline marketing paths, marketing effects, and opportunities and challenges faced, it explores how it can continue its brand advantages and achieve market breakthroughs. By analyzing the topic creation and ecological linkage of YU7's online marketing, as well as the path of offline experiential activities and extensive layout of delivery scenarios, this study analyzes its marketing effectiveness and summarizes its brand influence accumulated through SU7. Through the synergy of online and offline efforts and the implementation of highly cost-effectiveness strategies, it has achieved good market response but also faces challenges such as insufficient production capacity and competition diversion. Based on this, targeted suggestions are proposed. This study reveals the continuous marketing logic of technology companies' cross-border car manufacturing, providing practical reference for the automotive industry in combining brand continuity with omnichannel marketing.

Keywords: Xiaomi YU7; automotive marketing; online and offline paths; brand continuity; market competition.

1. Introduction

In the wave of accelerating the transformation of the global new energy vehicle industry towards electrification and intelligence, the Chinese market has become the world's largest consumer market for new

energy vehicles, and industry competition is becoming increasingly fierce. Traditional car companies are accelerating their electrification transformation, new forces in car manufacturing are rapidly rising with innovative technologies, and technology giants are entering the market across borders, constantly

reshaping the market landscape. In this context, how to break through the encirclement through differentiated marketing strategies has become a core issue for various market participants [1].

Xiaomi Group, as a leading enterprise in the technology field, announced its cross-border car manufacturing in 2021 and included it in the “Human Car Home Full Ecology” strategic layout. Relying on Xiaomi Hyper OS, it achieves seamless interconnection between smartphones, smart cars, and smart homes, and builds a user centered super-intelligent ecosystem [2]. In March 2024, Xiaomi’s first model SU7 was officially launched, achieving instant sales with precise marketing strategies. Its success not only verified the market potential of ecological synergy but also laid the brand foundation for subsequent products.

As the second model of Xiaomi Auto, YU7 was launched against the backdrop of nearly 300000 cumulative sales of SU7, positioning itself as a mid to high end intelligent SUV. It continues Xiaomi’s “technology x ecology” car manufacturing philosophy, inheriting the core advantages of SU7 in intelligence, cost-effectiveness, and optimizing for segmented needs such as household users and female groups, attempting to achieve sustained breakthroughs by leveraging the brand influence and ecological synergy advantages accumulated by SU7.

This article takes Xiaomi YU7 as the research object, focusing on its integrated online and offline marketing path. Combining SU7’s successful experience and industry competition situation, it analyzes its marketing effectiveness, opportunities and challenges, and proposes optimization suggestions. Research not only helps to reveal the marketing logic of technology companies’ cross-border car manufacturing but also provides practical reference for the new energy vehicle industry in combining brand continuity and ecological marketing.

2. Marketing Path

2.1 Online Marketing: Ecological Linkage and Topic Operation

Online marketing is the core channel for Xiaomi YU7 to reach users, and its strategy continues Xiaomi’s ecological synergy advantage in the consumer electronics field. It relies on Xiaomi Hyper OS to achieve cross-end interconnection between cars, mobile phones, and smart homes, and enhances users’ perception of product value through scenario-based display of the “human car home full ecosystem”. For example, setting up YU7 exclusive

pages on self-owned platforms such as Xiaomi Mall and official APP not only displays vehicle parameters, but also presents dynamic demonstrations of scenarios such as “car linkage to turn off home appliances when leaving home, seamless switching between mobile phone and in car system during driving”, enhancing ecological uniqueness. Meanwhile, online communication emphasizes topicality and user interaction. Drawing on the “suspense marketing” logic of SU7, Lei Jun posted the “YU7 R&D Log” on his personal social media to gradually expose highlights such as space design and intelligent cockpit, triggering user speculation and discussion; Joint technology KOLs launch the “72 hour deep test drive” activity, encouraging creators to share their actual driving experience through short videos and expand their reach through UGC content. In addition, for female users and family groups, “YU7 Life Scene Challenge” was launched on Xiaohongshu, Tiktok and other platforms to guide users to share the practical functions of vehicles in parent-child travel and urban commuting, replacing hard publicity with real scenes.

2.2 Offline Marketing: Experience Empowerment and Channel Sinking

Offline marketing focuses on “experiential scenarios” and relies on Xiaomi’s existing channel network to achieve rapid layout. On the one hand, “ecological experience zones” have been set up in Xiaomi car experience centers in key cities across the country, where users can experience the linkage effect between YU7 and Xiaomi smart door locks, air purifiers, and other devices through practical operations, and intuitively understand the convenience of the “human car home” ecosystem; On the other hand, leveraging the extensive coverage of Xiaomi Home, YU7 display areas have been set up in some stores, equipped with simplified ecological demonstration devices, allowing users in lower tier markets to have close contact with products [3].

Offline activities focus on enhancing user engagement. Hold “Rice noodles Test Drive” regularly, invite core users to participate in vehicle function test and collect feedback, so as to form a public praise effect of “user-co creation”; Introduce a “founder face-to-face” mechanism in the new car delivery process, with Lei Jun and core team members participating in offline deliveries irregularly. By personally explaining vehicle functions and listening to user suggestions, the emotional connection between the brand and users is strengthened. In addition, joint shopping malls, cultural and tourism scenic spots and other places will carry out “mobile experience days”, reducing

user experience barriers and expanding potential customer base coverage through dynamic test drives, interactive games and other forms.

3. Marketing Effectiveness

3.1 Brand Influence Radiation: Enhancing Awareness and Ecological Identity

Relying on accurate market positioning and ecological collaborative communication, Xiaomi YU7's brand influence has achieved rapid radiation. Online, through the scenario-based content dissemination of "People, Cars, and Homes", the reading volume of social media related topics has exceeded 500 million times. Among them, the interactive volume of the "YU7 Intelligent Linkage Life" topic has exceeded 8 million times, an increase of 30% compared to the same period of SU7, which confirms the strengthening effect of ecological concepts on user cognition [4]. Offline, the "ecological experience areas" of over 200 Xiaomi car experience centers across the country have received more than 500000 visitors, with 35% of visitors expressing "purchase intention due to ecological linkage functions". The brand's awareness of the positioning of "technology + travel" is 25% higher than the industry average. This influence is not limited to the automotive industry but also drives the sales growth of Xiaomi's smart home appliances in reverse, forming a "car home" brand synergy effect.

3.2 Market Conversion Efficiency: Channel Collaboration and Order Growth

The collaborative efforts of online and offline channels are driving YU7 to achieve efficient market conversion. Online, through precise push notifications and KOL evaluations, the conversion rate for booking test drives on the official website reached 18%, which is 8 percentage points higher than the industry average; According to "Dading" data, the order volume in the first month of listing exceeded 30000 vehicles, of which 60% came from Xiaomi ecosystem users, confirming the supporting role of user base in conversion [5]. At the offline level, the conversion rate of customer flow in the Xiaomi Home area reached 12%, and the contribution of orders for the "Mobile Experience Day" in third - and fourth-tier cities accounted for 28%, demonstrating the effectiveness of channel layout in the sinking market. From the perspective of regional distribution, orders from first and second tier cities account for 55%, and overseas pre-sale orders exceeded 5000 units in the first month, preliminarily verifying the feasibility of

global marketing.

3.3 User Feedback and Word-of-Mouth Accumulation: Satisfaction and Repurchase Intention Highlighted

User feedback data shows that YU7 has an overall satisfaction rate of 86%, with "intelligent ecological linkage", "spatial design", and "cost-effectiveness" becoming the core dimensions of positive reviews. Among the first batch of car owners, 72% said they would "recommend it to friends and family", and 30% of users own two or more Xiaomi smart devices at the same time. Ecological users have a 40% higher intention to repurchase than non-ecological users [6]. Negative feedback mainly focused on long delivery cycles, accounting for 12%. However, through the "Transparent Factory" live broadcast and real-time disclosure of delivery progress, the user complaint rate decreased by 25% compared to the same period in SU7, and the speed of reputation repair improved significantly. This kind of word-of-mouth accumulation based on user experience lays the foundation for subsequent product iteration and market expansion.

4. Suggestion

4.1 Optimization Suggestions

Function iteration and scenario adaptation based on user feedback. Combining user generated content analysis methods to systematically sort out feedback information about YU7 on social platforms and car owner communities, and extract core pain points. For example, high-frequency issues such as following distance control and speech command recognition accuracy on congested urban roads were extracted and included in the priority iteration list through discussions on „the performance of intelligent driving in complex road conditions“ and „the smoothness of vehicle system operations“. At the same time, combining the differences in usage scenarios of different user groups, optimize the „linkage between rear entertainment screen and child safety lock“ function for home users, enhance the „automatic matching of navigation route and car music“ experience for commuting users, and make technological upgrades more in line with actual needs to avoid detachment between functions and scenarios[7]. Strengthen the refined design and interaction of offline experience scenarios. The customer-centric concept optimizes the offline experience process, transforming abstract „ecological collaboration“ into perceptible interactive scenarios. For example, in the Xiaomi Car Experience

Center, a „Life Scene Experience Area“ is set up to restore the daily process of „morning rush hour commuting supermarket procurement family dinner“. Users can personally operate linkage functions such as „automatic push of shopping list to the car machine when the vehicle approaches the supermarket“ and „voice reservation to activate the home heater before returning home“ to understand ecological value through immersive experience. At the same time, adjust the focus of the experience according to the preferences of users in different regions - adding „battery performance demonstration in low-temperature environments“ in northern cities and strengthening „linkage efficiency between car air conditioning and smart homes“ in southern cities to enhance the specificity of the experience.

Differentiated user operation and precise matching of resources. Construct a hierarchical operation system based on differentiated marketing logic to allocate exclusive resources for different user groups. For technology enthusiasts, the „Intelligent Driving Beta Tester“ program is launched to invite them to participate in the internal testing of new features and provide feedback to enhance their sense of technical identity; For family users, the accompanying parent-child travel gift package includes a guide for adapting child safety seats, discounts on car purifier filters, and the opening of a family service hotline; For young users, people will collaborate with trendy brands to launch personalized customization services for car interiors, such as custom car themes and co-branded foot mats. By accurately matching user needs and resources, people can enhance user stickiness and reduce ineffective marketing costs again [8].

4.2 Development Opportunities

Research on the explosion of intelligent demand in the new energy vehicle market shows that the global new energy vehicle market is accelerating its transformation towards intelligence. By 2024, the sales of models with L2 and above intelligent driving functions in the Chinese market have reached 65%, and users' attention to the linkage between cars and life scenarios has increased by 40% year-on-year. This trend is highly consistent with the positioning of Xiaomi YU7 as an „intelligent ecosystem“ - its „car home phone“ cross-end collaboration based on Xiaomi Hyper OS perfectly meets consumers' core demand for „intelligent travel scenarios“ and provides a demand foundation for the product's breakthrough in the mid to high-end market [9].

The user and resource synergy advantage of Xiaomi's ecosystem. Xiaomi's „human car home ecosystem“ has

formed a huge user base. As of 2024, the number of interconnected Xiaomi smart devices exceeds 624 million, of which 30% are multi device users. These users have a high degree of identification with Xiaomi's ecosystem and are more likely to accept the product concept of „ecological collaboration“. The offline layout of Xiaomi Home, with over 15000 stores, can provide natural channel support for YU7, achieving efficient conversion from mobile phone and home appliance users to car users, and forming a user dividend within the ecosystem. This pattern is not only reflected in YU7's marketing practice, but also reflects the trend of the new energy vehicle market transitioning from „hardware competition“ to „ecological value competition“ [10].

The overseas market expansion window for Chinese new energy vehicles. According to relevant data, in 2023, China's new energy vehicle exports will account for over 50% of the global total, and its market share in Southeast Asia, Europe, and other markets will continue to expand. Local consumers have a significant preference for „high cost-effectiveness+technological attributes“ products. Xiaomi can rely on the localized layout of over 2000 stores in overseas Xiaomi Home, replicate YU7's „ecological collaboration+precise pricing“ model to these markets, and combine local policies such as environmental subsidies in Europe and import tariff preferences in Southeast Asia to quickly seize emerging market share [11].

4.3 Facing Challenges

The market competition pressure caused by the dilution of ecological differentiation advantages. Xiaomi's automotive marketing has taught new forces in car manufacturing a lesson. Chen Qi pointed out that as „ecological collaboration“ has become a consensus in the industry, many competitors have begun to imitate Xiaomi's „car home phone“ linkage model, such as some new forces launching similar intelligent interconnection functions, and even strengthening ecological stickiness through user community operations, leading to the gradual weakening of YU7's core differentiation advantages. At the same time, traditional car companies still dominate in core areas such as battery life and chassis tuning, relying on their deep technological accumulation and brand premium. YU7 needs to build harder technical barriers outside of the „ecosystem“, otherwise it is easy to fall into a passive situation of „homogeneous competition“.

The conflict between brand positioning and user perception. The research on Xiaomi's automotive marketing strategy based on STP theory mentioned that Xiaomi has long been known for its „high cost-effectiveness“, and

users' inherent perception of its brand is mostly „affordable and practical“. However, YU7 is positioned as a mid to high-end intelligent SUV and needs to break through this cognitive limitation. If there is an excessive emphasis on price advantage in marketing, it may strengthen the „parity“ label and conflict with the positioning of the mid to high end; If the cost-effectiveness is deliberately downplayed, it may deviate from Xiaomi's brand genes, leading to the loss of its original user base and making it difficult to balance brand positioning.

Capacity and supply chain stability risks. The profitability analysis of Xiaomi under the DuPont analysis method shows that Xiaomi's automotive business faced problems such as insufficient capacity utilization and tight supply of core components in the early stage. The SU7 delivery cycle was extended due to shortages of batteries and chips. If YU7's sales exceed expectations, it may repeat the same mistake - the supply capacity of key components such as intelligent driving chips and high-voltage fast charging modules, as well as the factory's capacity ramp up speed, may become delivery bottlenecks. And delivery delays not only reduce user satisfaction, but may also trigger negative reviews of „hunger marketing“ and have an impact on brand reputation.

5. Conclusion

This article adopts case analysis and literature research methods, taking Xiaomi YU7 as the research object, combined with the competitive situation of the new energy vehicle industry and Xiaomi's marketing practice, to systematically analyze its online and offline integration marketing path, market effect, and opportunities and challenges faced. The research focuses on how YU7 can continue the successful experience of SU7, achieve brand continuity and market breakthrough through “ecological collaboration + precise operation”, and summarize its core marketing logic - taking “human car home full ecology” as the strategic anchor point, relying on Xiaomi Group's ecological chain resources, user base and channel network, building a closed-loop system of “online topic breaking circle - offline experience transformation - ecological user sedimentation”, forming a differentiated marketing paradigm for technology enterprises to cross industry car manufacturing.

Furthermore, through the practice of YU7, this article elaborates on the new marketing laws for technological companies to enter the automotive industry across borders. Unlike traditional car companies that rely on “product parameters” as their core competitive logic, technology brands are better at transforming “ecological collabora-

tion” into market competitiveness. By lowering the cognitive threshold of automotive products through the familiar smart device ecosystem of users, they replace “functional hard advertising” with “scenario-based value transmission”, ultimately achieving an upgrade from “single product sales” to “full lifecycle user operation”.

Based on the research findings, the following suggestions are proposed for marketing optimization of Xiaomi YU7. One is to deepen the integration of ecological scenarios into daily life, transforming the “human vehicle home linkage” from functional display to high-frequency reusable daily scenarios, such as developing a customized mode of “commuting shopping parenting”; The second is to strengthen the matching degree between technological iteration and user experience, and establish a “user feedback rapid iteration” mechanism for high-frequency feedback functions such as intelligent driving and vehicle machine interaction; The third is to optimize the localization adaptation of global layout, highlighting environmental compliance in the European market and emphasizing cost-effectiveness promotion in the Southeast Asian market; The fourth is to upgrade the level of refinement in user operations, provide exclusive rights packages for different groups, and enhance user stickiness.

In terms of future prospects, as the smart car industry accelerates towards “ecologicalization, scenarization, and globalization”, Xiaomi YU7 is expected to achieve breakthroughs in three directions. Firstly, deepen the integration of “car home city services” in all scenarios, and rely on Xiaomi Hyper OS to connect more life service scenarios; Secondly, by leveraging technological iteration to strengthen core competitiveness, people can deeply bind ecological advantages with hardcore technology; Thirdly, people will deeply cultivate the global market and accurately match the “high cost-effectiveness ecological synergy” model with regional demand through localized research and development and supply chain layout. In the long run, the marketing practices of Xiaomi YU7 may provide a replicable reference paradigm for technology companies to cross industry car manufacturing, promoting the industry's transformation from “hardware competition” to “ecological value competition”, and ultimately achieving a comprehensive upgrade of user travel experience.

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