

# A Practical Study on The Market Perception of The Xiaomi Automobile Brand

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**Abstract.** Research on China's Government Policy Supporting Domestic Auto Brands in 2025 has prompted major Chinese companies to shift their focus toward automotive R&D. Led by Xiaomi and other traditional electronic technology brands, these companies are actively responding to policy initiatives by initiating independent development of new energy vehicles. This research aims to investigate the impression that the Xiaomi Automotive brand creates among consumers and its level of market recognition. Using literature review and data analysis methods, the study examines the market perception of the Xiaomi Automotive brand and identifies areas that may need adjustment. The research indicates that Xiaomi Automotive has a relatively high overall brand recognition in the market, with a higher proportion of young consumers willing to choose this brand. Additionally, most groups become aware of Xiaomi Automotive's advantages through Xiaomi's media promotion, which generates a favorable impression of the brand. However, Xiaomi Automotive also faces various challenges, including issues with brand trust and product design. The article concludes with targeted suggestions to clarify the future development direction of the Xiaomi Automotive brand.

**Keywords:** Xiaomi Automotive; Market Perception; Brand Trust; User Attitude.

## 1. Introduction

With the development of society, the country has alleviated environmental pressure by promoting new energy vehicles. For instance, it has implemented traffic restriction policies to prioritize the passage of new energy vehicles and reduce the emissions of fuel vehicles, thereby improving air quality. At the same time, it has promoted the upgrading of the automotive industry to meet the public's demands for green and intelligent travel and enhance the quality of life. In the economic field, the country has implemented policies such as subsidies for new energy vehicle purchases and tax exemptions for purchase, reducing the cost of car purchases for consumers and stimulating market demand. The vehicle purchase tax reduction policy from 2024 to 2027 is expected to reach 520 billion yuan, which not only stimulates consumption but also drives the development of upstream and downstream industries such as batteries and motors, creating a large number of job opportunities and becoming a new driving force for economic growth. In terms of industry development, the country has established a "three vertical and three horizontal" technology research and development system, supporting technological innovations in pure electric and hybrid vehicles, and accelerating the construction of charging stations. In this context, traditional automakers mostly transform from manufacturing fuel vehicles to new energy vehicles, focusing on technological transformation at the production end. While Xiaomi, as an intelligent technology brand, has entered the market through a cross-border strategy, it has significant advantages [1]. Compared with traditional automakers, Xiaomi has a mature intelligent ecosystem that can integrate the interconnection technologies of mobile phones and smart home devices into cars, achieving seamless connection between the vehicle system and multiple devices. Its accumulation in AI algorithms and chip research enables cars to be more intelligent, such as enhancing the ability of autonomous driving assistance. At the same time, relying on its large user base and brand influence, it can quickly reach consumers and has more advantages in marketing and user operations, bringing differentiated competitiveness to the new energy vehicle market. This article will present the market position and development direction of Xiaomi's vehicles through literature analysis and questionnaire surveys.

## 2. Research Methods

This report employs two research methods: literature review and data analysis. In terms of literature review, this report examines various domestic and international publications related to the Xiaomi Automotive market, using literature data to confirm Xiaomi Automotive's positioning in the market. At the same time, this report uses Xiaomi Automotive's financial reports and sales figures to visually demonstrate the brand's market competitiveness. In terms of data analysis, the study designed a questionnaire based on the research topic, collecting 100 samples. The data were compared across four dimensions: attitude, cognition, behavior, and decision, leading to the conclusions.

## 3. Research Results

### 3.1. Evolution of the Xiaomi Brand and the Foundation of the "Technology Equity" Concept

Through a literature analysis of the development history of the Xiaomi brand, it was concluded that since its establishment, Xiaomi has always focused on "high-cost performance + geek culture" as its core competitiveness and successfully established a foothold in the smartphone market. According to IDC data, Xiaomi entered the global smartphone market's top five for the first time in 2014, and its mobile phone shipments reached as high as 118.7 million units by 2018. The Xiaomi brand quickly seized market share through the strategy of high-cost performance, as the price range of Xiaomi products mainly falls within 1000 - 3000 RMB considering the factor of cost performance [2]. When the concept of "technology equity" was first proposed, it emphasized that technology should not be a luxury but should be a result that the general public can enjoy. This concept has been integrated into Xiaomi's diversified layout from smartphones to home appliances and to smart living, successfully shaping a brand image of technology equity and affordable prices. As shown in Figure 1, the research data indicates that 84.78% of respondents have purchased other products of Xiaomi, such as smartphones or smart home devices, while only 15.22% have not. This reflects the extremely high popularity of Xiaomi products among the target group, indicating strong brand penetration.



**Fig. 1 Purchase Rate of Xiaomi Products**

As shown in Table 1, compared with non-purchasing users, the proportion of users who have purchased Xiaomi products and have no impact on choosing the Xiaomi brand is significantly lower (11.54% vs 28.57%), and the overall impact proportion is higher, indicating that among the people who have already purchased Xiaomi mobile phones, the credibility of the Xiaomi brand is significantly higher.

**Table 1.** The Influence of Xiaomi Brand Image on Friends or Opinion Leaders around interviewee

X\Y	Yes, it has a significant impact.	It has an impact, but not much	No impact	total
Yes, have purchased it	18(23.08%)	51(65.38%)	9(11.54%)	78
Have never purchased it	3(21.43%)	7(50%)	4(28.57%)	14

**3.2. Xiaomi Automotivesed itot muchct.**

Through literature review, it was found that Xiaomi Automotive’s mid-range models are priced lower than comparable electric vehicles in the market with similar performance and configurations, thereby reducing the financial burden on consumers when purchasing similar technological products [3, 4]. Moreover, the Xiaomi SU7 ULTRA version takes the technology of pure electric new energy vehicles to the extreme, achieving an impressive 1,500 horsepower. In comparison, the BMW 5 Series, known for its handling, has only 340 horsepower at the same price point, while a traditional luxury sports car with similar horsepower, the Bugatti, requires an astonishing 30 million RMB [2]. Xiaomi has successfully enabled consumers to enjoy extreme speed and cutting-edge automotive technology at a more affordable price through innovation in research and development, breaking the traditional monopoly of luxury cars in performance. Besides performance, Xiaomi Automotive also actively collaborates with manufacturers like Harman Kardon to enhance in-car audio quality and overall comfort. As shown in Table 2, among the reasons for optimism about Xiaomi Automotive, brand trust has the highest proportion of positive responses from users and is significantly higher than other factors such as performance, configuration, or appearance. This indicates that Xiaomi's brand image plays a beneficial role in the development of its automotive business.

**Table 2.** Levels of User Recognition for Xiaomi Automotive across Four Dimensions—Trust, Performance, Appearance, and Safety

Brand trust,	20(45.45%)	19(43.18%)	5(11.36%)	0(0.00%)	0(0.00%)	44
Performance or Configuration	4(21.05%)	13(68.42%)	2(10.53%)	0(0.00%)	0(0.00%)	19
X\Y	Very optimistic	Somewhat optimistic	Neutral	Slightly optimistic	Not optimistic at all	Total
Appearance	1(8.33%)	7(58.33%)	4(33.33%)	0(0.00%)	0(0.00%)	12
Safty	1(33.33%)	2(66.67%)	0(0.00%)	0(0.00%)	0(0.00%)	3

**3.3. Precise Consumer Portrait and Identification of Potential Markets**

After conducting a questionnaire survey to identify the consumer profile of Xiaomi Automobiles, it was discovered that the user group of Xiaomi Automobiles mainly migrated from mid-to-high-end smartphone users. This group is mainly composed of middle-class, new middle-class, and young tech enthusiasts. These consumers have a strong desire for technology-driven performance cars but do not want to spend too much. Therefore, they often place greater emphasis on cost-effectiveness. The data shows that 70% of the consumer group of Xiaomi Automobiles are aged between 25 and 40. Consumers in this age group have a high acceptance of technology products and are relatively sensitive to prices. According to the market research results, 60% of Xiaomi Automobiles' users have converted from smartphone users. This phenomenon reveals that the migration effect of Xiaomi brand user group exists. Compared with users who have not purchased Xiaomi products, the proportion of users who are optimistic about Xiaomi Automobiles is higher. This difference demonstrates the positive effect of brand loyalty. A small number of negative expectations among users who have not purchased Xiaomi products were noticed, indicating that the reputation of other products of the Xiaomi brand will also have an impact on the impression of the Xiaomi Automobile brand (table 3).

**Table 3.** The degree of optimism of people towards Xiaomi Automobiles

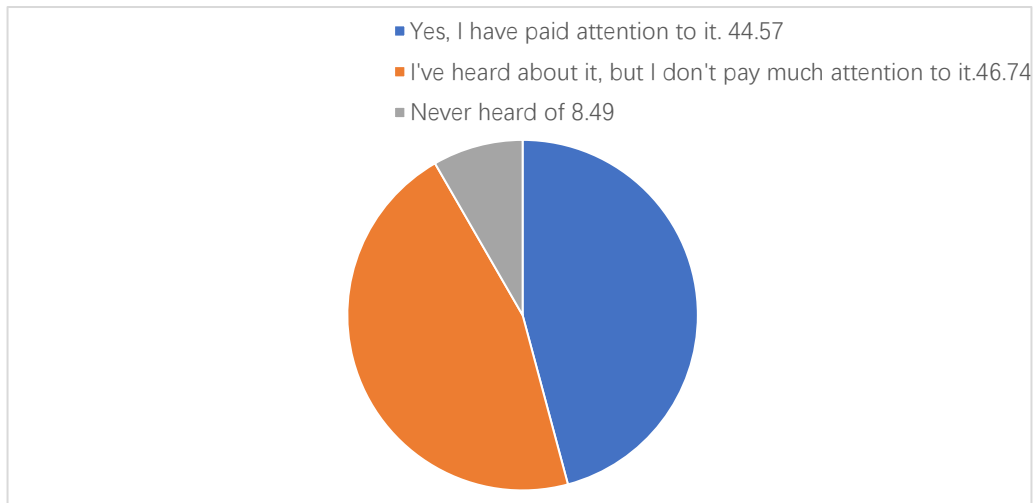
X\Y	Have a very positive outlook on	Have a positive outlook on	Ordinary	Not optimistic about it	I'm very pessimistic about it.	Total
Yes, have purchased it.	25(32.05%)	35(44.87%)	18(23.08%)	0(0.00%)	0(0.00%)	78
Have never purchased.	1(7.14%)	9(64.29%)	3(21.43%)	0(0.00%)	1(7.14%)	14

### 3.4. The Real Challenges Faced by Xiaomi Automotive

Although Xiaomi Automotive has achieved success in market entry, as an emerging automotive brand, it still faces many market-driven challenges [5]. Traditional Chinese perspectives often view cars not only as transportation tools but also as symbols of personal development and social status. Many people believe that purchasing traditional luxury cars to showcase their status is more important than the comfort and convenience offered by new energy vehicles. Market research shows that the trust level in traditional car brands among consumers averages 80%, while Xiaomi Automotive is only at 60% [6]. Regarding concerns about vehicle safety and reliability, traditional luxury car brands score an average of 90 out of 100, whereas Xiaomi Automotive scores only 75. As shown in Table 4, among users optimistic about Xiaomi Automotive, those who are optimistic due to brand trust have the highest proportion of concern about negative events, exceeding 50%. In contrast, users who are optimistic because of performance or appearance have a lower concern for such issues. This indicates that highly trusting users are more sensitive to negative information.

**Table 4.** Consumer Perception of Xiaomi Automotive across Four Dimensions—Trust, Performance, Appearance, and Safety

X\Y	Yes, Have concerned	Heard of it but not well understood	NO concern	Total
Brand trust	23(52.27%)	17(38.64%)	4(9.09%)	44
Performance or configuration	9(47.37%)	9(47.37%)	1(5.26%)	19
Appearance	4(33.33%)	7(58.33%)	1(8.33%)	12
Safety	1(33.33%)	2(66.67%)	0(0.00%)	3



**Fig. 2** The level of awareness regarding the negative public opinions about Xiaomi cars

Traditional automakers leverage their many years of strong after-sales systems and extensive brand heritage to maintain certain advantages in market competition. Additionally, many traditional car companies excel in public relations and brand management. Xiaomi Automotive, however, has faced negative incidents such as high-speed crashes and fire, and fake hood covers, which were not responded to promptly with public relations efforts, thereby causing some damage to the brand image. As shown in Table 5, over 90% of respondents have heard of or (paid attention to) Xiaomi Automotive’s negative incidents, with approximately 45% indicating they (have paid attention to) the incidents, 47% have heard about them but are not deeply concerned, and only 9% have not (paid attention to) these issues. As shown in Figure 2, this suggests that negative events are widely known, but the proportion of those who follow them closely is relatively low.

The diagram indicates that building a timely, sincere, and professional crisis public relations system remains an unresolved issue for Xiaomi Automotive. Furthermore, in terms of product design, Xiaomi’s exterior and interior features have been criticized by netizens for resembling certain other models, leading to doubts about the originality and industrial design capabilities of Xiaomi Automotive. According to industry research, Xiaomi’s design originality scored only 65 out of 100, significantly lower than the industry average of 75. In consumer satisfaction surveys regarding automotive design, Xiaomi Automotive scored only 70%, compared to an average of 85% for traditional luxury brands. This suggests that Xiaomi Automotive needs to focus on these aspects to establish a firm foothold in the market.

The report compares numerous related references, some of which suggest that Xiaomi’s market strategy is merely a hype of hunger marketing and capturing young consumers, which is not entirely accurate. Xiaomi’s own research capabilities and brand tonalities are also valuable assets to help penetrate the market. Among users optimistic about performance or configurations, the highest proportion learns about Xiaomi Automotive through short video platforms, whereas those optimistic about safety mainly gain information via Xiaomi advertisements. This reflects the channel-specific attractiveness for different types of information, with performance enthusiasts more inclined toward short video content.

**Table 5.** Promotional Media for Xiaomi Automotive across Four Dimensions—Trust, Performance, Appearance, and Safety

X\Y	Social media	Xiaomi’s advertising	Short video platforms	Total
Brand trust	19(43.18%)	10(22.73%)	15(34.09%)	44
Performance or configuration	8(42.11%)	2(10.53%)	9(47.37%)	19
Appearance	6(50%)	3(25%)	3(25%)	12
Safety	1(33.33%)	2(66.67%)	0(0.00%)	3

#### 4. Future Optimization Directions

Although Xiaomi Automotive has achieved preliminary phased results in brand concept and market entry, it still requires continuous improvements in several areas moving forward. In terms of product technology research and development, Xiaomi Automotive needs to further enhance product performance and quality, strengthen automotive safety technology research, and improve the after-sales service system to boost consumer trust in the brand. One positive aspect for Xiaomi is that among users optimistic about Xiaomi Automotive, over 50% cite brand trust as the primary reason, significantly higher than factors like performance (about 20%) and appearance (about 15%) [3]. This aligns well with Xiaomi’s core marketing strategy. Conversely, among users who are not optimistic about Xiaomi Automotive, 35.71% question brand trust. Existing users are also more sensitive to negative incidents, with attention levels exceeding 50%, as shown in Figure 2. There is a need to reevaluate the perception of product value, helping consumers recognize Xiaomi Automotive’s cost-performance ratio [7]. Users’ concerns about performance/configuration (28.57%) and safety

(28.57%) far surpass those about appearance (7.14%), yet current promotional efforts primarily focus on appearance and smart features. Xiaomi needs to adjust its marketing focus: highlight core technologies such as the electric powertrain and battery, collision test data, and other hardcore content on short video platforms to reverse the potential bias of “design over safety” [1]. It is recommended that Xiaomi Automotive establish a transparent crisis response mechanism and implement timely crisis public relations strategies, such as open factory live streams and third-party safety certification disclosures, to transform trust advantages into competitive barriers. In brand building, Xiaomi needs to optimize its crisis PR strategy and establish a professional crisis management system to promptly mitigate the impact of negative incidents. In product design, Xiaomi Automotive should focus on originality and innovation, enhance the level of industrial design, and avoid design redundancy to enhance market competitiveness [8]. Research suggests that understanding the core spirit of young people is key for Xiaomi Automotive to gain user trust. Xiaomi Automotive should consistently adopt a user-centric approach to continuously provide consumers with high-cost-performance and high-performance smart vehicles [9]. Through technological innovation and product optimization, Xiaomi can not only meet consumers’ technological demands but also further strengthen its brand position in the smart automotive field. Moving forward, Xiaomi Automotive should deepen its practice of creating vehicles that truly understand consumer needs, promote the popularization and development of intelligent vehicles, and create more value for consumers. In summary, the practice of Xiaomi Automotive demonstrates that technology brands have strong market appeal and brand value [10]. Faced with intense market competition and a complex industry environment, Xiaomi Automotive needs to continue efforts in product development, brand management, and market education to achieve sustainable brand growth.

## 5. Conclusion

This study shows that Xiaomi Auto has achieved an initial breakthrough in the new energy vehicle market by leveraging its "high-cost performance + technology for all" philosophy and brand migration capabilities (60% of users come from smartphone conversions, and 70% are middle-class tech enthusiasts aged 25-40). Brand trust is the core factor that users favor (45.45% of users choose due to brand trust). However, Xiaomi Auto faces issues such as lower brand trust compared to traditional automakers (only 60%, while traditional automakers reach 80%), weak after-sales system, and lagging crisis management (such as the delayed response to the self-ignition incident). The root causes lie in traditional consumption concepts (cars as status symbols), lack of experience in cross-industry vehicle manufacturing, and improper handling of negative events. It is suggested that Xiaomi enhance its technological research and development and after-sales construction, optimize crisis management (such as opening up third-party safety certifications), and improve design originality. This study provides practical references for technology brands venturing into vehicle manufacturing and enriches the research on consumer behavior in the new energy vehicle market. The limitations of this study include a small sample size, insufficient geographical coverage, and limited representativeness of the results. Future research could expand the sample size, study long-term user retention, or explore the impact of the integration of Xiaomi's smart ecosystem and automobiles on user decisions to further deepen the research conclusions.

## Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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