FACTOR AFFECTING TOWARDS CUSTOMER'S PURCHASE INTENTION OF XIAOMI'S SMART HOME PRODUCTS

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ABSTRACT
An enterprise's survival and competitive advantage in the Chinese mobile phone industry depend on its client base's brand happiness. Thus, increasing brand loyalty and repurchase intention is the greatest method to build a powerful brand. Based on how the 7Ps marketing mix and STP theory impact customers' repurchase intention for mobile phone brands, this research proposes a methodology for examining relationship aspects.This research uses empirical analysis to statistically assess the two hypotheses that 7Ps marketing mix and STP theory affect customer repurchase intention. This study examines Chinese customers.The questionnaire scale in this research is reliable, according to data analysis. Regression study confirmed that both 7Ps marketing mix and STP theory positively impact customers' repurchase intention ($p<0.001$), supporting the validity of both research hypotheses.The research objectives of this paper is, 1. To study the effect of Segmentation Targeting Positioning (STP) to customers' purchase intention.2.To study the effect of 7Ps marketing to customers' purchase intention. The research question to be addressed is, 1. What is the effect of Segmentation, Targeting, and Positioning (STP) on customers' purchase intention? 2. What is the effect of the 7Ps marketing mix (Product, Price, Place, Promotion, People, Process, and Physical Evidence) on customers' purchase intention?
Keywords: 7P's marketing mix, STP theory, Consumer repurchase intention, Xiaomi mobile phone

INTRODUCTION

Our country's science and technology are increasing daily, as are inhabitants' living conditions. The popularisation of Internet thinking has also made life easier. Technology has changed lives and created new requirements. Smart home goods use modern technology like the Internet of Things, big data analysis, and cloud computing to incorporate Internet intelligence. It aims to enhance lives and deliver safer, more efficient, and more pleasant goods utilising technology. living conditions. This field is booming (Nicole Krawcke, 2018).Because segmentation, targeting, and positioning help marketers understand, connect, and interact with consumers more personally and meaningfully, they affect purchase intention. Companies may boost consumers' value perceptions and purchase probability by targeting certain client groups and articulating their unique value proposition. Thus, STP and the 7Ps of marketing mix interact synergistically to identify, attract, and engage the target audience, increasing buy intention and sales. Smart home living has become a rising sector that uses new technologies like the Internet of Things (Guo Guoqing&Qian Minghui, 2017). The Chinese government has implemented many smart home laws to boost the business. According to Nadia Askar and Mike Miazga (2018), the "Twelfth Five-Year Plan for the Development of the Internet of Things" includes smart homes as demonstration projects in nine critical sectors. With rising disposable income and Internet usage, smart houses have developed due to growing family consumption and technology assistance. Despite legislative backing, the smart home market is young and lacks a common framework. There are no industry-wide network standards, making it hard for multiple companies' devices to communicate. Meanwhile, customers' ignorance of smart home goods hinders market growth. In Beijing, Lei Jun started Xiaomi Technology Co., Ltd. in April 2010. Xiaomi, an inventive technology firm, develops and sells smartphones, IoT and consumer devices, and Internet services in China and other countries. Xiaomi listed in Hong Kong on July 9, 2018.Xiaomi always offers "heart-touching and reasonably priced" items. Xiaomi invests more in R&D for product technology innovation and has over 7,000 talented engineers. Xiaomi has emphasised the strategic direction of the super Internet of "5G+AI+IoT" and employs new technology to develop its products, platforms, and scene service capabilities, enabling more consumers to enjoy smart technology. In 2018 and 2019, the corporation invested 5.8 billion and 7.5 billion yuan in R&D, respectively, with a 10-billion target in 2020.

LITERATURE REVIEWS
Market segmentation
Geographic segmentation

The smart home market is segmented geographically into first- and second-tier cities, small and medium-sized communities. Smart homes are popular in first- and second-tier cities, but they have high technical and product design standards that need frequent product upgrades. Technology needs are lower in small and medium-sized cities and rural regions, but they are more price sensitive. Fewer individuals will utilise smart homes in small and medium-sized cities and rural locations due to a threshold. Xiaomi smart home devices need network equipment support, making them unsuitable for distant

and undeveloped locations with poor networks. In general, Xiaomi smart home targets first- and second-tier city residents.

Population segmentation

Xiaomi's business is male-dominated. Male customers are more concerned with smart home devices and have greater demand for product capabilities and configurations, whereas female consumers are more style-oriented and price-sensitive. Men outnumber women in the purchasing of smart home equipment with a more elegant design, such as fans and humidifiers.
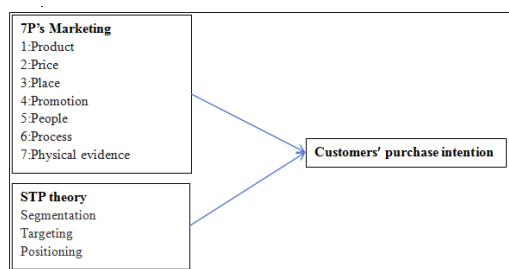
Smart home goods appeal to youthful and middle-aged adults. Xiaomi smart home consumers are 60%-70% 25–40 years old, according to interviews and other data gathering and analysis.Smart home devices will be used for house improvement by 40- to 50-year-olds. This segment will make up 20% of consumers and have high buying power.

Target market selection

China has over 1.3 billion Internet users, indicating market acceptability for smart homes. Xiaomi has severe smart home market rivalry, and its rivals are continually improving their technology and design. Xiaomi should carefully choose its target market in this context. Because Xiaomi has a significant consumer group and its mobile phone users are suitable with smart home customers, it should focus on customer conversion. In addition, we use market segmentation data to target young and middle-aged consumers aged 25 to 40 and design, practicalize, and simplify our goods for them. For 40- to 50-year-old home renovators, goods should be straightforward to install and use. Determine a target market plan based on target group inclinations. For sales, it should concentrate on first- and second-tier cities and eventually migrate to third-tier small and medium-sized cities.

Research Framework

Table 1：Research Framework

IV1:The 7Ps of marketing

The 7Ps of marketing is an all-encompassing framework that delineates the fundamental components of a marketing plan. The 7Ps framework is an expansion of the traditional 4Ps (Product, Price, Place, Promotion) and offers a comprehensive and thorough method to developing marketing strategies. It includes additional elements such as people, process, and physical proof.

IV2:Segmentation Targeting Positioning

The STP framework is a strategic tool that assists marketers in identifying and targeting distinct client groups and placing their products or services successfully in the market. Companies may strengthen their competitive edge, boost sales growth, and cultivate better client connections by comprehending the distinct demands and preferences of various consumer groups and customising marketing strategies appropriately.

DV:Customers' purchase intention

Customers' purchase intention is the probability or tendency of a customer to make a given product or service purchase within a defined period. It signifies the personal inclination and preparedness of an individual to participate in a buying choice, demonstrating their desire to act and complete a transaction.

Research objectives

1. To study the effect of Segmentation Targeting Positioning (STP) on customers' purchase intention.
2. To study the effect of 7Ps marketing on customers' purchase intention.

Hypothesis

1.There is an effect of Segmentation Targeting and Positioning (STP) on customers' purchase intention.
2.There is an effect of 7Ps marketing on customers' purchase intention.

RESEARCH METHODOLOGY

This study employs SPSS statistical software to conduct a statistical analysis of the sample data obtained from the questionnaire survey. The main analytical tools include: descriptive statistics to explain the basic data analysis, such as frequency distribution and percentage summary of personal factors like gender, age, status, education level, occupation, and average monthly income; mean and standard deviation for the STP and 7Ps sections of the questionnaire; and multiple regression analysis to test hypothesis 1 (the effect of Segmentation, Targeting, and Positioning on customers' purchase intention) and hypothesis 2 (the effect of the 7Ps marketing strategy on customers' purchase intention).

Population and sampling techniques

1. Population and Sampling Methodology: The population under investigation is made up of consumers whose marketing strategies for acquiring Xiaomi smart homes are influenced by the research's focal point. The approach of non-probability sampling is used.
2. Survey Venue: An online survey platform was chosen to guarantee wide data distribution due to the surveys' comprehensive coverage and large-scale design. After the online survey is created, it is dispersed at random among Chinese internet users using well-known social media sites like WeChat, Weibo, TikTok, and others.
3.Calculating Sample Size: The Cochran (1977) method may be used to determine the sample size in situations when the population size and percentage are unknown.

$$n = (\frac{Z_{a/2}\sigma}{E})^2$$

Where：
n=required sample size
Z= Z-score, which corresponds to the desired confidence level
p = estimated proportion of the population with the characteristic of interest
$\sigma^2 = p(1-p)$ = variance of the population proportion

Substitute date:

$$n = \left(\frac{1.96}{0.05}\right)^2 (0.5 \times 0.5)$$

$$= (39.2)^2 \times 0.25$$

$$= 1536.64 \times 0.25$$

$$= 384$$

After substituting the formula to calculate the sample size, the sample size is 384.

Data collection

We used the reputable Chinese online questionnaire platform "Questionnaire Star" to distribute surveys at random for this research. The information was gathered in January 2024. It lasted for thirty days. Additionally, accurate and comprehensive survey responses were chosen as data sources for additional examination.

About Questionnaire Star:

QuestionStar is a professional online survey, exam, assessment, and polling platform that focuses on offering consumers a range of services such as customised reporting, data gathering, analysis of survey findings, and sophisticated and user-friendly online questionnaire creation. Any sample service item may only be completed once using the same IP address, computer, and user name; fillers who are rejected from the screening page or screened as having an incorrect response sheet are not eligible to resubmit.

RESEARCH RESULTS

Table 2: Correlation analysis

Correlations		STP	7PS	Customers'pur chase intention
STP	Pearson Correlation	1	.833**	.701**
	Sig. (2-tailed)		.000	.000
	N	384	384	384
7PS	Pearson Correlation	.833**	1	.837**
	Sig. (2-tailed)	.000		.000
	N	384	384	384
Customers'purchase intention	Pearson Correlation	.701**	.837**	1
	Sig. (2-tailed)	.000	.000	
	N	384	384	384
**. Correlation is significant at the 0.01 level (2-tailed).				

The study's strong correlations illuminate the intricate interplay between strategic marketing and customer purchase intentions. These connections included Xiaomi smart home devices. Strategic alignment between positioning, market segmentation, targeting, and other marketing mix aspects is essential. The favourable correlation between STP, 7Ps Marketing, and Customers' Purchase Intention shows the relevance of this alignment.These findings have major implications for smart home product marketers in competitive markets. Understanding the synergy between STP and 7Ps Marketing may help create more focused and effective marketing strategies. These tactics must accommodate for changing client preferences and needs.

The connections show that the quickly expanding smart home industry requires constant evaluation and improvement of marketing techniques to increase customer involvement and purchasing behaviour. Correlation analysis helps marketers manage resources, change promotions, and enhance brand positioning. All of this is done via correlation analysis. This lets firms foster an environment that attracts and retains customers.Correlation analysis may reveal factors driving Xiaomi smart home appliance purchases. Further research on causal relationships between these factors and longitudinal consumer behaviour studies may provide more insight into consumer decision-making processes in the smart home market. These studies monitor consumer behaviour changes.

Table 3: Linear regression analysis

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	IV2, IV1[b]	.	Enter

a. Dependent Variable: DV
b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837[a]	.701	.700	.41989

a. Predictors: (Constant), IV2, IV1

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	157.549	2	78.775	446.812	.000[b]
	Residual	67.172	381	.176		
	Total	224.721	383			

a. Dependent Variable: DV
b. Predictors: (Constant), IV2, IV1

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.091	.107		-.856	.392
	IV1	.015	.055	.753	.266	.000
	IV2	.957	.059	.826	16.325	.000

a. Dependent Variable: DV

A linear regression study was done to look at the relationship between the segmentation targeting positioning (STP) theory, 7Ps marketing, and customers' willingness to purchase Xiaomi's smart home products. The aim of this study was to assess the effects of different marketing strategies on customers' propensity to purchase Xiaomi smart home products.

Model Summary

An R-squared value of 0.701 was obtained by the linear regression model, indicating that about 70.1% of the variance in the customers' intention to make a purchase can be explained by the independent variables included in the model. This suggests that there may be a rather high correlation between the predictors and the dependent variable.

Analysis of Variance (ANOVA)

After doing an analysis of variance, the results showed a statistically significant regression model with a value of $F(2, 381) = 446.812$, $p < .001$. This suggests that the predictors together contribute significantly to the prediction of the customers' intention to make a purchase.

Regression Coefficients

The statistical significance of the coefficient for IV1 (STP theory) ($\beta = 0.753$, $p < .001$) indicates that Xiaomi's segmentation, targeting, and positioning tactics have a noteworthy impact on customers' inclination to buy smart home goods. In particular, it is shown that STP methods significantly increase purchase intention, indicating their significance in the marketing mix.

Additionally, statistical significance is revealed for the IV2 (7Ps marketing) coefficient ($\beta = 0.826$, $p < .001$). This suggests that customers' purchase intentions and Xiaomi's 7Ps marketing methods have a high positive association. According to the research, assuming all other variables remain constant, there is a projected rise in customer buy intention of 0.957 for each unit increase in the use of 7Ps marketing tactics.

DISCUSSION & CONCLUSION

Conclusion

This research examined users' propensity to buy Xiaomi's smart home goods. The 7Ps marketing approach and STP theory were studied more closely. Careful linear regression and correlation analysis yielded substantial results. These findings illuminate the complex smart home industry.

The correlation analysis found a favourable association between STP theory, 7Ps marketing approach, and consumer buy intent. In particular, purchasing intention was positively correlated with STP. Effective segmentation, targeting, and positioning may influence customers' attitudes and preferences for Xiaomi's smart home devices, according to this study. Parallel to this, the association between purchase intention and 7Ps marketing showed how people, process, physical proof, price, location, and promotion affect customers' purchasing choices.

The correlation research showed a strong positive association between 7Ps marketing and STP theory. To maximise customers' purchase intents, extensive marketing mix approaches and effective market segmentation are essential. The research found that marketing professionals must use logical and well-aligned strategies that incorporate the marketing mix and segmentation to impact customer behaviour in the highly competitive smart home business.

Then, a linear regression study revealed how STP theory and the 7Ps marketing method affect consumers' purchase inclinations. The STP theory did not show statistical significance, but the 7Ps marketing strategy's significant coefficient showed that it influences consumers' intention to buy Xiaomi's smart home products. Segmentation, targeting, and positioning strategies may not directly influence consumers' desire to buy.

This shows how different parts of the marketing mix affect customers' smart home product choices.

Discussions

Interpretation of Key Findings

Study results reveal a strong positive correlation between STP theory and purchase intention ($\beta = 0.753$, p <.001). Xiaomi's positioning, targeting, and segmentation affect consumers' smart home product purchases. The findings demonstrate STP's relevance in the marketing mix and its potential to impact customers' purchase intentions.

A correlation of r =.837 indicates a substantial positive relationship ($\beta = 0.826$, p <.001) between the 7Ps marketing mix and consumers' purchase intentions. This implies that Xiaomi's marketing strategies一people, procedure, physical evidence, location, price, promotion, and product一strongly influence customer purchases. The IV2 coefficient (0.957) shows that the 7Ps marketing mix is crucial to increasing client purchase intentions, demonstrating the importance of an integrated marketing approach.

Comparison with Previous Studies, Strengths, and Limitations

This study confirms prior findings that STP theory and the 7Ps marketing mix influence consumer behaviour.   Our findings are supported by past study (Younus, Rasheed, & Zia, 2015) that revealed STP positively increased purchasing intention in several settings. Even in the fast-growing sector of smart home technology, this agreement stresses the relevance of traditional marketing frameworks like market segmentation, targeting, and positioning. This study's strength is its huge sample size (N=384) and detailed statistical examination of variable correlations using ANOVA and Pearson Correlation. Cross-sectional studies make causality findings difficult, thus they must be acknowledged.Since Xiaomi was the case study's focus, the findings may not apply to other smart home manufacturers.Our findings are consistent with the 7Ps and STP theories' impacts on customer behaviour, thus further study outside marketing research is needed to understand how these frameworks operate in smart homes.

Implications of the study

This study stresses the importance of knowing how strategic marketing strategies affect consumers' purchasing intentions. The study shows that 7Ps marketing techniques, customer purchasing intentions, and segmentation, targeting, and positioning tactics are positively correlated, emphasising the need for a complete and well-integrated marketing strategy. Industry practitioners may use this data to construct complete marketing strategies that follow market segmentation and the marketing mix. In highly competitive sectors like smart home gadgets, such alignment is essential for user involvement and prudent purchase.

Even though the Segmentation, Targeting, and Positioning (STP) hypothesis did not directly affect customers' purchase intentions in the regression analysis, other factors or interactions may influence their decisions. Thus, future study should investigate these hidden elements to identify new effects on smart house buyers' purchase intentions.

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Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

Conflicts of Interest: The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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