



Bringing Chinese Innovation to ASEAN and Beyond

Business Beyond Borders — Issue 5

Xiaomi, a Case Study

As Xiaomi moved out of its home market in China and grew sales across Asia, the Chinese smartphone manufacturer increasingly needed a partner who could be relied upon to fulfil logistics and distribution duties in Singapore and neighbouring Southeast Asian nations. SingPost, with its suite of customer-first delivery and collection solutions, met this need.

When Chinese entrepreneur Lei Jun founded Xiaomi in 2010, it was with the belief that quality technology should be widely affordable. This belief has seen Xiaomi become China's top mobile phone manufacturer and a leading global smartphone company.

Xiaomi is a company focused on bringing innovation to everyone. Its business model includes selling high-quality phones at a narrow margin, and making revenue through its Internet services, as well as peripheral products including accessories. After taking off in China, Xiaomi started seeking growth overseas, marketing its high-quality products at incredible prices to receptive audiences. As demand grew, Xiaomi sought to provide a better experience for its overseas customers by making delivery times as short as possible.

*It may be only five years old, but **Xiaomi's** combination of low-cost, feature-rich smartphones and youthful brand appeal has seen it become the world's third-largest smartphone maker.*



How One Hub Serves Southeast Asia

Southeast Asia was one of these growth markets. To meet the demand coming from Southeast Asia, Xiaomi needed a regional presence.

"As our business grew, we felt that a local distribution centre would help us serve our new fans better," recalls Jack Tang, Marketing Manager at Xiaomi Singapore. In SingPost, Xiaomi found a partner who could manage and deliver high volumes of orders within a short lead time, as well as fulfill product return and exchange services.

"Once we got our delivery orders to a certain size, it made sense for us to lower our costs by moving our distribution centre to Singapore," Tang explains. "This was Xiaomi's first such facility outside of Greater China and we felt it was very important to work with the right partner once we had made this move."

Using Singapore as its regional headquarters, Xiaomi could in turn leverage SingPost's established networks to expand further into its Southeast Asian markets.

*SingPost offered Xiaomi an equally customer-centric partner, and one who was able to help revolutionise its customer experience and adapt to changing consumer needs. At the heart of the Xiaomi-SingPost partnership is the need to deliver **flexibility and convenience** to the customer.*



Delivering Convenience

As a brand that caters to a young and active audience, Xiaomi also needed a logistics partner that could adapt to changing consumer needs. Traditional delivery methods were no longer sufficient, as customers increasingly required flexibility and convenience when managing their purchases.

SingPost recognised these issues and proposed an appropriately customer-centric logistics solution. It built an 11,000 square-foot warehouse facility specifically for Xiaomi to store, sort and pack its products before shipping to customers. High-volume orders, especially from Xiaomi's frequent promotional events, are managed and delivered via SingPost's reliable and efficient logistics solution.

To better align with the on-the-go lifestyles of Xiaomi customers, SingPost provides parcel lockers — known as POPStations — to facilitate self-collection, returns and exchange of purchases. There are more than 100 POPStations strategically located across Singapore, with an average of just 2.5 kilometres between each one. To raise brand awareness, SingPost also ran the 'MiPOPStation 10,000th Customer' and 'MiPOPStation Instagram' campaigns to promote the use of POPStations when people purchase Xiaomi products.

"We are always looking to improve the quality of service to our Xiaomi fans, and having the option of self-collection at POPStations was something we were keen on, based on the feedback we were receiving through social media channels," says Tang. "Most of our customers are working during the day and cannot stay home to receive their Xiaomi deliveries. So having a self-collection option enables them to pick up their purchases at their convenience."

*Around **60%** of Xiaomi parcels are collected on the same day that they are posted into POPStations.*

POPStation Process

1

Select

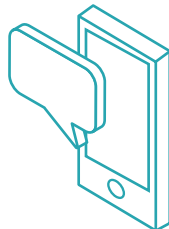
Shop online with our retail partners. Select POPStation for delivery.



2

Receive

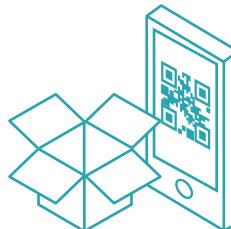
Receive alert via SMS and email when parcel arrives.



3

Collect

Scan QR code or key in PIN and collect your parcel.



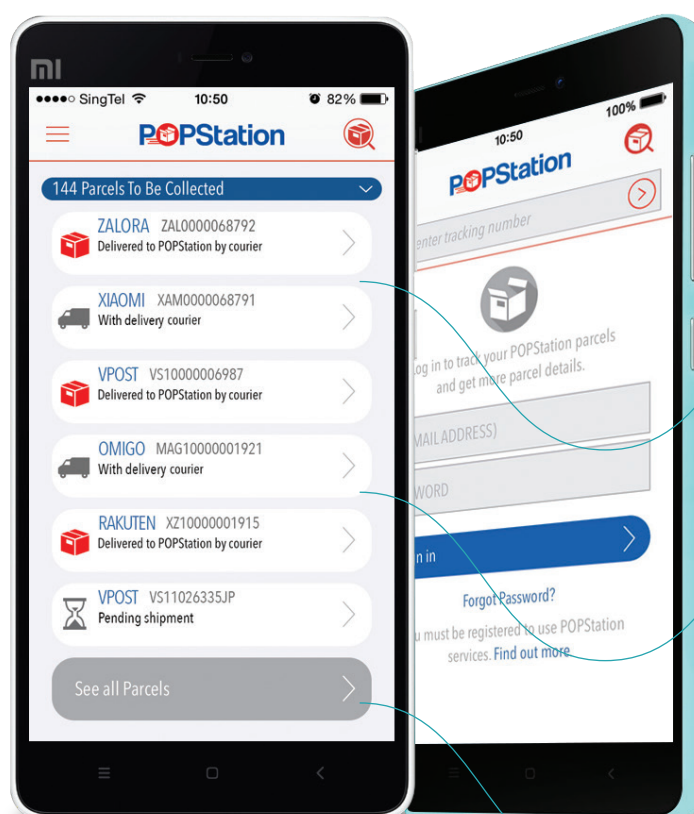
Why Customer-Centricity Makes Business Sense

Today's customer is more time-sensitive than ever, so Xiaomi and SingPost have sought to better match this lifestyle. SingPost has reduced delivery lead times for Xiaomi from an average of three days to within 24 hours; around 60% of Xiaomi parcels are collected on the same day that they are posted into POPStations.

Cutting down on delivery times and ensuring flexible pickup points has been appreciated. Significant numbers of customers have shared positive feedback, on social media and other channels, centred around SingPost's timely and convenient logistics services. POPStations in particular have been popular among Xiaomi's customers, with some even creating videos about their POPStation experience, to air on online community forums.

SingPost's suite of eCommerce solutions has not only enhanced Xiaomi's logistical services, it has also helped enhance the smartphone manufacturer's customer experience. By leveraging SingPost's reliable logistics infrastructure, extensive delivery networks and strong regional market knowledge, Xiaomi has been able to create a seamless delivery experience for its loyal consumer base. As Xiaomi continues growing its business in Southeast Asia, SingPost remains its trusted logistics partner for the brand's eCommerce sales across the region.

*As Xiaomi expands its business to Thailand and Vietnam, SingPost remains its trusted logistics partner for the brand's eCommerce sales across **Southeast Asia**.*



Get in Touch

We'll help you accelerate your
eCommerce ambitions today



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