

CHAPTER V CONCLUSIONS

In the last decade, China has experienced strong domination in its international economic performance. China's strategy to strengthen its economy is by international expansion, namely by opening their big companies in other countries. International business conducted by China can also be said as a concept in the form of Multinational Corporations. This concept has been well-known for many countries to expand their companies to get consumers from various countries and profits that reach multiples.

In the past few years, China has become a reliable and advanced country in the economic field. Increasingly boosting its economic strength, China is increasingly aggressively expanding their markets throughout the world. In spreading their giant companies, China has made the Southeast Asian region the primary target market. In this case, the Indonesian state is a priority because Indonesia has mastered the largest Southeast Asian market, besides ease of doing business in Indonesia, it is also stable and positive, so many foreign investors are targeting Indonesia, especially investors from China.

Indonesia and China also have a pretty good relationship with each other, even the longer the relationship that is woven is getting better. When viewed in terms of economic cooperation, China has opened their vast markets in Indonesia so that through data that has been summarized by BPKM, from 2012 to 2018 then China as a country that has drastically increased its investment in Indonesia. By opening their company in Indonesia, China has helped Indonesia by teaching sophisticated technologies and providing jobs for many Indonesians.

In the past, China in Indonesia was known as a country that produces goods that are of less quality, clamps American products and so on. However, along with the development of today, China has become even better and has been able to

cross the great American country. One of China's Multinational Corporations which has now given the image and good name of China in the field of technology, namely Xiaomi. The beginning of the emergence of Xiaomi made the world amazed because of the quality of those who were able to cross the famous American product, Apple. Besides, at very affordable prices, many people in the world prefer to buy Xiaomi rather than other smartphone products.

There is the data quoted from IDC's website for the Top 5 Smartphones in Indonesia as proof that Xiaomi has been ranked quite large, which is second only to Samsung. Although Xiaomi entered Indonesia only in 2014, it has already been able to beat other smartphones like Oppo and Vivo. Xiaomi's development from 2017 to 2018 also looks quite significant, which is up by 22%.

After success in China, the Xiaomi company led by their CEO Lee Jun continued their efforts to make Xiaomi the number one smartphone in the world, namely by opening a branch of a company in another country. The region that Xiaomi has controlled with their products is one of them in Southeast Asia, and there is also China focusing on opening their markets, especially in Indonesia.

Besides that, Xiaomi is also quite well-known in India. The strategy taken by Xiaomi is that they can expand in a country like Indonesia by using a unique market strategy, one of which is:

1. Start selling Xiaomi smartphones by working with online stores in Indonesia, so they do not have to spend a lot on land capital and so on needed by offline stores;
2. Providing affordable prices and targeting sales for the lower middle-class people, Xiaomi has learned that the number of middle-class people is higher than the royal community;
3. Always provide the latest output and various variations for smartphones, so that people are free to choose what kind of smartphone they need;

4. Creating a community of friends Xiaomi, where the community was created for the people who became Xiaomi.

With the strategy carried out by Xiaomi above, they managed to take the interest of the world's citizens, especially Indonesians, to their latest smartphones. The sophistication and greatness of Xiaomi have also been acknowledged by citizens of Indonesia and the world, with this making China's reputation good, especially its reputation in the field of electronics where previously even China was considered as the country of plagiarism for the electronic field. Thanks to Xiaomi, China's reputation has risen, and the Indonesian people are beginning to believe in the progress of the Chinese state in developing electronics. Not only that, besides thanks to Xiaomi, many smartphones from China have dominated the Indonesian market, even surpassing smartphones from Korea, namely Samsung and also a giant smartphone from the United States, Apple. This shows that China's progress in the Indonesian market has greatly increased.

Thanks to the existence of large Chinese-owned companies based on Multinational Corporations in Indonesia, China's investment and trade conducted in Indonesia began to increase. It was also followed by how Indonesians began to trust China with its products. China also saw this golden opportunity to continue to explore and expand in Indonesia.