

# Analysis on the Marketing Strategy of "Ziroom"

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## Abstract

China's rental housing market is expanding as young People chase development in first-tier and second-tier cities. Ziroom in a short period of rapid development, a good reputation, mainly depends on the following four points: first, market segmentation to implement price discrimination;Second, diversification of the economy to increase the source of income;Third, regular review of rent levels to create new markets.

## Keywords

China's housing rental market, Ziroom, The marketing strategy.

## 1. Introduction

Ziroom is A technology company found on October 18, 2011. Its main business scope is to provide life services and residential products. Ziroom has completed A round of 4 billion financing.Headquartered in Beijing, it has set up subsidiaries in eight first-tiers and second-tier cities in China, and its business involves more than a dozen cities at home and abroad.It serves nearly 3 million tenants.Ziroom Family Apartment has Ziroom space, Ziroom family, the landlord leases the house directly to the tenant, Ziroom apartment, Ziroom mansion, Ziroom courier station, Ziroom whole rent and other products, as well as provide users with convenient moving, door-to-door maintenance, room cleaning and other services.

In 2019, more than 1 million rentals operated by Ziroom were opened, leaving a significant gap between their peers. The number of rentals by the end of 2019 only reached 438,000. It is obvious that Ziroom's dominant position in the industry is very firm.

## 2. Ziroom Marketing Strategy Practice

### 2.1. Market Segmentation to Implement Price Discrimination

In the process of market segmentation, Ziroom is the first to create a product matrix consisting of Ziroom apartment, Ziroom mansion, Ziroom courier station and Ziroom three bedrooms.

Ziroom target consumers are college graduates that have just entered the society, They have no financial capacity.Therefor sharing living life is a better choice, but many platforms that rent a house rent of the old building is decorated, furniture is out of date, and this kind of people would like to find some cost-effective, new decoration, the house of the home appliance is complete.

The target consumers of Ziroom three bedrooms are a young family of three.Ziroom three bedrooms are the first in the housing leasing industry to implement long-term housing leasing contract. Families in need can sign a 1-5 year rental contract according to their own economic ability and family work plan, so that young parents can have a sense of long-term stability, and long-term tenants can also enjoy more rental services and more preferential prices.

The target consumers of Ziroom apartment are single urban youth, and it is a high quality apartment for single urban youth.It can not only meet the basic living needs of the tenants, but also have public areas with full entertainment and social functions, such as movie viewing area, barbecue, book bar, roof terrace bar and so on.

Ziroom has launched Ziroom courier station, which is dedicated to travel. Ziroom can provide guests who like to stay with local cultural characteristics of rental services. At present, Ziroom courier station has established local cultural characteristics in Beijing, Shanghai, Chengdu, Xi'an and other places.

Ziroom launches different types of rooms and rental time for different groups through the segmentation of the market and based on the needs of users. This direction of improving products by using consumers is the key to the profitability of Ziroom itself.

## **2.2. Diversify the Economy to Increase Sources of Income**

Ziroom also offers complementary to lend services, cleaning services and moving services while offering rental services.

First, Loan service. When a tenant rents a house and cannot afford the rent and deposit at the present stage, the app will automatically recommend the loan service to the tenant. The rent can be divided into 12 periods (generally 12 periods) make a repayment.

Second, cleaning service. The renter can enjoy free cleaning service twice a month during the rental period, but the cleaning will only clean the public area. If the renter wants to clean the bedroom, he/she needs to pay extra. The app will distribute tens of cleaning coupons to the renter from time to time to use the cleaning coupons to stimulate consumption.

Finally, moving service. Ziroom for consumers that plan to move will distribute moving coupons, stimulate the need to move consumers used Ziroom moving service, and for young single women, moving master will help the small strength of the girl downstairs free to move things down to the new home of the designated area.

At present, many housing rental companies only provide rental housing services and earn agency fees, while many rentals related complementary services is a big market for the rental market. It is precisely this market that Ziroom captures and makes a lot of money.

## **2.3. Review Rent Levels Regularly to Create New Markets**

Ziroom uses regular rent reviews to attract customers and create new markets.

Regular rent reviews will be conducted by common customers that sign rental contracts with Ziroom. In the first year, the rental price signed by them are relatively lower than that of the community in the same location. However, when the contract expires, the rent will increase by 3% when the contract is renewed.

Through Review rent levels regularly, first Ziroom used low rents to attract a large number of consumers, during the mid tenants living in Ziroom feel its high-quality rental service, finally contract renewal and rising rents will be more easily accepted by consumers, merchants can also be a way to improve their profit.

## **3. Conclusion**

This paper study and analyzes the marketing model of Ziroom. By launching different products and services according to the market division of different consumer groups, Ziroom obtains more consumer groups, reduces the consumer surplus and gets the maximum profit. Moreover, its product packaging (house decoration), additional services and price discrimination have created a rental market for young man and gained more consumer loyalty. This is the reason why it has become the leading house rental industry.

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