



4 is a Magic Number  
and  
the case of Haier

*Dr David Ward*



# Who is Haier

The first Chinese company to conquer the global market, Haier has 30,000 employees and is present in 165 countries, with 96 product lines and 15,000 references: from electrical appliances to TVs, air conditioners, DVDs, mobile phones and exclusive wine coolers.

# Haier is not a Chinese Competitor!



# Common Communication Language Across Borders



[COMPANY](#) [CATALOGUE](#) [MAGAZINE](#) [AFTER SALES](#) [SITE MAP](#)  
[HOME -> ITALY](#)

Reserved Area









# Website and the Ansoff Matrix



[COMPANY](#) [CATALOGUE](#) [MAGAZINE](#) [AFTER SALES](#) [SITE MAP](#)  
[HOME](#) -> [ITALY](#)

Reserved Area

CATALOGUE		Choose Your Product				White Catalogue Free Standing
SO EASY						White Catalogue Built-In
MAGAZINE						Brown



# Product Differentiation



So Easy

[COMPANY](#) [CATALOGUE](#) [MAGAZINE](#) [AFTER SALES](#) [SITE MAP](#)  
[HOME](#) -> [ITALY](#)

Reserved Area

CATALOGUE		Choose Your Product				White Catalogue Free Standing
SO EASY						White Catalogue Built-In
MAGAZINE						Brown

# The Origins of Haier

Established in 1984 in Qingdao (China),  
approx. 400 km from Beijing, starting out as a  
refrigerator manufacturer, in just 20 years the  
Haier Group has become the world's 4<sup>o</sup>  
producer of electrical appliances: number 3<sup>o</sup> for  
refrigerators and number 1<sup>o</sup>, still in  
"refrigeration", as a Brand (Euromonitor 2003).  
They have 3% of the world appliance market in  
just 20 years!



**Location:** southwestern tip of the Shandong Peninsular, bordering the Yellow Sea on the east and south

**Physical Features:** bounded on the southeast by the Yellow Sea, about half of the area covered by mountains and hills and the rest fertile plains

**Population:** 7.0 million, **Urban Population:** 2.3 million

**Area:** 10,654 sq km

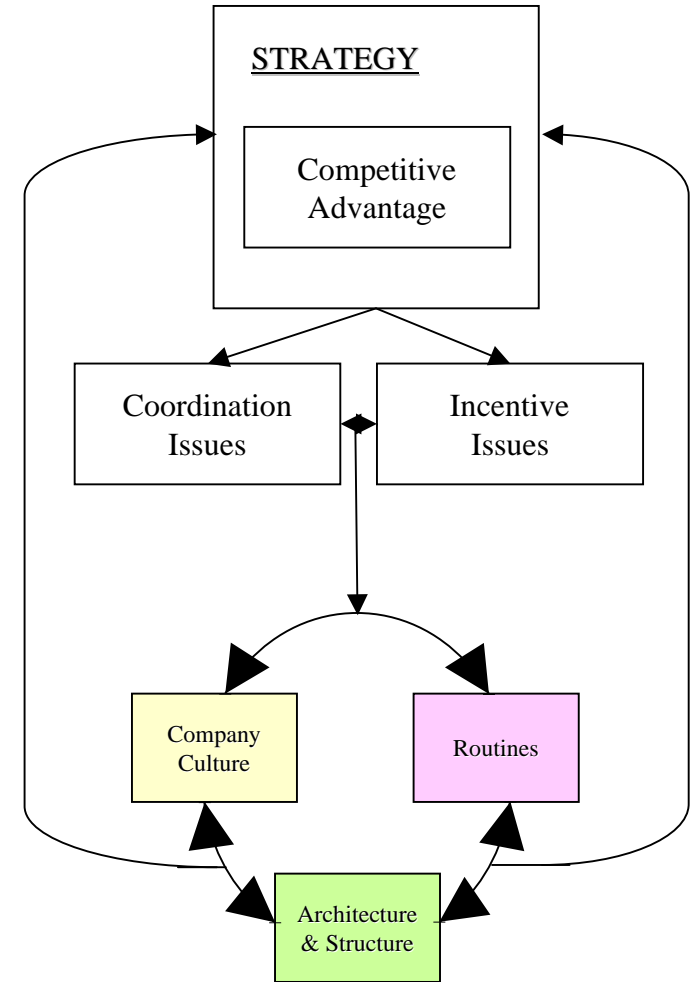
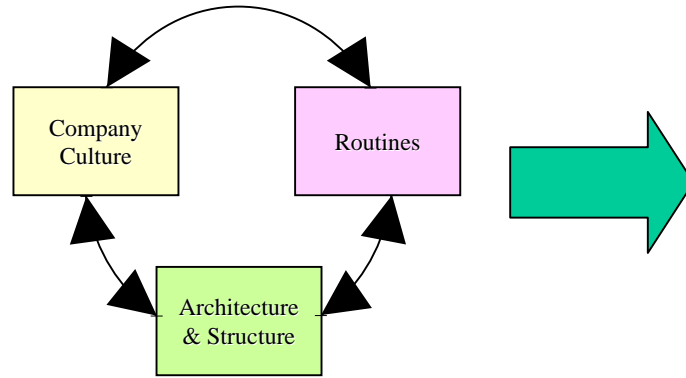
**Nationalities:** Han, Hui, Korean, Zhuang, Gaoshan, Uygur, Miao and Russian

**History:** the original place of the China's ancient culture 6000 years ago

**Climatic Features:** a temperate maritime climate, warm in winter and cool in summer, frost-free period of 251 days

**Average Temperature:** average 12.2°C, 25°C in Aug., 1.3°C in Jan.

# ARC and Haier



## Mission

**To improve the quality of life, focusing on customers' needs.**

# The Philosophy

## **The square way**

According to an old Chinese saying, infinity is a square without corners.

The square symbolizes creation as opposed to nothing.

It symbolizes the earth, whereas the circle represents the sky.

It symbolizes space, whereas the circle represents time.

It is the essence of solidity, rationality and perfection. And so it has been for centuries: from the four Evangelists, to the four elements of nature and the four cardinal points.

The Haier logo is displayed in white text on a red square background. The word "Haier" is written in a bold, sans-serif font. Below the letters "a" and "i", there are small blue and white squares, and below "e" and "r", there are small white squares.

So Easy



In ancient China, space was square and defined by the four dimensions of the *Yang*, a Chinese word that actually means "square".

The magenta square, the symbol of Haier, holds the essence of this philosophy.

A philosophy that combines tradition and innovation, and passion and commitment to achieve increasingly ambitious and closer goals.

# The Big Learning

In this period of globalisation it is not the company that symbolises the threat but the globalness of its brand(s).



Moreover when two 'big' players (companies, nations or otherwise) synergise (e.g. Chinese Hardware and Indian Software) they pose a serious threat to all other competing firms.

They push the market towards a monopoly or duopoly,