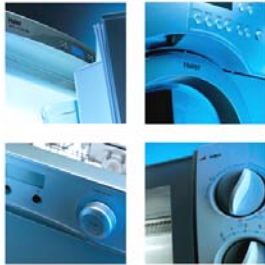


# Haier



European School of Economics - Milan, Apr 28

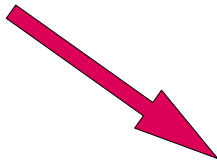
## Haier

Haier headquarters: from Qingdao to the whole world



2

## Haier 1984



## Haier 2005

- 160 countries
- 96 product lines
- 15.100 products
- 50.000 employees

3

## Haier

Haier a global worldwide company

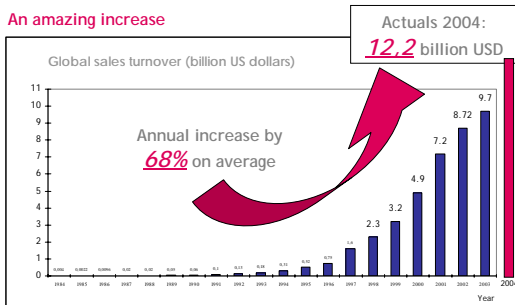


Trading centers: 56  
Design centers: 18

Industrial parks: 10  
Factories: 50 (overseas: 13)

4

An amazing increase



Haier average growth rate in the past 20 years, **68%**

5

## Haier

4° in household appliance

Rank	White Goods Companies	Sales Turnover Billion USD	
		Year 2002	Year 2001
1	Whirlpool	11.02	10.34
2	Electrolux	9.76	8.94
3	Panasonic	9.40	10.83
4	Haier	8.59	7.27
5	GE	6.07	5.81

Rank	White Goods Brands	Market Share %	
		Year 2002	Year 2001
1	Whirlpool	5.23	5.17
2	Haier	3.79	3.24
3	GE	3.79	3.68
4	Bosch-Siemens	2.81	2.83
5	LG	2.64	2.35

According to Euromonitor (2003), Haier ranks world No. 4 in term of sales turnover and No. 2 refrigerators market share

6

**Haier**

Far East Economic Review Leadership Ranking of Chinese Companies		
RANK	COMPANY	MARKS
1	Haier Group	6.02
2	Legend	5.59
3	China Mobile	5.44
4	Industrial and Commercial Bank of China	5.24
5	Shanghai Automotive Industry Corp	5.23
6	PetroChina	5.22
7	Sinopec	5.15
8	China First Automobile Group	5.12
9	China Telecommunication	5.03
10	Bank of China	5.00

The leadership competitiveness is evaluated on:

- 1) High quality of service and product;
- 2) Innovation of response on consumers' requirements;
- 3) Value for others to follow

**Haier**

Haier's market shares in 2004  
Domestic Market: first brand for market share and turnover

refrigerator

washer

dishwasher

air-conditioner

freezer

Water heater

(Source: National Statistics Bureau - Zhongyikang Co.)

**Haier**

Differences

- CULTURE (Country/Employees/Working)
- COMPETITION
- MARKET PROCEDURES
- RELIATIONSHIPS WITH CUSTOMERS
- END USERS HABITS

**Haier**

European Divisions

- White goods**  
Haier Europe Trading HET
- Brown goods**  
**Mobile phones**  
Haier Europe Electronics HEE
- IT products**  
Haier Europe IT HEI
- Air Conditioning**  
Haier AC Italy  
Haier AC Spain  
Haier AC UK
- Combi Factory**  
Haier Appliances HAP

**Haier**

European organization HET

- Branches:**
  - Italy, Germany, France, Spain
- Distributors:**
  - UK
  - Ireland
  - Holland
  - Belgium + Luxembourg
  - Denmark + Sweden
  - Norway + Finland
  - Greece
  - Portugal
  - Austria
  - Switzerland

**Haier**

European Supply Chain HET

**Distribution centers**

- Italy
- France
- Spain
- Germany

**Spare Parts European Central warehouse**

- Italy

**HET BRANCH ITALY**

**Subsidiary Varese**

Market Dir.	Marco Minoletti
Sales dept.	Di Pietro Gianluca
Mkting dept. cooling	Lovati Alessandro
washing	Bordin Luca
Back office	Rossi Silvia
Logistic	Sara Porretti

Agency : 11 on the main regions  
23 agents

**European organization**

What is our Mission? What is our challenge?

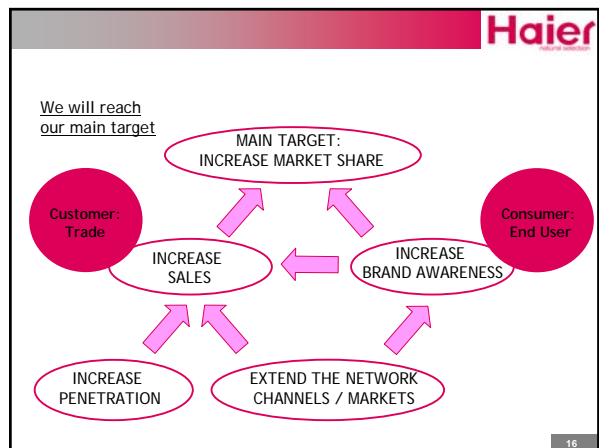
**OUR MISSION IS TO BE A KEY PLAYER IN THE EUROPEAN WHITE GOODS MARKET**

**OUR CHALLENGE IS:**

- To become a favourite partner to the Trade
- To establish Haier has a well-known brand
- To reach a Market share of 10% (within 2010)
- To be among the 3 main Players in Europe (within 2010)

**Haier's key focus**

- To increase **MARKET SHARE** in the Home Appliances Sector through Products of high Prestige (innovation and design).
- To reach high levels of efficiency and adjustment to the real needs of the **DISTRIBUTION CHAINS** (80% OF THE BIG CHAINS TO REACH 80% OF THE MARKET) or any other relevant channel according to the structure of the Markets.
- To search permanently, through Quality and Service factors to **EXCEED OUR CUSTOMERS EXPECTATIONS**, that are indeed the reason of the existence of our activity.
- To develop an **IMAGE OF EXCELLENCY (BRAND AWARENESS)** in the market presenting a dynamic and capable team, to guaranty the growth and the profitability of the company.

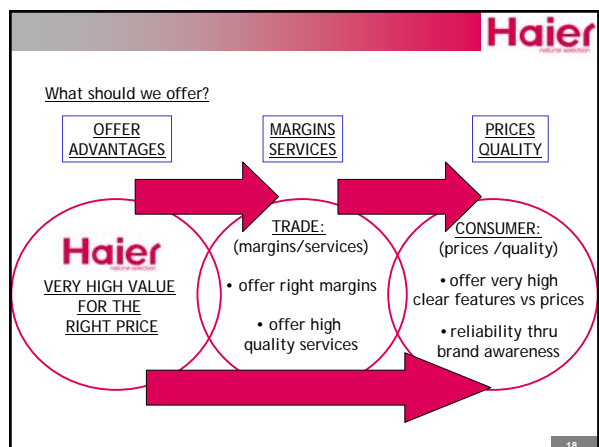


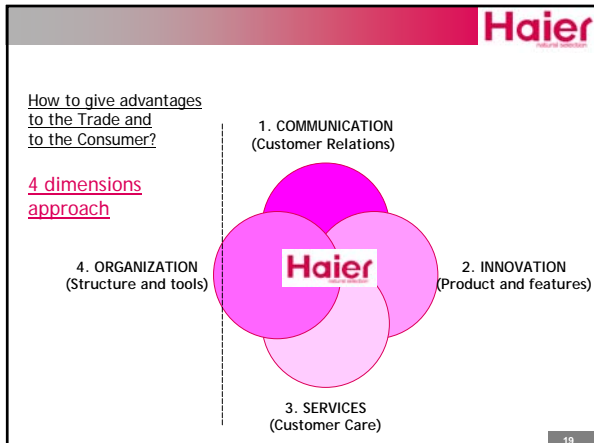
**Work with the Trade for the Consumer**

**What should we get?**

Built up relationships with Trade as profitable and reliable supplier  
Built up End Consumer's trust in Haier as an affordable innovative brand

**What should we offer?**





Haier

CUSTOMER RELATIONS - ITALY

# Haier

HOME APPLIANCES

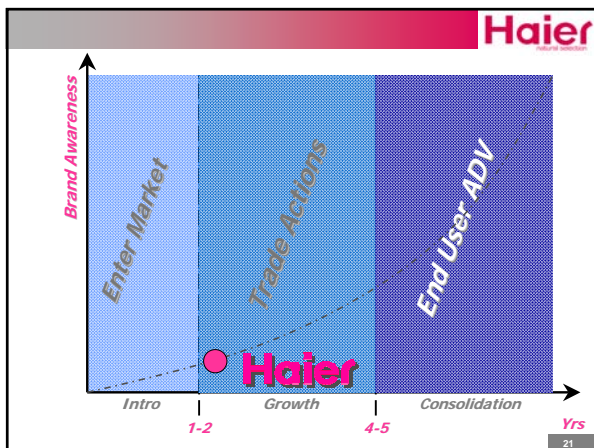
BRAND AWARENESS

to be increased reaching the end user while gaining credibility with the Trade

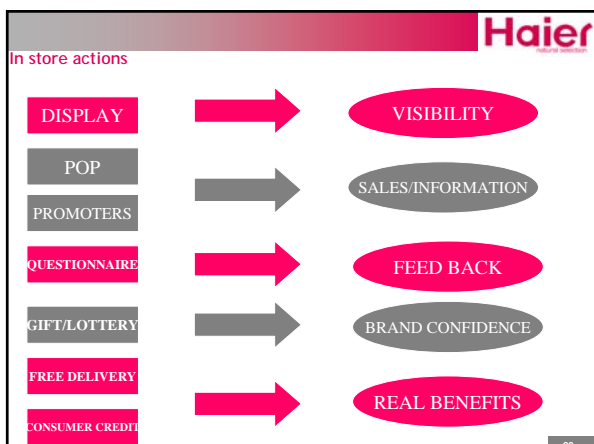
➔

Co-branding Activity

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- Haier
- OBJECTIVES**
- Increase **BRAND VISIBILITY & AWARENESS**
  - Build a **STRONG and CONTINUATIVE COLLABORATION** with trade partner (**Fidelization**)
  - **INCREASE SALES** in the short and medium term but most important **IN THE LONG TERM**
  - Get a **"APPROVAL MARK"** from an important trade partner in the market
  - Drive **INTEREST** from the market
- This kind of activity is impossible without a clear agreement /contract with the trade partner
- 22

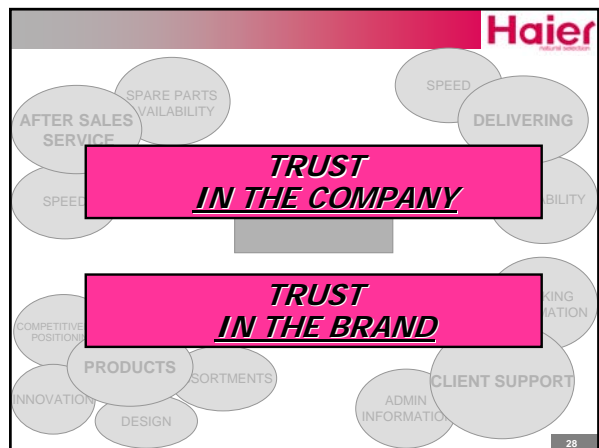
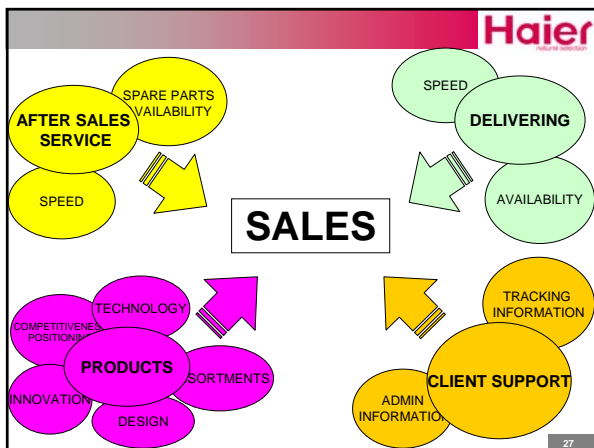




**WINNING FACTORS**

- **FULL RANGES** mix, first of all (BRAND)
- **CORRECT POSITIONING** clear policy, continuity
- **CRM TROUGH SERVICES** sales are only the last part of a process
- **STRONG PARTNERSHIP** without trade is impossible to reach the end users
- **COMMUNICATION** trough products, trough clients

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**BRAND CONCEPT**

1 COOL  
+  
1 WASH  
+  
1 MWO  
=  
4 HAIER

Despite the matematics rules, the sum of the different ranges is not only 3 , there is a big added value, the value that only the biggest company can have :

**the value of the brand**

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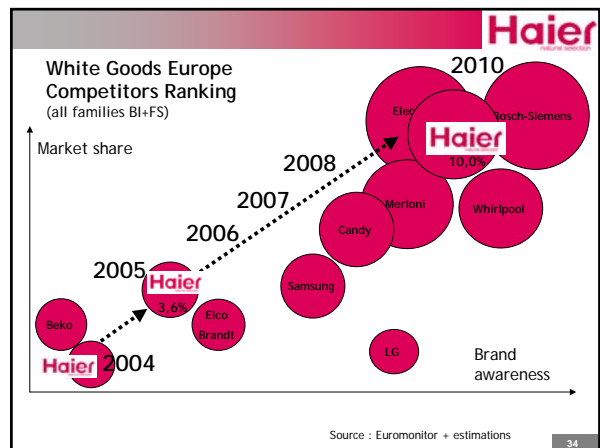
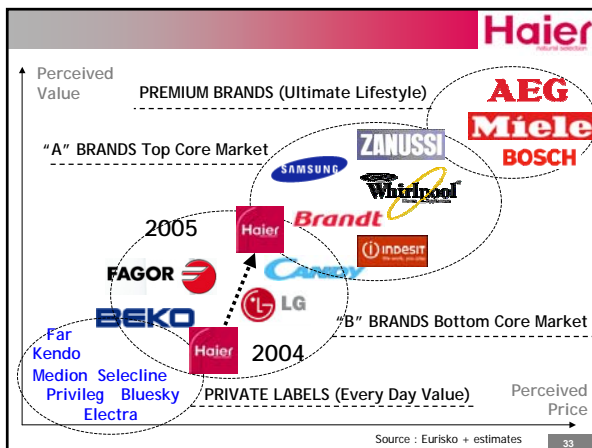
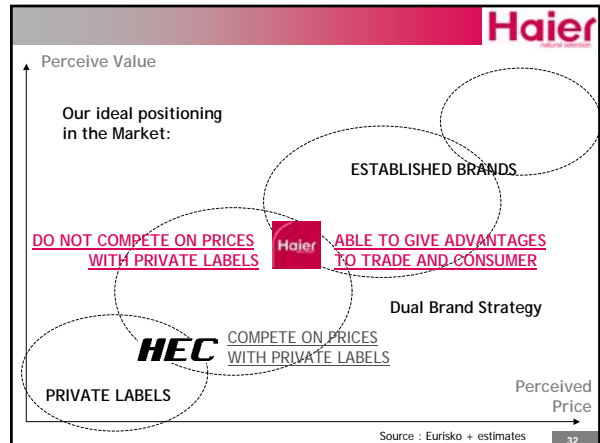
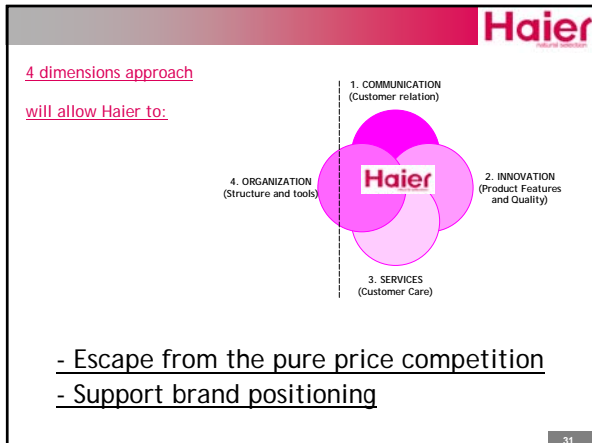
**INNOVATION (PRODUCT and FEATURES)**

**CLEAR INNOVATIVE FEATURES**

EASY TO SELL FOR CUSTOMERS  
EASY TO UNDERSTAND FOR END-USER

- NO FROST FRIDGES → example → TREND IN MOST EUROPEAN MARKETS
- INVERTER TECHNOL. → example → PURE TECHNICAL INNOVATION
- 15 PLACE SETT. DIS. → example → THE BIGGEST IN THE MARKET
- DRAWER FREEZERS → example → THE MOST USEFUL STORAGE FREEZER
- 31 LT MICROWAVE OVEN → example → AMONG THE BIGGEST IN THE MARKET

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**Haier**

Thank You!

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