

Taking a Chinese Company Global
Global Business Strategy

Q1.1
What is the business model of Haier?

What is Haier about?
- A global company with 100+ countries
- Founded in 1984
- First product from refrigerator and
- Consumer electronics
- First Chinese company to have a
- leading global brand
- Ranked 11th among the world's
- largest companies in 2013

Q1.2
What are the main challenges for Haier in its global market entry and expansion?

Q2. What is the main challenge for Haier in its global market entry and expansion?
- Main challenge for an efficient market entry
- How to enter a market with different consumer preferences, culture, and business environment
- How to build a local brand and achieve local market leadership
- How to manage a large and diverse organization across different countries and cultures

Q3. How is Haier's business model different from other global companies?
- Haier's business model is different from other global companies because it is a customer-centric model that focuses on providing personalized products and services to its customers.

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Thank You

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What is Haier about?
 - Haier is a Chinese company that is...
 - It is a company that is...
 - It is a company that is...

G/A
 - This is a...
 - This is a...
 - This is a...

Haier's business model
 - Haier's business model is...
 - It is a...
 - It is a...

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Thank You

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Presented
by
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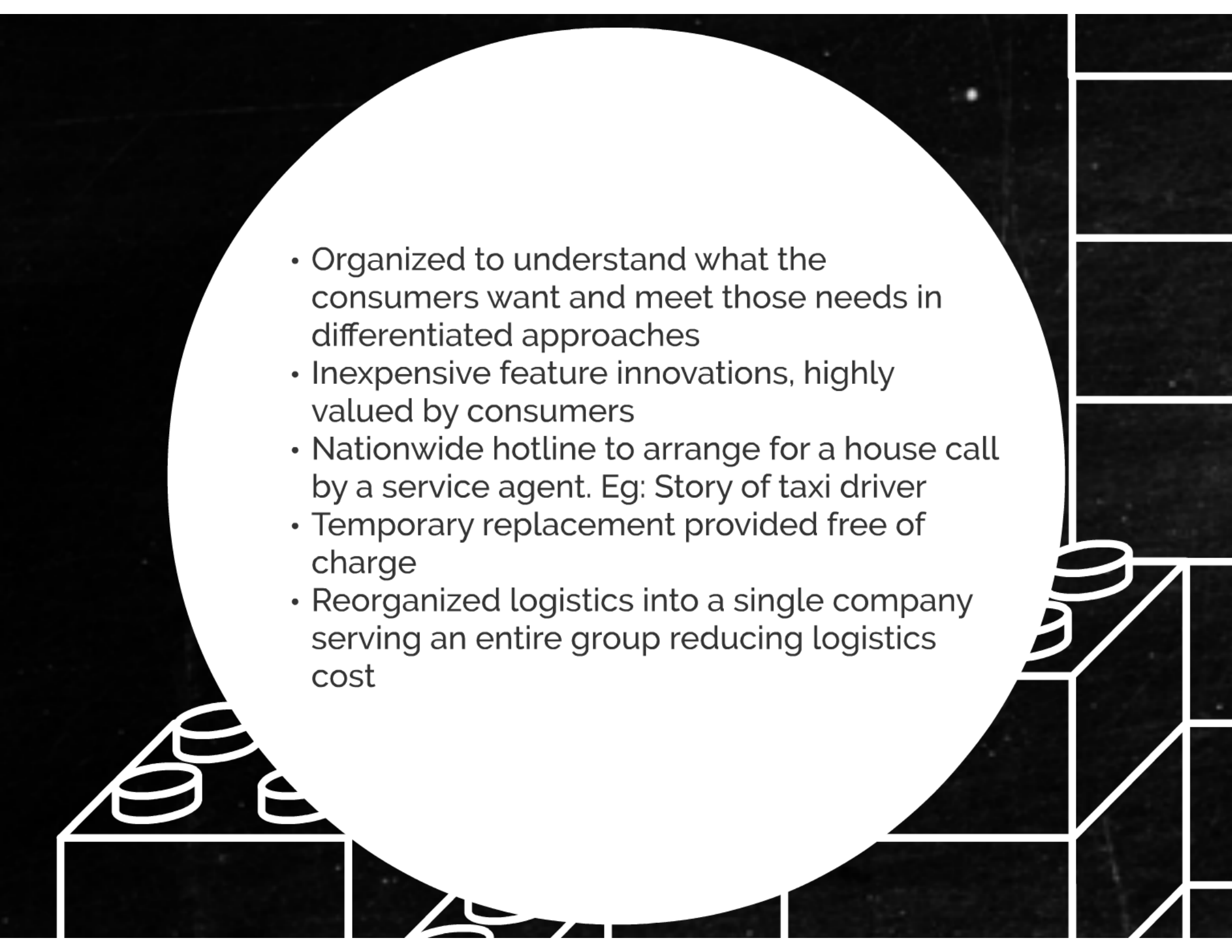
What is Haier about?

- Multinational company in China
 - Founded in 1984
- Initially known for making Refrigerators
 - Now produces home appliances and consumer electronics
 - HQ at Qingdao, Shandong territory
- From a manufacturing company to now a leading electronics company
 - Current CEO: Zhang Ruimin
- Competitors: LG, Videocon, GE Electric, Hitachi

Q/A

Q1. Why was Haier so successful in China?

- Haier's commitment was to quality unlike its Chinese competitors
- In tune with Chinese culture and values. Able to change design to suit Chinese consumers unlike foreign companies who design based on foreign approach
- Was able to resist mass production and concentrate on quality and brand building
- Reputation of the brand and creativity main strengths
- Innovative and rapid market response, superior after sales service and efficient distribution

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- Organized to understand what the consumers want and meet those needs in differentiated approaches
 - Inexpensive feature innovations, highly valued by consumers
 - Nationwide hotline to arrange for a house call by a service agent. Eg: Story of taxi driver
 - Temporary replacement provided free of charge
 - Reorganized logistics into a single company serving an entire group reducing logistics cost


Q2. Was Haier's decision to globalize into developed markets early on a good strategy?

- Were able to focus on difficult markets first:

They were able to go after relatively easier emerging markets. After managing to focus on difficult markets thus entering the market with a brand image.

- Carved a space for niche products:

Entered markets with models to test waters and steered clear of major competitors. Were able to design niche products bringing in high margins. Eg: refrigerators for students. This helped in introducing regular products later on.

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- Strong relationship with major retailers:
Were able to build strong relations with retailers such as Wal-Mart and Best Buy. Allowed major chains to consider Haier's major appliances
 - Learn from existing companies:
Were able to analyze R&D techniques employed by firms and build on it.