

Haier

[Business, Company](#)



MGF 403 Assignment 4 Was Haier's decision to globalize into developed markets early on a good strategy? Haier focus on difficult market first. In this context, difficult means developed and big for the market , for example, Europe and United States markets . Zhang decides to aim for harder market first because he thinks that after Haier can conquer the developed market, the emerging or developing market should be relatively easy to penetrate. Besides, a lot of other Chinese firms is going towards the emerging markets such as Southeast Asia.

Therefore, Haier has a different management in not doing what others do. It is a good thing that Haier distribute niche products and offer many different varieties in different markets with being responsive towards customers need and feedback. In this case, Haier learns in getting to know how the market behaves as well as the competitors around. Unfortunately, there are a few weaknesses in this strategy. First of all, Haier could not be in the scale as the other big competitors therefore Haier will not receive a large market share in developed markets.

Plus, Haier in the developed market is very new and unknown by people. In addition, certain foreign markets perceive Chinese products, especially in household appliances and electronic devices, as a relatively poor quality products. This is the first impression held by most people. Can Haier build on its success in niche products to become a dominant global brand in high-end white goods? As long as Haier try to adapt their product into the current objective market, such as the water test in the washing machines, fridge temperature, and voltage, they can gain customer recognition and satisfaction.

However, in order to introduce Haier products into high-end white goods can be relatively difficult because there are still many big local companies that has the trend design and are more recognized by the people in the society. Well, starting from a unique niche product is a very good start to differentiate Haier brand to the other and promote Haier to the society. With Haier brand sounds familiar already, Haier can gradually increase its sales. And from that point onwards, Haier can control and monitor its business. Having said that Haier can do well in the specified market such as the student and offices refrigerators , but Haier will face hallenge in launching all its standard white goods considering the outside factors. Is Haier's " three thirds" strategy a viable or visible approach? Haier's " three third" strategy comprises of one-third from goods produced and sold in China, one-third produced in China and sold overseas, and one-third produced and sold overseas. In order to analyze whether this strategy fits or not, we have to take a look at the market condition. If the objective market is a growing market, this strategy might apply well since we can monitor the allocation of resources and focus on important areas in the market.

On the other hand, if the market that we choose is in mature stage, this strategy might not be a good option because the company will tend to focus on a certain area of the market and disregard the other. Additionally, if there is a market that outperform the other markets, the allocation of resources in the particular market will be given to the other lower market in order to achieve the equally one-third weighted goal among them. Therefore, the potential in getting more revenue at the outperforming market will be disrupted.