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Haier America Aims to Mirror Success of Samsung, LG

Five Questions for VP-Marketing Richard Block
by [Beth Snyder Bulik](#)
Published: July 07, 2009

YORK, Pa. (AdAge.com) -- Home is where Haier America's heart -- or at least its marketing spending -- is this summer.



Richard Block

The brand once synonymous with dorm refrigerators and room air conditioners has amassed a full portfolio of appliances and electronics in its 10 years in the United States. And it wants to command attention for that suite of products. So the China-based company has created a moveable home filled with Haier appliances that will travel to fairs and events that draw more than 1 million people, such as the Ohio State Fair and the California State Fair. It kicked off this past weekend at food festival Taste of Chicago, managed by Haier agency Escalate, New York.

Until now, Haier America's marketing has centered on a just-expired four-year sponsorship deal with the NBA. But it's dearly diversifying its efforts.

At the helm is Richard Block, a former Westwood One executive and Nobody Beats the Wiz VP-advertising, who joined Haier as VP-marketing three years ago. His goal, he said, is to guide Haier down the path of other foreign electronics brands such as Samsung and LG, which entered the U.S. market with little recognition and few products but have grown into household names.

He talked with Ad Age about the goals of the home tour, gaining brand recognition in the U.S. and diversifying Haier's marketing strategy.

Ad Age: Where did the idea for the home tour come from?

Mr. Block: Our two biggest customers are Walmart and Target. If you open up a Target circular on any given Sunday, you'll find a Haier product, but there are very few places you'll see them all. We go to three or four trade shows a year, but there's not even one place where we show all our wares at once. So this is really a great opportunity to do that.

Because we don't have the kind of marketing budget some of our competitors do, we really wanted to do a good job with PR. We did a smaller tour last year, but it was more one-dimensional -- just eight or nine cities -- but it was so successful that we decided to roll it out to a dozen cities this year. Last year, it was for also just for one product: our new convertible refrigerator. But this year it's a whole house. And it's showing 15 or 20 different products.

Ad Age: What is the strategy and thinking behind the tour?

Mr. Block: I say this sort of tongue-in-cheek, that I'm just an advertising guy. To me there really shouldn't be just one strategy. If it's brand awareness, great. If it's educational to get people to be aware of our product, that's fine. If it's selling with our local retail partner -- because we have a retail tent outside where they'll be couponing and bouncing back to the store in the city we're in, so if we do sales, that's great too. There's a wide range of different things that we're trying to accomplish during the tour.

Ad Age: Haier has mainly focused marketing on an extensive partnership with the NBA. How has that relationship been and is this your first departure from it?

Mr. Block: We are just winding down our initial foray with the NBA. We've had a four-year relationship with them, and we are involved in an ongoing conversation to determine if we're going to continue with that. Those conversations are positive and ongoing.

When I got here, one of the first things that we needed to do was get the NBA relationship off on the right foot. I also felt there were other things that needed to be done. The first thing was to relaunch the website. We completely changed our trade-show program. It had been a little bit smaller; I made the footprint at the shows bigger and much more comprehensive. We got the NBA involved with some player appearances and other things that made sense depending on the show.

So the NBA relationship, the trade-show program, relaunching the website -- those are some of the first things that we did [that were a departure]. We produced some TV commercials as well, which was really our first foray into TV. And then two years ago we went into magazines, and then this past year we took a very strong position with Meredith, and people have taken some notice.

Ad Age: The Haier brand is huge in China and other parts of the world, but in the U.S. it's almost like building a brand from the ground up, right?

Mr. Block: There's no question that Haier is 26 or 27 years old in China, and we're just going into our 10th year here. For the longest time we were known as room air conditioners and dorm/office refrigerators. Over the past five years, we've really gone into full-size refrigerators, washers, dryers, dishwashers, major appliances, and in the last several years we've gone into LCD TVs in a pretty significant way.

A lot of people have Haier products; they don't necessarily know it or are aware of it, but I think we're beginning to have some aha moments, like, "Oh, I didn't realize that's who it was -- I have a Haier air conditioner. Wow, you're the guys who make the LCD TVs."

Ad Age: Where do think the Haier brand is in the American mind-set right now and where would you like it to be in a few years?

Mr. Block: We've done a hell of a job in a couple of years getting the Haier brand out. We have a long way to go, but being the official HD TV of the NBA and being an official marketing partner of the league has really helped put us on the map. We're still pushing the rock up the hill, but we've made tremendous inroads. Our retail partners are very comfortable with us. Now it's a question of helping people get to know us even better. Some of our competitors, a Samsung or an LG, did terrific work in the last 10 or 20 years. We're certainly trying to go down a similar path, and I hope to be as successful as they are. That's the goal, that's the plan and that's the aspiration.

2 Comments

By Rodney33 | FRISCO, TX July 8, 2009 09:22:11 am:

Bravo to Haier for thinking smart with little budget and making hay.

Expanding Haier's Home Tour each year is a good build on owning the experiential space in the category. Haier has also been a participating sponsor of the NBA Nation tour.

It seems, given Haier's primary distribution is through discount retailers like Walmart and Target, mobile and shopper marketing could be the perfect complement on the horizon for next year.

Using tools like SpyderLynk, that enable people to snap pictures of logos and bar codes with the camera on their phone at POS and tour appearances to receive more product information and chances to win special savings and prizes, and Deal Chime that shoots geo-based, retail specific digital offers to phones and e-mail while customers are reviewing products at events and in-store, is in sync with experiential marketing and Haier's core customer base.

Additionally, finding other complementary purveyors in the retail footprint and cross merchandising via shopper marketing displays, in-store media, circulars and at experiences, will provide incremental awareness, simplify customer shopping and provide partner funds to further expand next year's tour.

Cool beverage samples in the fridge and ice cream in the freezer to play up Haier's ability to cool off summer heat, laundry detergent and fabric softener dryer sheet samples that include peel off savings for Haier on-pack, a clothing partner hanging next to the dryer, a house wares partner that makes laundry bins, baskets and other materials, and relevant TV programs, like the NBA, playing on the big screens with a few celebrity appearances from a player or TV show star at select events all hold great possibility.

If done correctly, the house itself could make appearances at key retail locations in exchange for incremental cross-merchandising opportunities in store.

Congratulations and good luck on your next endeavors.

Rodney33, CMO
Moosylvania
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By Rajiv | New York, NY July 8, 2009 02:50:38 pm:
Great strategy to go behind the big guys in your own small way. Tying up with the NBA is a great platform for some useful brand awareness. Good Luck to them.
Rajiv Nihani
rajiv@interaktco.com
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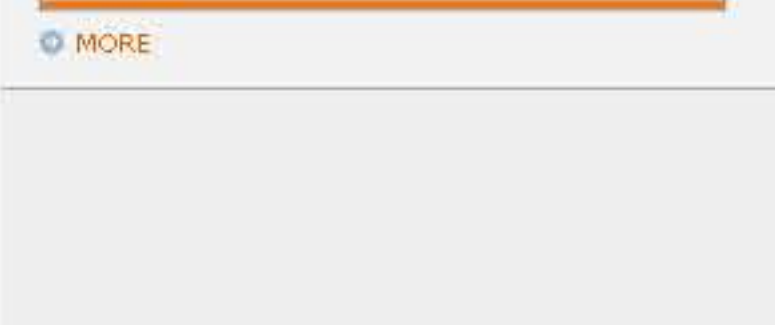
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