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## Haier's Olympic-Size Plans to Rebrand Itself

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Global Marketer Hopes to Outshine Competition During Beijing Games

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BEIJING (AdAge.com) -- China's Haier Group is hiring DDB and Initiative Media to handle strategic planning, creative and media to promote the company's Olympic Games sponsorship in China, following a pitch against Draft/FCB and Group M's Maxus. In an unusual decision, most of the creative for China will be done from the U.S. by DDB San Francisco.



Larry Rinaldi, Haier's first global chief brand officer

The appointment, along with a flurry of other pitches, are the first moves from Larry Rinaldi, an American ex-Motorola VP-chief marketing officer for Asia hired in fall 2007 as Haier's first global chief brand officer. Haier, which makes products such as air conditioners and flat-screen TV sets, aspires to be a global brand. The Olympics budget was not disclosed, but the company spends about \$100 million a year on advertising in China.

Besides DDB and Initiative, Haier tapped Burson-Marsteller, local Chinese exhibition and event company Star Group, and Sportsworld, a sports-hospitality and event company.

Those three agencies will help Haier host more than 1,000 clients --

including big retailers from the U.S. and Europe like Best Buy and Target -- whom it has invited to the Summer Olympics.

"We needed the whole nine yards -- PR, advertising, hospitality, an exhibition center, brand strategy...all of that," Mr. Rinaldi said.

### **Remote campaign**

He's also bringing on WPP Group's Millward Brown to handle Haier's brand-equity research, and is wrapping up the final pitch for a brand strategy agency. The contenders have been narrowed down to WPP's Landor & Associates and Omnicom Group's Wolff Olins, with a decision expected in April.

Since Haier is a national Olympics sponsor, the DDB campaign, expected to break in about six weeks, will only run in China. Yet the push will be largely developed in the U.S. at DDB, San Francisco and adapted for the Chinese market.

Chinese creative is often lackluster, and with the Olympics mere months away, Haier can't take chances. "I wanted to bring in an international team that could produce world-class creative work," Mr. Rinaldi said.

Most of China's state-run companies, including Haier, have treated marketing as part of the sales department and work with many ad agencies, mostly doing sales promotions on a project basis. Before Mr. Rinaldi arrived, Haier lacked an experienced marketer who could guide them through the same transition other Asian companies, such as Samsung, have made to global brand status.

### **Meeting Coke's efforts**

For the Olympics, Haier hasn't done a lot yet to capitalize on its national sponsorship in China, compared to others like Coca-Cola, Adidas and McDonald's Corp. That's confirmed by Haier's No. 13 ranking, just behind the Bank of China, in the latest research by R3, a Beijing-based consultancy that does ongoing Olympic-related polling on brand awareness.

"Less than 2% of respondents mention their ads," said R3 principal Greg Paull. "Their scores are five times less than [Chinese dairy] Yili, nine times less than Coke. Yet their measured media spend in the last 18 months is \$214 million, the same as Coke, and more than Adidas and Lenovo, all three of which perform better."

Although Haier has North American headquarters in New York, a plant in

South Carolina, and sells products at huge U.S. retailers, even in China, Haier's image suffers compared to multinational marketers, and sales are price-led.

Even many Chinese consumers don't realize this is an international company, said Mr. Rinaldi. Currently a \$16 billion company, Haier's goal for 2008 is to reach sales of \$18 billion, including \$6 billion from outside China, up from less than \$5 billion.