

Channel Integration and Personalized Services: The Marketing Upgrade Path of Traditional Manufacturing Industry

-Taking Haier Smart Home for Example

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Abstract: In the 21st century, in order to conform trend of progress of the times, all walks of life are pursuing transformation. Digital economy points to process of people through recognition of big data to identify, filter, screen, store and use. One of the most important purposes of developing digital economy is realizing industrial intelligence. This essay takes the Haier smart home for example, studying specific path and consequence of Haier smart home transformation through case study. The contents of this paper include: Haier's ecological transformation process, the motivation of transformation. The present studies the four dimensions respectively which are native policy, peer competition, cost reasons, management changes to analyze the reason for its transformation. Haier's transformation is revolutionary innovative and epoch-making, the details of which are explored. Finally, the enlightenment of Haier smart home is drawn, which help in for future how to adopt to the new environment and digital transformation of other peers.

Keywords: Digital transformation, Haier smart home, Transformation effect

1. Introduction

In information era of 21st century, global household appliance is experiencing unprecedented changes, among them, the enterprises of represented by Haier are facing severe challenges. As a leader in China even the global household appliance market, Haier smart home not only needs to face intensive competition from domestic and foreign brands, but also needs to conform increasing quality demands of consumers and the trend of intelligent life. According to iResearch consulting data, smart Chinese appliances market reached 451.7 billion in 2022, which rose to 536 billion in 2023, an increase of 5.7%, and it would be expected to reach 952.3 billion in 2025, which undoubtedly puts forward an urgent need for transformation of marketing strategy. In the face of such a market environment, Haier's marketing upgrade is particularly important. This paper aims to explore the necessity of its marketing upgrade, through the analysis of its position in market competition, changes in consumer behavior and the development trend of the industry, illustrate the practical significance of this topic. The paper dive into how Haier's smart home uses an innovative marketing approach to keep up with

market changes, boost brand competition, and increase commercial value and social impact. Through deep analysis, the authors expect to explore a sustainable development path of marketing upgrade for Haier smart home and other home appliance enterprises, to promote the progress of the industry.

2. Literature Review

In recent years, with technical development and change in consumer behavior, marketing upgrade are no longer limited to product sales, but also cover multiple dimensions such as digitization, personalization and experience economy. According to China Mobile Research Institute, the expenditure that global digital marketing increase from 170.2billion US dollars to 283 billion US dollars, a compound annual growth rate is 13.6%. The proportion of all-media advertising expenses has been increasing, which has reached 40% in 2019. The connotation of marketing upgrade is redefined. Haier not only emphasizes efficiency improvement, but also pays attention to innovative models to satisfy the diversified needs of customers. According to KPMG China Consumption 50 White Paper Report at present, the demand of China customer is changing to personalized, diversified, practical, and other aspect, and high-quality, cost-effective products and services have gradually become a new impetus for consumption growth in China. Consumable enterprise need to pay close attention to studying and understanding the change in customer demand, so as to reverse innovation and upgrade their own products and services, which makes consumer to bring new consumption experience. In current environment, the importance of marketing model innovation is especially prominent. The development of digital economy makes people's consumption demand more diverse, consumers are willing to pay for personalized, humanized and intelligent products. Online shopping is booming, leading to a surge in e-commerce platforms. Customers now want personalized products among a sea of generic options. Haier smart home has always adhered to a business ideal about 'putting users first', in order to satisfy consumer's personalized demand, Haier accelerates transformation upgrade from selling single products to providing customized smart home solutions, and promote depth personalized interaction with users [1]. Haier smart home innovative ideas, using new information technologies such as Internet of Things, 5G and big data, implement big data-driven and scenario-driven production, business and intelligent solutions, and carry out mass customization of deeply integrated data. This will help Haier to continuously improve its management level and strength under the changing market economy conditions [2].

3. Research Method

Case study is different from empirical research, its purpose is not only drawing some common conclusion by selecting large sample data to studying, but also selecting a case companies and analyzing its actual situation, which is an effective method to verify the theory. This essay takes Haier smart home as a case study object and combines it with the actual situation of company. Firstly this study combs its basic condition, especially the aspect of digital transformation and studies its motivation and path of transformation, secondly evaluates the effect of digital transformation from two dimensions about qualitative and quantitative. Finally summarizes the conclusions and enlightenment [3]. Through the above analysis, it is expected that other enterprises in the same industry can be inspired.

4. Overview on Haier Smart Home Digital Transformation

4.1. Haier's Digital Ecological Transformation Process

Haier's digital ecological transformation is divided into three process: from 2014 to 2016, it is a single-point online stage, such as design resources, supplier business, dealer business and online

business of service providers. 2017-2018, Haier is the contact platform stage. At this stage, Haier developed the department smokestack information system into a platform. In 2020-2021, the operation scenario stage will be entered, that is, the transformation from single products to intelligent scene. At the same time, the scene platform was born, that is, the TRIWINGBIRD. Starting from 2022, The Times continue to progress, Haier has entered four stages on basis of previous technologies-Whole process innovation stage, it means that Haier smart home through the deep integration of digitalization and business to achieve full process innovation [4].

4.2. The Reason for Transformation of Haier Smart Home

The reason for the transformation of Haier are divided into policy reasons, industry competition, change of management mode and cost. Due to the digital age countries have introduced policy to adapt to the Times. The United States announced the 'Industrial Internet' to expand government purchases, improve research investment, and implement tax breaks for private sector to stimulate the development of new generation communication technology such as 5G. The Single Digital Market proposed by the European Union aims to break down digital barriers between member states and facilitate the overall development of digital economy. China launched the 'Made in China 2025'. The purpose is to enter the manufacturing power in ten years. The first step is, basically realizing industrialization in 2020. The innovation capacity is enhanced in 2025, industrialization and information to a new level, the status of global industry and engineering value to increase. The second step is to fully realize industrial manufacturing industry in 2035 to reach the middle level in powerful countries. The third step, the 100th anniversary of the founding of New China, the status of manufacturing power is more consolidated, and the comprehensive strength has entered the rank of the world's manufacturing powers.

The industry competition is due to Midea which is the biggest competitor for Haier, because Midea began the preliminary construction of digital transformation and upgrading as early as the end of the 20th century. From the establishment of the initial MES system to promote the transformation of Media from 'manufacturing', to 'intelligent manufacturing', to the later digital 1.0, digital 2.0, Midea continues to use a new generation digital technology to empower and improve the production system and information system of the enterprise. In addition, Gree Electric increases R&D investment, Hisense positioning high-end product market segments, are all transformation measures carried out by various companies to break through the development bottleneck. In the case of shrinking demand for the product, intensifying industry competition and the transformation and upgrading of enterprises in the same industry, Haier joins the transformation and upgrading is the only way for enterprises to survive and seek development. If it does not keep up with the mainstream of digital development, it will be pushed to a more backward position [3].

The digital transformation of management replaces traditional working method. Haier used to have a mechanized management style that followed a top-down approach, which was not able to keep up with user demands. As a result, Haier has transitioned into a network structure, making it easier for senior management to make decisions. The network structure makes all raw material data, financial reports, etc, into online data, especially in the case of longer distances, simplifying management.

Finally, the cost driver, the original production and marketing mode will make manufactures unable to directly and effectively communication with consumers, which will lead to a lot of investment in many projects and spend a lot of money and energy but it is difficult to get the corresponding reward. Then, due to ineffective communication, it will lead to increased production costs and so on. Secondly, when purchasing raw materials probably occur unmatched items and uncertainty in pricing, lack of transparency, and other related factors. Because of lack of digital platform management, it is easy to produce products stacking, which further leads to cost waste and lose. Therefore, digital technology should be reasonably used for optimization, so as to publicize and

promote products in a more targeted manner, reduce ineffective advertisements and reduce marketing costs [3].

5. Impact of Intelligent Scene on Haier Smart Home

The terminal link apps launched by various electronics manufacturers, such as Midea Mercure, XiaoMi's Mijia, Haier' smart home establish scene links between products, between users and products, between interaction and reflection, and form new meanings. In 2020, the world's first scene brand 'TriwingBird' was released, which provided users with intelligent full-scene solutions about clothing, food, housing and entertainment. Haier smart home has completed transformation from 'intelligent appliances' to 'intelligent home scene ecology', and it has built the largest intelligent home scene ecology in the industry in 6 years, defining 'Smart Home New Accommodation'. Haier opened up a new business track, as a scene brand under the Haier smart home, TriwingBird has led the transformation from selling single products to providing full scene solutions for smart home. This transformation not only includes balconies, kitchens, bathroom, whole-house air, whole-house water, audio-vision and other living scenes, but also covers a full range of services from home appliances to home home decoration. The positive role of intelligent scene is mainly reflected in the following aspects to promote brand transformation. The launch of TriwingBird marks that Haier is not only a household appliances brand, but also a scenario solutions service provider providing smart home solution, which has won the opportunity for Haier in the ear of the internet of things and injected new vitality.

For Haier Enhanced ecological cooperation. Through its intelligent experience cloud platform, TriwingBird connects partners in different fields, industries and categories, and in 2023, Xiao Guan Tea and TriwingBird are linked to carrying out the 'send you a cup of smart tea' activity to jointly create innovative scene services, which not only provides users with more diversified choices, but also opens up new sources of income for Haier.

For Improved user experience. With digital tools, such as VR immersion experience, scene purchase. TriwingBird provides users with more personalized and convenient services. For example, users can get their own smart home design solution in minutes through the 'Nesting Design Tool'.

About Haier has promoted industry innovation. TriwingBird's innovative practices and scene solutions have promoted the innovation of the smart home industry, and its smart kitchen, smart bathroom and other solutions have brought a new life experience to users.

In a word, TriwingBird not only created a new brand from original racetrack, but also turned the traditional household appliances into a network device, relying on intelligent experience cloud to provide users with personalized ecological solution, including all kinds of intelligent scene solutions for furniture and house design [5].

6. Haier Smart Home Introduction

Haier smart home Co., Ltd. (formerly known as Qingdao Haier) was founded in 1984. It is a smart home eco-brand that customizes solutions for a better life for users all over the world, and its headquarters is in Qingdao, China. The company is mainly engaged in the research, development, production and sales of smart home appliances and smart home scene solutions such as freezers, washing machines, air conditioners, water heaters, kitchen appliances and small household appliances. Through a rich combination of products, brands and solutions, it creates a full-scene smart life experience and meets the needs of users to customize a better life.

7. Solution of Haier Smart Home to Market Adaption and Improvement in Brand Influence

In terms of marketing innovation mode, Haier smart home insists on being customer-centric and launches customized products and services to meet the diversified needs of different consumer groups. The ability to flexibly respond to market change, such as adjusting product lines in time manner to adapt to the rapid development of the smart home market, which cannot be ignored. The building of brand value and image also occupies an important position, through brand stories and advertising, to enhance brand popularity and credibility. For example, Haier is also constantly practicing the global story of Ren Dan He Yi (RDHY). In 2005, the appearance of the Ren Dan He Yi model overthrew the traditional bureaucracy of the past, making employees no longer subordinate to their positions, but becoming market-oriented entrepreneurs, and everyone is their own CEO. Using the RDHY model, Haier Smart Home helps more people with service, attracting top talent with its own strengths, boosting business growth through talented individuals, and encouraging talent circulation within the company, becoming a big entrepreneurial project [6]. This has enabled Haier smart home to achieve an increase in total revenue and net profit from 2020 to 2022. In 2020, its total income reached 209.7 billion yuan, and in 2022 it reached 243.5 billion yuan, with an average annual increase of 4%. In terms of net profit, it was 4.2% in 2020 and 6.0% in 2022, and the growth trend was very stable. This undoubtedly shows that after the completion of the digital transformation, Haier's profit is still considerable [7].

In the discussion of marketing methods, Haier smart home adopts a content marketing strategy, and provides valuable information to attract potential customers by publishing industry reports and user cases. Social media marketing relies on platforms such as Weibo and Tik-Tok to expand brand exposure and interact with users. After a comprehensive analysis of these strategies, the researchers can extract a marketing model suitable for Haier smart home, that is, integrating online to offline (O2O) model, attracting traffic through online platforms and guiding users to offline experience stores to complete purchase decisions. As the core competitiveness, customized marketing mode ensures that products can meet the individual needs of consumers. Co-branded marketing model helps Haier to be smart, promote the lifestyle of a smart home and enhance the overall market influence.

At the same time, Haier also uses Search Engine Marketing model to target users more accurately through big data and promote new products that they may be interested in timely. Sem is an effective online marketing method, which can effectively help enterprises to improve brand awareness, gain potential customers and increase turnover.

8. Conclusion

This study explores Haier's marketing upgrade in a systematic manner and brings out some key conclusions. In the competitive home appliance market, Haier smart home has achieved sustained business growth using intelligent transformation and customized service marketing strategy. Also, the O2O theory and Sem theory help companies better understand and meet consumer needs. Haier's marketing upgrade goes beyond a strategic response to industry changes, but also an essential way to support the sustainable development of enterprises. This research offers valuable insights for other household appliance companies and the consumer goods industry as a whole. Future studies can explore adapting marketing strategies to changing consumer behavior and market dynamics. Future marketing upgrades are expected to focus more on scene-based and experiential services with the advancement of technologies like 5G and Internet of Things. The intelligent customization industry is set to thrive with the growth of artificial intelligence. Haier smart home is likely to enhance its brand influence through digital technology, leading the future of smart living and providing users with more diverse and smarter choices [8].

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