

Research on Haier Gooday Logistic Service Innovation

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Abstract.—Logistics service in rural and urban markets has greatly restricted consumer buying enthusiasm of the Chinese household electrical appliance manufacturing industry. In order to improve the logistics service level of China's household electrical appliance manufacturing enterprise, in this paper, the author analyzed logistic service innovation of Haier Gooday, illustrated how its culture, strategy and alliance with other enterprises laid a foundation for its logistic service innovation, and then studied its small and micro car project which applied the internet thinking to introduce social logistics resources. The study provides some practical guidance for other enterprises in the same industry to improve their logistics service.

Keywords—Household appliance manufacturing enterprises; Haier Gooday; logistic service innovation

I. INTRODUCTION

A. The Situation of Household Appliance Manufacturing Industry.

The main marketing channel has been monopolized by Guomei and Suning manufacturing. In Recent years, the domestic household appliance manufacturing enterprises are facing a situation where there existed both challenges and opportunities. The challenges include: domestic and external demand are declining, especially in the first or the second-tier city where demand is decreasing and costs is rising, competition is becoming more fierce, etc. The opportunities are consumer demand upgrading, technological progress, increasing demand in rural market which the market channel has been not monopolized, overall demand steadily rise in the long term because of china's urbanization, etc. Therefore, it is obvious that improving China's household electrical appliance manufacturing enterprise logistics service to further tap the rural market is a key action for the long term development of China's household electrical appliance manufacturing enterprises.

Problems and characteristics of Logistic service of household appliances market in rural area. Compared to the first or the second-tier city, logistics services of household appliances market in rural area have their own characteristics and problems as following: large commodity size, easy to damage, loading and unloading difficulties, specialized installation, high cost of logistics services, poor distribution timeliness, low promotion of information technology, poor user experience because delivery and loading is not synchronized. These problems greatly limited the consumer enthusiasm of household appliances market in rural areas. Where there is a problem, there is a opportunity. For a

household electrical appliance manufacturing enterprises, if it is able to build a logistics network covering the whole country and to provide the user with whole-process user experience, then the logistics will become the strategic weapon to help them win customers.

II. HAIER GOODAY LOGISTIC SERVICE INNOVATION

Belonged to Haier, Gooday logistic is domestic leading, internationally renowned Chinese large logistics professional brand. After more than 10 years investment and support by Haier, Gooday logistic has grown into a giant in logistic industry which is comparable to the China Post in terms of distribution breadth and depth and to SF in terms of logistics service system. In fact Gooday is not only refer to logistic, it is the integrated channel service brand belonged to Haier group, which is responsible for Haier's transformation from a manufacturing enterprise to an enterprise that balance manufacturing and service. Gooday not only run channel business, logistics business, service business, it also operates various brands of household appliances, decoration, furniture, household decoration products and provide overall household service solution to the customers.

Haier Gooday's logistics service innovation can be divided into the following sections:

A. Strategy.

Zhang Ruimin, the president of Haier, once put there is no successful enterprise but only enterprise that keeps up with the new era. After Zhang Ruimin took over Haier, he has always been able to seek out the strategic path of development of Haier in a highly forward-looking vision.

The strategy affecting Haier Gooday logistics service innovation can be divided into three points:

B. The Leadership Attaches Great Importance to the Role of Modern Logistics.

In the period of Haier conducting its internationalization strategy, Haier attaches great importance to the role of modern logistics. Zhang Ruimin, the father of Haier, said: "for a modern enterprise, if there is no modern logistics, it means that there are no commodities to flow. Haier's leadership attaches great importance to logistics and regard the logistics as a strategy function, putting a lot of human resources, material resources and financial resources. All of these attention and input to logistic lay a solid foundation for Haier Gooday's logistic service innovation.

C. Network Strategy

2012 is the first year when human enter the mobile Internet era, the widespread use of smart phones has greatly changed the way of production and people's life style, as a response to the change, Haier announced its network strategy in 2012, reflecting its spirit of advancing with the times and actively embrace the Internet era and opening to the outside world. Haier's strategy is not empty talk, and soon we saw a series of initiatives to embrace the internet era. Haier's strategic alliance with Alibaba group to and its cooperation with Baofeng technology, Sogou and other Internet companies, as well as its small and micro car project which applied the internet thinking to introduce social logistics resources, are all achievements of Haier network strategy.

D. Manufacturing Servitization Strategy.

Haier is the first company to put forward the manufacturing servitization strategy and put it into practice. Improving its logistic service is one of the most important parts of this strategy. A key result of this strategy is that the entire Haier group is now basically be divided into two listed Corporation, one is responsible for Haier's transformation from a manufacturing enterprise to an enterprise that balance manufacturing and service, the other serves as a manufacturing center, responsible for research, production of smart household appliances of new generation. It is based on this strategic layout that Haier are willing to invest more than 5 billion RMB every years in Haier Gooday to build its logistic service system, the number of which surpassed the peak value of the Jingdong store logistics system annual input, and also surpassed the annual input of other top domestic logistic companies like SF and Cainiao network.

It is evident that if there is no the great importance that Haier's leadership attached to the role of modern logistics, if there is no the network strategy which help Haier's keep up with the new mobile Internet era, if there is no manufacturing servitization strategy, there won't be the huge investment on Haier Gooday logistic system, here won't be the transformation from logistics enterprises to enterprise logistics and then to intelligent logistics platform, let its logistic service innovation alone.

E. Culture.

Ren Zhengfei, CEO of Huawei, once said, "The resources in the world will be depleted one day, there is only one kind of resource that will be endless, and that is culture. Organization culture is the character for a company; it is originated from its founder. The moment Zhang Ruimin take the lead in China smashing the unqualified refrigerators produced by Haier, Haier has emerged an innovative gene. Haier's culture Handbook writes: innovation is the core value of Haier's corporate culture. Haier spirit is the spirit of dedication to its work and motherland, the spirit of pursuit excellence. The pursuit of excellence embodies Haier employee's spirit of never being satisfied, always aims for better and being innovative. If an enterprise can be compared as a river, then the source of the river should be

this employee, the enthusiasm of the staff should be like a fountain spewing out rather than by extrusion or pumping out. The reason why Haier continuously carrying out strategic innovation, process innovation, management innovation, organizational innovation lies in Haier's organization culture characterized by innovation and entrepreneurship. It is under such innovative environment that Haier's logistics service innovation capability can be guaranteed.

F. Alliances and Corporation.

Haier is an open-minded enterprise, Haier's partners even include its competitors and many of the domestic emerging Internet companies, and the following chart shows part of its partners and alliances.

Then the author focuses on Haier and Alibaba's strategic alliance to illustrate how Haier refresh itself by cooperating with top enterprise in other industry, which greatly improved its logistic service innovation ability.

On December 9, 2013, the Alibaba group reached a joint venture agreement with Haier, Alibaba wound invest 18.57 HK\$ to establish a joint venture company with Haier, and the major part of the investment went to Haier Gooday.

Through its cooperation with Alibaba, Haier can learn how to upgrade the traditional manufacturing enterprise by introducing the internet thinking from Alibaba in a better way, which will be beneficial to its network strategy. Apart from that, years of accumulated customer and related date of Alibaba can also help Haier win more customer and better understand its customer, which is vital in today highly competed business world. Haier and Alibaba, the top traditional manufacturing enterprise and the top internet company in china, wound jointly set standard for the distribution and installation of large goods, the makers of this standard will control the rules of the game on this field in the future.

The cooperation between Haier and Alibaba is only an example of thousands of Haier's cooperation with other enterprises. Haier, as a traditional manufacturing enterprise, which is open-minded, continuously cooperating with other preeminent enterprise from various industries, making those cooperation a pair of wings to improve the logistics service innovation ability of Haier.

G. The Small and Micro Car Project-an Uber in Logistic Industry.

The small and micro car project of Haier Gooday is strategic fulcrum to upgrade its logistic service, which enables Haier's goods are "on the road" rather than on the warehouse, therefore, the distribution time and cost will be greatly reduced. Simply, the essential part of the small and micro car project start, or individuals, as long as there is a car available, every individual or organization can join the project. After joining each distribution car will be a small micro company, and each car will be equipped with a service personnel that have been trained by Haier to guarantee the quality of its an App named Yilushun, no matter the household appliance service outlets, dealers, logistics comp service. The process runs as follows: the

backstage system of Yilushun will sent customer order to the driver and provide order forecast to those driver to help them better control their inventory, driver then grab the order according to their locations and available time. The whole system is highly effective and obvious; the nearest driver available to their customer will get the chance to finish the delivery and installation services. In the process of the door-to-door service, service personnel can have in-depth interaction with his customers and gets the first

-hand insight about customers to help Haier improve its product, and spread Haier 's brand value, even promote its product. When all the service process is finished, customer can confirm and evaluate the service quality on the internet, the result of which will be immediately uploaded to the backstage system of Yilushun. The backstage system will calculate the value of the order and sent the money to the driver on Yilushun App. The whole process can be illustrated by the following chart:

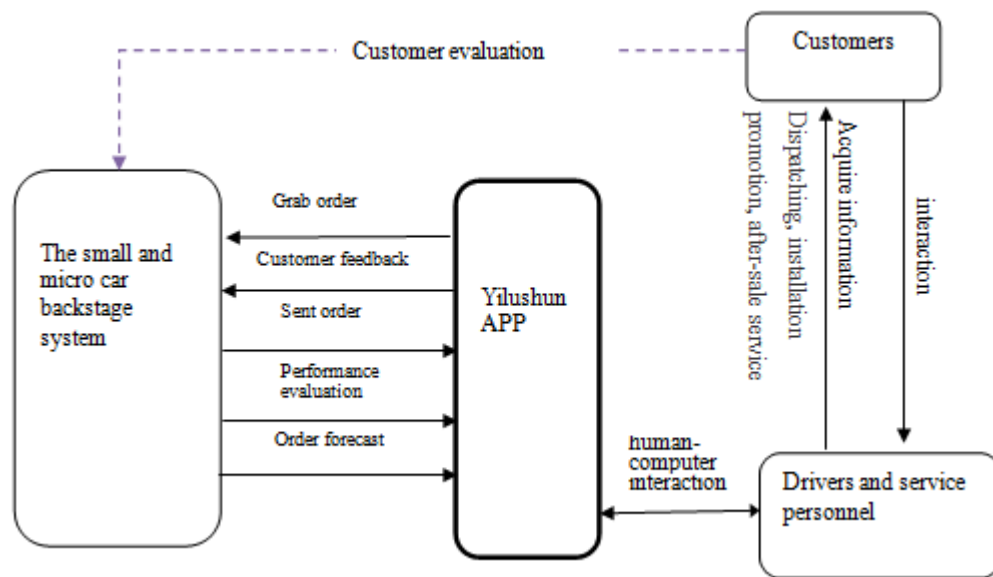


Figure 1 The process of Yilushun APP

The model is a triple-win pattern, in the perspective of customers, because of the reduced distribution period supported by introducing social logistic resource, combined with the service provided by professional Haier service personnel, the user experience is greatly been improved; For the franchisee that join the project, they can better use free time to improve the utilization of their vehicles, many owners can earn a few thousand dollars per month more than they used to be; For Haier Gooday, the platform incorporated more than 90 thousand social vehicles into the project, which greatly reduced the cost of developing the system itself ,to be specific,5% of cost are reduced, and in the meantime, the efficiency of distribution is been greatly improved. In addition, in the process of service, Haier can have in-depth interaction with his customers and gets the first

manufacturing enterprise in China, it is found that the foundation of Haier Gooday's logistic service innovation are its clear and specific strategy and intense culture, to be specific, the strategies include its network strategy, manufacturing servitization strategy and the strategic position of logistic in Haier, the culture are characterized by innovation and entrepreneurship. Apart from strategies and culture, Haier cooperation with other excellent enterprise is also a major force to help Haier improve its logistics service innovation ability. At the end of the paper, an important achievement of Haier's logistic service innovation is introduced, that is its small and micro car project which applied the internet thinking to introduce social logistics resources.

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III. RESEARCH SUMMARY

Through research on logistics service innovation of Haier Gooday, the top household electrical appliance

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