

Hisense 海信



THE MARKET

Hisense traces its history back to December 1969, when the No. 2 Radio Factory of Qingdao was founded. Over the next three decades, while changing names to Qingdao General Television Factory, Hisense Electric Company and eventually to Hisense Group, it evolved into a high technology conglomerate.

It has a firm footing in China's home appliances market, and also sells its products to about 100 countries and regions worldwide, including Europe, Africa, Southeast Asia, South America and North America. The group also has established offices or subsidiary trading companies in Japan, Brazil, the US, Indonesia, the Middle East, Australia, Hong Kong and North America. Further, Hisense has a production base that caters to local business in South Africa, Hungary and Pakistan. In 2004, group sales revenue reached 27.3 billion yuan. Hisense ranks sixth among Chinese electrical enterprises.

ACHIEVEMENTS

As one of the leading brands in the industry, Hisense has gained wide approval for its efforts over the years through a variety of prizes. In 1998, it won the award Famous Brand of China and in 2001 the National Advanced Enterprise Prize for Quality and Efficiency followed. Equally important

is the value the group attaches to the large clientele that is loyal to its branded products. Hisense TVs, Hisense air-conditioners and

Hisense computers have been acclaimed by customers. Now Hisense mobile phones have joined the ranks.



HISTORY

It is best to describe the group's development through its dominant business ethos, marked by a combination of conservative values and innovation, steadiness and a willingness to leap forward.

In 1990, Hisense singled out product quality with the slogan: Quality today is market tomorrow. The emphasis is on quality consciousness among staff, who aim for zero complaints from customers and the constant improvement of standards through internal quality inspections.

In 1992, the thrust was on capital. The Hisense motto was: We should look at capital and the market with the eyes of capitalists. There followed a major capital expansion programme which included acquisition of state-owned electrical enterprises such as Zibo TV Factory and Liaoning Fushun Jinfeng TV Factory.

Two years later came a period of consolidation of Hisense' position as a technical leader in the market. Technical innovation was taken as the core sustainable and rapid development. This concept was broadened in 1996; called 3C in Chinese, it emphasised technology,



human resources and equipment sharing in the workplace to enhance industrial development. Since then, the group has paid particular attention to corporate governance and the importance of expertise at all levels of leadership, particularly in state-owned units.

In addition, the management and decision-making process have been optimised under the tag of "one mansion and three parks". The mansion refers to the group's head office, the Hisense Mansion; the three parks are an IT industrial park, a household appliances industrial park and a high-tech development park. Hisense has reached an annual production capacity of 8 million colour TVs, 3 million air-conditioners (of which 2 million are inverter air-conditioners), 1 million computers, 4 million mobile phones, 1.5 million refrigerators and other digital equipment.

THE PRODUCT

Hisense clings to its development strategy of "creating a famous international brand with high-tech, high quality and high level of service". It was the first in China to launch and focus on a 3C-oriented (consumer electronics, communication, computer) industrial structure. Its core products are TV sets, air-conditioners, computers, CDMA mobile phones, refrigerators, software, web equipment and other electrical consumption products.

Net assets of Hisense have now reached 4.8 billion Yuan and the group has more than 10,000 employees working in more than 20 shareholding companies including a listed company (Hisense Electrical Co. Ltd. 600060), over 10 production bases, over 200 sales subsidiary companies and offices and more than 10,000 maintenance nets around the world.

RECENT DEVELOPMENTS

In 2003, Mr Zhou Houjian, group chairman and delegate to the 9th and 10th National People's Congress, proposed that the time was appropriate to bring some international expertise into the group. In August 2003, Hisense opened its R&D centre. The plan to recruit foreign nationals to enhance the R&D programme is part of the group goal of passing 100 billion yuan sales income.



Hisense will embark on a constant and rough "Long March". It will continue to promote the innovation of technology and management, to enhance the input and adjustment of research and development, to emphasis hi-tech products, to maintain the leading rank of technology in the market and to fatherly increase international competitive ability. All of it is centered on the market, so that in three to five years time it can become the world's most dominant 3C-oriented (consumer electronics, communication, computer) product supplier with a good public reputation, an excellent international operating team, owns its core technology and has first-rate ability to manufacture and distribute.

PROMOTION

Hisense is an evolution of Qingdao, itself a famous brand in the early 1990s even though, under the planned economy of those days, little attention was paid to enhancing the meaning and image of brands. In 1994, the second year after Zhou Houjian was appointed president of the factory, the company changed its name to Hisense – connoting in the Chinese language "the sea embraces a hundred rivers and there is unlimited faith".

In 2000, Hisense embarked on a large project of image conversion so as to cater to the needs of

economic globalisation and to enhance the visual state of the brand. Based on the group's principle of "internationalism, technology and kindness", Hisense readjusted its VI system that was put into use in April 2000. In 2001, Hisense invited film star Ning Jing to be its spokesperson, the aim being to soften Hisense's respected but unexciting image as a technophile. In 2003, a silver 3D robot was introduced to add some warmth and appeal to the technology background.

BRAND VALUES

Hisense has a high-class technical centre and a post-doctoral research and development working station. Everyday the development centres in Qingdao, Beijing, the US and Japan exchange information on developments. The Hisense R&D programme is strong on innovation. The technological centre is not only the R&D base of Hisense, but also a training centre and high-tech development park. Nearly 20 professional research institutions with 1,500 technical staff

have been established so far in the R&D centre. Hisense continues to invest more than 5% of its sales income in technical innovation, with focuses on technology such as industrial integrated circuits, web equipment and service, and digital display.

In 2002, Hisense set up several joint ventures – Hisense Beijing Electrical Co Ltd, Hisense Light and Electricity Co Ltd, Hisense Hitachi Commercial Air Conditioner System Co Ltd and Hisense Sumitomo Co Ltd – all aimed at enriching product variety with high technology and enhancing the competitiveness of Hisense.

THINGS YOU DIDN'T KNOW ABOUT HISENSE

- Hisense evolved from the former Qingdao, a famous brand in the early 1990s
- Hisense undertakes many research projects each year, qualifying it as a "national 863 plan industry base"
- Technology is always the theme of Hisense's promotion, which is familiar for our customers