

**SME Development Fund/
Dedicated Fund on Branding, Upgrading and Domestic Sales
(Organisation Support Programme)**

Final Report of Approved Project

This report is for (please put "√" in either one box only):

SDF Final Report

BUD Fund (Organisation Support Programme) Final Report

Project ref. no. : BUD 12 2 011
Project title : “Quality Appliances – HK Appliances” - Building up the
image of good quality and safe Hong Kong electrical
appliances through a series of promotion activities
Period covered : From 1 June 2013 to 30 June 2015
(dd/mm/yy) (dd/mm/yy)

1. Project Details

(Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.)

Project Reference and Title

“Quality Appliances – HK Appliances” - Building up the image of good quality and safe Hong Kong electrical appliances through a series of promotion activities

Project Summary (in not more than 150 words)

Most Hong Kong Electrical Appliances manufacturers engage in OEM arrangements to produce for international leading brands of North America and Europe over the past few decades. The major products of most Hong Kong appliances manufactures are small-sized household appliances (e.g. coffee makers, toasters, vacuum cleaners, irons, hair dryers, massagers etc), which contribute to our comfortable everyday life. With improving capabilities in product design, engineering and quality control, more Hong Kong appliances manufacturers migrate to higher value-added ODM operations. Most companies have their own research & development team and accredited to international quality standards to strengthen their quality and design capability. A few local appliances manufacturers, such as German Pool and Goodway, have succeeded in establishing their own brands and retail network in Hong Kong.

In recent years, Mainland China drives the economic growth in Asia. According to the “China Small Kitchen Appliance Industry Report 2011” published by ResearchInChina Co. Ltd, the small kitchen appliance market has seen vigorous development, with the domestic sales value soaring to RMB88 billion in 2010 from RMB74 billion in 2009 and RMB45 billion in 2006. The Chinese household appliance market is growing 4.5 percent annually through 2010 to 2011 and is the world’s largest market. The rapid expansion of the Mainland household appliance market has drawn the attention of Hong Kong appliances brands.

When product safety remains the major concern for most Mainland consumers, the rich experiences of Hong Kong manufacturers in producing safe, well-designed, durable and eco-friendly household appliances at competitive price are advantageous in capturing the domestic market. However, such competitive image of Hong Kong appliances brands has yet to be widely recognised by Mainland consumers due to the lack of promotion.

In this project, local appliances manufacturers will be allied to build the “Quality Appliances – HK Appliances” alliance, which representing safe and good quality of Hong Kong appliances as a whole. Through a series of promotion activities with strong emphasis on appliance safety along with basic consumer knowledge in appliances selection, the public recognition of the safe and high quality image of “Quality Appliances – HK Appliances” can be enhanced. The project will strengthen the long-term sustainable development of HK appliances brands in the domestic market.

Project Objective(s) (in not more than 80 words)

- To promote the good quality and safe image of Hong Kong Electrical Appliance in domestic market via a series marketing and awareness raising campaign. Information of smart appliances selection techniques will be shared to educate the Mainland consumers in differentiating Hong Kong appliances from other products in market.
- To boost the public recognition of the “Quality Appliances – HK Appliances” alliance that represents HK appliances as a whole. It can assist the long-term sustainable development of local appliances industry in the domestic market and help the whole industry upgrade to high-value adding OBM operation.
- To extend the distribution network of Hong Kong appliances through the establishment of online e-Resource Centre, launching the promotion spot for “Quality Appliances – HK Appliances” alliance, participation in the trade fairs and organization of roadshows in shopping malls.

Grantee /Collaborating/Implementation Organisation Agent

Grantee : Hong Kong Electrical Appliance Industries Association Limited
Collaborating Organisation(s) : Federation of Hong Kong Industries (Electrical and Optical Product Group)
Implementation Agent(s) : Hong Kong Productivity Council

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator	: <u>Dr. William Cheung</u>	<u>Hong Kong Electrical Appliance Industries Association Limited</u>	<u>2788 6119/ 2788 5543</u>
Deputy Project Co-ordinator	: <u>Mr. Keith Leung</u>	<u>Hong Kong Electrical Appliance Industries Association Limited</u>	<u>2788 6119/ 2788 5543</u>

Project Period

	<u>Commencement Date (day/month/year)</u>	<u>Completion Date (day/month/year)</u>	<u>Project Duration (No. of months)</u>
As stated in project agreement	<u>1 June 2013</u>	<u>31 May 2015</u>	<u>24 Months</u>
Revised (if applicable)	<u>1 June 2013</u>	<u>30 June 2015</u>	<u>25 Months</u>

2. Summary of Project Results

Project Deliverables

(Please list out the targeted project deliverables as stated in the project proposal appended to the project agreement and provide details of actual result achieved, including beneficiaries, for each of them.)

- (i) A website (e-Resource Centre) to provide information of products under the “Quality Appliances – HK Appliances” Alliance to the Mainland consumers.
- (ii) A social media marketing campaign, including interactive mobile apps, banners on popular websites, promotion via forums, blog and Facebook.
- (iii) A “Home Appliances Safety and Selection Guide” (10,000 copies).
- (iv) A full day symposium on brand development, brand positioning, marketing strategy and e-business. Five experts were invited as speakers.
- (v) Two roadshows (each three days) in Guangzhou.
- (vi) A “Quality Appliances – HK Appliances” showroom in Guangzhou for 12 months.
- (vii) Participation in two domestic sales trade fairs (about 200 square meter for each fair) in the Mainland.

Actual Benefits to SMEs/Enterprises

(Please indicate *in clear, specific, tangible and quantifiable terms* the benefits of the project and its contribution to enhancing the competitiveness of Hong Kong’s SMEs / enterprises in general or SMEs / enterprises in specific sectors / assist Hong Kong enterprises in general or in specific sectors in developing brands, upgrading and restructuring business operations, and promoting domestic sales in the Mainland, in not more than 400 words.)

- (i) A website (e-Resource Centre) to provide information of products under the “Quality Appliances – HK Appliances” Alliance to the Mainland consumers was established (<http://www.hkeaia.org/quality-appliances/center/>). 11 Hong Kong appliance brands had joined the “Quality Appliances – HK Appliances” Alliance.
 - (ii) A social media marketing campaign, including interactive mobile apps named as “優質家電” (<https://play.google.com/store/apps/details?id=hkpc.app>), banners on popular websites (<http://business.sohu.com/>, <http://news.sina.com.cn/>, <http://china.huanqiu.com/>, <http://www.autohome.com.cn/>), promotion via forums, blog and Facebook (<http://www.hkeaia.org/wp-content/themes/hkeaia/img/qrcode.jpg>, <http://weibo.com/u/3910551340>, <https://www.facebook.com/hkeaia.org>) was launched.
 - (iii) A “Home Appliances Safety and Selection Guide” (10,000 copies) was printed and distributed to the Mainland consumers.
 - (iv) A full day symposium on brand development, brand positioning, marketing strategy and e-business was organized on 6 Dec 2013 in HKCEC. Five experts had been invited as speakers.
 - (v) Two roadshows (each three days) in Guangzhou were organized at 上下九廣場 (ShangXiaJiu Plaza) from 20th to 22nd June 2014 and at 廣百頤福商城 (YiFu Mall) from 5th to 7th June, 2015. The roadshow at YiFu Mall had originally planned to organize on 22nd to 24th May, 2015, yet due to thunderstorm in GuangZhou, the Mainland government demanded to postpone the event due to safety reasons.
 - (vi) A “Quality Appliances – HK Appliances” showroom in Guangzhou was organized at 廣百頤福商城 from 13 June 2014 to 30 June 2015. [12 months]
 - (vii) The project had participated in two domestic sales trade fairs (about 200 square meter for each fair) in the Mainland at “2014 Hong Kong Trendy Products Expo, Harbin” from 19th to 24th September, 2014 and “2015 Hong Kong Trendy Products Expo, Tianjin” from 19th to 23rd June, 2015.
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Milestones (in chronological order)

(# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.)

<u>Milestone</u> (as set out in the approved project proposal appended to the project agreement)	<u>Original target completion date</u>	<u>Revised target completion date</u> (if applicable)	<u>Status</u> (C/D/N) #
- Form working team committee			
-Formulate detail implementation programme			
- Invite and assess the qualified Hong Kong appliances brands to join the “Quality Appliances – HK Appliances” alliance			
- Identify strategic media partners to			
(a) <u>provide professional marketing plan</u>	<u>30/09/2013</u>		<u>C</u>
- Design and publish “Home Appliances Safety and Selection Guide”			
- Develop “Quality Appliances – HK Appliances” e-Resource Centre			
- Launch the Social Media Marketing campaign including the development of			
(b) <u>interactive mobile Apps.</u>	<u>31/03/2014</u>		<u>C</u>
- Advertise the launch of “Quality Appliances – HK Appliances” e-Resource Centre and roadshows in metro poster light			
(c) <u>boxes, magazines and newspaper.</u>	<u>31/03/2015</u>		<u>C</u>
- Organize 2 roadshows in shopping malls or walking street in the Guangdong province with press conference for the launch of "Quality Appliances – HK Appliances” e-Resource Centre			
- Identify and set-up a “Quality Appliances – HK Appliances” showroom			
(d) <u>in a popular shopping mall in Guangzhou</u>	<u>31/05/2015</u>		<u>C</u>
Organize a full-day international			
(e) <u>Symposium</u>	<u>31/01/2014</u>		<u>C</u>
Participate in two domestic sales trade fairs			
(f) <u>in China</u>	<u>30/06/2015</u>		<u>C</u>

Future Plan for Promoting the Project Deliverables

NA
