Customer Case Study





Harman Case Study 2023 The Client

Harman International is a global audio and automotive technology company, owning renowned brands like JBL, Harman Kardon, AKG and more. Their diverse portfolio covers high-quality speakers, headphones, home theater systems, & professional audio equipment for various markets.

With a commitment to innovation, Harman has become a leading player in the industry, enjoying a significant global presence through widespread distribution and availability in numerous countries. Their direct-to-consumer approach fosters close customer relationships, personalized experiences and valuable feedback to continuously improve their products and services.

harman/kardon^{*} JBL AKG^{*}



Before Omnia: Understanding the customer's initial challenge

Struggling with a time-consuming, person-dependent 3-step process, Harman International faced that the market was not properly represented causing market delays and price inconsistencies, impacting reliability in pricing.



Market Delays

The pricing process heavily relied on one person for a 3-step dependency, leading to instability, delays, and disorganization during their absence. This situation resulted in price updates being suspended on weekends due to the challenges posed by the arrangement.



Price Inconsistencies

The absence of a clear Pricing Policy left room for confusion & uncertainty. The previous rigid "black & white" pricing approach lacked flexibility, hindering adaptability to dynamic market conditions.



Missing Transparency

Country Directors felt excluded from decisions regarding local market pricing strategy, & they expressed a desire for more flexibility, particularly concerning the Direct-to-Consumer (D2C) channels. They emphasized the importance of considering the relationship with their retailers while setting pricing strategies.

Before Omnia: Understanding the customer's initial challenge

Harman International, a renowned global audio and automotive technology company, operates in numerous markets worldwide. The pricing was done conservatively in the past:

The basis of the project relied on a daily data set obtained from a scraping tool in Excel format. However, the manual price calculations were labor-intensive, confined to once a day, excluding weekends, due to diverse role-related processes, resulting in a workflow with inconsistencies & data reliability issues.

To streamline their pricing practices, they sought a unified approach across all products in the 12 countries they serve. Each product is sold by around 25 retailers per country, resulting in a considerable volume of 300-400 daily offers internationally (within the EMEA region).



Wishlist



Harman International wanted to implement more dynamic and flexible pricing calculations and tactics based on brand, country, retail landscape and product category to avoid market disruptions and at the same growth the D2C business

Better implement and leverage the price policy in each market with more freedom for country manager to decide for the best interest in the market (D2C Channel) (instead of just following a scheme \rightarrow this points refers to the "black & white" - execution of the 'before' pricing policy



Harman International wanted a reliable data source, a rule based automated price calculation and a flexible tool to allow testing of different pricing strategies

Be able to explain how a price was executed / calculated / easy to demonstrate what happens on the pricing side.

Key objectives

Comprehensive Market Overview

Harman International sought to obtain a better market overview, empowering them to make informed pricing decisions based on accurate data & reliable results.



Collaborative Alignment

Harman International aimed to establish easier alignment with key regional stakeholders. This collaboration would ensure a more cohesive and coherent approach to pricing across markets.

Streamlined & Flexible Pricing Policy Implementation

The company aspired to implement and leverage the Direct-to-Consumer (D2C) Channel pricing policy more effectively in each market. This move aimed to replace the manual, time-consuming and the rigid "black & white" approach of the previous pricing policy and tool leading to more flexibility (testing of different pricing strategies), higher conversion and less channel frictions.



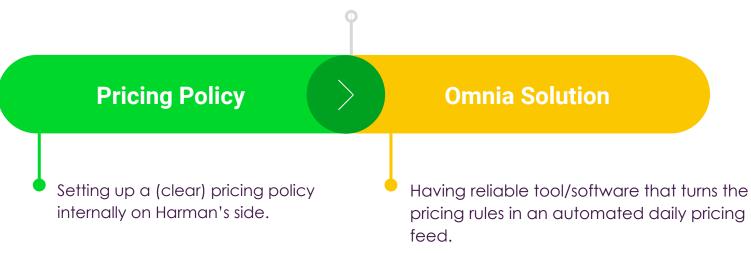
Transparent & Demonstrable Strategies

The team sought a solution that allowed them to articulate pricing strategies clearly & transparently. The ability to walk stakeholders through each strategy and effortlessly demonstrate the pricing execution and calculations was a crucial requirement. "Balancing D2C pricing for an international premium brand across 10+ European markets demands a meticulous understanding of market dynamics, and consumer preferences, making it an essential aspect of our operations."

Douwe Smet, E-commerce Trading & Operations Lead, Harman

Solution





The primary solution involved updating the existing pricing policy with the insights and expertise of the Omnia team.

By understanding what more could be achieved while adhering to the pricing policy, they challenged the status quo and contributed to refining the overall pricing strategy implementation. As a result, the company now has a well-defined and approved pricing policy, along with a reliable tool (Omnia software) to effectively implement and maximize its benefits, unlocking a significant untapped potential within the policy.

Unleashing Omnia: The power of reliability

Transforming from 5 hours of maintenance to 5 hours of value creation

With Omnia's automated solution, Harman reduced the time spent on daily pricing maintenance from 5 hours to near zero. This efficiency gain allows them to invest those 5 hours into creating innovative strategies and adding real value to their pricing approach. Achieving full pricing compliance: From 70% to 100%

After adopting Omnia's automation, Harman transitioned from a labor-intensive 3-step manual pricing process for 5 days a week to achieving full compliance on all channels, 7 days a week, and 4 times a day. Allowing flexibility per country to define the strategy based on market strategy & brand maturity

The pricing policy can be applied independently per country to reflect the D2C channel's maturity and strategy. Guaranteed 100% compliance: Staying within the set pricing policy

With the seamless and intuitive rules setup provided by Omnia Software, Harman effortlessly maintains adherence to the pre-defined pricing policy with every price update while also enjoying the freedom to leverage maximum flexibility within it.

Unleashing Omnia: The power of reliability

200 Skus

High quality data for **200 SKUs in 12 Markets**, everyday, 4 times a day

24 portals

Easy to review and customise for **multiple countries** and **various sub-brands**

60k advices

Being up-to-date **in all countries once a day**, for **60.000 Price advices**; Reliable data for a successful strategy and able to respond faster to market changes

The Omnia Effect

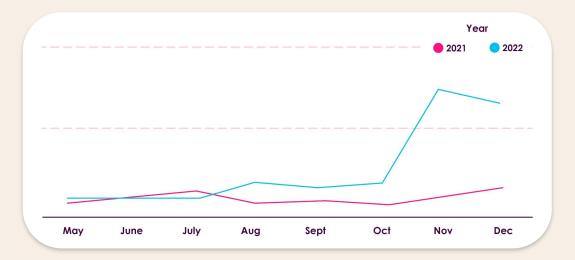
Looking at the market and activities in one of the European markets:

Harman International turned their reworked setup of the Omnia software live in May 2022, in one of the European markets they are active in. Until July, they had some stock issues influencing their (sales) numbers. After July numbers increased & started to peak in an 203 % growth (Nov 2022) rate compared to the same period in the year before.

"Last year we went live with Omnia in May and until July we had stock issues. In total, this market has grown 203% in the period below compared to last year."

Douwe Smet, Douwe Smet

E-commerce Trading & Operations Lead, Harman





Outlook / Conclusion

Harman International is now in a position with a positive outlook, happy with what they have, and knowing there are more strategy options to explore, the list of ideas is endless; it just has to be implemented.

"With Omnia we learned that the possibilities of dynamic pricing are endless."

Douwe Smet

E-commerce Trading
 & Operations Lead, Harman