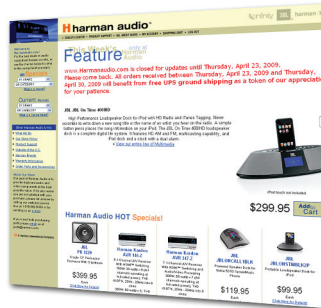


## Harman Audio

## Premium Marketplaces Helps Crank Up the Profit Volume

### Company Overview

Harman's legendary reputation for ingenuity and quality dates back to 1953, when Dr. Sidney Harman co-founded Harman Kardon, the first company to design and manufacture the high-fidelity receiver. Today, Harman International Industries, Incorporated, is the world's preeminent audio-only conglomerate, offering a portfolio of 28 companies and legacy brand names. Through the application of innovative engineering and manufacturing technologies, Harman International products are renowned for excellence in both design and performance. The company offers a full range of consumer, professional and automotive audio products under the Harman Kardon®, Infinity® and JBL® brand names. Heritage, substantial resources and unparalleled dedication to the science of sound have made Harman International the leading American manufacturer of audio equipment.



**URL:** [www.harmanaudio.com](http://www.harmanaudio.com)  
**Industry:** High-end audio and video components

“ChannelAdvisor brings a deeper understanding of marketplace dynamics to the table. By providing an alternative to the auction format, they helped us move more inventory without cutting margins.”

- Herman Sperling  
 Group Vice President of  
 Marketing, Harman International

### ChannelAdvisor Solutions:

**Product:** Premium Marketplaces, Stores

ChannelAdvisor combines on-demand software, integrated technology and best practices to help retailers manage the complexities of selling across multiple e-commerce channels – more efficiently and more profitably – all through a single interface.

A powerful part of the ChannelAdvisor Complete platform, Premium Marketplaces helps retailers sell more and spend less on sites like Amazon, Buy.com, eBay, Pixmania and Trading Post. By allowing online retailers to focus on growing their business, Premium Marketplaces automates the tedious tasks of e-commerce from product distribution to post-sale. Get more products in the right places and reach over 140 million buyers with ease.

Stores make it easy for single channel retailers to up sell products from eBay stores to their own websites and cross promote products over multiple marketplaces by merging across-the-board efficiencies with the ability to extend their brand to a broader audience. Best of all, it's free to Premium Marketplaces customers.

# Situation

ChannelAdvisor had provided full-service auction management for Harman Audio since September 2001, working closely with the consumer electronics manufacturer to ensure that its eBay site reflected Harman Audio's brand and optimised its selling opportunities to produce excellent results.

For Herman Sperling, Harman International's Group Vice President of Marketing, the question of whether to leverage eBay as a distribution channel for Harman Audio was never "Will it work?" Rather, the question was "What do we need to do to make it work?"

To accomplish this feat, ChannelAdvisor created a fully branded storefront design to showcase Harman's three brands. ChannelAdvisor also worked with Harman Audio to design ad templates that included product recommendations to maximise crossmerchandising and a checkout process that was (and remains) fully integrated with Harman Audio's back-end systems.

Now that the channel had proved itself, one might think that Harman Audio had overcome all its challenges. But a new one reared its head. In the past, Harman Audio had predominantly offered refurbished inventory at 99 cents/no reserve – with bids soaring from \$200 to nearly \$3,000. As more and more divisions throughout the company were adopting the eBay channel for liquidation, Harman Audio was struggling with maintaining a satisfactory level of cost recovery.

In 2007, Harman Audio looked again to ChannelAdvisor's Premium Marketplaces for new ways to achieve a higher sell-through rate and higher gross returns from a new influx of distressed inventory, including home theater systems, speakers and other audio equipment.

# Solution

ChannelAdvisor's professional services team recommended an email marketing campaign using a list of newsletter subscribers that opted in from the Harman Audio website. The email highlighted top-selling items with deep quantities and assigned aggressive prices that provided Harman Audio with guaranteed cost recovery.

Achieving a 50% open rate, the email campaign jump-started sales and had stagnant units moving at higher prices in just two weeks. Harman Audio was able to put the latest technology into consumer hands without letting products languish in warehouses, incurring storage costs. In turn, Harman Audio was able to achieve a delicate balance between sales velocity and a predicted recovery rate.

"In the field of consumer electronics, technology is changing every day. That means products get stale quickly, causing market values to plummet," said Sperling. "ChannelAdvisor brings a deeper understanding of marketplace dynamics to the table. By providing an alternative to the auction format, they helped us move more inventory without cutting margins."

# Results

The email campaign proved again that ChannelAdvisor could make the eBay channel work, reducing excess inventory and turning it into cash on hand. In addition, Harman Audio continues to reap the benefits of proactive account management and a well-constructed eBay strategy – reflected in a 100% auction close rate, a 99.7% positive customer feedback rating, and a quarterly compound growth rate that averages a phenomenal 21.4%.

Finally, the direct customer contact allowed Harman Audio to refine its value proposition through an enhanced understanding of enduser needs and market pricing. "If you delight customers, they vote with additional purchases," explained Sperling. "By comparing sales with the number of unique eBay IDs on our feedback listing, we are fairly confident that about 30% of our customers are repeat buyers."

FOR MORE INFORMATION

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**ABOUT CHANNELADVISOR** ChannelAdvisor helps the world sell online with applications that enable retailers to efficiently distribute their products across multiple online channels, drive shoppers to those products and then convert those shoppers into customers. The ChannelAdvisor platform empowers retailers to distribute their products across multiple online marketplaces, comparison shopping sites and search engines. With application features such as keyword generation, in-depth reporting, our merchandising engine, retailers gain the tools they need to easily fine tune and analyse their marketing efforts to drive more shoppers to their products. Rich media offerings and storefront applications enable retailers to provide an engaging online shopping experience that represents their brand and is optimised to convert shoppers into customers. In 2008, ChannelAdvisor managed over \$2.6 billion in gross merchandise value (GMV) on behalf of leading retailers around the world including Vodafone, Brother, HP, B&Q, and Schuh. [www.channeladvisor.co.uk](http://www.channeladvisor.co.uk)