

# JBL, Harman Kardon turn to celebrity endorsers to build mass affinity

Driving Harman International's thrust into the Indian market is an understanding of the shifting consumer preferences and digitisation of the music-audio-entertainment eco system

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*Actress Priyanka Chopra endorses a JBL headphone model*

In the increasingly commoditised world of electronic sound systems, Harman International's brands [Harman Kardon](#) and [JBL](#) are making a play for exclusivity with a common touch. Under Korean electronics major, [Samsung International](#) (the company was acquired in 2017), the American label is pushing deeper into the Indian consumer electronics market with products at multiple price points, while seeking to leverage its brand equity with in-car audio systems.

Driving Harman International's thrust into the Indian market is an understanding of the shifting consumer preferences and digitisation of the music-audio-entertainment eco system. "The era of the home theatre is over," says Sumit Chauhan, vice-president of the company's Lifestyle Audio Business whose best-selling

products include headphones priced under Rs 1,300, portable, chargeable bluetooth speakers priced at Rs 2,700 and sound bars designed for music and movie experiences that retail at around Rs 50,000. [Harman Kardon](#) is one of Samsung's family of audio brands that includes AKG, Infinity, JBL, Mark Levinson and Revel.

In many ways the audio sound system industry is akin to the art market. Beyond marketing and individual preferences, in the case of sound, it is either music to one's ears or then it's not. Which is why the audio market is host to dozens of brands which include Alpine, Blaupunkt, Clarion Kenwood, Bose, Sennheiser, B&O, B&W, [Harman International](#) and scores of others. And each brand comes with a strong set of followers.

The average listening customer makes a pick based on two factors — price and sound quality. But today technology has shaved loyalty down to the bone for brands that are beginning to look more and more like each other. Besides, a small hand-held speaker today has almost as much as punch as yesterday's boom-boxes. Which is where brand equity comes into play. Rajesh Mishra director of market research agency, Thinking Hats says "Despite commoditisation of electronics actual, true-blue quality is still down to the company and its relative mastery of sound engineering."



With Samsung's marketing heft and distribution muscle, Harman is pitching itself more keenly to the Indian consumer. The stakes are high given that the overall production of the electronics industry which

includes music systems as well as consumer durables and home appliances was at around Rs 647.42 billion last year and projected to grow by around 13.6 percent to Rs 735.24 billion this year, according to reports from the Consumer Electronics and Appliances Manufacturers Association.

Harman International, which set up shop in India in 2009, has four key businesses under Connected Car, Lifestyle Audio, Professional Solutions, and Connected Services, and has one primary factory in Pune with a total of 10,000 employees across cities and divisions. It has focused more strongly on wearables and in-car systems where its strength lies instead of home theatres that has been a slowing market of late. According to Thinking Hats Consumer Insights the home theatre category is estimated to have grown from 0.7 million units worth Rs 8.4 billion in 2017 to 0.76 million units worth Rs 9.24 billion by 2018.

Apart from the choice of its products, it is the choice of its ambassadors that has sent out the loudest message for Harman. Olympic medal winner PV Sindhu endorses sports headphones, Oscar winner and musician AR Rahman is the face for high-end systems and headphones and actress Priyanka Chopra plumps for [JBL](#) PartyBox speakers.



Harman has sought to differentiate its brands according to the target consumer categories they serve and structured its portfolio to reflect global trends in the audio market. The global statistics for portable audio systems are obvious indicators of where the sound business is headed. Total earphones and headphones shipped were above 350 million units in 2016 and projected to touch 450 million by 2024.

Global car audio systems are expected to reach sales of \$11.6 billion by 2025 up from \$9.8 billion in 2017 and the largest and the fastest growing segment is smart speakers which analysts see crossing \$30 billion in sales by 2024.

Beyond direct and online sales, Chauhan adds that Harman products for some of its labels are retailed primarily through its own network of distributors as well as a multitude of outlets run by Croma and Reliance. Harman has also increasingly sought out co-branding opportunities where it lends its premium values to an existing product or a new launch. Recently the country's oldest music label Saregama India tied up with Harman for its premium version of the portable digital player Carvaan Premium. The premium product retails at around Rs 14,000, which is more than double the price of the regular version.

Take cars, Harman's speakers are featured in automobiles that travel the spectrum. From BMWs and Mercedes to Tata passenger cars. They even manufacture auto speakers under the labels **B&W** and **B&O**. It also has the professional range of speakers, now playing at Inox theatres that can range between Rs 2-8 million, depending on size and type of screen.

Like its key competitors Bose, Sennheiser, and Sony, Harman also has its expertise diversified across product categories that extend into cinema and TV. Also thanks to its parent company, Samsung, the brand is keen to position itself as a technological pacesetter in the audio world.

What next? Chauhan says that every kind of sound product in the future will be voice enabled. In other words, you may not need to ever touch a volume control ever again.

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