

# Harvey norman essay



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Harvey Norman, established in 1982, is one of the most capable industry in Australia in marketing their products with the help of their Marketing Plan and regular monitoring system. Harvey Norman is very successfully going company with its efficient marketing plan.

This is a report about the Harvey Normans marketing plan which briefly describes about the current situation about the company, the strength and weakness about the company, a detailed PEST analysis etc. In addition to that this report pointed out the main competitor of Harvey Norman. The main competitors are JB hifi and David Jones who are trying hard to overcome the Harvey Norman.

It is found that main income of Harvey Norman comes from their furniture market and the financial outcome of company is briefly shown in the picture given in the report. The main objectives and the actions of Harvey Norman is pointed out clearly. One of the main objective was to give a good return to their shareholders by increasing their sales. Recently the company planned of effective recycle and reuse of their packaging materials to protect the environment.

A good contingency plan is also suggested to the Harvey Norman to face the critical situation in regards to their sales and also some recommendations are suggested to increase their sales.

Gerry Harvey and Ian Norman opened their first store in 1961, which specialised in electrical goods and appliances. Harvey Norman Holdings Limited is a public company which is largest retailer of furniture, bedding, electrical and home appliances in the Australian economy. There are about

231 stores in Australia, Ireland, Malaysia, Slovenia etc. Harvey Norman Holdings Limited is an ASX listed business with its main activities that of an incorporated franchisor, retailer and a property entity. The diagram shows the geographic extend of Harvey Norman and franchised stores as in 30 June 2011.

Harvey Norman Holdings is one of the leading furniture, electrical and also computer retailer in Australia. The company has a share which is slightly less than 20% of the highly fragmented market. As on 31 December 2012, there were 213 franchised complexes of Harvey Norman throughout Australia territory. The company have very quickly expanded their offshore business in the past few years, there are about 70 company-owned shops are situated in New Zealand , Ireland (14 stores), Malaysia and Slovenia (3 stores).

Harvey Norman Holdings Limited involves in franchising operation, integrated retail business, and property growth. HVN operates mainly through a franchise scheme in Australia and it is operates controlled shops in abroad markets. Harvey Norman is sure of increasing the market share in the home entertainment and technology field in coming years and its opponents are forced to close down amid the very hard retail climate in the decade.

Harvey Norman is recently developing interior flooring designs for their customers. In addition to that Harvey Norman itself offering a wide variety of handcrafted, Australian Made furniture that allows the customers a option in styles, fabrics and leather choices, with the very best class upholstery,

structure and resources that will bring luxury and comfort for the years to come.

(Source: Harvey Norman action plan 2012 p. 5)

While going through the competitors of Harvey Norman, it can be classified into two groups such as Online competitors and also Offline competitors. Online competitors are found in the Market space such as in E-commerce, and the Offline competitors are about found in the Marketplace. JB Hi Fi is a major electronics retailer in Australia and the big competitor of Harvey Norman. The main strategy of JB hi fi is that it offers everyday low prices. The product range offered includes Music CDs, Games, DVDs, Computers and accessories, Mobile phone and appliances. Dick Smith is another major electronics Retailer in Australia, that is a subsidiary of Woolworth Limited. Its product range includes audio, mp3, TVs, computers, DVD, gaming consoles, mobiles etc.

The main strategy of Dick Smith price matching policy and technical experts and mobile services in store itself. Below are the some key points which are listed in comparing Harvey Norman and the above competitors : Very common threat that is, Less customer spending and competitions that are online Harvey Norman can be referred as a price setter whereas the JB Hifi and Dick Smith have the price comparing policies. Harvey Norman has a very large range of products while comparing to its competitors, but Harvey Norman does not have a home brand as Dick Smith Electronics.

PEST or PESTEL study is a straightforward and efficient means that is used in situation analysis to recognize the key outside (macro environment ) forces

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that may or may not affect the company. These forces can generate both the opportunities and also threats for the company. The result of PEST is all about understanding the whole picture surrounding the company. A PEST Analysis for Harvey Norman is as follows;

The political environment spin in the region of the present administration in a particular country in which one make products or trade, and also laws functions within the home market and also abroad. Political changes relate to the changes in the government influence and it can have vast importance for the companies. Harvey Norman is paying more tax to the Government and the Government support for Harvey Norman is high comparing to its competitors.

In 2012, the firm reported a net income of \$172. 5 million but in 2011 the net profit was like 252. 3 million which was much better than the year 2012.. It is reported that customer spending habit gone down in the year 2012 which made a big change in the revenue of Harvey Norman. Most of their income comes from selling the furniture and also from bedding. Between the electrical and computer sales fell down which seriously affects the revenue of the company.

Harvey Norman has a determined impact on the Australian economy as a company and good player in regards to the customer products. Harvey Norman is one of the biggest and largest enterprise in Australia and so it surely have an effect on the lives and the standard of living of the people in Australia and also everywhere its stores are found.

Firstly Harvey Norman didn't give much importance to the e commerce business and later company focussed more on e commerce as the more customers interested in buying online. The website [www. harveynorman. com. au](http://www.harveynorman.com.au) is very popular website now and a popular buying tool for consumers, as it discounts the price of the Item online and also make a sense of easiness and handiness. The major change to move to E commerce was the whole idea of letting consumers purchase at a lower cost. With E commerce it avoids the cost of distribution of the good from ware house to the store which saves consumer's money and time.