

# XPLN

The Importance  
of Insight



CASE STUDY

## HIW Craftsman and Industrial Tools

Excellence in B2B: From full range offline to successful multichannel retailer



# Quality prevails – with the right strategy

- Offline retailer with a large product range opens up online retailing with efficient use of resources and a great deal of success
- Its online sales share increased from 0 to 20 percent within 5 years
- Key to this is, among other things, the right evaluation and pricing strategy with monitoring and recommendation

“HIW Handwerker- und Industrie- Werkzeuge Handelsgesellschaft mbH” (HIW), headquartered in Hamburg, Germany, is a dealer by trade: Hands-on, reliable and conscious of its responsibility for its company, its employees and its customers.

Central values for Managing Director Oliver Baum are above all quality and customer satisfaction.

HIW has been selling high-quality tools, machines and accessories for the crafts, industry and municipalities through its retail store since 1977. The large product range includes around 100,000 stock products from the central warehouse and catalog, which are available for immediate delivery, as well as currently more than 200,000 products that are available and deliverable at short notice via drop-shipping.

In 2016, the company began to develop online retail as a further mainstay - and to write a success story. Because the online revenue share increased from 0 to over 20 percent within 5 years. Today, HIW sells to business customers (B2B) from the crafts, industry, and municipalities, among others via its own online store and via Toolineo, the specialist trade platform of the E/D/E purchasing and marketing association. HIW also addresses DIY and private customers (B2C) via its separate online platform and selected online marketplaces.

Whether in the retail store, via catalog, or on the platforms and marketplaces, the view of HIW proves a clear claim: to offer its high-quality products at the right, competitive price, which is not too high, but also not too cheap and sells the goods below value - and to offer its customers the right shopping experience in return. Accordingly, its online trade should also function substantially, effectively, and to everyone's satisfaction.

Ensure that this continues and is increasingly successful for a large and complex range of products, is not possible without the right technical support. That is why the company has been working with XPLN since 2019.

# Just do it – and do it right and well

HIW started online trading in 2016 with a pioneering spirit and without any special prior knowledge, but in a targeted and structured way. And also with the development of its own tool. First checks showed that available standard systems could not meet HIW's requirements. Either they were equipped too complex or they lacked important functions, such as the flexibility to react quickly to changes in the market or in the conditions of sources and targets.

To start with, Oliver Baum relied on his own simple product information management system (PIM), which is connected to the enterprise resource planning system and records the inventories with all relevant information.

This included the prices of the various sources of supply and, if possible, the reference and comparative prices of the company's own products and similar products of the competition. Initially, an attempt was made to record these with a separate data crawler, but the procedure reached its limits.

The central challenge was no longer being able to manually record and update the vast mass of product prices and information. Therefore, HIW was looking for a suitable automated solution that would support the further development of its own system - and that could collect and evaluate all relevant price data on the platforms and marketplaces, derive insights, and also generate channel-specific price suggestions.

A contact at E/D/E, which is also a happy user of the solution with Toolineo, the marketplace for hardware retailers, finally recommended XPLN.

HIW approached XPLN with the need to obtain reliable information on competitive prices. A fundamental question was: what does pricing look like for each product and platform? The answer(s) to this question, in comparison with the respective product availability, form the essential basis of HIW's pricing.

## Reliable data ensures success

Using its price monitoring solution, XPLN continuously records the market prices of HIW products and the market prices of its competitors on online marketplaces (Toolineo, Voelkner, Ebay), comparison portals (e.g. Idealo) and via Google Shopping at an hourly frequency. A procedure that works reliably even with large volumes of data.





*//HIW receives the collected price information directly by marketplace, supplier and product via a direct connection. Currently, for more than 600,000 SKUs (Stock-Keeping Units).*

There is a separate price/competition information feed for each platform with a price recommendation that can be automated and directly adopted for optimization and repricing in each sales channel. HIW enables this channel-specific information to define individual pricing strategies and thus play out platform-specific pricing. With a clearly positive effect on margins and sales.

For this purpose, HIW compares the data and information received via the system with its own inventories and makes corrections depending on supply and demand. As a result, the most attractive, suitable and thus competitive price is created in each case.

“When we started linking our online retailing with targeted price monitoring, we considered it a test. We wanted to know whether it worked. In the meantime, we have confirmed it across the board,” says Oliver Baum, Managing Director of HIW GmbH.

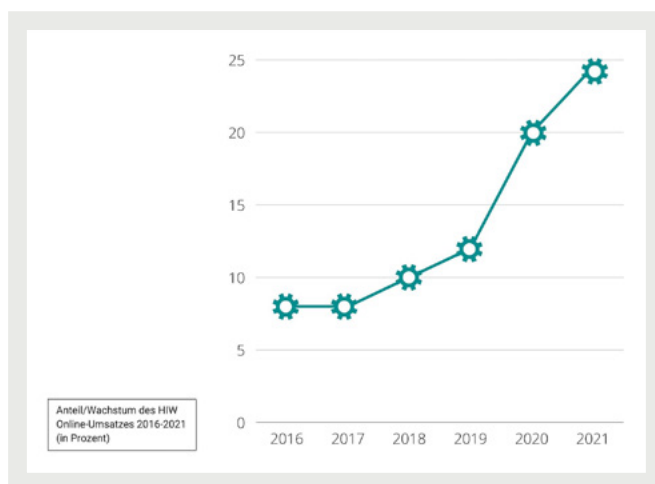
*“XPLN has helped us a lot to get a clear view of the competition, its prices and strategies - and thus to have a crucial knowledge base for our successful pricing strategy.”*

Oliver Baum, Managing Director of HIW GmbH



# Competitive prices ensure sales

Since the start of its online activities five years ago, HIW has thus generated a share of sales of over 20 percent. And the trend is upward. The strongest increase in performance occurred from the cooperation with XPLN onwards – since 2019, online sales have doubled. As a result, traffic on the platforms and marketplaces has also increased.



HIW has only been correspondingly active for its store system since the turn of 2019/2020. Also with impressive results: in the period from May 2020 to April 2021, access figures have increased by 815%. The conversion rate is permanently between 3 and 3.5%.

Certainly, the Corona pandemic since March 2020 also acted as an accelerator, as many users realized that online compensation is possible. However, the evaluation and pricing strategy is demonstrably the key driver.

“The cooperation with XPLN quickly proved to be a real booster for our successfully chosen online path,” Oliver Baum sums up as an initial interim assessment. “This applies not only to the software as such, but also and above all to the competent consulting and support in matters of e-commerce and marketing.”

“HIW has gone ahead and decided to sell online as well. For XPLN it is a pleasure to have shown them the possibilities and opened up potentials to do this in a sound, scaling way and with the right pricing strategy,” explains Sebastian Klumpp, CEO of XPLN. “The successes so far prove that this combination works perfectly.”

*“What was initially a rather forced step into online retailing for us as merchants has now become a real success model with exciting effects. Our online experiences have now also had positive effects on our stationary trade,”*

adds Oliver Baum. “For example, in terms of conditions with manufacturers who actively approach us because we are also successful online - and which enables us to offer a more attractive price structure overall. Or also the technical infrastructure, which started online and today enables stationary optimizations.”

Also exciting: Customers who remark in the store that they can find a product cheaper online, we point out that they also get the service and expert advice stationary. If these advantages are explained reasonably, most of them are also prepared to pay the difference to the online price.

## Automation is the key to mass and scaled success

The half automated and manually to be supplemented data basis of the evaluation and price strategy describes the first successful stage for the online trade of HIW. And the end of the test phase with a still limited number of products and a manageable number of procurement sources.

The next stage logically begins with the step into automation, which enables go for mass and volume.

HIW is currently developing its own, then fully automated tool. It is expected to go online in the middle of the year. In the future, neither the product volume nor the number of different procurement sources will be limited. On the contrary, the more data and information that flows into the monitoring, the more reliable the information obtained will be.

In addition, price history and development, as well as customer ratings, will then be recorded to identify trends and developments and to be able to derive future measures from them. This is another area in which HIW relies on the support and expertise of XPLN.

*Whether brand manufacturer or retailer: It is crucial to know the prices in e-commerce, to observe the competition, and to understand the market. XPLN offers this transparency in all facets.*

# XPLN

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You've read enough.  
Let's talk!

We are very familiar with your day-to-day work in the e-commerce sector. And we know why reliable data is the key to confident decision-making.

Let's sit down and talk about how we can address the challenges you face every day and improve your sales and margins together.

TELL ME MORE

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## ABOUT XPLN

XPLN unearths buried e-commerce data troves and reveals their riches, empowering our clients to make confident decisions and take decisive action. Our unique SaaS+ approach combines AI-based software with human expertise and data consulting to correctly interpret data and use them profitably. It informs crucial branding decisions by major brands and retailers and offers structure for maximized performance. This is the heart of XPLN – The Importance of Insight.

XPLN supports key players in diverse industries such as Calvin Klein, Tommy Hilfiger, Gardena, Euronics and Swarovski.

### **XPLN – The Importance of Insight**

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