



More Profit, Less Ad Spending

OVERVIEW

Our customer was rapidly losing marketshare and profitability as a second-tier supplier to the automotive industry. The company seemed to have everything going for it - a modern manufacturing facility, innovative products and a productive, low-cost workforce -- but sales kept sliding. The company president was convinced it was a sales and marketing problem and called us in to provide a solution.

CHALLENGES

We were shocked to see the enormous amount of money the company had spent on unproductive marketing efforts. Our customer was spending on trade shows, color advertising in magazines, multiple web sites, glossy direct mail pieces and countless product support materials. The marketing department was hurling information at their customers with no cohesive marketing plan. When sales leads did come in, follow-up slipped through the cracks. 80 percent of request for quotes were never addressed!

THE SOLUTION

We convinced the company president to stop all spending on marketing until he had a plan. We did a thorough analysis of the industry structure, competitors and customer needs and discovered that most business was tied up in long-term contracts and that advertising was useless. The company was losing share primarily because competitors were offering their customers the ease of doing business through an online sales channel. We organized and led an internal "SWAT" team to rapidly develop eCommerce capabilities. We introduced a low-cost Customer Relationship Management system to track customer activity and produced a highly-visible metric improve sales-lead follow-through.

RESULTS

Our client had lost big chunks of business to long-term contracts and was behind in its eCommerce offering re-building was going to take time. We helped restore short-term profitability by cutting the company's marketing budget (which included our fees!) by 75 percent. That hurt egos, but not sales. The eCommerce solution cut sales >administrative costs by 80 percent and immediately improved customer satisfaction. The CRM application and the new sales leads reports eliminated unresponsiveness to customer inquiries and helped bridge the company's sales until contracts could be re-negotiated.