



Service Innovation Case Study

Top 5 Global Automotive Company

Improving Marketing Effectiveness through Trade Funds Management Innovation

The Client

Our client is one of the largest automakers in the world and one of the fifty largest companies by revenue globally. The USA operation has a footprint in all 50 states with a network of over 1,200 independent dealer stores.

Our Client's Situation & Challenges

We were asked to come up with a new approach to the company's use of Trade Funds – the Marketing team believed that although the current program incited Retailers to spend more on Advertising and Marketing Communications, it was not effective in migrating Retailers away from Mass Marketing to more targeted 1:1 Marketing.

The Company's main concerns were improving customer retention and lifetime value.

The underlying concern: overcoming resistance to change from Retailers actively utilizing the existing program, increasing the adoption of Retailers not actively participating, and educating the Field Sales team and Retailers on the benefits and processes of the new approach.

Complicating matters, the company had relied on multiple marketing vendors providing similar services, with no standardization in terms of offerings, pricing approaches or processes.

How We Helped

Our 3-person team provided the dedicated focus and objectivity necessary to guide the client through the design and implementation of a significantly improved Trade Funds Management program. Our project was designed to minimize the time required by client and Retailer personnel already stretched thin, while maximizing their individual contributions and buy-in.

The difference : a unique blend of Marketing, Store Operations, and Data Analytics experts who could extract data regarding the real Retailer spending patterns, identify linkages to Customer Retention and Sales Growth, and uncover Retailer adoption issues.

“We never could have done this on our own – we don't have the resources to dedicate to drilling into the detailed data, and then to develop such an innovative program which also enables us and our Dealers to measure and manage Marketing Effectiveness.”

Marketing Executive – Parts & Service

The Result

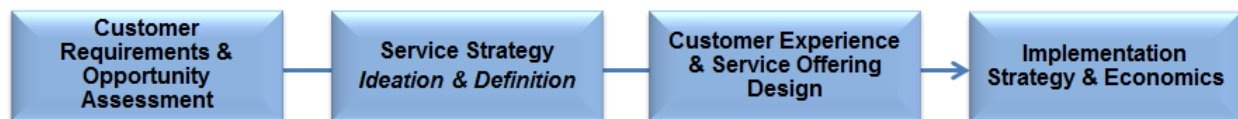
The new program was designed, approved and announced in less than 6 months, with implementation scheduled at the start of the fiscal year. Initial projections show Retailer adoption increasing from 68% to 95+%, driving a lift in revenue and lifetime value.

Our work included not only guiding the client through a successful design and announcement (including the development of all program materials, as well as Retailer/Field Sales communications), but also provided the client and their Retailers with **the tools to continuously improve Marketing Effectiveness** post-implementation:

- Direct linkage between Store financial reports and new Key Performance Indicators
- A Dashboard tool to continuously evaluate Store Marketing Effectiveness (using actual MARCOM spend data, Sales results, and Customer Retention data for each individual store) in relations to similar stores in similar markets
- A documented process and schedule for ongoing Program Management
- Standards of excellence, standardized terms, and linkage to Incentive programs
- A new Retailer Marketing Effectiveness Training program

The StratOps Group Approach

Our approach, demonstrated successful in multiple client settings, provides a structured process for analyzing and leveraging your existing corporate and Retailer data to find new ways to improve Marketing Effectiveness and increase customer acquisition and retention.



Combine a Value Chain perspective with diplomacy to navigate complex organizational and market dynamics

The two biggest keys to this project's success were the use of Data Analytics, and a project organization which minimized client and Retailer time commitments while maximizing their ability to contribute to and develop a sense of ownership of the new Trade Funds program.

Data Analytics - The team incorporated several hundred thousand lines of data from multiple disparate sources, implemented rigorous data clean-up algorithms/approaches to improve data integrity, and built an Access database to support the initial model for Data Analytics. The team went on to work with client Financial and IT personnel to harden the data management processes and develop standardized and automated reporting capabilities.

Project Organization – Four separate but linked working groups were established:

- *Marketing Working Group* – consisting of Marketing Managers and their team leaders
- *Field Task Force* – consisting of the Marketing Working Group and Regional Sales Team representatives
- *Retailer Council* – providing a representative sampling of Retailer Marketing executives
- *Steering Committee* – corporate Sales, Marketing, and Customer senior executives