

COST EFFECTIVELY ACHIEVING MONTHLY RETAIL SALES GOALS

Client: Major Global Automaker
Service: Marketing EffectivenessSM



CASE STUDY

Spending \$30 Million Smartly

Shortly after a new redesign, a major automaker earmarked an incremental \$30 million to boost sales for an SUV that risked missing its sales targets. Its immediate challenge? Deciding whether to spend the budget on advertising or incentives. In other words, was there insufficient demand, or sufficient shopper interest but not enough conversion to sales at the dealer?

Assessing Vehicle Demand and Conversion and Leading In-Market Rivals

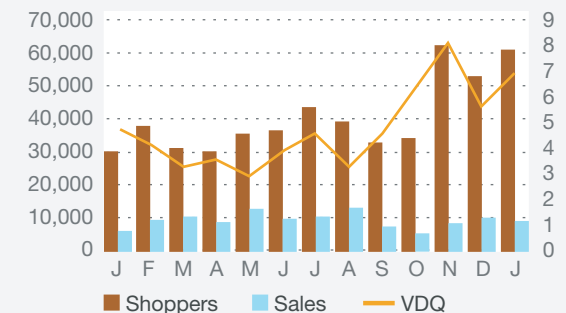
Compete's Marketing EffectivenessSM service was configured to meet the client's specific objectives. Compete found that the re-designed SUV had twice as many shoppers as the prior version but that conversion of shoppers to buyers had eroded. Demand was shown to have grown over time and importantly, relative to the segment. To increase its closing rate, Compete recommended that the marketing budget be allocated toward incentives rather than advertising. Cross-shopping behavior was analyzed to identify which rival vehicles to use as incentive benchmarks.

Sales Grow 21% in the First Month

Sales of the re-designed SUV climbed nearly 25% in the first month after Compete's assessment was provided.

Compete quantified in-market vehicle demand, conversion and competitiveness to help a major automaker determine how to allocate its \$30 million 'fix-it' budget to increase sales for a new SUV.

Unconverted Interest in the SUV is Up (Vehicle Demand Quotient)



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