

warne's solutions

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Using the Internet to reduce the cost of sales

CLIENT: TAB Canada

PRODUCT/SERVICE: Records management products and services

SITUATION:

TAB Canada supplied business and healthcare markets with a wide range of file folders, labels, shelving, cabinets and file management software. Although its lines and expertise were more extensive, TAB competed in its core business with discount retailers such as Staples/Business Depot and Grand & Toy who had invested heavily in e-business.

In order to remain competitive in this business, TAB understood that it needed to streamline and modernize its sales processes, both for its larger corporate and institutional customers, as well as its smaller customers.

TAB's larger customers were supported by direct sales calls, however, orders for consumables were placed directly by the customer via fax or over the phone. Increasingly, these larger customers were adopting e-procurement as part of their organization's best practices.

The sales process for TAB's smaller customers was much more involved. Inquiries were directed to the Tele-sales group, who would follow up by mailing out a catalogue of TAB's complete product offering.

The Tele-sales staff would then wait up to ten business days before follow up, to make the sale. As the process was time intensive the cost of the sale was high compared to revenue generated.

Additionally, the catalogue had to be produced twice a year to reflect current pricing even though there were few product changes. It was a time consuming and costly proposition.

OBJECTIVE:

To decrease cost per transaction from smaller existing customers who use the Tele-sales group and in the process provide timely up-to-date product information to all customers.

Also, to improve the ordering efficiency of the large corporate and institutional customers.

STRATEGY:

Build an online presence and move towards a full e-commerce solution.

TACTICS:

We created a web site that functioned as an online catalogue. The web site was promoted on all packaging, literature and delivery trucks.

RESULTS:

The number of printed catalogues being mailed to customers was cut in half and a second catalogue printing was cancelled. These cost savings alone resulted in **complete payback of the site development costs in less than 11 months.**

Customers were now able to view the complete up-to-date product line and create orders and send them electronically or by printing and faxing. Tele-sales could now direct inquiries to the web site while on the phone and close the sale immediately. This **cut the sales time on smaller orders by 20%.**

