

NEW PRODUCT LAUNCH

LAUNCHING A NEW PRODUCT, IN A NEW CATEGORY WHICH SOLVES A PROBLEM SOME CONSUMERS MAY PREVIOUSLY NOT HAVE TAKEN SERIOUSLY.





PUMPING UP SALES OF A BRAND NEW PRODUCT





Situation

A 30-year-old international manufacturer of industrial pumps, based in Germany, had developed a new consumer product and desired to introduce it in the U.S. The product, a recirculating pump with timer and thermostat, was designed to provide instant hot water at every tap. The product offered new technology to solve an age-old problem in an entirely new way. There were no comparable products on the market, so customers had no basis for familiarity with the operation or benefits. Not being previously familiar with consumer advertising, the corporation engaged FabCom to conduct a market test in Phoenix, Arizona.

Goals/Objectives

Goals

- Generate projectable sales results in order to secure venture capital funding for a national product rollout.
- Increase inquiries from consumers regarding retail availability of the product.

Objectives

 Test ability of point-of-purchase displays to enhance consumer response to advertising.

Strategy/Tactics

FabCom researched the product and the local outlets (major home improvement chains) and then developed radio advertising, a new identity and positioning and point-of-purchase displays. The radio spots used "theater of the mind" to clearly and forcefully present the many benefits of the product (convenience, conservation and savings on utility bills). A flight of spots on two radio stations targeting homeowners was scheduled, although two weeks of airtime was all the budget allowed. The positioning was updated to reflect a more direct point of connection to the product's benefits. The new point-ofpurchase displays replaced old, low-impact, P-O-P which took a technical approach to the product that didn't help consumers understand its true benefits.

Results

Even before the two-week flight of radio spots had concluded, consumer inquiry hits on the website regarding retail availability of the product rose 900% (based on activity in a market representing only 1% of the U.S. population!). Sales in the test rose more than 300% during the promotion. Based on the results of the market test, the company received an offer for a first round of venture capital financing for marketing a national rollout. FabCom continues to work on the introduction of this product nationwide.









FabCom is a full-service strategic marketing, PR, and advertising firm

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Local Area Billings: \$42.1 Million*

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*Amortized for media billings as calculated in the Phoenix Business Journal Book of Lists.