

DIRECT-TO-CONSUMER DIVERSIFICATION CASE STUDY

European Bicycle Manufacturer Accelerates Digital Transformation with BlueConic

About the Company

As a producer of multiple premium brands, this bicycle manufacturer and retailer is one of the largest in Europe.

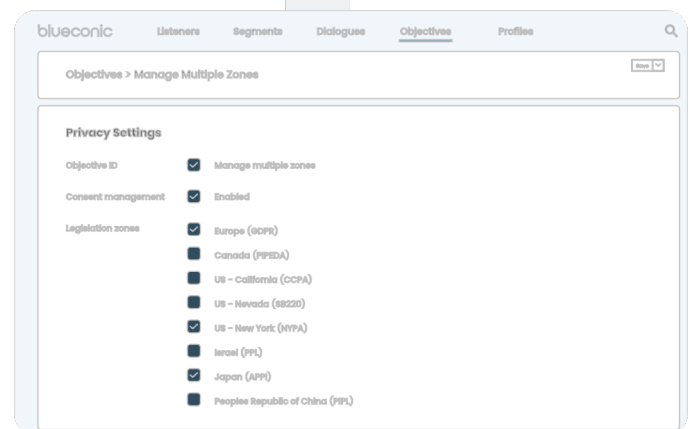
Challenges

This European bicycle manufacturer and retailer sells most of its bikes through a network of dealers and bike shops across Europe. In fact, 90% of its revenue comes from transactions in dealer locations.

However, dealers have historically lacked access to data that would enable them to better understand their customers and accurately anticipate market demand for premium bikes in their area. As a result, dealers took a very conservative approach to stocking their showrooms, resulting in missed opportunities to sell more bikes. Potential customers went to competitor shops with greater and more diverse inventory in stock. Additionally, dealers lacked the digital marketing skills and resources to drive more foot traffic and sales.

Then, COVID-19 hit, and dealers were forced to shutter their doors, creating extreme urgency for the company to accelerate its digital transformation, which included its relationships with consumers and dealers alike. The company also wanted to find new and lasting ways to provide value in exchange for consumer data long after the pandemic is over.

Cycling manufacturer uses BlueConic to accelerate its digital transformation amid disruption from COVID-19.



Solutions

Marketing service for dealers

Realizing dealers lacked the data, skills, and resources to target and deliver the right marketing messaging to the right people and drive more sales in their region, the company in partnership with GrowthAgent, created a new “marketing as a service” offering to dealers. This new data-driven marketing service is powered by the first-party data the company collects and unifies in BlueConic across its channels and family of brands. As part of this service, the company also uses BlueConic to activate the data by targeting customers in dealer regions with highly personalized experiences across marketing channels that lead to an increase in traffic and sales.

Access to unified profile data

The data unified in BlueConic [profiles](#) is the foundation of the company's dealer marketing service. In the first seven months of using BlueConic, the company created one million individual profiles of its prospects, customers, and dealers. These profiles capture various customer attributes that are stored at an individual level. In addition to unique identifying information such as first/last name and serial number for registered bikes, the company also captures other key attributes like location, bike preferences, past purchases, and [consent for marketing](#) under GDPR. As a high-end brand, the company doesn't offer discounts in exchange for customer data and consent for marketing. Instead, it offers its customers an extended warranty when they register their bikes, as well as high-end experiences such as bike fittings and wind tunnels.

Multi-dimensional segments for marketing

Using the rich profile data accessible in BlueConic, the company can build and activate multi-dimensional segments in a matter of minutes – something that would not have been possible before. The company uses BlueConic to build [segments](#) based on a combination of profile attributes, such as location, browsing behaviors, terrain preferences (e.g. road, gravel, mountain biking), frame preferences, color preferences, price point, and dealers shopped in the past.

Cross-channel activation

Once segments are built, the company uses BlueConic [connections](#) to send those segments directly to other marketing platforms for immediate activation across channels. For example, the company sends segments to Facebook and Instagram to geo target customers with relevant ads for a local dealer that carries the type of bikes they are interested in. Additionally, the company uses BlueConic [dialogues](#) to personalize experiences for visitors across its many websites.

New customer insights revealed

Historically, dealers didn't know a lot about the bicycle manufacturer's customers (or potential customers). Specifically, they didn't know who was in market to buy a bike in their area, resulting in an understocking of bikes in their showrooms relative to market demand. The company was able to use the data it was capturing in BlueConic to gain new insights about market demand in each dealer's region.

Using this data as evidence, it was able to demonstrate greater demand for its bikes and convince dealers to add more bikes to their showrooms at a given time because they would sell quickly. As a result, dealers that were carrying 2-3 bikes at a time increased their inventory to 7-8 bikes. Additionally, conventional wisdom across the bike manufacturer and local dealers was that medium frame bikes were the most popular – leading many dealers to stock more medium frame bikes than small or large frame bikes. However, analyzing the unified data in BlueConic profiles revealed that there was actually greater demand for small frame bikes than medium frames. This insight led to testing more small bike inventory at dealer locations. Now, those dealers are selling more small bikes.

Direct-to-consumer (DTC) launch

When COVID-19 caused its dealers to abruptly close their doors, the company needed to quickly adapt to salvage bike sales. It decided to build a new ecommerce webshop in just one week to help its dealers drive sales online – an entirely new sales channel for the dealers.

Now, when customers visit the new ecommerce webshop, they are asked to enter their location, and then the company matches them with a local dealer for purchases. However, building a new webshop in one week was only half the battle. It was equally important for the company to start collecting customer data from this new channel, as well as activate that data in its dealer marketing programs to minimize the negative impact of COVID-19 on bike sales. BlueConic flexed to the company's new DTC engagement model, giving it the marketing agility it needed to

adapt quickly. The company started collecting and unifying customer data from the new webshop into BlueConic profiles right away. From there, the company could enhance existing segments and build new segments, as well as immediately activate marketing across channels based on this new data.



We saw positive ROI from BlueConic in one month. Not only does it help us better understand our customers and improve marketing, but it also provides the insights we need to show dealers how to sell more bikes.”

Senior Marketing Advisor, European Bicycle Manufacturer

A content strategy to drive data collection

After the success of its new direct-to-consumer and marketing as a service offering, the company faced a new challenge: it completely sold out of bicycles. Inspired by how publishers typically gather first-party data, the company created a number of blog posts of unique, inspirational content to promote on social media channels and attract traffic to the website's news section.

Once the visitor scrolled partly through the article, a BlueConic email wall [dialogue](#) was activated, asking the visitor to leave their email address to be able read the rest. Because BlueConic allows [A/B testing](#) in all dialogues, the company was able to test variations of a “hard wall” and “soft wall” to optimize for the best visual and messaging approach.

Additionally, dialogues were set up in each language that the company supports with just a few clicks.

Results

To demonstrate the value of its new marketing service for dealers, the company tested a new program for a limited-edition bike with a custom paint job. The manufacturer only built 100 limited edition bikes and made them available to dealers all over Europe to stock in their showrooms.

The objective of the program was to show dealers that the company's new data-driven dealer marketing service, powered by BlueConic, could help them sell more bikes quickly. The company promoted the bike across marketing channels, including its websites, its new ecommerce webshop, and Facebook and Instagram ads. The program was a huge success. Dealers sold out all 100 limited edition bikes within one week.

The bike manufacturers dealers are generating 10% to 15% more revenue after gaining new customer insights that led them to increase showroom inventory to meet market demand for premium bikes in their region.

After selling out of inventory, the company created a new value proposition for their customers through exclusive blog content. It continues to collect valuable first-party data about its customers' preferences and interests, while providing them with content they can't find elsewhere. To date, its latest post had a 20% conversion to unique view ratio and continues to build its known profile database. The next step on the company's journey is using this data to provide even more bespoke experiences for its customers using BlueConic Lifecycles as inventory returns.