

Publicity Plus Targeted Advertising Vault Unknown Product Over Entrenched Competitor

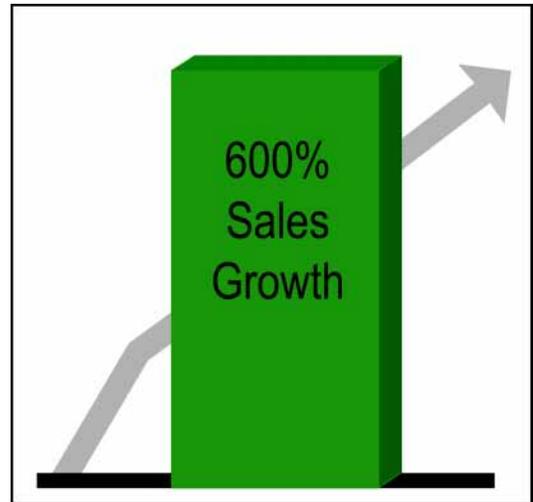
Company on track for 600% sales growth, 15% market penetration after two years of product publicity

Like many successful small business entrepreneurs before him, Eric Rosenthal was determined not to stand still. As President of Magnet Paints an Amityville, NY-based paint manufacturer specializing in premium refinish and industrial maintenance coatings, Rosenthal had enjoyed some success in the architectural, industrial, and agricultural markets. Yet sales growth was far slower than he knew it could be, especially for a paint-over-rust, underbody-coating product called Chassis Saver.

To expand his business to a new level, Rosenthal vigorously searched for new markets. He found what he was looking for in the vast automotive hobby, collector, and restoration market, with hundreds of publications serving the needs of potentially millions of car enthusiasts. Unfortunately, a competitive paint-over-rust product already dominated the marketplace and was firmly entrenched in the public's mind. To succeed, Magnet Paints would have to beat the category-killing giant of the car enthusiast, paint-over-rust marketplace at its own game. This would have to be done on a limited budget, starting with zero market visibility, and no distributors.

"I studied my competitor's product, pricing, and promotion," said Rosenthal. "As the manufacturer, we could offer essentially the same paint-over-rust product at a 30 percent discount. The problem was: how could we cost effectively convince consumers and distributors to try our product when our competitor had a virtual lock on the marketplace?"

Initially, Rosenthal tried some direct marketing without much success. The problem was not only that his product was unknown in the car enthusiast arena,



Magnet Paints is on track for a 600% sales growth over a two-year period.

but also that the sheer number of consumers involved was overwhelming. As for distributors, Rosenthal says, "With no name in the market and no one yet asking for Chassis Saver, we found it hard to approach distributors."

Rosenthal tried placing ads in a few restoration market publications with limited success. However, the marketplace was simply too big and diverse to make real inroads using exclusively spot ads. And his budget was too small to blanket advertise in every industry and publication.

"To make headway against an established market leader, we needed to reach large numbers of potential customers over and over with our message," says Rosenthal.

Rosenthal considered running his own PR campaign. However, a comparative lack of experience in

the field and the daily demands of his business advised against this course of action. Opportunity presented itself to Rosenthal just over two years ago, when he read about Torrance, Calif.-based Power PR, a firm that specialized only in product publicity.

Founded in 1991, Power PR is a marketing public relations firm that specializes in gaining publicity for consumer, industrial, and high-tech clients. With well over ten thousand published articles to their credit, the company's forte lies in promoting high tech products and services through the media.

"I had heard of typical full-service PR agencies, but the concept of performance-based product publicity really struck a chord with me," says Rosenthal. "I knew that comparing my virtually unknown product to the market leader was the fastest way to gain mindshare, then marketshare. I decided to give product publicity a chance."

The writers at Power PR interviewed both Rosenthal and successful end users of Chassis Saver. They translated its benefits in time and dollar savings, highlighting its benefits for vintage car and truck enthusiasts, professional restoration shops, and fleet managers interested in heavyweight rust protection at lower cost. Once written and approved by all parties, Power PR's staff then spent hundreds of hours actually getting the articles placed in prestigious trade publications.

Product Publicity Gets the Word Out, Multiplies Ad Effectiveness and Cross-Sell

Over the past two years, Magnet Paints has enjoyed an average of eight published stories a month. This, in fact, has helped guide the company toward some truly powerful advertising in select publications.

"At one point, we appeared in so many stories that we couldn't believe what was going on," says Rosenthal. "We knew we had a winner because the phones wouldn't stop ringing. In fact, one night after my office staff had left, I found myself strapped to the phone taking orders for 90 minutes. I took at least 20 orders for Chassis Saver and a similar number of catalog requests."

Sales for Chassis Saver rose 100 percent during the first year of product publicity, followed by another 200 percent in the next six months, says Rosenthal. At this rate, the product is on track for 600 percent growth over two years of publicity, combined with targeted advertising.

"After a spot on TNN's Trucks TV my website went crazy," says Rosenthal. "We got thousands of Internet leads within a week from that. We now receive at least 10,000 unique visitors to our website monthly, without spending a dime for clicks. Daily traffic is 50 percent non-referral, which means that people are entering magnetpaints.com directly into their browser."

Not only are auto enthusiast websites linking themselves directly to Magnet Paints' website, but distributors are calling. Starting from zero distributors just two years ago, Magnet Paints now has over 100 distributors listed on its website with more calling Rosenthal on their own.

"I got a call from a Sherwin Williams' retailer in Canada who wanted to sell Chassis Saver after some of their customers requested it," says Rosenthal. "With product publicity, we've stimulated consumer end use, and now distributors want us because their own customers do."

Through sustained product publicity and select advertising against an entrenched competitor, Magnet Paints' share of the paint-over-rust market has zoomed from zero to about 15 percent over the last two years.

"The secret to gaining marketshare from an entrenched business competitor," concludes Rosenthal, "is to get your carefully crafted and positioned message to large numbers of the right people. Seeing your product or company over and over in multiple places gets people talking. That's what PR, plus targeted advertising does. I get calls from people saying, 'I see you everywhere, so I finally decided to call you.'"

For more information about publicizing your consumer, industrial, or high tech products write to Power PR at 18103 Prairie Ave., Torrance, CA, 90504; call (800) 757-3715; fax (310)-787-1970; or visit www.powerpr.com.