Seed-stage Startup - USA
Name Confidential

CASE STUDY

US MARKET PENETRATION STRATEGY FOR STARTUP

PROBLEM

The client had been operating for a year in the North American high school sports uniform market. Despite presenting a high-quality, competitively priced uniform, they had only acquired 12 customers (roughly $40K in revenue). Their silent investor had agreed to give them an additional year of funding, contingent on an immediate improvement in their current traction and trajectory.

SOLUTION

Within the market, NIKE represented the low-paying customer segment, with lower-quality fabrics and fewer available colours and customisations. By contrast, Russell Athletic's higher-paying customers demanded options like custom fonts and embroidered mascots/logos, as well as fabrics that would last for up to 3 years. The client had one full-time sales resource following up on sales inquiries, and one of the founders also helped from time to time to call and close prospects. After a 2-month pilot, Boonfroggle agreed to take the contract under the following conditions: 1) Increase price by 12% across all uniform models, to help the high-paying segment take the product seriously and avoid unnecessary revenue loss; 2) Divert current marketing budget away from print ads and conventions and invest in cost-effective online marketing campaigns that could be more easily evaluated for leads generated/closed; 3) Put Boonfroggle's team over the western U.S. territory.

RESULTS

Boonfroggle's contract started with 2 dedicated sales reps. A total of 142 teams/customers were signed, resulting in just under $500k of revenue. The client also secured the sponsorship of Team U.S.A. at the World University Games. At the conclusion of the first 12 months, the sales team had grown to 4 headcount, and the client continued to work with Boonfroggle.