



Rocky's Cigars

Case Study:
Targeted inventory, better profits



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Focus: Cigars for the enthusiast

Mike Glynn bought Rocky's newsstand and smoke shop in 1986 and built the business into the largest lottery and cigar establishment in upstate New York. During the cigar boom of the 1990's, Mike was able to position his business Rocky's Cigars — as the Upstate New York resource for an extensive variety of cigars and cigar smoking accessories.

Rocky's Cigars entered a competitive market that has become more competitive over time.

Mike recognized that the **cigar market was fiercely competitive on price and selection**. To counter this, he chose to focus his value on customer service and building a stable, loyal customer base.

Rocky's previous web development company wasn't providing the service Mike needed. "We had a website with a shopping cart, but no control over it. Our web vendor wasn't responsive when we wanted to make changes. Sometimes we had to wait two or three days for changes to be made, and that just wasn't good enough."

Although the products that they offer are not unique, Rocky's **commitment to customer service** is. "It's not worth the effort to cater to one-time customers," notes Mike. "Our goal is to attract repeat customers who understand that we will do whatever is necessary to keep them coming back."

Prior to using Cazbah, Mike had cultivated his customers in part via his website and through costly direct mail.

The Cazbah solution

Mike signed up with Cazbah in July of 2005. One of the big selling points was, and still is, **Cazbah's dedicated Account Manager**. "That's a big deal for me," says Mike. "It's important that someone knows my business, responds to my needs and gives me the one-on-one attention I feel that I deserve."

Cazbah built Rocky's a new dynamic database driven website that went live three months later. For another three months, the site was tuned and improved as Cazbah worked with Mike to determine the best way to market his products online.

Among the items Cazbah provided:

The more you work your site, the better online sales will be.

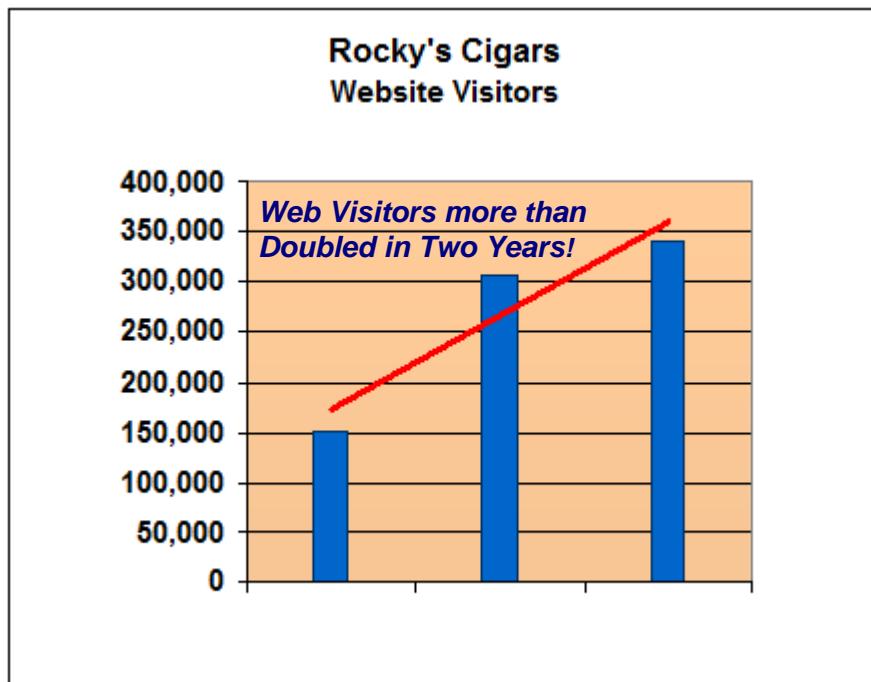
- **E-mail marketing.** Rocky's email marketing tactics are much improved over his website's previous iteration. To date, the most successful email marketing strategies have included online communities, blogs, direct email and natural search placement. "Our email blasts are much more professional compared with what we used to send out, thanks to Cazbah" says Mike.
- **Extensive reporting.** With Cazbah's reporting metrics, Mike is able to learn what sells and how to purchase products that meet inventory and customer needs. "**Now I understand not only which products sell best, but which are most profitable – data that wasn't available to me before.**"
- **Control over website.** Mike likes Cazbah's pricing model because it gives him control over his site and the responsiveness he needs. "After my Dedicated Account Manager educated me on how to use the tools, I

could easily change my own catalog listings and didn't have to wait for someone else to do it."

- **Search optimization.** Almost immediately, Rocky's ranked higher on all the major search engines, especially for specific products. "We learned that 'cigars' was too generic of a term to be found," claims Mike, "and we focused on certain brand names."

In addition, Rocky's has been able to avoid paying for costly ad-words.

The Bottom Line



Cazbah's pricing model prevents nickel-and-dime charges that can add up over time — and makes budgeting easier.

For Rocky's Cigars, effective Digital Marketing has lead to significant improvements in the business climate. Consider how Cazbah has helped Rocky's to develop:

- **Leaner, targeted inventory.** Cazbah has helped Rocky's control inventory and avoid out-of-stock products. Rocky's is moving toward keeping inventory for those products with the highest profit margin. "I want to move from developing more sales to developing more profit," notes Mike.
- **Increased online traffic.** "Since 2005, our website traffic has more than doubled, said Mike." Email campaigns have seen consistent and promising response as well.
- **Imported accounting data.** Cazbah worked with Rocky's to convert the business to an accounting system that would accept direct imports of website data. "I am now free to work on building revenue for the business rather than dealing with time-consuming business operations, reported Mike."

"The cigar market is ultra-competitive online, noted Mike." More businesses have entered this market that are, in some cases, able to undercut Rocky's prices.

Mike's commitment to customer service is evident in the online surveys and promotions he develops. "We also added links so that customers could post comments and review our products. If anyone has a problem, other visitors can see just how quickly we work to resolve it."

Lessons Learned

Developing loyal customers is a more efficient way to market products online.

Mike describes what he has learned about Internet marketing since signing on with Cazbah:

- "Marketing to one-time customers just isn't worth it. Our goal is repeat customers, and we get them by offering service that our competitors don't."
- "**Increasing sales is only part of the picture. Cazbah helped me understand how to increase profits by focusing on what my market wants and then reaching them through the Internet.**"
- "Every customer must make a leap of faith to order products online. We learned how to shorten that leap by taking care of problems quickly so that customers don't feel like they've sent their hard-earned money into a black hole."
- "As my business has faced increased competition, Cazbah has helped me understand which products are giving me the greatest profit margin, which frees me up to grow the business and look for new opportunities."
- "**The service is amazing. I am very well supported by my Cazbah Dedicated Account Manager.** He's always there to help me work through any marketing and sales ideas I have. **Best of all, he knows my business and is responsive, unlike my previous web service.**"