Wholesaler Increases Sales and Saves Money

Kroma Makeup improved service and increased sales closing ratio with Unified Communications and Cisco WebEx.

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EXECUTIVE SUMMARY

KROMA MAKEUP
- Wholesale and Retail
- Maitland, Florida
- 6 employees, plus makeup artists and independent sales representatives

CHALLENGE
- Improve customer service
- Increase sales
- Reduce costs

SOLUTION
- Uses Cisco Smart Business Communications System for Small Business
- Meets with prospective customers using Cisco WebEx
- Promotes products at the point of sale using Cisco Digital Signage, part of the Cisco Digital Media System

RESULTS
- More than doubled sales closing ratio
- Reduced phone bills by 33 percent
- Reduced shipping costs by 15 percent
- Reduced power consumption by 10 percent

Challenge

During the 2009 Oscar Awards, Cannes Film Festival, and Kentucky Derby, celebrities who peeked into their gift bags found samples from Kroma Makeup, owned by renowned makeup artist Lee Tillett. Headquartered in Maitland, Florida, Kroma develops and manufactures all-natural, botanical makeup products, distributing them through apothecaries, dermatologist offices, plastic surgeons, and spas throughout the United States. Customers can also purchase Kroma products through the company's online store and from a retail store near the company's headquarters.

Kroma succeeds in the highly competitive cosmetics industry by combining quality products with outstanding service. Whether the caller is a spa that wants to carry the makeup line or a customer who needs a darker shade of foundation because of a summer tan, Kroma strives to respond as soon as possible.

The previous voice communications system hindered customer service. The company paid a monthly fee to its telephone service provider for phone lines and hunt groups. If one line was busy, the call automatically rang the other line. If that line was busy, the call went to voicemail. "Some customers hang up if they reach voicemail, resulting in lost sales opportunities," says Chris Tillett, chief executive officer, Kroma Makeup.

Kroma also wanted to make its sales operations more efficient. The company mailed brochures and samples to prospective wholesalers and then followed up by phone. But printing, shipping, and product costs were high, and only about 10 percent of prospects responded. "We had an opportunity to stand out from the competition by showcasing our commitment to collaboration with partners during our very first contact," Tillett says.

Solution

Kroma Makeup chose the Cisco Smart Business Communications System because of its reliability and ease of use. "Our president said she wanted a solution that works, all of the time," Tillett says. "I've worked with Cisco solutions throughout my career, and they just don't break." Kroma also liked the easy-to-use Cisco Unified IP Phones because retail employees can use them without any training. When Chris and Lee Tillett travel, they can place and receive calls from their usual phone number using a Cisco IP Communicator on their laptops and a headset.

Kroma customized the solution to meet the company's needs. Callers are placed in one of two queues based on whether they dialed headquarters or the retail store. If one queue gets too long, the calls automatically roll over to the other queue so that fewer callers reach voicemail. And to provide a more personalized experience, the company also integrated Cisco Unified Communications with its customer relationship management and point-of-sale

software. When an existing customer calls, the person who answers the phone sees a screen pop showing the caller's history and can greet the customer by name.

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>
> **—Chris Tillett, Chief Executive Officer, Kroma Makeup**

Results

Kroma Makeup is meeting its goals for better customer service, lower costs, and a more effective sales process with the Cisco® Smart Business Communications System for Small Business and Cisco WebEx™.

Lower Costs

Kroma's phone and Internet bills have decreased by 33 percent. The reason is that the new phone system can connect to the service provider over a different type of line (SIP trunk) that carries voice as well as data. This arrangement enables Kroma's service provider to offer a lower rate, including a flat rate to Europe and Brazil, home to some of the company's wholesalers.

Faster Response to Customer Issues

Instead of dialing into office voicemail throughout the day, employees now see a list of office voicemail messages right in their email inbox, and can click to listen in any order. Both Chris and Lee Tillett travel frequently, and take advantage of unified messaging to listen and respond to office voicemail messages at the airport, from their smartphones. "If a customer has an issue, the way you resolve it can either push them away or make the relationship stronger," Tillett says. "With Cisco Unity Express unified messaging, we can often respond to voicemail messages in less than one hour, which is very refreshing for customers who are accustomed to waiting several days for a response from other makeup companies."

Cisco Unity® Express messaging also saves employees from having to take notes about a voicemail message to give to someone else. If an employee in the retail store receives a voicemail message and realizes it's for Lee Tillet, the employee can forward it as easily as if it were any other email message. Forwarding voicemail messages helps to avoid misunderstandings.

> "I'm closing a much larger percent of our sales calls with wholesalers since we began using Cisco WebEx. We closed two of the first ten sales, more than double the ratio before we had Cisco WebEx. At this rate, we'll have paid for the entire system in less than three years."
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Improved Sales Closing Ratio

When wholesalers inquire about the Kroma line, Chris Tillett now invites the spa manager and aesthetician to a 10-minute Cisco WebEx meeting. Many prospective wholesalers already have Cisco WebEx on their computers. If they don't, they can download the software that they need to participate at no cost.

Prospective customers join the meeting easily, by clicking a link in the email invitation. Once connected, they can talk with Tillett, receive product information that he pastes into the chat box on screen, and see presentations and video that Tillett shares from his desktop. He captures video of products from a webcam attached to his computer.

The collaborative sales approach is succeeding. "I'm closing a much larger percent of our sales calls with wholesalers since we began using Cisco WebEx," says Tillett. "We closed two of the first ten sales, more than double the ratio before we had Cisco WebEx. At this rate, we'll have paid for the entire system in less than three years."

Eye-Catching Advertising

Kroma continually looks for new ways to take advantage of its Cisco network to gain a competitive advantage. In the Kroma retail store, networked digital signs display eye-catching graphics to advertise Kroma's products and services. "I use the Cisco Digital Media System to schedule different ad content based on the time of day," Tillett says. "Often we display content tailored for mothers during the day and women who work outside the home at night."

Reduced Power Consumption

Environmental sustainability is important to Kroma, a pioneer in using recyclable packaging. The company has reduced power consumption by about 10 percent by replacing its separate switch, wireless access point, VPN concentrator, and phone system with a single Cisco Unified Communications Smart Business Communications System.

Simplified Management

The Cisco Unified Communications Smart Business Communications System requires no ongoing maintenance. "You can just set it up and forget about it," Tillett says. "I'm spending my time on sales, customer service, and strategic planning instead of worrying about our voice and data systems."

PRODUCT LIST

Cisco Unified Communications
- Cisco Smart Business Communications System for Small Business:
  - Cisco Unified Communications Manager Express
  - Cisco Unity Express
  - Integrated LAN switching
  - Integrated wireless LAN access point
  - Secure Cisco IOS Firewall
  - Encryption and Virtual Private Network (VPN) capability
  - Cisco Configuration Assistant
- Cisco Unified IP Phones 7945G
- Cisco IP Communicator

Collaboration
- Cisco WebEx Meeting Center

Video, Cable, and Content Delivery
- Cisco Digital Media System, including Cisco Digital Media Player 4400

Next Steps

Kroma plans to use other Cisco Unified Communications features to improve customer service or business efficiency. One idea is to let retail store employees clock in and out on the store's Cisco Unified IP Phone, simplifying payroll. Another is to let employees join Cisco WebEx meetings with wholesalers with one touch of a button on the IP phone.

For More Information

To find out more about Cisco Unified Communications go to: www.cisco.com/go/unifiedcommunications

To find out more about the Cisco Digital Media System, go to: www.cisco.com/go/dms

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