



Inspired Incentives

Small Company Achieves Higher Profits with Group Incentive Travel

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In previous posts, we have discussed how beneficial performance incentives can be for all types of companies, no matter what industry they are in or how big or small they are. To illustrate that point, we recently gathered information on one of our programs, a group incentive travel program that we administer for a large supplier of industrial supplies and materials. While the program itself was company-wide, we thought this local branch was a great example of the benefits of doing group incentive travel incentives.

The company, based out of Connecticut, was facing a challenging marketplace due to declining residential sales. They recognized the need to creatively market themselves to get more from existing customers, gain greater market share, and add new customers. They understood that their contractors were doing business with multiple distributors and that it was time to create a compelling point of difference to fend off the competitive pressure.

Having seen and heard about the benefits of group incentive travel as an effective marketing tool, this aggressive local company decided to offer customers a way to earn an exotic trip to Puerto Vallarta in return for growing their annual purchases. Each customer was assigned an individual growth goal based on their purchase history, potential for growth, and average gross margin. The company set customer goals at a point where they would earn between \$10,000-to-\$12,000 of incremental gross profit for each customer that hit their goal.

The program was a resounding success. Seventy-three plumbing contractors enrolled to participate and business grew by 26.7% year-over-year, representing \$450,000 of incremental gross profit. This company realized a 400% ROI. The company president commented "our group travel incentive program with HMI Performance Incentives was key to helping us grow this year. With a declining economy, we knew we had to do something different. The trip opportunity enabled us to motivate and reward our customers with little invested until we received the desired growth. The time we spent with our customers in Puerto Vallarta was priceless."

The story above is just one example of a company that saw incredible results (and ultimately an increase in profit) by offering an incentive trip to its customers. The program was successful not only for the company, but also for other local companies throughout the country. If you are interested in learning more about how to increase your profit through a group incentive travel program, please contact TIMBR.