



Inspired Incentives

Heating Up Engagement With a Long Term Loyalty Program

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When a distributor needed a strategy that would consolidate promotions while further penetrating mid-sized customers, we responded by recommending and then ultimately implementing a points-based rewards program.

Their overall objective started with a question: How do you motivate mid-level dealers who don't typically qualify for a group trip, but who still offer the potential for significant gains in discretionary purchases? The challenge at this point was engaging a customer base that had become distracted by too many messages and too many promotions being run simultaneously. Sound familiar? The points-based rewards program we implemented utilized our proprietary OnDemand technology platform that targeted dealers above a minimum revenue amount, but below the group trip cutoff amount. This was key to really zeroing in on our target audience.

We also tried to simplify the system in two ways. First, by allowing points to be carried over year to year. This gave even small dealers the opportunity to earn rewards. Second, we provided a single user-friendly platform to feature multiple sponsoring manufacturers and promotions.

The results really speak for themselves:

- Sales of program participants have grown by an average of more than 18% annually, compared to an average decline of 15% annually for nonparticipant sales
- Award-earning participants have grown their sales by an average of 71% per year
- Cumulative growth represented millions of dollars in incremental gross margin, even after deducting program expenses
- Now in its 8th year, the program continues to generate significant overall gains, with the latest iteration in 2015 producing nearly 4% total growth

To learn more about how incentive programs can make the difference for your company, contact TIMBR - HMI!