Inspired Incentives
Rethinking 'Traditional' Incentive Program Structures

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Recently, a manufacturer we have worked with for several years wanted to shake things up a little bit by changing their rewards program perspective. This manufacturer owns their distribution channel and wanted to close the 4th quarter strong with an exciting program to motivate their customers. Working with the manufacturer, HMI helped create a customer incentive program to reward based on individual incremental sales and gross margin.

In a typical incentive program, you earn points and redeem for an award by purchasing specific products or hitting a sales goal, but based on the desire of this particular customer to think outside the box, we decided to turn that concept around. Our team designed a program that allowed the customer to pick awards from a branded online catalog. When the customer hovered over an award, a dollar figure was presented to them which was the amount the customer had to purchase to earn that award.

We allowed customers to pick as little as one or as many as three award choices based on the value of the item and the progress the individual customer thought they could make. Once they indicated which award(s) they wanted to earn, HMI kept track of their sales and showed them their progress to goal throughout the program.

The program was successful from a variety of different standpoints. For the management of the company (our customer), they were pleased because they had a good understanding of what sales were being projected for the quarter. The salespeople were able to leverage the program as a great tool to communicate with their customers by seeing the specific awards that appealed to them. Instead of trying to motivate someone on a theoretical level, the salespeople knew what their customers wanted and kept them engaged by reminding them in a very specific way what they could earn.

This program was a great opportunity for HMI Performance Incentives to explore new ways to deliver great results for our customers. By the time the earning period was over, program purchases by the participating audience were up 169%, with over $12,000,000 in incremental revenue. Those numbers are a great reminder that when you take proven strategies and implement them in new ways, the possibilities for growth are exponential.