



Case Study Automotive

A long-time client had a successful accessories business, selling lots of accessories across all vehicle lines. However when it came to a new vehicle in their line up, it was hard to predict sales of specific accessories.

Challenge

- Focus sales people on selling a high-end new-to-market accessory
- Increase sales of the specific accessory to move manufacturer oversupply

Solution

- Based on historical sales data, set a minimum threshold for each participant during the promotion period
- Reward earnings commenced once the minimum threshold had been achieved
- Offer desirable rewards in the form of points that can be used to purchase from a catalogue of thousands of items
- Support the program with a compelling engagement campaign to keep it top of mind

Results

- **100** incremental units above the minimum threshold sold in just 90 days
- Program ROI of **7.7-to-1**
- Resolved a large oversupply issue for the manufacturer

As a result, they needed to move excess inventory and increase sales of an accessory for a specific line of vehicles.

BI WORLDWIDE designed an incentive to achieve the client's business objective. Using historical sales data for similar accessories, the team projected that many participants would sell at least one accessory during the program period. The incentive rules structure took this into consideration and set a minimum sales threshold for participants before they could start earning rewards.

This reduced the total budget and ensured the client was not rewarding participants for sales they would have achieved if an incentive had not been in place.

As the program was running at the same time as other vehicle sales initiatives, BIW knew that it needed to grab the attention of the participants and stay top-of-mind. It was the perfect opportunity to introduce using points rather than cash as the rewards. With thousands of redemption options available in the rewards catalogue, the client agreed that using points was more motivating and would help keep participants focused.

When asking participants to do something above and beyond the norm, the program needs to intensify their motivation. Behavioural economics theory shows that hedonic rewards (tangible, non-cash rewards) are more motivational because participants choose an aspirational reward goal.

Once visualised, participants are emotionally engaged in earning that reward and stay more focused throughout the program as they progress towards attaining it.

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After finalising the rules structure, BIW began the communications campaign to announce the program and entice participants with the thousands of reward possibilities for them in the catalogue. The campaign included reminders to keep the program top-of-mind with participants and to keep them focused on their potential rewards.

In just 90 days, the participants sold 100 incremental accessories – accessories above the threshold level. With the low cost of rewards due to this structure, the program's ROI was 7.7 to 1.

Feedback from the field included several participants asking for additional incentives with points as the rewards. One dealership manager commented that it was the best incentive he had ever participated in.

The measurement and success of this program has also resulted in the client securing approval and budget to run several incentives for a series of additional accessories across the next 12 months.

**'The best incentive I have
ever participated in'**

– DEALERSHIP MANAGER

**PARTICIPANTS ASKED FOR
ADDITIONAL INCENTIVES
WITH POINTS AS THE
REWARDS.**

BI WORLDWIDE produces measurable results by using the principles of behavioural economics to increase engagement with their clients' employees, channel partners and customers.