

Integrating Proven Marketing Methods To Stimulate Sales And Manage The Customer Lifecycle.

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What were once separate marketing initiatives, advertising and promotions, are now part of an integrated methodology used by Elevate Success Partners.

For corporate America, the incentives industry has always been positioned as the 'ugly step-sister'. While many leading companies utilize incentive promotions to stimulate sales, there has never been a formal integration with traditional advertising and marketing. This white paper explores both the benefit of incentive-type promotions, and integration with traditional advertising and marketing programs.

Traditional marketing background

In marketing, there are many methods and designs to accomplish a desired goal – from shareholder value creation programs to direct marketing programs with instant response and analysis. As a broad foundation, we can look at this generic marketing format:

1) Corporate communications

Corporate imaging and positioning tactics are designed to build credibility, awareness and corporate brand equity. These are primarily passive communications, driven via broad channels. This is usually a traditional media environment and/or public relations driven.

2) Advertising

This where a targeted customer or sector is presented with an offering (product or service), and prompted to act. Channel delivery in advertising (what media is used to reach the customer) dictates the level of 'directness' in a program and the level of focus on the customer. This can include traditional media (print or electronic) as well as direct media (Direct mail, email, telemarketing).

3) Promotions

The most aggressive, targeted programs sit here. A direct promotion with a direct offer and call to action – followed by a pre-conceived method of tracking and documenting customer behavior and contact information.

Incentives background

In the business world, when companies want to sell products or services, they often use incentives as motivators. These incentives can take the form of merchandise, cash or travel opportunities. It's the "carrot and stick" theory refined by legions of smart marketers and savvy merchandisers to improve the way they do business. It works because people can often be persuaded to change loyalties and behavior when given a good enough reason to do so.

The four main business drivers for incentive programs are:

- Gaining customers
- Increasing customer loyalty
- Changing customer behavior
- Getting information about customers

Incentives programs have been successfully implemented in nearly every major industry imaginable. They can be used in any environment where a customer's purchasing behavior is measured. The best incentive marketing fosters a sense of excitement and generates awareness of your company and product. A good incentive program should also have a clear, consistent message and concrete, measurable objectives.

Types of Incentives

Currently the most popular types of incentives can be divided into two categories: direct and indirect.

1) Direct

The customer receives an incentive directly from the merchant. This can be in the form of a discount or rebate on the current purchase, or a token (coupon, frequent shopper point, credit) towards future value. The key here is that the current or future value is from the merchant and is generally related to the goods or the service being purchased (e.g., free oil changes for a year when you buy a car).

2) Indirect

Here, the customer receives a specific value that is not directly related to the purchase. The value may not - in fact, probably won't - come from the merchant in the transaction. The best-known examples of indirect incentives are hotel stays, car rentals, credit cards and long-distance phone plans that accumulate airline mileage. This model is rapidly being extended to electronic commerce. Consumer loyalty has become an important issue as the number of channels available to buyers increases. With all of these choices, companies have to separate themselves from their competition by giving added value to their customers. Incentives can play an integral role in motivating consumers to buy certain products over others. Here are some ideas for targeting existing, and potential customers.

1. Increase Trial. When getting consumers to try a product for the first time, premium promotions get your product noticed.

2. Introduce a New Product. Giving customers something to remember during your product launch supports brand awareness.

3. Generate Attention and Traffic. No matter what business you're in, attracting new customers' attention is a top priority.

4. Level Seasonal Variations in Sales. The dips and plateaus of the business cycle affect most industries.

5. *Boost Slow Products.* Being associated with well-known brands or activities gives less popular items appeal to a broader audience
6. *Build Continuity of Purchase.* An incentive campaign can encourage repeat sales of a product.
7. *Increase Volume Sales.* Premiums can increase volume sales while also increasing consumers' appreciation for the featured product.
8. *Obtain a Prospect List.* Premiums have proven to be highly effective in both direct mail campaigns and direct selling programs.
9. *Offset Higher Prices.* One way for a company to take consumers' attention off of price is to offer a valued premium.

What is customer-driven?

When devising a marketing matrix, marketers are driven by an underlying 'valuation' process. "What are we spending, and what is success?" The answer to both of these questions is the result of the level of customer focus. The right message to the right person has in recent years become the most significant success factor, with today's customer-focused mentality. So, the answer to the question spending vs. success is, the more focused and track able the program, the higher the cost and the greater the anticipated results. A customer-driven environment is one that is designed around the characteristics, lifestyle and satisfaction of a specific customer.

What is a customer lifecycle?

In recent years, there has been considerable focus and attention given to creating products and services that are designed to satisfy a customer consistently for a desired period of time. That comes as a result of an understanding, that it is easier to sell something to an existing customer than a stranger. So at the same time a marketing program should have a new business development module, it should also have a customer lifecycle program to continually stimulate existing customers to buy new things.

How does Elevate Success Partners satisfy both the customer-driven environment, and the customer lifecycle?

Elevate Success Partners are a result of the customer focus environment that is driving today's sales environment – and actually unites the traditional advertising and marketing strategies, with incentive marketing. With ESP, the two disciplines are melded into a complete program, designed to create a complete customer lifecycle environment, to a specific customer.

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