

Accelerating sales. Driving results.

Dealers nearly triple sales of luxury sedans in a high-gear, record-setting promotion.

This luxury automotive manufacturer had been experiencing a drop in sedan sales as customers shifted attention toward SUVs and trucks. The market was still ripe—it just required fresh focus—so they asked BIW to help reignite their luxury sedan sales. Together we designed a program that addressed their challenges in a simple, affordable and highly effective way.

So effective, in fact, that over the next five months, not only did sales go up by 250%, they stayed up—even after the program ended.

Steering results through smart design

To understand why this program produced such impressive results, there are some key dynamics to consider. The first is this: In the car industry, cash is king. For most sales promotions, sales managers receive extra cash for achieving certain types of sales. In this case, we disrupted the status quo with an entirely different approach.

Instead of cash, sales managers had the chance to win a luxury vacation for two to Los Cabos, Mexico—with 50 winners nationwide. This shift had multiple benefits. First, behavioural economics research confirms that earning a memory-packed, emotion-filled experience can be far more motivating than cash, which can get lost in the mix of daily financial obligations. And, because this reward was so different from the usual incentives, it stood out as exciting and special.

In addition, this particular group of dealership managers had not met face-to-face in quite some time, and the chance for a shared experience with other top performers, including a prestigious recognition dinner, was highly motivating to them.

We didn't stop there.

Another dynamic at play was, instead of rewarding reps for individual performance, as was the default, we had each dealership compete as a team. Winning dealerships could then choose who on their team would receive the vacation package.

To account for differentials in size, market and sales capabilities, larger dealerships were given more opportunities to win than smaller dealerships. Pitting like performers in the head-to-head competition gave everyone a chance to earn. So, instead of competing against the entire pool of 710 dealerships, each dealer competed in one of four quartiles—based on their sedan sales the previous year at the same time. By levelling the playing field, we amped up the competitive spirit.

A final differentiating factor was that instead of a typical one- to three-month sales program, we stretched the competition to five months, building traction and momentum throughout the program with a steady stream of communications and performance updates.

Where the rubber met the road

Did it work? The answer can be heard over the roar of 15,000+ luxury sedans sold during the five-month incentive period—compared to barely 2,000 in the two months leading up to the program. Monthly sales increased by 250% during the program. And, best of all, they stayed high. Two months after the program ended, sales were still double what they were two months before the program began.

Our client had one additional important win as well. Had this promotion been structured as a typical cash-driven program, their reward budget would have soared to about \$3 million in cash incentives. Instead, these impressive results were achieved at one-fifth that cost.

Dealers took sedan sales from nearly stalled to **fast and furious.**

Using a well-designed incentive structure, dealerships were placed in quartiles with similar-performing dealerships to compete for a **luxury travel experience.**

Sales went from **0 to 60** and continued in the fast lane even after the program ended.

In a five-month incentive program:

- 15,000 sedans were sold compared to 2,000 in the two months leading up to the program
- Monthly sales increased by **250%**
- Sales **doubled** two months post-program compared to what they were two months pre-program

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A travel experience to a coveted destination motivated dealers to focus on sedan sales. Using an incentive structure that allowed competition against similar-performing dealerships gave everyone an equal chance to win. And once the practice of selling luxury sedans became an everyday habit, sedan sales continued at a higher level than before the program period.