

## **"Using Social Media and Incentive Marketing to Build Your Business"**

The first premium or incentive program was started by a retail store in 1793, marking the beginning of customer incentive programs. They've come a long way since then, encompassing everything from brand loyalty to credit cards and even banks. Customers love them since they feel as if they're getting something at no cost and companies love them because they're enjoying the benefit of building up a clientele who will make them a great deal of money while spending relatively small amounts on advertising. Here are just a few of the different customer incentive programs that have been used over the past couple centuries.

The very first incentive program was used by retail stores and allowed customers to redeem their "proof of purchase" for specific in-store products. The first one involved a retailer handing out copper tokens, which were collected and redeemed for in-store items. This caught on and several merchants and brands started using the same practice to sell their products.

Trading stamps are one of the best known customer incentive programs, being featured in movies about the early 1900s. In these programs, customers collected stamps, which is a program that would take off following World War II.

Companies took advantage of toys and children by marketing prizes in their cereals, and used this model to catch the attention of children who would talk their parents into buying the cereal for them. This particular program is still used by many different brands and restaurants to help attract customers.

From the 1880's through the early 1900's, tobacco inserts were popular following trading stamps. Most of these items were collectible cards or something much like it and would sell today for a great deal of money to the right collector.

Today, there are many different variations on consumer incentive programs, and bank marketing programs are getting in on the action, offering gifts to their customers for signing up for accounts. You'll get more expensive gifts for opening a more valuable account. You'll still find the cereal box prizes, and even variations on the old stamp trading customer incentive programs. One of the most common programs these days involve point programs and store credit cards, allowing customer to get and redeem points that they trade for items in the catalogs.

Customer incentive programs are an excellent addition to just about any business marketing

tactics you may already have in place. They give customers a fun way to enjoy your company and allow them to turn shopping into a fun pastime rather than just another reason they have to spend their money. Better than that, however, is that you allow them to earn prizes for their loyalty to your company or brand, which, in the end, brings them closer to your company and increases the potential they might tell their friends about what you have to offer.

Word of mouth has always been a high-value marketing channel for businesses; however, there hasn't been an easy way to automate and measure this traditionally offline process. With the increasing volume of consumer online sharing and conversations, businesses have a new opportunity to identify their highly engaged, loyal customer advocates and turn them into "social marketers" who will refer your product or service to their friends. This is the foundation of the Consumer-to-Consumer Social Marketing opportunity that we see at the Akamai Marketing Group.

Over the last few years, we've seen businesses take advantage of social networks—Facebook, Twitter, LinkedIn, etc.—to build a social presence. However, much of that social presence was an extension of traditional marketing pushing brand content out over these social channels. Companies are building brand pages and driving fans, likes, and engagement, but many of these companies are struggling with the true ROI of social marketing investments.

At AMG, we believe that the reach of the social networks, combined with the proclivity of consumers to share more, create an enormous new opportunity for marketers. Instead of creating content and pushing it out to the market via traditional and digital channels, companies can identify social advocates who are willing to create content and promote the business. This provides businesses with a massive opportunity to tap into a new marketing channel that ultimately results in high quality sales and acquisition via trusted referrals. With the proper tools, you can easily launch and optimize a social referral program for your business.

## **Double your direct marketing response rates by unleashing the Power of Incentive Marketing!**

Need proven, cost-effective ways to boost your marketing results? Maybe you need to adjust your product mix to be more diversified? Incentives can be used for broad acquisition programs, or can be laser focused to motivate a particular demographic to produce a specific result.

What is the goal of marketing? Simple! It's to motivate PEOPLE to do something you want them to do. Incentives are a time tested strategy to accomplish this.

How can incentive marketing help your financial institution?

## Generate More Customers

There's a lot of competition out there today, and your message can get crowded out. How does a consumer sift through all of these messages to determine which offer is best for them? Incentives can help your marketing efforts stand out, giving you the pole position when it comes to them selecting a particular product or service.

## Sell Customers More Stuff

The lifespan of a customer relationship goes dramatically up when they use more of your products. Once they're in your sales process, incentives can motivate them to add additional products and services at the Point of Sale thereby giving you more profitability per customer for a longer period of time.

## Get New Customers to Refer their Friends

Incentive Marketing is a great strategy to boost referrals. The third party validation that a referrer can give you with a new prospect can be invaluable in converting them to a customer. Referrals also create a deeper relationship with the existing referrer, which is a win/win for you!

## Why do Incentives Work?

Merchandise and service-based incentives provide three main benefits:

- **Trophy value** – A great marketing gift acts not only as a reward for a desired action, but also acts as a “trophy”, on display for their friends and family.
- **Reminder of You** – A well devised incentive program will engender a relationship with your customer, and the incentive acts as a positive reinforcement of their value to you.
- **High Perceived Value** – The value of the marketing incentive is in the eye of the beholder, deep discounts lower the perceived value. Incentives tend to have a higher perceived value because they are viewed at their full retail value.
- **There can be Tax advantages.** Providing incentives can offer certain tax advantages that deep discounting cannot.

**Drive Sales**

**Better visibility with quality lead generation**

Most businesses face a common set of marketing challenges – how to gain customer attention, how to make their campaign more effective and visible, improve quality of lead generation and measure ROI. An incentive to attract your target audience is a widely used strategy. With AMG you can manage and execute effective campaigns very quickly with complete traceability. For instance, you could provide your consumers a low valued incentive to attract their attention but move them up through the sales cycle by increasing the value of the incentive to close the loop. The rewards could be premium brands we carry or your own products catalogue. The platform makes it simple to design your outreach so that you reward all your respondents with lesser priced incentives while providing a premium incentive on closing the sales cycle. Make real time changes to rotate offers to keep the campaign fresh and retain interest – a critical factor in today's dynamic digital marketing landscape.

## A few examples:

- **Pre-Paid 20% Bonus** ~ Load (or add) \$20.00 in rewards when a customer purchases a \$100 gift card (for themselves or someone else). This strategy is a huge money maker for the business and yet offers a much higher return to the customer than leaving money in the bank.
- By placing AMG's widgets on key areas of their websites, financial firms and brokerages can reward their prospects when they contact an advisor or provide them with better incentives for opening up an account.
- **Free Meal or Item** ~ Offer a meal or service FREE of charge when the customer loads a certain amount (such as \$50.00) on their card.
- **Frequency Cards** ~ Instead of selling a card with monetary value (i.e. \$50) consider loading items of service such as 10 Entrees or 20 Car Washes customers can prepay for in advance at a special discount and redeem later.
- Insurance companies could incentivize their customers to complete a survey form that provides insight into their needs and objectives. Send out digital coupons to their existing customers and ask them to provide some information about their current policies online. Reward them for their time while providing your sales team with a better quality list to follow up on. Create their surveys or basic sign up forms all within the platform, tie in the rewards and execute the campaign immediately.
- Travel and hospitality companies could create new offers targeting different consumer groups with relevant rewards. Segregate existing client base into different segments and make your outreach more appropriate by tying in different promotions. Track and compare adoption rates across these groups.

## How do we do it?

The key to making such campaigns a success begins with conceiving the right promotions and incentives for your business objective and using a robust platform that helps execute the

initiative. Most importantly you want the process to be easy to use by both the marketer and the end user providing complete traceability of spend and success.

Our platform guides you through the entire process with complete campaign management capabilities, providing a seamless reward fulfillment experience to your customers and comprehensive analytics for you to measure success.

AMG offers a myriad of powerful marketing features. At the big picture level, however, the program helps merchants accomplish the following better than any other solution in the marketplace:

- (1) Build a customer database correctly and without paper sign up forms or manual data entry.
- (2) Treat customers with respect by rewarding them with value for spending money.
- (3) Communicate with your database regularly and automatically.
- (4) Support local non-profit communities with every transaction through cause marketing.
- (5) Reduce even eliminate discounting as an advertising strategy.

### **Community Investment**

You are more likely to gain more clients who want to feel that they have helped a lot if your business is associated with charitable or non-profit organizations. If customer incentive programs offer this as a drawing card you can then give your customers rewards for doing business with you. People have deep emotions and using print advertisements that play off of these emotions will help them connect with your business in a positive way. If you donate part of your revenues to local dog shelters, homeless shelters, schools, or any other good cause people might switch to your business vs. your competitor especially if they are not satisfied with their present business. This will be the incentive marketing tactic with the most benefits.

Incentive marketing doesn't just mean giving out physical gifts and trinkets. Customers also appreciate other perks such as reduced fees and longer hours, though research proves that customers still put freebies at the top of their wish list. Until quite recently, businesses did not offer marketing incentives to the "typical" client. Toward the end of the '90s, many participating businesses focused 99% of their incentive marketing program on new customers, which leaves present clients feeling unappreciated and unrewarded.

Times have changed businesses now understand that the only way to expand in today's business climate is to concentrate on organic growth tactics. This is where marketing incentives come in, allowing businesses to focus on new clients, while also making sure current customers are happy and are doing so in a cost-effective manner. Incentive marketing plans now include perks and rewards for every new or potential customer.

Ok, have you ever found yourself in this situation?

You get some media sales person, or some advertising deal of the week that seems too good to pass up.

I'll share an example, a customer of ours owns a deli. She gets a lot of media sales people coming in and pitching various advertising programs, and deals. FYI, she makes all her own decisions in the business.

Lately she has been getting what appears to be some very interesting advertising offers to try, and some great pricing to boot. So she is starting to experiment a little bit with a couple of these different advertising options and offers. It's too early to say if they will work for her or not.

The point of the story is that when I ask about her strategy, she is just kind of guessing at what to do. She has an idea about what her target customer is, but she has no real demographic information on them.

She does not have information on age, employment status, gender, occupation, income, or education level to analyze her customers. Also, she does not have a good system in place that shows her who her best customers are.

When you know who your ideal customer is, it becomes easier to decide what marketing and advertising to do.

Now to keep this brief, I won't get into the whole discussion on using your strategy to create your marketing plan. But keep in mind, when you have a plan, it keeps your marketing decisions focused and eliminates distractions that sales people can create.

So how do You Know?

There are four key questions you will be able to answer when you are on the right track with your marketing strategy.

1. You can clearly describe your ideal client.
2. You can find more of them.
3. You can describe them to referral source.
4. You have a significant point of differentiation that you can build your business on.

Here is a clear description of what we are talking about.

Let's provide an example of clearly describing an ideal client. This is meant to give you an idea of how you can go about this process yourself. In this scenario we will use our business as an example.

You are our ideal client if.....

- You have been in business at least 3-years.
- You are a small business owner with less than 99-employees, or you are a self-employed professional.
- You sell products or services that are typically purchased more than once.
- You are frustrated with your current marketing efforts, because you aren't getting the results you want.
- You do not have an effective in-house marketing department.
- You have been getting business but you have hit a plateau.
- You are not sure how to get to the next level in your business.
- You have a marketing budget to invest.
- You have the humility to know that you don't know everything, and you want our help.
- You are decisive and can make decisions.

Using our methodology, I will show you a couple of ways we go about finding ideal clients for our business.

The first way is to pick a specific geographic region where we operate our business, and buy a list of businesses. This can be targeted to size, type, location, etc. Info USA has the ability to really drill down the specifics, and I'm sure others could also.

The second method we use is to look at the businesses and self-employed professionals who are already advertising. This is usually a good indicator they are interested in growing their business.

The third method we use is Google AdWords, Facebook Ads and Social Networking. The reason is the ability to target my target audience, and measure my return on investment (R.O.I.).

A word of warning on advertising. Make it accountable, measurable, and make it a two-step process to get more activity on your ads.

## **Describe to a Referral Source**

This is exactly as it sounds. You could make it a document you would share with your clients, strategic partners, and any other referral source. You could even make it a web page to send people to. Consider this one of the essential tools that makes it easier for the right people to refer you, and get others to “Know” about you.

## **Your Differentiation**

This part can be a real challenge for small business owners and self-employed professionals to think about. Think about the reasons you started your business, or bought it. Think about the little things you do different, or better than your competition. Go look at your competitors website, ads, literature, etc. What do they talk about, what do they think is their point of differentiation?

What you will probably see is a vast expanse of vanilla. Everyone is saying the same things, and everyone thinks that they all give the best service.

In addition to this homework, there is one more secret source to find your point of differentiation. Interview your best current clients. Find out why they work with you, what you do well, and what you could do to make it even better.

Somewhere within what your best clients share with you, and why you do what you do, is a pot of gold. This is the secret that your competitors do not care about, and the majority will not spend the time to find out.

So now you know the questions you must get answers too for a successful marketing strategy.

Contact us and let us help you make your business more successful.

<http://akamaiinc.com/>

