

THE BUSINESS SIDE OF A TIRE DEALERSHIP: Focus on Management

OPINION

Advice to improve rebate fulfillment, SPIFs programs

By Steve Damerow

Special to Tire Business

SPIFs—sales performance incentive funds—and rebates have been prevalent in the tire industry for years.

As successful as they are in promoting product differentiation, they've often been an administrative headache for the corporate sponsor and unfulfilling for participants.

Time, data and paper-intensive reward programs were often a last resort when a problem emerged and not proactively included in sales and marketing strategies.

Depending on the complexity and validation process, personal audits and man hours were a necessity. Tire manufacturers' SPIFs and rebates break through the clutter for dealer sales representatives' (DSRs) mindshare. But that is all changing, thanks to online and mobile technology.

Pavlov, meet Smartphone

As a recent psychological study published by the National Center for Biotechnology Information stated, "The subjective value of reward decreases with increasing delay to its receipt."

What does that mean? For corporate administration, the ideal SPIF program is one in which sales tracking is instantaneous, validated automatically and formulated into a database that can be manipulated for future promotions. The ideal program for the DSR is one that requires no paper work, is easy to understand, recognizes sales achievement immediately and delivers rewards quickly.

Luke Kreitner, vice president of sales for Atlanta-based Loyaltyworks, said, "We are in an exciting age where a marketing gift has been handed to us. Two-thirds of the American workforce is Gen X and Y, and they use smartphones everywhere, all day.

"We now have the technology to constantly influence sales with immediate, two-way communication, and we have a generation that is receptive to it."

According to its website, (www.loyaltyworks.com) Loyaltyworks—an ISI Group company—manages "every detail of your loyalty and incentive program," providing the "tools, service and expertise to successfully guide your program from design to launch to performance measurement and beyond."

Imagine a DSR being able to scan an invoice or label, upload it to an incentive program, receive a text back immediately recognizing the sales, and receive points in his/her mobile online rewards account or funds loaded onto a debit card or re-

tail gift card of choice—all in a matter of seconds.

Imagine a DSR using an app to scan any item in a store, then receiving it a week after placing the order—or, better yet, going to a local electronics store or big-box retailer and picking it up in-store immediately.

Imagine a DSR receiving a text that includes an e-gift card for a local pizza shop or hundreds of other retailers as a "thank you."

It's all possible.

Online training

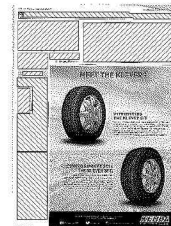
Now, imagine a tire company that has a new product it wants to communicate, or train dealers and distributors as to its competitive advantages.

The company can now do so via smartphone online training incentives.

How about the Holy Grail of durable goods market—end-user contact info? This can all be entered via app on the phone.

As David Doyle, president and owner of a franchised Big O Tires L.L.C. store in Indianapolis, said: "Having a mobile incentive program is often the differentiating factor to promoting success. User-friendly online and mobile reward catalogs offer pretty much anything our participants want."

No more worries about dealer management or other DSRs boosting sales. Instead, you can maintain



a symbiotic relationship between you and the people who truly affect the sale.

The future for DSR incentives is now and only limited by your imagination, attainable key performance indicators (KPIs) and the technology of mobile-oriented incentive companies. Consider taking advantage of it quickly.

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