

PURCHASE INCENTIVE PROGRAM

CASE STUDY

BACKGROUND

This Springbok Services client is a renowned manufacturer and distributor of high-end motor boats, power boats and yachts. The company's corporate and production headquarters are located in a state-of-the-art facility in the Midwest. Their tradition of excellence continues to be the hallmark of each powerboat, more than fifty years since the company's inception.

CHALLENGE

The retail boat industry is a \$12 billion, highly fragmented market. There are approximately 5,000 retail dealers that sell boats and related products and services in the U.S. The demand for boats is typically based on personal income and the state of the economy, which makes new boat sales very cyclical. The company upholds its tradition of an annual sales campaign, but with the current economic climate, the company decided it was time to leverage a new method to boost sales.



SOLUTION

This boat manufacturer sought advice from KeyBank, who recommended Springbok Services. Springbok was attractive to the company due to Springbok's ability to support every stage of the program. Springbok designs, manages and measures the success of its clients' prepaid card incentive programs, which are proven to positively motivate behavior and enhance loyalty among customers.

Springbok recommended a twelve month incentive program for the national sales team and relationship team to offer prepaid cards that were pre-loaded with two percent cash back for the total purchase of a boat (less taxes). This is an attractive perk for the buyer, since the card value can range from \$1,500 to \$10,000+, depending on the boat price. With today's skyrocketing gas prices, the spending flexibility offered via Springbok's prepaid cards enables clients to use their cash back reward to help offset fuel costs and purchase marine-oriented items to further enhance their boating experience.

For this client, Springbok helped design the branded prepaid cards, manufactured the cards and loaded them with amount totals that were unique for each customer, mailed the cards directly to customers and helped track usage rates to measure the program's success.

RESULTS

Springbok has given all U.S. dealerships the ability to increase sales through this prepaid card incentive, and the program has been a success since inception. The dealerships are able to sell more boats based solely on the cash back reward program. In addition, the company has increased its post-sales customer satisfaction. Clients are rewarded for their boat expenditure, plus have the freedom to use their prepaid cards wherever and however they wanted.

The incentive program has also helped boost the average boat purchase price to \$150,000, which has resulted in a 140 percent rate of return. The company has the ability to track overall usage of the cards, which provides invaluable insight to their customer's spending habits and interests. This program is still in its infancy but is already showing impressive results in a down economy.



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