



DANKS ALLSTARS

SINGAPORE ★ 2011



CASE STUDY Channel Travel Incentive Program

Travel Incentive Program Delivers Double Digit Sales Growth

THE CLIENT

DuluxGroup is an Australian-owned, publicly-listed company and one of Australia's largest manufacturers and marketers of products that protect, maintain and enhance the spaces and places in which people live and work. It consists of four business segments: Paints Australia, Paints New Zealand, Selleys Yates Home Improvement & Garden, and Offshore Powder & Industrial coatings. DuluxGroup employs approximately 2,500 people in Australia, New Zealand, Papua New Guinea, South-East Asia and China.

BACKGROUND

DuluxGroup had run numerous sales programs in the past with travel rewards to destinations such as Hong Kong and Queenstown. Feedback from customers was generally positive, however DuluxGroup felt the programs lacked the high quality of professionalism required. The trips were generally considered to be quite basic travel packages and managed internally by

DuluxGroup with the assistance of local travel agents. While the programs were somewhat effective in customer engagement, they lacked the wow factor that true incentive experiences ought to be.

FOLLOWING A TENDER PROCESS DULUXGROUP SELECTED 212F TO RUN ITS NEXT PROGRAM. 212F IDENTIFIED THAT A NUMBER OF CHALLENGES HAD TO BE ADDRESSED PRIOR TO THE LAUNCH OF THE NEW PROGRAM:

- Customer engagement levels needed to be increased to stimulate stronger participation
- Communication visibility, methods and quality needed to be improved to engage over 600 customers across Australia
- 212F knew that the program needed some 'WOW!' to make it a real incentive travel experience that would become a talking-point within the channel and something regarded as being aspirational. The opportunity was for 212F to deliver a program that would change the behaviour of customers after they experienced the travel experience

PROGRAM OVERVIEW

The requirement was a nationwide incentive program for DuluxGroup's retailers within the Danks hardware retail chain in Australia. The basic objective was to bring DuluxGroup a **greater share of the retailers' wallets**. In this respect, a compelling program needed to be implemented to supplement DuluxGroup's own customer service efforts. A second objective was to **enhance channel relationships** between DuluxGroup and the Danks retailers and to minimise channel conflict with other retailers, by providing a retailer incentive as opposed to a consumer driven promotional program. This requirement drew directly on 212F's expertise in the tactical enhancement of channel relationships, and we were consequently able to design a program for DuluxGroup to help increase engagement and encourage the loyalty of the channel to their brands.

"increase engagement and encourage the loyalty of the channel to their brands"

Each retailer that registered for the program was provided with individual sales targets for the four DuluxGroup brands - Dulux, Cabots, Selleys and Yates. DuluxGroup set these targets based on their intricate knowledge of individual retailers, their sales targets and program return on investment expectations. The individual targets were based on the previous year's purchases, with an expected percentage growth. In order to qualify, the retailers needed to reach their sales targets for each of the four brands. Targets were prepared to engage the entire customer base and to not alienate smaller customers along the journey. The first retailers to meet all four business targets were rewarded with the opportunity to become "Danks All Stars".

PROGRAM DESIGN

Before proceeding to design the program structure, it was imperative that 212F first gained an insight into the background of DuluxGroup - the industry in which they operate, their client base and the history of their use of incentive programs - in order to fully understand the business environment in which the incentive solution was to be offered. With 212F's experience in strategic program design, they understood the importance of taking into account all critical factors needed for channel success.

Once they had achieved this clear understanding, 212F designed and developed the program structure and travel reward. 212F established the number of qualifier places available on the travel reward based on the budget allocated by DuluxGroup and the cost-per-capita of a travel experience that participants would aspire to be a part of.

The reward trip had to be aspirational, provide plenty of social interaction and have lots of **'WOW!'**, as well as fit into strict budget guidelines. It was, above all, imperative that the program should eclipse any travel incentives provided by the client in the past.

COMMUNICATION WAS THE KEY!

212F designed a complete communication strategy to actively engage and motivate the target audience from launch and importantly, right throughout the entire program period.



"actively engage and motivate the target audience"

Launch: 212F worked closely with DuluxGroup Account Managers to develop a selling tool to launch the program and engage retailers across each of the four businesses. A printed brochure was delivered to every Danks hardware store, detailing all program information and inviting the store owner to engage in the program and register on the program website. In addition, DuluxGroup business managers supported the launch with a strong physical presence, visiting stores and talking up the exciting new program with the owners.

Website: 212F's internal IT team developed a fully-customised and branded program website. Participants had 24/7 access to the website to view all program communications including their targets, sales figures, leaderboard and rankings, monthly promotions and bonuses, as well as all program and trip information.

Teasers & Engagers: Participants received regular teasers and engagers. Promotional items, such as a DuluxGroup-branded luggage strap, were sent to all stores to remind them of the trip and to motivate them to achieve and be a part of it. An SMS campaign was launched whereby monthly text messages were sent to retailers to remind them of sales data being uploaded on to the website and prompting them to visit it. All teasers and engagers were designed to increase participation and engagement levels in the program.

Phone Hotline: A dedicated DuluxGroup phone hotline was set up at 212F, enabling participants to call and discuss any program-related questions such as sales figure queries, travel requirements and any other general program queries.

ASPIRATIONAL TRAVEL REWARD

The top 35 Danks store owners plus their partners joined DuluxGroup staff and executives on a luxury Asia Cruise through Singapore, Malaysia and Thailand.

SOME HIGHLIGHTS OF THE TRAVEL EXPERIENCE INCLUDED:

- A themed traditional Asian Hawker-style welcome event featuring 'street food stalls' with cuisine from Singapore, China, Malaysia & India along with cultural entertainment
- 212F arranged for the group to have VIP embarkation onto the SuperStar Virgo cruise ship including private check-in area, welcome drinks and personal escorts to the guests' upgraded balcony class rooms
- Chilled wine accompanied by a personal welcome letter from DuluxGroup waiting in their rooms
- Cocktail function with DuluxGroup specially -branded cocktails
- Exclusive on-ground tours in Penang and Phuket
- Trishaw rides through the backstreets of Georgetown which has been listed by UNESCO as a World Heritage Site
- Event at the majestic E & O Hotel with drinks overlooking the harbour
- Elephant rides & quad bike adventure in Phuket
- Exclusive 'Captain's Cocktails' event hosted by the Captain of the ship
- A video production was screened to guests throughout the gala dinner showing photos and highlights of the trip
- Private 'after party' on ship following gala dinner
- Pillow gifts for the guests each night
- Plenty of time to relax and unwind and enjoy the magnificent ship and its facilities



RESULTS VERSUS OBJECTIVES:

A post-trip survey was conducted. Questionnaires were sent to 35 stores, and 30 responses were received for the Danks AllStars program.

SOME KEY FINDINGS:

- 90% of respondents rated the organisation of the trip as excellent or very good
- 95% of respondents felt the trip exceeded their expectations
- 90% of respondents felt that there were good networking opportunities on the trip
- 90% of respondents would aim to actively participate in the following year's program

"One of the greatest trips I have ever had"



"I would like to pass on my thanks on behalf of our business for the efforts 212F have put in to bringing the DuluxGroup program to life. The turnaround time you had to work in was very tight and I put you under enormous pressure to deliver. Deliver you have, and to a fantastic standard. Well done and again, a huge thanks!"

DARREN BARMBY

National Account Manager Independent Hardware, Dulux Australia

PARTICIPANTS' COMMENTS INCLUDED:

- 'One of the greatest trips I have ever had'.
- 'We had an absolute ball and the time of our lives. Our thanks to you for all your help and assistance. It was greatly appreciated'.

"delivered double digit sales growth"

In terms of business results, the "Danks All Stars" incentive program delivered **double digit sales growth** for DuluxGroup with Danks stores. This is an exceptional result, considering the Australian independent hardware channel in general has experienced a decline over the past few years. The program has also assisted to build the engagement of Danks retailers by allowing DuluxGroup staff the opportunity to develop closer relationships and network with store owners in a social environment on the trip.

As a result of the success of the Danks All Stars Program and outcomes delivered, DuluxGroup endorsed 212F as its preferred supplier to design and implement the next two programs, which are now regarded as a highly desirable money-can't-buy incentive 'experiences', and not just a 'trips' within the customer base across Australia.

LET US HELP YOU DRIVE SALES & BOOST LOYALTY!

212F are the experts when it comes to designing channel incentive solutions that help you drive sales, build loyalty and engage your agents, dealers, distributors, resellers and customers that move and use your products. We have years of experience in delivering successful programs designed to support various distribution models that boost your sales, gain customer insight and market directly to your partners and end-users.

BENEFITS OF A CHANNEL INCENTIVE SOLUTION:

- Boost channel sales revenue
- Improve profit margins
- Increase customer loyalty and "share of wallet"
- Identify and engage product end-users
- Establish competitive differentiation
- Acquire and retain customers
- Gather valuable customer data
- Strengthen relationships with agents, dealers, distributors, resellers and customers
- Reward valuable customers

For more information on how 212F can design a channel sales incentive or customer loyalty program that delivers results for you, contact us now!



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