

Travel Incentives Shown to Grow Sales

Situation

The Toro Company (Commercial Division) supplies mowing, utility, and turf cultivation products to domestic and international golf courses. For many years Toro has engaged Maritz Travel to design and execute group travel incentive programs as part of their commitment to superior customer care, and recognition of their top sales performers. Over the past 10 years, Toro distributor teams have competed for the chance to win luxury trips to destinations ranging from Munich to Australia to Kauai. In addition to reaching sales goals, top performers demonstrated improved product knowledge and customer satisfaction scores. Still, in reviewing overall costs, senior management raised questions about the impact of the travel incentive programs, wondering if the dollars spent were cost-effective.

Solution

The client engaged a third party post-graduate researcher to evaluate the effects that the Maritz travel incentive programs had had on their business. The research compared divisional growth over the last 11 years, including both promotional and non-promotional years. It also tested the perception that the incentive programs led to abnormal loading effects on the final month of the program and the first month following the program end, as well as the quarters preceding and following the

- Increased gross profits (after program costs) amounted to millions of dollars over the 10-year period.
- There was no negative effect on sales from loading or shifting volume between periods.
- Winning distributors tended to have higher customer satisfaction scores.

For more information, please visit Maritz at www.maritz.com or call (877) 4 MARITZ.

Results

The research clearly showed the positive impact of the group travel incentive programs.

- Sales growth averaged 19 percent in promotion years vs. 12 percent in non-promotion years.

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