

Business solutions that engage people

motivationstrategies

A
SPECIAL
ENTERPRISE
ENGAGEMENT EXPO
SUPPLEMENT • PAGE 23



Transformation!

Engagement Alters the Corporate Landscape

A unique confluence of ideas, opportunities, trends and socioeconomics has brought us to this pivotal moment in the history of Corporate America. After decades of wrestling with various approaches to the employer/employee contract – paternalistic, r-to-the-grindstone, what's-in-it-for-me, even inmates-running-the-asylum – we're coming to our senses and embracing the simplest and most obvious solution: a recent partnership of people, working toward a common goal and sharing the risks and rewards. In a word: Engagement.

Number of very successful companies have been doing this for years. But as usual, many still cling to an outdated system, assuming we can just put a new coat of paint on our old house and everything will be all right. The truth is, the time has come to tear down that old house and lay a new foundation.

In this issue of *Motivation Strategies*, we'll hear from those at the forefront of the engagement movement, people like Don Peppers and Martha Rogers, the architects of 1to1, and Robert Passikoff, father of "Brand Psychotherapy" and researchers at workforce solutions firm CLC-Genesee, who will discuss how Engagement in all its forms and how it can transform the relationship between companies, employees and customers, paving the way in a new era of productivity and profitability.

Don't forget, you can hear first-hand from these experts and dozens more at this Enterprise Engagement Expo in NYC, May 12-13. Details can be found in the Special Supplement on page 23.

For more on Transformation: A Special Section on Engagement, turn to page 16.

Engaging Managers Is Key to Weathering the Recession

Based on extensive research of the past and current recession, Sirota Survey Intelligence has concluded that the maintenance of leader and front-line manager engagement is critical to the morale, innovation and effectiveness of employees. "Their 'lynch-pin' role requires constant monitoring during these turbulent times," says Douglas Klein, President of Sirota. For example, when managers become disengaged, their employees are over three times as likely to be disengaged; 12% less likely to stay (especially when the recovery occurs); 13% less likely to be innovative; and 33% more likely to be frustrated with the company's systems and processes. And when managers become stressed, their employees are 7% less likely to feel valued (vs. employees working for unstressed managers); 6% less likely to feel recognized; 6% less likely to feel their managers are walking-the-talk during recessions. Management can take the following actions to help

continued on page 3

Synergy Drives Subaru's Club Card Program

By William Keenan Jr.



It's always a pleasure working on a project that comes together smoothly, with all parties – incentive provider, agencies and client – working closely together on the goal of putting out a great promotion in a limited timeframe and seeing it succeed.

And that's pretty much what happened with a consumer sales promotion for Subaru Canada's Impreza WRX STI brand in 2006-2007. To make it even more impressive, turnaround time for the program – from approval to implementation – was a mere 30 days, an amazing achievement for a promotion of this magnitude.

"At the time," says Carlton Group President Ron Benegbi, "the Canadian dollar was very strong, and there was a lot of migration of Canadian consumers going into the U.S. to buy vehicles." Subaru Canada wanted to stem that flow by creating a compelling value proposition that would drive customers back to a Subaru Canada dealership, while at the same time laying the groundwork for future loyalty.

To do so, Subaru needed an incentive product that would appeal to a target audience of past Impreza owners – young to middle-aged affluent males who appreciate power and performance and who are passionate about their vehicles. Carlton Group worked with America Express Incentive Services (AEIS) to use AEIS's DirectSpend merchant acceptance process to create a co-branded \$2,500 STI Club Card – good for accessories, service, extended warranty and Subaru merchandise and apparel at any Subaru Canada dealer – that would be awarded when a vehicle was purchased.

Still, putting the program together wouldn't be easy, as Gaetana Surdi, AEIS Director of Channel Development, points out: "We had 30 days to get Subaru Canada corporate to put together a marketing plan with its agency, work with Carlton on the card conception and create a co-branded card, a custom card carrier and envelope," she says.

On top of that, the program was conceived and launched during AEIS's peak holiday gifting season, and not all Subaru Canada dealerships were set up to accept American Express. "We had to work with our program manager and Amex Canada to get something like 32 dealerships signed up in 30 days," Surdi adds. "But all of the parties worked together diligently and efficiently to get the program launched."

A \$2,500 Payback

The card worked effectively to meet the two primary goals of the promotion: 1) to increase sales of the STI by targeting previous owners; and 2) to "create loyalty back to the dealerships, to get them back for oil changes, new tires and other products that would help develop a relationship with their 'home dealership,'" Surdi explains.

Directing the "spend" for the card back to the Subaru dealerships was one of the program's premier selling points. "If you could take that money, let's say, and go to BestBuy to buy a TV, that wouldn't really be meeting the program's secondary objective," Benegbi says. "We wanted to drive that customer back to into the store after the transaction was complete. We wanted that customer coming back over the next year or two by encouraging what we called 'home dealership loyalty.'"

Ingrid Gulliver, Vice President of Canadian Sales for AEIS, adds, "It also creates a revenue stream. Aside from selling the Subaru vehicle, it also drives the person to come back and get their service, the extended warranty, some new wheel rims and other bells and whistles that they might not normally have thought about purchasing. And in doing so, it creates that behavior and loyalty with the dealership."

The \$2,500 value for the card – while seemingly high – "was decided upon after running it through a lot of economic modeling and different ROI calculators," says Benegbi. "The first objective was to increase sales by 10%, and they believed the offer needed to be very compelling. Certainly, you aren't thinking about spending that \$2,500 on repair and maintenance when you buy a new car, but there are things you could do in terms of increasing performance – and Subaru is all about performance as a part of the brand."

In addition, he says, "The drivers within this demographic profile are very proud to own the vehicle – it's sort of a reflection of who they are as individuals. So tying in Subaru apparel and WRX-type imagery and letting them redeem for that made a lot of sense." Couple that with the key value proposition of getting buyers to go back to the dealer to spend that money, and the \$2,500 "price point" looks like a sound investment.

A Direct Mail Centerpiece

The promotion was supported by an ambitious direct mail piece that went to 4,300 past owners of Impreza vehicles. The package – designed to break through mailbox clutter – included a

continued on page 46

