

## Incentive programs for test drives show how adept car sales marketing has become

By William Ng

# DRIVING IN BUSINESS



There aren't many commercial marketing environments that are more competitive than auto sales. Consumers are bombarded by TV spots and newspaper and magazine ads every day, all designed to get them into car dealerships, where the chances of selling them vehicles rise exponentially. The odds get even better if salespeople can offer them incentives.

One of the more multifaceted traffic-builders was a recent test drive and sweepstakes program for a Fort Myers, FL-area Chevrolet dealers association, known as the Southern Chevy Dealers, engineered by Los Angeles-based Patriot Marketing Group (PMG), a full-service incentive, promotion, and corporate branding provider. The three-day consumer promotion took place dur-

ing a Thursday-to-Saturday period, during which each person who test drove a Chevy at a participating dealer received a \$50 Visa reward card and was entered into a sweepstakes for a Marriott Premier weekend vacation package. The program climaxed with a Saturday-night, live-TV drawing for the grand prize, televised on NBC's Fort Myers affiliate, WBBH, during halftime of a

Miami Dolphins preseason football broadcast.

Test drives incented with merchandise, gift cards, and prepaid spend cards have become a staple in consumer auto marketing, says John Leary, vice president and managing director of automotive for Carlson Marketing, a 30-year veteran in the car marketing business. "Today, [prepaid] cards have a lot of accep-



“Sweepstakes are the perfect consumer promotion because they stir up so much excitement.” —Dennis Borst, Patriot Marketing Group

The Southern Chevy Dealers' flyer promoted \$50 Visa reward cards and the sweepstakes for the Marriott travel grand prize

tance because they give each person the opportunity to use it in whichever way,” he says. But while incented test drives are “well-established,” Leary says they are getting more sophisticated. “It could’ve been a set of four wine glasses or a socket wrench set, but now there are cross-promotions.”

Just one of many cross-promotion examples was Dodge’s recent tie-in with Universal’s *Fast & Furious* car-movie franchise, spurred on by the series’ fifth installment, *Fast Five*, in theaters. The movie features the 2011 Dodge Charger, and anyone who downloaded a special certificate from a promotional website and test drove any Dodge model at a participating dealer could redeem the certificate for a DVD box set of the four previous movies. The promotion also used free movie tickets to *Fast Five*.

Some sales promotions have advanced beyond incented test drives. Leary notes of certain brands offering experiential test drives—48-hour opportunities (usually weekends) for potential buyers to get acclimated with the cars. Then, there are customized road shows where select models are delivered to a place of business or an office, allowing employees to play around with them. Giving consumers such convenient and open access to cars, especially if they’re high-end vehicles, is the incentive itself.

“Every manufacturer is working hard to maximize its marketing spend, and there’s greater alignment down the chain to the dealers today,” Leary says. “There’s a continuing desire to upgrade the car shopping and buying experience.”

### High-Octane Test Drives

While PMG already had an impressive track record of running over 100 test drive incentives for different Chevy dealers associations around the country, what made the Southern Chevy Dealers program noteworthy was that it pulled out all the stops—using reward cards, a travel package, and a live-TV sweepstakes in coordination. As it had done on previous programs, PMG worked with Velocity Marketing,

Chevy’s national marketing and advertising agency. “We told the agency that we could make the program better, and it just kept growing,” says Dennis Borst, PMG’s president and chief operating officer. “Sweepstakes are the perfect consumer promotion because they stir up so much excitement.”

In addition to fully administering the sweepstakes, PMG handled all of the program’s marketing communications, creating the Thursday- and Saturday-edition flyers for four local-area newspapers, and TV spots on WBBH leading up to the Dolphins game. The company also subcontracted event management company Southport Marketing, based in Newbury Park, CA, which provided each of the seven car dealers with a uniformed hostess to meet and greet walk-ins, get them ready for their test

drives, and help them sign up for the sweepstakes. PMG also did all the procurement and fulfillment of the prepaid Visa reward cards. “This is the first time we did all the creative, event planning, sweepstakes planning, and card fulfillment,” Borst recalls.

As a result of the program, the participating dealers saw dramatic increases in foot traffic, with each counting several hundred sweepstakes entries. It was such a success that,

in fact, several dealers used up their entire allotments of Visa cards on the promotion’s first day. “We had to get people’s names and information to send them their reward cards,” says Borst. The dealers association also reported a dramatic increase in vehicle sales that weekend versus the same period in the prior year. “It was a successful program.”

### The Agency Connection

Leary notes that the automotive marketing agencies that specialize at the dealers association level work hard to provide full services to their clients, going beyond TV, print, and electronic media to include face-to-face promotions. That’s where it is “very common” for them to provide inducements to attract consumers on site, he says, adding, “This may take the forms of a food promotion—an on-site barbecue—a celebrity appearance, and incentives such as gift cards or merchandise offers.”

PMG’s parent company is Los Angeles-headquartered U.S. International Media, which works for Velocity Marketing in buying ad time and space around the country for Chevy’s 104 U.S. dealers associations. U.S. International Media’s chairman, Dennis Holt, “pitched my group to Chevy in Detroit, its marketing agency, and the dealers associations,” Borst notes. “In 2008, we began working with them on incented test drive programs. Velocity Marketing liked that we had the cadence of these programs down.”

One of the weapons that Holt used in his pitch was AutoDealerInTouch, an online resource that demonstrates PMG’s incentive program design and award fulfillment capabilities, with case studies and a client list that has Toyota/Lexus, Saab, Volvo, and Honda. “Dennis calls it his Trojan horse that gets in with the automakers,” says Borst.

“As we tried to help our Chevy dealers associations drive traffic to their stores, incen-



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Patriot Marketing Group created this newspaper ad insert for the seven Chevy dealers that were involved in the incentive program

“...tive programs became more and more important,” says Jack Silver, executive vice president of U.S. International Media. Silver notes that Holt, after seeing nearly two years of successful marketing promotions for Chevy and others, decided to brand and document PMG’s efforts as AutoDealerInTouch. As knowledge of the programs has spread among other marketing agencies representing various automakers, PMG has gotten a steady stream of calls showing interest in programs for dealership groups. “We want to offer tools that can help our clients build their business,” Silver says.

### Using the Whole Gamut of Tools

Chevy’s consumer promotion events had mostly used merchandise and open-loop reward cards, but once PMG began running the programs, it incorporated the entire plethora of proven reward methods: brand-name merchandise, Chevy-stamped promotional products, closed-loop merchant gift cards, open-loop prepaid reward cards, and incentive travel packages. The reward choice or choices for a particular program depend on the audience demographics.

A well-used variation on the test drive program is one that employs targeted direct-mail or e-mail marketing, giving a sense of exclusivity to the qualified potential buyers who are invited. But Leary says these programs, including those by Carlson Marketing, help clients by “targeting those who are actually in the market for a car or will be in the market soon,” with the help of lead acquisition experts and the use of marketing list analytics. “It’s important to get invested customers; otherwise, you’re just attracting people who come in for the \$50 cards and tying up salespeople’s time,” Leary explains. “You’ve paid for the incentive cards and not getting sales.”

“We’ve done sweepstakes for Toro lawnmowers and Weber barbecue grills in the Midwest, and we’ve used gift cards from Lowe’s, Staples, Shell, Foot Locker, and Cabela’s,” Borst says. “We’ve used gift cards from local merchants and regional chains. For a Mother’s Day Weekend promotion, we used SpaFinder.”

In the Southern Chevy Dealers program, PMG selected a resort travel award for the grand prize since Fort Myers has a retiree demographic and there is a variety of resort properties, according to Borst. The Marriott package was a two-night stay for two, with breakfast and a three-course dinner included, taxes and gratuities covered, and a \$100 Marriott TravelCard for food, drinks, gifts, and hotel activities. “The reward fit the demographic, and it expanded weekend dealership traffic because the participants didn’t have to buy anything to be in the sweepstakes,” notes Borst.

But ever since the Great Recession manifested in 2009, open-loop reward cards have been drastically more popular in PMG’s

programs. After the economy crashed, the most effective way to incent consumers, he explains, was giving them prepaid cards to spend based on their needs, whether for family dinners or gas. Adds Silver: “Visa and MasterCard cards can be used anywhere. They were very popular.”

In fact, their popularity remains, as about 90 percent of the Chevy programs now use the open-loop cards. Deploying the most effective denominations, however, was a trickier proposition. In certain cases, “we weren’t successful in convincing dealers to use large enough denominations that would’ve drove the consumer behaviors they wanted to achieve,” Borst says. He has found that the \$50 to \$100 range generates traffic to dealerships, but the higher end the car, the greater the denomination used.

Leary expects social media to play a big role in seeding test drive events. “People can bring their ‘friends’ and get incented,” he says. “There’s a lot of potential marketing power.” He is exploring social media in overseeing Carlson Marketing’s U.S. automotive practice. ■

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