



## From Incentives Magazine

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### **Playbook: Hitting the Sweet Spot**

*How one boat manufacturer used gourmet food gift cards to lure customers out on the water.*

In late fall, with the frozen lakes of winter right around the corner, how do you get people in northern climates excited to see a boat? This was the challenge facing Rob Noyes, vice president of marketing for Sea Ray Boats, a Knoxville, Tenn.-based manufacturer of yachts and sport cruisers. In October, the new 2006 line would be in stores, but by that time most cruising enthusiasts are looking for an offer to store a boat, not buy one.

"In slow seasons past, Sea Ray has offered factory-to-dealer reductions or other sales incentives to entice consumers, but faced with a tighter budget this autumn, the company decided to focus on driving more traffic to dealerships.

The bait proved to be that most basic of enticements: food. Consumers who received a coupon--distributed by direct mail, e-mail and as an insert to the magazine Sea Ray Living--had only to visit a Sea Ray dealership during the six-week promotion and test drive or review one of the new boats to receive a \$50 gift card from gourmet fruit and gift basket purveyors Harry and David. To discourage fraud or mass e-mail forwarding, each coupon had a unique identification number, a tactic that also assisted with tracking the results.

"We're extremely pleased with the success," says Steve Pizzolato, president of Fenton, Mo.-based AVALA Marketing Group, a company contracted by Sea Ray for this and many previous promotions. In the course of the campaign, an approximate total of 1,000 cards were redeemed (direct mail brought back about one half of one percent response and e-mail about one tenth of one percent, an overall improvement over previous traffic-driving promotions).

Although complete results will not be tabulated for several months, the anecdotal evidence from dealers has been that traffic levels increased noticeably, resulting directly in more than 50 boat sales. On average, a person will drive 10 to 25 miles to a dealership, says Pizzolato, but he has received reports of customers driving as far as 40 miles to have their cards filled out. And many dealers have reported closing sales with customers who had been prevaricating.

"[The promotion] gave them a reason to come in and finish the deal," says Noyes. He recalls one particular story: "A guy came into Surfside 3 Marina [in Copiague, N.Y.] in the middle of the

afternoon, asking to get his Harry and David card signed. The sales guy said, 'I can sign that. But, it's a nice day; do you want to take a test drive, since you're here?' The guy ended up buying a 340 Sundancer."

"It worked out very well for us on two fronts," reports Glenn Sandridge, vice president of marketing for MarineMax, a marine equipment reseller, with 71 dealerships in 17 states. "We got increased traffic at a traditionally slow time of year...and our salespeople had an excuse to pick up the phone and follow up with customers who had received the direct mailing." Most importantly, the campaign brought in the right customers. "This was one of the best incentives [Sea Ray has] done," he says.

Driving that success was the quality of the carrot. "With anything that we do, we are very selective in our partners," says Noyes; a short list of past collaborators includes Hummer, Segway, Marquis Jet and The Ritz-Carlton Hotel Company. For this pre-Thanksgiving offer, Harry and David bested a circle of other gourmet brands, from HoneyBaked Ham to Williams-Sonoma. "They were the people who appeared to be the most excited, were responsive and wanted to work with us," says Noyes.

Most essentially, Harry and David demonstrated a willingness to respond with speed. "The key with any of these programs is how willing the promotion partner is to work with you," says Pizzolato. "Their legal and graphics departments worked very fast. Their response was the best of any company I've worked with."

Sandridge says that although many of his salespeople were skeptical about the offer when it was first introduced, they ultimately were impressed by the response from customers. He believes this program's edge was its timing. "Harry and David is a little bit indulgent," he reflects. "It hit a sweet spot with our customers, who can be hard to pin down...And, of course, you also got to come in