

Drawing in Dollars: Using Sales Contests as Carrots

Sell more products and improve collections by making it a game

BY PHIL SASSO

Q I've heard contests can increase customer involvement and sales. How do I organize a contest?

A You can use a contest to get customers to come out to your truck, to buy more stuff and even to be consistent about making their weekly payment.

Technically a "contest" is judged on a skill or talent — like *American Idol* or *Dancing with the Stars*. So, unless you're

tions vary. So, ask your attorney or DM about the local laws and such on this.)

To sidestep legal issues, give everyone coming out to your truck an entry form. Then, give customers an extra entry for making a purchase and another entry slip for making a payment. (In the McDonald's Monopoly game, for example, you get more game pieces for buying more.)

Drawings are a fun way to train your customers to be better customers. The more a client is rewarded for doing what you want, the more likely he is to keep doing what you want him to do, such as buying new stuff or paying on time. Like

Set A Schedule

Some dealers like weekly drawings. That's fine, but I think a monthly drawing is better. You can afford to give away a bigger prize monthly than weekly. When given the choice between a smaller prize with better odds and a bigger prize with lesser odds, more customers will be drawn to the bigger reward.

It's also obviously less work because you only have to come up with a prize every 30 days.

Choose a prize

There are many prize sources. You could ask your flag, WD or supplier to pitch in a free product, or you could ask to buy one at a deep discount. You could give away branded jackets, shirts or hats. Or you could give away a gift certificate for certain items on your truck like "Good for \$50 toward any socket set or crow's feet. May not be redeemed for cash." By determining what they can spend the gift certificate on, you can direct them toward certain items you want to promote and/or items that have higher margins and cost you less to give away.

Prizes like gift cards for local stores or restaurants or iPods are nice, but will likely cost you much more. You're the tool guy. Make your prizes tool-related!

Think creatively. It's also a good idea to change up your prizes every month to keep the contest interesting. Some dealers sweeten the pot during historically slow sales months with bigger prizes. That can work. But during a period like the winter holidays, discount pricing and value-added deals can work better. My take is to give away bigger prizes during your biggest sales months. That's because it can help you sway sales away from the competition when customers are spending money — and you'll likely have more money to spend on the prize.

Set the deadline

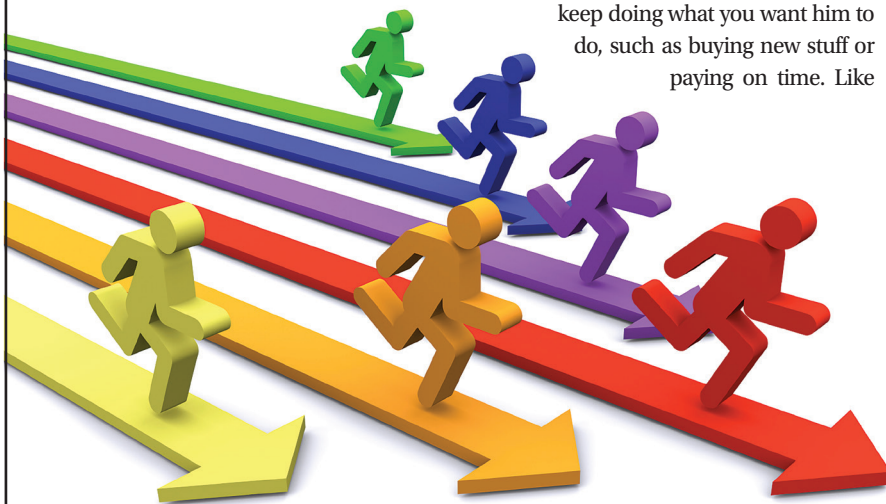
Consistency is key to running a successful monthly contest. It's best to set the dead-

asking customers to Salsa, or something, what we're actually talking about is a "drawing." The reason it matters is a legal one. You can charge someone to enter a contest. A drawing must be "no purchase necessary," or it becomes an illegal lottery. (I'm a marketer, not a lawyer, and situa-

training a horse, there are two ways to get customers to follow your lead: a "stick," such as punishing him for missing a payment, or a "carrot" like rewarding him for being consistent on his weekly payments.

A one-time drawing can be fun and engaging. But a weekly or monthly drawing can be more effective. An ongoing drawing can create customer loyalty as customers choose to buy from you over the competition to get more entries in your drawing. A rewards program is another good way to create more loyal customers. I'll cover that in a future column.

Here's a quick outline of how to run a series of ongoing drawings:



Phil Sasso is president of Sasso Marketing Inc. (www.sassomarketing.com), a technical marketing agency specializing in tools and equipment. Subscribe to his free marketing tips at philsasso.com/blog.

line so you draw your winning entry around the last business day of each month. Make sure everyone knows the deadline. That's not too hard for everyone to remember a monthly contest deadline since for example the June contest will end June 29 or 30.

Create an entry form and rules

I'm a huge proponent of technology. But, I'd say avoid online entries. It's best to stick with paper and pen. It's easier to control a fishbowl with entries than to police online entries.

The form can be simple. Just ask your customer for his name, cell phone number and email address. Add a check box that reads "put me on your email list" so you can beef up your email promotions. Rather than a fishbowl, I've seen dealers using a huge "pickle jar" with a slot in the top -- so no one can snatch entries.

You'll want to set some rules for the contest. You can put them on the entry form or your poster. For example, you might limit a customer to winning a prize every six months.

Promote the contest

Make a big poster or get a dry erase board that you can reuse every month to promote your contest. Since you're changing the award monthly, leave space for an interchangeable prize photo and description on the poster.

Also, mention the drawing when you talk to customers, in your promotional emails, and on your Facebook and/or Twitter pages.

Draw a winner

This is the fun part. To avoid any controversy, gather a group of customers on the truck, ask one of them to reach in the fishbowl and draw the winning name at random. Be sure to stir-up the entries so the first ones and last ones are all mixed together. When you get the winning entry, announce the name in front of everyone, then call or email the winner to let them know they've won.

Announce the winner

It's a good idea to create a smaller poster that says something like "Last Month's Drawing Winner" where you

can display the winner's entry form, or you can take a quick photo of the winner and put it on the poster (with the winner's permission, of course.) You can also mention them in your emails and post them on Facebook and Twitter. Seeing other winners will excite more customers to participate in future drawings.

By rewarding the behaviors you want, like coming out to your truck, buying more often, and paying on time, chances are you'll find more customers doing what you want without feeling pushed. Especially when it comes to collections, carrots are a lot nicer than sticks. ■

WE'RE THE GUYS BEHIND THE GUYS BEHIND THE GUYS.

Go to mobile distributorsupply.com today! Request our monthly catalog and sign up for our Weekly Deals email to see great prices on thousands of brand name tools and equipment.



MOBILE DISTRIBUTOR SUPPLY™

mobile distributorsupply.com | 855-MDS-TOOL (855-637-8665)

©2012 Mobile Distributor Supply. All rights reserved. All trademarks are the property of their respective holders.

Enter 31 at "e-inquiry" on vehicleservicepros.com