

Best Practices: Rider Rewards

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1. Sign up as many reward members as possible every day.

Make sure all cashiers know how to use their dealer management system (e.g., Talon or Light Speed) to activate new reward members, whether you are using full-size cards, key tags, or labels. The process should only take an extra 30 seconds. It could even be an automatic and mandatory process done on behalf of the customer by the cashier, eliminating the need to give customers a choice. Every cashier should at least be able to maintain a 50% success rate, and these numbers can be viewed on the Intranet's Reward page.

Continually signing up new reward members, which should include longtime or new customers, is the primary way to maintain a healthy reward program — you will never know who is going to become one of your best customers. If a customer's points aren't ever used, then you've saved the dealer from discounting, and any earned points will eventually expire.

2. Limit or abstain from flat discounting.

The reason why point-based loyalty reward programs work is that instead of giving upfront discounts during a single visit, customers will “earn their discounts” and spend them on more products and services during future visits. As well, the rewards earned can only be used at the dealer (or dealer group) — not reallocated into a customer's budget towards items at other stores. If discounts are offered in tandem with rewards, or customers are given a choice between discounts and rewards, this may devalue the rewards program and its ultimate purpose, as customers can always seek bigger discounts elsewhere.

NOTE: Dealers may have “clearance” items that will have to be discounted as seasons and styles change; it may be acceptable to keep these deep discounts in place just to move inventory. Even so — in this situation, customers should be required to have a reward account with the dealership to obtain these special offers. That's one way to add more value to the reward program.

3. Incentivize customers.

With reward programs being so prolific, customers may not see the immediate value of Rider Rewards, or they may not want to take the extra seconds at the register to sign up. To make the transition to rewards easier, dealers can offer customers, let's say, 100 bonus points for activating their account. A cashier could let a customer know how many points a customer will earn on a purchase and what that equates to in Rider Bucks. HOG members, or other riding group members, could earn extra points per dollar on their purchases. Dealers can also hold “multi-point” days during a dull time of year or regularly on their slowest day of the week.

Also, some dealers will produce small, inexpensive promotional items or receive them for free from a manufacturer; these things could be poker chips, Frisbees, keychains, pins, shirts, hats, wristbands, etc. Integrating materials like this into your signup process, especially during an event, can double or triple your new reward customer activations.

4. Incentivize counter staff.

Some employees will become complacent or unenthusiastic about Rider Rewards, just like any other long-term

marketing promotion. They will eventually stop signing customers up and claim to not even understand the program's importance. Owners and managers should constantly ensure that their staff understands the benefits of rewards and how it ultimately saves the bottom line and encourages return visits. As well, the employees who sign up the most customers or properly process the most Rider Bucks in the previous 30 days could earn store credit, gift cards, food, or extra time off.

5. Ensure Rider Bucks are redeemed properly.

Cashiers can spend customer points at the register, but customers can also spend their points online (on a dealer's website) to create their Rider Bucks. Each Rider Buck is assigned a unique "coupon code" that has to be redeemed in-store within 30 days before it expires, and these coupons can be reprinted or photocopied.

So, if a customer presents a Rider Buck to a cashier, its coupon code must be scanned into the Rider Rewards system to verify that it has not expired or that it hasn't already been used. If the cashier just accepts the coupon without checking the coupon code, the Rider Buck could be used again. This verification process takes only 10 seconds, but it always must be done to ensure customers are not using more rewards than they've earned.

To resolve this issue, managers have access to reports that help them determine if all Rider Bucks are being redeemed properly, and they should be running these reports every night. A dealer will accept an average of two or three Rider Bucks per day, so tracking these transactions should not add too much time to closing processes.

6. Collect customer contact information.

During any sales transaction, counter staff should be instructed to obtain phone numbers and email addresses for the dealer management system (not just name and address), as these points of contact also can be used to substantially improve the overall Rider Rewards experience. For example, having a customer's email on file will allow them to receive automated alerts related to their point balance — similar to most other reward programs. And phone numbers could be used by the clothing and accessories staff to call "top-50" customers to inform them that their point balances will soon be expiring. *(There are many other possibilities; these are just a couple benefits.)*

7. Keep it free, simple, and consistent.

The most successful reward programs do not sell access to points or benefits, nor are their premium or upgraded versions of a "free" program. These methods create confusion, increase signup time, involve more management, and create doubts in customers' minds that they will not get a return on investment.

Along with this rudimentary premise, reward programs should remain as simple as possible — able to be explained in a couple sentences — and consistent in its rules and benefits. Customers and staff will always remember that "one dollar spent equals one point," for example.

Also, reducing reward payouts and changing other program aspects while customers are earning points breeds mistrust because customers consider reward points as a personal investment. Customers can also get upset if too many exceptions are made for particular people, like when expired reward points are reinstated based on who complains.

8. Do not exchange rewards for gift cards.

This is a basic concept, but it's often missed by management.

Sometimes, customers will want to buy gift cards with Rider Bucks. At first, this may seem like it should be allowed, but what the customer is doing is taking a limited, exclusive form of payment and converting it to another form of payment that can be used indefinitely by anyone. And there is no guarantee the original buyer will not use the gift card.

Dealers should also avoid converting a full or partial amount of an unspent Rider Buck to a gift card for this same reason. If a customer has rewards, they should spend the full amount or lose any unused dollars. (In this case, help the customer find something they can spend the extra money on.) Otherwise, dealers are working to defeat the purpose of a rewards program by making these exceptions.

9. Create awareness and understanding.

Dealers can employ a number of in-store signage, POP displays, counter displays, and brochures to remind customers and employees of the rewards program. A colorful, straightforward trifold brochure especially helps customers understand the benefits and answer any questions they may develop after they leave the register.

Make sure your website has a special page that explains Rider Rewards, and send occasional email and/or text campaigns about the program. Some dealers have even created exclusive text marketing “clubs” just for reward members that offer exclusive news, benefits, and more.

10. Create a rewards and loyalty culture.

This can take a while, but by employing some of the above methods, it is possible and worth doing. It will require management’s continued support, and employees must be instructed and corrected when needed – it’s not just another “program” they have to participate in to waste their time. In fact, locations that have successfully replaced “10% discounting” with Rider Rewards have saved hundreds of thousands of dollars over just a few years, and that equates to investments in staff, technology, inventory, and a better workplace.

Getting the rewards program ingrained into your dealership culture means that:

- Discounting is not always the right and normal right thing to do.
- A customer’s rewards status is important to every sales transaction, from major units to t-shirts.
- Employees can understand and explain the benefits of Rider Rewards to any customer.
- Customers and employees can see that the rewards program is vital to the dealership’s operation from the top down.
- Dealing with rewards isn’t considered a chore – it’s more like “second nature.”

Keep in mind that a rewards program by itself is not going to necessarily going to be the magic bullet that fixes everything. After some time of consistent reinforcement, the rewards program will just become part of the workday and culture.
