

Incentives Provide the Reason to Buy Right Now

Emotional triggers can elevate the value of your incentive

BY STACEY SUTHERLAND



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In the simplest of terms, an incentive is something that encourages one to take action. *It is not the reason to buy, but it is the reason to buy right now.* Incentives only become powerful if you place importance on the reward and position the offer as “don’t lose” versus “save.”

Why? Because today’s consumers are not impressed by incentives. Markets are saturated with special offers. In fact, the attractiveness of a good deal has pretty much worn off. Even with all the enticements, customer incentives can lose their effectiveness.

The psychological reason for this is habituation. Your brain decides what is relevant and what is irrelevant in order to make you pay attention. Too much of anything becomes noise, and therefore irrelevant. Consumers have grown to expect more than a fair price for any product, and businesses are struggling to create a unique market differentiator that makes their product relevant enough to gain attention and worthy of any spend.

It’s no different in the world of timeshare, where developers are competing for the same customers with very similar products. Finding the right incentive and positioning it correctly to make your product more relevant is vital to making a sale.

So, how do you elevate the value of your incentive and maintain its effectiveness? For starters, you need to understand the emotional triggers humans suffer from, such as fear of loss. Psychology tells us that, for humans, the fear of loss is greater than the desire for gain. That’s why your incentive should focus on what your customer is missing out on, rather than what they will gain from it.

Another winning trigger is to limit availability. Online businesses know this very well and use it to their advantage. Shop any online store and you may often see a pop-up message: *Hurry! ONLY two left in stock.*

Many online travel companies take this trigger to a new level by telling you how often your selection was most recently booked. They may even say “four others are looking at these dates,” or show a timer stating you have a specific amount of time to decide. It’s a brilliant strategy to trigger *fear of loss*. But, it’s not the only trigger that leads a prospective customer to take action.

Digital platforms serve us instant notifications with real-time responses – great incentives for driving action when they are not just noise. Amazon, for example, has perfected the art of the *instant gratification* trigger because it provides the consumer with the immediate satisfaction of free shipping. And, if you’re a Prime member, you may even be eligible for next- or same-day free delivery. It has created a world market at your fingertips and knows consumers will trade long-term benefits and financial savings for instant gratification.

These types of incentives clearly motivate decisions to purchase. Accelerate the process with quick, even free, delivery options, add the feature “you may also like this” just before checking out, and consumers will bite more often than not.

But the timeshare industry is still living in the moment of one-on-one selling. How do we apply these digital practices to our analog style of selling with incentives?

In the case of the first-day incentive, you must be able to demonstrate its real value,



as well as the loss to the person if they miss this opportunity, then let emotional triggers naturally take hold. Showcasing what others have experienced through testimonials or featuring retail public pricing compared to what they will receive aids in this process. People believe things when they see a certain number of others do. It's called the bandwagon effect, and it's the reason why developers must pay attention to TripAdvisor and other review sites.

Apply the instant gratification trigger to your incentive by giving “instant proof of value,” and you may have scored a new customer. As you consider your incentive, think about whether you are focused on adding it to a purchase as a first-day incentive or to a tour-no-buy (exit) program. Generally, first-day incentives are paid by the developer and have greater value than exit programs. Developers have more to lose when the prospect is at the closing table, versus when they have already said “no” to purchasing.

Take for example, a high-value cruise incentive certificate. While there are thousands of different incentives available, a cruise offers an aspirational component along with a high perceived value. Developers may pay anywhere from \$100 to \$200 for such a certificate, depending upon the tier/price point, but feature it as a benefit for purchasing today.

The perceived value can be upward of \$5,000. When pitched using tactics that create emotional triggers, such as a registration component at the table, along with an official certificate in hand, fear of loss and instant gratification kick-in! Apply an activation process that may take 20 to 30 days, and you reduce the consideration for rescission.

When you use incentives in the tour-no-buy scenario, you enter a different channel where this benefit can aid in warming the lead over time. Consider a private-branded travel club benefit, for example. This type of incentive has a very low cost to the developer and can be used in high volume.

Some incentive companies can offer travel savings cards for as little as 1% (or \$5) with a value of \$500. They create this opportunity through their margin. The benefit of handing someone a travel savings card while activating it on the spot allows for *instant gratification*. Your fulfillment company can then take over with trigger emails and begin the process of demonstrating value.

While programs like these cost the developer little to nothing, they have a huge upside when thoughtfully structured — doing the job of warming the lead, creating brand value, and driving the customer back to the sales table.

Whether you're using incentives to close a sale, or warm a lead for future prospecting,

be sure that you partner with the right travel fulfillment company to offer a private-branded site so you can build brand loyalty. And look for features that add more value and offer flexibility:

- Price comparisons (to demonstrate instant value)
- Trigger-based marketing (based on search and look behavior)
- Resort Weeks Inventory (segmented by your brand)
- Tiered offerings (creating more exclusivity)
- High-value products
- Low-entry cost
- One-call-does-it-all customer service
- Easy-to-change benefits/offers platform
- A site that features multiple languages and currencies

While all of these points are beneficial when aligning your solution, you also should consider how incentive partners structure their agreements. Some offer breakage models with flat-rate fees upon issuance and bifurcated pay on redemption, while others focus on redemption, where the developer pays nothing until a customer redeems the offer.

From pitching to closing, solutions to servicing — there are many options to help you elevate the value of your incentive and maintain its effectiveness. ■