



# The Power of Engagement



## Challenge

At a time when economic concerns were beginning to impact the retail sector, one of the nation's largest retailers, Macy's, sought to draw traffic to their home stores and boost sales of higher ticket merchandise. Macy's, which operates 430 department stores across the country, faced the challenge of gaining market share and increasing category (Sleep Shop) awareness nationwide.

## Solution

All Star Incentive Marketing (ASIM) worked with Macy's to create a gift-with-purchase incentive program to drive traffic into Macy's stores and convert shoppers into buyers. The program focused on driving mattress sales by enticing customers with a high-value bonus gift when they purchased a qualifying mattress set during the promotional time period. Macy's partnered with All Star because of the company's full-service solution that includes creation and production of redemption forms, auditing of qualifying purchases, product procurement, order fulfillment, and ongoing management of customer service inquiries.

Macy's kicked off its promotion in November 2007 by offering a Sharp 19" HD LCD TV with the purchase of qualifying Hotel Collection mattress sets. The offer was communicated through national TV and radio advertisements, FSIs, and in-store promotions. Immediately, Macy's managers noticed that customers were excited and willing to move up to the premium sets in order to receive the bonus gift. Together, Macy's and All Star used these results to expand the offers to include a number of additional mattress brands.

While the initial premium— a bedroom-sized television— was selected to compliment the mattress purchase, later promotions tested additional incentives at various price points, including \$200 Macy's store gift cards and other desirable brand-name electronics. Macy's ran the gift-with-purchase promotion at targeted times throughout the next year: from Labor Day through Veteran's Day, during the November-December holiday shopping season, and July fourth.



# Macy's | The Power of Engagement

## Results

From its start in November 2007, the incentive program immediately achieved its goal of producing measurable sales growth on Hotel Collection mattresses. When Macy's expanded the offering to encompass more brands, total category sales rose over initial results. One Serta mattress set, which accounts for approximately 13% of sales, spiked to 17% during the gift-with-purchase promotion.

During the 2007- 2008 promotions, Macy's customers brought home more than 8,500 televisions and 1,500 GPS units — proof that attractive incentives at a number of price points will successfully drive sales. In 2012 customers received 3,750 Fuji camera bundles. In 2013 customers received 2,798 Dyson vacuums. And in 2014 ASIM Shipped 11,620 gift cards to Macy's customers. They continue using ASIM through 2017 for their annual promotions.

Given its proven success Macy's continues to incorporate the gift-with-purchase program into its sales calendar, offering it four times a year.



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