



The Muffin Man

Years ago, the owner of a muffin bakery in downtown Dallas launched a Muffin Program – A punch card program with “Buy 10, Get 1 free”



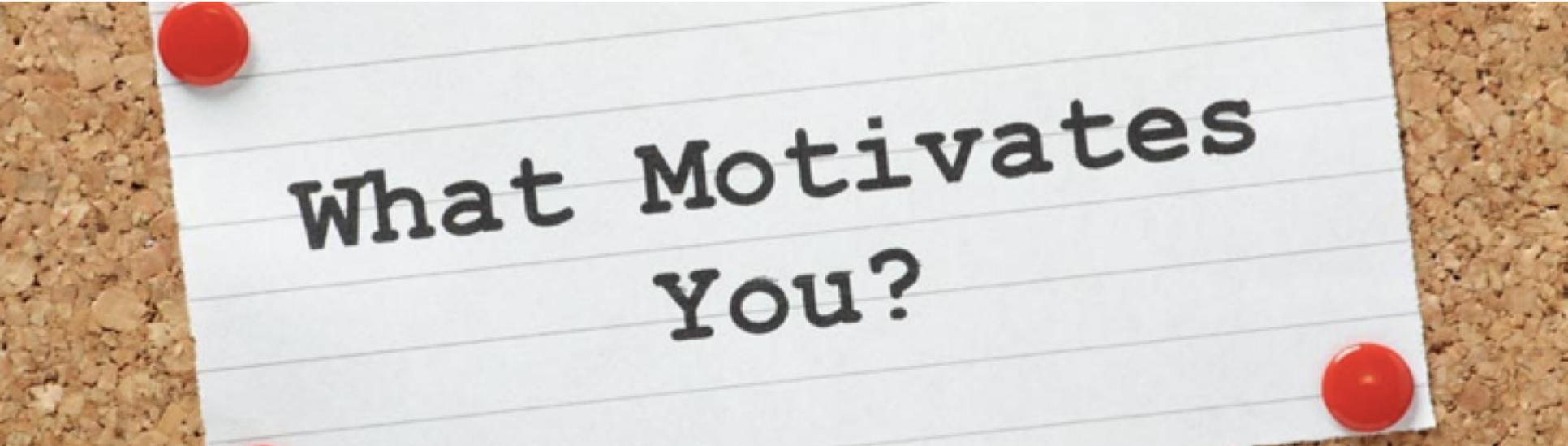
We asked the owner of his competitor across the hall, why don't you have a Muffin program? He said it was too expensive!

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- How incentives can profitably drive desired consumer behavior change
- The Pros and Cons of treating some customers better than others
- The importance of cadence and thresholds to driving customer behavior
- How well-crafted incentives can drive profits at redemption
- Examples of non-monetary incentives that drive desired behavior



**What Motivates
You?**



Years ago, the owner of a muffin bakery in downtown Dallas launched a Muffin Program – a punch card program with “Buy 10, Get 1 free”



We asked the owner of the deli across the hall, why don't you have a Muffin program? He said it was too expensive! Let's look at who wins



12 FREE BLOCKBUSTER Favorites
and
Rent 5, Get 1 FREE Every Month
and
FREE BLOCKBUSTER Favorites
and
All for the Low Annual Fee of \$9.95.

Start Today!

What's Starbucks doing?



STAR STREAK

January 12 – January 14

Make Purchases

Collect

1

day(s) in a row

25 ★

Bonus Stars

2

days in a row

50 ★

Bonus Stars

3

days in a row

75 ★

Bonus Stars

Join the Star Streak



Change behavior - Increase frequency of store visits over three days



While both incentives and promotions encourage customer action, incentives and offers primarily differ in their timeframe, with offers available for immediate use and incentives typically earned over time



Take an action now, get something now

- Presenting an opportunity
- Inviting action and providing a benefit
- ***“Book your trip today, save 25%”***



Do something now, earn something later

- Presenting an opportunity to earn something
- Earned benefits often drive higher redemption
- ***“Rent 5 this month, get one free next month”***