

CASE STUDY

John Deere Attracts New Customers to an Old Brand

John Deere needed a way to increase sales in low-price environments without eroding their brand (or their premium brand prices).

Situation: Getting people to spend more on a brand they know less

The John Deere brand has a strong reputation among their traditional, very loyal customers who have a lifetime of first-hand experiences with the brand's promise of high quality, proven heritage and—above all—machines built to last. While these customers understand and accept John Deere's premium pricing, younger customers don't yet get it; they know them more for the iconic cap.

So how does John Deere attract new customers in a large home improvement store, where they will be one of the highest priced options? How do they encourage purchase in a discount environment without discounting their product—and their brand?

John Deere has tried value-add promotions before—free toy tractors and barbecues with purchase—but fulfillment delays led to thousands of negative calls from unhappy customers (as well as concerning calls to product managers from the CEO).

Solution: Gift cards eliminate fulfillment problems

Looking for a solution that could target new customers and satisfy their expectations, Division Sales Manager Sean Sundberg decided on a reward-based promotion that used a rigorous purchase-validation process and delivered value-add electronic gift cards almost instantly.

This solution allowed John Deere to protect its brand while delivering post-purchase store savings to customers of up to \$350. To make the process error- and hassle-free, processing was handled entirely by Hawk Incentives—from reward validation to cardholder customer service.

Outcome: Zero complaints, zero CEO issues

After experiencing more than 5,000 calls from upset customers following their last value-add promotion, the Hawk Incentives-led promotion resulted in zero calls from upset customers, a happy CEO and thousands of new John Deere loyalists.

“Our management and executive teams are extremely happy with the results. Not only the sales comps, which are phenomenal, but the level of customer engagement and satisfaction.”

— Sean Sundberg, Division Sales Manager, John Deere



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