



Growing Share in Turbulent Times

How established programs helped a construction company grow market share



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A construction products manufacturer had been cultivating trust and loyalty with their channel partners and contractors for many years through carefully planned and executed incentive programs. In a year that would see global markets and the construction industry facing calamity, they would learn the true value of their customer's trust and loyalty.

Situation

2020 was a devastating year for the world's economy. In early spring, a pandemic raced around the globe costing millions of jobs, disrupting supply chains and wreaking havoc on markets. The construction industry was hit incredibly hard.

- US new construction starts fell 18.3% in 2020*
 - The largest percentage decline since 2005*
- Canadian starts tumbled even more - down 22.3%*

A major construction materials supplier might have faced catastrophic results, but a program they had been operating offered them a competitive edge.

In 2020, North American new construction starts fell by nearly 20%.

**Daily Commercial News by Construction Connect. 2020 U.S. and Canadian Construction Performances in Review. Abby Samp. February 4, 2021.*

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Solution

This construction materials manufacturer had long been developing deep relationships with both their channel partners and key building contractors and construction companies using two programs.

- A contractor loyalty program allowed invited construction firms to earn points for each eligible purchase. Points were redeemable for a variety of awards, marketing tools and even capital equipment expenditures.
- A channel partner program offered dealers earning opportunities for purchases of eligible products and provided additional marketing support to help them attract and retain small and mid-sized contractors.

Prior to the economic downturn, these programs moved to a single online platform to communicate goals and progress more effectively to participants, expand redemption opportunities and streamline program administration.

The new platform helped the client realize expanded active participation in the program and year-over-year sales increases outpacing the industry's organic growth. But as the pandemic began to crush the construction industry in early 2020, its effect on our client's sales remained hard to predict.

Success

In a year where construction industry sales were down by double digits in both the US and Canada, the program sponsor's US sales dipped by less than 1%. Canadian 2020 sales increased 4% compared to the previous year. This means our client realized extraordinary market share increases in a wildly unpredictable market. Some of this could be attributed to:

- The contractor loyalty program had already forged strong bonds with industry-leading contractors and builders. These partners bounced back faster than others and took advantage of the situation to grow sales.
- The channel partner program and the relationships it created with the industry's key dealers and resellers offered partners the resources to expand their footprint with small and mid-sized contractors in a turbulent time.

When competitor's sales plummeted by 20%, the program sponsor maintained their prior year's sales and grew market share more than any competitor.

Their ongoing programs demonstrated a commitment to the success of their partners and contractors.

The updated program platform launched prior to the market turbulence provided:

- A consistent method for engaging partners and contractors with program updates
- Quick access to rewards and status levels
- Intuitive tools for field management sales reporting and validation
- A fast, efficient and effective communication channel to the client's most important partners and customers

The sponsor's ongoing programs demonstrated a commitment to the success of their partners and end-users and reinforced the trust and loyalty built over time for their brands.

In a year when sales could have been down by as much as 20%, our client maintained their 2019 sales levels and gained more market share than any competitor.

To learn more about how you can engage, inspire and reward your employees and customers, contact Hinda today.

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Hinda Incentives

2440 W. 34th St.
Chicago, IL 60608

Phone: 773-890-5900

Email: contact@hinda.com

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