

Marketing Incentive Programs and Sales Performance of Pioneer Adhesive Inc. – Basis for Action Plan

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Abstract—Marketing Incentive programs have emerged as a strategic tool for businesses seeking to drive sales growth, foster customer loyalty, and enhance brand perception. This study synthesizes existing research to highlight the significance of participant engagement, cost effectiveness, customer loyalty, and positive customer experience in incentive marketing. The findings underscore the importance of personalization, transparency, and simplicity in incentive program design, demonstrating that businesses that adopt data-driven, personalized, and user-friendly incentive strategies can expect significant improvements in customer retention, sales performance, and brand advocacy. The study reveals that well-designed incentive programs can increase customer retention rates by 5-20%, drive sales growth of 10-30%, and enhance customer satisfaction and loyalty. By optimizing incentive programs, businesses can unlock sustainable growth, cultivate long-term customer relationships, and gain a competitive edge in the market. The findings provide valuable insights for businesses seeking to leverage incentive marketing as a strategic growth driver.

Index Terms—Marketing Incentive Programs.

1. Introduction

Marketing incentive strategies are comprehensive plans that align marketing activities with business goals by using rewards to influence customer and partner behavior. These strategies aim to attract and retain customers, drive sales, foster loyalty, and enhance customer experience. In a global context, successful programs begin with unified objectives—like increasing market share and improving customer acquisition shared across internal departments and external stakeholders. High-impact frameworks align incentives with strategic goals and employ standardized performance metrics, while allowing for regional adaptation. Technology platforms support real-time tracking and optimization. Pioneer Adhesive Inc., a market leader in the adhesive industry, implements 360-degree incentive programs, including rebates, discounts, and commissions, investing about 8% of its sales revenue in such initiatives. However, without data-driven evaluation, the true effectiveness of these programs remains uncertain. A detailed analysis is recommended to identify which incentives yield the most significant returns, ensuring the company optimizes its budget and sustains growth.

2. Literature Review

Afrad, Qathmi, Ajay Jha, Weshah, Albalushi, Almansour, and Amin collectively emphasize that participant engagement—fueled by personalization, transparency, and communication—is essential for the success and ROI of incentive marketing programs, which can enhance employee performance by 44% and customer loyalty by 50%. The literature underscores the role of personalized and mobile-compatible rewards, real-time tracking, and experiential incentives in creating emotional connections and boosting engagement. Redemption rates, typically ranging from 30% to 60%, are influenced by reward type, ease of use, and communication strategies. While all sources agree on the impact of incentives on consumer behavior and sales growth (10%–30%), there are variations in focus, with some highlighting specific program types and ROI metrics (2–4x investment), and others stressing long-term value and brand advocacy. Positive customer experiences, shaped by seamless participation and tailored rewards, are seen as pivotal in fostering loyalty and turning customers into organic promoters. Overall, the literature reveals strong consensus on core principles, with nuanced differences in implementation strategies and performance measurement.

3. Methodology

The study engaged in an evaluation of the marketing incentive program and Pioneer Adhesive Inc.'s sales performance as the foundation for a subsequent marketing action plan. The researcher employed a descriptive correlational design with an embedded impact-analysis component, utilizing a survey questionnaire as the primary data source. This design enabled the examination and assessment of statistical relationships between the incentive variables and sales outcomes while minimizing the influence of extraneous factors. Importantly, the approach did not involve experimental manipulation or direct control of the variables under investigation. The study of Babbie, E. R. (2020) that provides foundation knowledge about the survey design, descriptive studies, and the limitations of correlation research.

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4. Results

The study on Pioneer Adhesive Inc.'s incentive marketing programs revealed that the initiatives are generally effective, with participant engagement (3.44) and cost-effectiveness (3.25) rated as very effective, while the redemption rate (3.05) showed room for improvement. Sales performance was also strong, particularly in sales growth (3.28), followed by good ratings in customer loyalty (3.20) and positive customer experience (3.23). Importantly, the study found significant relationships between all three aspects of incentive program effectiveness—engagement, redemption rate, and cost-efficiency—and sales performance. These findings suggest that improving redemption processes and aligning rewards more closely with customer behavior could further enhance sales outcomes. As a result, a strategic action plan was developed to boost future performance by refining program components and maximizing their impact on sales.

5. Discussion

The discussion of the findings reveals a comprehensive assessment of the effectiveness of Pioneer Adhesive Inc.'s incentive marketing programs and their impact on sales performance. The programs were rated very effective in terms of participant engagement (3.44) and cost-effectiveness (3.25), indicating that the company is successfully motivating participants and managing program costs efficiently. However, the redemption rate, with a lower score of 3.05, highlights an area needing improvement. This suggests that although participants are engaged, not all are redeeming their rewards, possibly due to complex processes, unclear communication, or less appealing incentives. In terms of sales performance, the company is performing well, especially in sales growth (3.28), while customer loyalty (3.20) and positive experience (3.23) show solid but improvable outcomes. The statistically significant relationships between all three program effectiveness criteria—engagement, redemption rate, and cost-effectiveness—and sales performance confirm that well-executed incentive programs contribute meaningfully to business success. Notably, higher participant engagement and better reward utilization are directly linked to improved sales outcomes. These findings underscore the need for strategies that enhance reward redemption processes and align incentives more closely with customer preferences and behaviors. The development of a data-driven, strategic action plan based on these insights is essential to further strengthen program performance, enhance customer experience, and drive sustained sales growth.

6. Conclusion

The study reveals that sales personnel at Pioneer Adhesive Inc. effectively utilized the marketing incentive program, particularly in participant engagement, redemption rate, and cost-effectiveness, to drive strong sales performance. Positive results in sales growth, customer loyalty, and customer experience confirm the program's effectiveness. A significant relationship was found between these three key factors and sales performance, highlighting their critical role in marketing success. To enhance outcomes further, an action plan was proposed to increase participant engagement by 30% and improve the redemption rate by 25% through targeted strategies such as social media campaigns, personalized communication, and real-time tracking. Cost-effectiveness will be maintained through vendor negotiations, digital reward prioritization, and continuous ROI monitoring.

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