



# SALES INCENTIVES

## Consumer Influence Tactics

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### TARGET, ATTRACT, TRANSACT™

### HUMANISTIC DECISION PROCESS:

"PROBLEM RECOGNITION"

"INFORMATION SEARCH"

"EVALUATION OF ALTERNATIVES"

"PURCHASE DECISION"

"POST PURCHASE BEHAVIOR"

# OVERVIEW: SALES INCENTIVES

## Definition:

A sales incentive is a reward given to sales personnel who achieve a specified sales goal.

## Benefits:

Manufacturers benefit by creating a "push" selling element to complement "pull" efforts such as advertising and sales promotions. By motivating sales personnel to push the manufacturer's brand, consumers who are seeking advice during the critical stages of evaluating product alternatives will be recommended to the manufacturer's brand.

## Importance:

It is critical for a manufacturer's marketing plan to include a mix of push and pull tactics in the channel. Sales incentives offer the most effective push stimulus by ensuring the interests of the retail sales associate are aligned with those of the manufacturer. Failure to influence the retail sales associate can result in their recommending a competitor's brand and undermining the totality of the marketing investment in the pull tactics.



## Sales Incentives

With shortening of product cycles and increases in products on the shelf, retail sales associates simply cannot keep pace with most manufacturer product launch information. As a result, retail sales associates often tend recommend those items for which they are most familiar (possibly as user's themselves of the product), or those they are compensated to promote. This is where the manufacturer can exert influence to win the mind share of the retail sales associate so that they become familiar with the manufacturer's products for recommendation and future sales.

Implementation is made easy via the use of a simple micro-site that allows retail chain staff to create their own online account. Then, they deposit "points" in the account via entering sales incentive codes dispensed by the manufacturer or retail store managers, based on individual sales results. The points can be traded for premium items such as: track days, interactive CD games, music, DVD films, electronics, sports apparel, and other items that are identified to be demanded by retail sales associates. Individual store or chain performance can be tracked online for ease of reporting.

## Pitfalls of Co-op Funding

In many sectors, retailers will tend to encourage manufacturers to increase co-op ad funding or market development funds instead of sales incentives. The motive usually comes back to the retailer's desire to increase gross profit margins (bottom line) instead of motivating their sales staff to increase sales (top line).

By involving your channel partner(s) in low maintenance incentive programmes, you can better incentivise sales personnel for increased sales results.