

# Using Incentive to Motivate Students during a Professional Selling Class Project

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## Abstract

Experiential learning methods are an important part of a robust sales curriculum. Sales call role-play, an experiential learning tool, is common in introductory and advanced sales call courses. While role-plays have several advantages, they are by definition, not “real-world.” Addressing this issue, some sales courses include sales projects/exercises in which students sell real products to real customers. This paper discusses how sales incentives were incorporated into a real-world sales exercise and the impact of those incentives on sales volume.

## Introduction

Role-playing is an experiential exercise used by many introductory and advanced sales course offerings (Loe & Inks, 2014; Sojka and Fish 2008; Widmier, Loe, and Selden 2007). Role-playing give students the opportunity to learn-by-doing and is generally regarded as an effective teaching tool (Adrian and Palmer 1999; Gremler et al. 2000; Inks and Avila 2008; Karns 2005; Kennedy et al. 2001; Smart et al. 1999; Smith 2004; Smith and Van Doren 2004; Wright et al. 1994).

Despite the advantages of role-playing, it is still a contrived experience and lacks the authenticity of a real sales experience. In their article “Taking the Professional Sales Student to the Field for Experiential Learning,” Inks, Schetzlsle and Avila (2011) presented a sales exercise in which students sell professional basketball ticket packages for an NBA franchise. The exercise requires students to engage in each step of the sales process with real customers in an effort to meet established sales goals.

As with other school assignments, student performance varies depending upon the level of commitment and engagement. Some students are content to do the bare minimum, while others seek to perform at the highest levels. In an effort to stimulate greater sales activity, the instructor introduced a sales incentive program that rewarded the top sales performers (as measured by ticket sales). During the project timeline, students were kept up-to-date on their rankings, and the prizes were awarded at the conclusion of the project. This purpose of this paper is to discuss the anecdotal impact of the incentive program on student motivation to sell tickets.

## **Background**

For decades, selling organizations have offered sales incentives to potentially increase the output of their salesforces. Sales incentives are remunerations offered to a salesperson for exceeding some predetermined sales goal. These incentives can come in the form of additional payment or prizes (trips, hard to get tickets to an event, etc.). While sales managers often have the discretion to create spontaneous incentives, formal incentive programs are generally only offered once or twice each year (Shearstone, 2015).

Over the past 15 years a sales project has been used in our advanced sales class. A portion of the students' grades were tied to sales performance, and that was the primary "incentive program." However, not all students value grade achievement the same. Some students are willing to do whatever it takes to earn an A, while others are content with Bs and Cs. Consequently, the impact of the grade incentive program is likely different depending upon the students' determination to earn a high grade.

In an effort to address this issue, and to test the impact of other more extrinsic rewards, during the spring of 2015, we introduced sales prize-based incentives (tickets and cash) tied directly to ticket sales.

## **Real-World Sales Project Overview**

Inks, Schetzle and Avila (2011) detail an 8-10 week real-world sales project in which students sell ticket packages for an NBA franchise. This paper discusses an instance of this project in which the instructor included sales incentives and the potential impact of those incentives on performance. Below is a brief review of the project steps (for complete details, please read Inks, Schetzle and Avila [2011]).

### **Preparation**

The instructor reviews with the students each step of the sales process, and helps them develop strategies and tactics for navigating their way through it. The instructor also works with the students to identify sales targets and other performance metrics so that students (and the instructor) can assess performance.

### **Step 1 – Prospecting:**

Students work individually to generate an initial set of sales leads. Typically, students think of friends, family members, and co-workers to whom they may be able to sell tickets. These prospects are ones the students may initially consider as "the low hanging fruit," at least in terms of generating a prospect list. The instructor will then initiate a brainstorming session to 1) help students identify other leads and lead sources, and 2) help the student to begin thinking about qualifying criteria and prioritizing qualified leads.

**Step 2 – Information Gathering Approach:**

In step 2, students begin gathering information (e.g., basic contact information) about their prospects before initiating contact. The students use a provided sale call log sheet that contains a list of the types of information students need to learn about their prospects. With respect to the friends, family, and coworker leads, students are usually able to complete the log sheets fairly quickly. It takes more time to gather the pertinent information about leads generated through brainstorming. Once the sales call logs are completed, student can begin Step 3.

**Step 3 – Uncovering Needs:**

In the 3<sup>rd</sup> step of this exercise, students think about and develop a set of questions they feel would be helpful to ask during the sales calls. In preparation for this step, the instructor reviews questioning strategies such as SPIN and ADAPT. Students share their ideas about the questions they want to ask or the information they want to learn. Through sharing, students pick-up questions they wouldn't have thought of otherwise, and usually find this step to be beneficial.

**Step 4 – Presenting Solutions:**

Working with the instructor and as a class, students learn how to present the various ticket packages as solutions to a variety of related needs. Students role play presenting solutions, learning subtle differences in how to position solutions effectively.

**Step 5 – Handling Resistance:**

Although listed as “step 5”, students are reminded that objections may occur at any stage of the sales process. It is important for the instructor to help students learn to recognize manageable resistance. In preparation for handling resistance, students work to identify a set of likely objections and then role play handling those objections (while practicing the specified resistance handling strategy).

**Step 6 – Gaining Commitment:**

Perhaps the biggest challenge facing sales students is the close. Like many inexperienced salespeople, most students have at least some reluctance to ask for the order (less so when selling to friends and family). Students role play a variety of closing techniques, but focus on simply asking for the order. Students develop and execute as appropriate responses for when the answer is “yes”, “maybe,” or “no.”

**Step 7 – Post-Sale Follow-up:**

Students develop follow-up strategies for when the answer is “yes,” “maybe,” or “no.” Those strategies include how to deliver the ticket packages, how to ensure promised tasks (e.g., sending additional material to prospect) are completed, how to follow-up after a game to ensure satisfaction, and how to ask for referrals. The instructor should help the students understand the potential consequences of not following-up properly.

## The Incentive Plan

During spring semester 2015, 18 students participated in our advanced sales class. The students were asked what incentives would motivate them during the class project. Tickets to a NBA basketball game (floor seats) and cash were the incentives chosen by the class for the project. To assess the impact of the different incentives, the 12 weeks during which the project ran was divided into four 3-week quarters in order to simulate a sales year.

During the first week, we had training on the product (NBA tickets) and the class turned in a prospect list. During the first quarter (three weeks), no sales incentives were offered, but the class was allowed to make calls and sell tickets (grades and rankings were the primary motivator). During the second quarter (next three weeks), we implemented a non-cash prize based incentive program. Two floor seats to an NBA game were offered to the student who highest sales. For the third quarter, once again no sales incentive was offered. We did this to simulate an incentive program going off and on during the year, and to help assess the impact of the incentives. During the fourth quarter, we implemented a cash-based incentive program. The student with the highest sales was offered a cash prize (gift card).

## Results and Conclusions

Table 1, below shows the three performance indicators we tracked, class sales, number of sales call, and average revenue per call, for each of the four quarters. As the table indicates, sales were the highest during the two quarters in which sales incentives were offered. While sales were the highest during the fourth quarter (cash incentive), the revenue per call was slightly lower than the second quarter (non-cash incentive). It's possible the cash incentive motivated students to reduce their sales call reluctance, or lower their lead qualifying criteria, in order to generate more activity.

**Table 1**

Sales During the Contest				
	1st 3Weeks	2nd 3Weeks	3rd 3Weeks	4th 3 Weeks
	No Incentive	Ticket Incentive	No Incentive	Cash Incentive
Class Sales	\$950	\$2950	\$0	\$3,400
# of Calls	90	254	130	308
\$ per Call	\$10.55	\$11.61	\$0.00	\$11.04
Note: Class Quota – \$8,350.00; Total Sales – \$7,430.00; 89.98% of Quota				

Another interesting result is that while the number of sales calls decreased in the third quarter as expected, no calls resulted in a sale. It's possible that students nearing the end of the third quarter, held sales back until the fourth quarter because of the incentive. Students appear to have played the game to hold orders until the cash sales

incentive program began. That sort of behavior is a problem often associated with time-based sales incentive programs.

## **Future Research**

This paper examined the impact of incentives on students' performance in a real-world sales experience. However, a more formal study is needed to isolate the effects of the incentives and, such an examination should be done across multiple class sections. Other related issues also need examination. For example, while the type of incentive plan discussed in this paper appears to motivate some students to excel, the motivation of those who get off to a slow start may be diminished as they perceive little to no chance of ever catching-up and finishing in one of the top three slots. Additional research is needed to assess the impact of performance-based incentive plans that reward students based on their individual achievement in addition to, or instead of, their relative performance (i.e., their rankings).

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**Keywords:** *role play, sales student incentives, experiential learning*

**Relevance to Marketing Educators:** This paper is useful for helping faculty teaching sales courses develop sales projects teach selling skills and provide insight into how sales incentives affect motivation and performance.

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