A Survey of Sales Incentive Programs
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Abstract (Document Summary)
Sales incentives are considered an important motivator of sales personnel. In a study of 75 industrial firms in South Africa, the objectives were: 1. to establish how South African industrial companies plan and control their incentive schemes, and 2. to develop a set of guidelines or procedures that will assist management with the design of future schemes. Some of the major findings of the study are: 1. The main reason firms offer sales incentives is to motivate their salesforce. 2. The main factors that will motivate the salesforce are self-satisfaction in doing a good job and the desire for more money. 3. Top management, sales management, and, to a lesser degree, marketing management were involved in the design of incentive schemes. 4. Most incentive payments are made on sales above a target. 5. Sales incentives are only for direct selling staff. 6. The main negative side effects of incentive schemes were the neglect of some products in the range as well as the neglect of nonselling duties.