

# Boosting sales in a slow economy

Rising energy costs, a slow global economy and high inflation rates squeeze consumer spending. So just how do companies that compete in these conditions stay one step ahead?

## **Incentive industry experts advise maximizing the potential of people – employees, sales staff and channel partners.**

“I do believe that organisations, or at least the ones using incentive programs, are more savvy today,” says Karen Renk, Executive Director of the Incentive Marketing Association. “They recognise the fact that there is a direct link between an employee’s engagement and their bottom line. And when the economy is tight and sales are challenged, they still need to keep those employees motivated so that the brand promise is delivered.”

## **Why incentives endure in a slow economy**

Research shows that incentive programs can improve performance anywhere from 25% to 44%, as well as decrease turnover, increase customer satisfaction and enhance public awareness of a brand.

Historically, incentive programs, unlike other sales and marketing strategies, survive economic downturns.

A recent Incentive Performance Center White Paper, “Why Incentives Endure Recessions”, reveals

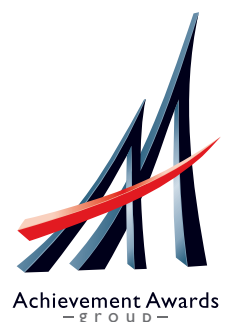
the fundamental reasons why incentive programs, unlike other sales marketing strategies, withstand economic slumps. These factors include:

- Low fixed costs
- Variable costs driven by performance
- High potential return
- Ability to effectively target audiences
- Relative ease of measurement
- Flexibility
- Potential for both short-term and long-term results

So rather than trim budgets, a smart business may consider reallocating a portion of its marketing expenditures to targeted, measurable activities with incentive programs that can directly influence sales.

## **Fast tracking your incentive through a Sprint**

One proven way to boost sales with targeted activities is through a short, sharp tactical Sprint Sales Incentive that can be used to drive specific sales goals over a short time period, such as 6 to 12 weeks.



Sprints are particularly effective in an economic slowdown because they provide a much needed surge in sales, as much as 25% over a program period, providing a great cost to benefit return.

The motivation to push sales is fuelled by the challenge that a Sprint Incentive offers. Tangible incentives, such as the latest digital video camera, or a trip to the Brazilian rain forest, engage the imagination in a way that cold cash just doesn't.

This is especially true at the end of the year, when sales staff may have become accustomed to performing at a certain level for a corresponding amount of commission.

A Sprint Sales Incentive inspires an emotional commitment to the challenge, motivates high performance and injects a bit of friendly competition into a day's work.

### **Getting channel sales moving**

Sprints are highly effective for motivating sales through your distribution channel, where competition for attention can be a challenge even

in the best economic times. Incentivising channel partners to focus on your product range is an effective way to stabilise seasonal fluctuations, build long-term brand relationships, and gain a bit of competitive advantage in a tight market.

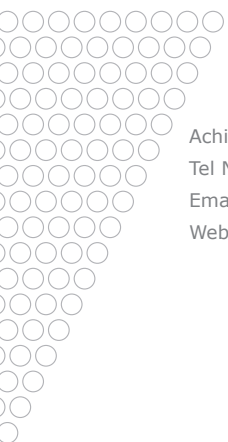
### **Closing the deal**

Times are tough, that's a given, but that's precisely why it's time to up performance levels.

Organisations that focus on customer-facing teams and promote exceptional service, whilst simultaneously recognising and rewarding their innovation and hard work, are literally leveraging the most important source of their competitive advantage.

"It is important to remember all the benefits of incentive programs and your long-term business goals that those incentives help serve," says Renk. "If [companies] have a knee jerk reaction and lose their incentive programs for top employees, those same employees will be the first out the door when the economy turns back around".

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