

Assessing Sales Contest Effectiveness: The Role of Salesperson and Sales District Characteristics

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Abstract Sales contests are widely employed to improve short-term sales performance, but knowledge about their effectiveness at the individual salesperson level remains sparse. Proponents argue that contests increase sales by stimulating salespeople while critics say that contests merely encourage strategic timing of sales efforts. The authors draw on the strategic sales timing literature as well as self-efficacy and goal theories to hypothesize that in a consultative selling scenario, sales dip below the baseline before the contest, but increase above the baseline during and after the contest. They posit that sales district potential and salesperson self-efficacy moderate the pre-contest sales dip, contest sales boost, and post-contest sales. Results from a model using individual-level data on 1180 salespeople in 78 sales districts support the hypotheses. The findings stress the need for researchers to integrate the role of strategic timing, salesperson and sales district characteristics to assess sales contest outcomes. For practitioners, the findings show that in consultative selling situations, contests can generate a net sales increase despite the occurrence of timing games, and the sales gain is higher in districts with lower sales potential and among salespeople with higher self-efficacy.

References: Available upon request

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