

# **A STUDY ON THE EFFECTIVENESS OF SALES INCENTIVES IN IMPROVING SALES PERFORMANCE**

Bharthvajan R

Assistant Professor, Bharath School of Business, Bharath University, Chennai – 600073, India

**ABSTRACT:** The main aim of this research study is to investigate the performance of the salesperson before and after implementation of newly developed sales incentive packages. The salesperson most of the time are motivated by the technical tools called as incentive which will boost the performance of the salesperson as maximum as possible.

## **I.INTRODUCTION**

Following are the objectives of the research study

- To know the sales personnel's interest towards sales incentives
- To study the motivational factors of sales personnel
- To analyze the performance of the sales personnel before and after the implementation of new incentive plan.
- To study the impact made by the new incentive plan among the sales personnel
- To examine the level of attitude of the sales personnel towards incentive schemes.

## **II.PROPOSED APPROACH**

In this paper, the inductive method is utilized by testing designed interview schedule results so as to propose appropriate strategies for Samsung. Concurrently the literature review and the data gathered from other sources such as internet are utilized as secondary data to support the analysis as well. Sample size The determined sample size used in this research is 150 responses to represent the population of 30,000 sales executives in FMCG products from the whole of Tamilnadu state. Formula for Sample Size determination is illustrated as following (Saunders et al., 2000). Where n is the minimum sample size required p is the proportion belonging to the specified category q is the proportion not belonging to the specified category z is the z value corresponding to the level of confidence required e is the margin of error required The assumption is 70percent

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proportion belonging to specified category, reversely there will be 30percent not belonging to specified category. And the confidence interval is 95 percent with 5 percent possibility of error, that converts to z score equal to 1.96 There are expected 70 percent to 80 percent questionnaire would be get back which are also valid for data analysis. In this consideration, a total number of 180 copies questionnaires were given out, and eventually there were 150 responses belong to the valid category in terms of the completeness of the answers and illegible to read. A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure, the researcher would adopt in selecting items for the sample. The study area covers sales persons based on demographic, economic and other conditions as centre for the study in order to measure and evaluate the overall effectiveness of the sales incentives. This study is both descriptive and analytical. For achieving the said objective both primary and secondary data have been used in this study. A comprehensive interview schedule, duly pre-tested, has been designed for collecting primary data. The non-probability method of convenience sampling was followed to choose the sample respondents.

## III. DATA PROCESSING

After conducting the interview schedule from the respondents, data were analysed thoroughly. The master table has been prepared by the researcher to use classification table for future statistical treatment. Master table has been used in the excel. 1.9 Period of the Study The survey for collection of primary data was conducted for last six months during the financial year 2012-13.

### Hypothesis

Hypothesis has been framed on the basis of the objective of the study. The following null hypothesis have been framed

1. There is no significant relationship between the designation of the respondents and influencing factors.
2. There is no significant relationship between the designation of the respondents and level of motivation.
3. There is no significant relationship between designation of the respondents and Level of attitude towards incentives.
4. There is no significant relationship between the monthly income and the factors influencing respondents.

### Limitations of the study

Following are the limitations of the study

→ Some of the respondents fear to disclose their view with regard to their income and personal information.

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→ The sample size is 150 only which may not be sufficient to conclude the accurate response and the survey is qualitative in nature.

→ The sales personnel were very busy in their work, so some of them were didn't respond properly.

→ Due to the time constraint maximum information could not be collected from the employees. → Certain data could not be collected accurately as they were confidential.

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