



Case Study Automotive

BI WORLDWIDE implemented a multi-level incentive program to increase dealer unit sales. Using the GoalQuest® rules structure, the client realised 104 incremental units in two months.

Challenge

- Focus the entire sales team on selling three specific vehicle models to reach the end of year sales target
- Engage those good performers who could impact results but were disengaged by the design of the traditional incentive where they felt they were not in a position to earn

Solution

- Implement a 'move the middle' approach to address performance of the entire audience
- Confirm commitment by asking sales people to opt in to the program in order to be in with a chance to earn
- Model stretch goals based on actual performance to keep the audience engaged and not demand more growth than the market could bear
- Offer exponentially increasing rewards for selection and achievement of increased goal levels

Results

- **86.3%** of participants chose the top two goals against the expect 67.2%
- **26%** of participants exceeded their goal, delivering incremental units above the selected goal level
- Overall the group delivered an additional **104** units within the incentive period retail parts sales

A leading Australian distributor of luxury European vehicles wanted to increase sales on three specific vehicle models.

This client ran an annual incentive program that resulted in awarding the top dealer principals, sales managers and sales executives at the end of the year. While they found that this program motivated a portion of the sales audience, they needed the entire sales team to focus on selling three specific models to close out the season. Knowing that a "move the middle" approach drives more incremental sales than a "top-performer" approach, BIW team recommended using a GoalQuest structure.

BIW used the historical sales data of the participants for the three vehicle models to design the GoalQuest program. In order to provide fair goals to participants for all market sizes, they were divided into several groupings based on total unit sales.

The participants with the highest total sales had lower percentage increase goals while those with lower total sales had bigger targets; this is purposely designed to keep top performers engaged while not demanding more growth than their markets can bear.

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22%
exceeded by
more than 100%

GoalQuest is built on the behavioural economics theory of idiosyncratic fit. People need to believe that their situation is unique, and they assess their uniqueness by comparing themselves to others. If participants don't identify an idiosyncratic fit, i.e., that they have a real opportunity to succeed, they won't participate.

RoI
14.7 to 1





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The participants were asked to self-select a goal from one of three options:

- Baseline + X units
- Baseline + 2X units
- Baseline + 3X units

The rewards for each goal level increased exponentially reflecting the degree of difficulty in reaching the higher goals. The all-or-nothing rewards were points-based which can be redeemed from an online catalogue of name-brand rewards. The points also accumulate in participant accounts, allowing them to save for larger value items.

After running hundreds of GoalQuest programs over several years, BIW has built a database of results to create a success scenario. The team predicted a return on investment of 8.9-to-1.

However, after the final data analysis, the actual ROI for the program was 14.7-to-1. That means for every dollar spent on the incentive, the client earned \$14.70 in incremental revenue.

In addition, the final program results showed:

83.6% of participants chose goal levels 2 and 3, which was more aggressive than expected (67.2 %).

26% of the participants achieved their goal and delivered incremental sales above the baseline target.

22% of the total achievers exceeded their baseline + goal at more than **100%**

In addition, **13%** of the participants delivered incremental vehicle sales although they fell short of their target (breakage for the client).

104 total incremental unit sales in 60 days; incremental sales meaning more than the baseline number of sales targeted for that time period.

BI WORLDWIDE produces measurable results by using the principles of behavioral economics to increase engagement with their clients' employees, channel partners and customers.