

Designing Sales Contests in Call Centers: Understanding Inside Salespeople's Preferences for Contest Design Attributes and Rewards

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A sales contest is a special incentive program designed to motivate salespeople to pursue goals beyond the performance range generated by their standard compensation package (Murphy and Dacin 1998). With the move to inside sales growing, and with research on sales contests limited, little information exists as to what type of sales contests may be appropriate in these settings. It, therefore, may be prudent to survey the interests of the sales force to determine preferences of call center employees regarding the design and relevance of sales contests and associated rewards. Data from a quantitative survey of 202 inside salespeople was analyzed using conjoint analysis to understand inside salesperson preference for contest design and rewards. Conclusions indicate that salespeople prefer non-specific (more global) objectives, few winners, and team competitions.

INTRODUCTION

A number of factors including transportation costs, travel difficulties, IT and telecommunication improvements, higher costs for field sales people, and businesses' drive for cost efficiencies are resulting in high growth for telephone call centers. The industry ended 2011 at around \$7 billion, with a work force exceeding 400,000 (Hermosa 2010). According to Business World, the call center industry is expected to grow by 15-20% this year, an actual slowdown in growth rates as compared to previous years. Inside sales businesses generate 75% of the sales revenues in the call center industry (Gessner and Scott 2001). Many predictions have the relative number of field salespeople falling as inside salespeople take over some field accounts and handle more responsibility. Yet, despite the growing importance of inside selling, little academic work is focusing on this context.

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Creating a compensation plan that motivates employees and increases sales and profitability is complicated, and often difficult to implement. Motivating inside salespeople may be unique, as it is a high-stress job with multiple objectives. It is also characterized by a high level of competition, close supervision, a sometimes oppressive work environment, and uncertain career prospects. A call center manager from a pre-study study (described later) commented, "You have to keep folks motivated so that the last call is as fresh as the first", and added, "Programs to recognize the top folks are appealing, but it's also about making sure all 1,100 people get touched on [a] daily basis."

Given that call center conditions differ from those of field selling, it may not be appropriate to generalize findings about sales contests and rewards for field salespeople to inside selling. Call center policy is focused on using incentives and other means to motivate employees and influence employee commitment (Batt 2002), while improving performance and reducing turnover. In practice, using incentives to motivate is relatively common in call centers, yet there have been no academic studies on salespeople's preferences in regard to incentives. As a result, little is known about the best practice for structuring call center incentives. In 1986, referring to the growth of inside selling and drawing on field salespeople, Moncrief et al. (1986) concluded that "telemarketers may need some form of incentive other than straight salary to compensate the boredom associated with the job". The nature of the position has evolved over the past 25 years, and sales

contests may encourage salespeople for a short period of time, through rewards given in return for achieving an objective.

These contests may consist of a variety of objectives and could be designed to incentivize individuals, pairs, or teams (Murphy and Dacin 1998). Murphy and colleagues (2004) point out that there is a need for further research taking other contexts into account. They explicitly call for new sales environments to be considered, particularly telephone selling in different sectors (B-to-B and B-to-C). This research will endeavor to explore sales contests in greater detail, using a sample of inside salespeople. We undertake two objectives: 1) to understand inside salespeople's preferences regarding sales contest design, and 2) to understand the preference for type of compensation offered in the context of sales contests.

LITERATURE REVIEW

Call Center Literature

Aksin and colleagues (2007) note that only recently have human resource and behavioral issues become a central question of study regarding call centers. They note that call center employees may feel a tension between high control and high commitment based on the performance measurement systems utilized, including qualitative and quantitative measures. Often, this can lead to high stress and issues with burnout, turnover, and absenteeism.

The way call centers are organized has been the subject of numerous studies. One of the most recent (Moss et al. 2008) concerned the evolution of organizational changes in call centers since the 1980s. This study showed that approaches based solely on salary increases met with little success among call center employees, and that career opportunities were appreciated more. Career advances are a form of formal recognition by the organization, as well as bringing enhanced status and responsibilities. Other studies have shown a significant link between motivational practices and an increase in sales (Batt 2002). For example, the compensation system has an important impact on inside salespeople's behavior and performance. Given the potential of this area, we turn to consideration of compensation, specifically sales contests, in the call center.

Motivation

Questions of motivation, performance and objectives in call centers have been addressed in the literature with the emphasis on different factors such as stress and optimism (Tuten and Neidermeyer 2004), the links between productivity and quality of service (Comtois et al. 2006), and management and the sharing of authority (Adria and Chowdhury 2004). The issue of motivation in call centers is even more crucial given the monotony of the work and the poor career prospects, and there are no empirical studies of inside salespeople's preferences regarding sales contests. Researchers and practitioners are divided as to what constitutes the ideal characteristics of contests (Poujol and Fournier 2007), and knowledge of how they are perceived remains very limited. Murphy and Dacin (1998) consider that attitude toward contests is at the core of a motivational model of the salesperson. This leads us to focus on inside salespeople's preferences in relation to contests so that more effective incentive operations may be developed.

To aid in understanding sales contest preferences, we use the Cognitive Evaluation Theory (CET) of Motivation (Deci 1972; 1980). According to this theory, rewards can be perceived either as a mechanism meant to control behavior or a mechanism meant to provide feedback. Likewise, the context or situation can promote choice and responsiveness to initiations as opposed to being perceived as controlling and limiting behaviors (Pullins 2001).

Mallin and Pullins (2009) demonstrated the applicability of this theory, the ability of contextual variables and informational value of rewards, to impact the field salesperson's motivation. They found that the sales control system could influence whether commission compensation was perceived as controlling or providing feedback, thus impacting the effect on motivation. Pullins (2001) predicted that, overall, sales contests and competitions, as competitively contingent rewards, would have a negative impact on intrinsic motivation. However, a favorable attitude or preference towards the contest type, and toward the reward, could also affect their impact on motivation. In addition, contests which are perceived as less controlling of behavior could mitigate this negative impact, much like feedback can mitigate the negative impact of commission on intrinsic motivation (Mallin and Pullins 2009).

Sales Contest Design

There are a large number of characteristics that can be combined when a sales contest is organized (Murphy and Dacin 1998; Poujol and Fournier 2007). Murphy and Dacin (1998) review the most important characteristics of sales contests: its objective, the number of winners, the competitive format, and its frequency.

PRE-STUDY: QUALITATIVE INSIGHTS ON CONTEST DESIGN

Because sales contests had not been studied in a call center environment, a clear understanding of the vital contest variables was needed. Therefore, a pre-study was conducted to better recognize incentive design and types of rewards.

The pre-study included two days of observation and interviews in two separate call centers. Ten structured interviews were conducted at the managerial level (i.e., head of the call centers, human resource managers, etc.). This pre-study was used to inform hypothesis development for the conjoint analysis that follows.

One of the two call centers implemented a contest with a non-specific, global performance objective, which led us to an additional research question. Given Cognitive Evaluation Theory's suggestion that it is the controlling aspect of rewards that lead to negative impacts on motivation, we were very interested when we observed this practice and wanted to explore it further.

THE DEVELOPMENT OF RESEARCH QUESTIONS

The theory, literature and findings from a pre-study were used to develop research questions on the various design characteristics and rewards of interest.

Design Characteristic 1: Objectives of the Contest

Sales contest's objectives are typically outcome-based, and the objective of the sales contest is one of the most discussed topics in the literature as authors are divided on whether the contest's objective is quantitative or qualitative. Anderson and Oliver (1987) have listed various advantages and disadvantages of this mode of control. Outcome-based goals would leave more autonomy to the salesperson and should increase specific

outcomes of performance, according to CET. However, it could also create role conflicts or role ambiguity and possibly detract from intrinsic motivation. Furthermore, the literature on sales contests does not present the case of non-specific, global objectives, which has not been previously examined yet exists and is used in some call centers. The principle of this type of sales contests is to give the results and the reward at the end of the contest period according to the performance of the salespeople without specifically defining the "performance" requirement (perhaps a bonus at the end of the year for the "top performers"). It might be based on, for example, subjective evaluations of the managers and/or on actual outcome variables. The main advantage of this kind of compensation is to encourage the salespeople to focus on their overall performance and not to focus on only one aspect of performance for the contest. Following is a quote from the pre-study:

We use a lot of contests with mysterious objectives. In that case, the inside salespeople don't know what the objective ...is. For example, they know there will be a winner and a reward at the end of the day [for performance], but they don't know on which criteria.

The concept of a non-specific objective during a sales contest came up three times in the quantitative pre-study discussion. It appeared that this was a relatively common way to implement a sales contest without telling the salespeople on which specific objective they will be rewarded, according to our interviews and observations.

To help better clarify this type of reward, the following examples are given. In a call center in France, where reps were doing outbound sales calls for a low margin, low price product, in calls of about two minutes, salespeople experienced very high levels of rejection. Management was concerned with call duration, number of presentations made, and number of sales closed. Management wanted to boost performance on all criteria so they implemented a half day competition for best performance. During the two and a half hours, the exact goal /metric was unknown. After that time, management revealed which of the three criteria was being used to evaluation who would win (a set of movie tickets).

In another example, in the financial services industry, inside sales reps were targeting consumers, selling all the basic financial services (credit cards; mortgage loans, savings). A contest was implemented, and to avoid a strict effort concentration of the salesperson on one particular product, the product used for the contest was not identified, so all the products were pushed equally by the sales force.

This can provide some interest when considering a long term perspective and /or a relationship focus. It may be that contests that don't clearly specify the objective, or specify a very global objective (performance) are seen as less controlling and therefore may actually mitigate the negative impact that can be construed from designs that are seen as controlling (Deci 1980). However, it could also limit motivation because inside salespeople do not know how to behave or how to prioritize their specific actions. Since there is a lack of a clear direction in the literature, we investigate the following research question:

RQ 1: Do inside salespeople prefer knowing specifically what their objective is during a sales contest or not?

Design Characteristic 2: Number of Winners

The number of winners is another important subject to debate in the literature. Based on Goal setting theory (Locke 1968), Hille-Hart et al. (1989) showed the superiority of a small number of winners. However, Moncrief et al. (1988) found that salespeople are divided regarding the potential number of winners in a contest. Preference would depend on the weight of valence and expectancies in the motivational process opposing a small number of winners, as prescribed by the Goal setting theory, and a medium number of winners increasing the chance of winning, as prescribed by the Expectancy theory (Vroom, 1964). A larger number of winners might also feel less controlling and more motivating according to CET. According to Murphy and Dacin (1998) a contest should always provide each salesperson with a chance to win; otherwise the contest is not motivating. Given a lack of clear insight on direction, we pose the following research question:

RQ 2: Do inside salespeople prefer sales contests with a low or a medium number of winners?

Design Characteristic 3: Competition Format

A sales contest can have an individual or a team format. According to Moncrief and colleagues (1988), salespeople prefer the individual format since rewards depend only on a salesperson's performance. The individual format is also easier to administer. However, some researchers (e.g., Murphy et al. 2004), as well as numerous managers, recommend the team format. The development of teamwork and the focus on customer loyalty in many firms seems to influence salespeople's perceptions of individual sales contests. Preference of team versus individual format should depend on whether having teammates is seen as controlling of individual behavior, which can be detrimental to intrinsic motivation and thus less preferred. It could, however, be argued that it allows for more individual freedom in a role as a member of the group and not solely responsible, and thus not controlling and more intrinsically motivating. Lacking specific empirical insight on this question, we ask:

RQ 3: Do inside salespeople prefer sales contests organized on an individual or a team basis?

Design Characteristic 4: Frequency of Contests

The academic literature mentions contest duration, but for the most part neglects the frequency of sales contests. Managers recommend a parsimonious use of sales contests without evaluating the impact of sales contest frequency on salespeople. It seems that the repetition of contests would erode their attractiveness and have a negative impact on salespeople's motivation. Another important drawback of a high contest frequency is the proliferation of the objectives; salespeople could become confused regarding priority objectives. For a contest to be motivating, it must garner attention and be perceived as requiring a different set of behaviors.

With regard to contest frequency, the only study we are aware of indicates mixed findings; half of the people questioned said they liked having more contests, while half wanted them to be used more sparingly (Beltramini and Evans 1988). The authors conclude that companies should not use contests too often in order to retain their uniqueness, and that they should not be seen as part of regular compensation. Once again, lacking clear

answers and testing in the call center context, we pose the following research question:

RQ 4: Do inside salespeople prefer sales contests with a low or a high frequency?

Sales Contest Rewards

Ever since the seminal studies on sales performance (Walker et al. 1977), rewards have been viewed as a major motivation lever. The various forms of rewards constitute potential sources of satisfaction and motivation. Indeed, Anderson and Chambers (1985, p. 8) noted, "People's behaviors in organizations are largely determined by the way in which their activities are measured and rewarded". The type of reward determines the motivation of the salespeople and, hence, it is important to know the types of rewards salespeople prefer. In their 1992 study, Chonko and colleagues make comparisons between different types of rewards. Their central findings show that salespeople prefer salary increases to all other forms of rewards. These authors also note the relatively minor importance of recognition for salespeople. The commonly held belief that recognition addresses psychological needs, and is therefore highly valued by salespeople, in fact does not seem to correspond to the preferences of salespeople themselves. The explanation put forward by the authors is that if recognition is unattainable or if it is commonly bestowed, then it does not enable individuals to be differentiated in terms of performance.

A second study (Lopez et al. 2006) shows that increases in salary and in commission rates are salespeople's favored forms of rewards. The authors also show that 77% of their respondents prefer an increase in commission rates to an increase in salary. It is important to note that, for both studies, there is no significant link between demographic characteristics (i.e. age, experience, education) and salespeople's preferences. Both studies are of field salespeople, so the generalizability to inside sales is unclear.

Regarding contest prizes, Caballero (1988) showed that salespeople preferred winning non-monetary rewards such as trips, rather than monetary rewards, like bonuses or gifts, of the same value. Trips are considered more of an intrinsic reward, which would be more highly linked

to relationship and creative performance, according to CET. The possibility of joining the group is an integral part of a trip and is the measure of its success (Hasting et al. 1988). What motivates salespeople in making this choice is the opportunity of meeting the firm's directors and senior management together with the chance of increasing the number of contacts and of obtaining valuable information. These arguments are, however, much debated. Beltramini and Evans (1988) demonstrated the preference of recognition over bonuses or trips, in terms of attitude and satisfaction. Their investigation showed that monetary rewards are more strongly correlated with performance in sales contests than recognition.

Firms often use a combination of bonuses, gifts, gift certificates, and trips at different levels of the competition. This structuring of different rewards at different levels is recommended by managers since it gives a maximum number of people a chance of winning a contest. But the question still exists as to what type of reward really motivates salespeople during a contest. Taken in total, the results of what is known about sales contests and preferred rewards are clearly mixed and likely limited in their generalizability to call center salespeople. Given the uncertainty on most of the dimensions of interest to us in this research, we felt the necessity of approaching this research endeavor as exploratory, and propose the following research questions on reward preferences:

RQ5: What are inside salespeople's preferences in regard to the various remuneration options that can be deployed in a call center?

RQ6: What are inside salespeople's preferences in regard to the various gift options in a contest?

RQ7: Do certain inside salesperson profiles (primarily demographic characteristics) indicate preferences for particular types of reward or remuneration?

EMPIRICAL STUDY: CONTEST DESIGN & REWARD PREFERENCES

Measures

The four aspects of contests are fully independent of one another – an essential condition for the conjoint

analysis method. In an additional step of the qualitative investigation, five individual interviews were conducted with call center agents extracted from different call centers. Two interviews took place in a call center where the empirical study was to be implemented to be sure that the questionnaire was easy to understand, and to discuss the relevance of the variables being considered, including an unknown objective. This exploratory study enabled us to focus on the particular variables used in the literature or uncovered in the first two stages, namely objective of the contest (revealed or non-specific), number of winners (low or medium), competition format (individual or team), and contest frequency (low or high).

We drew our inspiration from contests that had already taken place at various call centers. The objective may or may not be given in advance; the number of winners may be very limited or larger (for example, the best salesperson or the ten best); the contest format may be either individual or collective (with an adaptation of the number of winners to each format); and the frequency may be high or low (several contests at the same time or not). Frequency was operationalized this way because when sales contests are very frequent, several contests may be running simultaneously. The combination of these four characteristics, each with two modalities, leads to 16 scenarios. In order to make the experiment more realistic, we presented 8 contest scenarios and asked respondents to rank them. This is typically practiced by randomizing the variables such that a utility can still be extracted from each.

With regard to the type of rewards, we adopted the original tool developed by Chonko et al., (1992), and later deployed by Lopez et al. (2006). However, in view of the very specific context of call centers and their management systems, we eliminated questions which offered choices involving increased commission rates. Following an in-depth study of sales contests and competitions in general, and in the specific context of these platforms, we retained three types of rewards: 1) gift chosen by the organizer, 2) gift chosen by the inside salesperson from a catalog, and 3) gift certificate.

Sample

The study was carried out at two of the call centers where the qualitative study was completed. The call centers

both receive inbound calls and make outbound calls, and the salespeople have specific consultative selling responsibility and assigned accounts. These firms sell pharmaceutical products to pharmacies and financial products to private individuals, thus including both B2B and B2C contexts. The compensation structures of the firms are composed of a paid salary, a commission, bonuses and sales contests. Using a factorial fractioned plan, a total of eight stimuli were evaluated by a sample of 214 inside salespeople directly at their work station, and 202 questionnaires turned out to be usable for the analysis. The sample was representative and made up of 41% men and 59% women, with an average length of time in the job of nineteen months. 52.6% were engaged only in making calls, 25% only in receiving calls and 22.4% both. This appears to accurately represent the profile of employees at these firms.

Analysis

The conjoint analysis is a form of analysis of variance that measures an individual's preference of attributes of an object. The principle rests on the decomposition of preferences in partial utilities. (Green and Srinivasan 1990). This method has been used extensively in the context of consumer goods, but has also been used in many sales force management applications; most of them concerned with quota policy (Winer 1973; Darmon 1979; Mantrala et al. 1994) or compensation packages (Churchill and Pecotich 1981). The objective here is to identify salespeople's preferences regarding design characteristics of a contest. Murphy and Dacin (2004), in studies on sales contests, carried out two experiments on salespeople, followed by conjoint measurement analysis of their preferences in regard to this type of motivation operation. Conjoint analysis is thus a method that is particularly suited to our research.

Analysis was conducted with SPSS software with syntax macro control. Kendall's coefficient of concordance used to test the homogeneity of respondents' preference in regard to contests has a value of .92 (nearly 1). Hence the overall results are acceptable.

Results

First, results reveal the impact of each attribute and mean utilities, which in turn indicate the difference

each attribute could make in the total utility. The results highlight the significance of format (importance of 33%) in the choice of individual versus team contest (RQ3), ahead of objective (RQ1) (27.76%), number of winners (RQ2) (21.26%), and frequency (RQ4) (17.98%). The modalities having the highest mean utilities are respectively: non-specific objective (0.49), team format (0.42), low number of winners (0.20), and then high frequency (0.01).

In Table 1, the results present salespeople’s preferences for rewards in general categories, as well as their preferences for each type of reward. In Table 1, results for RQ5 show 66% of the inside salespeople in our sample state that they prefer a “salary increase” to “career opportunities”. On the other hand, the declared intensity of those who prefer a salary increase (5.65) is higher than those who want career opportunities (5.11), which is a significant difference. It is therefore a question of finding an indicator that reveals the intensity of the preferred modality and compares it with the other. Accordingly, a difference of means test was carried out. In general, columns 1 and 2 show that the inside salespeople systematically prefer salary increases to all other proposals (i.e. career opportunities, recognition or monetary rewards). Career opportunities are in turn preferred (apart from a salary increase) to the other rewards, namely recognition or monetary rewards. Finally, monetary rewards are preferred to recognition policies. Hence, the inside salespeople’s preferences are first and foremost for salary increases and then for career opportunities.

Table 1
Summary of Inside Salespeople’s Preferences According to Alternatives Offered (RQ5)

Alternatives offered	N	Average preference score	About the same							Greatly preferred
			1	2	3	4	5	6	7	
Salary increase or Career opportunity	127 (66%) 64 (34%)	5.65 5.11*	6	2	-	10	18	18	45%	27%
Salary increase or Recognition	169 (89%) 21 (11%)	6.22 5.3 **	1.2	-	1.2	7.7	10.7	21.4	57.7	20
Salary increase or Monetary rewards	131 (70%) 56 (30%)	5.48 5.30	3	6	1.5	14	17	18	39	28.6
Career opportunity or Recognition	162 (86%) 26 (14%)	5.98 5.08**	3.7	2	3.7	6	7	22.5	55	16
Career opportunity or Monetary rewards	122 (65%) 66 (35%)	5.40 5.75	3.3	1.6	1.6	21.5	18	26	28	42.5
Recognition or Monetary rewards	34 (18%) 154 (82%)	4.57 6.13**	6	6	9.5	30	18	12	18	58

* Significant at 5%; ** significant at 1%

Results also demonstrate the intensity of these preferences. These preferences are particularly notable with regard to the combinations of “salary increase vs. recognition”, “career opportunity vs. recognition”, and “recognition vs. monetary rewards”. The difference in intensity is lower (although significant at the 5% threshold) for the combination “salary increase vs. monetary rewards”. Finally, there is no difference in intensity for the combinations “salary increase vs. monetary rewards” and “career opportunities vs. monetary rewards”.

Table 2
Summary of Inside Salespeople’s Preferences According to Alternatives Offered (RQ6)

Alternatives offered	n	Mean preference	About the same					Greatly preferred	
			1	2	3	4	5	6	7
Gift certificate	172 (92%)	6.21	2.5	1	2	6.5	8	16.5	64
or Gift chosen by the organizer	14 (8%)	4.28**	21	-	14	14	-	21	29
Gift certificate	131 (64%)	6.00	5	4	1	5	5	20	60
or Gift to be chosen from a catalogue	54 (26%)	5.34*	9	6	2	9	11	22	40
Gift chosen by the organizer or Gift to be chosen from a catalogue	21 (12%)	4.76	5	5	5	24	33	14	14
	155 (88%)	5.82**	6	-	2	10	10	24	48

* Significant at 5%; ** significant at 1%

With regard to the characteristics of sales contests proposed for RQ6, a gift certificate is preferred to a gift chosen by the organizer (see Table 2). Moreover, the quantification of this preference shows that respondents who say that they prefer a gift certificate are very clear in their choice (6.21). On the other hand, this intensity of preference is lower (4.28) for those who prefer the second alternative. In addition, inside salespeople’s preferences are stronger for gift certificates than for a gift chosen from a catalog. In considering the intensity of preferences for each of these modalities, the gap is significant, but lower (6.00 vs. 5.34). Finally, more inside salespeople prefer a contest where winning allows them to choose a gift from a catalog to one where the gift is chosen by the organizer. This preference, moreover, is particularly clear and marked (5.82 vs. 4.76).

In order to establish if certain demographic profiles could better explain particular choices as indicated in RQ7, logistic regressions were completed. Gender, age, job tenure, level of education, and the nature of the activity (inbound call or outbound call) were examined. First, it should be noted that only the results involving two combinations are shown here, for reasons of significance. Furthermore, for the two significant equations only 5% of the variance is explained, indicating the very low explanatory power of the variables considered. Table 3 shows that respondents with two or three years of higher education (education 2) prefer salary increases to career opportunities. All other relationships are non-significant. Moreover, the older the respondents are the more they favor job recognition rather than a salary increase. As for the other kinds of rewards preferred by inside salespeople (gift certificates, etc.), none of the individual variables considered is able to explain their choices.

Table 3
Results of the Logistic Regression Between Preferences and Individual Variables (RQ7)

	Salary increase vs. Career opportunities					Salary increase vs. Recognition						
	B	E.S.	Wald	dof	Sig.	Exp(B)	B	E.S.	Wald	dof	Sig.	Exp(B)
Gender(1)	-.043	.363	.014	1	.905	.957	.125	.592	.045	1	.832	1.134
Age	.028	.028	1.012	1	.315	1.028	.073	.037	3.91	1	.048	1.076
Time in job	.004	.009	.210	1	.647	1.004	.002	.013	.032	1	.858	1.002
Education			4.472	3	.215				3.19	3	.362	
education(1)	-.880	.844	1.087	1	.297	.415	1.46	1.11	1.52	1	.210	4.288
education (2)	-1.085	.541	4.015	1	.045	.338	-.11	1.02	.010	1	.921	.897
education (3)	-.878	.485	3.277	1	.070	.416	.903	.890	1.03	1	.310	2.467
Activity			1.595	2	.450				.212	2	.900	
activity(1)	.258	.471	.299	1	.585	1.294	-.05	.755	.004	1	.949	.953
activity(2)	-.367	.492	.557	1	.456	.692	-.33	.764	.190	1	.663	.717
Constant	-.728	.974	.559	1	.455	.483	-4.9	1.55	10.1	1	.002	.007
R ²	0.057					0.05						

CONCLUSIONS

The results of this study seem to represent a unique pattern of findings for the inside salesperson, providing evidence that other sales theory and findings may not immediately generalize to this context. In addition, we identify a new variable that has not been previously studied in the literature, that of a non-specific objective. These findings lend credence to the application of Deci’s Cognitive Evaluation Theory of Motivation for this type of inside sales.

MANAGERIAL IMPLICATIONS

This analysis of conjoint measurements provides some insights and potential guidance on the ideal contest for the inside salesperson. It appears a contest with a non-specific, global objective, organized in teams, with few winners, and part of a high frequency program, would be most preferred. These results can help the sales manager develop more efficient sales contests and reward programs. For example, the idea of not setting a specified objective for the contest is an important managerial implication that supports the managerial literature. Following, we consider each of the contest design characteristics.

Contrary to what was expected, the non-specific objective may reduce the pressure associated with productivity demands and “feel” less controlling and, therefore, more motivating for inside salespeople. The assessment and monitoring of performance by managers during the contest may also be less onerous, enabling the inside salespeople to have a certain sense of autonomy in carrying out tasks. As Deci (1980) suggested, it’s plausible to consider that this type of competition may be seen as less controlling of specific behaviors and thus more intrinsically motivating. This constitutes a major contribution from this study, since to our knowledge of this characteristic has never been addressed in the academic literature and has only occasionally been mentioned in the managerial literature. In addition, the preliminary finding here is somewhat counterintuitive since the assumption might logically be that more information, with less ambiguity, is better.

In agreement with the position taken by Hile-Hart and colleagues (1989), these results reveal a preference for contests with a small number of winners. Salespeople have a need for recognition, and all the more so if they are at the beginning of their career (Murphy and Sohi 1995), when recognition can mean job security

and promotion. Contests may be viewed as a tool for recognizing salespeople for possible promotion and other types of rewards. Winning then becomes crucial and may explain the preference for a smaller number of winners, in which the most successful contestants are clearly identified.

Next, team versus individual competition played a role in selecting preferred contest scenarios by the individuals in the study. Our findings indicate that inside salespeople prefer team contests. Such operations favor mutual support, mutual aid, and altruism among inside salespeople, which are aspects of organizational collective behavior essential to the proper functioning of the company (Netermeyer and Boles 1997). Team contests are a way of contributing to greater cohesion and motivation in sales teams while maintaining customer relationships. Team competitions may also help to offset other negative aspects of working in call centers, such as oppressive working conditions and high levels of competition for achievement. Finally, team contests may be seen as less controlling of individual behavior, providing more role flexibility, and thus more intrinsically rewarding (Deci 1980).

Frequency (low or high) is not very important for inside salespeople. In contrast to the findings of the exploratory study, which revealed the weariness caused by contests held simultaneously, the results here show that inside salespeople prefer a high frequency. This finding may be explained by the greater chance of winning a prize when there are more contests and the possibility of putting a lot of effort into contests they believe they can win. Given lower statistical power, however, we are hesitant to recommend any specific management action strongly.

With regard to the type of rewards, the results of this study are interesting in several aspects. On the one hand, and contrary to the recommendations of Moss et al. (2008), it seems that salary increases are inside salespeople's preferred reward, considerably ahead of career opportunities. This finding is especially significant for call center managers, who have difficulty in finding career opportunities for all agents due to the very flat and hierarchized pyramidal organizational structure of call centers.

This preference is accompanied by the preference for gift certificates, which can be freely cashed in, rather than gifts chosen by the organizer or selected from a catalog. This makes intuitive sense as the inside salesperson has more options, making the reward more personalized, valued, and appreciated.

Another interesting result which calls for further study is the link between age and the preference for recognition rather than salary increases. Although its explanatory power may be weak, it nonetheless suggests that other possible types of reward can be developed by call center managers for older groups. With the passage of time, inside salespeople may begin to prefer rewards that enhance intrinsic motivation. In this respect, Lopez et al. (2006) recommend looking closely at such linkages. Studies bringing together the inside salesperson's career path and rewards could shed light on these questions.

LIMITATIONS AND FURTHER RESEARCH

This study has a certain number of limitations, some of which suggest further research questions. The size of the sample is one weakness, along with the fact that they came from two firms. A study of inside salespeople with a larger number of individuals and/or a cross-sectional sample would complement this experiment by confirming or refuting our initial results.

It would also be interesting to enrich this study by extending the number of configurations and looking at further attributes and other modalities through a fractional plan. We could, for example, consider taking into account the duration of the contest, alternative formats, or the type of objectives. It would also be interesting to examine the budget and the prize structure. A study by Lim and colleagues (2009) shows salespeople's reactions vary according to the number of winners, the type of competition, and the value of the winnings at each result level.

The term "call center" covers a wide range of situations both organizationally and in terms of their business. Frenkel and colleagues (1998) demonstrate this diversity, with highly standardized job situations contrasting with contexts where greater empowerment is the rule. In the latter case, this has repercussions on agent's behavior and satisfaction levels. Moreover, in

terms of the call center's business, even if we focus on those dedicated to selling or conducting marketing operations, it would be productive to consider other characteristics of call centers; for example, the nature of the calls (incoming or outgoing), the type of marketing activity (filling orders, giving instructions, asking for commercial information and target descriptions, etc.), the business sector (B-to-B or B-to-C), and so on. This great diversity of call centers is one of the variables that potentially can influence the type of sales contest preferred by inside salespeople.

Finally, taking account of an international context could also lead to interesting managerial implications. In their study of remuneration packages, Segalla and colleagues (2006) conclude that there are different preferences depending on the country of origin of salespeople and their managers. For example, German marketing managers are more inclined to prefer incentive-based schemes than are Anglo-Saxon managers. On the other hand, again according to Segalla et al. (2006), the British are more individualistic than other European nationalities. Hence, an international context, such as can be found in some call centers where a large number of nationalities work together, could bring about significant differences resulting in a more sophisticated management of sales contests in view of the different cultures present in the call center. In a business sector where Taylorist methods persist, a wide view of the job and its conditions can lead to a better understanding of the motivation of the inside salesperson.

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