

10 strategies for successful sales contests that drive performance

Walt Ruckes

Vice President
Client Services, Life Sciences
BI WORLDWIDE

Sales compensation plans establish expectations, but getting salespeople to consistently perform beyond those expectations takes more than commissions and bonuses.

That's where well-designed sales contests make a difference.

The most effective sales contests use behavioral science, performance data, and meaningful rewards to motivate salespeople at every performance level. They encourage the activities that drive revenue while giving participants a reason to push beyond their usual results.

Sales contests can help address income targeting, a behavior in which sellers reduce their effort once they've reached a personal earnings goal. A strategically designed contest gives those sellers a reason to keep going.¹

Here are **10 strategies** to help you design sales contests that generate incremental growth and keep your sales team engaged.

► #1: Inspire top performance

Even your strongest salespeople have room to grow. But compensation alone may not provide enough motivation to pursue more ambitious goals, especially once they've reached their personal earnings targets.

Sales contests add another layer of motivation through recognition, meaningful rewards, and opportunities to achieve something exceptional.

The key is understanding what motivates your audience. Some sellers respond to competition and status, while others are inspired by **personal goals or the opportunity to earn memorable experiences**.

Give your top performers something worth striving for beyond their next commission check.

► #2: Design with data

Effective sales contests start with a clear understanding of the performance challenge.

Analyze historical sales results, quota attainment, and individual performance trends to determine where additional effort could generate the greatest return.

Are salespeople slowing down after reaching a certain earnings level? Is a particular product underperforming? Are newer sellers struggling to build momentum?

Your answers should influence everything from contest rules to performance targets and rewards.



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The best sales contest design starts with the business outcome you want to achieve, then works backward to identify the behaviors that will get you there.

► #3: Segment your audience

Your sales force includes top performers, middle performers, and those who are still developing their skills. Each group faces different challenges and responds to different motivators.

Top performers may thrive on exclusive recognition and stretch goals. Lower performers may need attainable milestones that help build confidence.

But a significant opportunity for incremental growth often lies with the **middle 60%** of your sales force.

One of the greatest opportunities for incremental growth lies with the middle 60% of your sales force. By focusing on moving the middle, rather than rewarding only your highest achievers, you can motivate a much larger group of salespeople to improve their individual performance.

Consider tiered rewards, personal goal setting, or achievement-based incentives that give more salespeople a realistic opportunity to succeed.

► #4: Get in the game

Gamification can turn a traditional sales contest into a much more engaging experience.

Missions, challenges, achievement badges, and progress tracking give participants opportunities to experience success throughout a program, rather than waiting until the final results are announced.

This approach can be especially useful during product launches, seasonal promotions, or other initiatives that require salespeople to adopt new behaviors quickly.

We helped a leading insurance company connect learning activities with sales performance through a gamified program. Within **eight months**, more than 17,000 agents participated, completing more than one million training missions. Highly engaged agents increased policies written year over year by nearly 20 percentage points.²

Make participation easy, connect activities to meaningful business goals, and give sellers frequent opportunities to see their progress.

► #5: Learn to earn

Product knowledge and selling skills are essential to sales performance. Yet training often competes with the daily demands of prospecting, customer meetings, and closing deals.

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Learn & Earn programs give salespeople additional motivation to develop the knowledge and skills they need to succeed.

Reward participants for completing relevant training, demonstrating proficiency, or applying new skills in customer interactions.

For example, a product launch contest could recognize sellers for completing training and then reward qualified opportunities or sales generated with their new knowledge.

Connecting learning to measurable sales activities helps reinforce the behaviors that support stronger performance.

► #6: Choose the right rewards

A meaningful reward can motivate salespeople **long before it's earned**.

While cash has an important role in compensation, non-cash rewards offer something different. Merchandise, travel, exclusive experiences, and recognition can create anticipation and lasting memories.

Research published in the Journal of Marketing Research examined what happened when a company switched 580 salespeople from a combination of cash and merchandise incentives to an all-cash bonus structure. Researchers estimated that **sales declined by an average of 4.36% following the change**. The findings suggest that non-cash incentives can provide motivational value beyond their monetary equivalent.³

The lesson isn't that one reward type always works best. It's that **reward design matters**.

Understand what your audience values, offer choices when appropriate, and make sure the rewards reflect the effort you're asking participants to make.

► #7: Communicate frequently

Even a well-designed sales contest can lose momentum if participants stop paying attention.

Communication should extend well beyond the initial announcement. Regular updates remind salespeople what's available to earn, how they're progressing, and which actions can help them reach their goals.

Personalized messages are especially valuable. Someone who is close to reaching the next reward level needs a different message than someone who's fallen behind.

Build communication into the contest from the beginning and make every touchpoint useful.

► #8: Turn up the heat

Competition can create excitement when participants believe they have **a realistic opportunity to succeed**.

Leaderboards, heat maps, and progress dashboards help salespeople understand where they stand and what they can still accomplish.

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But a single leaderboard that consistently features the same top performers can discourage much of your sales force.

Consider segment-specific rankings, personal-best challenges, or progress toward individual goals to keep more participants engaged.

We demonstrated the potential of this approach with a pharmaceutical company competing in a three-product market. A six-month incentive program used heat-map visualizations to help sales representatives track their progress across **492 territories**. By the end of the program, **71%** of representatives had **moved their territory from third place to first**, and the company **exceeded its \$300 million sales goal by \$15 million**.⁴

Visibility works best when it shows salespeople what's still possible, not just who's already winning.

► **#9: Inspire intelligently**

Sales managers play a critical role in keeping contest participants engaged, but they need **timely information to provide effective coaching**.

Data analytics and AI can help identify performance trends, highlight participants who are approaching milestones, and reveal where additional support could make a difference.

For example, a manager could use performance insights to recognize a seller who's consistently improving or reach out to someone who's losing momentum.

The opportunity is to turn contest data into relevant coaching and timely action, while keeping managers involved in decisions that affect their teams.

► **#10: Create a strategic roadmap**

Individual sales contests can generate excitement and short-term results. A coordinated incentive strategy helps connect those efforts to broader business objectives.

Build an annual roadmap that considers product launches, seasonal opportunities, learning initiatives, recognition programs, and long-term performance goals.

Different moments call for different incentive designs. A short-term promotion might reward a specific sales activity, while a longer program could focus on sustained growth or building stronger customer relationships.

Just as important, **establish how you'll measure success before launching each contest**.

Start with a meaningful performance baseline and compare results against what would reasonably have happened without the incentive. Evaluate participation across performance segments, changes in targeted behaviors, incremental revenue, and the cost of rewards and administration.

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Imagine a sales organization launches a six-week contest to increase sales of a new product. Based on historical trends and seasonality, the company forecasts \$1 million in sales during that period. **Actual sales reach \$1.2 million.**

The **\$200,000** difference represents potential incremental sales, but it isn't automatically attributable to the contest. Leaders should also examine market conditions, other promotions, and performance among comparable sellers or territories to determine how much of the growth the program likely influenced.

This distinction matters. As our sales contest research emphasizes, rewarding performance that would have occurred anyway does not necessarily create incremental growth.¹

Use these insights to **improve future programs** and **make every contest part of a larger strategy for sales growth.**

Turn sales contests into a competitive advantage

Sales contests have the greatest impact when they're designed around the people and behaviors that drive your business.

That means **understanding** your audience, setting **attainable** goals, selecting **meaningful** rewards, and **using data** to keep participants moving forward.

When these elements work together, sales contests can help **unlock** performance that traditional compensation plans may leave on the table.

How much more could your sales organization achieve if every segment of your sales force had a reason to go further?

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