

# Mobile Phone Retail

## Employee Incentive Program

A National cellular phone retail chain was interested in improving sales of their line of mobile phone accessories. Their current sales volume was weak and their margin was being eroded by discounts. When phone accessories were sold, it was typically with the purchase of a new phone and so the products were heavily discounted to close the sale of the new phone and the contract.

This retail chain was interested in developing an employee incentive program to encourage and reward the sale of mobile phone accessories with and without the purchase of a new phone and contract. Secondly, they were interested in eliminating or reducing the deep discounts their associates were offering to their customers.

Our strategy design team met with the retailer's employee relations team, several branch managers and employees. The purpose of the meetings was to gain perspective and insight on what a successful employee incentive program might look like. Success was defined as a program designed to meet their objectives.

The final design, developed using our disciplined and proven process, included an aspiration rewards catalog that employees could redeem from based on points they earned from meeting and exceeding their sales quotas. Because employees earned points for their net sales, they were motivated to upsell, cross-sell and reduce the discounts.

Each branch was provided hands on training of the program to ensure participation and "buy-in". Other communications to keep the program top of mind included break room collateral and monthly statements with their points balances and account activity.

Over the 3-month life of the program accessory sales increased nearly 50% and gross profit margin increased by nearly 36%. The retailer met their stated objective and created a positive environment to teach and reinforce profitable behavior among their employees.