

Case 2.2**WBYL/Z108 Radio Station***

By the late 1990s, competition in the Gainesville radio market was hot. In a city of about 250,000, nine major radio stations compete for listening audiences and advertising commitments from businesses, local government, and area schools and colleges. Four station competitors sell a combination AM and FM offering, one station sells a simulcast AM/FM offering, and four others sell a single offering (three FM and one AM).

Radio stations in the Gainesville market have developed positioning strategies that focus their efforts on specific target audiences, so program formatting varies by target audience. However, most competing sales representatives find themselves vying for advertising commitments from many of the same sponsors.

WBYL/Z108 RADIO

WBYL/Z108 is one of four combination AM/FM competitors in the Gainesville radio market. WBYL-AM is best classified as a sports-news-talk station that features country music. The target audience for WBYL-AM is those over 35. Play-by-play action of both professional and collegiate sports along with several sports talk shows are emphasized. Z108-FM targets 18-to-39-year-olds with its programming focus on Top 40 hits.

Z108-FM held top market share of the Gainesville listening audience until early 1999 when a new competitor entered the market. The new competitor targets the same audience and uses a similar program format. Following a large rating loss, Z108 tightened its programming offering and brought in new disc jockey talent. Z108 also changed program directors and hired a consultant to help direct its efforts. By early 2000, the rating slide was halted and a new, potentially stronger Z108 faced the new century with enthusiasm.

Similar to other stations, WBYL/Z108 has commission sales representatives. Sales reps are responsible for both selling, on which they make about 15 percent of sales, and collections. Reps lose a portion of their commissions, up to all of it, if payments are 60, 90, or

120 days late. Sales reps at WBYL/Z108 tend to earn slightly more than at other stations, with annual pay ranging from \$27,500 to \$48,000.

Bill Bennett, sales manager for WBYL/Z108, works with a sales staff of nine commission-only sales reps. He reports to the station manager but is generally left to his own judgment in focusing sales staff efforts and achieving station sales goals. To focus selling activities and provide incentive for extra efforts (or "recharge" the reps, as Bill puts it), sales contests are promoted to the sales team two or three times yearly. Bill is convinced by past contest outcomes that they lead to increased sales.

Ever since new competition hit the Gainesville market, station management had been pressing Bill to reduce account losses and to find ways to bring ad revenues back to pre-1999 levels. To Bill, this meant finding ways to increase the efforts of his sales team. In 2000, Bill decided a sales contest would provide the sales boost management wanted. With the fall/winter season approaching, Bill spent many hours designing the most extensive and what he hoped would be the most successful sales contest to date.

THE WBYL/Z108 SALES FOOTBALL SCOREBOARD CONTEST

Bill reflected on past contests and on articles he had read about contest dos and don'ts before deciding on the final format for the contest. Deciding on an exciting theme was easy, especially since WBYL-AM was dedicated to sports. Bill knew he could get station approval for the awards he wanted since increased revenues from the contest would more than offset contest expenses.

When sales reps arrived at the station for their weekly sales meeting in the last week of September, they were greeted with much fanfare. The station was decorated with a Hawaiian look. Sales reps were told a new contest was about to get under way—and the first person to reach contest goals would receive a trip for two to Hawaii! Pictures were taken with reps holding coconuts, posed in front of exotic posters of the win-

*This case was prepared especially for this text by William H. Murphy, University of Wisconsin-Madison. Copyright © 2001 Neil M. Ford and William H. Murphy.

ning destination. At the meeting, Bill passed out a detail sheet of his carefully conceived contest (see Exhibit 1).

During the meeting, Bill discussed the contest and asked for questions from the reps. By the meeting's end, everyone seemed to understand the goals and objectives, and everyone was clearly enthusiastic about the awards. Even so, the contest seemed to get off to a slow start. After the first week, two reps were tied for most yardage gained—at one yard each. By the end of

the second week, the yardage leader had gained 4.5 yards. At the same time, four reps still had zero yardage. Bill assumed his reps were "getting the feel of the contest" and "soon things would get rolling."

Each week thereafter, Bill provided his sales representatives enthusiastic updates of their standings. He also made regular announcements of specials that would win extra yards. Examples of these updates and specials are shown in Exhibit 2.

EXHIBIT 1 Details of the WBYL/Z108 Sales Contest

The WBYL/Z108 Sales Football Scoreboard Contest!

Gainesville's newest, most exciting sales contest kicks off today with the grand prize trip for two to . . . where else . . . Hawaii!!! Earn yardage as quickly as you can! Avoid getting penalized! First person to get over the 100 yard goal line wins the trip for two to Hawaii!

1st Quarter—October 2nd Quarter—November
3rd Quarter—December 4th Quarter—January

% Goal Attainment	100%	110%	120%	130%	140%
	Yardage Gained				
Monthly sales goal	4	5	6	7	8
Monthly new business goal	3	4	5	5	6
Monthly sports goal	2	3	3	3	4
Monthly production goal	1	2	2	2	2
26- or 52-week contracts	1				
Highest weekly average	1				
Best-written proposal	1				
Client testimonial letters	.5 (Maximum 5 yards total)				
Showing up at station promotions	.5 (Maximum 5 yards total)				
Sales committee work	1				
Highest % goal entering month	2				

*Please turn in copy of order, contract, or memo to earn yards. You will be provided weekly yardage summaries. Unreported yardage will not be carried into new month.

Specials—Yardage will vary but opportunities for yardage will at times be posted. Example: "I'll give you 2 bonus yards if you sell a Football Saturday available by 5 P.M. today."

Negative Yards

Missed monthly goal	2
Missed monthly new business goal	2
Missed monthly sports goal	2
Missed monthly production goal	2
Missed sales meeting	1
Late monitor report	1

1st person to reach 100 yards—Wins a trip for two to Hawaii in February including the additional vacation week (\$4,000 value).

2nd person to reach 100 yards—Wins a \$500 shopping spree to Spruce Mall.

3rd person to reach 100 yards—Wins a \$250 shopping spree to Spruce Mall.

All people that go over 100 yards win a \$50 dinner for two gift certificate.

EXHIBIT 2 Contest Updates and Specials

To: Sales Reps

From: Bill

Date: 10/9/00

Earn extra yards with Spec production. For the remainder of October we will pay you 0.5 yard, maximum of 5 yards, for all spec production. Please give me a copy of the production order to qualify for yardage!

Think Hawaii!!

To: Sales Reps

From: Bill

Date: 12/14/00

We have summarized all of the contest points for November. After two quarters of play here are the standings!!

Rep	Yardage
Jenny	49.5
Mike	43
Kurt	31
Kaili	19
Toni	9
Ben	6
Tahir	4
Albert	3.5
Connie	3

Don't forget the points you can earn for testimonial letters, volunteer work, and Best Written Proposal each month!!

More bonus point opportunities still to come!

After posting "second-quarter" results (results through November as shown in 12/14 memo), Bill was convinced he had hit on a winning contest. Three reps, Jenny, Mike, and Kurt, were in a close race to be first to the 100-yard mark. Bill thought the other reps, though further behind, might be encouraged by the successes of the leaders to push harder for the final two months of the contest.

As with most well-laid plans, the approaching holiday season saw unforeseen delays in getting results tabulated for the "third quarter," due in part to changes in the station computer system and to vacation schedules—including Bill's two weeks away from the station. Postings for the third quarter of the football contest came over a month late, with promises for a rapid posting of final contest results (see Exhibit 3).

As Bill calculated January totals, he realized no sales rep had reached the 100-yard goal. On the positive side, the station would be saving the cost of the award that had been promised for those attaining 100 yards. On the other hand, Bill thought his reps had been working hard on the contest. Rather than jeopardize the

credibility of the contest, Bill sent out a closing memo, thanking the reps for their efforts and promising an even more exciting contest in the next month or two.

BEHIND THE SCENES

Bill was right; a trip to Hawaii was appealing to the members of his sales team. What Bill hadn't counted on was the slow start of many of the reps. By the end of the second quarter (12/14 memo), it was clear that no one besides Jenny, Mike, and maybe Kurt had a chance at winning. The rest of the sales team dropped interest in the football contest. Worse yet, several began blaming Bill for intentionally setting their contest goals beyond reach. Ensuing memos from Bill, designed to encourage contest enthusiasm and participation, actually became annoyances to most of the sales team.

Meanwhile the top contenders, Jenny and Mike in particular, began to believe they could win the football contest. During the final month, each increased efforts to try to be the first to reach 100 yards. With less than a

EXHIBIT 3 Third-Quarter Contest Posting

To: Sales
From: Bill

February 11, 2001

Here is the long-lost update on the Scoreboard contest. The computer switchover has delayed end-of-month figures, thus delaying related new business figures, etc.

Closing figures for January are still to come, and final yardage to be awarded. Here are the standings after 3 out of 4 months.

Jenny	73	yards
Mike	59.5	
Kurt	32	
Kaili	27	
Toni	16	
Ben	13	
Tahir	8.5	
Albert	7	
Connie	5	

Good Luck! (It's almost over!)

month remaining, Mike figured out a scheme, a "slight breaking of the rules" as he later called it, to give himself an edge. Some orders were written in advance of a customer's actually placing the order. Other orders were padded, with the intention that after the contest date Mike would simply write off portions of the orders as nonpayments. Of course, Mike hadn't counted on

several of his customers calling the station to complain about being overbilled. Some of these calls came through when Mike was on the road, resulting in others at the station being faced with irate customers. At the same time, Jenny focused her January contest efforts on asking for favors from customers she had close relationships with. Several of these accounts were willing to "buy a little more than they needed to help me out."

After receiving Bill's final memo, announcing no rep had reached 100 yards, Jenny and Mike were furious. As Mike said privately, "To this day it's affecting me in some way . . . in my relationship with the company . . . in my attitude toward future contests." Ben, one of the reps who dropped out of contest pursuit early on, later commented privately, "You lay this big thing down and do this song and dance and then screw the thing up. What does that tell me about our management?"

CLOSING THOUGHTS

Not knowing the behind-the-scenes sentiments of the sales team, Bill analyzed contest outcomes. He was pleased to find that improvements were made in most contest-related objectives, and ad revenues in particular showed gains from October through January. Reporting to his superiors, Bill commented on the effectiveness of the football scoreboard sales contest and enthusiastically mentioned several new contest ideas to further motivate his sales team. Given the apparent success of the football scoreboard sales contest, the station manager continued to give Bill a free hand in developing and running sales contests.