



MEETINGSNET AND
INCENTIVE RESEARCH
FOUNDATION SURVEY

INCENTIVE DESIGN TRENDS

COMPANIES TAILOR QUALIFICATIONS AND
AWARDS TO DIFFERENT PARTICIPANTS
FOR **MAXIMUM RESULTS**



This year's joint MeetingsNet/
Incentive Research Foundation sur-
vey focused on the goals and design
of merchandise/gift card programs,
in addition to program delivery and
awards. What are the most common
objectives of these programs, how
do planners benchmark what they're doing
against the rest of the industry, and how do
they target varying participants with different
awards?

By far, the most common program goal is to drive sales, fol-
lowed by rewarding customers, and then influencing employee
behavior through various initiatives, from customer service, to
wellness, to safety.

Despite its popularity among top executives, the "net pro-
moter" concept hasn't taken off with our respondents. Among
those companies with customer satisfaction programs, the use of
net promoter scores (calculated based on the number of loyal cus-
tomers vs. detractors, or those who are critical of the company) is

By Barbara Scofidio, MeetingsNet
Melissa Van Dyke, IRF



still uncommon—just one-fifth use them.

The majority of respondents' merchandise/gift card incentives are target-based. The top way for participants to earn awards is to hit their personally defined objectives (58 percent). Half of respondents use programs where winners qualify by hitting a group goal. Some awards are not tied to goals but can be given when managers choose to (31 percent), when committees choose to (25 percent), or when fellow employees choose to (24 percent). Attending training and validating knowledge via a quiz also were cited by one-quarter of respondents as ways for employees to earn awards.

Fifty-two percent of respondents have programs where participants accumulate points, and for the majority, these points do not expire. Most respondents' programs offer flexibility, allowing participants to accumulate points in more than one program (67 percent), to use points across multiple programs (53 percent), and/or to roll over the points they've earned to future programs to try to win higher-valued products (67 percent). The vast majority of respondents (63 percent) do not use plateau programs, where the award selection is based on a status rather than a point value.

Behind all incentive program design is a phase of knowledge-building and benchmarking, and the survey explored how designers gather intelligence for different purposes. The results varied: When building a business case for a program, respon-

Does your company combine incentive programs among employee groups as part of an overall strategy?

YES 59%

NO 30%

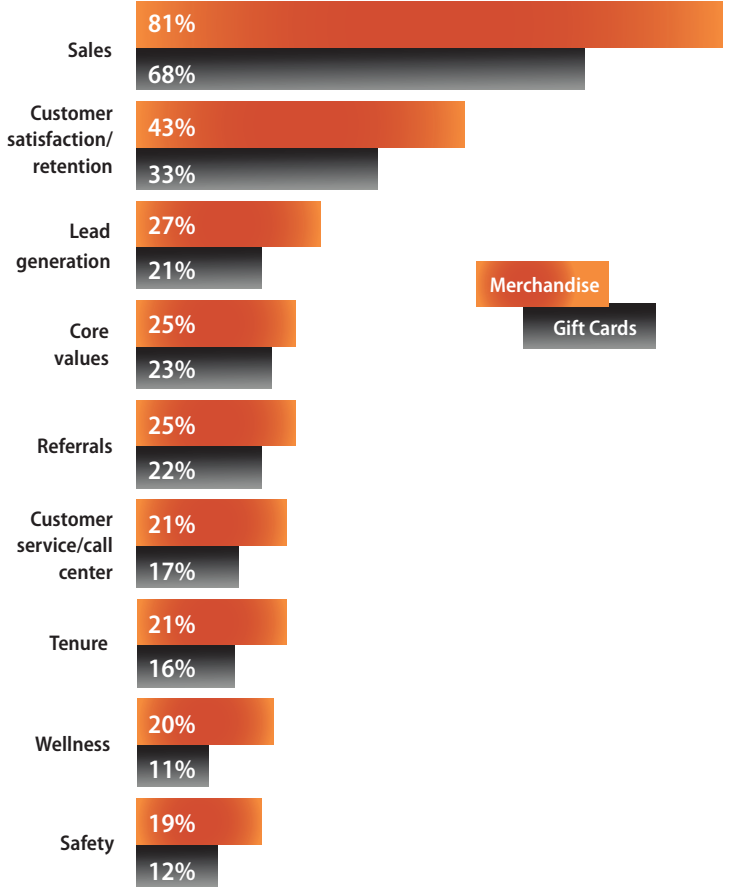


Top ways respondents research/benchmark their program design:

- 1) Internal case studies
- 2) Historical data
- 3) Discussions with suppliers
- 4) External case studies
- 5) Major consultancy reports (Hay Group, Gallup, etc.)



What are the business goals behind your merchandise/gift card program?



80%



Top three factors behind choice of merchandise for incentives

- Perceived value **74%**
- Age/demographics of participants **45%**
- Price **40%**

dents look to historical data (55 percent) and external case studies (54 percent), while internal case studies, historical data, and discussions with suppliers were more important resources for respondents than external case studies when designing their actual programs.

Once respondents' merchandise/gift card programs are in place, they are highly scrutinized, with 73 percent saying programs are measured and tracked, 65 percent saying they undergo a financial audit and review, and half saying they are subject to legal review. Nearly two-thirds of respondents are required to have communications campaigns for their programs and 46 percent must have business continuity plans, but only one-quarter must have disaster recovery plans for their programs.

Awards Reflect Priorities

The top awards purchased are gift cards, used by 59 percent of respondents. Open cards (which can be used virtually anywhere) continue to be most popular, used by 37 percent of all gift card buyers, including in combination with other types of cards (32 percent). The most popular types of cards are restaurant/entertainment (56 percent), retail/online shopping (46 percent), electronics (33 percent), gas and travel (tied at 32 percent), and spa (22 percent). The choice of card is tailored to the end user by 58 percent of respondents.

Meanwhile, the perceived value of the award is the top

To view the complete survey online, go to meetingsnet.com/CMI-merchandisesurvey

Methodology This survey is based on the responses of 117 *MeetingsNet/corporate & incentives* readers and Incentive Research Foundation supporters who indicated that they plan merchandise/gift card incentive programs and/or purchase incentive gifts/gift cards. Data was collected between July 25–August 8, 2013.

**FEATHER
WEIGHT**



TUMI.COM © 2013 TUMI, INC.

TUMISPECIALMARKETS.COM
800.669.3181

TUMI

NEW

consideration when choosing merchandise, followed by the age/demographics of the qualifiers, and then the actual price.

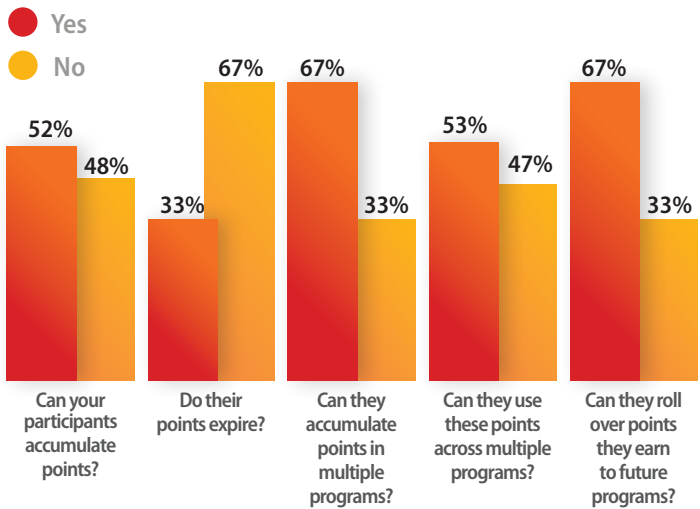
Companies spend the most per-person on sales awards, an average of \$575, while spending half that amount (\$290) on service/tenure awards. The lowest amount (\$122) is spent on wellness awards.

Slow, Steady Increase in Spending

In 2012, our Incentive Merchandise/Gift Card Survey showed an increase of 2.2 percent in budgets over the previous year. This year's result was a little better, with a mean increase of 3.6 percent in budgets from 2012 to 2013. Asked how their 2014 merchandise/gift card budgets will compare to 2013, 43 percent of respondents said they expect it to increase and the same amount said they expect it to remain the same. The good news is that the average increase predicted among respondents is a healthy 5 percent—the highest increase since we started this survey three years ago. **M**

Thank you to our survey advisors: Louise Anderson, Anderson Performance Marketing; Joyce Engberg, MotivAction; Brett Hatch, Maui Jim; Fran Schuster, Maritz; Holly Spies, Altour; Rodger Stotz, Incentive Research Foundation; Joe Zandone, Movado

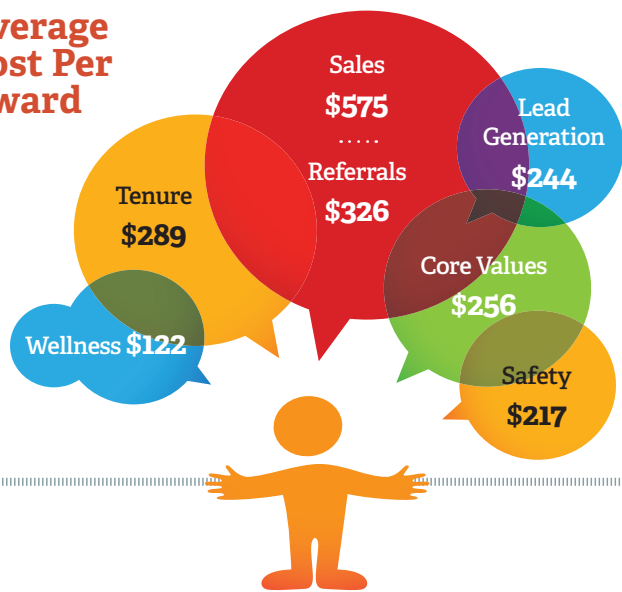
How They Qualify



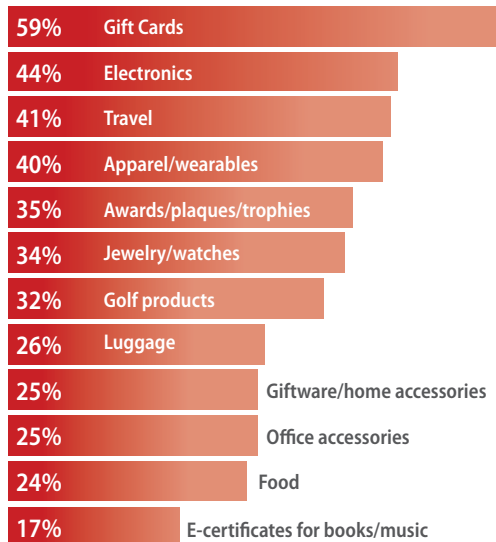
List all the ways participants can earn an award



Average Cost Per Award



Award Choices



What type of gift cards do you use?

- Open **37%**
- Closed **28%**
- Restricted **17%**
- Some or all of the above **32%**

MEETINGSNET AND INCENTIVE RESEARCH FOUNDATION SURVEY



Year-to-year merchandise/gift card budget

+3.6%
from 2012 to 2013

+5%
from 2013 to 2014

Gourmet Experiences to Bring People Together



The Perfect Gift for your next event or conference...

Great programs for any occasion:

- The Omaha Collection Certificate Program
- Gift & Giveback Series Charity Certificates (*New!*)
- The Omaha Steaks Experience On-Site Tasting Event
- Our Gourmet Gift Box & Seasoning



©2013 OCG OS SalesCo, Inc. 15993

Omaha Steaks® B2B | B2B@OmahaSteaks.com | 1-800-228-2480 | www.OSincentives.com