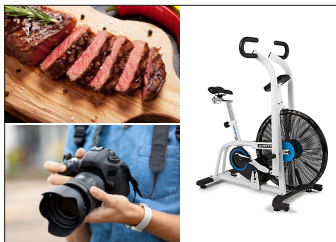


The **Ultimate** **Guide** to **Non-Cash** **Rewards** and **Recognition**



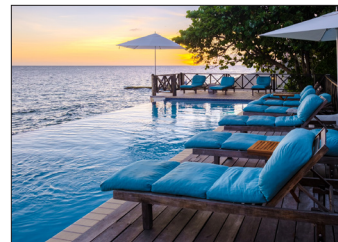
The 5 Languages of Appreciation in the Workplace

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The **5** Languages of **Appreciation** in the Workplace



By Paul Nolan



Workplace appreciation is most meaningful when it's in the 'language' that each recipient likes most

If there was a bright side to the COVID pandemic, which left most workers abandoning office work and signing in remotely, it was an ensuing global awakening that employees are people; they bring their whole selves to their work, and they need to regularly be told they are valued.

The pandemic sparked a recognition of the importance of recognition; an appreciation for appreciation.

You've no doubt heard the axiom, employees don't leave companies, they leave managers. That's ingrained in management's collective mind-set. They get it now, right?

"Some do. More do than used to. Whether it's most, I don't know," said Paul White in a recent [podcast interview](#) with *Sales & Marketing Management*.

A Failure to Communicate

White is co-author of "The 5 Languages of Appreciation in the Workplace." His co-author, Gary Chapman, wrote "The 5 Love Languages: The Secret to Love That Lasts," a *New York Times* bestseller that has sold more than 20 million copies worldwide.

When White was consulting for family-owned businesses in the early 2000s, he witnessed first-hand the lack of

communication in workplace settings that created dysfunctional teams. Workers didn't feel valued because managers weren't effectively communicating appreciation. That led to disengagement and high turnover.

At the time, White and his wife were rereading Chapman's bestseller on love languages. That book explains five different ways that people express and receive love in relationships, and how knowing your partner's preferred love language can strengthen the relationship. White wondered whether the main concepts from the book could be adapted to the workplace to achieve the same results.

The first edition of "The 5 Languages of Appreciation in the Workplace" was published in 2011. More than 600,000 copies have been sold and more than 400,000 people have completed the authors' Motivation by Appreciation survey. The online questionnaire, which takes about 15 minutes to complete, identifies individuals' preferred means of being told they are appreciated at work. White and Chapman state that it helps colleagues connect more deeply by customizing appreciation for each worker so they are motivated by feeling valued.

FEATURE STORY

The 5 Languages of Appreciation

White retained Chapman’s original five languages of love for his workplace appreciation template. They are:

- **Words of affirmation** – There are many ways to use praise to communicate a positive message to a colleague. It’s important to learn how a person prefers to be praised, whether it’s one on one, in front of others or written affirmation.
- **Quality time** – Focused attention is one of the most important aspects of quality time, but it may not be desired from one’s immediate manager. Some people who prefer this type of appreciation get a lot from good conversations with peers.
- **Acts of service** – An example is an offer of help, but be certain to offer the kind of help a person wants. Administrative assistants, who are often overwhelmed with items on a to-do list, often crave acts of service.
- **Tangible gifts** – It could be tickets to a sports event or concert, the latest electronic gadget or a trip to the Caribbean for two. The trick is to make sure the gift matches the recipient’s interest. One size definitely does not fit all in this category.
- **Physical touch** – White admits this is a tricky category to keep from Chapman’s love languages list for people who are life partners. However, a firm handshake, a pat on the

back, a high-five and even a hug for some people is a welcomed sign of appreciation in the workplace. It’s important to make sure a colleague’s preferred language is physical touch and never push the boundaries of what is acceptable office behavior.

A Gallup study showed that companies with highly engaged employees are **21% more profitable** than companies with disengaged employees.

Recognition vs. Appreciation

This report is about the win-win of recognizing top performers with more than a paycheck. If you’re from the Don Draper “[That’s what the money is for!](#)” school of management, then convincing you that showing appreciation using something other than cash may be an uphill battle. Just a reminder: “Mad Men” was set in the 1960s. This is a decidedly different, multigenerational work environment.

The Overall Impact of Employee Engagement on Organizations

Result of Employee Engagement	Research Findings
Employees show up for work	Engaged employees average 27% fewer days missed than those who are highly disengaged.
Less staff turnover	Business groups with more disengaged employees have 51% more turnover than business units with more engaged workers.
Fewer employee accidents on the job	Work accidents are 62% more likely in companies with high levels of disengagement in comparison to businesses with engaged employees.
Higher customer ratings	Companies with higher levels of employee engagement have 12% higher customer rating scores than those with low employee engagement.
Less employee theft	Companies with high levels of disengagement lose 51% more of their inventory than companies with a highly engaged workforce.
Greater productivity	Companies in the top 25% of employee engagement averaged 18% higher productivity than the companies in the bottom 25%
Increased profitability	In a Gallup meta-analysis of 263 research studies, employers with the most engaged employees were 22% more profitable than those with the least engaged employees.

SOURCE: “THE 5 LANGUAGES OF APPRECIATION IN THE WORKPLACE” BY GARY CHAPMAN AND PAUL WHITE

FEATURE STORY

“Appreciation [in addition to pay] has become more accepted, in part because of younger employees,” White said. “It’s more part of their world view about the workplace. They are not there just to get a paycheck. They want to do something meaningful, and they want to be valued for who they are.”

To be clear, White stresses there are important differences between appreciation and recognition. Recognition, he said, is about setting goals and changing behaviors to reach those goals. Appreciation emphasizes what is good for the company and good for the person. “Authentic appreciation involves both behavior and heart attitude,” he said. It’s not to say that recognition is bad, but rather that recognition should always be accompanied by genuine appreciation.

The ROI of Appreciation

White has worked with notable brands such as Nationwide Insurance, Microsoft and Pepsi Global to help them understand the importance and best practices of creating a culture of appreciation. It’s important for managers of teams and business leaders to fully comprehend the win-win aspects of workplace appreciation or they may not totally buy in.

A false assumption of appreciation is that the primary goal is to make workers feel good, White said. There is copious research and ample anecdotal evidence that appreciation, when done well, increases employee engagement, which improves performance, which boosts companies’ bottom line. Studies show that a workforce that feels appreciated (and is encouraged to express appreciation to colleagues) has less turnover, high customer satisfaction and increased profitability. (See the accompanying chart.)

“When employers connect with employees as individuals, express acknowledgement for a job well done or for being a team player, they will see more employee engagement,” said Diane Rosen, co-founder of [Compass Consultants](#), which works with clients to increase workplace engagement and performance. Her comments came in an email exchange with SMM.

Recognition can be in the form of increased autonomy, additional training or readiness to support them however they need it, Rosen added. “For managers, the most critical element for promoting engagement is ongoing communication with employees and inviting their ideas and suggestions since those doing the work often have valuable insight into efficiencies, best practices and how logjams form. Establishing a culture of dialogue and reciprocity is the best predictor of engagement.”

Be Authentic

White cautions that if appreciation isn’t authentic — if its purpose is driven primarily by what’s good for the company — it can backfire.

“Unfortunately, some unscrupulous leaders try to utilize the positive process of communicating appreciation to achieve the organizational benefits without really valuing their employees,” he writes in his book. “When employees feel the underlying

motivation for receiving recognition or appreciation is for the benefit of the company or manager, and thus, not being genuinely about them as a person, they react negatively.”

The only thing worse than a lack of appreciation is a recognition program that leaves employees cynical and resentful. Here, it’s important to be mindful of White’s distinction between recognition and appreciation. A sales incentive contest, by definition, is designed to increase profitability for the company. That’s understood. It’s also

PODCASTING WITH PAUL WHITE



Paul White, co-author of “The 5 Languages of Appreciation in the Workplace,” has agreed to a series of podcast conversations on the topic with *Sales & Marketing Management* Editor Paul Nolan.

In the [first episode](#), available now, Paul reviews the ROI of appreciation and the importance of personalizing appreciation. We also ask whether the COVID pandemic was a turning point in company leaders “getting it” when it comes to the importance of appreciation.

Subscribe to the *Sales & Marketing Management* Podcast so you will be notified each time we drop a new episode.

understood that reps who achieve their goals will be recognized (ideally with something other than cash). Within the constructs of an incentive campaign, there is also ample opportunity for genuine appreciation.

“When authentic appreciation is communicated, all stakeholders win — the employer, the supervisor, the organization, customers and clients, as well as the family and friends of the employee who get to enjoy a more positive, encouraged individual,” White writes. “No matter your role or the type of setting in which you work, you can start to impact those around you by beginning to communicate appreciation to those with whom you work on a daily basis. They key is to start somewhere with someone.” **SMM**

Say More!

We asked our B2B audience for insights on increasing employee engagement, improving performance and celebrating success outside of cash payouts. Here's what we heard back.

Know Employees' Preferences

One challenge many companies face with non-cash incentives is ensuring that these rewards truly resonate with what employees value. It's like giving a cat a bath — well-intentioned, but not always appreciated. Personalization of rewards, whether through incentive travel, merchandise or points programs, dramatically increases their effectiveness. By aligning rewards with individual preferences and achievements, companies can foster a deeper sense of appreciation and loyalty.

– Shailen Vandeyar, founder, [Funnel Teacher](#)

Praise Over Perks

We've found that high performers don't care about a bunch of perks. They care about doing good work, being recognized for that work, and having the freedom to perform that work where and when they want. High performers want to hear that they are good at what they do; they also want to be shown that their work is appreciated. Companies should create clear expectations around promotions, professional opportunities and exposure. That can be more valuable than well-meaning perks.

– Jena Dunay, founder, [Recruit the Employer](#)

Recognize Often

There needs to be a frequency of recognition. It can't be once a quarter. It needs to be weekly where managers behave like leaders and recognize the good accomplishments of teams. Also, communicating "up" in an organization is important. It shows that you as a leader are willing to advocate for your team and take the time to formally send a communication. I managed an insights team, and once a month I would send the CFO an email and cc the team. It was a big shout-out to the team and I made it public by sharing it with an executive.

– Brian Soudant, founder, [Soudant Consulting Group](#)



Involve Employees in Design

Designing a recognition program is best done by involving employees and asking them directly how they want to be recognized. This can be through surveys, interviews or informal conversations. Whatever program a company implements, it is critical that it aligns with and reinforces the company values. Part of the recognition should be a clear explanation of why the individual deserves recognition and how they exemplify some or all of the company's values.

– Nikolaus Kimla, CEO, [Pipelinier Sales Corp.](#)

Involve Customers in Recognition

I've found that appreciation from clients and recognition from supervisors have been far more impactful than monetary bonuses with respect to salesperson satisfaction and future motivation. When the client helps recognize the salesperson, it massively multiplies the appreciation the recipient feels. Part of this is because most successful salespeople are confident they can generate income, but the true challenge is in finding solutions and having others see their successes as being meaningful. Long after the paycheck has been spent, recognition will endure as a reminder of work well accomplished.

– Anthony Miyazaki, professor of marketing, Florida International University

Corporate Gifting: The Action that Generates a Positive Reaction

BY PAUL NOLAN

Tangible gifts, one of the five languages of appreciation in the workplace identified by Gary Chapman in his best-selling book on the topic, is included in the workplace edition co-written by Chapman and Paul White. They emphasize that tangible rewards are separate and different from salary increases or bonuses.

Tangible gifts are a means to reward employees, channel partners and other business associates outside of pay for performance. Just as with gifting in personal relationships, this gesture in work relationships is a means of deepening a bond by showing that you are getting to know the recipient as an individual, Chapman and White explain. In fact, a key aspect of a meaningful gift in showing appreciation is that it is personal.

Two Keys to Effective Gifting

In the workplace, there are two key components for ensuring that tangible rewards are truly encouraging to those who receive them, the authors state.

One expert in business-oriented gifts suggests that gifts have the most impact when they are:

- Unexpected (in March instead of December)
- From one person to another rather than from a business
- Long-lasting to serve as a continual reminder of appreciation



First, you need to be certain that those you recognize with tangible gifts place a high importance on gifts as an expression of gratitude. “While a gift is extremely important to some individuals, it provides very little affirmation to others,” Chapman and White write.

Second, you must give a gift the person values. “Individuals who value gifts as an act of appreciation tend to react negatively when everyone is given the same item because to them it demonstrates the giver didn’t think about what each person would enjoy,” the authors state.

This means that corporate-branded apparel (despite its chart-topping use), desk accessories or other giveaways that companies frequently hand out to all employees are not gifts. (Note that “all employees” should be a red flag.) These types of items have their place in building team spirit, but they should not be viewed as gifts or an expression of recognition.

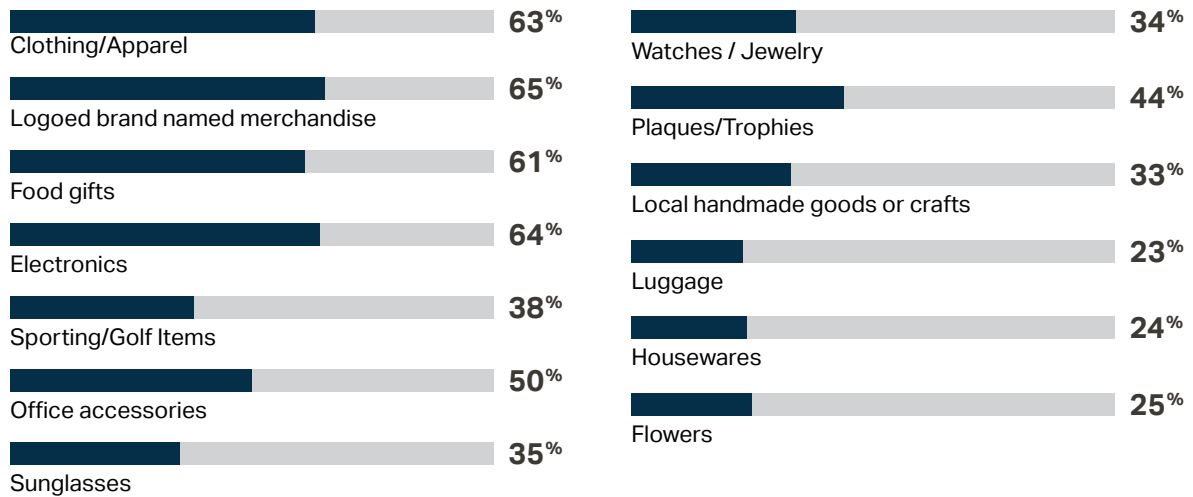
An exception could be made if a company can establish some cachet around a corporate-branded item, such as a high-quality jacket awarded to top sellers or for those who achieve a safety goal. Such a program requires honest assessment on the part of the sponsor. If a large number of the items you order are sitting in storage, it could be a sign your employees aren’t motivated by the reward.

Merchandise Rewards Utilization Expected to Increase

The Incentive Research Foundation’s Industry Outlook for 2024 predicts increased use of merchandise as rewards. According to the [Industry Outlook for 2024](#), the use of merchandise in reward and recognition programs will see a net increase in spending in 2024 of 31% in North America and 25% in Europe. More significant increases in merchandise spend will go toward event gifting, with

MERCHANDISE

Merchandise Prevalence in North America



INCENTIVE RESEARCH FOUNDATION: INDUSTRY OUTLOOK FOR 2024

2024 net increases of 47% in North America and 51% in Europe.

According to the IRF report, the average value of a merchandise gift for reward/recognition is \$177 in North America and €174 in Europe. Third parties in North America spent significantly more on average than corporate program owners (\$221 third party vs. \$169 corporate). In Europe, the reverse was true, with corporate respondents outspending third parties (€180 corporate vs. €149 third party)

Gifting As Part of an Experience

Keep in mind that program sponsors can combine different types of non-cash rewards. In fact, doing so can be a force multiplier.

The IRF reports that the last two years has seen an upward trajectory in event gifting budgets, a trend that is anticipated to persist this year. A significant 55% of respondents to the IRF trends survey last fall planned to augment their event gifting budgets in 2024, with only 7% foreseeing a decrease.

The top event gifts in North America are nationally recognized branded merchandise (73%), food and beverage crafted locally (57%) and gift cards (56%).

In 2023, total average annual per-person spend on event gifts was \$944 in North America and €869 in Europe. North American third parties spent significantly more than their corporate counterparts (\$1,635 third party vs. \$847 corporate). In Europe, the corporate program owners spend modestly more than third-party agencies (€880 corporate vs. €821 third party).

Meaningfulness is the No. 1 priority in both North America and Europe when selecting an event gift. Customer events, conferences or tradeshows, and internal meetings were the most common occasions for event gifting in North America and Europe.

[Writing for Forbes](#), Kate Vitasek, a consultant on building better business relationships, states, “At times, it can be easy to lose sight of the fact that your partners are real people with their own goals and desires — and they can lose sight of that, too. Corporate gifting helps humanize your company to your partners and can serve as an important reminder for your team that your partners are real people.”

Gifting Gives Back

Lack of recognition — of feeling appreciated — is the No. 1 reason workers cite for leaving a company. It’s often

stated that employees don’t leave a company, they leave a manager. Employees who receive tangible gifts as an act of recognition are proven to be more engaged in their work, and thus, more productive. They also are more loyal to their employer. A Gallup survey found that employees who feel unappreciated are twice as likely to quit within the next year.

A 2023 survey by [Snappy](#), an employee gifting and recognition facilitator, showed that More than a third of employees (35%) say that the increased job satisfaction they feel after receiving a meaningful gift lasts for 3–6 months.

Managers must realize that acts of kindness — even small ones — shown to employees through gifting are impactful, but only when they are perceived as genuine.

“When authentic appreciation is communicated, all stakeholders win — the employee, the supervisor, the organization, customers and clients, Oas well as family and friends of the employee who get to enjoy a more positive, encouraged individual” Chapman and White state. **SMM**

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Gift Cards Capture Hefty Incentive and Recognition Spend

As incentives and rewards, they continue to increase in popularity. But why the insistence to purchase at retail?

BY PAUL NOLAN

Incentive gift card use continues to head in one direction — up. According to the Incentive Research Foundation (IRF) Industry Outlook for 2024, more than half of respondents from North America (52%) anticipate spending more on gift cards for rewards and recognition this year than in 2023. Two key selling points of gift cards for corporate use haven't changed: choice and ease of use.

- **Choice** – In a recognition environment in which we're told personalization is vital, gift cards provide choice — in some instances unlimited choice — while retaining much of the memorability of non-cash recognition categories such as merchandise and travel.

Companies that use gift cards control how much choice their recipients have. An open-loop gift card works like a standard debit card and can be used anywhere the supporting financial issuer is accepted. Closed-loop cards are merchant-specific, which provides a program sponsor assurance that the card will be used on something fun.

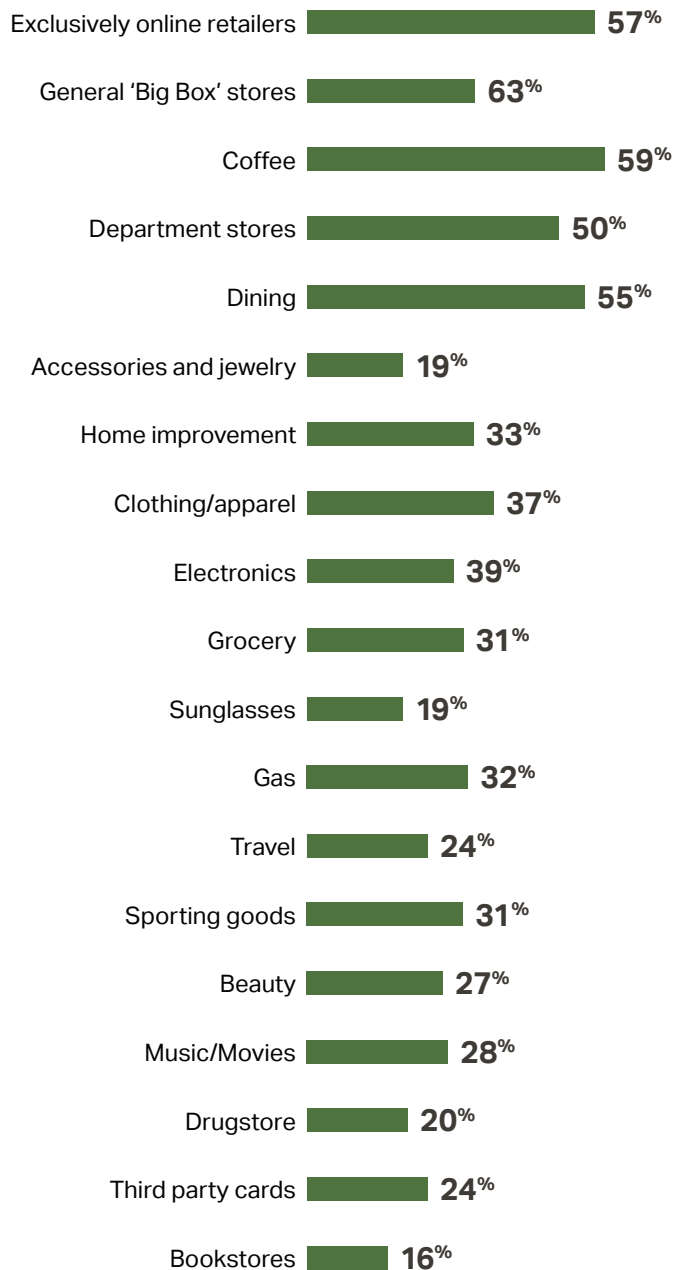
- **Ease of use** – Simply put, administration is a breeze. Many incentive gift card suppliers will handle everything for you.

Brand-Specific Gift Card Trends

In 2023, North American corporate use of brand-specific gift cards increased 13% over the previous year, while open-loop cards showed negligible difference compared to the prior year, the IRF reports.

Nearly all brand-specific gift card categories continue to experience participation growth compared to 2022, with minor exceptions observed in sunglasses (-6% vs. the prior year) and accessories and jewelry (-1% vs. the prior year). The utilization of gift cards is on the rise, both in terms of volume and the variety of options available to recipients. The top three categories selected in North America were general “big box” stores, coffee and exclusively online retailers.

Brand Specific Merchant Types in North America



GIFT CARDS

The average value for North American recipients of corporate gift card incentives and recognition is \$152, according to the IRF report.

New Experiences

Interestingly, a report from Javelin Strategy & Research shows that workers who receive a gift card from an employer are more likely to try a new product or service. Fully 42% of recipients of employee incentive gift cards said they will use it to try something new always or most of the time.

Why does this matter? New experiences can be some of life's most memorable highlights. Imagine the loyalty engendered when an employer helps pave the way to such experiences for employees or business partners!

A Better Way to Buy Corporate Gift Cards

For decades, a pervasive trend in corporate gift card use has been their purchase at retail outlets. Despite corporate gift card suppliers offering discounts for bulk purchases as well as all



sorts of extra services, end users continue to purchase the bulk of closed-loop cards at retail.

In a presentation on Javelin's survey findings for the Incentive Gift Card Coalition (IGCC), Jordan Hirschfield, director of prepaid advisory services for the company, reported that approximately 70% of the retailer-specific gift cards purchased for corporate incentive use were physical cards. This may be a reflection of the habit of purchasing cards from retail outlets.

When buying in bulk, end users would be better served buying from an incentive gift card supplier. The IGCC is a useful resource for finding those suppliers.

The Javelin study showed that when companies purchase digital gift cards, the value per card averages about \$10 more than physical cards (\$115.43 vs. \$95.33). **SMM**

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Motivating Today's Multigenerational Workforce

BY STEVE MASELKO

Travel is meaningful to all ages. Gift cards provide choice and flexibility.



Ever since the work world emerged from the COVID pandemic, much attention has been given to strategies for effectively engaging millennial and Gen Z employees. While it's true that workers aged 30 and under are gaining a larger foothold in both professional and blue-collar environments, it would be misguided for companies to neglect motivational strategies for older members of their teams.

The U.S. Bureau of Labor Statistics projects the labor force will increase by 8.9 million people (5.5%) from 2020 to 2030. The number of people between 16 and 24 is projected to shrink by 7.5% during that period, while the number of people aged 75 and older in the work force is expected to increase by 96.5%.

"These societal shifts have given rise to the multigenerational workforce. Now and in the future, we will have four to five generations in the workforce at any given time," Harvard Business Review reports. "This unprecedented diversity brings an exciting array of skills and expertise, perspectives and life experience that can enhance an organization's innovation, productivity and overall performance."

Choice and Memorability

Cultivating a culture of recognition is critical to keeping a multigenerational workforce engaged. The human desire to be praised for one's achievements doesn't dissipate simply because someone has more years on the job.

What gets trickier, however, is finding ways to recognize different generations in a manner that is meaningful to them. Recognition that isn't memorable isn't worth doing.

Marriott GiftCards incorporate two elements of recognition that are proven to be essential to satisfying the needs of today's multigenerational workforce: freedom of choice and memorable experiences. Let's look more closely at both.

- **Freedom of choice** – By enabling recognition and reward recipients to select experiences that suit their tastes, the rewards are far more likely to be meaningful. Marriott GiftCards can be redeemed for hotel stays at more than 30 brands within the Marriott Bonvoy portfolio and 10,000 destinations offering options that meet the diverse needs of the multigenerational workforce. In addition to hotel stays, they may be redeemed for a day at the spa, a culinary experience, a round of golf and much more.
- **Memorability** – The most effective recognition strategies create lasting memories and motivate workers to repeat the performance that earned them the reward so they can have another memorable experience. Unlike some forms of recognition, the memories made through redemption of a Marriott GiftCard don't get lost on a shelf, tossed in a drawer or, worse yet, discarded within days of receiving it.

Budget-Friendly and Easy to Administer

Success is the result of small efforts repeated daily. It's important to recognize workers not only for grand achievements, but also for the steps that lead to accomplishing them. The flexibility of placing any value from \$25 up to \$2,000 on Marriott GiftCards makes them ideal for this purpose.

After beginning a professional career in public accounting, Steve Maselko joined Marriott as an internal auditor. He has worked in Marriott's incentive and gift card space since 1992, taking on the full leadership role of the business in 2012.

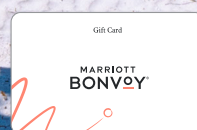
Open a world of opportunity for your reward recipients to discover with a Marriott GiftCard that can be presented in person with a physical gift card or an e-gift card that is sent when you choose. Allowing your recipients to choose where they travel, when they travel, and with whom makes your reward more relevant and meaningful to them.

To learn more about using Marriott GiftCards in your incentive and recognition campaigns contact Sharon Conley at sharon.conley@marriott.com.

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The World Awaits



Incentive Travel: What to Know Before It's a Go

Understanding trends is vital to planning popular programs

BY PAUL NOLAN

More than any other non-cash incentive category, travel is one in which program planners must stay tuned into participants' preferences. An incentive travel program is only as successful as the desirability of the destination and the attractiveness of the itinerary. To that end, we present this amalgamation of the most current research on incentive travel programs.

Desirability Remains High

A March survey by the Incentive Research Foundation of approximately 400 incentive program participants revealed that group travel is a lot like pizza – even when it's not great, most people seem to like it.

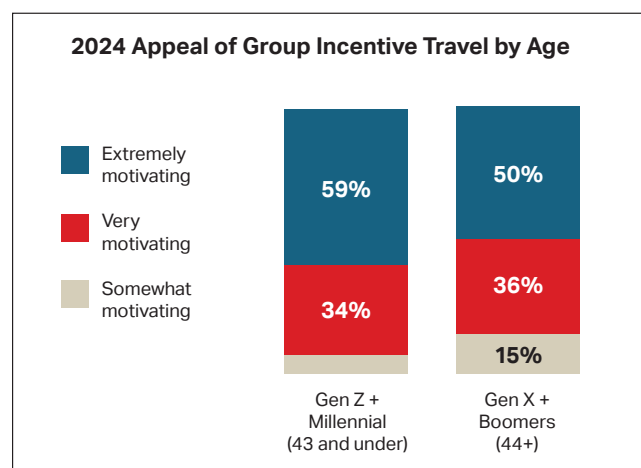
According to the IRF's 2024 Attendee Preferences for Incentive Travel, 91% of respondents describe a group incentive travel experience to an appealing destination as “very” or “extremely” motivating.

Hawaii, Las Vegas and Florida topped the list of most desirable North American destinations, as they have in previous IRF surveys. Notably, less-desired destinations such as Canada, Arizona and Mexico, still received significant support from survey respondents as desirable destinations they find motivational.

A Good Fit for Today's Multigenerational Workforce

The IRF survey found that while appeal is high across all segments of comparison, younger age groups (Gen Z and millennials) find even greater motivation in group incentive travel than the older age groups. This is likely partially the

result of older workers having had more opportunities to experience travel programs during their work tenure. Also, several studies show that, in an era of full-time remote and hybrid work set-ups, younger workers embrace camaraderie, mentorship and team building more than their older colleagues.



INCENTIVE RESEARCH FOUNDATION: ATTENDEE PREFERENCES FOR INCENTIVE TRAVEL

Emphasize New Experiences

Writing for a 2024 meetings and incentive travel trend report produced by Skift Meetings, Nikki Paterson, business solutions manager of Tourism Northern Ireland, states, “There is a growing emphasis on experiential travel rather than traditional luxury accommodations or activities. Participants are now seeking unique experiences that provide cultural immersion, adventure or opportunities for personal growth.”

The IRF survey of program participants reports the top driver of a positive experience is free time to relax followed by the trip providing an opportunity to have unique experiences that would not otherwise be possible.

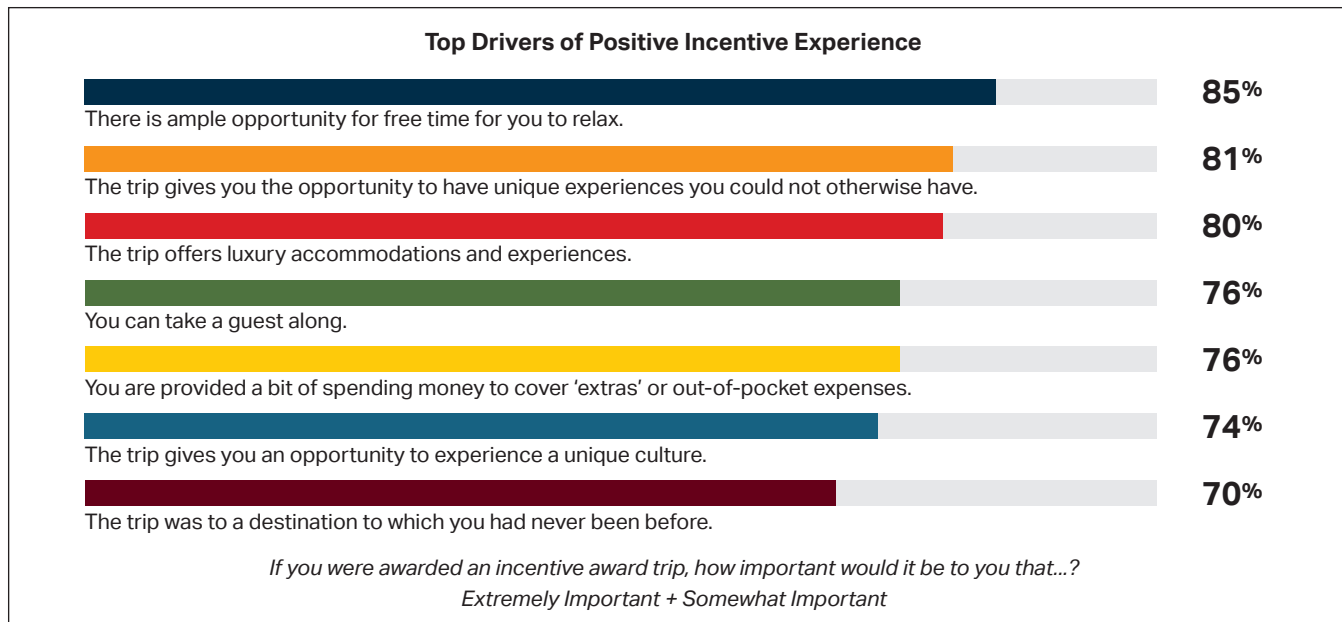
Because participants undoubtedly have varying interests, an incentive travel program agenda should provide a choice of unique activities to suit several different travel styles, from adventure activity lovers to education seekers who want to learn more about the local history and culture.

VIP Treatment

This ties directly to the desire for new experiences. The third-highest factor for a driver of a positive experience in the



TRAVEL & EXPERIENCES



INCENTIVE RESEARCH FOUNDATION: ATTENDEE PREFERENCES FOR INCENTIVE TRAVEL

IRF survey is luxury accommodations. Participants cited a private unit that is part of a larger resort, an all-inclusive resort or a large, well-known five-star hotel as the types of accommodation that can make a significant difference to the overall experience.

Evidence of this desire for luxury is seen in the consumer world. Eventbrite, an event management and ticketing company, reports that Attendance at events mentioning “VIP” grew globally by 18% on the Eventbrite platform between January and September 2023, compared to the same period in 2022.

“The importance of providing something extra at an event cannot be overstated. Extra touches could include surprise performances, exclusive access or complimentary offerings. These elements contribute to a more positive emotional experience, making attendees feel valued and appreciated,” one event organizer told Eventbrite.

Ideal Length of Time

If you’re treating top performers to a trip, they want it to be worth their time. Not surprisingly, participants request a longer trip when traveling to international destinations. Within North America, respondents said the ideal length is four to six days (52%), with 33% desiring seven to 10 days. For international incentive travel programs, 40% request seven to 10 days, another 23% says 10 days, and another 20% desire more than 10 days.

“Trip duration is a design consideration for which planners are challenged to balance attendee preference with budget and business realities. Event data indicates that most trip bookings (79%) are between four and six days, with only 15% of trips scheduled for a week or more,” the IRF reports.

Beach and Sun

The features that incentive travel recipients desire most in a destination isn’t a shocker — a nice beach and sunny weather. Also listed in order were adventure travel; mountains; a historical location; and a wooded or nature area.

A Need-to-Have Strategic Tool

According to the 2023 Incentive Travel Index, when senior leaders were asked whether they view incentive travel as a must-have strategy, 53% stated it is essential to driving profits and 48% agreed it can serve as an competitive differentiator. Twenty-one percent of senior executives polled said incentive travel was a “necessary evil” they are afraid to cut.

With continued tight job markets in several competitive industries, there is evidence that companies feel the need to keep incentive travel budgets high to attract and retain top talent, said Ashley Bohnenkamp, senior manager of event solutions at ITA Group, an incentive program provider.

What About Individual Incentive Travel?

Incentive travel program participants clearly desire to bring a guest on any trip they receive as a reward, and most companies are allotting that in their budgets. There is also increasing interest in individual incentive travel rewards, in which recipients choose their own destination and travel at a time of their choosing. Anecdotally, individual incentive travel is desired more by older workers who have often participated in a number of group travel events.

Individual incentive travel incentives may be desired by a growing number of recipients, but companies remain hesitant to use them, according to the Incentive Travel Index. Group incentive travel provides team building experiences that individual incentive travel does not. **SMM**

TRAVEL & EXPERIENCES

Be Mindful of These Incentive Travel Trends

Here are key takeaways from the 2024 IRF Attendee Preferences for Incentive Travel Survey:

- **Motivational appeal** of group travel continues to be extremely high, especially among Gen Z and millennials.
- Participants seek a getaway that allows for taking part in **unique experiences and luxury accommodations**. They also desire to share this opportunity with a guest brought along on the trip.
- **Beach and sunny destinations** continue to be highly desired and align well with a destination that provides a much-appreciated opportunity for downtime to relax.
- Nearly six out of 10 recent winners **extend their trips**.
- The popularity of cruising continues to grow after the pandemic-related declines. Three-quarters of respondents say **cruises are desirable** regardless of destination, and improved perceptions of safety and comfort drive up cruising appeal.
- Similar to last year's responses, survey results indicate interest in a **broad range of destinations**, while booking data indicates a critical mass of programs focusing on **Mexico and the Caribbean** for destinations.
- **Hawaii** was rated high across the board for incidence of previous visits, interest in returning for leisure, and likelihood to be recommended for incentive travel reward. Despite this, bookings realized for Hawaii have been declining for several years and the Hawaiian destinations are not in the top 20 of Cvent bookings.



A Closer Look at Who's Using Incentive Travel

Finance and insurance companies, tech companies, and pharmaceutical/health care companies are the three biggest users of incentive travel, according to the [2023 Incentive Travel Index](#).

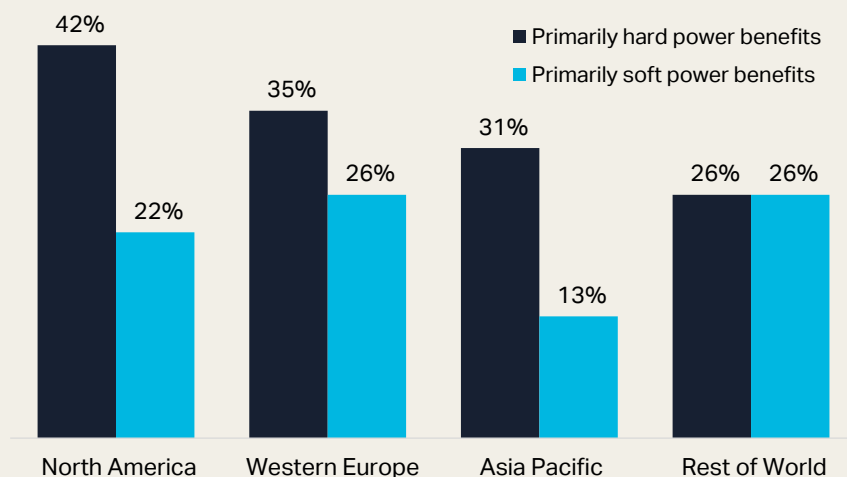
The annual report, produced through a collaboration between the Society for Incentive Travel Excellence (SITE) and the Incentive Research Foundation (IRF). The survey polls corporate end

users of incentive travel as well as destination management companies (DMCs), hospitality industry suppliers and incentive travel agencies.

The report states that so-called hard power benefits, such as increased sales and market share, are the most common use of incentive travel programs. This follows a couple years during the pandemic when many companies placed increased focus on soft power benefits such as increased engagement, building company culture and increasing employee retention. Soft power benefits are not disappearing, however. Nearly three in five buyers state they are shifting future programs toward a greater emphasis on soft power benefits.

Primary reason for using incentive travel by region

(Share of buyers)



G7. Why does your organization/clients use an incentive travel program?

Response base (buyers): n = 600 respondents

SOCIETY FOR INCENTIVE TRAVEL EXCELLENCE
& INCENTIVE RESEARCH FOUNDATION:
2023 INCENTIVE TRAVEL INDEX



Effective Incentive Plans Don't Happen by Accident

The complexity and comprehensiveness required to produce proper ROI prevents these from being DIY projects

BY PAUL NOLAN

Table Legs Online, as the name suggests, is a website solely for legs for tables and other furniture as well as metal table bases. It's not seemingly a stop for a good chuckle. However, Google "worst DIY home improvement fails," and the top result will take you to this niche retailer's online store. There, you'll find wince-inducing photos of [projects gone wrong](#).

A tree chopped down without directional forethought crushes a house. An electrical socket has been installed directly below a faucet spigot. A ceiling fan is installed so the blades clunk right into a support beam.

Poorly conceived home projects can be corrected, usually with little or no embarrassment to the DIYer (other than a smirk from a professional who may be called in to complete the task properly).

Because Incentive Professionals Are, Well, Pros

Mistakes in business settings are not as easily dismissed, including well-intentioned incentive programs that are anything but well-designed. It stands to reason that if strong incentive programs serve as effective recruitment and retention

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tools—and there is evidence to support they do—then feeble attempts to recognize and reward top performers can have the opposite effect.

There are still companies—large ones in fact—where managers race off to retailers at the last minute to purchase gift cards for haphazard recognition ceremonies. In other cases, the recognition program hasn't changed in decades.

“Our founder loved recognizing work anniversaries with a satchel of Sacagawea silver dollars—one for every year of service—and that still means so much to the employees.” Right. More likely, they head to their computers to see how much Sacagawea silver dollars are going for on eBay. (Looks like anywhere from \$5 to more than \$40 if you package one creatively.)

There's a certain irony when leaders of businesses that charge top dollar for services from consulting to HVAC installation try to cut corners by taking a DIY approach to motivating and recognizing the workers who are earning those large fees. More business leaders are realizing that putting an

Questions for an Incentive Program Provider

Once you have identified your key performance issues and have an idea of the results you seek from an incentive program, you can pose questions to potential incentive and recognition program suppliers to better understand their capabilities. These include:

- What approach would you take to my company's problem/situation, and why do you suggest that approach?
- What is the range of solutions you will consider as you assess my company's business situation?
- Can you share examples of the types of solutions you have provided for other clients? Why did you choose those particular solutions, and what were the general results achieved?
- Who will make up the program team and will my company have any control over who gets placed on the team?
- What percentage of your services are performed in-house versus outsourced? What services are outsourced and why? How long have the outsourced partnerships been in place, and how many and what kind of programs have you worked on together?

SOURCE: BRIGHTSPOT'S

[“CHOOSING AN INCENTIVE PROGRAM COMPANY”](#)



effective incentive plan in place can't be accomplished by someone in HR or a group that volunteers for the spirit team.

How Top-Performing Firms View Recognition

A survey of top-performing technology firms by the Incentive Research Foundation (IRF) found that leaders at these companies are nearly twice as likely than average-performing companies (86% to 44%) to regard their reward and recognition programs as a competitive advantage. (The 2018 survey identified “top-performing firms” by several criteria, including having more than 5% growth the previous year in revenue or stock price, and 90% or higher in employee satisfaction.)

The IRF reports that top-performing companies are also 25% more likely than average-performing firms to work with outside partners who bring expertise on the best ways to recognize and incentivize their program participants. And for good reason. There is a lot to think about when implementing an incentive or recognition program.

Top-performing firms are also more likely than average-performing firms to:

- Structure their programs with the goal of reaching each participant versus only recognizing the top performers (22% more likely).

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- Use both reward points (25% more likely) and to use a group incentive trip (twice as likely).
- Evaluate their program as having excellent executive support, excellent alignment to corporate goals, and excellent budget.

In addition, research by the Incentive & Engagement Solution Providers, a coalition of incentive service companies, found that the top factors that increase engagement in incentive and recognition programs are those that offer high perceived value (not surprisingly) and those that offer multiple types of rewards. Offering multiple reward options allows companies to satisfy the variety of interests that program participants have.

Tiered reward programs with an array of rewards to choose from are typically not DIY projects. Factor in the most cost-efficient sourcing, participant tracking and program fulfillment — the all-important user experience — and it's clear why companies are choosing to partner with incentive and reward program providers.

Choosing a Recognition Program Partner

There is a wide range of incentive and recognition partners to choose from. At the full-service level, a partner will provide a high-tech software platform to serve as the engine of your campaign. They will assess your company's needs and tailor a program to reach goals that you help set. This may include sophisticated training, elaborate communication with all participants, full-service tracking of performance, and front-to-back fulfillment of non-cash rewards.

Less comprehensive program providers may help design your recognition program and handle reward fulfillment, but not get as involved with launching a campaign and keeping participants engaged throughout its duration.

In its [guide to choosing an incentive program provider](#), the company Brightspot recommends asking three questions to help define your incentive program needs:

- What results are we currently experiencing, and what results do we desire?
- What is preventing us from achieving our desired result? How do we identify those factors?
- What solutions will improve the result?

“A potential customer can start by asking a supplier about other clients for which it has run performance improvement or incentive marketing programs; the issues faced by those clients; the types of solutions provided; and the results of the recommended solutions,” the Brightspot report states.

“Customers should also visit the supplier company to verify the substance behind its claims, and speak to some of the supplier's current clients. A key indicator during the process: To what lengths has the supplier gone to understand the client's business?”

A [provider checklist from Extu](#), which helps companies boost channel partner performance, advises companies looking

Questions for an Incentive Program Reference

The most foolproof method for validating the capabilities of an incentive program provider is through interviewing several of the firm's present or former clients. Ask these questions:

- What was the nature of your firm's marketing or performance improvement challenge?
- What was the quality of the expertise that this supplier brought to bear on the problem?
- Did the supplier demonstrate or develop an in-depth knowledge of your industry?
- How well did the supplier listen to your concerns and understand your needs?
- Did the supplier provide an innovative approach to your business challenge?
- Was the supplier fair and upfront in its business practices and pricing?
- Did the supplier become a true added value to your organization's mission and process?
- Did the supplier meet the mutually agreed-upon deadlines?
- Did the supplier help you meet your goals?
- Do you intend to continue using this supplier?

SOURCE: BRIGHTSPOT'S

["CHOOSING AN INCENTIVE PROGRAM COMPANY"](#)

for an incentive program provider to carefully assess industry experience, level of support in program design and management, and the user experience with the technology provided.

“Most incentive companies either license their tech or outsource development. This means that you will be limited if you require tech support or want to make changes to your program. Teaming up with an incentive system provider that builds all of their tech in-house can become a major advantage to your company,” the Extu report states.

Study after study shows that companies that make employee appreciation (and channel partner positivity) a key component of their corporate culture generally outperform competitors. Today's top-tier recognition programs are too complex to tackle alone. Aligning with an experienced performance improvement professional is proven to produce a hefty ROI.

As they have always liked to say in sales, sometimes you have to spend money to make money. **SMM**

Stretch Your Incentive Budget with Channel Partner Co-Sponsorship

BY JEFF CAGLE

Sales managers often wish they could drive performance with an enhanced incentive campaign, but they simply don't have the budget. Coordinating design and splitting cost with one or more channel partners is a creative solution.

Co-sponsoring an incentive program not only distributes the financial load but also enhances the program's impact. Here is how to navigate the intricacies of budgeting and create a program that benefits all stakeholders.

Foster a Culture of Recognition and Engagement

One of the most impactful aspects of an incentive program is its ability to foster a culture of recognition. When workers feel valued and appreciated, their engagement and productivity levels increase. Collaborating with channel partners to co-sponsor incentive programs allows for a broader reach and a richer reward pool, ensuring that every participant feels recognized.

Creating a culture of recognition involves more than just occasional rewards. It requires a consistent approach where

achievements are celebrated regularly. Joint incentive programs enable companies to pool resources and offer diverse and appealing rewards, keeping employees and partners motivated and challenged.

Setting Joint Goals and Budgeting Together

The first step in co-sponsoring an [incentive program](#) is setting clear, mutual goals. Whether the objective is to boost short-term sales, enhance long-term engagement, or solidify customer loyalty, having aligned goals ensures that the program is designed to meet the needs of all partners involved.

Budgeting for a co-sponsored incentive program involves meticulous planning and open communication. Both parties need to agree on the contribution each will make and how the funds will be allocated. This shared financial responsibility can lead to more substantial and impactful incentive programs.

Understanding Your Collective Audience

A deep understanding of the target audience is crucial for the success of any incentive program. When co-sponsoring, this

Co-sponsoring an incentive program not only distributes the financial load but also enhances the program's impact.



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understanding must extend across all involved parties. Knowing what motivates your participants allows you to tailor the incentives to their preferences, ensuring higher engagement and satisfaction.

An audience analysis helps identify the most effective rewards, whether they are merchandise, travel incentives, gift cards, or monetary rewards. By combining insights from all partners, you can create a more comprehensive and appealing reward structure.

Choosing the Right Type of Incentive Program

Different types of incentive programs require different budgeting strategies. Here are the costs associated with some common types of incentive programs:

Group Travel Incentives

- Booking location accommodations
- Managing the trip
- Recurring cost of marketing the trip and sustaining participation in promotions or contests that determine trip qualification

Gift/Debit Card Reward Programs

- Procurement of [gift cards](#), which will vary according to the amount you select
- Shipping and handling costs of sending cards, which can be bypassed if you use virtual debit cards
- Replacement costs if cards are lost or stolen

Reward Points Programs

- Reward points (including the potential liability of points not spent, if no points expiration is set), which you can choose to spend consistently or on a variable basis every month
- Online platform with a [rewards catalog](#) to deliver the rewards, which usually includes a set-up fee along with a monthly cost

- Monetary and time cost of providing support to program participants

Consider your goals when choosing incentive rewards. The effectiveness of most rewards depends on how and when you use them. [Group travel incentives](#), while having the highest ROI, require significant initial investment and are best for top performers. Gift/debit card rewards are ideal for quick ROI, and reward points programs are effective for long-term engagement.

Embracing the Value of Non-Cash Incentives

Non-cash incentives, such as recognition and experiential rewards, can be highly effective. They offer a personalized touch that cash rewards often lack. By co-sponsoring, companies can leverage a wider array of non-cash incentives, making the program more versatile and appealing.

Recognition can take many forms, from public acknowledgment to exclusive experiences. These incentives often lead to lasting motivation and loyalty, as they create memorable experiences and emotional connections.

Leveraging Data Analytics for Optimization

Data analytics play a crucial role in the success of an incentive program. By continuously analyzing the program's performance, you can identify what works and what does not. This ongoing evaluation allows for allocation optimization, ensuring the program remains effective and financially viable.

When co-sponsoring, sharing data insights between partners can lead to even more refined and successful programs. This collaborative approach to data analytics ensures that all parties benefit from the most effective strategies.

Planning for Long-Term Sustainability

Long-term sustainability is a key consideration in budgeting for incentive programs. This includes evaluating the ongoing costs of maintaining and scaling the program, such as administrative expenses, technology updates, and expanding the reward portfolio.

By co-sponsoring, you can share these ongoing costs, making it easier to sustain and grow the program over time. This partnership not only reduces individual financial burden but also ensures the program can adapt and evolve to meet changing needs.

Co-sponsoring and budgeting for effective incentive programs requires collaboration, goal setting, understanding the collective audience, running the right program, non-cash incentives, data analysis and long-term planning. By keeping these considerations top of mind, you can drive a powerful incentive program that drives mutual success. **SMM**

Jeff Cagle is an incentive program expert at [Extu](#), a channel technology company dedicated to helping businesses achieve exponential growth. Through smart technology and savvy service, Extu delivers channel technology that boosts sales and maximizes marketing spend.