

Incentive Gift Card IQ Survey Results 2008

If you look closely at the information in Incentive’s 2008 Gift Card IQ survey, you’ll find a couple of significant changes from the 2007 edition—and we’re not just talking about our decision to change the name from “Facts Report.”

For one thing, the primary program budget question had its top-end categories revised to better reflect the large programs run by Fortune 500 companies. For another, companies are spending a lot more on programs, thanks in part to the growing popularity of peer-to-peer recognition and reward programs that can cover tens if not hundreds of thousands of employees.

In 2007, when we asked respondents about their annual budget for all gift card and gift certificate programs, about 8 percent chose the highest category, “\$100,000 and up.” This year, nearly 15 percent fell into that category. But that bracket encompassed three others: \$100,000 to \$249,999 (7.1 percent), \$250,000 to \$499,999 (2.7 percent) and the new top slot, \$500,000 and up (4.9 percent). We hope you find this useful.

| 1. What is your company's annual budget for all incentive/recognition/reward programs for 2008? | | | |
|--|--|-------------------------|-----------------------|
| Average = \$196,517 | | Response Percent | Response Count |
| Less than \$25,000 | | 48.6% | 123 |
| \$25,000 - \$49,999 | | 9.1% | 23 |
| \$50,000 - \$74,999 | | 8.3% | 21 |
| \$75,000 - \$149,999 | | 7.1% | 18 |
| \$150,000 - \$249,999 | | 7.1% | 18 |
| \$250,000 - \$499,999 | | 5.5% | 14 |

| 1. What is your company's annual budget for all incentive/recognition/reward programs for 2008? | | | |
|---|--------------------------|-------|------------|
| \$500,000 - \$999,999 | | 4.0% | 10 |
| \$1,000,000 or more | | 10.3% | 26 |
| | <i>answered question</i> | | 253 |

| 2. How did your 2008 budget compare to your 2007 budget? | | | |
|--|--|------------------|----------------|
| | | Response Percent | Response Count |
| More than 2007 | | 25.3% | 64 |
| The same as 2007 | | 56.1% | 142 |
| Less than 2007 | | 18.6% | 47 |
| <i>answered question</i> | | | 253 |

| 3. Do you use gift certificates/gift cards in your incentive/recognition/reward programs? | | | |
|---|--|------------------|----------------|
| | | Response Percent | Response Count |
| Yes | | 80.2% | 203 |
| No | | 19.8% | 50 |
| <i>answered question</i> | | | 253 |

4. What is your company's annual budget for all gift certificates/cards in incentive programs for 2008?

| Average = \$63,004.01 | | Response Percent | Response Count |
|---------------------------|--------------------------|------------------|----------------|
| Less than \$1,000 | | 19.8% | 36 |
| \$1,000 to \$9,999 | | 32.4% | 59 |
| \$10,000 to \$24,999 | | 13.2% | 24 |
| \$25,000 to 49,999 | | 8.2% | 15 |
| \$50,000 to \$99,999 | | 11.5% | 21 |
| \$100,000 to \$249,999 | | 7.1% | 13 |
| \$250,000 to \$499,000 | | 2.7% | 5 |
| \$500,000 and up | | 4.9% | 9 |
| | answered question | | 182 |

5. On average, how much do you spend on gift certificates/cards per recipient, per year?

| Average = \$185.52 | | Response Percent | Response Count |
|--------------------------|--|------------------|----------------|
| Less than \$25 | | 14.7% | 27 |
| \$25 - \$49 | | 23.4% | 43 |
| \$50 - \$99 | | 17.9% | 33 |
| \$100 - \$149 | | 17.9% | 33 |
| \$150 - \$199 | | 6.0% | 11 |
| \$200 - \$499 | | 9.2% | 17 |
| \$500 - \$999 | | 5.4% | 10 |
| \$1,000 or more | | 5.4% | 10 |
| answered question | | | 184 |

| 6. How often do you give out a gift card/certificate? | | | |
|---|--------------------------|------------------|----------------|
| | | Response Percent | Response Count |
| For frequent, on-the-spot recognition | | 16.4% | 30 |
| For specific initiatives throughout the year | | 66.7% | 122 |
| When selected by award winners | | 4.9% | 9 |
| For annual awards | | 12.0% | 22 |
| | <i>answered question</i> | | 183 |

| 7. Where do you purchase gift certificates/cards used in your incentive programs? (Select all that apply) | | | |
|---|--|------------------|----------------|
| | | Response Percent | Response Count |
| Retailer | | 72.7% | 133 |
| Manufacturer or service provider | | 26.2% | 48 |

| 7. Where do you purchase gift certificates/cards used in your incentive programs? (Select all that apply) | | | |
|---|--------------------------|-------|------------|
| Online vendor | | 30.1% | 55 |
| Catalog | | 8.2% | 15 |
| Reseller | | 5.5% | 10 |
| Incentive providers | | 14.2% | 26 |
| Other | | 7.7% | 14 |
| | answered question | | 183 |

| 8. Which of the following types of gift certificates/cards have you purchased for your incentive programs in the past year? (Select all that apply) | | | |
|---|--|------------------|----------------|
| | | Response Percent | Response Count |
| Dining/restaurant | | 66.7% | 122 |
| Retail store | | 62.3% | 114 |
| Entertainment | | 33.3% | 61 |
| Gift check | | 24.0% | 44 |
| Credit-card-branded debit card | | 36.6% | 67 |

| 8. Which of the following types of gift certificates/cards have you purchased for your incentive programs in the past year? (Select all that apply) | | | |
|---|--------------------------|-------|------------|
| Bank-issued debit card | | 13.7% | 25 |
| Catalog merchant | | 10.9% | 20 |
| Gas | | 31.7% | 58 |
| Multiple-merchant certificate | | 10.9% | 20 |
| Online merchant | | 7.7% | 14 |
| Travel | | 10.9% | 20 |
| Telephone Card | | 2.2% | 4 |
| Service/Experiential | | 2.2% | 4 |
| Other | | 4.9% | 9 |
| | answered question | | 183 |

| 9. How do you use gift certificates/cards in your incentive programs? (Select all that apply) | | | |
|---|--|------------------|----------------|
| | | Response Percent | Response Count |
| Recognize performance | | 70.2% | 127 |

| 9. How do you use gift certificates/cards in your incentive programs? (Select all that apply) | | | |
|---|--------------------------|-------|------------|
| Sales incentives | | 48.6% | 88 |
| Business gifts | | 29.3% | 53 |
| Service Awards | | 27.6% | 50 |
| Non-sales recognition awards | | 30.4% | 55 |
| Consumer promotions | | 14.9% | 27 |
| Start/maintain business relationship | | 6.1% | 11 |
| Dealer incentives | | 9.4% | 17 |
| Safety awards | | 9.9% | 18 |
| Spot rewards | | 30.4% | 55 |
| Wellness programs | | 6.6% | 12 |
| Other | | 4.4% | 8 |
| | answered question | | 181 |

| 10. Do you use co-branded or otherwise customized gift certificates/cards? | | | |
|--|--|------------------|----------------|
| | | Response Percent | Response Count |
| Yes | | 21.3% | 39 |
| No | | 78.7% | 144 |
| <i>answered question</i> | | | 183 |

| 11. How would you rate the overall effectiveness of gift certificates/cards, using a scale from 1-5, where 1 means not at all effective and 5 means extremely effective? | | | | | | | |
|--|--------------------------|----------|------------|-------------------|-------------------------|----------------|----------------|
| | 1 = not at all effective | 2 | 3 | 4 | 5 = Extremely effective | Rating Average | Response Count |
| Effectiveness | 0.0% (0) | 1.9% (2) | 25.0% (27) | 50.0% (54) | 23.1% (25) | 3.94 | 108 |
| <i>answered question</i> | | | | | | | 108 |

12. How effective are gift certificates/cards compared to cash?

| | | Response Percent | Response Count |
|--|--------------------------|-------------------------|-----------------------|
| Gift certificates/cards are MORE effective than cash | | 30.5% | 53 |
| They are about EQUALLY as effective | | 42.5% | 74 |
| Gift certificates/cards are LESS effective than cash | | 10.9% | 19 |
| Do NOT use cash awards | | 16.1% | 28 |
| | answered question | | 174 |

| 13. How effective are gift certificates/cards compared to merchandise? | | | |
|---|--|------------------|----------------|
| | | Response Percent | Response Count |
| Gift certificates/cards are MORE effective than merchandise | | 60.2% | 106 |
| They are about EQUALLY as effective | | 31.8% | 56 |
| Gift certificates/gift cards are LESS effective than merchandise | | 0.6% | 1 |
| Do NOT use merchandise awards | | 7.4% | 13 |
| <i>answered question</i> | | | 176 |

| 14. What are your primary objectives for using gift certificates/cards? (Select all that apply) | | | |
|---|--|------------------|----------------|
| | | Response Percent | Response Count |
| Boost morale | | 56.3% | 99 |
| Recognize performance | | 77.8% | 137 |

14. What are your primary objectives for using gift certificates/cards? (Select all that apply)

| | | | |
|--|--|-------|----|
| Build employee loyalty/trust | | 33.5% | 59 |
| Increase or maintain sales | | 39.8% | 70 |
| Foster teamwork | | 26.7% | 47 |
| Build customer loyalty/trust | | 22.2% | 39 |
| Improve customer service | | 21.0% | 37 |
| Start or maintain business relationships | | 13.1% | 23 |
| Create new markets | | 6.3% | 11 |
| Improve safety/reduce accidents | | 5.7% | 10 |
| Improve employee health/reduce insurance costs | | 6.8% | 12 |
| Other | | 2.8% | 5 |

15. What are the primary benefits of offering gift certificates/cards in incentive programs? (Select all that apply)

| | | Response Percent | Response Count |
|--------------------------------|--|---------------------------------|----------------|
| Ease of administration | | 72.2% | 127 |
| Back end/ROI tracking | | 11.4% | 20 |
| Broad audience appeal | | 58.0% | 102 |
| Redemption options/flexibility | | 52.3% | 92 |
| Perceived value | | 45.5% | 80 |
| Cost effectiveness | | 28.4% | 50 |
| Has a lasting impact | | 13.6% | 24 |
| Other (please specify) | | 0.0% | 0 |
| | | <i>answered question</i> | 176 |

16. Which of the following best describes your organization's business?

| | | Response Percent | Response Count |
|--|--|------------------|----------------|
| Manufacturing | | 27.9% | 62 |
| Service/Institution/Utility/Transportation | | 5.9% | 13 |
| Wholesaler/Distributor/Retailer | | 18.5% | 41 |
| Medical/Healthcare | | 5.4% | 12 |
| Finance/Banking/Insurance/Real Estate | | 17.6% | 39 |
| Social/Military/Government/Education | | 2.7% | 6 |
| Technology/Communications | | 14.0% | 31 |
| Other | | 8.1% | 18 |

17. Which of the following best describes your job title?

| | | Response Percent | Response Count |
|--|--|------------------|----------------|
| General/Corp. Mgmt. - Pres./Owner/CEO/COO/VP/Dir. | | 26.1% | 58 |
| Sales/Marketing/Merchandising Exec./Mgr./Dir. | | 34.7% | 77 |

| 17. Which of the following best describes your job title? | | | |
|---|--------------------------|------|------------|
| Advertising/PR/Sales Promotion Exec./Dir./Mgr. | | 5.0% | 11 |
| Training/HR Exec./VP/Dir./Mgr./Trainer | | 6.8% | 15 |
| Other Department Mgr./Supervisor/Head | | 6.8% | 15 |
| Coordinator/Assistant | | 7.7% | 17 |
| Consultant | | 1.4% | 3 |
| Meeting Planner | | 5.4% | 12 |
| Tradeshow and Events Manager | | 4.1% | 9 |
| Other | | 2.3% | 5 |
| | answered question | | 222 |

18. Approximately how many people are employed by your organization?

| Average = 4,373 | | Response Percent | Response Count |
|------------------------|--------------------------|-------------------------|-----------------------|
| 1 -99 | | 41.0% | 91 |
| 100-499 | | 28.4% | 63 |
| 500 -999 | | 7.7% | 17 |
| 1,000 -4,999 | | 8.1% | 18 |
| 5,000 -9,999 | | 4.1% | 9 |
| 10,000 -24,999 | | 4.1% | 9 |
| 25,000 -49,999 | | 3.6% | 8 |
| 50,000 and up | | 3.2% | 7 |
| | answered question | | 222 |