

Program Design & Support Series:

2 Communications, Technology, Tools & Reporting

Data reported here includes survey results from our 2015 national sampling of reward and recognition "end users" of sales, channel, and employee programs. Additional papers in this series include the following:

- 1 Program Goals & Objectives
- 3 Award Program Spending
- 4 Engaging Outside Program Support

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PROMOTING, PROTECTING, AND RESEARCHING
THE OPTIMAL USE OF INCENTIVES,
REWARDS, AND RELATED PROMOTIONS IN BUSINESS.



Communications play a very important role in the implementation and management of incentives, rewards and related promotions. From the program's launch to ongoing reporting of participation, payouts and more, effective communications are vital. So too are the tools, use of technology and methods used to report to end-users and stakeholders alike. This paper covers each of these important aspects.

COMMUNICATIONS ASSESSMENT

OVERALL

While most end users believe in the importance and effectiveness of their program communications, 39% find their program communications less-than-effective and 29% aren't convinced of the importance of communications to a program's success. Almost 60% of end-users would like to improve their program communications. This data is reflected in the left side of the chart below.

VARIATIONS BY TOTAL SPEND

There were variations however in how firms rated these same factors based on the amounts of their total spend. For example, firms with the lowest cross-audience spend assess the effectiveness of their communications the lowest, but are also less interested in improving program-related communications. Firms with moderate spending (\$50,000 - \$99,000) assess communications more positively than firms spending the most (\$100,000+), perhaps due to the large number of participants to be reached within bigger programs. This data is reflected in the right side of the chart below.

OVERALL

Agree Neutral or Disagree

Managers play an important role in communicating our program(s) **80%** **20%**

Our participants understand the rule structures of our program(s) **73%** **27%**

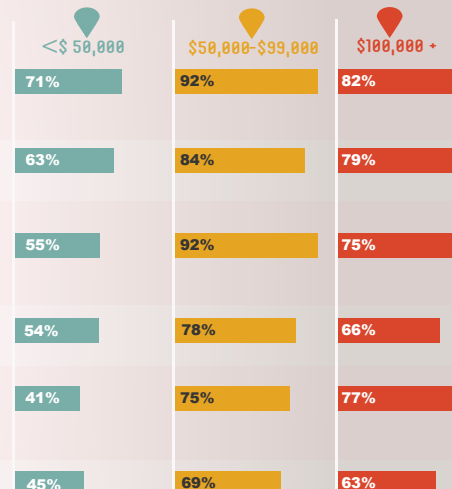
Communications are instrumental to the success of our program(s) **71%** **29%**

Our participants are engaged in our program(s) **64%** **36%**

Our program-related communications are effective **61%** **39%**

We would like to improve our program-related communications **57%** **43%**

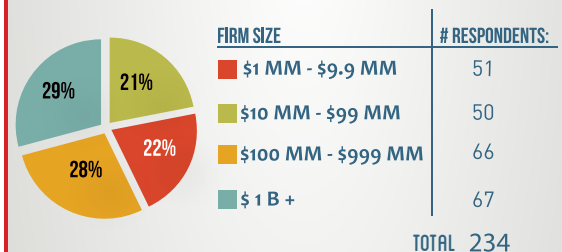
BY TOTAL CROSS-AUDIENCE SPEND



ABOUT THE END-USER SURVEY

AUDIENCE:

Reward and recognition "end-users" in firms with annual revenue of \$1 million or more. The following shows final survey distribution of respondents who had some level of responsibility for non-cash programs for their salespeople, for channel/dealer partners (the end-user company's distribution channel), or for their employees.



CONFIDENCE LEVEL:

The sample size provides a 95% confidence level and 6.4% margin of error (i.e., if the study was completed 100 times, 95% of the studies would generate results within 6.4% of the current study).



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COMMUNICATING WITH PROGRAM PARTICIPANTS

OVERALL

There is no single communications activity that dominates – the top choice of in-person communications (meetings, etc.) is used by only 56% of companies. Online communications are used by 37% of companies, and 24% of firms are using print communications. Social media may be an emerging mode, with 10% of firms now using this as a program communications vehicle. Nearly 10% of firms do not communicate with participants.

FIRM SIZE

Program communications vary depending on the size of the company in question. Use of online and print communication increases with company size, and larger companies are more likely to communicate with participants throughout a program's run.

Smaller companies are the most likely to not communicate with participants about their program(s).

SPEND

Program communications also vary depending on the cross-audience spend of the firm.

Companies spending \$100,000 or more are more likely to be communicating online, in print, and in person than their lower-spending counterparts.

We communicate with participants about our programs ...

Offline in person (meetings, etc.)

Throughout a program's run

Online

Offline in print

Via social media

We do not communicate with participants about our program(s)

OVERALL

BY FIRM SIZE (REVENUE)

\$1mm
TO \$9.9 mm

\$10 mm
TO \$99 mm

\$100 mm
TO \$999 mm

\$1 B +

BY TOTAL CROSS-AUDIENCE SPEND

< \$ 50,000

\$50,000-
\$99,000

\$100,000 +

56%

55%

68%

48%

57%

53%

53%

52%

67%

66%

37%

35%

50%

59%

70%

24%

24%

26%

36%

39%

10%

10%

12%

8%

12%

9%

0%

2%

2%

<1%

53%

52%

67%

42%

67%

56%

20%

38%

66%

14%

25%

39%

1%

19%

16%

15%

<1%

7%

PROGRAM REPORTING & ANALYSIS

OVERALL

The most prevalent form of reporting is periodically-generated static reports. Only a third of companies have access to a reporting portal where program administrators can access standard or generate custom reports. One-quarter of the companies do not have any reporting or analysis in place.

For program reporting and analysis, we use ...

Static reports generated on a regular schedule

52%

A portal or some other vehicle where administrators can review static reports

32%

A portal or some other vehicle where administrators can run custom reports

29%

We do not have access to reporting and analysis

26%

Something else

2%

FIRM SIZE

Larger firms have more consistent reporting mechanisms in place – many still use static reports, but administrators more frequently have access to a reporting portal and 40% can generate custom reports. Additionally, as company size increases, it is more likely the program will have some reporting capability in place.

BY FIRM SIZE (REVENUE)

	\$1mm TO \$9.9 mm	\$10 mm TO \$99 mm	\$100 mm TO \$999 mm	\$1 B +
Static reports generated on a regular schedule	51%	56%	74%	67%
A portal or some other vehicle where administrators can review static reports	31%	38%	38%	60%
A portal or some other vehicle where administrators can run custom reports	27%	36%	32%	40%
We do not have access to reporting and analysis	27%	16%	9%	4%
Something else				

SPEND

Access to reporting portals increases with total spend, while firms spending less rely more heavily on static reports. Firms spending less than \$50,000 across all audiences are likely to not use any reporting and analysis.

BY TOTAL CROSS-AUDIENCE SPEND

	< \$50,000	\$50,000-\$99,000	\$100,000 +
Static reports generated on a regular schedule	37%	72%	54%
A portal or some other vehicle where administrators can review static reports	24%	31%	47%
A portal or some other vehicle where administrators can run custom reports	15%	36%	42%
We do not have access to reporting and analysis	41%	8%	21%
Something else			

DEPTH OF REPORTS & ANALYSIS

OVERALL

Nearly half of firms are conducting some type of analysis to understand how their program is changing behavior. Somewhat less common are utilization of participation reports and earning and redemption reports. One in five companies do not use any reports or analysis to summarize their program.

Our analysis consists of ...

We conduct analysis to look at how the program(s) are changing behaviors

48%

We look at participation reports to understand who is using the program

42%

We look at earning/redemption reports to see how participants are earning rewards and what they are redeeming them for

38%

We do not use reporting and analysis to understand our reward and recognition program(s)

21%

BY FIRM SIZE

Larger companies are more likely to have some type of reporting and analysis in place and are more likely to be including participation reports and earning/redemption reports as part of their program evaluation efforts.

BY FIRM SIZE (REVENUE)

	\$1mm TO \$9.9 mm	\$10 mm TO \$99 mm	\$100 mm TO \$999 mm	\$1 B +
We conduct analysis to look at how the program(s) are changing behaviors	49%	46%	35%	49%
We look at participation reports to understand who is using the program	41%	44%	52%	57%
We look at earning/redemption reports to see how participants are earning rewards and what they are redeeming them for	39%	30%	56%	60%
We do not use reporting and analysis to understand our reward and recognition program(s)	22%	20%	12%	7%

BY TOTAL CROSS-AUDIENCE SPEND

Depth of reporting increases notably once a firm is spending more than \$50,000, with minimal differences between moderate and heavier spenders.

BY TOTAL CROSS-AUDIENCE SPEND

	< \$50,000	\$50,000-\$99,000	\$100,000 +
We conduct analysis to look at how the program(s) are changing behaviors	35%	60%	57%
We look at participation reports to understand who is using the program	23%	48%	65%
We look at earning/redemption reports to see how participants are earning rewards and what they are redeeming them for	21%	56%	48%
We do not use reporting and analysis to understand our reward and recognition program(s)	35%	7%	15%

USE OF TECHNOLOGY TO SUPPORT PROGRAMS

OVERALL

Use of technology for program support is somewhat low. In terms of program administration, one-third of firms use technology to order awards and one-third use it to review participation. Regarding participant-facing technology, one-third of firms have technology in place for participants, and 29% use technology to enable on-the-spot recognition. One-third of firms do not use technology to support their programs.

BY FIRM SIZE

Use of technology for program support increases with company size. This is particularly true on the administration side – larger firms more frequently use technology to order rewards and view participation.

BY TOTAL CROSS-AUDIENCE SPEND

Firms spending more across audiences are more likely to be using technology to review participation than their lower-spending counterparts. The highest spending firms are also far more likely to have technology in place to allow program participants to interact relative to the program.

We use technology ...

To order rewards

33%

To see who is participating in our program(s)

32%

(And have technology in place) for participants to interact relative to our program(s)

32%

To support on-the-spot recognition and rewards

29%

We don't use technology to support our reward and recognition program(s)

33%

BY FIRM SIZE (REVENUE)

	\$1mm TO \$9.9 mm	\$10 mm TO \$99 mm	\$100 mm TO \$999 mm	\$1 B +
To order rewards	31%	46%	42%	66%
To see who is participating in our program(s)	29%	50%	50%	49%
(And have technology in place) for participants to interact relative to our program(s)	31%	34%	33%	48%
To support on-the-spot recognition and rewards	29%	30%	26%	36%
We don't use technology to support our reward and recognition program(s)	35%	20%	14%	13%

BY TOTAL CROSS-AUDIENCE SPEND

	< \$50,000	\$50,000-\$99,000	\$100,000 +
To order rewards	30%	31%	42%
To see who is participating in our program(s)	13%	44%	50%
(And have technology in place) for participants to interact relative to our program(s)	20%	26%	58%
To support on-the-spot recognition and rewards	29%	31%	29%
We don't use technology to support our reward and recognition program(s)	42%	32%	20%

PROGRAM-SPECIFIC TECHNOLOGY

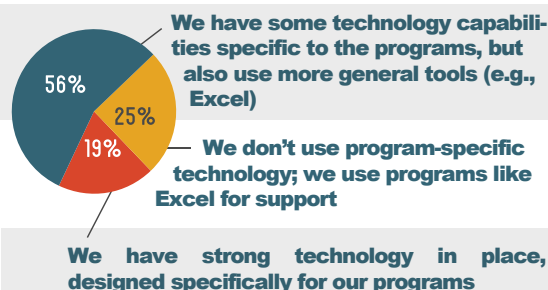
When asked to be more specific about their use of technology for reward and recognition programs, research respondents said ...

BY FIRM SIZE (REVENUE)

	\$1mm TO \$9.9 mm	\$10 mm TO \$99 mm	\$100 mm TO \$999 mm	\$1 B +
We have some technology capabilities specific to the programs, but also use more general tools (e.g., Excel)	59%	41%	48%	53%
We don't use program-specific technology; we use programs like Excel for support	22%	39%	26%	11%
We have strong technology in place, designed specifically for our programs	19%	20%	26%	36%

BY TOTAL CROSS-AUDIENCE SPEND

	< \$50,000	\$50,000-\$99,000	\$100,000 +
We have some technology capabilities specific to the programs, but also use more general tools (e.g., Excel)	45%	70%	53%
We don't use program-specific technology; we use programs like Excel for support	34%	29%	14%
We have strong technology in place, designed specifically for our programs	20%	2%	32%



On an overall basis, one-quarter of companies do not use program-specific technology, instead relying on mainstream programs such as Excel.

One-in-five firms has strong program-specific technology in place, and a little more than half take a hybrid approach, using both program-specific technology tools and mainstream programs.

Intuitively, the use of program-specific technology increases with company size – a little more than one-third of the largest companies have strong program-specific technology in place. Reliance on mainstream tools such as Excel diminishes as firm size increases, however the hybrid approach is popular across all company sizes.

Use of mainstream technology is more prevalent in the lowest-spending firms, while strong program-specific technology is in place in a third of firms spending \$100,000 or more. The hybrid approach of using both mainstream and program-specific applications is the most common approach for all spend levels.