

## Who are the Incentive Federation's members?

The Incentive Federation is the only organization whose membership and leadership includes all the industry's national trade associations, as well as individual industry companies. It is under The Incentive Federation umbrella that the collective interests of the Incentive Marketing Association (IMA), the Promotional Products Association International (PPAI), The Incentive Research Foundation (IRF), the Recognition Professionals International (RPI) and Society for Incentive Travel Excellence (SITE) are advanced.

## Research Perspective

### U.S. businesses using non-cash rewards

1996 – 26%

2016 – 84%

### \$\$ Spent in Incentive Marketplace

1996 - \$27 billion

2016 - \$90 billion

## What Top Performing Firms in the Manufacturing Sector Do Differently for Incentives and Rewards

The Incentive Research Foundation has just released its latest study in the IRF Top Performers Study series which focuses on the manufacturing sector.

As of 2016, 84% of U.S. businesses utilize non-cash incentives and rewards as a method of retaining and engaging their employees, salespeople, channel/dealer partners, and clients. As the body of evidence supporting best practices and optimal program design continues to grow, businesses are increasingly looking to outside partners for expertise on how to most effectively structure their reward and recognition initiatives. This research was designed to fill a gap by objectively identifying the non-cash rewards strategies and tactics used by top performing companies, providing benchmarks and best practices for organizations.

### OVERALL FINDINGS FOR TOP PERFORMING MANUFACTURING FIRMS

Executives at top performing manufacturing firms reported high levels of support for their reward and recognition programs compared to executives at average performing manufacturing firms.

- Executives at top performing manufacturing firms were **more than twice as likely** as those at average performing manufacturing firms to regard their reward and recognition programs as a **competitive advantage**.
- They were 27% more likely to consider reward and recognition programs to be **effective recruitment tools**.
- They were 44% more likely to consider reward and recognition programs as critical tools in **managing the performance** of the company.

### BIG DIFFERENCES BETWEEN TOP PERFORMERS AND AVERAGE PERFORMERS

**Top Performers Have More Control:** Top performing manufacturing firms are more than twice as likely than average performers to centralize and manage all non-cash rewards activity top down.

**Top Performers Collaborate More:** Top performing manufacturing firms are more than twice as likely than average performers to design and manage programs with strong collaboration across multiple departments/divisions.

**Top Performers Consolidate More:** Top performing manufacturing firms are significantly more likely (44%) than average performers (17%) to have a single reward and recognition program for the entire company.

**Different Approaches to Reward Reach:** Top performing manufacturing firms are three and a half times more likely to structure programs with a **wide reach**, the goal of each participant receiving recognition or a reward. Average performing manufacturing firms are three and a half times more likely to structure their programs with the goal of **recognizing top performers**.

**Differences in Reward Type:** **Awards points** is the most used reward type used by top performing manufacturing firms, with 87% of top performers using award points. Average performing manufacturing firms use gift cards and merchandise (both at 69%) at higher rates than top performers.

**Differences in Priorities:** The top priorities of top performing manufacturing firms for incentive travel programs are appealing across a large audience, providing a unique experience, and allowing participant flexibility (18% for all three). Average performing manufacturing firms prioritize building brand loyalty as the highest priority for incentive travel programs (29%, compared to top performers at 12%).

To read the results in the full study please click [here](#).

## PPAI Article Reveals Consumer Thinking on Promotional Products

The August 2019 issue of *Promotional Products Business*, PPAI's magazine, includes an article that offers some insights into why consumers value receiving and keeping promotional gifts. "Think Promo: A Snapshot on Consumer Sentiment" offers a quick update on a consumer study conducted by PPAI in 2017.

When someone carries a logoed tote bag, watches a TV commercial or studies a print ad, that action creates a pattern of association resulting in an emotional tie with the brand that influences consumer behavior. And in the case of promotional products, research has proven that the products themselves continue to create positive memories affiliated with the brand for as long as the recipient keeps it.

Two years ago, PPAI Research conducted an extensive consumer study to examine five key performance metrics—reach, recall, resonance, reaction and relativity—as they related to the effectiveness of promotional products as an advertising medium. This year, PPAI Research conducted a follow-up consumer study to drill deeper into the consumer psyche to better understand the connection with promotional products in three areas.

The online survey captured insights from a nationally representative sample of more than 2,500 U.S. and 500 Canadian consumers between the ages of 18 and 73 who had received one or more promotional product(s) in the past 12 months. The data collected from the study sheds a brighter light on consumers' preferences for promotional products compared with other advertising media, the reasons promotional products marketing may fail, and communication preferences based on generation.

**Mindset:** What role do promotional products play with different consumer groups?

- **71 percent** wish they received promotional products more often compared with 48 percent in 2009—a 23-percent increase in 10 years (2009 Consumer Study)
- **73 percent** prefer promotional products over any other form of advertising
- **80 percent** like receiving promotional products

**Motive:** What drives a consumer to use, keep and value promotional products?

- **72 percent** equate the quality of a promotional product they receive with the reputation of the company that gave it to them
- **79 percent** pass along promotional products after they are no longer using them
- **Sustainability** is key when choosing products consumers will keep

**Meaning:** What makes a promotional product different from a generic product?

- **75 percent** say promotional products are a good way to learn about new businesses in the area
- **74 percent** say promotional products they receive at events make experiences more memorable
- **73 percent** say promotional products are a good way to learn about upcoming sales and events
- **96 percent** of consumers want to know ahead of time when companies offer promotional products

PPAI's 2017 study reported that the top three reasons people keep promotional products are because they are fun, functional and trendy. Perhaps for these reasons the pass-along rate for promotional products is high—and that's another advantage of choosing promotional products over other types of advertising media.

To read the article and additional information, click [here](#).

## The IRF Webinar on 2019 U.S. Federal Regulations and Non-Cash Awards Study Is Available

Get key takeaways from the IRF's signature study *2019 U.S. Federal Regulations and Non-Cash Awards*. During the IRF webinar Changes and Compliance, we discuss the feedback from program owners that regulatory requirements for incentive programs make it difficult to reward and recognize good performers. We explore how high awareness and knowledge of regulatory and tax requirements strongly correlated with greater rates of change in program design. Find out what types of changes are being made to program design to be in compliance – and if program owners are really accomplishing their compliance goals by making these changes.

Click [here](#) to listen to the webinar.

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