



# IFI Bulletin

December 2021

[www.incentivefederation.org](http://www.incentivefederation.org)

## 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), and the Society for Incentive Travel Excellence (SITE) are advanced.

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### IFI Board Elections

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## IFI Board Election and Board News

**Board and Officer Elections:** The IFI membership elected the 2022 Board as presented in a slate of nominees during November. Subsequently the Board itself elected the 2022 officers in early December. The full Board and the officers are listed at the end of this newsletter.

**2022 Budget:** The Board approved the 2022 budget which includes an expense item that funds a new Market Sizing Study in 2022. The most recent study was completed in 2016 and measured the spend on non-cash incentives at \$90 billion with 84 percent of businesses using some form of non-cash incentives, recognition, travel, or rewards.

**New Business Projects and Initiatives:** During the Board's December 3, 2021, Board call Chairman Donnelly updated the Board on two projects that he outlined to the Board in November. He asked for volunteers to participate in and support another Market Sizing Research Study in 2022. The Board subsequently approved funding for the study in the 2022 budget. Current plans are to conduct the study in Qtr 2 of next year.

He also updated the Board on some projected costs for moving forward with the standards initiative which has been under consideration since 2019. The IFI will continue its membership in the American National Standards Institute to maintain the IFI's status as an Accredited Standards Developer. To pursue standards development is a rather costly endeavor so further funding will need to be obtained to achieve that initiative.

Two of the associations offered some brief updates on activities the organizations are pursuing.

### Incentive Marketing Association:

1. To use a well-known analogy, The IMA/RPI dating is moving to an engagement and then marriage soon.
2. Recently conducted a member survey. The information will be used for strategic planning to be conducted in early 2022. Primary focus is on planning for 2022.
3. For corporate outreach, both IMA and the gift card SIG, IGGC, have been testing some LinkedIn campaigns and have had a lot of success with that. They have learned a lot that will help them refine the approach going forward.

### Promotional Products Association:

1. PPAI is focused on the PPAI Expo Jan 10-13. The PPAI Expo is projected to have strong attendance hitting internal projection numbers along with over 2,200 booths from nearly 1,000

exhibitors. The PPAI Expo is the largest show in the industry and is expected to remain a top 100 show for the country in terms of square footage.

2. In addition to focusing on the Expo, PPAI has been evaluating existing products and services. Several concepts are being strategically abandoned completely or significantly modified to simply operations. All of this is being done to prepare for a new strategic plan which is being worked on and will be implemented beginning in 2022.

3. PPAI has hired a new publisher/editor in chief Josh Ellis to replace Tina Filipski who is leaving PPAI in early 2022.

## **Incentive Research Foundation Releases 2022 Industry Outlook for Merchandise, Gift Cards and Event Gifting**

While there are quite a few encouraging signs for the incentives industry in 2022, there is a lingering pessimism among some that may be the result of unfulfilled expectations in 2021. According to several key metrics, the outlook is optimistic. In both North America and Europe, 78% of respondents reported that they expect their company to have strong financial performance in 2022. This optimism is tempered by the lingering effects of a challenging 2021, including a very large increase in cancellations of merchandise and gift card programs.

For the first time ever, this IRF signature study was expanded to include European participants. The IRF conducted an online survey of incentives industry professionals in late September-early October 2021. The sample included 481 participants, with 275 coming from North America and 206 originating from Europe. Of those, 175 North American respondents and 200 European respondents were recruited from an online panel provider. The remaining sample was collected from various incentive networks on a volunteer basis. The study included respondents from three different groups:

- **Corporate** clients who use merchandise and/or gift cards to engage, thank, or recognize employees, partners, customers, and attendees
- **Third party** incentive agencies that provide merchandise/gift cards to support client programs
- **Suppliers** of merchandise/gift cards to corporate and third-party buyers

### **OVERALL OUTLOOK**

For both North American and European respondents, 78% agree or strongly agree that they expect their company to have a strong financial performance next year. This represents a significant rebound from the previous year where only 64% of North Americans foresaw a strong financial performance from their companies in 2021. Two-thirds (63%) of North Americans believe the U.S. economic outlook is strong for 2022, compared to only 50% who felt similarly going into 2021.

This economic optimism exists even though there was a very large increase in merchandise and gift card program cancellations in 2021. The percentage of cancellations rose from 29% in 2020 to 44% in 2021. The percentage cancelling programs in Europe this past year was even higher than North America, with 66% of Europeans reporting cancelled programs. There is some speculation that respondents may have also considered cancelled travel programs, even though the question specifically referenced cancelled gift card and merchandise programs.

Key findings in *Industry Outlook for 2022: Merchandise, Gift Cards and Event Gifting* include:

- **Budgets & Spending Are Up:** Overall incentive budgets are expected to increase by 34% in 2022, with merchandise increasing 30% and gift cards 34%. Per-person spend increased to \$806 from \$764.
- **Optimism is Increasing:** 63% of North Americans respondents believe the U.S. economic outlook is strong for 2022, compared to only 50% going into 2021.

- **Cancellation Rates Also Increased:** Merchandise and gift card program cancellations rose from 29% in 2020 to 44% in 2021.
- **Merchandise Priorities Vary:** North Americans place a higher emphasis on logoed brand merchandise, while Europeans are more likely to give office accessories as a gift.
- **Differences in Gift Card Selection:** Europeans are more likely to give gift cards for accessories, jewelry, beauty products, travel, and grocery. North Americans are more likely to give 'big box' retailer cards and coffee cards.
- **Shifts in Event Gifting Sourcing:** Online retailers have surpassed corporate sales as the primary purchase source of event gifts.

## **Things to Know and Think About**

To find other important meetings, trade events and educational offerings in the coming weeks and months, check the Incentive Industry Calendar at [www.incentivefederation.org](http://www.incentivefederation.org). Provided exclusively by the Incentive Federation, Inc.

## **RPI's Best Practice Standards® Webinar Series - Part 1** January 13, 2022 11:00 am - 12:00 pm CST

Hear from the 2021 RPI Best Practice Standards® Awards recipients and learn what made their recognition programs a success! These awards honor organizations that implement the RPI Best Practice Standards®:

Standard1:RecognitionStrategy  
 Standard2:ManagementResponsibility  
 Standard3:RecognitionProgramMeasurement  
 Standard4:CommunicationPlan  
 Standard5:RecognitionTraining  
 Standard6:RecognitionEventandCelebrations  
 Standard7: Program Change and Flexibility

For information and registration click [here](#).

## **Robin Report and Other News**

Some of you are familiar with the **Robin Report**, a newsletter that includes a lot of articles related to retail, brands, and consumer behavior. Given the relationship between retail and special markets, you may find the articles below thought provoking or at least interesting.

### **Analytics Done Right**

### **Why Amazon Has a Hold on Millennials**

## **The Federation in 2022**

As we end a year that has been incredibly challenging for industry companies, we want to wish everyone joyful holidays ahead and hopefully a productive, rewarding and much better New Year. We will need the support of your companies and organizations next year, and we also need to recover some members who necessarily were unable to renew their memberships in 2021. We'll be asking for each of you to recommend companies that you believe could and should be IFI members going forward. Hopefully, you will join us in recruiting others to join our ranks and support the Federation's endeavors. May we see and experience better times ahead. Thank you for your support of the Federation.

## **2022 IFI Board of Directors**

**Richard Blabolil**, CPIM, President, Marketing Innovators International, **Director**

**George Delta**, Esq., **Executive Director and Counsel**

**Dale Denham**, MAS+, President and CEO, Promotional Products Association, **Second Vice Chair-Associations**

**Michael Donnelly**, CPIM, President, Hinda Incentives, **Chair and Vice Chair - Corporations**

**Brian Galonek**, CPIM, President, All Star Incentive Marketing, **Secretary**

**Theresa Harkins-Schulz**, SPHR, CCP, CRP, Senior Vice President - Customer Experience, Inspirus/Sodexo Benefits and Rewards Services, **Director**

**Stephanie Harris**, President, Incentive Research Foundation, **First Vice Chair - Associations**

**Richard L. Low**, CPIM, Managing Partner, RLL Advisory Services, **Director**

**Sean Roark**, CPIM, Executive Vice President, IncentPros, Inc., **Treasurer**

**Sue Voyles**, Company Founder and President of Logos Communications, Inc., **Director**

**Karen Wesloh**, CAE, CMP, Executive Director, Incentive Marketing Association, **Third Vice Chair – Associations**

If you have questions, advice for the Board, or want to raise issues for the Board to think about, please contact Steve Slagle, IFI Managing Director, at [steves3309@gmail.com](mailto:steves3309@gmail.com) or 864-710-6739.