

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 News on Marketplace Estimate Research

In December, the IFI Board approved the 2022 budget which includes an expense item that funds a new Incentive Marketplace Estimate 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.

Since the Board meeting Chair Donnelly has led an effort to identify a research firm or individual consultant to determine appropriate sampling methods and to eventually conduct the research project. IFI Board members will be asked to assist in scoping the research project by reviewing the survey questions for the 2016 study and make recommendations to revise, add or delete questions based on current market and industry challenges and opportunities.

Any IFI member who would like to participate in the scoping exercise if invited to contact the Chair at mdonnelly@hinda.com. The 2016 Marketplace Estimate Study focused on the use of non-cash incentives in sales programs, channel programs, employee programs and customer programs and the use of award points, gift cards, trips and travel and merchandise across those types of programs in the businesses surveyed.

Those elements have been used in previous studies to ensure comparisons to previous studies that help measure changes, incidence, and growth more accurately.

For some perspective, following is information from previous Federation marketplace studies, although there have been differences in methodology and what sectors of the industry were included in the various studies:

1996 – 26% of businesses used some form of non-cash incentive

2000 – 32% of businesses used some form of non-cash incentive for a total spend of **\$26.9B**

2003 and 2005 - % usage of and \$\$ spend not reported

2007 - 34% of businesses used some form of non-cash incentive for a total spend of **\$46.1B**

2013 - 74% of businesses used some form of non-cash incentive for a total spend of **\$76.9B**

2016 - 84% of businesses used some form of non-cash incentive for a total spend of **\$90B**

The 2016 Marketplace Estimate Study can be reviewed by clicking [here](#).

The IRF Releases Study on Academic Research in Action: Mental Accounting Theory and the Efficacy of Non-Cash Rewards

As most readers are aware, more than 80% of US organizations use non-cash, tangible incentives (e.g., merchandise, gift cards, travel, etc.) to motivate and reward their employees. **Firms use tangible rewards because they may leave a more lasting impression than cash rewards.** Extensive past research suggests that when people receive a cash reward, they tend to treat it like salary and use it for forgettable things – paying the electric bill for example. Tangible rewards, like TVs, spa treatments, travel, and some gift cards, on the other hand, stand apart from salary; especially when they address what an employee *wants* as opposed to what they may need.

By giving employees rewards that don't get lumped into salary, past research suggests those rewards become more memorable and desirable, motivating employees to work harder, thereby improving performance. And, unlike cash, they avoid creating an expectation of further reward.

Over the past few years, a group of researchers, including Adam Presslee, Willie Choi, Alan Webb, Timothy Mitchell, and Axel Schulz have put these claims to more rigorous testing than ever before.

About three years ago, Presslee and Choi conducted a series of lab experiments designed to test three arguments that are often referenced in support of the use of non-cash rewards:

1. Reward recipients mentally account for (i.e., classify) cash rewards as part of their fixed salary, and non-cash rewards as something separate.
2. They classify cash rewards as money to be spent on functional goods and services, and certain non-cash rewards as a windfall to be used for fun, indulgent, or exciting things.
3. Cash rewards create an expectation of further reward.

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

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. Provided exclusively by the Incentive Federation, Inc.

IRF Webinar: Industry Outlook for 2022: Merchandise, Gift Cards and Event Gifting January 19, 2022, 3:00 – 3:45 pm EST

The Incentive Research Foundation's *Industry Outlook for 2022: Merchandise, Gift Cards and Event Gifting* reports an optimistic outlook for 2022 tempered by the lingering effects of Covid, cancellations, and uncertainty in 2021. For the first time ever, this IRF signature study was expanded include European participants.

To register click [here](#).

RPI's Best Practice Standards® Webinar Series - Part 2 February 10, 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 Publication 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.

Get Tough, or Get Out

Unified Commerce = Managing the Customer Experience

Content Marketing is More Than Just Leads, It's Connections

The Federation in 2022

As we start this new year, we want to wish everyone 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.

Please watch for a pledge invoice coming your way this month to renew your membership for 2022. AS noted earlier in this Bulletin we have a research initiative to undertake this year, and we'll need your support more than ever. If you have ideas or opinions about what the IFI should be focused on, please email our Chair Mike Donnelly at mdonnelly@hinda.com or Steve Slagle at steves3309@gmail.com.

2022 IFI Board of Directors

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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 or 864-710-6739.