



Reference Deck

Incentive Marketplace Estimate

RESEARCH STUDY

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Market Research Services, LLC

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Introduction

- The Incentive Federation Inc. (IFI) commissioned a study to provide a credible estimate of market size for the Non-Cash Incentives Industry.
- This is the third time within the past decade a version of this study has been conducted.
 - Previous iterations of the study were released in 2013 and 2016.
 - While much of the study content was consistent with previous versions, some notable changes were made which will be subsequently referenced in this document.
 - In some cases, the study's changes made trending from previous versions to be a speculative undertaking.
- In addition to projecting spending estimates to the broader population of companies with \$1M or greater in revenues, the study also examined the incidence of specific reward categories directed at the target market of sales, channel partners/distributors, employees, customers and corporate gifting.

Key Questions to Be Answered by the Study

- How strong is the current non-cash incentive market?
- How much money is currently being spent on non-cash rewards/incentives among U.S. companies of \$1M or more in annual revenues?
- What is the incidence/penetration of non-cash reward/incentive programs among these companies at the various revenue tiers?
- Within broader non-cash incentive programs, what is the proportion of specific awards being utilized to motivate salespersons, channel partners/distributors, employees and customers?
- How has the incidence of various non-cash incentives changed since the 2016 study?
- Since last year, are people spending more, less or about the same on non-cash incentives?
- How much money is being spent on customer/client gifts?

Key Findings of the Study

The incentive market is strong.

- 84% of companies with \$1M or more in revenues have at least one non-cash incentive program .
- Overall spend on non-cash incentives totals **\$176,162,339,491.**
 - Based on simulation models, this is considered a reasonably conservative estimate.

Larger companies have almost universally adopted non-cash incentives as part of their culture.

- 92% of companies of \$5M or greater have at least one non-cash incentive program.
- This is an 8% increase (up from 85%) since the 2016 study.

The incentive industry has shown notable growth since the 2016 study.

- There has been notable growth in the incidence of various award types across categories and target audiences.
- The number of companies, the incidence of specific reward types used within companies and, in some cases, per company spend have grown since the study was last conducted.

Key Findings of the Study

Spending has increased significantly since last year.

- The data show very strong growth in spending since last year, across every incentive category and audience.
- In most cases, one-quarter say they have 'significantly increased' with at least half saying they have increased spending 'significantly' or 'somewhat'.
- Less than one-in-ten indicate a reduction in spending since last year.

There is still room for growth.

- While overall penetration of the non-cash incentive industry is quite good, when you look at individual categories and specific incentive targets, it seems there is still room for growth.

Key Findings of the Study

The median spend tends to be small but there are significantly large spenders at every revenue tier.

- The data show that, at every revenue tier, the median spend, which represents the point at which half spend more and half spend less, is quite low, typically less than \$10,000. However, within every revenue tier, there are some extremely large spenders who inflate the average spend.

Sales incentives represent the largest portion of incentive spend.

- When the total non-cash incentive spend is determined, sales incentives comprise 30% of total spend, followed by employee incentives (23%), customer loyalty incentives (18%), channel/distributor incentives (14%) and corporate gifting (14%).

Study Methodology

The Sample

The survey included 1000 respondents recruited by an outside research supplier. All respondents were screened based on the following criteria:

- The companies for whom the respondents worked had to have **at least \$1M** in annual revenue.
- Respondents could not work for a travel company, promotional agency, gift card issuer, incentive company, market research agency, or advertising agency.
- Their companies had to have at least one non-cash incentive program applied toward salespersons, channel partners/distributors, employees, or customers.
- All respondents had to verify they had the ability to answer questions regarding corporate spend and budget around these programs.

Within the total sample, quotas were established to ensure that there were at least 100 respondents per company revenue tier and at least 100 addressing the budget spend of specific programs. In all cases, this minimal criterion was met, and in most cases, significantly exceeded.

Industries Represented

Industry	Percentage
IT Technology	31%
Manufacturing/Industrial	15%
Banking/Financial Services/Insurance	13%
Retail/Wholesale	9%
Professional Services	9%
Health and Medicine	4%
Education	3%
Hospitality/Travel/Leisure	2%
Entertainment/Media	1%
Automotive	1%
Non-profit, civic, or social welfare organization	<1%
Pharmaceutical	<1%
Other	11%

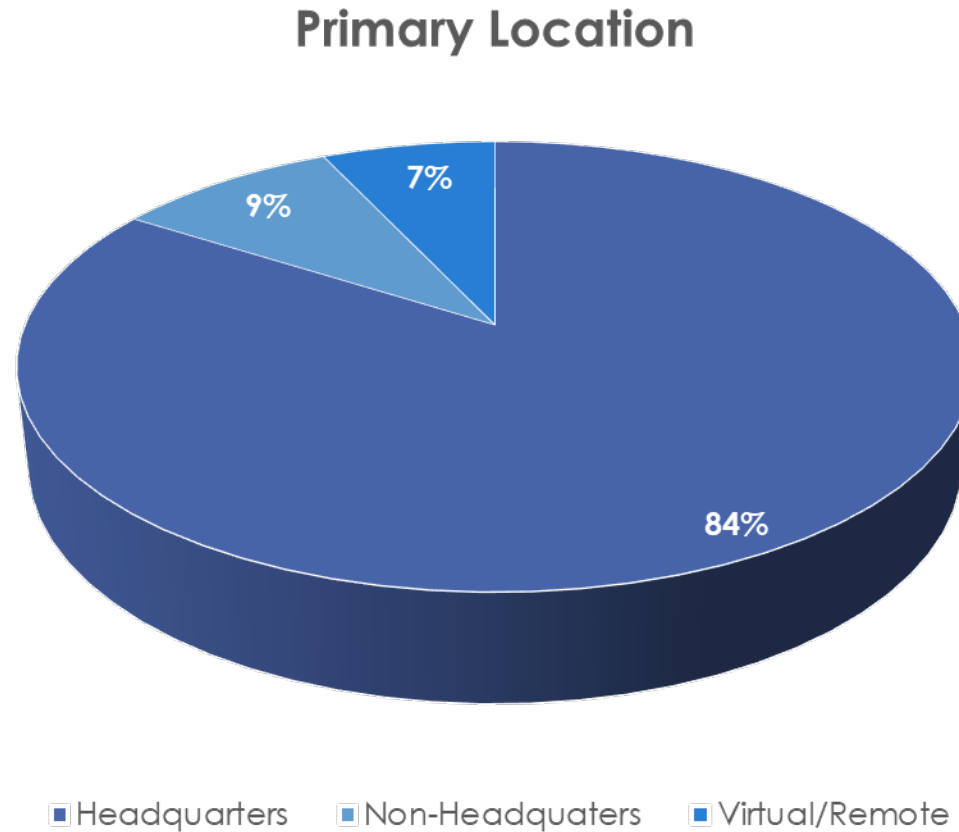
Job Functions

Job Function	Percentage
Operations	28%
HR	20%
Channel Management	8%
Retail Management	8%
Marketing	7%
Sales	6%
Purchasing	4%
Travel Management	2%
Other	18%

Positions Held

Position	Percentage
C-Level (CEO, CMO, CSO, etc.)	39%
Director	23%
Manager	18%
Owner, General Manager, or Dealer Principal	11%
VP, SVP, EVP	9%
Individual Contributor	1%
Other (please specify)	<1%

Primary Work Location



Incentive Targets Included in the Study

The study examined incentive spending directed at the following distinct targets:

- Reward and/or motivate desired behaviors and achievements among your company's **salespeople**
- Reward and/or motivate desired behaviors and achievements among your company's **distributors, channel, or dealer partners**
- Reward and/or motivate desired behaviors and achievements among your company's **employees**
- Reward and/or motivate your company's **customers** as part of a loyalty program
- Show appreciation to/thank **clients, prospective clients, or partners** for their business

Incentive Types Included in the Study

The five categories of non-cash incentives included the following:

- **Award Points** - Participants can redeem points for gift cards, travel, merchandise, or other available choices
- **Gift Cards/Digital or E-Cards** - Program sponsor purchases gift cards and distributes to participants as rewards. Gift cards may be for travel, merchandise, retail, dining, or to be spent at any merchant that accepts credit cards.
- **Trips & Travel** - Program sponsor arranges group or individual trips and awards to participants
- **Merchandise** - Program sponsor purchases branded merchandise items (e.g. electronics, luggage) including logoed items and distributes to participants as rewards
- **Experiential rewards**- Program sponsor arranges participants to have special experiences such as concerts, sporting events, adventure/recreation, private dinners, 'backstage' passes, etc.

Weighing the Data

- It was critical to make sure that each revenue tier had sufficient representation to confidently weight the data according to the company breakdown by size.
- Each revenue tier had at least 100 respondents. While the proportions in the sample differed significantly from the proportions in the population, all market estimates were weighted to represent the appropriate contributions of companies by tier size based on the following distribution from the North American Industry Classification System data.
- The table on the following page shows the total number of U.S. companies, their incidence among companies of \$1M+ in revenues, and their incidence within the study sample.
 - While companies with revenues between \$1M-\$5M represent 80% of U.S. companies with \$1M-\$5M, they represent only 15% of the sample.
 - All final numbers and incidence percentages presented in this study are weighted on U.S. incidence, but the study ensures the biggest spenders (e.g., those with \$1B+), while representing less than 1% of companies, have enough sample to provide credible estimates of their non-cash incentive activity.

Company Size Data

Breakdown of Companies by Size

Company Size by Revenue	Number of Companies 2016	Number of Companies 2022	Percentage 2016	Percentage 2022
\$1M to \$4.9M	1,069,866	1,660,027	74%	80%
\$5M to \$9.9M	174,298	233,335	12%	11%
\$10M-\$99.9M	176,850	125,413	12%	6%
\$100M-\$999.9M	17,974	46,635	1%	2%
\$1B or more	2,631	9,008	.02%	.04%
Total	1,441,619	2,074,418	100%	100%

- The above table shows the significant increase in the number of companies included in the 2022 study compared to 2016.
- The proportion of ‘small’ (\$1M-\$5M companies) increased, which explains why some overall incidence figures did not increase as much as might be expected given other increases among the higher revenue tier companies.

Company Size Incidence: Population vs. Sample

Incidence of Companies: Population vs. Sample

Company Size by Revenue	Population Percentage 2022	Sample Percentage 2022
\$1M to \$4.9M	80%	15%
\$5M to \$9.9M	11%	20%
\$10M-\$99.9M	6%	31%
\$100M-\$999.9M	2%	22%
\$1B or more	.04%	11%
Total	100%	100%

Comparisons to the 2016 Study

- The most recent wave of this study, conducted in 2016, provided an overall market spend estimate of just over \$90B.
- While this is comparable to the most conservative market estimate in the 2022 study, there are several reasons for us to conclude that the incentive spend has grown significantly, or alternatively, that our methods have evolved to provide greater accuracy than previous iterations of the study.
- Differences between the 2016 study and the current version are explained in the following slides.

Comparisons to the 2016 Study

The previous iteration of the study asked respondent to identify their incentive expenditures using ranges, rather than asking for specific estimates.

- This year, the survey respondents were asked to provide their ‘best estimate’ of various incentive expenditures rather than asking them to choose a particular spending range which most closely represented the dollars they spent on incentives.
 - Approximately 90% had no trouble doing so for any category.
 - This approach provided more precise information as category midpoints were used previously to represent the person’s response in the analysis.
 - The category ranges were quite broad, which creates additional uncertainty regarding the preciseness of the numbers used in the analysis.

Comparisons to the 2016 Study (continued)

The current study used simulations that incorporated data variability.

- Given that there were some extreme high spenders in the previous study, as there were in this version, the analysis approach used a Monte' Carlo simulation approach.
 - This approach accounted for 'outliers' as they have the potential to greatly inflate the overall estimate, particularly when you multiply these estimates over hundreds of thousands of U.S. based companies.
 - Using the medians as a measure of central tendency, as was done in 2016, tends to underestimate spending.
 - For example, using a similar approach to 2016 with the current data set produced an overall market estimate of around \$80B, which is more conservative than even the most frugal estimate provided by the simulation.
- The simulation approach uses average estimates but provides a probability curve based on the distribution/spread of the data, providing a much more valid market estimate.

Comparisons to the 2016 Study (continued)

The number of U.S. based companies with \$1M or more in annual revenue has increased.

- In 2016, the estimates were based on 1,441,619 companies with \$1M+ in revenue reported from the U.S. Department of Labor.
- In the 2022 study, the number of companies with \$1M+ in revenue increased to 2,074,418, using data from the North American Industry Classification System (NAICS). This represents an increase of 44% in the number of companies that determined overall spend.

Inflation is a factor.

- Based on Bureau of Labor statistics, \$100 in 2016 is equivalent in purchasing power to about \$121.98 today, an increase of \$21.98 over 7 years.
 - The dollar had an average inflation rate of 2.88% per year between 2016 and today, producing a cumulative price increase of 21.98%.

Comparisons to the 2016 Study (continued)

Another reward category has been added.

- The study included experiential rewards as a spending category for the first time in 2022.
 - The previous iteration only used award points, gift cards, incentive travel and merchandise.
 - Experiential rewards such as tickets to sporting events and concerts, cooking demonstrations, specially prepared meals, lunches with family and friends, and many others may or may not have been partially counted in other categories in the past but are distinct enough to warrant their own itemization.

Creating Spend Estimates

- The largest challenge was a large amount of disparity between companies at all revenue tiers on what they spent on various non-cash incentive programs.
 - In some cases, companies spent relatively little, while other companies of the same revenue size reported spending in excess of one million dollars.
 - The extreme cases would routinely inflate the average spend amount per revenue tier.
 - If inflated averages were multiplied by tens of thousands of companies, it would have the effect of significantly overestimating the value of the overall incentive market.

Creating Spend Estimates (continued)

- The previous wave of the study addressed this issue by using the category median rather than the average.
 - The median represents the midpoint figure at which half of companies spend more and half of companies spend less.
 - The median is usually employed if there are extreme values suspected of skewing the data, which is certainly the situation in this instance.
 - The median generally provides very conservative overall estimates, which err on the side of cautious forecasts.
 - While we do not wish to provide an over-inflated perspective on market spend, alternatively, we do not want to severely understate the market either.
 - To establish a credible market spend estimate, the study used a Monte' Carlo simulation approach.

Monte' Carlo Simulations Explained

Monte' Carlo simulations represent the most sophisticated approach for estimating market size.

- This technique takes into account the amount of disparity between individual estimates and is based on literally thousands of market simulations to generate a range of estimates based on statistical probabilities.
- At its most conservative, the Monte' Carlo simulations produce an estimate of which we can be 100% certain the market size is at least this big.
 - However, this presumes that almost all reported estimates are over-inflated and that a high amount of sampling error dominates our calculations.
- The most common threshold of reporting when using Monte' Carlo simulations is at the 80% level, which still puts us on the conservative side of the market estimations.

The Non-Cash Market Size and Spend Overall

Incidence of Non-Cash Incentive Programs

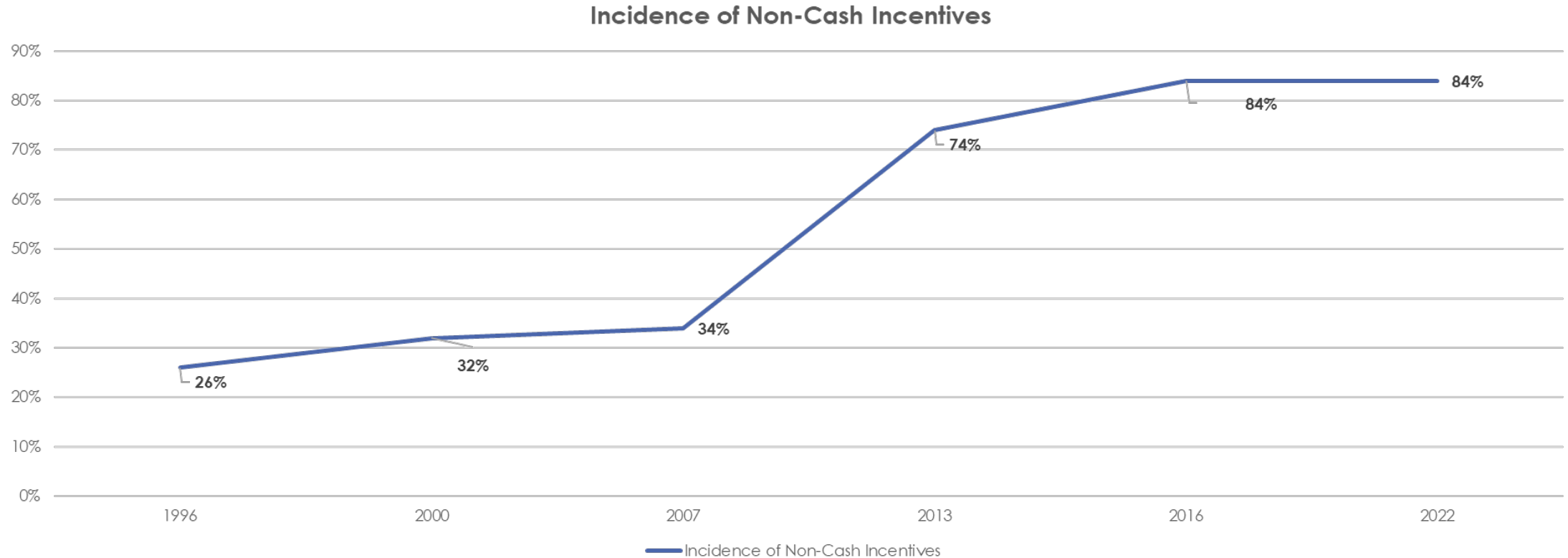
The 2016 study revealed that **84%** of companies with at least \$1M in revenues had at least one non-cash incentive program.

- Using the 2022 weighted data, the current study shows a similar percentage—**84%**.
- However, the use of non-cash incentives within companies with \$5M in revenues or greater is **92%**.
- This represents an **8%** increase from the 2016 study when the percentage was **85%**.

84% of Companies Over \$1M in Revenue Have at Least One Non-Cash Incentive Program

Company Size by Revenue	Incidence of at Least One Non-Cash Incentive Program 2016	Incidence of at Least One Non-Cash Incentive Program 2022
\$1M to \$4.9M	83%	82%
\$5M to \$9.9M	83%	93%
\$10M-\$99.9M	86%	90%
\$100M-\$999.9M	90%	89%
\$1B or more	83%	90%
Weighted Total	84%	84%

The Growth of Non-Cash Incentives Continues to Be Impressive



Total Market Size Spending Estimates

- There is an 80% chance that **the total incentive market size is \$176,162,339,491** or greater.
 - This is the most common reporting threshold and the one that will be reported throughout this paper in subsequent sections.
- There is a 50% chance (mid-point value) that the total incentive market size is \$194,847,228,688 or greater.
 - This is the ‘average’ or ‘expected’ value based on all the reported estimates in the study.
- There is a 20% chance that the incentive market size potential is \$213,790,116,66 or greater.
 - This is considered the outer limit of a reasonable market size.

A table showing the complete breakdown of market spend estimates is presented on the following pages.

The Total Incentive Market Size is \$176,162,339,491*

Incentive Spend Category	100% level of certainty—too conservative	80%-- Recommended reporting level	50%--The 'average' marketplace estimate	20%--upper extreme
Sales Incentives	\$27,529,161,590	\$52,321,474,286	\$58,256,969,565	\$64,278,871,336
Channel/ Distributor Incentives	\$16,836,923,920	\$24,173,806,765	\$26,047,531,614	\$27,927,446,623
Employee Incentives	\$22,400,093,048	\$40,314,491,196	\$43,945,475,474	\$47,563,506,723
Customer Loyalty Incentives	\$20,636,129,775	\$31,886,027,344	\$34,275,856,146	\$36,667,898,681
Client Gifts	\$8,930,551,173	\$27,466,539,900	\$32,321,395,889	\$37,352,393,303
Total	\$96,332,859,506	\$176,162,339,491	\$194,847,228,688	\$213,790,116,666

Average per Company Spend Growth for Sales Incentives, Customer Loyalty, and Client Gifting is Double-Digit, Even When Adjusting for Inflation

Incentive Spend Category	2016 Average Per Company Spend	2016 Per Company Spend Adjusted for 2022 Inflation	2022 Average Per Company Spend	Adjusted 2022 Percentage Increase/Decrease
Sales Incentives	\$15,957.08	\$19,464.45	\$25,222.24	+30%
Channel/ Distributor Incentives	\$12,087.04	\$14,743.77	\$11,653.30	-21%
Employee Incentives	\$15,893.12	\$19,386.42	\$19,434.12	0.20%
Customer Loyalty Incentives	\$11,191.08	\$13,650.87	\$15,371.07	+13%
Client Gifts	\$7,283.48	\$8,884.39	\$13,240.60	+49%

Sales Incentives

Sales Incentives

- The data indicates that **65%** of the companies in the study *offer at least one* of several non-cash incentives to their salespeople.
 - This represents a total of 55% of all U.S.-based companies of \$1M or more in revenues.
- The simulator model shows a total anticipated spend of **\$52,321,474,286** on total sales incentives.
- The subsequent charts in this section show the great disparity between the median spend, that point at which 50% spend more/less, and the average spend, which is inflated by several high spenders at each revenue tier.
- Total medians and averages are weighted by company size with companies between \$1M-\$10M representing 91% of the estimated spend.

Sales Incentives - Weighted Total

SALES INCENTIVES—INCIDENCE AND TYPICAL SPEND

Reward Type	Incidence Among Those that Offer Sales Incentives (65%)	Incidence Among Total US Companies of \$1M+*	Estimated Median Spend	Estimated Average Spend
Award Points	55%	30%	\$12,478	\$207,556
Gift Cards	80%	44%	\$6,058	\$107,474
Incentive Travel	40%	22%	\$16,452	\$166,816
Merchandise	50%	27%	\$5,857	\$113,982
Experiential Rewards	45%	25%	\$6,847	\$36,840

*Based on both the percentage of companies that had at least one type of non-cash incentive (84%) and offered some type of sales incentive (65%).

Incidence of Sales Incentives 2016 v. 2022

Reward Type	Incidence Among Companies that Offer Non-Cash Incentives 2016 (60%)	Incidence Among Companies that Offer Non-Cash Incentives 2022 (65%)
Award Points	44%	55%
Gift Cards	72%	80%
Incentive Travel	34%	40%
Merchandise	44%	50%
Experiential Rewards	NA	45%

Recent Trends in Sales Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON SALES INCENTIVES

Reward Type	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
Award points	24%	65%	8%	+57%
Gift Cards	19%	36%	9%	+27%
Incentive Travel	22%	61%	9%	+52%
Merchandise	17%	46%	7%	+39%
Experiential Rewards	22%	55%	8%	+47%

Sales Incentives – Award Points

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	52%	\$10,000	\$168,186
\$5M-\$9.9M	63%	\$6,500	\$52,248
\$10M-\$99.9M	70%	\$25,000	\$224,346
\$100M-\$999.9M	67%	\$80,000	\$380,859
\$1B or more	64%	\$100,000	\$10,354,837
Weighted Total	55%	\$12,478	\$207,556

Recent Trends in Award Points as Sales Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON AWARD POINTS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	10%	40%	15%	+25%
\$5M-\$9.9M	19%	64%	10%	+54%
\$10M-\$99.9M	28%	70%	7%	+63%
\$100M-\$999.9M	21%	68%	7%	+61%
\$1B or more	43%	72%	2%	+70%

Types of Awards Available to Salespeople as Part of Awards Point Programs

AWARDS OFFERED THROUGH POINTS PROGRAMS

Revenue	Gift Cards	Experiential Rewards	Branded Merchandise	Logoed Merchandise	Incentive Travel
\$1M-\$4.9M	92%	58%	62%	40%	33%
\$5M-\$9.9M	77%	74%	62%	42%	30%
\$10M-\$99.9M	85%	73%	76%	51%	49%
\$100M-\$999.9M	90%	71%	74%	39%	52%
\$1B or more	92%	66%	81%	57%	62%

Sales Incentives – Gift Cards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	79%	\$5,000	\$50,794
\$5M-\$9.9M	83%	\$6,000	\$179,479
\$10M-\$99.9M	83%	\$10,000	\$67,043
\$100M-\$999.9M	88%	\$25,000	\$307,020
\$1B or more	82%	\$50,000	\$8,217,291
Weighted Total	80%	\$6,058	\$107,474

Recent Trends in Gift Cards as Sales Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON GIFT CARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	14%	41%	14%	+27%
\$5M-\$9.9M	22%	54%	11%	+43%
\$10M-\$99.9M	22%	60%	8%	+52%
\$100M-\$999.9M	13%	53%	7%	+46%
\$1B or more	26%	62%	7%	+55%

Sales Incentives – Incentive Travel

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	37%	\$15,000	\$120,376
\$5M-\$9.9M	50%	\$10,000	\$76,057
\$10M-\$99.9M	55%	\$16,250	\$104,763
\$100M-\$999.9M	54%	\$80,000	\$484,696
\$1B or more	61%	\$125,000	\$102,964
Weighted Total	40%	\$16,452	\$166,816

Recent Trends in Incentive Travel as Sales Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON INCENTIVE TRAVEL

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	14%	41%	5%	+36%
\$5M-\$9.9M	18%	55%	11%	+44%
\$10M-\$99.9M	22%	60%	12%	+48%
\$100M-\$999.9M	23%	68%	6%	+62%
\$1B or more	29%	74%	7%	+67%

Sales Incentive Travel: Group vs. Individual Travel

GROUP VS. INDIVIDUAL TRAVEL

Revenue	Group %	Individual %
\$1M-\$4.9M	46%	54%
\$5M-\$9.9M	52%	48%
\$10M-\$99.9M	51%	49%
\$100M-\$999.9M	51%	49%
\$1B or more	48%	52%

- The data show a fairly even split between group and individual travel used as sales incentives, across all revenue tiers, with an overall average of around 50%/50%.

Sales Incentives – Branded Merchandise

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	48%	\$5,000	\$63,533
\$5M-\$9.9M	54%	\$5,000	\$109,947
\$10M-\$99.9M	61%	\$10,000	\$53,596
\$100M-\$999.9M	60%	\$20,000	\$151,594
\$1B or more	73%	\$55,000	\$10,161,377
Weighted Total	50%	\$5,857	\$113,982

Recent Trends in Branded Merchandise as Sales Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON BRANDED MERCHANDISE

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	4%	21%	10%	+11%
\$5M-\$9.9M	18%	37%	3%	+34%
\$10M-\$99.9M	21%	56%	3%	+53%
\$100M-\$999.9M	16%	53%	7%	+46%
\$1B or more	23%	49%	9%	+40%

Sales Incentives – Experiential Rewards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	43%	\$5,000	\$25,327
\$5M-\$9.9M	46%	\$10,000	\$20,231
\$10M-\$99.9M	60%	\$10,000	\$51,584
\$100M-\$999.9M	56%	\$40,000	\$421,093
\$1B or more	55%	\$50,000	\$394,243
Weighted Total	45%	\$6,847	\$36,840

Recent Trends in Experiential Rewards as Sales Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON EXPERIENTIAL REWARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	9%	35%	12%	+23%
\$5M-\$9.9M	24%	54%	12%	+42%
\$10M-\$99.9M	24%	56%	9%	+47%
\$100M-\$999.9M	20%	61%	5%	+56%
\$1B or more	34%	63%	7%	+56%

Channel/Distributor Incentives

Channel/Distributor Incentives

- The weighted data show that **57%** of the companies in the study offered at least one non-cash incentive to channel partners/distributors to motivate them to sell more products.
 - This represents **48%** of total U.S. companies of \$1M or more in revenues.
 - The simulator models show an anticipated spend of **\$24,173,806,765** in non-cash incentives to channel partners/distributors.
- The subsequent charts in this section show incidence, median spend, average spend, and recent trending for the various types of non-cash incentives used to motivate channel partners/distributors.
 - Figures are shown at the various revenue tiers.

Channel Partners/Distributor Incentives – Weighted Total

CHANNEL PARTNER INCENTIVES—INCIDENCE AND TYPICAL SPEND

Reward Type	Incidence Among Those that Offer Channel Incentives (57%)	Incidence Among Total US Companies of \$1M+*	Estimated Median Spend	Estimated Average Spend
Award Points	58%	28%	\$8,226	\$66,277
Gift Cards	74%	35%	\$5,813	\$57,144
Incentive Travel	39%	19%	\$5,370	\$76,226
Merchandise	46%	22%	\$5,716	\$42,930
Experiential Rewards	38%	18%	\$6,277	\$39,105

*Based on both the percentage of companies that had at least one type of non-cash incentive (84%) and offered some type of channel/distributor incentive (57%).

Incidence of Channel Incentives 2016 vs. 2022

Reward Type	Incidence Among Companies that Offer Non-Cash Incentives 2016 (41%)	Incidence Among Companies that Offer Non-Cash Incentives 2022 (57%)
Award Points	43%	58%
Gift Cards	63%	74%
Incentive Travel	30%	39%
Merchandise	51%	46%
Experiential Rewards	NA	38%

Recent Trends in Channel Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON CHANNEL/DISTRIBUTOR INCENTIVES

Reward Type	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
Award points	26%	59%	10%	+49%
Gift Cards	23%	54%	8%	+46%
Incentive Travel	26%	55%	11%	+44%
Merchandise	25%	55%	9%	+46%
Experiential Rewards	24%	58%	10%	+48%

Channel Incentives – Award Points

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	58%	\$7,000	\$52,980
\$5M-\$9.9M	57%	\$5,000	\$128,340
\$10M-\$99.9M	59%	\$17,500	\$98,637
\$100M-\$999.9M	59%	\$25,000	\$385,015
\$1B or more	68%	\$50,000	\$760,392
Weighted Total	58%	\$8,226	\$66,277

Recent Trends in Award Points as Channel Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON AWARD POINTS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	19%	35%	14%	+21%
\$5M-\$9.9M	28%	54%	13%	+41%
\$10M-\$99.9M	29%	64%	9%	+55%
\$100M-\$999.9M	18%	60%	8%	+52%
\$1B or more	41%	75%	7%	+68%

Types of Awards Available to Channel Partners as Part of Awards Point Programs

AWARDS OFFERED THROUGH POINTS PROGRAMS

Revenue	Gift Cards	Experiential Rewards	Branded Merchandise	Logoed Merchandise	Incentive Travel
\$1M-\$4.9M	81%	58%	67%	49%	19%
\$5M-\$9.9M	87%	57%	67%	43%	34%
\$10M-\$99.9M	86%	72%	71%	57%	40%
\$100M-\$999.9M	87%	72%	62%	44%	34%
\$1B or more	86%	52%	75%	48%	57%

Channel/Distributor Incentives – Gift Cards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	73%	\$5,000	\$45,211
\$5M-\$9.9M	82%	\$5,000	\$33,918
\$10M-\$99.9M	83%	\$10,000	\$54,047
\$100M-\$999.9M	73%	\$20,000	\$517,300
\$1B or more	69%	\$45,000	\$240,019
Weighted Total	74%	\$5,813	\$57,144

Recent Trends in Gift Cards as Channel Partner Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON GIFT CARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	22%	43%	11%	+32%
\$5M-\$9.9M	24%	53%	10%	+43%
\$10M-\$99.9M	20%	56%	5%	+51%
\$100M-\$999.9M	26%	55%	9%	+46%
\$1B or more	31%	69%	4%	+65%

Channel Partner Incentives – Incentive Travel

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	38%	\$3,750	\$73,254
\$5M-\$9.9M	52%	\$5,757	\$36,188
\$10M-\$99.9M	47%	\$10,000	\$54,574
\$100M-\$999.9M	50%	\$30,000	\$175,010
\$1B or more	51%	\$154,000	\$491,085
Weighted Total	39%	\$5,370	\$76,226

Recent Trends in Incentive Travel as Channel Partner Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON INCENTIVE TRAVEL

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	25%	29%	7%	+22%
\$5M-\$9.9M	28%	57%	12%	+45%
\$10M-\$99.9M	28%	57%	12%	+45%
\$100M-\$999.9M	20%	57%	2%	+55%
\$1B or more	30%	61%	9%	+52%

Channel Partner Incentive Travel: Group vs. Individual Travel

GROUP VS. INDIVIDUAL TRAVEL

Revenue	Group %	Individual %
\$1M-\$4.9M	59%	41%
\$5M-\$9.9M	56%	44%
\$10M-\$99.9M	53%	47%
\$100M-\$999.9M	51%	49%
\$1B or more	54%	46%

- While still a fairly even split, incentive travel for channel partners/distributors tends to skew higher toward group travel vs. individual, especially with smaller revenue companies.

Channel Partner Incentives – Branded Merchandise

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	45%	\$5,000	\$39,441
\$5M-\$9.9M	53%	\$5,000	\$34,176
\$10M-\$99.9M	61%	\$9,900	\$57,621
\$100M-\$999.9M	55%	\$15,000	\$115,762
\$1B or more	59%	\$50,000	\$194,829
Weighted Total	46%	\$5,716	\$42,930

Recent Trends in Branded Merchandise as Channel Partner Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON BRANDED MERCHANDISE

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	21%	30%	9%	+21%
\$5M-\$9.9M	30%	59%	14%	+45%
\$10M-\$99.9M	20%	57%	6%	+51%
\$100M-\$999.9M	26%	53%	8%	+45%
\$1B or more	32%	66%	11%	+55%

Channel Partner Incentives – Experiential Rewards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	37%	\$5,000	\$34,037
\$5M-\$9.9M	39%	\$7,900	\$55,214
\$10M-\$99.9M	54%	\$10,000	\$50,540
\$100M-\$999.9M	50%	\$30,000	\$156,381
\$1B or more	62%	\$100,000	\$338,009
Weighted Total	38%	\$6,277	\$39,105

Recent Trends in Experiential Rewards as Channel Partner Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON EXPERIENTIAL REWARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	11%	26%	22%	+4%
\$5M-\$9.9M	26%	59%	13%	+46%
\$10M-\$99.9M	26%	57%	6%	+51%
\$100M-\$999.9M	19%	66%	8%	+58%
\$1B or more	33%	67%	10%	+57%

Employee Incentives

Employee Incentives

- Employee rewards and incentives are the most common, with **83%** of companies in the study (e.g., **70%** of total U.S. companies of \$1M or more in revenues) offering their associates some type of non-cash incentive.
 - Estimated spend for employee incentives totals **\$40,314,491,196**.
- The subsequent charts in this section show incidence, median spend, average spend, and recent trending for the various types of non-cash incentives used to motivate employees.
 - Figures are shown at the various revenue tiers.

Employee Incentives - Weighted Total

EMPLOYEE INCENTIVES—INCIDENCE AND TYPICAL SPEND

Reward Type	Incidence Among Those that Offer Employee Incentives (83%)	Incidence Among Total US Companies of \$1M+*	Estimated Median Spend	Estimated Average Spend
Award Points	45%	31%	\$7,983	\$186,993
Gift Cards	80%	56%	\$5,791	\$55,420
Incentive Travel	36%	25%	\$11,178	\$56,698
Merchandise	42%	29%	\$6,168	\$67,825
Experiential Rewards	35%	24%	\$6,133	\$75,493

*Based on both the percentage of companies that had at least one type of non-cash incentive (84%) and offered some type of employee incentive (83%).

Incidence of Employee Incentives 2016 vs. 2022

Reward Type	Incidence Among Companies that Offer Non-Cash Incentives 2016 (72%)	Incidence Among Companies that Offer Non-Cash Incentives 2022 (83%)
Award Points	36%	45%
Gift Cards	71%	80%
Incentive Travel	30%	36%
Merchandise	38%	42%
Experiential Rewards	NA	35%

Recent Trends in Employee Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON EMPLOYEE INCENTIVES

Reward Type	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
Award points	26%	60%	8%	+52%
Gift Cards	19%	47%	11%	+36%
Incentive Travel	22%	53%	10%	+43%
Merchandise	20%	49%	12%	+37%
Experiential Rewards	26%	57%	11%	+46%

Employee Incentives – Award Points

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	44%	\$6,500	\$146,919
\$5M-\$9.9M	53%	\$7,521	\$339,055
\$10M-\$99.9M	55%	\$10,000	\$71,495
\$100M-\$999.9M	55%	\$45,000	\$242,246
\$1B or more	55%	\$100,000	\$9,931,965
Weighted Total	45%	\$7,983	\$186,993

Recent Trends in Award Points as Employee Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON AWARD POINTS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	13%	35%	10%	+25%
\$5M-\$9.9M	32%	67%	10%	+57%
\$10M-\$99.9M	26%	59%	7%	+52%
\$100M-\$999.9M	25%	63%	9%	+54%
\$1B or more	31%	69%	4%	+65%

Types of Awards Available to Employees as Part of Awards Points Programs

AWARDS OFFERED THROUGH POINTS PROGRAMS

Revenue	Gift Cards	Experiential Rewards	Branded Merchandise	Logoed Merchandise	Incentive Travel
\$1M-\$4.9M	85%	56%	54%	31%	29%
\$5M-\$9.9M	88%	57%	60%	46%	28%
\$10M-\$99.9M	87%	69%	71%	54%	48%
\$100M-\$999.9M	82%	72%	66%	33%	40%
\$1B or more	90%	59%	67%	45%	49%

Employee Incentives – Gift Cards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	80%	\$5,000	\$18,763
\$5M-\$9.9M	78%	\$5,000	\$60,798
\$10M-\$99.9M	82%	\$10,000	\$47,825
\$100M-\$999.9M	82%	\$20,000	\$153,913
\$1B or more	79%	\$40,000	\$7,355,970
Weighted Total	80%	\$5,791	\$55,420

Recent Trends in Gift Cards as Employee Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON GIFT CARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	11%	36%	13%	+23%
\$5M-\$9.9M	25%	44%	11%	+33%
\$10M-\$99.9M	20%	52%	10%	42%
\$100M-\$999.9M	17%	46%	12%	+34%
\$1B or more	26%	58%	7%	+51%

Employee Incentives – Incentive Travel

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	35%	\$10,000	\$96,687
\$5M-\$9.9M	46%	\$7,550	\$106,141
\$10M-\$99.9M	46%	\$10,000	\$70,896
\$100M-\$999.9M	47%	\$45,000	\$1,660,053
\$1B or more	46%	\$100,000	\$2,013,599
Weighted Total	36%	\$11,178	\$56,698

Recent Trends in Incentive Travel as Employee Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON INCENTIVE TRAVEL

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	8%	40%	8%	+32%
\$5M-\$9.9M	24%	49%	16%	+33%
\$10M-\$99.9M	26%	58%	8%	+50%
\$100M-\$999.9M	18%	54%	10%	+44%
\$1B or more	34%	61%	10%	+51%

Employee Incentive Travel: Group vs. Individual Travel

GROUP VS. INDIVIDUAL TRAVEL

Revenue	Group %	Individual %
\$1M-\$4.9M	45%	55%
\$5M-\$9.9M	52%	48%
\$10M-\$99.9M	52%	48%
\$100M-\$999.9M	51%	49%
\$1B or more	48%	52%

- For the most part, there is an even split between group and individual travel as incentives.
 - Only in the lowest revenue tier is there a sizable gap between group travel (45%) and individual travel (55%).

Employee Incentives – Branded Merchandise

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	41%	\$5,000	\$21,742
\$5M-\$9.9M	53%	\$6,712	\$35,987
\$10M-\$99.9M	58%	\$10,000	\$46,476
\$100M-\$999.9M	42%	\$30,000	\$184,273
\$1B or more	54%	\$75,000	\$9,448,281
Weighted Total	42%	\$6,168	\$67,825

Recent Trends in Branded Merchandise as Employee Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON BRANDED MERCHANDISE

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	7%	29%	11%	+18%
\$5M-\$9.9M	19%	47%	17%	+30%
\$10M-\$99.9M	24%	53%	11%	+42%
\$100M-\$999.9M	17%	57%	9%	+48%
\$1B or more	30%	47%	15%	+32%

Employee Incentives – Experiential Rewards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	34%	\$5,000	\$10,081
\$5M-\$9.9M	32%	\$2,640	\$14,460
\$10M-\$99.9M	41%	\$9,540	\$56,585
\$100M-\$999.9M	38%	\$35,000	\$588,479
\$1B or more	42%	\$47,500	\$11,431,819
Weighted Total	35%	\$6,133	\$75,493

Recent Trends in Experiential Rewards as Employee Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON EXPERIENTIAL REWARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	5%	27%	11%	+16%
\$5M-\$9.9M	25%	61%	14%	+47%
\$10M-\$99.9M	32%	61%	10%	+51%
\$100M-\$999.9M	31%	62%	9%	+53%
\$1B or more	27%	70%	11%	+59%

Customer Loyalty Incentives

Customer Loyalty Incentives

- This category asked about customer loyalty incentives that *did not include use of a company's own products and services*.
 - Excluded are discounts, free products and services as rewards, or upgrades/promotions associated with customer loyalty.
 - Those responding to the survey were asked to only provide dollar amounts for non-cash customer loyalty incentives provided by external suppliers.
- The data showed that **66%** of companies in the study (e.g., **55%** of total U.S. companies of \$1M or more in revenues) offer customers some type of non-cash incentive.
 - These customer loyalty incentives are estimated to total **\$31,886,027,344**.

Customer Loyalty Incentives – Weighted Total

CUSTOMER LOYALTY INCENTIVES—INCIDENCE AND TYPICAL SPEND

Reward Type	Incidence Among Those that Offer Customer Loyalty Incentives (66%)	Incidence Among Total US Companies of \$1M+*	Estimated Median Spend	Estimated Average Spend
Award Points	51%	28%	\$6,233	\$94,052
Gift Cards	61%	33%	\$4,022	\$56,802
Incentive Travel	24%	13%	\$1,748	\$108,307
Merchandise	37%	20%	\$2,287	\$20,756
Experiential Rewards	32%	17%	\$4,853	\$61,338

*Based on both the percentage of companies that had at least one type of non-cash incentive (84%) and offered some type of customer loyalty incentive (66%).

Incidence of Customer Loyalty Incentives 2016 vs. 2022

Reward Type	Incidence Among Companies that Offer Non-Cash Incentives 2016 (45%)	Incidence Among Companies that Offer Non-Cash Incentives 2022 (66%)
Award Points	55%	51%
Gift Cards	51%	61%
Incentive Travel	25%	24%
Merchandise	32%	37%
Experiential Rewards	NA	32%

Recent Trends in Customer Experience Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON CUSTOMER EXPERIENCE INCENTIVES

Reward Type	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
Award points	25%	58%	8%	+50%
Gift Cards	25%	56%	8%	+48%
Incentive Travel	28%	59%	8%	+51%
Merchandise	25%	53%	7%	+46%
Experiential Rewards	29%	60%	4%	+56%

Customer Loyalty Incentives – Award Points

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$4.9M	51%	\$5,000	\$39,277
\$5M-\$9.9M	53%	\$3,000	\$36,602
\$10M-\$99.9M	54%	\$10,000	\$120,420
\$100M-\$999.9M	64%	\$29,999	\$198,241
\$1B or more	52%	\$90,000	\$10,700,678
Weighted Total	51%	\$6,233	\$94,052

Recent Trends in Award Points as Customer Loyalty Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON AWARD POINTS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	9%	32%	13%	+19%
\$5M-\$9.9M	25%	56%	14%	+42%
\$10M-\$99.9M	30%	63%	5%	+58%
\$100M-\$999.9M	22%	60%	5%	55%
\$1B or more	37%	74%	6%	+68%

Types of Awards Available to Customers as Part of Customer Loyalty Awards Points Programs

AWARDS OFFERED THROUGH POINTS PROGRAMS

Revenue	Gift Cards	Experiential Rewards	Branded Merchandise	Logoed Merchandise	Incentive Travel
\$1M-\$4.9M	77%	62%	47%	43%	9%
\$5M-\$9.9M	81%	63%	58%	36%	28%
\$10M-\$99.9M	80%	70%	61%	45%	41%
\$100M-\$999.9M	82%	51%	65%	26%	31%
\$1B or more	75%	67%	69%	47%	56%

Customer Loyalty Incentives – Gift Cards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	60%	\$3,000	\$18,640
\$5M-\$9.9M	71%	\$6,000	\$185,114
\$10M-\$99.9M	72%	\$8,000	\$76,761
\$100M-\$999.9M	70%	\$25,000	\$169,668
\$1B or more	71%	\$55,000	\$7,215,803
Weighted Total	61%	\$4,022	\$56,802

Recent Trends in Gift Cards as Customer Loyalty Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON GIFT CARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	16%	39%	13%	+26%
\$5M-\$9.9M	20%	52%	7%	+45%
\$10M-\$99.9M	22%	57%	5%	+52%
\$100M-\$999.9M	28%	63%	8%	+55%
\$1B or more	41%	63%	2%	+61%

Customer Loyalty Incentives – Incentive Travel

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	23%	\$500	\$104,813
\$5M-\$9.9M	35%	\$2,500	\$10,655
\$10M-\$99.9M	40%	\$9,227	\$82,162
\$100M-\$999.9M	37%	\$23,000	\$227,434
\$1B or more	36%	\$50,000	\$590,194
Weighted Total	24%	\$1,748	\$108,307

Recent Trends in Incentive Travel as Customer Loyalty Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON INCENTIVE TRAVEL

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	14%	43%	10%	+33%
\$5M-\$9.9M	24%	55%	7%	+48%
\$10M-\$99.9M	35%	64%	11%	+53%
\$100M-\$999.9M	17%	50%	6%	44%
\$1B or more	48%	80%	0%	+80%

Customer Incentive Travel: Group vs. Individual Travel

GROUP VS. INDIVIDUAL TRAVEL

Revenue	Group %	Individual %
\$1M-\$4.9M	51%	49%
\$5M-\$9.9M	51%	49%
\$10M-\$99.9M	50%	50%
\$100M-\$999.9M	53%	47%
\$1B or more	51%	49%

- Incentive travel as part of a customer loyalty program is an infrequent reward, however, when it is given, there is a near even 50-50 split between group and individual travel.

Customer Loyalty Incentives – Branded Merchandise

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	36%	\$1,000	\$8,773
\$5M-\$9.9M	49%	\$5,000	\$184,455
\$10M-\$99.9M	50%	\$9,850	\$77,317
\$100M-\$999.9M	43%	\$25,000	\$237,325
\$1B or more	54%	\$50,000	\$630,831
Weighted Total	37%	\$2,287	\$20,756

Recent Trends in Branded Merchandise as Customer Loyalty Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON BRANDED MERCHANDISE

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	15%	30%	12%	+18%
\$5M-\$9.9M	19%	49%	10%	+39%
\$10M-\$99.9M	29%	59%	4%	+55%
\$100M-\$999.9M	29%	60%	5%	+55%
\$1B or more	25%	53%	6%	+47%

Customer Loyalty Incentives – Experiential Rewards

Revenue	Incidence	Median Spend	Average Spend
\$1M-\$.4.9M	32%	\$4,000	\$22,729
\$5M-\$9.9M	31%	\$3,500	\$12,221
\$10M-\$99.9M	37%	\$5,500	\$60,906
\$100M-\$999.9M	35%	\$30,000	\$319,322
\$1B or more	46%	\$45,000	\$6,846,801
Weighted Total	32%	\$4,853	\$61,338

Recent Trends in Experiential Rewards as Customer Loyalty Incentives

% SPENDING 'MORE'/'LESS' THAN LAST YEAR ON EXPERIENTIAL REWARDS

Revenue	% Significantly more	% 'Somewhat' or 'Significantly' More	% 'Somewhat' or 'Significantly' Less	Net: More-Less
\$1M-\$4.9M	7%	37%	7%	+30%
\$5M-\$9.9M	32%	58%	5%	+53%
\$10M-\$99.9M	37%	66%	1%	+65%
\$100M-\$999.9M	26%	67%	6%	+61%
\$1B or more	32%	61%	3%	+58%

Corporate Gifting

Corporate Gifting

- A final category was ‘corporate gifting’. Specifically, the question asked of respondents was...
‘Does your company use non-cash rewards or prizes such as gift cards, merchandise, trips, etc. to thank clients, prospective clients, or partners for their business?’
- The data showed that **75%** of companies in the study (e.g., 63% of total U.S. companies with \$1M or more in revenue) spent a total of **\$27,466,539,900** on corporate gifts.
 - The median spend was \$5,900, with an average spend of \$13,240.60.
- We recognize this figure is lower than other reported studies that show a much higher dollar figure for corporate gifting. There are a few possible reasons for this discrepancy.
 1. The other studies use a broader definition of ‘corporate gifting’.
 2. The IFI study only includes gifts given at the corporate level and not those given by individuals at other levels of the organization.
 3. Some of the spending on corporate gifting may have already been considered in customer loyalty or channel incentive estimates.

Types of Corporate Gifts

INCIDENCE OF CORPORATE GIFTS AMONG THOSE GIVING GIFTS TO CLIENTS, PROSPECTS, ETC. (75%)

Revenue	Gift Cards	Experiential Rewards	Branded Merchandise	Logoed Merchandise	Incentive Travel
\$1M-\$4.9M	75%	35%	52%	34%	18%
\$5M-\$9.9M	69%	52%	54%	39%	13%
\$10M-\$99.9M	68%	51%	63%	40%	24%
\$100M-\$999.9M	70%	45%	58%	33%	21%
\$1B or more	68%	61%	67%	54%	39%
Weighted Totals	74%	36%	53%	34%	18%