



Incentives in the Workplace

How Gift Cards are used as Incentives
Within Major Industries

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Introduction

“What do the largest car manufacturer, biggest consumer electronics and leading telecommunication company all have in common? They are amongst the innovation-minded businesses that have embraced prepaid cards for their consumer incentive programmes.”¹

No matter what industry you work in, incentives, when combined with research, communication and measurement help your business run like clock-work. Whether you are looking to improve efficiency or increase productivity, incentives have the potential to impact your company’s long-term bottom line profits. In particular, gift cards possess many of the qualities that employees seek from cash incentives, but without the risk of giving too little, thereby demotivating. People also have emotional ties to brands, and they appreciate the gift of being able to purchase what they wish during an economic downturn.

For more than ten years, [GiftCard Partners, Inc. \(GCP\)](#) has been one of the nation’s largest developers of merchant gift card programs in the B2B marketplace. The relationships that GCP has with its retailers and merchants offers companies bulk gift card purchase discounts and savings. We are happy to share with you *Round 2* of the results from our *2011 Gift Card Usage Survey*, along with a guide to how corporations and companies of all sizes, and various industries, are using incentives for employee motivation and engagement.

Why are gift cards a great fit for corporate incentive programs?

- Gift cards are highly coveted: Incentive Magazine reports that 8 out of 10 employees prefer gift cards over other incentives. Gift card recipients can choose exactly what they want for their reward with their gift card.
- A 2012 Incentive Research Foundation (IRF) & Incentive Federation study validates that gift cards are a better buy than cash. The “average cost of a cash award is roughly triple that of either merchandise (\$206) or gift cards (\$240),” according to Incentive Federation Chairman Stephen Slagle, who also noted the importance of lowering incentive costs in our post-recession economy.²



Figure 1: GCP's 2011 Gift Card Usage Survey Findings

¹ [Prepaid Consumer Incentive Card Programmes are Meeting the Needs of a Wide Range of Industries](#) By Jay Hershman, EMEA Sales Manager, Citi Prepaid Services

² Incentive Research Foundation/Incentive Federation [Study Points to New Trends in Awards](#)

- Gift cards work well for any budget, they are received quickly from time of order, and with retailer or merchant specific gift cards, like those from GCP, there are no purchasing fees, dormancy fees, or expiration dates.
- Gift cards help spread the incentive wealth. Recipients will share gift cards with work their teams, colleagues, family, and friends. Dinners out and nice work-day lunches are farther between and gift cards spread your incentive dollar to help more people feel valued from that one incentive or reward.
- Various formats are available, such as traditional plastic, eGift Card, and mobile formats. Many of GCP's retailer and merchant brands offer both plastic and eGift Card or eCert formats. Although eGift Cards and mobile formats are convenient, it's surprising how many employers wish to purchase traditional plastic over e-format at this time, a whopping 88.2% prefers traditional.

The consensus for this form factor question is a bit surprising, since it asks respondents for their "preference". However, it's important to take into consideration that the "givers" programs may be structured in a way that plastic offers the best bang and that "trophy value" is still inherent in physical gift cards. The decision to purchase in a traditional plastic or technology based form factor should be more than simply grabbing on to the latest trend.

By now, bulk gift card customers likely understand the ease of receiving eCerts and mCerts for their distribution, however; the lack of industry standards for these technologies may be playing a part in the majority customer unease exhibited here. Middleware providers (ex. CashStar) are building interest and momentum in the B2B implementation of eCerts and mCerts, as they create flexible and retail-friendly solutions for technology based gift cards.

Gift cards are on top of the most wanted list of employee incentives, but how often are their companies listening? In our 2011 study, we found that slightly more than ¾ of companies across the country utilized gift cards as employee incentives and rewards.

In this paper, you will find:

- Corporate gift card uses and success stories by industry :
 - o [Manufacturing](#)
 - o [Nonprofit](#)
 - o [Healthcare](#)
 - o [Insurance](#)
 - o [Utility and Energy](#)



Figure 2: Round 1 of 2011 Gift Card Usage Survey Findings

- [Call Center](#)
- [Human Capital](#)
- Statistical results for types of gift card uses
- Gift card incentive programs as they are used by industry
- GCP's incentive and gift card industry perspectives
- Research from across the incentive industry, and from incentive professionals within specific industries

Manufacturing

Manufacturing is an optimal industry segment to promote workplace incentives. Workplace environments can be harsh and employee safety is a number one concern and constant initiative. Formal safety reward programs provide an important function to motivate employees to take proper safety precautions and adapt to the safer behaviors that your environment demands. If employees are motivated to take safety awareness seriously enough to reduce the likelihood of accidents, and the program is properly structured with measurement methods in place; the company will realize ROI in increased performance, and reduced healthcare insurance premiums. Following are a few examples of typical safety and workplace incentive programs that manufacturers employ:

- Measured accident reduction
- Safety awareness contributions
- Personal Protective Equipment (PPE) programs
- Increased productivity rewards
- Health and wellness programs, tailored to specific job functions

Learnings over time have led to a debate about HOW to incent properly, whether it is with gift cards, merchandise or travel. Promoting not only safe behaviors, but also creating an encouraging environment to report unsafe behaviors, is critical to the long term success of a safe workplace.

Some companies look to incentive companies like TharpeRobbins to create their workplace safety programs. These companies help define ideal, safe working environments and behaviors and they roll out programs like their "Safe Work and Safe Driver Programs". The idea here is to promote and work towards accident-free workplaces through recognition and rewards via a points system. A recent Incentive Magazine article noted how TharpeRobbins put the reality of workplace safety into context with some financial statistics from the National Safety Council³:

- There are 3.8 million workplace injuries in the U.S. each year

³ [Incentive Magazine: TharpeRobbins Rolls Out Safety Incentive Programs](#)

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- 90,000 of those injuries cause permanent disabilities
- The average cost per injury: \$28,000, adding up to \$130 billion for the country overall

There is a lot of cash at risk for companies to get their safety programs “right”, and to do it right means creating an incentive program for the long term. Organizations like The National Safety Council support the use of incentives to promote a safer workplace, as long as the program goes “beyond the gift cards and improved performance indicators” to ensure that *unreported* injuries aren’t on the rise.

The National Safety Council explains that, “Incentive programs can enhance established occupational safety programs but should not be considered an easy fix to underlying safety problems”.⁴

OSHA also stands strong on the incentive debate, challenging companies to not only institute a safety rewards program, but to ensure programs aren’t based primarily on injury and illness numbers. Successful programs weigh heavily on promoting proper reporting of injuries, without the risk of retribution or loss of incentives.

Here is an example of how one manufacturer puts gift cards to work as incentives within their safety program: *An electronics and process controls company plays “Safety Bingo” every month and they have been accident free for 15 years. “I use them as prizes, sometimes we will have 2 games going at one time like 4 corners and a regular Bingo, so I will give a \$50 gift card for the 4 corners. Or I will surprise an employee who I catch using all their PPE (personal protective equipment) correctly.”*

In difficult economic times, traditional business wisdom often leads to downsizing, assuming that payroll and benefits cuts will boost net profits. However, instituting incentive programs can often boost productivity in a way that solidifies longer-term company benefits, even after the economy turns around. JOM, a publication of The Minerals, Metals & Materials Society, notes that an American Management Association study showed “that in 1,441 firms surveyed, only one third of the companies achieved both immediate and long-term cost reductions and profit increases by eliminating jobs. The rest (66%) showed no gain; some even showed a loss. Fewer than 40% boosted worker productivity by job elimination. The remaining 60% either showed no productivity gain or a productivity loss. An alternative approach to job elimination is the use of incentive plans.”

What do incentive programs in the manufacturing realm look like? They look much like incentive programs in other industries:

- Performance driven incentives
- Sales incentives
- Health and wellness program incentives

⁴ [National Safety Council: What's your reward? The debate over incentive programs](#)

- Anniversary and term of service rewards
- Loyal customer appreciation gifts
- Spot rewards for performance

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Nonprofit

Nonprofits are often thought of when it comes to the topic of gift cards, but typically from the fundraising side of a nonprofit. Consumers purchase gift cards from Scrip companies in order to raise money for their charity of choice. Scrip programs dedicate a percentage of gift card purchases to charities all over the world, while consumers (in this case the consumer is a fundraiser) buy in stores or online as they normally do. So a Scrip participant can buy groceries each week with a gift card to a specific market, and a percentage of the total gift card adds to the fundraising efforts for the charity of their choice.

On the operational side, nonprofits most often ground their organization to the grants, donors, staff, volunteers, and strategic partners that keep them afloat. Some nonprofits are charities or service organizations, regardless; budgets are generally tight and incentives can play an important role in motivating their constituencies to maintain the critical behaviors that keep the nonprofit working and alive.

The same incentive programs that are often instituted in for-profit corporations are also great tools for attracting talent, increasing productivity, maintaining and even increasing goals in nonprofits, and sending important “thank you” messages to donors. The nonprofit sector must continue to embrace the motivation and engagement strategies that their for-profit counterparts implement.

Many of GCP’s customers are America’s blood banks, who leverage their financial resources to recruit new donors, continually engage with historical donors, and many have frequent giving and loyalty programs that offer incentives for maintaining and increasing the frequency of giving blood. Incentives like CVS/pharmacy gift cards are often used; everyone needs health and beauty items, prescriptions, or even snacks and CVS locations are hugely abundant, with 7,300 across the U.S.

In September 2008, the American Red Cross launched a campaign called “Give a Little, Buy a Lot”, which was designed to increase blood and platelet donations during the holidays. In that particular campaign, donors had a chance to win a \$1,000 gift card.⁵ The “Give a Little” theme continues on to this day; “whenever possible the Red Cross and our corporate partners run local promotions to give a little

⁵Source: http://redcross.pmhclients.com/images/uploads/october_donorsvols_newsletter.pdf

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something back to blood donors who give so much!”⁶. Thank-you’s gifts are an important part of any nonprofit organization, but they are a critical investment for a blood banks’ future.

Some feel that incentives for blood are unethical or unfair for those that do not receive incentives, maintaining that the biggest motivation for giving blood should be humanitarianism. However, the more non-profits can leverage the business tools that help for-profit organizations and corporations succeed, the more in line with meeting their objectives they can become.

Other nonprofits that benefit from the business tools of corporations include those that use gift cards internally, like a 501c3 organization that responded to [GCP’s 2011 Gift Card Usage Survey](#). This organization advocates for physically and mentally challenged adults, and they offer gift cards to employees as workplace incentives and as holiday gifts. They stated, *“Our employees are very passionate about the work that they do providing support for individuals with disabilities, so it is nice to be able to provide a little incentive for them.”*

An environmental advocacy organization uses gift cards *“to reward teachers and benefit students who participate in one of our field trip educational programs. Oftentimes, it is the very first time that a student has the opportunity to visit the sandy shore, when they participate in a field trip. Photos of each child can be developed with the CVS gift card provided to the teachers, so that those who participated in the field trip now have a strong memento and springboard for conversations about all that they learned and their experiences on the environmental learning field trip.”*

Healthcare

Healthcare companies of all shapes and sizes use gift cards as incentives. Above, we discuss nonprofit organizations in the healthcare space; hospitals and medical facilities are also heavy users of gift cards as incentives. Gift cards are used both internally with employees and externally with patients and customers to drive desired behaviors and long-term healthful outcomes.

Hospitals and medical facilities use gift cards to motivate and reward employees, such as rewarding hard working hourly staff who go above and beyond in their work. Like in the corporate world, wellness incentives have become good business for hospitals and they take health and wellness programs seriously. They know what kind of savings can be acquired over time when employees are achieving health improvements and increased overall wellness.

⁶ American Red Cross: [NY-Penn Promotion Winners](#)

The Centers for Disease Control and Prevention states that 65% of adults do not exercise regularly, 50% of all adults have high cholesterol, 25% of adults have high blood pressure, and 30% are obese. These all-too-common health conditions can impact one's ability to be highly functional, active, and productive in the workplace. They also contribute to other chronic illnesses, which account for 75% of all health care costs in the United States⁷. Many of these conditions can be prevented, or, if managed by participating in a health and wellness program with a mix of education, incentives, coaching, and success tracking, can be prevented.

From the GCP gift card usage survey, we found that health and wellness programs are the second largest category of employee rewards, "general rewards" being the first, which includes term of service and anniversary gifts, holiday gifts, and general performance rewards. We expect as healthcare costs continue to rise, so will the implementation rate of health and wellness incentives.



Figure 3: Round 2 of GCP's 2011 Gift Card Usage Survey Findings

Health and wellness programs not only reduce healthcare costs for employers, but they also increase employee productivity. Approximately 75% of all companies who implement a wellness program use some sort of incentive to do it⁸. To enhance participation, rewards are given to employees for filling out HRA's (Health Risk Assessments) and the HRA data is used to assess lifestyle risk behaviors of individuals as part of the annual Periodic Health Assessment, worksite wellness program, or other community health activities. Health and wellness programs are measurable if constructed properly, and rewards can be given via a points system or for participating in healthy activities like joining a gym, or for achieving healthful milestones like losing weight, decreasing blood pressure or taking daily walks during breaks.

Following are a few examples that GCP has published, of successfully utilizing gift cards as health and wellness incentives in hospital environments:

- *From a hospital in PA: "Our organization provides gift cards to employees for successfully completing our Wellness initiatives. By offering the gift cards we have increased our*

⁷ The Times Leader: [Workplace Wellness Gets Employees, Companies Healthier: Commentary Dr. Nina Taggart](#)

⁸ WELCOA: Expediting [Employee Behavior Change by Implementing the Right Incentives](#)

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participation from 15% to 39% in the first year. We also provide gift cards to employees as a token of appreciation for a successful year each year in December.”

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- *The infection control department of a regional medical center in Mississippi is using gift cards as incentives for their workplace safety rewards program. They also utilize gift cards as rewards to those who pay extra attention to hand-washing, a critical task for infection control.*
- *A university medical center in MS has “used gift cards as incentives in getting employees to participate in various surveys to get information about employee morale and satisfaction. We have also used them to promote fitness programs.”*
- *A school of medicine and medical center in CA conducts surveys for patients who visit the emergency department. “The staff involved are motivated by gift cards. The champion who enrolls maximum patients is given a gift card every three months. Everyone who participates is given a gift card for lesser value. Since conducting any research is a big challenge, especially in an emergency department environment, giving gift cards has worked as a good incentive.”*

Interested in starting a health and wellness program for your company? Read GCP’s article: [Why to Start a Health and Wellness Program in 2012](#), which was published in Voluntary Benefits magazine. The article reviews how employers can shape a healthier workforce, what they can expect from their program, how to overcome participation obstacles, how to measure results, and that critical thing that most companies don’t get right.

Healthcare insurance companies utilize gift cards as incentives for their internal workforce. A Blue Cross provider in Pennsylvania offers credits toward gift cards as rewards for healthier behaviors, like when their employees go to see their PCP with regularity, exercise or attend nutrition counseling, etc.

Medicaid and Medicare providers and some U.S. states are providing gift card incentives externally for their organizations; they are asked to engage with their patients to motivate them to keep up with recommended and annual doctor visits. It has been proven that regular adult and child well visits (on a doctor recommended schedule) helps doctors catch illnesses early, resulting in fewer ER and hospital stays, and therefore saving the U.S. government money. You’ll find more on this topic in the [Insurance section](#) of this paper.

One of the reasons that gift cards are so useful as an incentive and reward in the healthcare industry is due to the flexibility that gift cards offer the recipient, whether used for internal or external purposes. Gift cards are largely used in healthcare because the buyer can be selective about the products the recipient can purchase with the gift card. For example, a hospital can offer “healthy gift cards” like the [CVS Select](#)® card, which filters out unhealthy items like alcohol and tobacco and allows the purchase of medication co-pays, over the counter medicines and other healthcare maintenance items. This allows healthcare organizations to emanate healthy lifestyle choices via their gifts, incentives and rewards.

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Other healthy choice gift cards include SUBWAY gift cards, which are a popular choice for people on the go. Healthful food fast, again it promotes a healthy lifestyle message.

Insurance

Generally speaking, gift cards are used as incentives in the insurance industry to reward for lead generation and sales activities, given as referral gifts and thank-you's to customers for signing new policies or adding assets to a policy, to incent consumers to keep an appointment with a sales representative, as part of internal corporate incentive programs, externally as part of customer cost lowering strategies, and as a reward to complete service or sales process questionnaires.

It's debatable if Medicare and Medicaid program incentives belongs in this document's [healthcare section](#) or insurance section. Insurance wins out here, since insurance companies administer such programs on behalf of the individual U.S. states. As our country moves closer and closer to individual healthcare insurance requirements, Medicare and Medicaid are becoming pivotal in the American healthcare system. The corporate side of America examines and implements health and wellness trends and incentives closely, so do U.S. Medicaid and Medicare programs. States and insurance companies are also looking at healthy incentives such as the [CVS Select® gift cards](#). Such gift cards work as incentives in prevention programs that demonstrate changes in health risk and outcomes, such as tobacco cessation, controlling or reducing weight, lowering cholesterol and blood pressure, and avoiding the onset of diabetes or improving the management of their diabetes condition.⁹

Health insurers can learn from how large corporations find savings in helping to keep their insured healthy. Self-insured companies have taken an aggressive lead in cutting healthcare costs by implementing a mix of financial incentives and health and wellness education. Many have been successful in combating the average 8-10% health care inflation rate; some have achieved holding their inflation rate at 3% or less¹⁰ by implementing health and wellness programs with incentives. Insurance companies can leverage these



"...a motivated workforce translates to increased performance and happy employees who are more dedicated and will work harder for their company."

⁹ Centers for Medicare and Medicaid Services: [Overview of Medicaid Incentives for Prevention of Chronic Diseases Program](#)

¹⁰ Forbes.com: [What Health Insurers Can Do Now to Cut Costs](#)

successes by implementing similar programs internally, cutting their own healthcare operating expenses.

Major insurance companies have a lot of employees to keep motivated. GCP's survey uncovered many internal uses of gift cards by insurance companies, such as a major national insurance company who buys gift cards in bulk to have on hand as a "Spot reward", which is rewarding employees immediately for their exceptional work or cross functional efforts. When they say "thank you" with spot rewards, employees are able to understand the reason why they were rewarded and are incented to continue to work above and beyond in the future. Approximately 18% of our survey respondents keep gift cards on hand for spot rewards.

Externally, health insurance companies incent and reward their customers' employees as part of their health insurance plan design. In a recent press release Highmark Inc., a Pennsylvania based health insurance provider, offered its group customers incentives and rewards to get employees more engaged with their own health and wellbeing. "Rewards, like cash and gift cards, and incentives, like lower cost-sharing through benefit designs, have proved to be important tools to encourage employees to better understand and more effectively utilize health care." states Steven Nelson, senior VP of health services strategy, product and marketing at Highmark. Whether using gift cards internally or externally as incentives, there are savings to be had by insurance companies by buying gift cards in bulk.

Forbes.com recently reported on Bain and Company's study of more than 125 medical management programs developed by insurers and self-insured companies across the U.S. to offer us some insight. The article states that, "The most effective employers offer incentives for healthy living and motivate chronically ill patients to stick with recommended therapies to keep their diseases in check."¹¹

Title insurance is one of the less known facets of the insurance industry, since most people purchase it once over a 30 year period. The title insurance segment of the industry utilizes incentives to influence home, commercial, and property purchase middlemen, such as real estate agents, banks, lenders, builders, developers and others. Most U.S. states have a per person, per year dollar amount cap on gifts to those who can steer title insurance buying decisions, which makes gift cards a particularly useful incentive; the dollar amount on gift cards can be closely controlled. Gift cards are much more controllable than other typical insurance incentives, like meals, golf sponsorships, golf rounds, and sporting event tickets.

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Utility and Energy

Incentives are used in the utility and energy field as a marketing and customer acquisition tool. Incentives lure consumers to lock in rates for a defined quantity of months, or specific time of year to offer guard against volatile electricity prices. Many utility and energy companies allow consumers to earn credits on their monthly statement which can be redeemed for discounts, rebates, or redeemed for gift cards through their rewards system. Direct Energy, which currently operates in 46 U.S. states and 10 Canadian provinces, offers free prepaid cards when a promo code is used to switch electricity providers. Many competitive utility and energy companies are employing programs like these to compete in a territory they may not have been able to previously do business in. Campaigns like these are promoted in many ways to reach the masses; this one came to us via a supermarket receipt.

Electric companies such as Constellation Energy, a supplier of power, natural gas, renewable energy and energy management products and services for homes and businesses, offer “refer a friend” programs, where they give gift cards as incentive to sign up customers’ friends and families. Constellation has “given new residential customers more than \$5 million in gift card incentives nationwide”, says a February 2012 Constellation Energy press release. Constellation is also using gift cards to promote energy savings, that is, not saving money on consumer energy, but actually saving or using, less energy. They recently launched a consumer awareness campaign called Energy4Home, where they asked consumers to help promote the month of April as “Earth Month”. Consumers post a photo that shows why they are an “energy savings hero” and winners receive gift cards. Incentive programs and promotions like these help utility companies engage with their customers by helping people conserve energy and save money.

Utility and energy companies offer Incentives to consumers as a way to promote energy efficiency; it also promotes the company’s brand as caring for the environment and the customer. Gift cards are also used to promote automatic payment or debit payment, which cuts down on billing paperwork and ensures the utility company prompt payment. Mishaps happen, and gift cards say “We’re sorry” just as well as “thank you”; they are often used in conjunction with billing errors, metering problems, and customer service blunders. Simply put, gift cards as incentives are a pleasant surprise to the consumer and enhance a customer service experience.

Call Centers and Business Centers

Most major businesses use call centers to interact with their customers. Typical types of companies that employ call centers include utility companies, mail order catalogue and online retailers, customer support for computer hardware and software, and financial institutions. Some businesses service internal functions through call centers such as help desks, retail financial support, and sales support.

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Call centers were originally designed as customer service tools aimed to differentiate companies with excellent customer service, with the hope that handling customer concerns quickly and efficiently would encourage customer loyalty. However, call centers have become a part of doing business for large companies, they have become standard fare, and they can sometimes do harm to a company or brand if the customer service experience back-fires. Call centers often use gift cards to say “sorry”, to ease customers service issues, such as excessive waiting times to be connected to an operator, miscues in the automated connection process, and when a customer becomes increasingly dissatisfied during the call center process.

Due to the often negative treatment from unhappy customers, call centers and business centers have frequent employee motivation issues that seem to be inherent in the industry as a whole. Over time, motivation and dedication dwindles, which leads to employee retention problems. Call Centre Helper, a UK call center magazine, outlines some of these harmful internal issues such as agent absenteeism, high turnover, agent engagement, unclear career development paths, and lack of performance improvement¹². One could easily make the link to motivation and increased engagement as steps to solutions for all of these issues. So, how do call centers motivate and engage employees to increase morale and performance? Incentives, specifically, gift card incentives.

Table 1 What Employers Think & What Employees Want

The tedious repetition of working in a call center lends itself well to designing a less than predictable incentive system. Mary Paige Forrester, a Call Center and Customer Service Subject Matter Expert (SME), published an Incentive Planning research paper, which offers dozens of ideas for starting and maintaining incentive programs that are specific for call centers. Mary Paige’s thinking lines up with incentive industry experts; that too much expectation or predictability can actually hurt an incentive program, and that “continuous variety and an element of surprise are fundamental to success.”¹³ If employees expect incentives, it can actually decrease morale.

What Employers Think	What Employers Want	What Employees Say
1	Appreciation	4
2	Involvement/planning	7
3	Sympathy	10
4	Job Security	5
5	Higher Wages	1
6	Interesting Work	3
7	Promotion Opportunity	6
8	Employer Loyalty	8
9	Working Conditions	2
10	Tactful Discipline	9

¹² [Call Center Helper](#) - UK

¹³ [Call Center Incentive Planning Report](#) by Mary Paige Forrester

The Incentive Planning report outlines the typical discrepancy between what employers think their employees want from their jobs and what employees actually want from their jobs. “Looking at published studies regarding what employees say motivates them versus what management thinks motivates employees, the difference in desire of the employees and assumption of management is apparent. Take a look at the study results above.”

Since raising wages isn’t necessarily on employers’ agendas for all employees, incentive programs become very important to help combat the repetitiveness of bodily motion, words and script, and depending on the type of calls being received, potentially negative discussions and responding to unhappy customers. How are call centers using incentives to motivate employees, while mixing up the work place to be less predictable – in a good way?

Since most call centers are already organized into teams, team competitions are a great way to add fun to the routine, while including education, team conditioning, individual improvement, and incentives to drive interest, engagement, and success. Competitions can include posting team statistics in a public place and rewarding winning teams weekly or monthly, holiday or season decorating competitions, team of the month or quarter, which can take into consideration cumulative attendance, training milestones, stats, and peer comments about how their teammates contribute to creating a better place to work. All of these ideas create workplace buzz, are easily rewardable, and they help make the work day a little less predictable in a career that is full of repetitious stress.

The Incentive Research Foundation recently published their 12 Trends in Rewards and Recognition webinar and accompanying research paper, which outlines their employee recognition studies and insights within the context of our current economic conditions and technology trends. Number 4 on the trend report is “Gamification”, a business tool that integrates key techniques and mechanics into the workplace via “games”. Simply put, integrating interactive games as a tool within training or incentive programs improves employee engagement, motivation, productivity, and contributes to an employee’s sense of working for an innovative employer.

There is much evidence that gaming should be looked at seriously within company incentive programs. But the concept works particularly well in call center environments due to companies like Snowfly that have created “games” specifically for improving call center metrics and service levels through themes like immediate recognition, relevant incentive rewards, accountability and intermittent positive reinforcement. Press One, a call center in Old Town Fort Collins, implemented one of Snowfly’s systems, which Initially achieved a 60% agent engagement rate and soon ramped up to 100% engagement, and they’ve achieved a 60% reduction in employee turnover. “Sometimes they deal with irate customers, and they have to say the same thing over and over. This (the game) helps when you’re sitting for four or five hours – to play a game of chance they can’t lose, but the results are different every time. There’s mystery, intrigue”, states Andy Orr, President of Press One, about his call center. Their gamers redeem

points and receive rewards of their choice, like reloadable debit cards, Amazon.com merchandise or gift cards to national retailers and restaurants.¹⁴

More research on gamification and incentive trends:

- [Incentive Experts Point to Gamification as Top Incentive Trend](#)
- [Snowfly's 16 Key Findings for Success white paper](#)
- [IRF's 12 Trends in Rewards and Recognition for 2012](#)
- [Gamification Keeps Employees Engaged and Brand Image Strong](#)

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Human Capital

The human capital marketplace is a multi-hundred billion dollar industry which encompasses outsourced companies that supply products and services like talent recruitment and staffing, training and development, employee retention strategies, health and wellness programs, benefits and payroll. This industry also includes practices within those categories, like talent acquisition and retention, training and development, and HR roles, like health and wellness program implementation.

Staffing and professional recruitment firms use incentives on a regular basis to promote and spread the word about available positions, beyond their typical reach. Social media platforms are used to spread the word wide and far, with incentives. When a staffing agency or recruiter posts a position, they push it out to their job seeker matches, but they can also ask their Twitter, LinkedIn and Facebook followers to share and proliferate to receive a gift card or be entered in a drawing to win a \$100, \$50, or \$20 gift card.

HR professionals that work within an organization, versus on behalf of an organization, utilize incentives to help their company reduce absenteeism, improve employee engagement, loyalty and retention, for participating in training and reaching development milestones, for employee hire referrals, to keep safety top of mind, and as part health and wellness programs, which are largely discussed in the *Healthcare* section of this paper. Social media is also utilized by internal company HR professionals to promote positive timely messages, while rewarding for a job well done. Social media has been proven to increase employee engagement when used in conjunction with rewards¹⁵ and also aids in stimulating the sense of innovation.



¹⁴ Callcentre helper: [A little fun improved performance and reduces employee turnover](#)

¹⁵ Incentive Magazine: [Forget Employee of the Month and Focus on Employee of the Moment](#)

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GCP recently published an article in [Voluntary Benefits Magazine](#) which touched on a very important part of “Getting an incentive program right”. That is, knowing and analyzing enough key demographic data about your employees to truly match goals with incentives, while embracing employees’ needs wishes. In the article, we give an example for understanding your demographics when implementing a health and wellness program. “Regionally diverse companies have even more considerations in this area, like the work habits and health trouble-spots for certain trades and job descriptions, as well as environmental issues that are inherent with any job. Is the employee a part-time fork lift driver in New Mexico or a sales analyst in NY City? Will they have the same level of well care available to them? Will they both be paid for the time their well visit or physical takes, since it’s a company program? Will they covet the same incentives and rewards? The answer could be no for all those questions and employers need to take employee diversity into consideration in order to make a program successful.”¹⁶

In keeping demographics central to incentive programs, that data needs to be utilized to achieve employee engagement and increased participation; both are relentless goals for HR professionals. In the SHRM / Globoforce *Winter 2012 Report: The Impact of Recognition on Employee Engagement and ROI*, innovation and HR technologies are heavily discussed as becoming core to boosting strategies to meet the myriad of HR challenges around engagement, performance, recognition and their impact on business results. The report identifies engagement as the top HR challenge, with 94% of their survey respondents considering employee engagement as an important workforce challenge currently faced. Yet, only 42% currently use technology to track their engagement levels¹⁷.

Engagement is only one facet of a program. For those who manage several kinds of programs across their company, with varying employee demographics, roles, and levels within the company; tools and technologies are often required to back their programs. Technology helps to manage and report on the programs’ successes and short-falls. Technology is used to show if programs are gaining momentum, used to report on engagement metrics, increased participation, and the tracking of incremental employee success and ROI metrics, and even health metrics within health and wellness programs. These are all elements that technologies and incentive platforms can help with.

Gamification is one technology that can help in the area of increasing program participation and engagement levels. And when it comes to gamification, we’re not just engaging employees in an incentive program, but we’re engaging employees in the entire organization, the workplace, with their colleagues, and with their role within the company. We discussed the gamification phenomenon in the

¹⁶ [Start a Health and Wellness Program in 2012: 5 Compelling Reasons Why to Start Now](#)

¹⁷ [SHRM / Globoforce Winter 2012 Report: The Impact of Recognition on Employee Engagement and ROI](#)

previous section, and it's becoming more and more important as an element of HR initiated incentive programs. Engagement Strategies Magazine posted the article: *Game Theory: People + Participation = Productivity*¹⁸, which reinforces a long-standing theory on how "games" help players retain information, thereby enriching a learning experience and increasing knowledge retention. Engaging this theory in the workplace = many kinds of engagement, since it's still a new concept to "play" at work. Also, those who aren't yet involved in social gaming are aware of the trend and its popularity, and likely wonder what it's all about. Gamification brings this trend to work. If you are an HR professionals that isn't on top of the growing trend of gamification, it's time to research and consider it.

What do HR driven incentive programs typically look like?

- Performance driven incentives
- Sales incentives
- Health and wellness program incentives
- Anniversary and term of service rewards
- Loyal customer appreciation gifts
- Spot rewards for performance

Within these kinds of incentive programs, there are also types of programs, like points systems, where employees can accumulate performance points and redeem them for their own choice of reward. Sales incentive programs often fall under the domain of human resource professionals and they can have a points twist to them, which helps maintain participation and engagement over a longer term than a simple "win and reward" set-up. Following are a few sales incentive gift card successes that were shared with GCP in our recent survey:

- *"I have used the gift cards as a client referral bonus. It has been tremendous. Our business has seen growth due to the referral gift card."*
- *"We find that giving out gift cards to our clients is a great way to say thank you. With the many options available through gift cards (dining, entertainment, shopping, etc.), the clients love getting them."*
- *"During this time of \$4.00+ per gallon of gas, our Direct Sales Representatives LOVE having a GAS card INCENTIVE to keep them striving for the next level in quota, and we reward them for their efforts. It also shows the employee we are appreciative with a tangible gift they can proudly show to co-workers and family alike!!"*

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¹⁸ [Engagement Strategies Magazine Game Theory: People + Participation = Productivity](#)

In Conclusion

Seeing that two thirds of our survey respondents are planning to buy gift cards in the next 9 months is not just good news for those of us selling gift cards, it's great news for retailers and for the companies buying them as incentives. Companies that are using gift cards as incentives are contributing to the expansion of the "end-user" market, and more employee- favorite retailers, merchants, and brands will enter the B2B gift card marketplace; employers will have more to choose from.



Figure 4 GCPs 2011 Gift Card Usage Survey Findings

It's always great to hear that incentives budgets are holding strong, but we can see that they are also improving in the B2B incentive area. Incentive Magazine released the results of their [2011 Gift Card IQ survey \(August 2011\)](#), an interesting finding; "The number of respondents with incentive gift card and certificate budgets of more than \$100,000 nearly doubled to 15 percent this year, compared with 7.8 percent in 2010. The most dramatic gain was in programs with budgets between \$250,000 and \$499,999, which jumped from 0.4 percent to 3.9 percent —nearly 10 times the number seen in 2010."

We hope this paper has offered you some insights into how your industry is using gift cards as employee incentives and we wish you great success as you engage, motivate, and reward.

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Addendum – Internal vs. External Incentives

Internal Use of Gift Cards

Employee Rewards: Two-thirds of survey respondents purchase gift cards in bulk to reward and motivate their employees. These companies realize that a motivated workforce translates to increased performance and that happy employees are more dedicated and will work harder for their company. Companies of all sizes utilize gift cards to engage, incent and motivate employees within their organization.

- [Health and Wellness Incentives](#)

Wellness incentives have become good business. They reduce health care costs for employers and increase employee productivity. To enhance participation, rewards are given to employees for filling out HRA's (Health Risk Assessments). HRA's are used to assess the lifestyle risk behaviors of individuals as part of the annual Periodic Health Assessment, worksite wellness program, or other community health activities. Health and Wellness Programs are measurable; rewards can be given via a points system or for participating in healthy activities like joining a gym, or for achieving healthful milestones like losing weight, decreasing blood pressure or taking daily walks during breaks.

- [Sales Incentives](#)

Gift Cards are often used as a reward to a salesperson, sales team or external sales channels such as Value Added Resellers (VARs) or Value Added Distributors (VADs) for exceeding sales goals.

- [Safety Program Rewards](#)

The goal of the Safety Incentive Program is to change unsafe behaviors, reinforce safe behaviors and improve morale. Safety rewards are used to encourage adherence to corporate and OSHA safety guidelines.

- [General Employee Rewards](#)

Not all employers categorize their employee rewards (as above), so we provided a general category in our survey. General employee rewards include:

- Spot rewards for work completed above and beyond the duty
- Survey participation
- Date of hire/anniversary gifts
- Birthday or holiday gifts
- Length of tenure awards
- New employee referrals, etc.

External Use of Gift Cards

Incentives as a Business Tool: One-third of survey respondents utilize gift cards for “external” business activities, such as customer acquisition, driving customer loyalty with sales referral incentives, customer satisfaction surveys, and customer loyalty programs.

- [Loyalty Programs](#)

Loyalty programs are a method of building customer and brand loyalty, where participants can redeem points for gift cards. Credit Card Loyalty programs are a good example. Retailers, distributors, and manufacturers use loyalty programs to reward customers for initial and additional account set-ups, and to capture repeat business.

- [External Sales Incentives](#)

This external version of a sales incentive program includes rewards for driving business via sales referrals, student referrals and enrollment, customer thank-you’s or apologies for service breaches or contract mishaps.

- [Surveys and Research](#)

Gift cards are frequently used to reward and incent increased survey participation. An example would be giving an eGift Card immediately upon finishing a survey, or some survey companies reward on a points system, in order to engage consumer feedback on an ongoing basis.

- [Sales Promotions](#)

Sales promotions are used to stimulate sales through contests, demonstrations, games, giveaways, special offers, and similar activities.

- [Fundraising](#)

This includes local and national fundraising, SCRIP programs (fundraising for schools and churches), education and advocacy and walk/run rewards for participants reaching goals.



“Since conducting any research is a big challenge, especially in an emergency department environment, giving gift cards has worked as a good incentive.”