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Rewards can include taking cooking classes in France.



Incentives

Giving Rewards with a Purpose

How Maritz delivers some incentives you won't find anywhere else

Some rewards are more rewarding than others. Take the parents who used points to buy identical toy poodles for their children, the bride who purchased not only her wedding dress but her mother's, the four people who decided they wanted the once-in-a-lifetime thrill of attending a presidential inauguration. Or what about the soldier who was home on leave from Iraq and was able to use points from a loyalty program to give his son a scooter for Christmas? Not just any scooter, but a particular model of Razor scooter that was sold out in every store in America.

These are the kinds of stories that warm the hearts of the people at Maritz, a sales and marketing service company that has

been studying the science (and art) of incentives since 1931. The basis of the Maritz philosophy is "purposeful choice" because, as CEO Mike Donnelly says, "We've never believed that one size fits all and have always recommended that companies allow their program participants to select from a lot of great choices." Maritz links with leading retail, catalog, and hospitality companies to create a menu of rewards; program participants can choose from the thousands of items and put their favorites on a personal wish list.

"That satisfies one of the more important elements of motivation – goal setting," says Donnelly. "Within a few weeks of coming out with a new catalog, over

90 percent of the items are on someone's wish list. That shows you how differently people are motivated and how important it is that they choose the reward that they're working toward."

The concept of personal choice is even more essential in today's globally diverse workplace, which covers both genders and five generations. A 25-year-old, tech-savvy rep might go gaga over the latest gadget, while a 55-year-old gourmet might prefer visiting a cooking school in France. Some people want Prada, some people want ping-pong tables.

"As the guest loyalty program for the Hilton family of hotels, Hilton HHonors is constantly looking for ways to create a flex-

ible and rewarding program,” says Eileen Hanson, vice president of marketing strategy and communication for the customer loyalty team at the Hilton Hotels Corporation. Most HHonors members redeem their points for free hotel stays, but Hilton decided to expand their options with a turnkey solution called the HHonors Rewards Store, which lists more than 5,500 items, including high-end products such as iPods and TAG Heuer watches. The panache is not accidental, because personal choice requires not merely offering a lot of items, but making sure that these items are things people really want. Donnelly says, “Participants choose from a selection of rewards that 1) feature well-known brands that people would be proud to own and show to family and friends, 2) offer enough variety to address multiple generations, lifestyles, and interests, and 3) are memorable and motivating.”

When times are tough, one might ask if glamour incentives still work. Wouldn't people rather take the cash? Just the opposite, says Carol Ivicich, director of strategic merchandising for Maritz. “Awards that motivate shouldn't be blurred with compensation. Motivating an award earner is about giving permission to splurge and indulge themselves or whomever they choose.”

“People think cash gives the ultimate choice, but the truth is cash can be very limiting,” adds Donnelly. “If you receive cash, especially in difficult economic times, aren't you likely to feel obligated to do something sensible with it? Pay for gas, pay the mortgage, buy groceries? There's no lasting good feeling toward your company associated with a cash award that got mixed in with the household account. Worse, keep giving cash as a reward and it becomes an entitlement that people rely on as income. You lose the flexibility to drive specific performances when you need to.”

Rewards programs must link the reward with a lasting memory of achievement in a way that is consistent with the company's brand image. Studies have shown participants in a noncash rewards program think about the rewards 40 percent more often than those working for a cash reward. Noncash rewards are tangible and visible, but companies also have to remember that what makes an award appealing is in the eye of the beholder. Studies have divided people into cate-

choice rewards

Purposeful incentives offered by Maritz mean, quite simply, choice with a purpose – multiple purposes, really. Here are the main benefits:

- 1. CONNECTING** with every participant by offering a compelling selection of rewards that encourages each person to change his or her behavior.
- 2. HELPING** individuals connect their actions with rewards they personally value.
- 3. LINKING** the reward with a lasting memory of achievement in a way that is consistent with the company's brand image and creates an ongoing positive bond with that company.
- 4. PROVIDING** rewards that will be most successful in improving performance, engagement, and loyalty among employees, sales partners, and customers.

For more, please go to www.maritz.com.

Maritz has also recently launched a new solution called Rewards Direct to bring the power of purposeful choice to a wider audience. It's specifically designed to be a cost-effective way to include rewards for companies who design and manage their own incentive, recognition, or customer loyalty programs. For more, please visit www.rewardsdirect.com.

gories, and obviously “life soothers,” who are looking for rewards that simplify their lives, will be drawn to different items from “frivolous choosers,” who are always looking for what's trendy and hot.

One of the bigger categories is “gracious givers,” who like to share their rewards with family and friends. Ivicich reports that one program participant used his award points to create a spectacular wedding anniversary, taking his wife to Punta Cana, as well as buying her jewelry and Victoria's Secret lingerie. In addition, he flew in the grandparents, along with an older son who was away at college, to take care of the kids, and bought them all a Wii to play while Mom and Dad were away.

Redeeming the reward must also make the winner feel like a winner. Maritz offers world-class customer service so that participants can implement their choices

without confusion. The Hilton HHonors Rewards Store program has recorded an 80 percent increase in merchandise redemptions in the past 18 months, at least partly because “the site makes it simple for our members,” says Eileen Hanson. “It provides a complete gift-giving solution, including gift-wrapping and recommendations for various holidays.”

“It's really about the whole experience,” explains Mike Donnelly. “Companies that are good at reward programs know how to get the item to the recipient quickly, professionally, and flawlessly. They make sure their customer service teams are not just courteous but that they understand that the people calling are top performers and deserve special treatment.”

A recent national poll showed that rewards that weren't considered personally meaningful to the recipients had the same affect as having no rewards program at all, a finding that doesn't surprise Donnelly. “Just ask people to tell you about a reward they received that meant a lot to them. They can tell you what it was, what they did to earn it, and will probably show it to you if they can,” he says. “People remember the experience for years to come, and they associate that good feeling with the company that gave it to them. Now ask someone if they ever received a reward that wasn't on target. You'll get either bewilderment or anger – and do you want either of those associated with your company?”

“Awarding an achiever with a Starbucks gift card when they don't drink coffee is highly unmotivating,” says Ivicich. “Awarding a GenY'er with a Waterford crystal biscuit barrel could actually push that employee out the door. Employees applaud a company that understands their lifestyle, and being able to choose what is most meaningful heightens the experience. It's the gift that keeps on giving, because the achievers will attach the feel-good gift to the employer that cared enough to thank them for a job well done.”

– KIM WRIGHT WILEY

