

Industry Outlook for 2019

Merchandise, Gift Card, and Event Gifting

incentive
marketing association

ima

- acknowledge
- appreciate
- award
- achieve

Incentive & Engagement
Solution Providers

November 2018

IRF[®]

Incentive Research
Foundation

The Incentive Research Foundation (IRF) sponsors regular trends surveys covering topics of current interest to those in the incentive industry: incentive providers, suppliers to the industry, and corporate incentive merchandise and travel buyers.

This report summarizes findings from data collected August 2018 through October 2018.

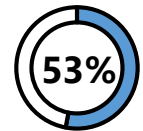


Industry professionals invited to participate in survey by:

- IRF List
- IESP/IMA List
- Maui Jim
- Independent Research Panel



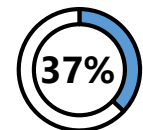
498 participated



Corporate (e.g., Buyer, Planner, Sales, HR)



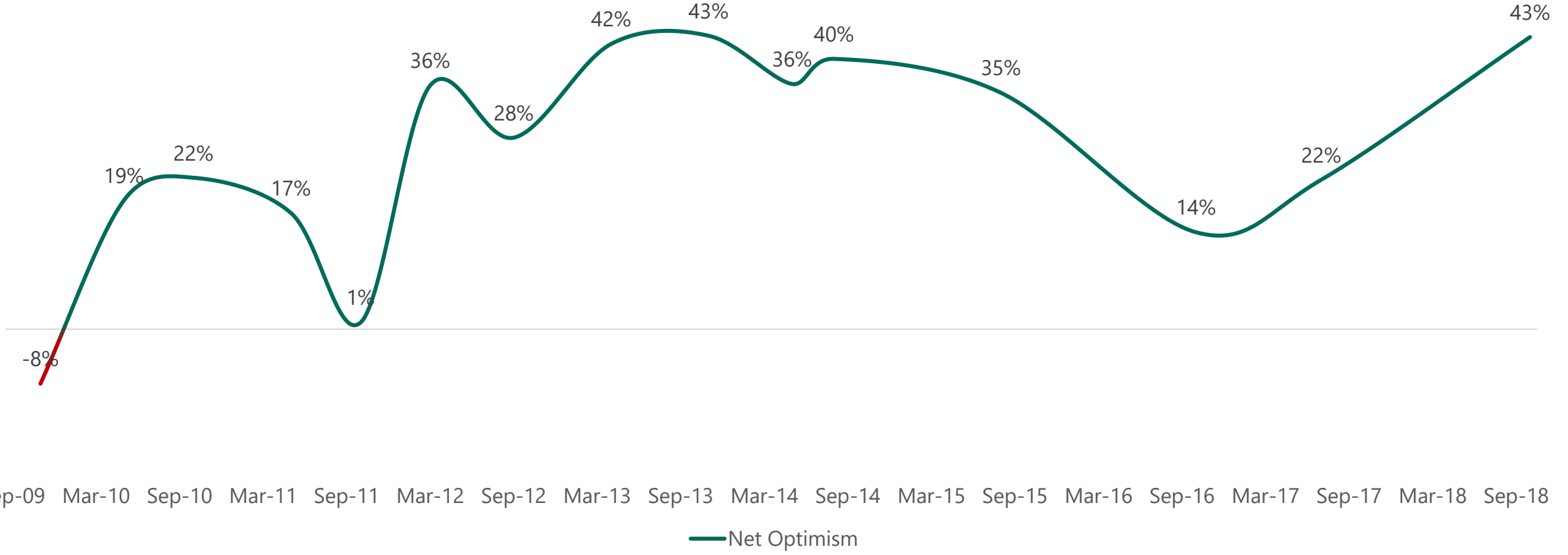
Supplier (e.g. Hotel, Airline, DMC, Merch)



Third Party (e.g., Incentive Company, Travel Agency, Consultant)

Non-cash Reward & Recognition: Merchandise/Gift Cards

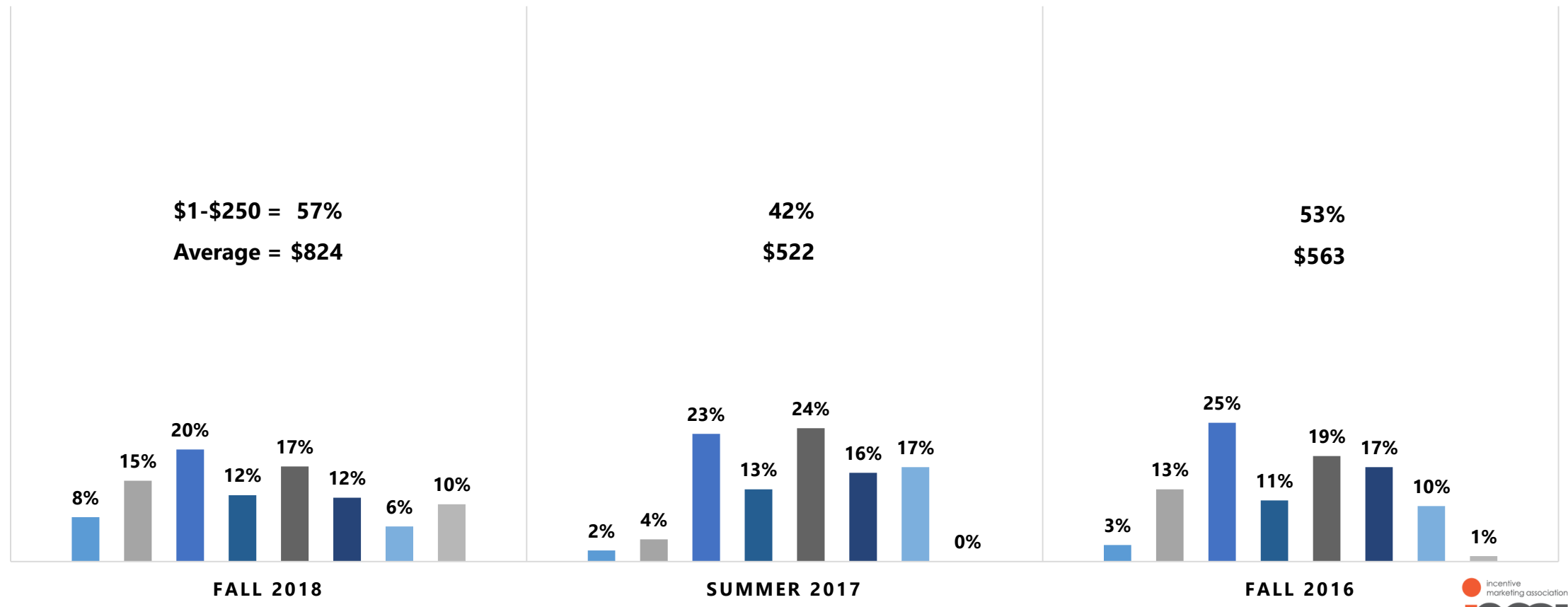
Net Optimism is High



In the coming year, what impact will the factors below have on your/your clients' non-cash reward and recognition program planning and execution: The economy

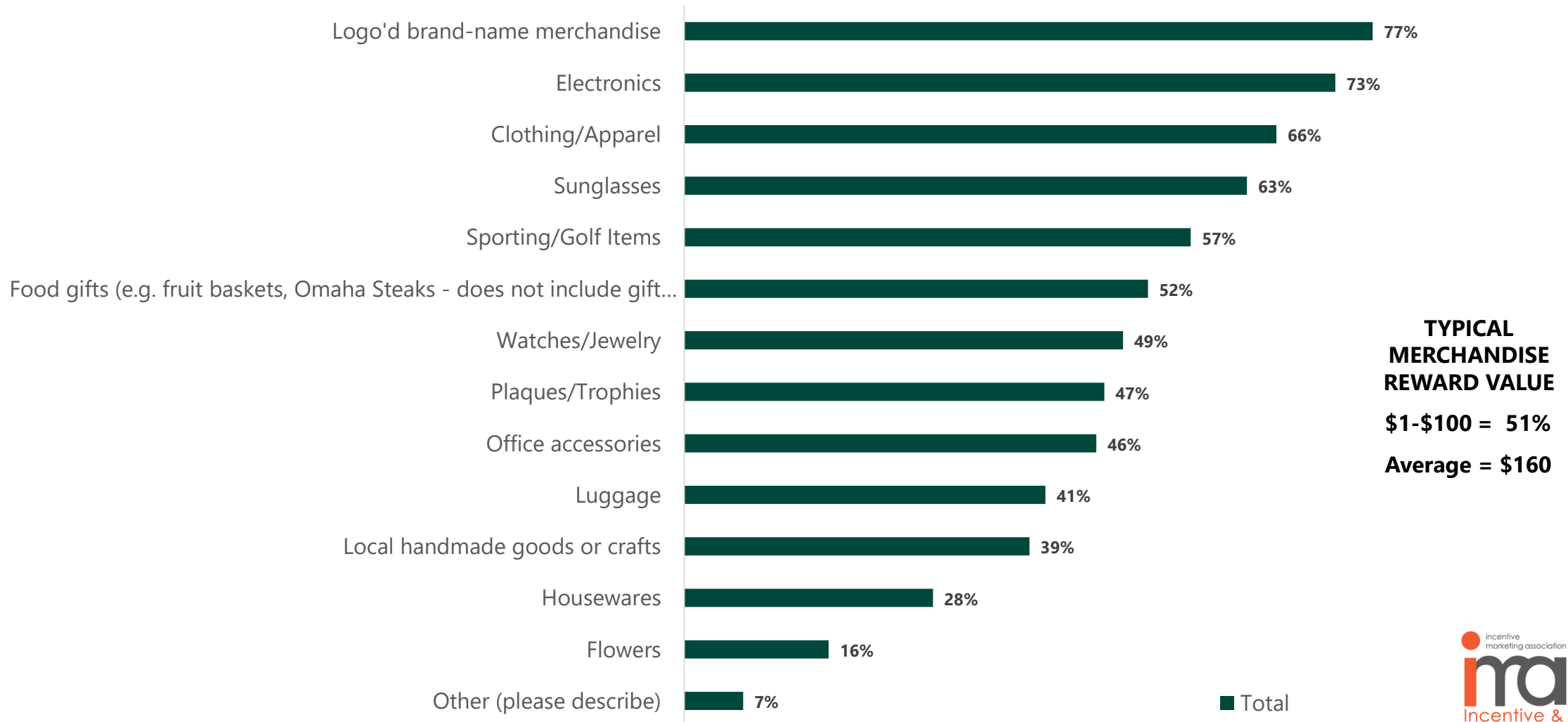
Average Per-Person Spend is Increasing Due to Big Spenders

■ \$1-\$50 ■ \$51-\$100 ■ \$101-\$200 ■ \$201-250 ■ \$251-\$500 ■ \$501-\$1,000 ■ \$1,001-\$5,000 ■ Over \$5,000



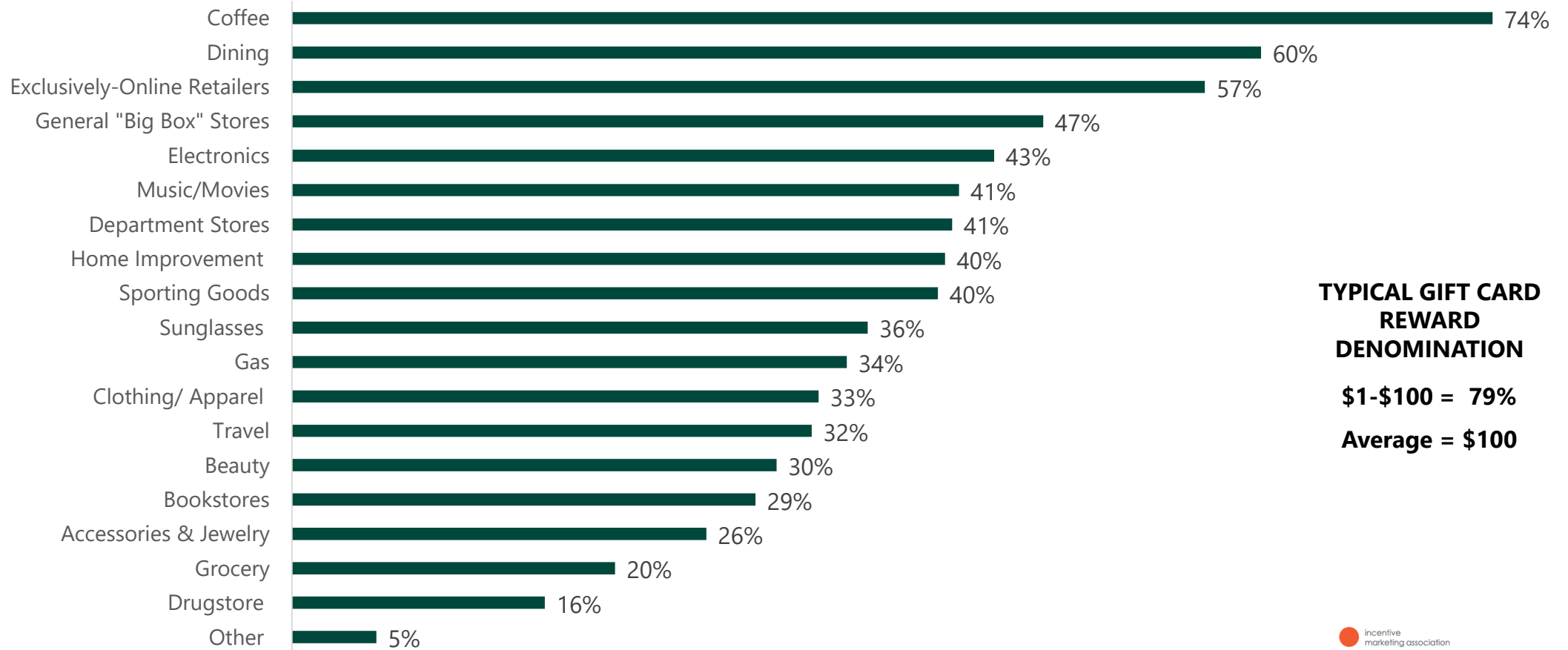
What is the average per-person rewards spend for your/your clients' non-cash reward and recognition programs?

Merchandise Types – Logo'd Items & Electronics Lead



What types of merchandise and gift cards are used within your/your clients' reward and recognition program(s)? Check all that apply.

Closed-Loop Gift Cards - Coffee Cards Most Prevalent



**TYPICAL GIFT CARD
REWARD
DENOMINATION**

\$1-\$100 = 79%

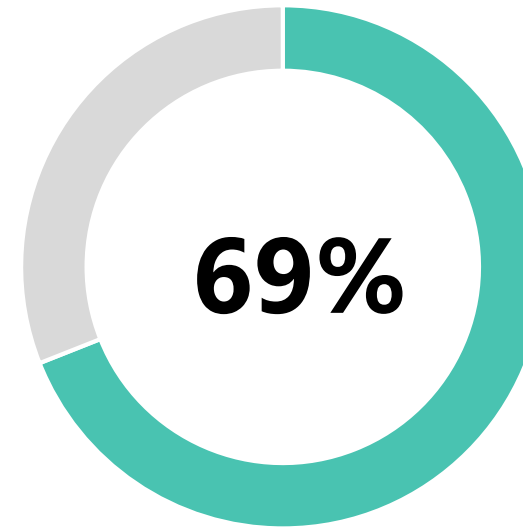
Average = \$100

Which of the options below best describes the types of merchants selected when your company buys BRANDED gift cards for your non-cash rewards programs?

Corporate Buyers Report Local Retail Sourcing for Gift Cards is Common

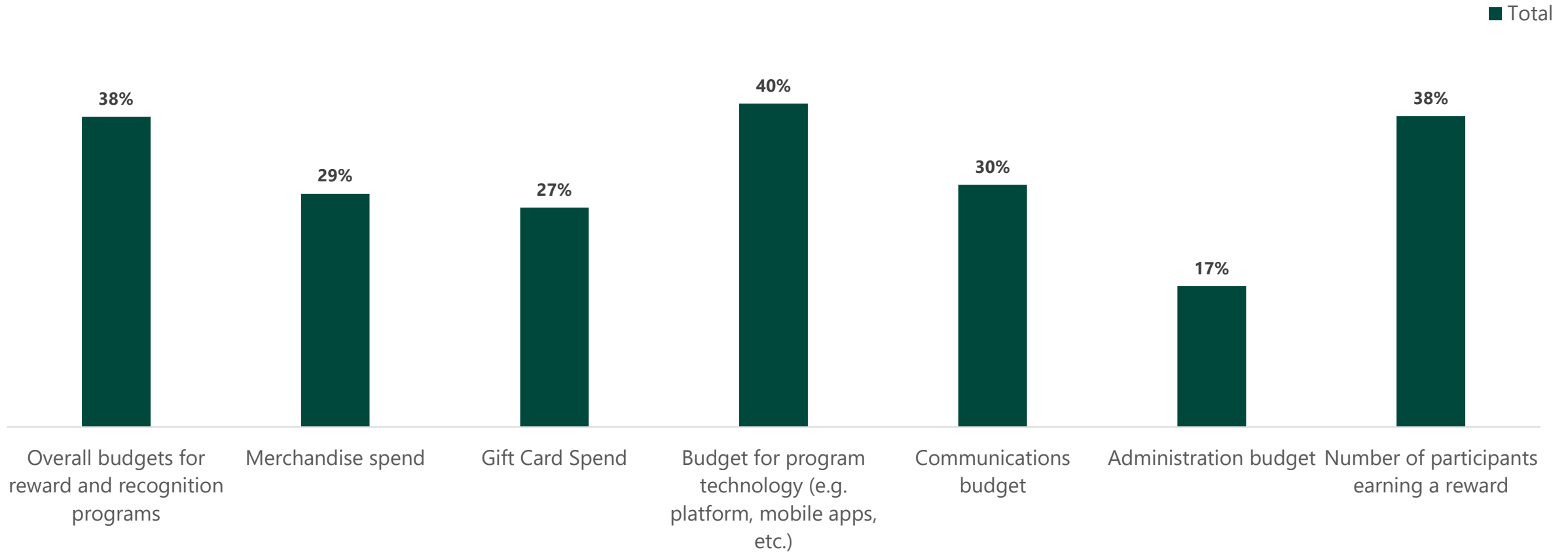
Corporate respondents were asked if people in their organization are visiting local retailers to purchase gift cards for use as employee reward and recognition. More than two-thirds indicate this is occurring in their organization.

Purchasing at Retail

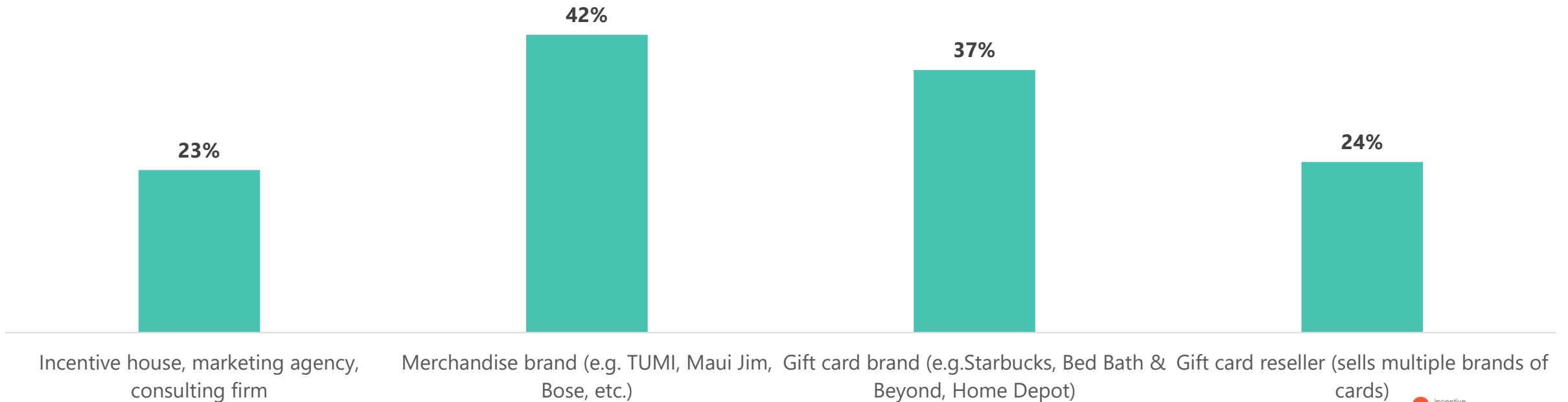


Does anyone in your organization ever purchase directly from local retailers (such as Target, Walmart, Walgreens, CVS, or a supermarket) gift cards for the purpose of giving to employees as non-cash rewards?

Outlook for Rewards Budgets is Strong



Brand-Direct is Most Common Respondent Partnership

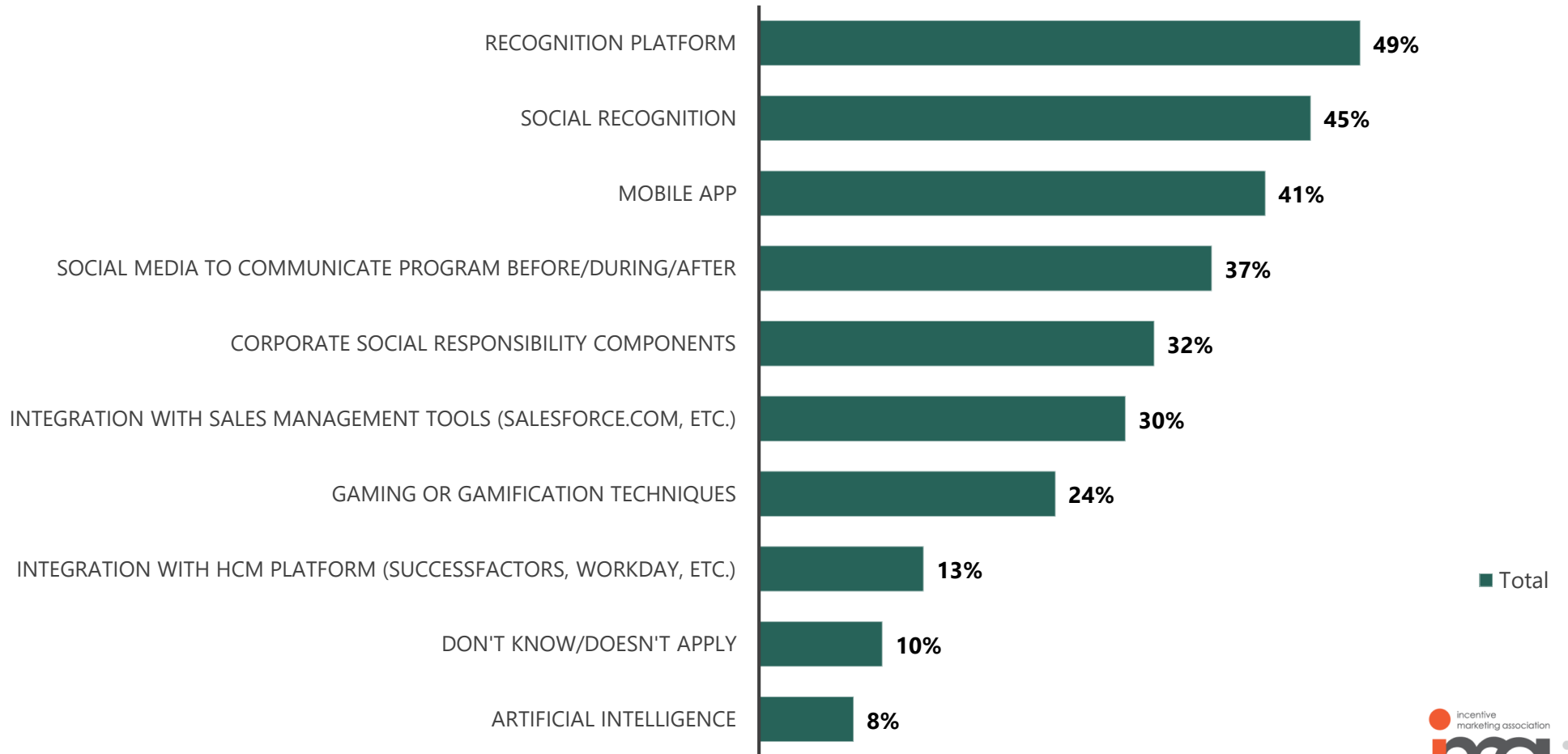


For your non-cash reward and recognition programs, do you work directly with...

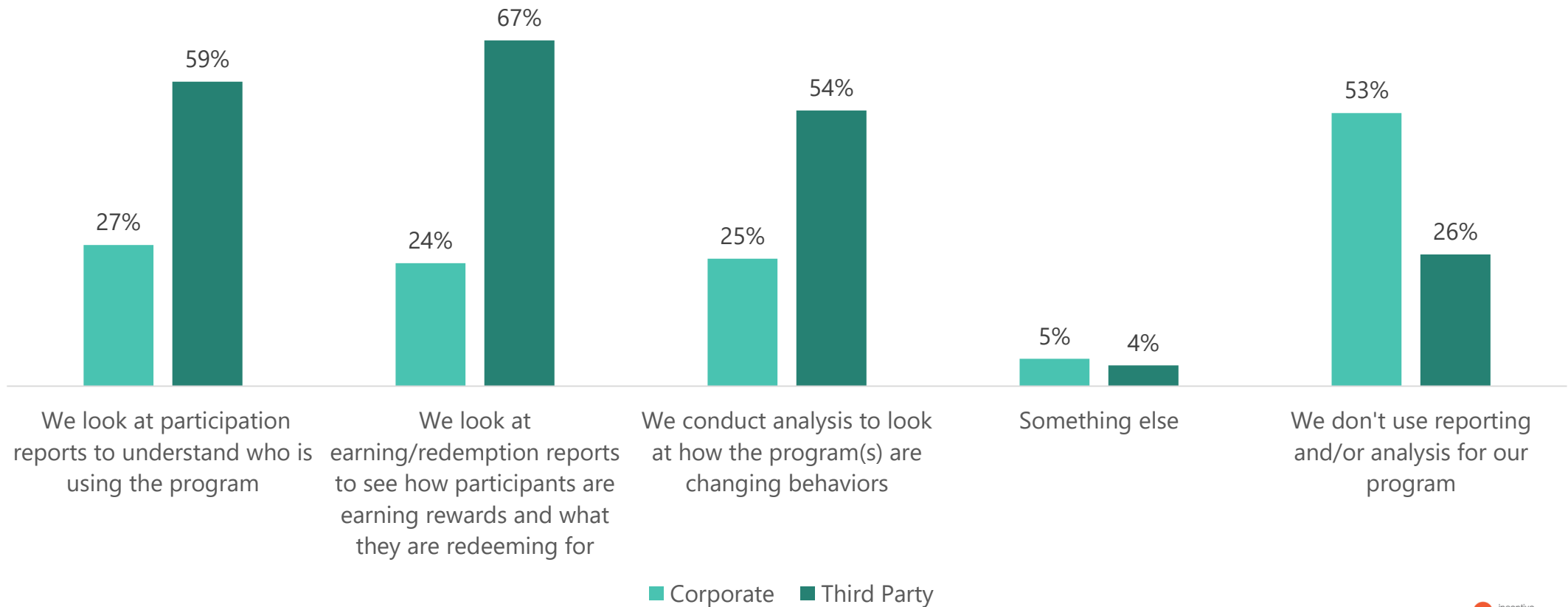
Base: Corporate buyers

General Program Outlook

Program Enhancements – Technology Platforms Have Moderate Adoption

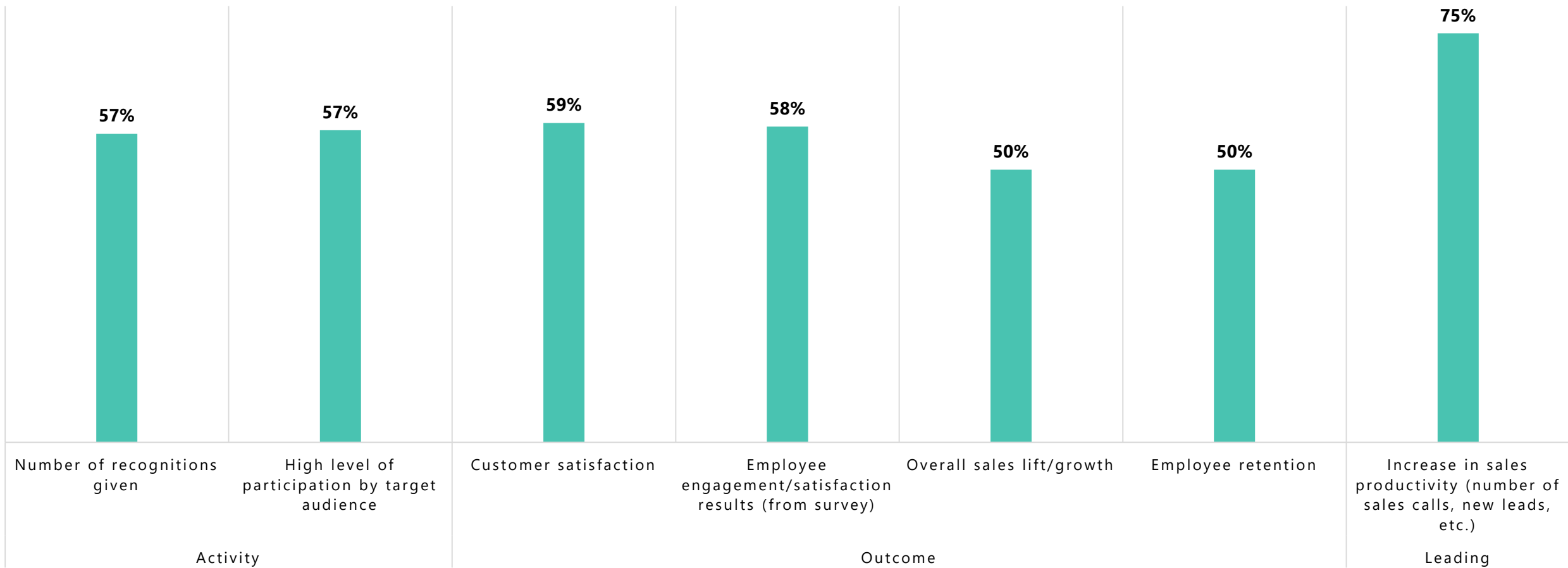


Reporting & Analysis – Many Corporate Respondents Doing None



Thinking about reporting and analysis for [Field-whose] programs, which of the following are used: (Select all that apply.)

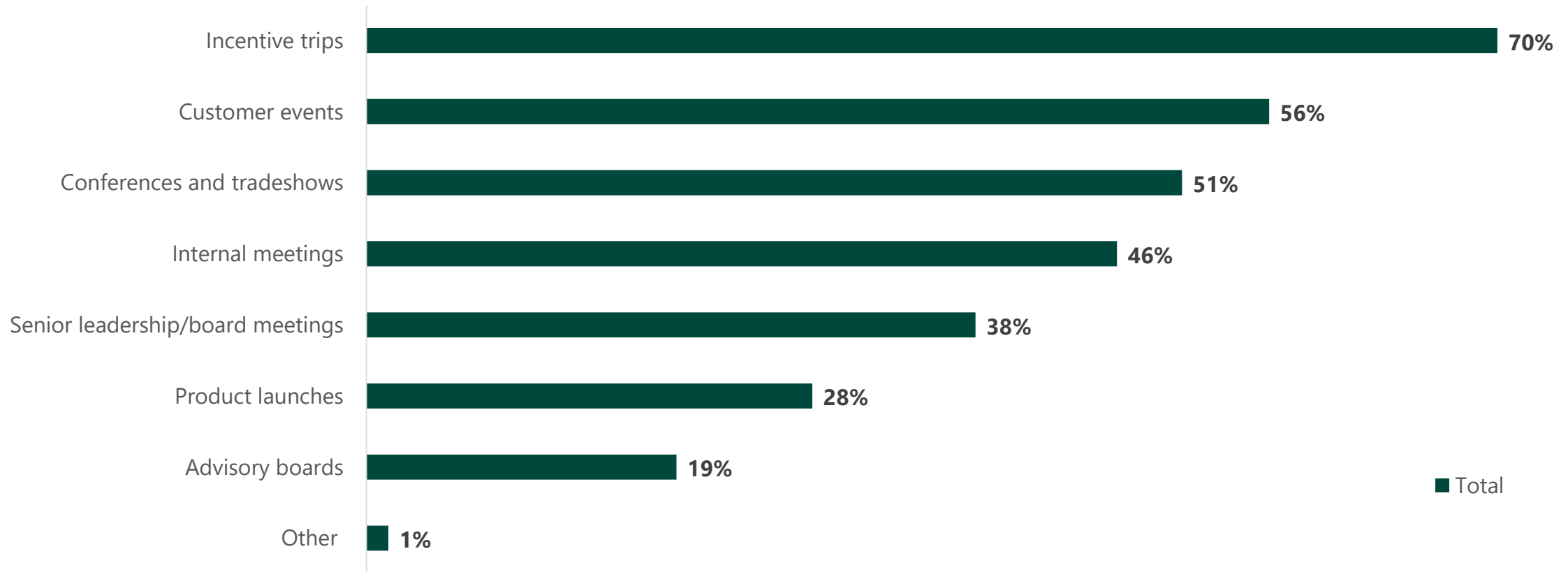
Program Metrics – Most Common Corporate Metrics



Below are some metrics which might be measured by a program owner. Which of the below is information that you have used to assess your program's success? Select all that apply.

Event Gifting

Event Gifting – Meeting Types



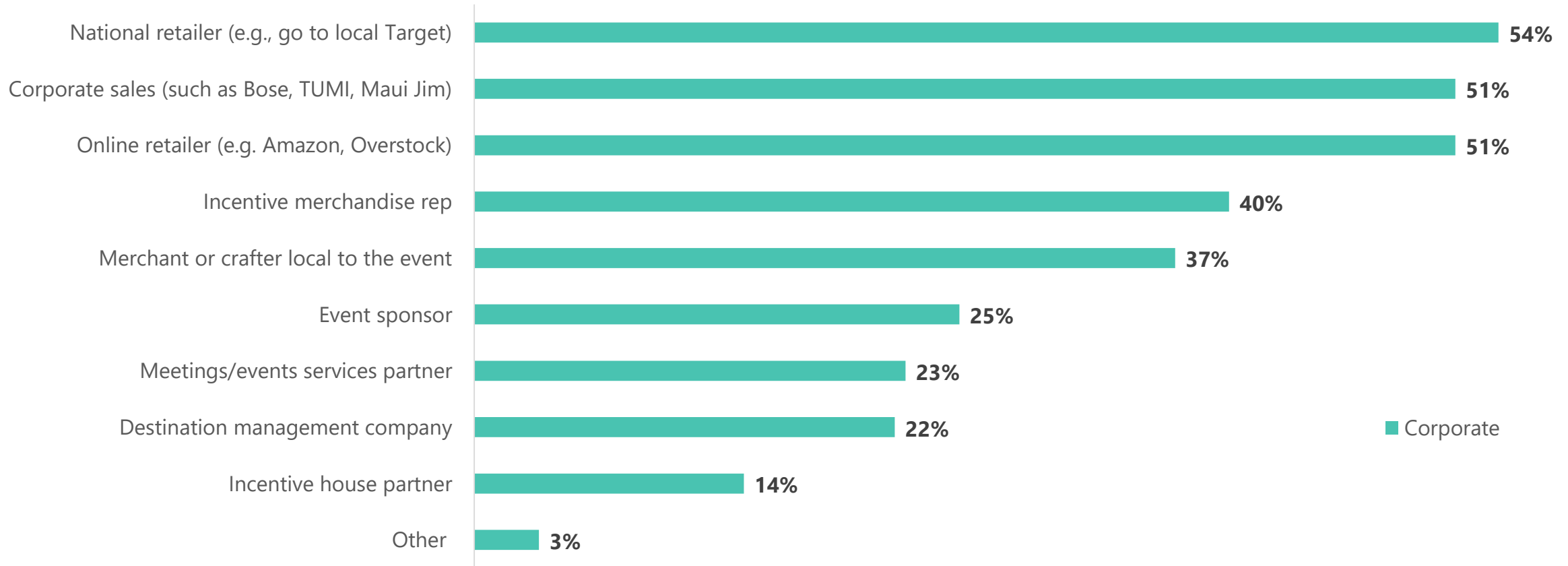
For what types of meetings and events are you/your clients using attendee gifts? Select all that apply.

Event Gifting – Gift Types



Which of the below do you/your clients use as part of your/your clients' meeting/event gifting? Select all that apply.

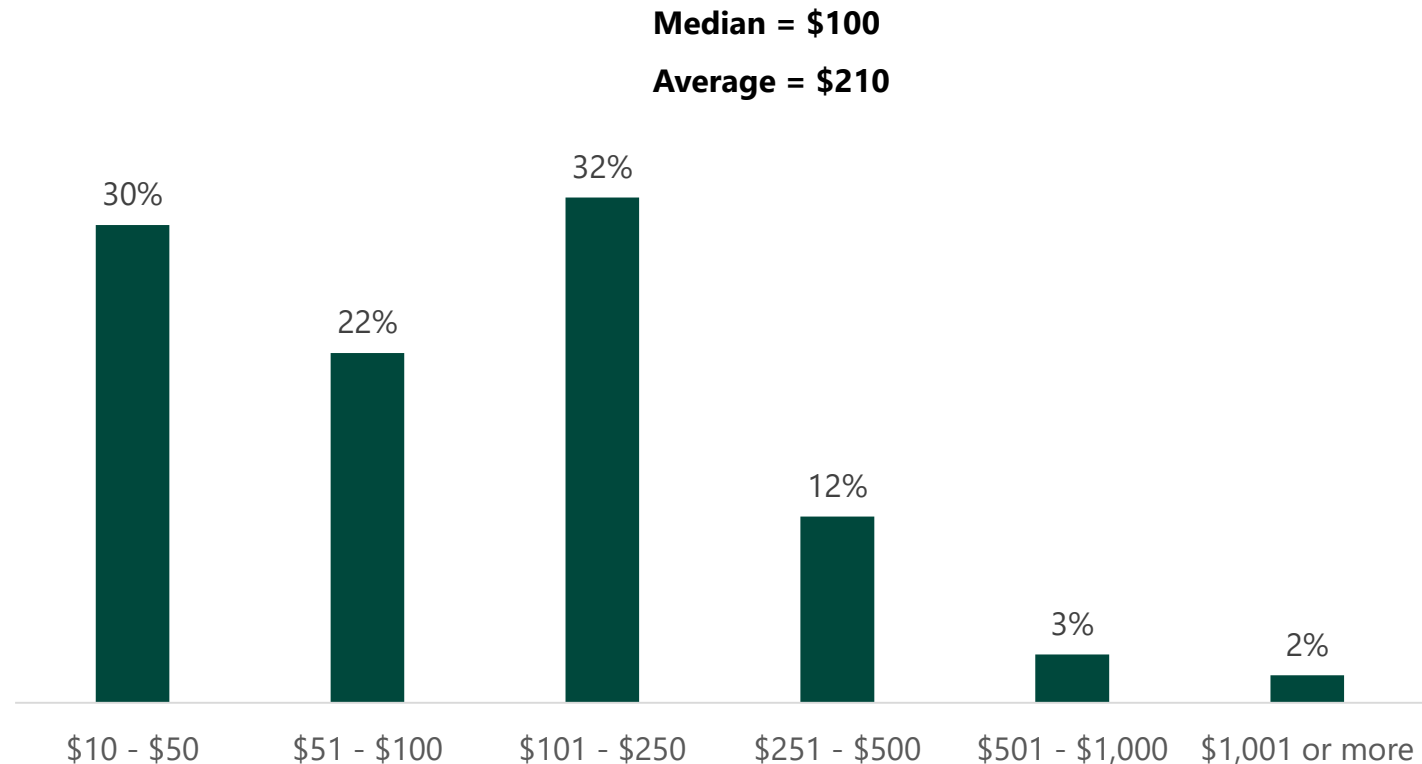
Event Gifting – Gift Sources



From which of the sources below do you purchase event gifts?

Average Per-Attendee Gifting Spend

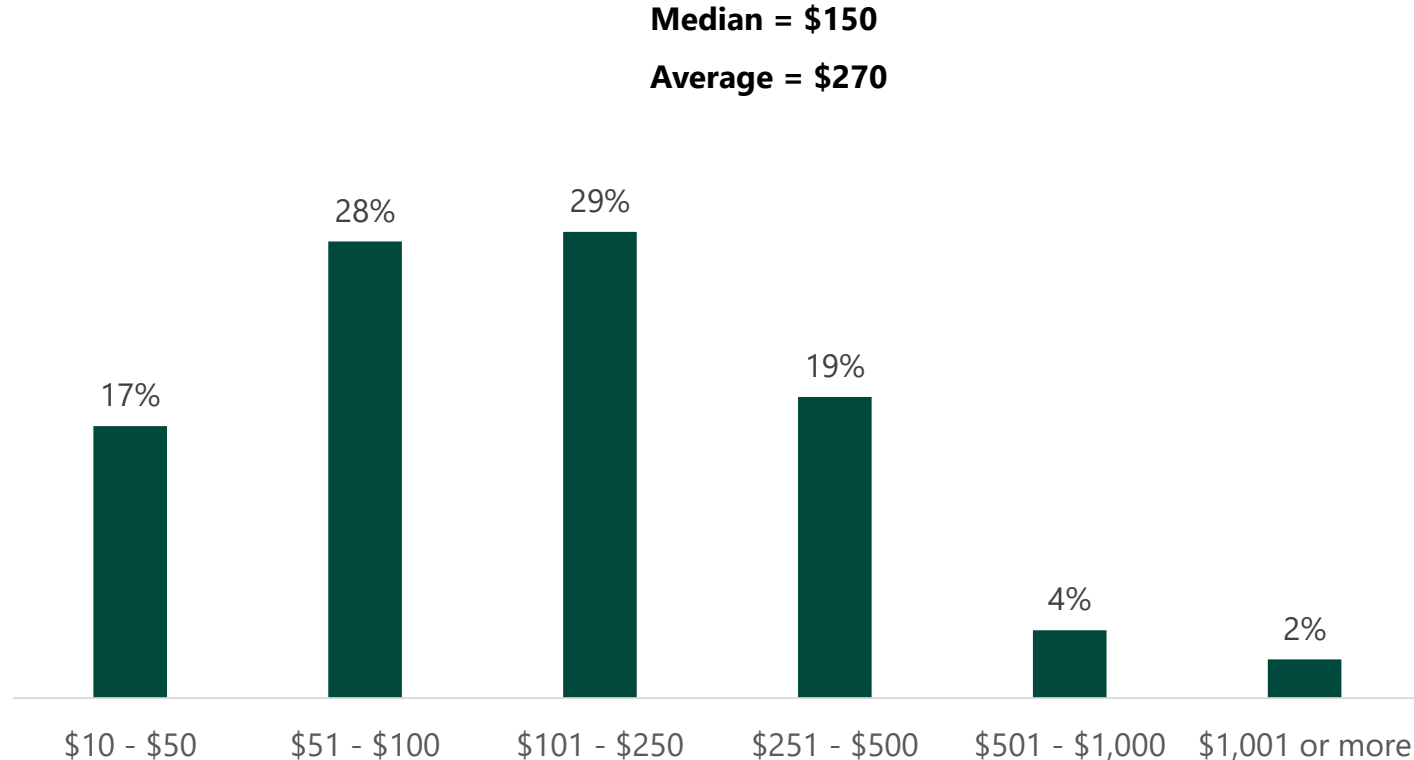
Attendee gift spend is most commonly around \$100, but many respondents are spending \$10 to \$50 per attendee. A small proportion are making significant investments in attendee gifts – these are most likely for small events for key clients or high-performing salespeople.



What is your approximate per-person spend for event gifts? - For attendees.

Average Per-Speaker Gifting Spend

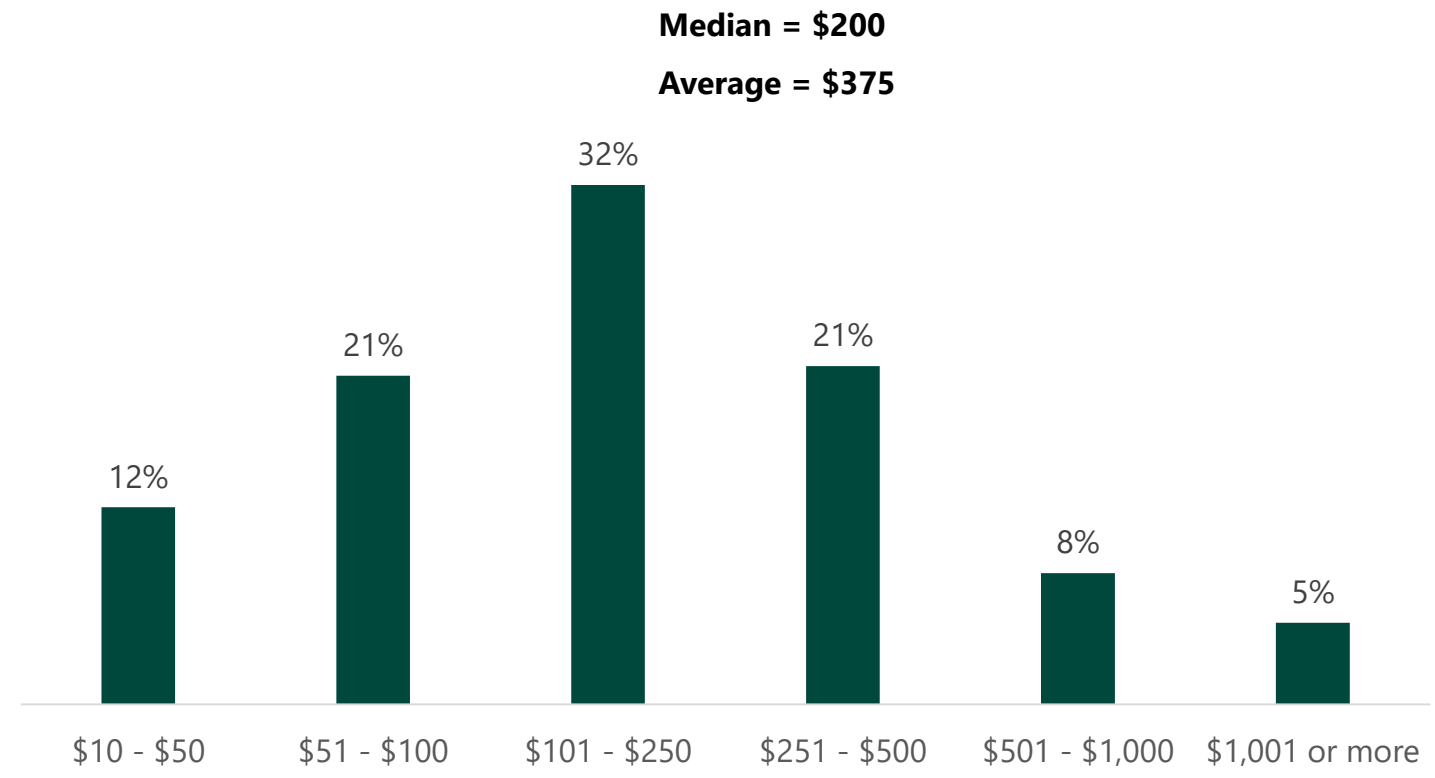
The median per-speaker spend is \$150, although some are spending considerably more.



What is your approximate per-person spend for event gifts? - For speakers.

Average Per-VIP Gifting Spend

VIP attendees command a higher spend rate than attendees – on average \$375.

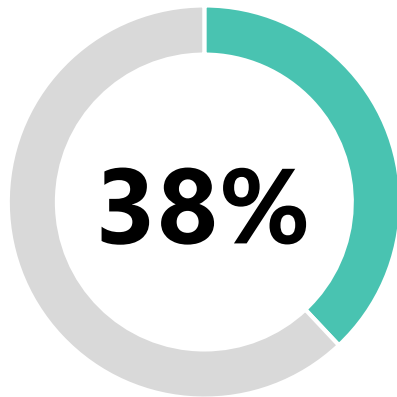


What is your approximate per-person spend for event gifts? – For VIPs.

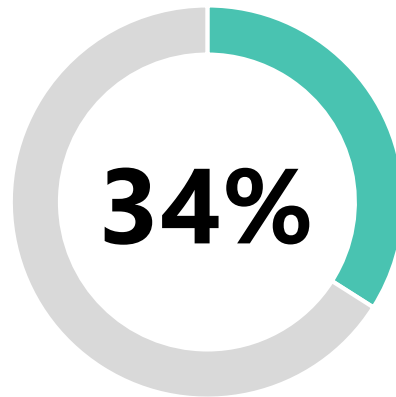
Event Gifting Budgets - Net Increasing for 2019

All segments anticipate event gifting budgets to increase in 2019, although suppliers and third-party providers have a more optimistic outlook than their clients.

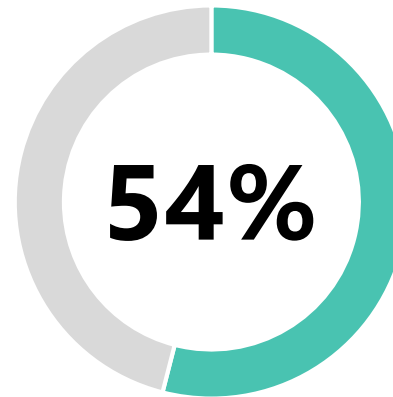
TOTAL



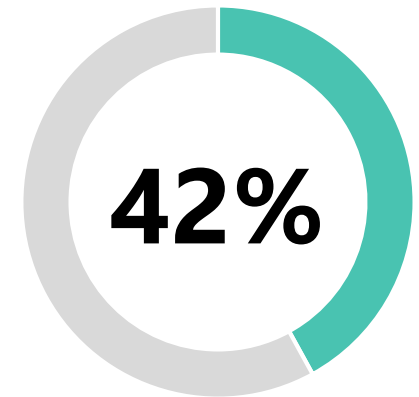
CORPORATE



SUPPLIER



THIRD PARTY

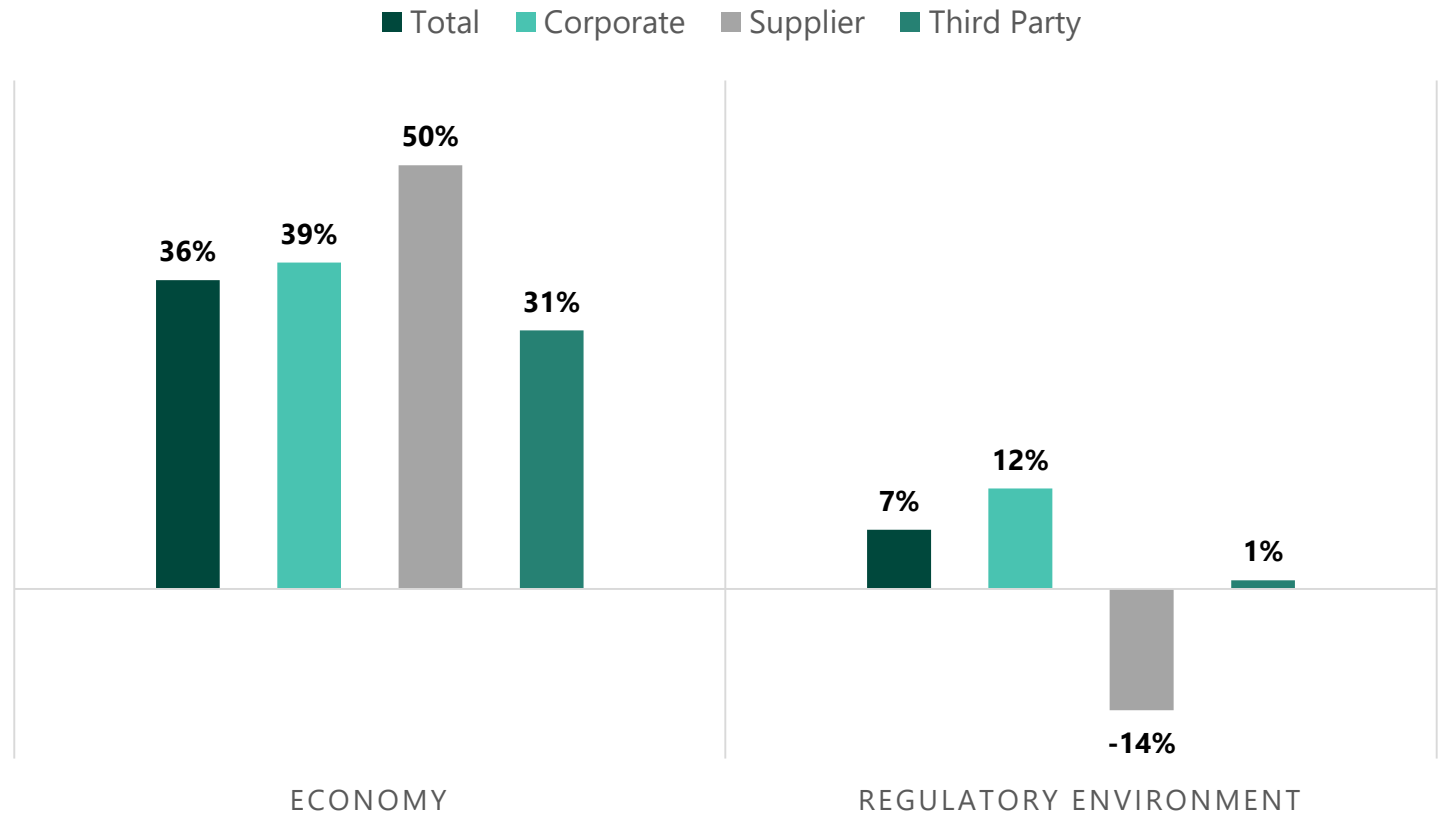


Which of the below best describes your expectations for event gifting budgets for 2019?

Net Optimism by Audience

The overall outlook for the coming year is positive for professionals charged with event gifting. Corporate respondents have a net optimism of 39%, and suppliers are even more optimistic as a group.

The regulatory environment does create a cautious outlook for the marketplace, particularly among event gift suppliers.



Thank you to the following organizations for their support of this research:

- Incentive & Engagement Solution Providers (IESP), a strategic industry group of the Incentive Marketing Association – Research Advocacy Partner & survey distribution
- Maui Jim – survey distribution

