Incentive Research Foundation

INDUSTRY OUTLOOK FOR 2025: MERCHANDISE, GIFT CARDS AND EVENT GIFTING

THEIRF.ORG

Industry Outlook for 2025: Merchandise, Gift Cards and Event Gifting

The outlook for non-cash rewards in 2025 remains positive across both North America and Europe. North American economic optimism rebounds from near historic lows to 23%, signaling a stronger outlook for 2025. Economic optimism in Europe increased from 29% last year to 56% heading into 2025. Incentive professionals anticipate strong financial performance by their companies, although they view the broader incentives industry through a more conservative lens.

With spending down in many areas in 2024, budgets for merchandise, gift card, and event gifting are generally expected to increase in 2025. As companies aim to engage employees through diverse, meaningful, and personalized offerings, various types of non-cash rewards are poised to see significant growth across both North America and Europe. Gift cards, merchandise rewards, and event gifting are also on track for continued growth, with some notable shifts in how these rewards will be selected and utilized in program design.

Research Methodology

Each year, the Incentive Research Foundation commissions a comprehensive study to evaluate the state of the incentive rewards industry. This research focuses on non-cash incentives (such as merchandise, gift cards, and event-based rewards), and provides an analysis of the trends from the previous year. Additionally, the report offers projections and insights for the year ahead. By examining both current conditions and future trends, this study equips stakeholders with the data they need to make informed decisions and optimize their incentive programs.

In September and October of 2024, the IRF conducted 412 online interviews with industry professionals who manage or provide gift card and/or merchandise incentive programs and possess in-depth knowledge of non-cash incentive programs, including spend-related details. Responses were collected from North American and European (France, Germany, Italy, Spain, Sweden, and the United Kingdom) countries.

There was significant representation from corporate entities (organizations that use merchandise and/or gift cards to engage, recognize, or thank employees, partners, customers, and event attendees) and third-party providers (agencies that offer merchandise and gift cards to support client programs). For the first time, the study incorporates input from channel programs (58% of responses) and employee programs (93% of responses), which adds a broader perspective to the analysis.

This year's study also saw some changes in the sampling approach, including shifts in industry distributions, the removal of the supplier audience, and increased representation from higher-revenue companies. Despite these changes, the results within these segments show little variation from previous years, indicating that the sample remains highly representative of the industry.

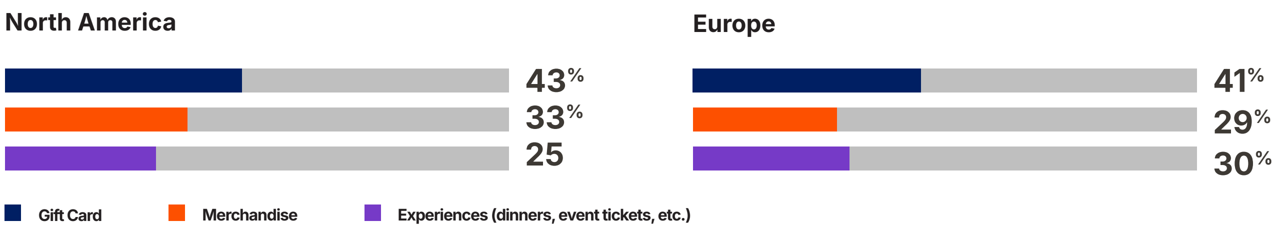
This white paper provides a broad overview of the survey findings and trends, with a focus on comparisons between North America and Europe. While highlights of year-over-year data, corporate vs. third-party comparisons, and employee vs. channel comparisons are included in this white paper, refer to the Reference Deck for the Industry Outlook for 2025 for detailed analysis.

Key Trends from 2024

Non-Cash Rewards Programs Continue to Prioritize Gift Cards, Maintaining Stability

Gift cards have firmly established themselves as the leading incentive type, maintaining their popularity across multiple respondent groups in both North America and Europe. In North America, gift cards account for at least 43% of all incentives. Similarly, gift cards account for 41% of all rewards contributions in Europe. Merchandise and experiential rewards maintain strong presence in the industry, but have not displaced gift cards as the primary incentive. However, experiential rewards have gained significant traction in recent years, now matching merchandise in popuarity in Europe.

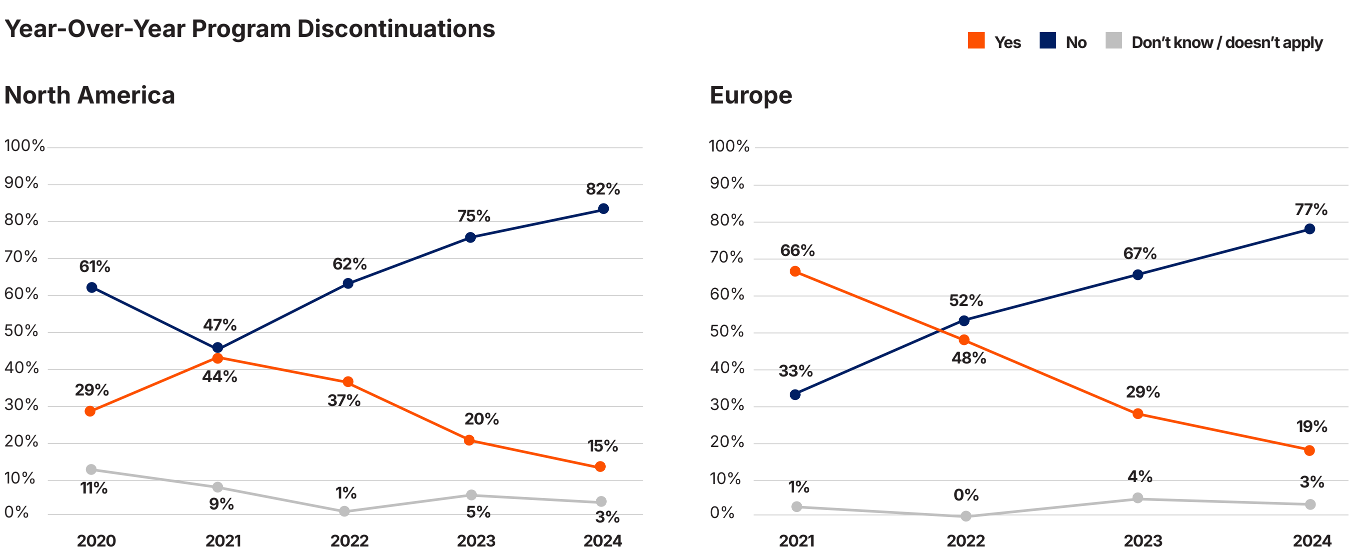
Gift Cards Are the Leading Reward Type in North America and Europe



What percentage of your channel/employee program rewards is contributed to each of the following categories?

This trend is complemented by a steady increase in program retention, particularly in North America, where the frequency of discontinuations dramatically decreased from 44% in 2021 to just 15% in 2024. Higher levels of retention indicate a sense of stability in the rewards market as organizations rely on proven incentive strategies. In Europe, program discontinuation rates have continued a steady decline from 66% in 2021 to 19% in 2024, suggesting that European companies are aligning more closely with their North American counterparts on program longevity. Though cumulative trends are positive, European third-party providers face greater retention issues, with 29% reporting program terminations this year.

Merchandise / Gift Card Program Retention is Increasing



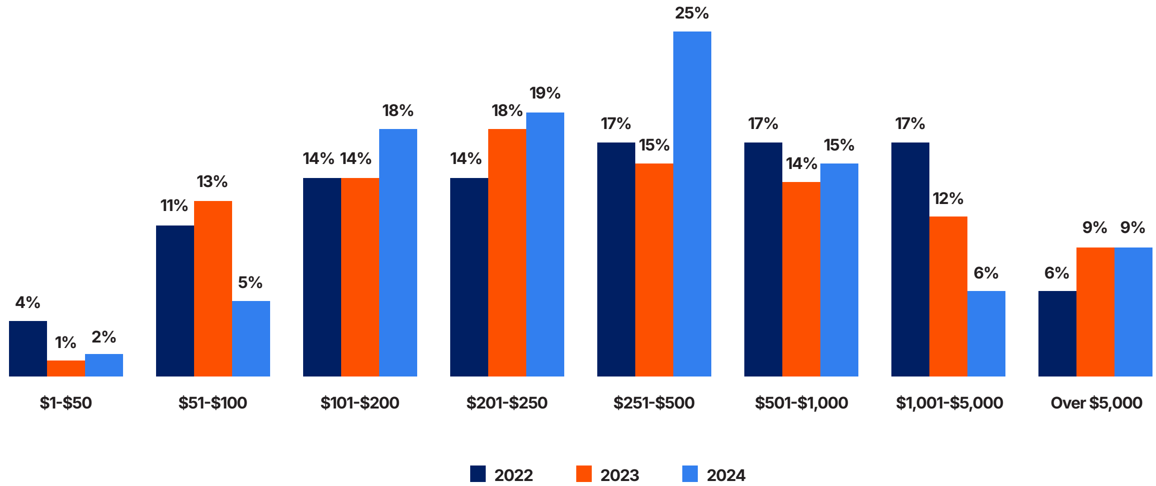
In the past year, have you discontinued any merchandise or gift card program(s)?

Non-Cash Rewards Spending Patterns Shift as Programs Move Towards Moderate-Value Options

In North America, the average annual spend per person on non-cash rewards has decreased from $1,090 in 2023 to $921 in 2024. This decline is primarily driven by fewer large expenditures, with 62% of all programs now spending between $100 and $500 per person. Categories at either extreme (below $100 and above $1,000) exhibit significant reductions. The increased frequency of moderate-spend allocations signals a shift toward more manageable incentive budgets – and potentially broader reach – across programs. Corporate programs are leading this trend, with per-person spend averaging $895 per year, over 11% lower than the $1,013 spent by third-party providers.

North American Annual Expenditure Per Person

Annual per-person spend on non-cash rewards is decreasing in North America

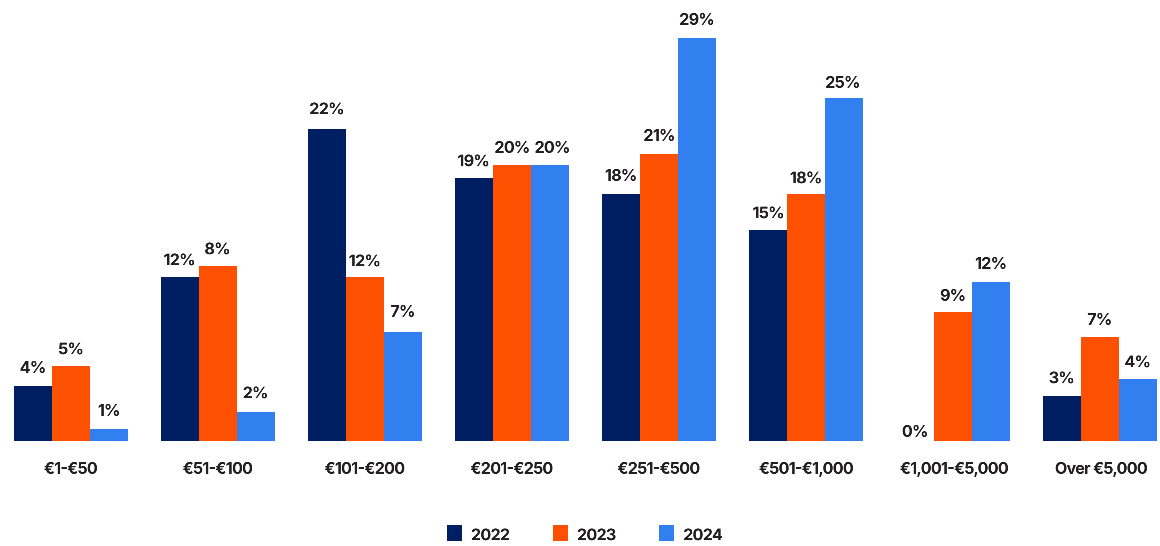


On average, what is the annual per-person spend on non-cash rewards, including merchandise and gift cards for your channel/employee program?

In contrast, non-cash rewards expenditures in Europe show positive growth, with the average per-person spend rising from €909 in 2023 to €924 in 2024. This increase is driven by notable growth in the €251 to €1,000 range, indicating a preference for mid-to-high-value rewards. Channel programs are leading this upward trend, with an average per-person spend of €1,018, compared to €861 for employee programs. Interestingly, annual per-person spends under €200 have become nearly non-existent in Europe, signaling a shift toward more substantial, impactful rewards.

European Average Annual Expenditure Per Person

Per-person spend on non-cash rewards in Europe is increasing



On average, what is the annual per-person spend on non-cash rewards, including merchandise and gift cards for your

Merchandise Spend Declines in North America, While Europe Experiences Growth

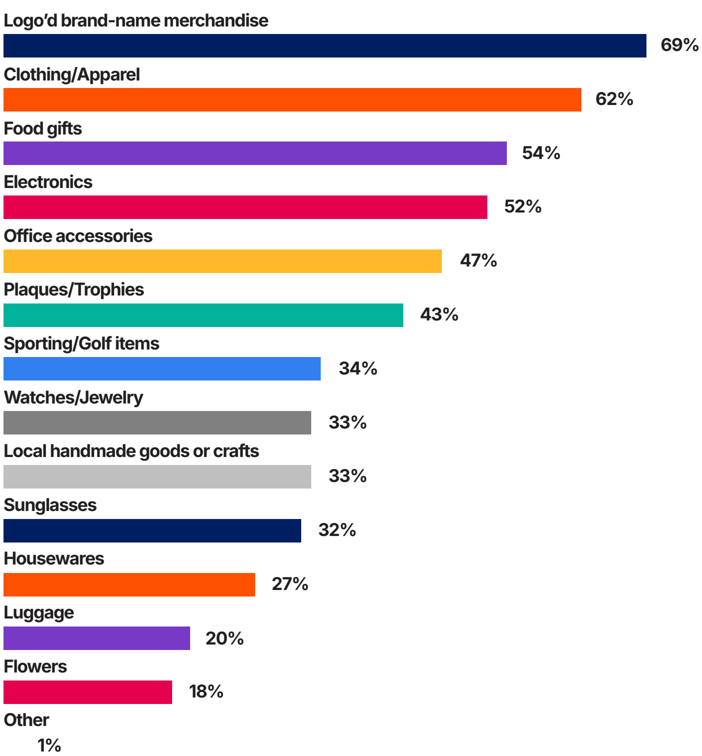
In the past year, North American programs have seen a decline in both merchandise and on-site gifting spend, with a marked drop in higher-value rewards. As a result of increased spends between $50 and $100, the average spend per instance for merchandise has decreased to $177 this past year, compared to $191 in 2023. This reflects a broader trend of diminishing expenditure on high-value items such as electronics and food gifts, which have experienced significant declines. Meanwhile, more moderate-value items, including logo'd brand-name merchandise and clothing/apparel, have maintained their prevalence, with logo'd brand-name merchandise increasing in popularity (included in just under 70% of non-cash rewards programs). Additionally, the focus of North American employee programs tends to be on more familiar and popular reward types, such as clothing/apparel (62%) and logo'd brand-name merchandise (71%), while channel programs embrace a broader variety of rewards across a wider range of categories, particularly food gifts and electronics.

In contrast, Europe is experiencing an upward trend in merchandise spending, with average per-instance expenditures rising from €174 in 2023 to €232 in 2024. Spends of less than €50 have become nearly irrelevant, accounting for only 4% of rewards (14% in 2023). Merchandise categories, such as local handmade goods and crafts, as well as plaques/trophies, have seen notable growth. Clothing/apparel has also surged in popularity, reflecting a broader shift toward higher-value rewards. Notably, European third-party providers favor high-value items like luggage, sporting/golf items, and electronics, while corporate entities are more inclined toward recognition-oriented items like food gifts, local crafts, and plaques/trophies. Despite these differences, both corporate and third-party providers in Europe demonstrate a strong preference for logo'd brand-name merchandise and clothing/apparel, similar to trends observed in North America.

Merchandise Reward Prevalence

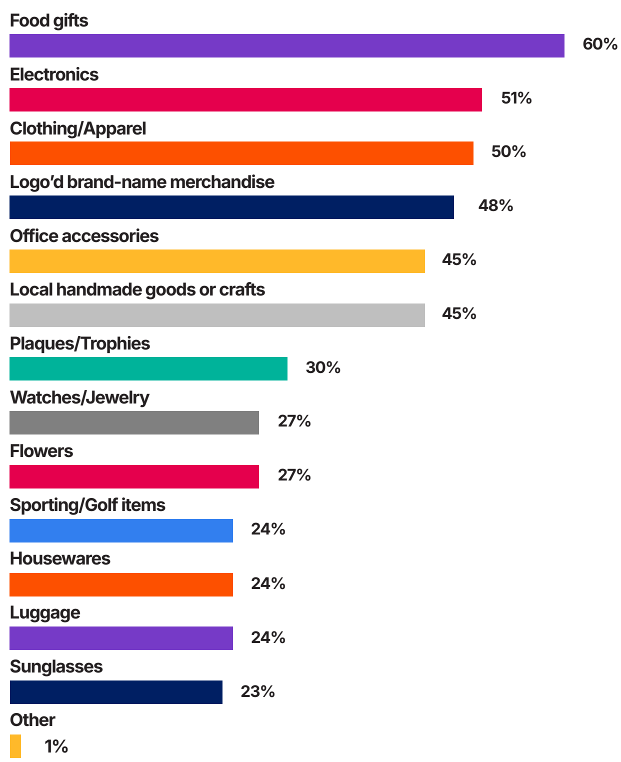
North America

Increasing in popularity, logo'd brand-name merchandise continues to be most prevalent in North America.



Europe

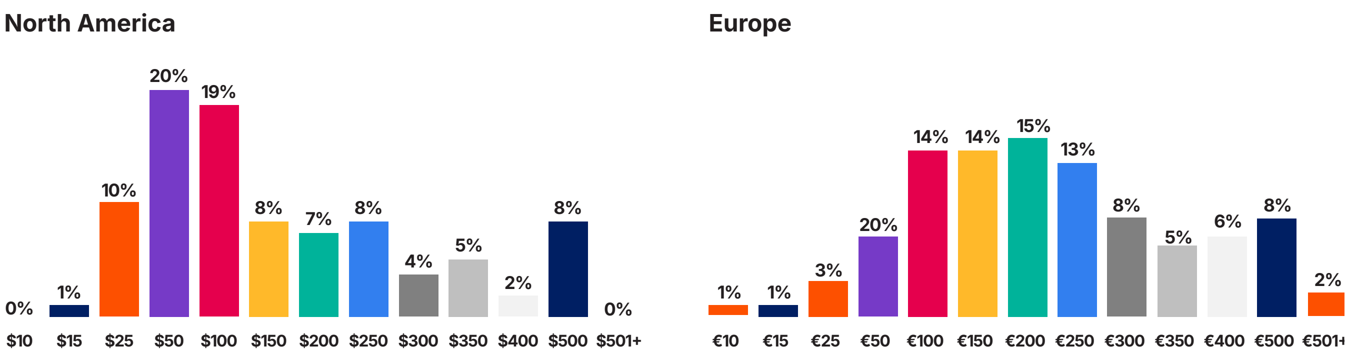
Clothing/apparel and local handmade goods or crafts rise in popularity in Europe.



Which of the types of merchandise listed below do you use for your non-cash rewards programs?

The trend toward higher-value rewards in Europe is exemplified by the growing prevalence of on-site gifts in the €400+ range, which increased from 6% in 2023 to 17% in 2024. In comparison, North America has seen a reduction in similar high-value categories, with corporate programs more likely to provide extreme-value gifts, while third-party providers generally opt for mid-range rewards. This regional distinction in spending patterns highlights the contrasting approaches to reward programs across the two continents, with North America focused on maintaining consistent expenditures, while Europe's reward programs shift toward more premium offerings. This shift is particularly pronounced in the case of on-site gifting, where European programs (averaging €238) are spending more per instance than their North American counterparts (averaging $170).

Merchandise Reward Value for On-Site Gifting



What is the average merchandise spend per instance for on-site gifting in your channel/employee program?

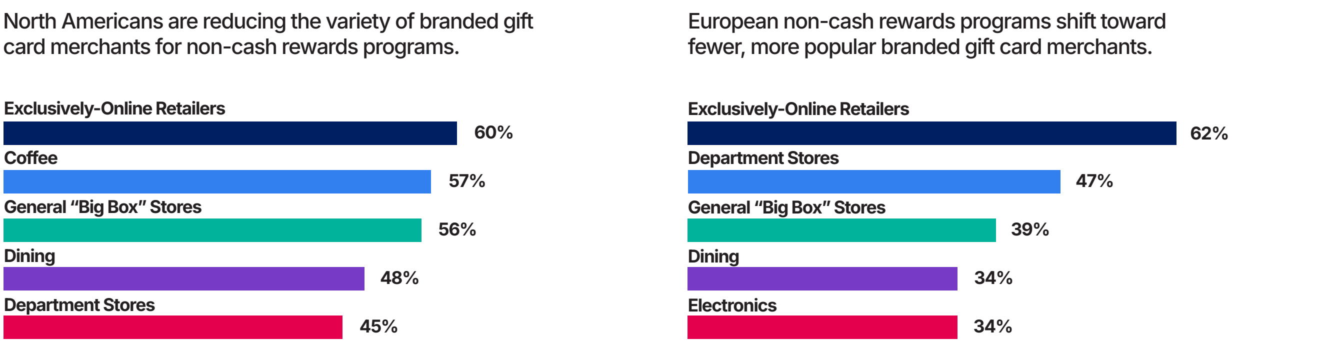
Gift Card Denominations Reduce Slightly in North America, But Continue to Rise in Europe

This past year, the average gift card denomination in North America decreased to $142, 7% less than in 2023. This decline reflects a shift towards smaller denominations, with $50 and $100 gift cards now accounting for 51% of all distributions. Channel programs, however, continue to favor higher-value gift cards, with a cumulative average of $180, 27% higher than employee programs who predominantly distribute $25, $50, and $100 gift cards. While denominations have reduced, the variety of gift cards used in North America has remained relatively stable, with brand-specific cards, restricted cards, and gift card vouchers holding steady in popularity, although open-loop cards saw a slight decrease in usage.

In contrast, Europe has seen a steady increase in gift card denominations, with the average value rising to €182 in 2024, up from €161 in 2023. Gift cards valued €200 or more now make up 56% of distributions, a significant increase from 38% in 2023. This reflects a growing trend towards higher-value gift cards, with denominations under €50 becoming less common (4% in 2024 compared to 16% in 2023). While there are some differences between employee and channel programs in both regions, the overall rise in gift card values is a key trend across Europe, with third-party providers also favoring higher-value gift cards (€211 on average) compared to corporate entities (€179 on average). Europe is also seeing a rise in gift card variety, with notable increases in the use of open-loop cards (+6%), brand-specific cards (+12%), and restricted cards (+14%).

Both regions favor exclusively-online retailers as the preferred merchants for gift card rewards. However, in North America, there has been a shift toward limiting the variety of branded gift cards available to program participants. From 2023 to 2024, several categories displayed a decline in popularity, including electronics (-15%), music/movies (-12%), and beauty (-12%). In contrast, European programs show divergent trends, with increases in exclusively online retailers (+18%), department stores (+14%), grocery (+8%), and beauty (+8%), while categories such as coffee (-18%), general "big box" stores (-15%), gas (-15%), and home improvement (-13%) experienced declines. These shifts indicate that both North America and Europe are adjusting their gift card offerings to align with market dynamics, while also considering regional budgetary factors.

Branded Gift Card Merchant



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

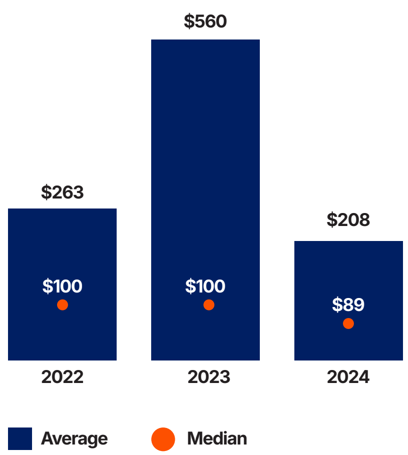
Event Gifting Sustains the Trend of Declining Spend in North America and Increasing Spend in Europe

Events that include attendee gifts have remained consistent in North America, with customer events (61%) and incentive trips (58%) being the most common occasions for gifting. Collectively, the frequency of gifting displays limited fluctuations as each event type (aside from sales calls which were not directly surveyed last year) remain within 5% of 2023 marks. However, as in other non-cash rewards areas, event gifting spend decreased in North America this year. Dropping nearly 30% from last year, the average annual spend per person was $649 in 2024. This shift reflects a move toward more modest gifting, as the bulk of event gift spending now falls in the $201 to $500 range (40%). The reduction in extreme spending is also seen in gifts for speakers, VIPs, and attendees, where the average spend has decreased, but median spending has increased, indicating more uniformity in event gift expenditures.

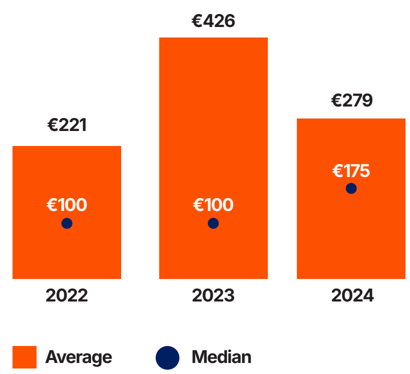
Event Gift Spending

Overall, event gift spending for attendees is trending downward in North America, but upward in Europe

North American Average Event Gift Spend Per Attendee



European Average Event Gift Spend Per Attendee



What is the approximate per-person spend on event gifts for attendees?

In contrast, gifting is becoming increasingly popular in Europe, particularly at high-level corporate events such as senior leadership and board meetings, which experienced a 22% increase in gifting frequency compared to 2023. Incentive trip gifts are also increasing, up 8% from the previous year. Alongside this trend, average annual spend on event gifts is becoming more concentrated in Europe. Average annual per person spends from €201 to €1,000 now account for 68% of total spending, up from 52% in 2023. Additionally, denominations under €100 have become rare, accounting for only 6% of event gifts in 2024, compared to 20% the previous year. European third-party providers are driving this increase, with a higher cumulative average spend of €1,062 compared to €854 for corporate entities. While corporate entities are spread across a range of budgets, third-party providers focus more heavily on mid- and high-range spending tiers.

Shifts in Event Gift Selection Drive Narrowed Budget Focus in North America and Personalization Trends in Europe

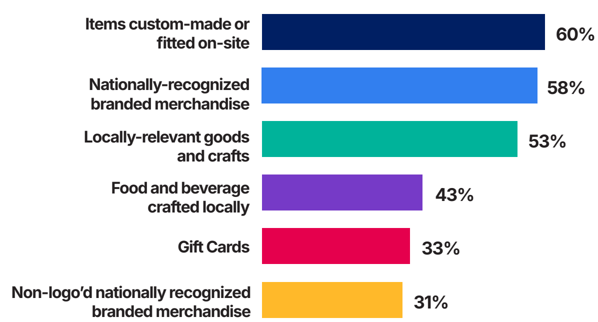
In North America, event gift selections have become increasingly cost-conscious. The primary driver behind gift choices is now budget, with 44% of respondents prioritizing cost (a 22% increase from 2023), reflecting the broader trend of reduced spending across event gifting categories. Meaningfulness, although still important for 31%, has decreased by 17%, suggesting a diminishing emphasis on emotional value in favor of more pragmatic decisions. Locally-relevant gifts also saw a decline of 12%, further indicating a preference for universally appealing, cost-effective options. This trend of fewer, more consistent gifting options is mirrored by a decrease in the use of nationally-recognized branded merchandise (-13%), food and beverage crafted locally (-11%), and gift cards (-9%).

Conversely, Europe has seen a shift towards sustainability and personalization in event gifting. While budget considerations (33%) remain a key priority, the focus on sustainability (32%) is prominent. Meaningfulness as a priority has decreased by 15%, suggesting that the emotional connection of gifts is no longer the primary focus in event gift selection. However, European rewards reflect a more personalized approach, with a decrease in the use of generic gifts like gift cards (-17%) and an increase in locally-relevant goods, custom-made items, and nationally-recognized branded merchandise. This trend parallels the steady increase in average spending on event gifts, as the options generally require greater expenditures.

Gifting Options for Meetings & Events

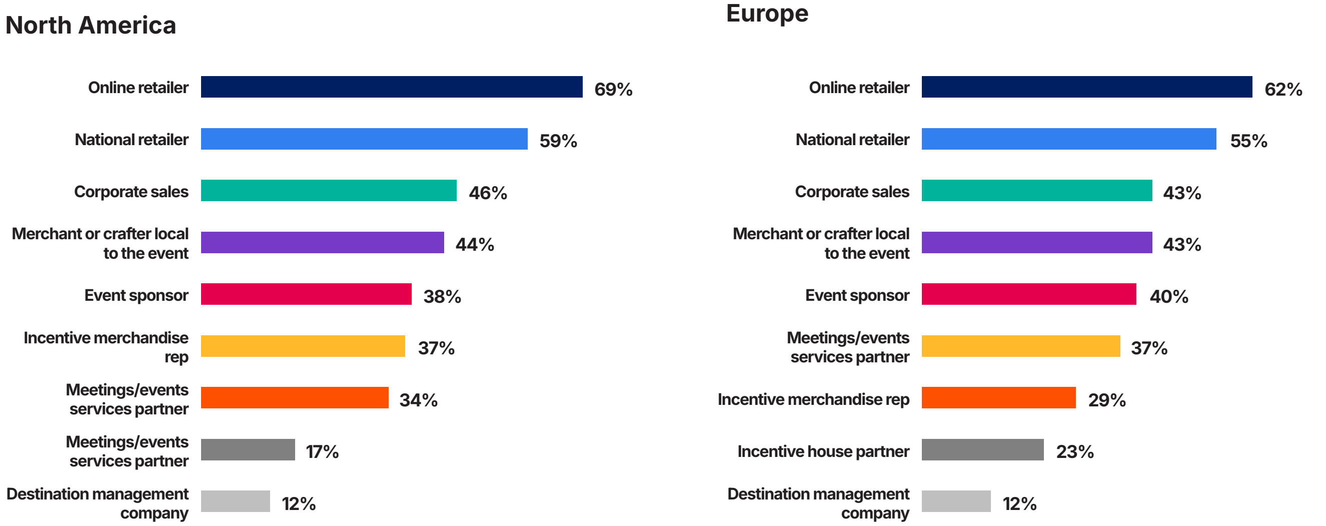
North America is shifting toward fewer, more consistent event gifting options, with a decline in variety.

Event gifting in Europe shifts towards more personalized and meaningful gifts



Sourcing for event gifts aligns with evolving priorities. In North America, the move towards cost-consciousness has led to a rise in sourcing from corporate sales (46%, up from 34% in 2023), while partnerships with incentive houses have decreased. Similarly, in Europe, there is a notable increase in sourcing from local merchants and crafters (+13%), which aligns with the shift towards personalized and sustainable gifts.

Event Gift Sources



From which sources do you purchase event gifts?

Influence on Non-Cash Reward Program Design

In 2024, the design and implementation of incentive programs in both North America and Europe continued to be heavily influenced by a combination of internal company priorities and external market factors. The most significant driver remains a company's financial forecast, with 96% of North American respondents and 93% of European respondents indicating that their organization's financial outlook is a key influence on incentive program design. This shows a continued focus on aligning rewards with financial goals and organizational priorities, reinforcing the importance of financial performance as a core driver in incentive planning.

While financial forecasts lead the charge, internal stakeholders and public perception also hold critical roles in shaping program design. In North America, 78% of respondents cite the influence of internal (non-incentive) stakeholders, and 71% indicate public perception as a significant driver. Notably, public perception holds more significance in channel programs, where 80% report being significantly influenced by public opinion, compared to 71% of employee programs. In Europe, public perception continues to grow as a driving force, with 88% of respondents acknowledging its influence on incentive design (up from 82% in 2023). Competitor influence in Europe has also risen, with 81% factoring it into their decision-making, marking a shift towards a more competitive landscape for incentive program strategies.

Forecasting the 2025 Non-Cash Rewards Landscape

Views on External Drivers Impacting Non-Cash Rewards Programs Remain Largely Optimistic

In North America, confidence about the future financial performance of individual organizations has reached a notable high. 75% of respondents view their economic outlook as strong, a 17% increase over last year. Additionally, 85% anticipate strong financial performance in the coming year, up slightly from 2023. As a company's financial performance has been indicated as the primary driver in program design, this rising shift in organizational confidence indicates a stable foundation for continued investment in non-cash rewards programs, even as the broader economic landscape remains in flux.

The positive sentiment within individual companies is contrasted with a broader industry perspective. While North American businesses are optimistic about their internal growth, the broader industry is viewed through a more conservative lens. Net optimism (percentage of respondents who have a positive outlook minus percentage of respondents who have a negative outlook) for the overall economy has rebounded from near historic lows last year (2%) to 23% positive looking toward 2025. This increase, while significant, remains cautious compared to the higher levels of organizational confidence.

The regulatory environment also plays a crucial role in shaping future investments in non-cash rewards. In North America, confidence in the regulatory environment has risen significantly, with a net optimism score of 39%, matching the previously recorded peak from 2022. This positive outlook signals that many organizations feel more confident about the regulatory conditions ahead, which could lead to increased investments and innovation in non-cash rewards. As regulations become more favorable, companies across various sectors may be more inclined to expand or refine their rewards offerings, contributing to a stronger non-cash rewards landscape in 2025.

Turning to Europe, the optimism around financial performance and economic outlook is even more pronounced. 88% of European respondents view their economic outlook as strong, a sharp increase from 74% in 2023. Additionally, 91% expect their organizations to perform well financially in the coming year. However, similar to North America, Europe's optimism for the broader industry is also growing but at a more cautious pace. European industry-wide net optimism stands at 56% looking toward next year, a significant increase from the 29% recorded last year. This is an encouraging trend, as it represents the highest marks since Europe was incorporated into this study in 2021.

In Europe, confidence regarding the regulatory environment is also on the rise, with a net optimism score of 59%, also reaching new recorded highs (up 26% over 2023). This growing assurance in regulatory conditions aligns with broader trends in non-cash rewards, such as an increased focus on sustainability and personalized gifting. As in North America, a favorable regulatory landscape in Europe is expected to encourage further investment in non-cash rewards programs. With a more supportive regulatory environment, companies are likely to seize opportunities to expand and enhance their rewards offerings as they look toward 2025.

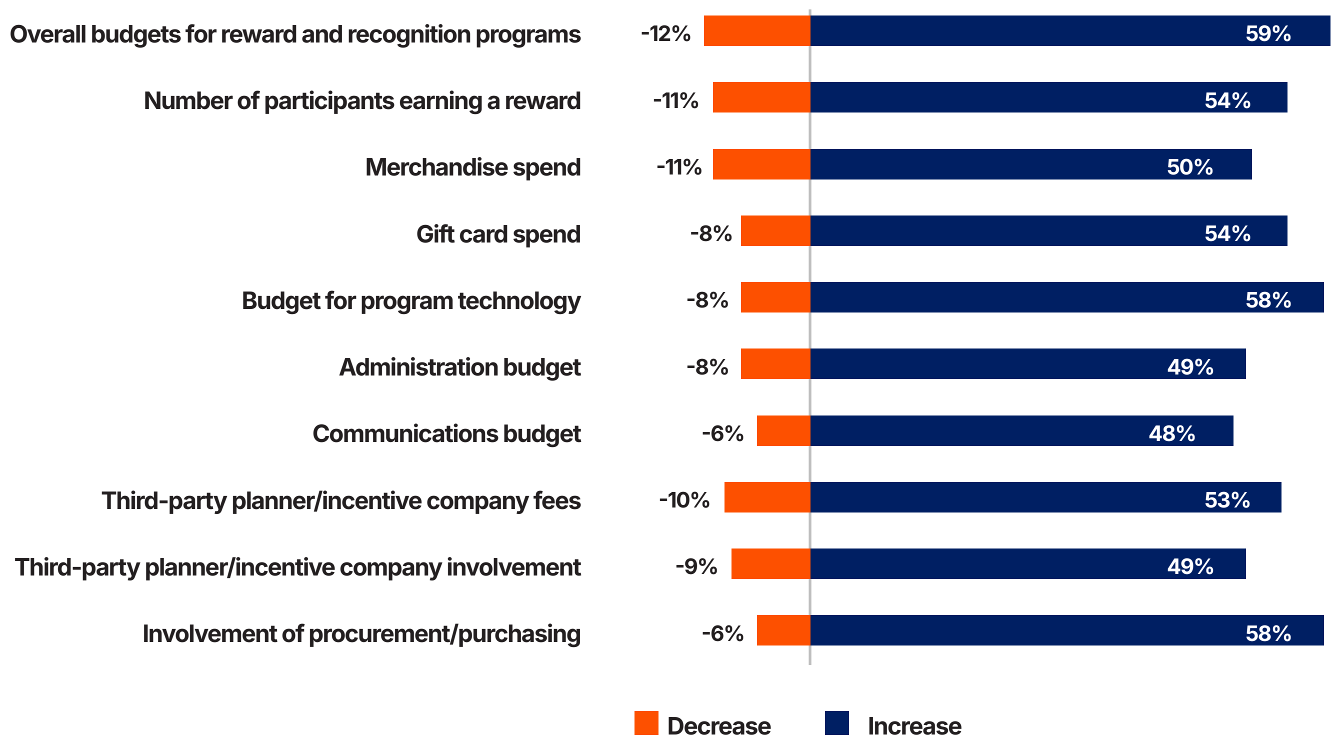
Non-Cash Rewards Budgets Are Very Likely to Increase in 2025

Previewing 2025, budget expectations for non-cash rewards programs in both North America and Europe suggest a continued focus on growth, with an emphasis on technology and program administration. In North America, 59% of organizations expect an increase in their overall budgets for reward and recognition programs, marking a positive shift from 2024's financial outlook. Notably, only 12% anticipate decreases in their rewards budgets, reinforcing the continued optimism and prioritization of non-cash rewards in the coming year.

Further examination reveals that the most significant increases in North America can be expected in the areas of program technology and administrative budgets. For example, 50% expect the budget allocated for program technology to rise in 2025. This 9% increase over last year's expectations indicates a strong commitment to digital transformation and technological solutions in non-cash rewards programs. Additionally, 15% more respondents expect the administration budgets for reward programs are seeing a to increase in 2025 than in 2024, reflecting an evolving emphasis on refining the internal structure and processes that support reward systems.

North American Anticipated Change in Non-Cash Rewards Budget

North American budget increases are expected to be frequent in the upcoming year



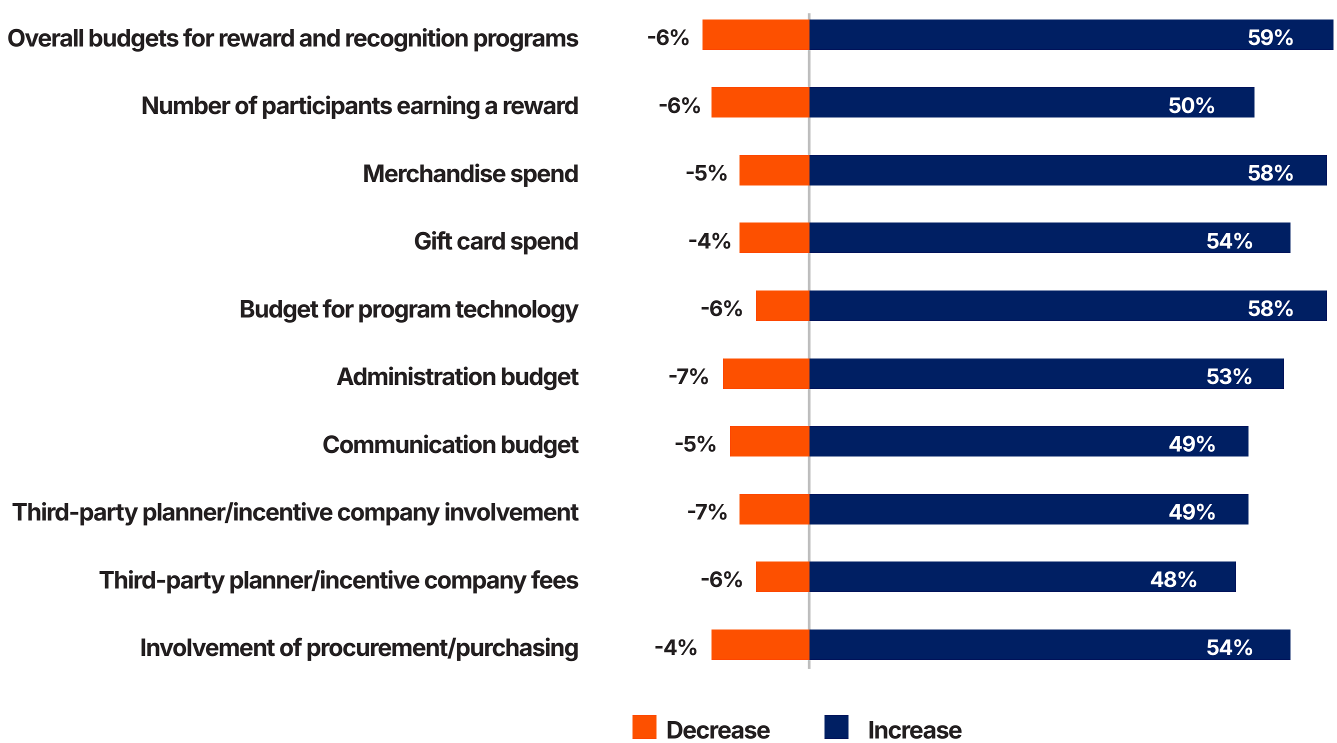
In the coming year, do you generally anticipate the following program elements will increase, decrease, or remain unchanged for your non-cash rewards and recognition programs?

European budgets for non-cash rewards are predicted to rise at a higher rate than those in North America. A striking 74% of European respondents expect an increase in their overall rewards budgets, with only 6% anticipating reductions. Similar to North America, technology budgets and program components tied to procurement/purchasing are set to see notable increases, aligning with broader trends towards integrating more sustainable, technology-driven, and efficient reward solutions.

In Europe, merchandise spend and program technology budgets are the areas most likely to experience increases, mirroring North America's focus on technology as a critical driver of growth. This trend towards increased investment in technology is also a response to the rising demand for personalized, data-driven, and scalable non-cash rewards program. The budget increase for merchandise spend highlights the ongoing preference for tangible rewards, reinforcing the shift away from gift cards and generic options previously employed at higher frequencies. With 74% of companies planning to increase budgets for these categories, it's clear that companies are prioritizing the enhancement of their reward offerings to better cater to evolving employee expectations and preferences.

European Anticipated Change in Non-Cash Rewards Budget

European non-cash rewards budgets are expected to increase to a higher rate than North America



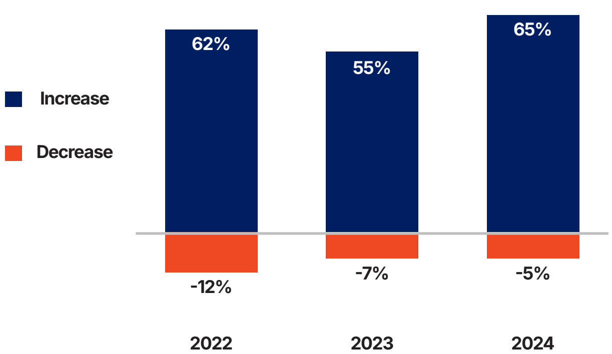
Economic Outlook Provides a Positive Trajectory for Event Gifting Budgets

Both North America and Europe are anticipating substantial increases in event gifting budgets, reflecting a strong confidence in the value of these programs and their role in employee engagement. In North America, 65% of respondents expect an increase in their event gifting budgets. Similarly, Europe is experiencing even greater optimism, with 77% of respondents forecasting an increase. Notably, only 5% in each region expect a decrease in their event gift budgets. In both cases, these predictions are more positive than in past years.

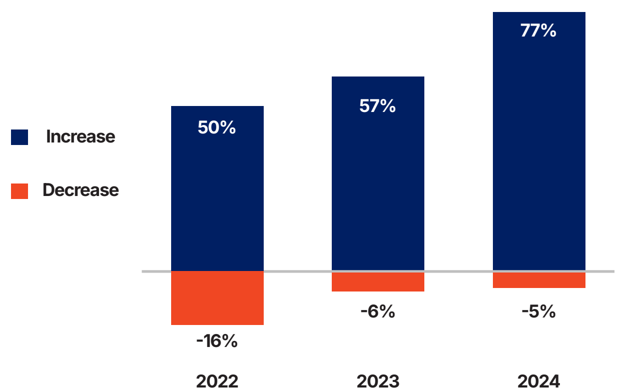
Event Gifting Budgets

Event gifting budgets for 2025 are expected to increase in both North America and Europe, with Europe showing a significant rise in expectations

Anticipated North American Event Gifting Budget Changes



Anticipated European Event Gifting Budget Changes



Which best describes your expectations for event gifting budgets for 2025?

This optimism surrounding event gifting budgets is mirrored by the overall economic outlook for 2025, which plays a crucial role in shaping future spending on non-cash rewards. In North America, 50% of respondents expect the economic impact to be positive for event gifting, though with some caution, as 30% expect a negative effect. Channel programs, however, are more optimistic, with 59% anticipating a positive impact, compared to only 50% for employee programs. Corporate programs show more mixed feelings, with 48% expecting a positive impact and a significant 33% anticipating a negative one. In contrast, third-party providers are the most optimistic, with 59% expecting a positive economic impact on event gifting and only 20% expecting a negative one.

Europe, by comparison, displays much stronger confidence in the economic outlook for event gifting, leading to stronger expectations for budget increases. 72% of European respondents expect a positive economic impact on their event gifting programs, while only 12% expect a negative effect. This broad-based optimism is reflected across all program types, with channel and employee programs closely aligned in their expectations, and third-party providers slightly more optimistic at 79%, compared to 71% for corporate entities.

Expected Growth in Reward Categories Suggests a Positive 2025 Outlook

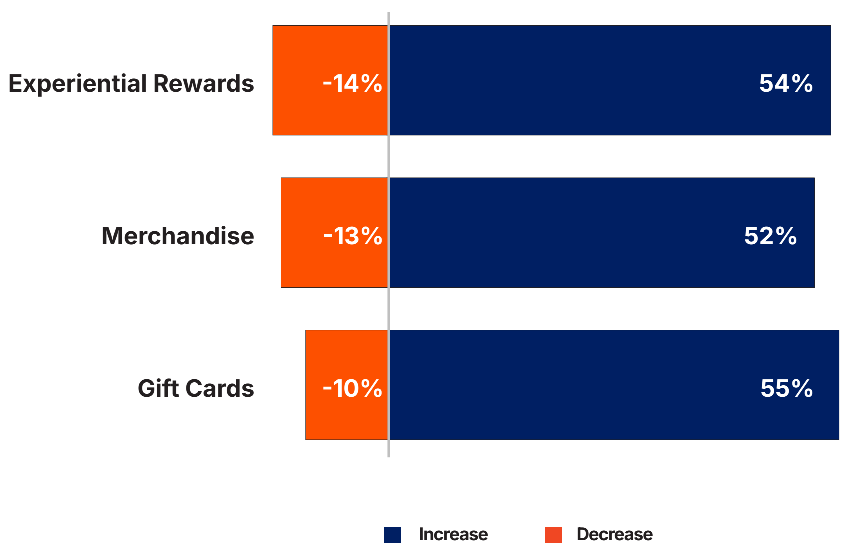
As organizations look toward 2025, expectations for various types of non-cash rewards are poised to see significant growth across both North America and Europe. This growth reflects a broader trend in the evolution of reward strategies, as companies aim to engage employees through diverse, meaningful, and personalized offerings.

Spurred by channel programs, experiential rewards are expected to rise significantly in popularity next in 2025. In North America, 54% of respondents anticipate an increase in usage of experiential rewards, and only 14% expect a decrease. This trend towards experiential rewards aligns with growing interest in creating more immersive experiences for participants, signaling a shift away from more traditional, transactional rewards.

Merchandise rewards are also on track for continued growth in North America, with 52% of respondents predicting an increase, and only 13% forecasting a decrease. Again, channel programs lead the charge, with 60% of respondents expecting merchandise rewards growth. This suggests merchandise rewards will remain an integral part of non-cash reward programs, balancing experiential rewards with tangible incentives.

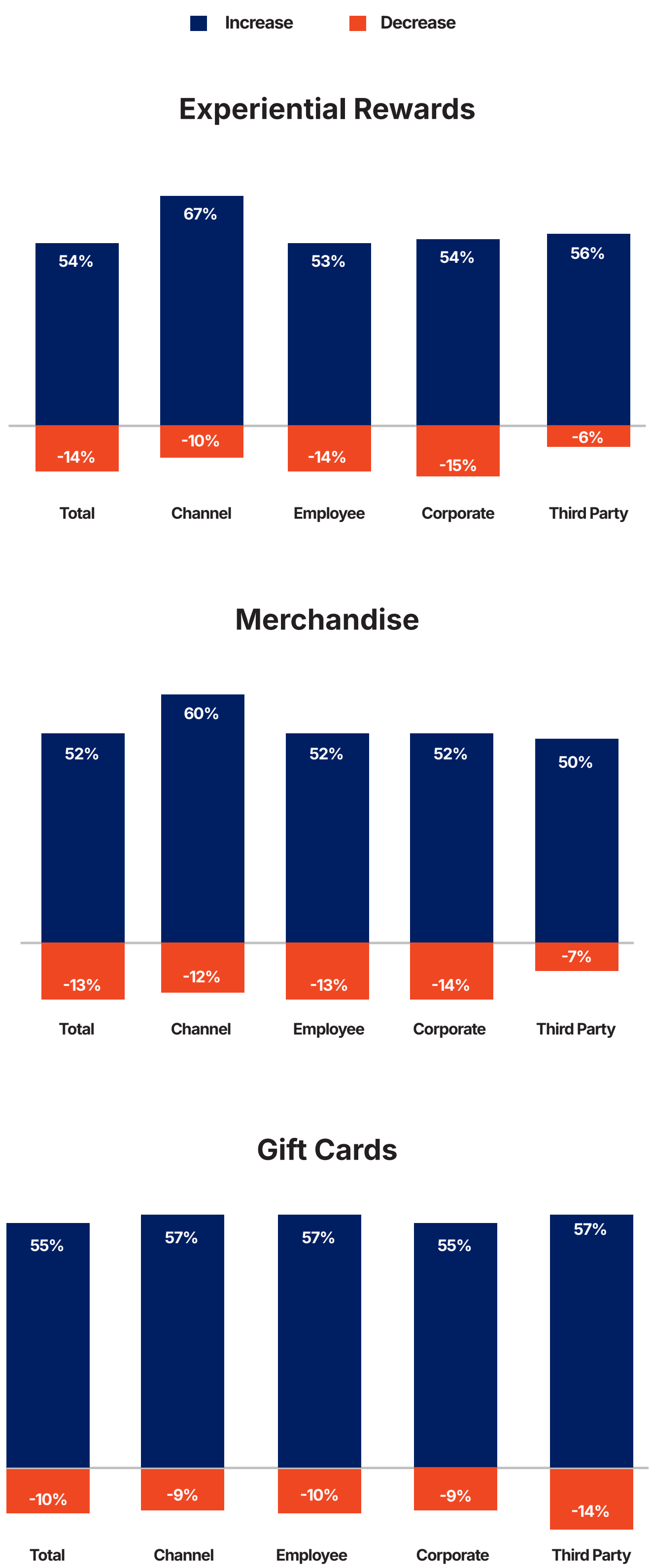
Gift card rewards are similarly poised to increase, with 55% of North American respondents expecting growth in this category, and only 10% anticipating a decrease. Despite the broader optimism, third-party providers are slightly more likely to see a reduction in gift card usage, though the overall decline is minimal. This demonstrates the ongoing relevance of gift cards as a flexible, widely-appreciated reward option to provide cost-effective options.

Total North American Use of Non-Cash Rewards in 2025



In the coming year, do you generally anticipate use of the following reward types will increase, decrease, or remain unchanged

North American Use of Non-Cash Rewards in 2025



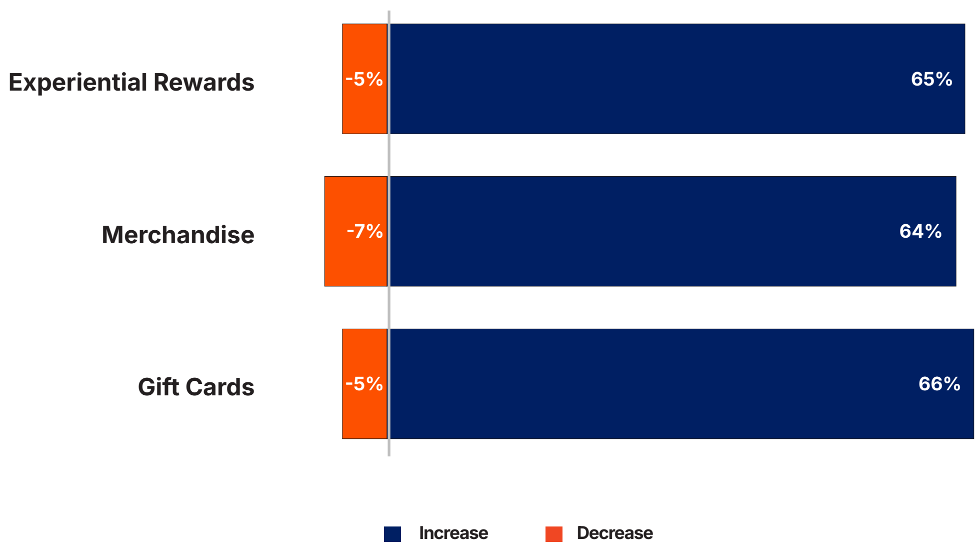
In the coming year, do you generally anticipate use of the following reward types will increase, decrease, or remain unchanged

In Europe, the outlook for experiential rewards is even stronger, with 65% of respondents expecting increases, and just 5% forecasting a decrease. Europe's favorable forecast for experiential rewards is in line with a broader trend of organizations seeking to deliver more impactful and memorable recognition to employees.

Similar to North America, merchandise rewards are also expected to see substantial growth in Europe, with 64% of respondents anticipating an increase, and only 7% expecting a decrease. Corporate programs in Europe are especially optimistic, with 66% expecting an increase, compared to 50% for third-party providers. This continued rise in merchandise usage supports the broader trend of organizations offering tangible, personalized rewards as a complement to experiences.

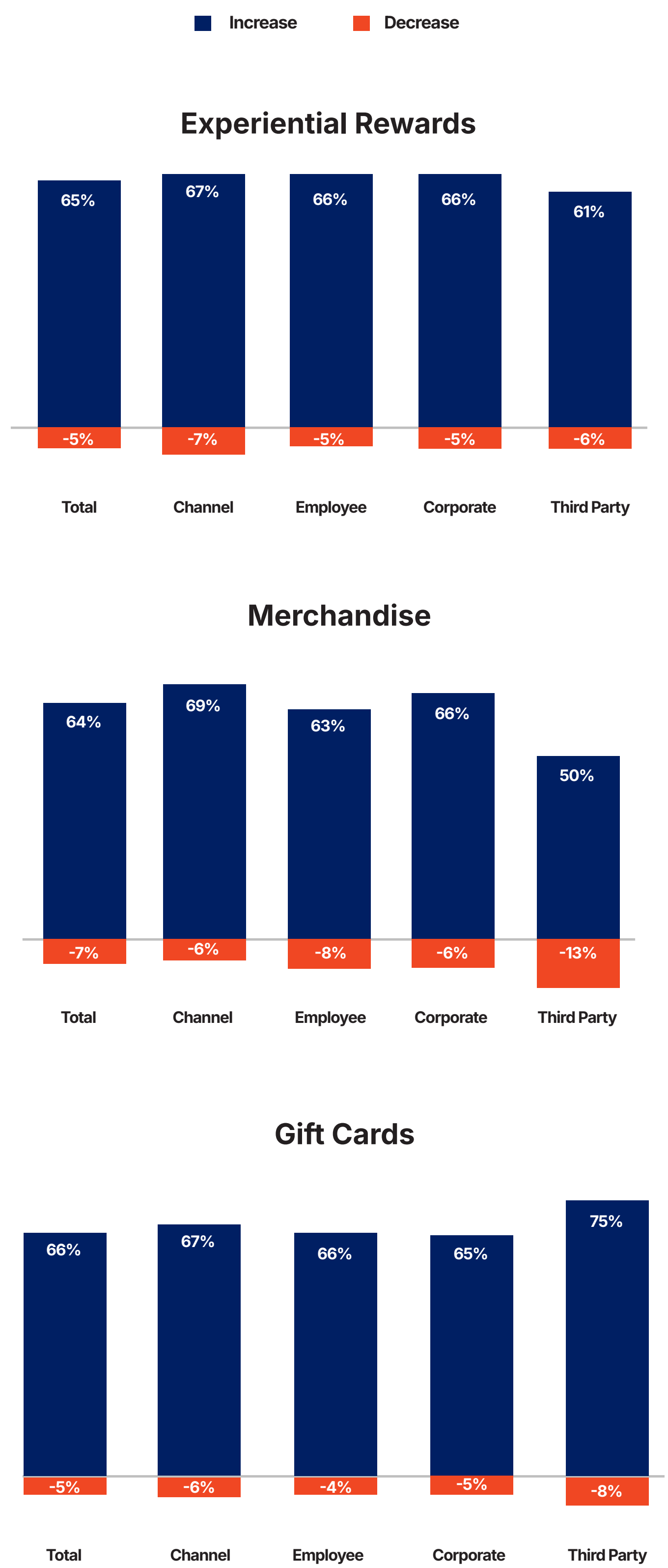
Interestingly, gift cards in Europe are expected to experience growth on par with experiences and merchandise, as 66% anticipate an increase in gift card usage, and only 5% expecting a decrease. Third-party providers may drive this movement as 75% predict growth in this reward method. With such strong optimism, gift cards may provide sustainable, cost-effective options that aim to stabilize recent growths in spending.

Total European Use of Non-Cash Rewards in 2025



In the coming year, do you generally anticipate use of the following reward types will increase, decrease, or remain unchanged

European Use of Non-Cash Rewards in 2025



In the coming year, do you generally anticipate use of the following reward types will increase, decrease, or remain unchanged

Conclusion

The outlook for the non-cash rewards landscape in 2025 reflects a robust and optimistic trajectory across both North America and Europe. Organizations are prioritizing long-term investment in reward programs, spurred by increased financial confidence and a more favorable regulatory environment. With a continued emphasis on innovation, companies are aligning their rewards strategies with emerging trends in technology, sustainability, and personalization. As businesses focus on creating more impactful and engaging employee experiences, the shift toward experiential and merchandise rewards is expected to drive substantial growth. This evolution in reward offerings speaks to a broader commitment to enhance employee recognition and foster stronger, more engaged workforces.

In line with this optimism, budget forecasts for non-cash rewards programs are on the rise, with both regions expecting significant increases across various reward categories. In particular, technology-driven solutions, along with enhanced administrative processes, are poised to see the most notable growth, signaling an ongoing digital transformation in how rewards are managed and delivered. With the growing demand for personalized and scalable reward options, companies are well-positioned to meet evolving employee expectations. As organizations continue to adapt to a shifting landscape, the emphasis on meaningful, tangible, and customized rewards will remain central to non-cash programs, reinforcing their role as a vital component of employee engagement and recognition strategies in 2025.

Thank you to our Research Advocacy Partner

Maritz®