



IRF

Incentive Research
Foundation

Incentive Research Foundation Vertical Market Study

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Introduction

Research Objectives:

Over the years there has been a substantial amount of research conducted on the various aspects of the incentive, meetings and special events marketplace. The IRF has played a major role in the development for much of this valuable industry research. Three previous research studies formed the basis for the development of this research study:

Incentives, Motivation and Workplace Performance: Research & Best Practices (The Incentive Research Foundation 2002)

The debate concerning the value and impact of incentive systems has been studied for many years. The results of these studies yielded a wide degree of conflicting information and discrepancies about the true value of incentives. This study consolidated and bridged gaps from previous studies and the result was a clear, comprehensive and accurate conclusion about incentive systems that are supported by research and practice.

In addition to answering questions previously covered in past research, such as:

- Do incentives increase work performance?
- What types of incentive systems are most effective?
- What organizational conditions indicate a need for an incentive system?
- What model best expresses the events that occur during the selection and implementation of successful incentive programs?

This study provided a statistically validated eight-event model that describes the process by which incentives influence performance. The model is known as the Performance Improvement By Incentives (PIBI) Model.

The Market for Incentive Travel, Motivational Meetings and Special Events (The Incentive Research Foundation 2007)

The Market for Incentive Travel, Motivational Meetings and Special Events study created an opportunity for a clear definition and better understanding of the overall size and scope of incentive programs, motivational meetings and special events. This study included an extensive outreach through various survey instruments and concentrated interviews a focus group of all participants in these various industry segments.

- Industry Association Executives
- Corporate Buyers
- Incentive, Meeting and Special Event Provider Companies
- Supplier Companies, including Hotels, DMC's and related companies

Key results of this study included, clarification of definitions, an estimate of the size of the market, a profile of end users and potential end users, determining how incentive budgets are developed, determining how incentive travel, motivational meetings and special events are used and determining how to provide a measurable ROI for incentive programs.

United States Incentive Merchandise and Travel Marketplace Study (The Incentive Federation 2007)

This study is a bi-annual marketplace study that is conducted by The Incentive Federation to determine the market sizing for incentive travel and merchandise incentives. The objectives of this study are to:

- Determine the types of companies that use travel and merchandise as incentives
- Understand the perceived benefits of travel and merchandise incentives
- Gauge the views and opinions of end-users about their usefulness and effectiveness
- To gauge future use of these types of incentives

This study overlapped with the research on the market for incentive travel, motivational meetings, and special events conducted by The Incentive Research Foundation. Since the Federation and Foundation used the same research firm to conduct these studies, the incentive travel segment of both studies and the market size and usage incentive travel numbers reported in both research reports are the same.

The Vertical Industry Study Rationale

Building on these three studies as a baseline for additional research, The IRF commissioned, in conjunction with Quality Resource Associates, a Vertical Industry study. The purpose of The Vertical Industry Study is to gain an understanding of the planning and implementation process steps utilized for incentive programs and the market characteristics from both The Market for Incentive Travel, Motivational Meetings and Special Events and the United States Incentive Merchandise and Travel Marketplace studies and compare that to six (6) specific industries. The results can then be utilized to create benchmarks for these specific industries for future comparisons.

The six (6) vertical industries, identified by NAICS Code, were selected by The IRF based on their historical involvement with incentive programs, motivational meetings and special events. The six (6) vertical industries identified included:

- Electronic Computer/Component Manufacturing (334111)
- Pharmaceutical Preparations/Manufacturing (325412)
- New Car Dealers (441110)
- Tele-communications Resellers (517310)
- Commercial Banking (522110)
- Insurance Agencies and Brokerages (524210)

In addition to selecting the target vertical industries, The IRF provided a sample list of job titles for the purposes of developing a target list of corporate end user respondents for this study. Typical job classifications from this list included:

- Sales management, executive sales management
- Marketing management, executive marketing management
- Channel management, executive channel management
- Travel management
- Corporate communications management
- Corporate Meetings & Events management
- Incentive awards buyer
- Procurement and Purchasing management

Based on the vertical industries and specific job titles, a list comprised of over forty thousand (40,000) potential respondents was compiled by Quality Resource Associates.

Over nine hundred surveys were completed resulting in a 2% response rate. The survey fielded for nearly four weeks. During this fielding period reminder e-mails were deployed to non-responders in an effort to increase response rates within each of the six vertical markets.

NAICS Code	Industry	Completed	Deployed	Response Rate
334111	Electronic Computer/Component Manufacturing	174	1630	11%
325412	Pharmaceutical Preparations/Manufacturing	145	1998	7%
441110	Automotive Dealer	187	20442	1%
522110	Commercial Banking	149	4650	3%
517310	Tele-communications Reseller	124	6089	2%
524210	Insurance Agency/Brokerage	147	11575	1%
	Total	926	46384	2%

Research Methodology

Data Presentation

Throughout the report, the non-answers were removed and the base adjusted to 100%. Data is presented in the form of frequencies, percentages and mean scores.

- ❑ **Frequencies (n) reflect the number of times a given response is recorded.**
- ❑ **Percentages (%)** are based on the total number of responses, [(frequency of one given answer)/(total number of responses)]. *In some case, due to rounding of numbers, the results may not add exactly to 100%, they may add to 99% - 101%.*
- ❑ **Mean scores** are averages of data [(sum of all frequencies)/(total sample number)]. They are provided when respondents have been asked to rate their agreement and/or satisfaction on a numbered scale.

Statistical Measures

The standard deviation is a measurement of dispersion. The higher the value of the standard deviation, the more spread out the data is from the average. It is possible to evaluate the degree of data dispersion using Confidence Intervals. The formula for Confidence Intervals is as follows:

Confidence Interval

- (Average value) +/- (1)(standard deviation value) = **range of 66% of the responses**
- (Average value) +/- (2)(standard deviation value) = **range of 95% of the responses**
- (Average value) +/- (3)(standard deviation value) = **range of 99% of the responses**

For the purposes of this study, all confidence levels were set at 95%. Results are based on that 95% confidence interval.

Market Segmentation

The objective of market segmentation is about understanding the behaviors and needs of customers, identifying the markets that are different from one another and therefore targeting potential customers. This insight is used to form groups, or markets, of customers who share the same or very similar value criteria.

Key Findings

Nearly half of the survey respondents indicated their job title was far different than those provided as “typical” by The IRF. 28% indicated a job title of Field Services/Support; 8% Product Design/Management and another 8% Service Management

Overall, a large majority of respondents (78.5%) indicated they did not engage the services of an outside incentive company for the design, management and measurement of their incentive programs.

The availability of in-house resources and costs associated with engaging outside incentive companies were a majority of responses for this lack of engagement in the design and management process. Interesting to note, when asked this same question for program measurement, there were “zero” responses.

Overall, 27% of the respondents across all six of the targeted markets envision their budgets to “decrease” from 2008 budget levels. Of note, 61% of respondents using Merchandise and Other Non-Cash programs expect a “decrease”. This is far more than either the Incentive Travel or Motivational Meetings categories.

Across all industries the respondents listed softer issues less tangible and measurable relationships issues as the “most valuable goals when designing an incentive program”. Specifically, the three highest rated goals were:¹

1. Build customer loyalty/trust
2. Start new relationships
3. Maintain existing relationships

¹ See Table 3 page 19 for detailed results

Report Format

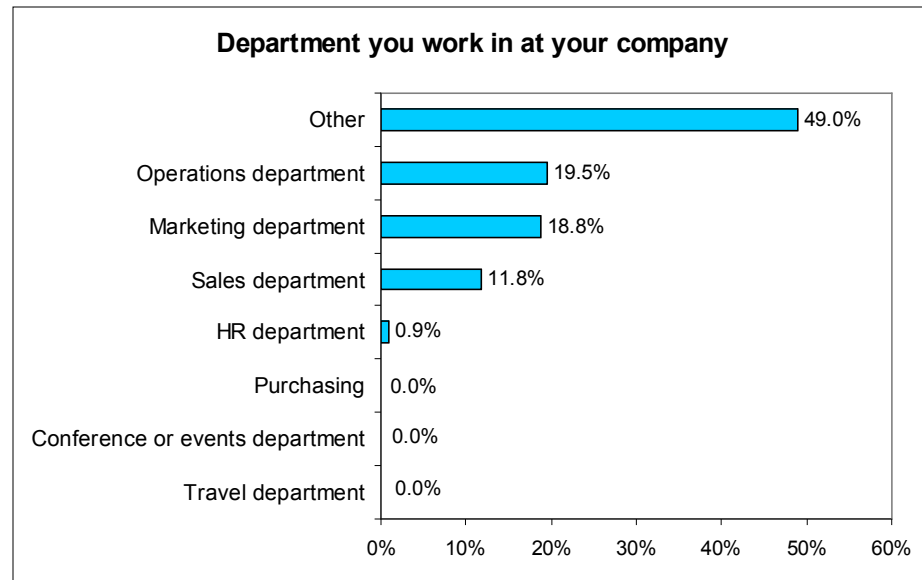
The Executive Summary provides an overview of the entire survey while sections that follow include a detailed summary of each of the survey components. The appendix includes the detailed data for each of the vertical markets, a summary of the methodology used in this report and a copy of the actual survey instrument that was deployed.

The purpose of this report is to present the baseline vertical industry data for the six selected markets. References to historical results and data have purposely been omitted from this report as the scope and sample of these previous studies are not comparable as a basis.

Respondent Profile:

Compared with previous studies conducted by The IRF, the sample from this study are predominantly more “corporate buyers”. Other studies conducted by The IRF include, although not exclusively, incentive company employees and incentive suppliers.² Additionally, one of the challenges faced by incentive program providers are to whom should they target within an organization to offer the services of an outside firm.

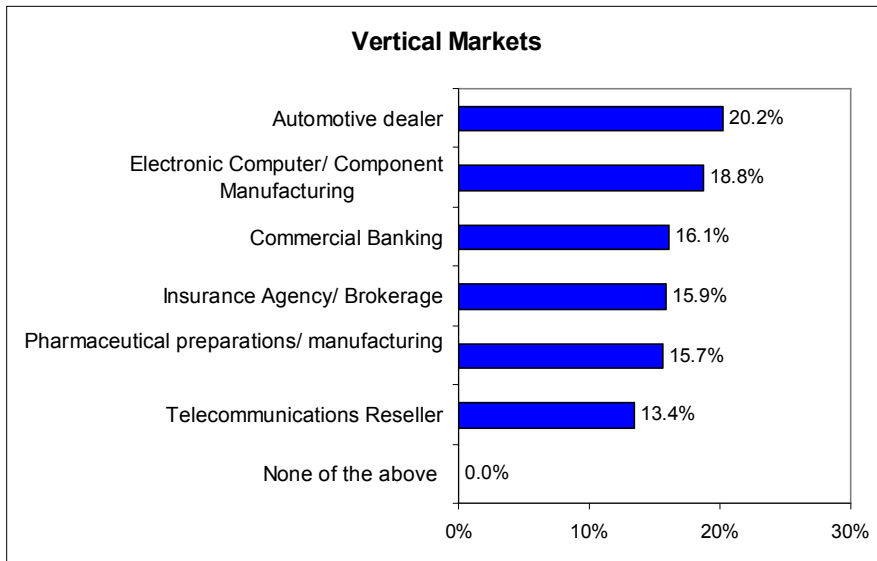
One interesting finding in this study is that a number of potential buyers for incentive programs fell outside traditional areas such as Sales & Marketing, Operations and Human Resources. About half³ of the sample categorized themselves in the areas of Field Services/Support (28%), Product Design/Management (8%) and other Service Management Roles (8%).



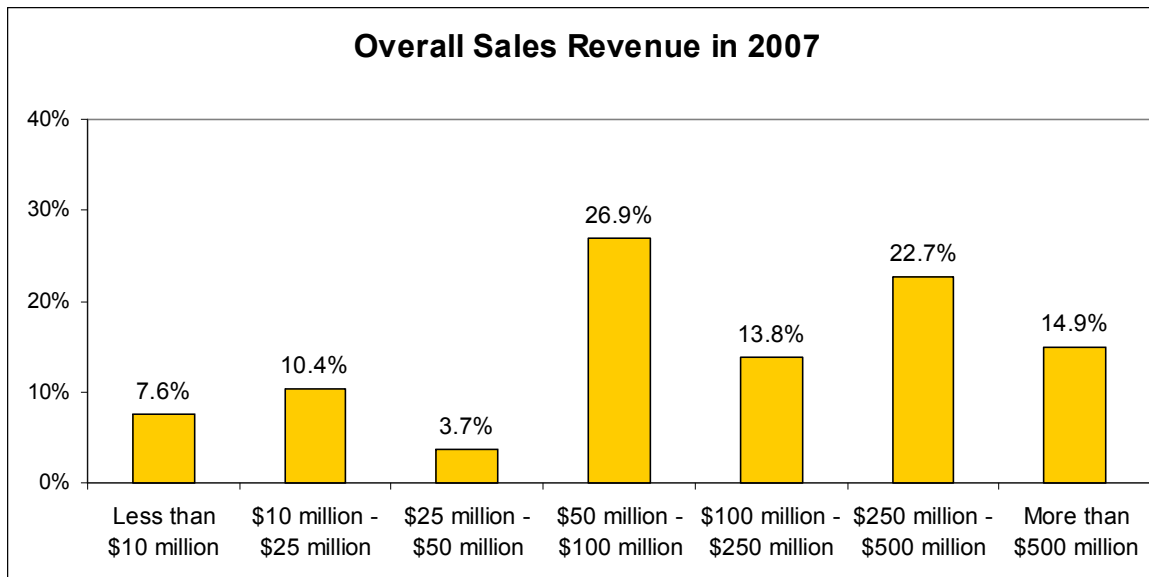
This finding clearly illustrates that more expansion of the “roles” need to be included in future iterations of this study. It also presents The IRF and Incentive Program Providers an opportunity to extend its reach further into an organizations buying role with respect to incentive programs.

² Studies such as the 2007 Industry Profile Study and On-Going IRF Pulse respondent samples target more incentive company employees and incentive suppliers and fewer “end-user or corporate buyers that may utilize an outside firm.

³ Other responses categorized.



- 20.2% of survey participants work in the “Automotive Dealer” industry; 18.8% of them work in the “Electronic Computer/ Component Manufacturing” industry.
- These two highest rated industries are followed by Commercial Banking, Insurance Agency, Pharmaceutical preparations, and Telecommunications Reseller.



- 26.9% of respondents indicated their sales revenue in 2007 was between “\$50 million - \$100 million”.
- Slightly more than half of the companies had their sales revenue over \$100 million in 2007.

Executive Summary

Incentive Travel Budgets

Sixty-eight percent (n=630) of the respondents indicated their company used Incentive Travel as an award vehicle for their 2008 Incentive Programs.

As may have been anticipated, the results of the survey mirror the impact the slowdown in the economy has had, specifically on the six-targeted industries. Two of the hardest hit markets, Auto and Banking, were targeted vertical industries in this study, and not surprisingly resulted in significant decreases in anticipated budgets for incentive travel in 2008. Another important fact to consider is that the data collection period was completed in advance of much of the national and global media attention brought upon both the Banking industry as a result of incentive programs being tied to potential TARP recipients⁴. Overall, incentive travel budgets did show the highest rate of stability (budgets “stayed the same”) in all of the target industries, except automotive and commercial banking.

The budgets across all of the six-targeted industries are expected to decrease on average by 27% with respect to incentive travel programs in 2008.⁵

- 33% of the Commercial Banking respondents indicated a “decrease” in their budget in 2008.
- 31% of the Tele-communication respondents indicated a “decrease” in their budget in 2008.
- 26% of the Automotive Dealer respondents indicated a “decrease” in their budget in 2008.

The most significant reasons given by the respondents for the decrease in incentive travel budgets were:

- Cost of airfare and transportation (73%) and,
- Reduced number of attendees (27%).

There are no significant differences when comparing the six-targeted markets with respect to budget allocations in 2008.⁶

⁴ ie. AIG, Wells Fargo, and the Congressional Hearings with the Auto Manufacturers.

⁵ See Table 1, page 17 for detailed survey responses.

⁶ See Table 2, page 18 for detailed survey responses.

Merchandise & Non-Cash Incentive Program Budgets

Forty-three percent (n=394) of the respondents indicated their company used Merchandise and Non-Cash Incentives as an award vehicle for their 2008 Incentive Programs.

Similar to the incentive travel budgets, merchandise and non-cash incentive programs budgets are expected to decrease across all six of the targeted vertical markets. Sixty-one percent of respondents that utilize merchandise and non-cash incentives as an award are reporting a decrease in their 2008 budget.

One might ask themselves “why such a disparity in the percentages of merchandise and non-cash budget reduction in comparison to incentive travel budgets?”. A theory that may need to be tested in future IRF Pulse surveys, is; “Are the longer terms of incentive travel programs less susceptible to budget changes than shorter term merchandise and non-cash incentive programs? In other words, it is easier to reduce budgets faster from an operational and logistics perspective for merchandise reward programs than incentive travel programs?”

The budgets across all of the six-targeted industries are expected to decrease on average by 61% with respect to Merchandise and Non-Cash programs in 2008.⁷

- 65% of the Tele-Communication Reseller respondents indicated a “decrease” in their budget in 2008.
- 62% of the Pharmaceutical Preparations/Manufacturing respondents indicated a “decrease” in their budget in 2008.
- 61% of both the Automotive Dealer and Electronic Computer Manufacturer respondents indicated a “decrease” in their budget in 2008.

The most significant reasons given by the respondents for the decrease in merchandise and non-cash incentive budgets were:

- Lower value of award offerings (64%)
- Reduction in gift card budgets (24%) and,
- Reduced number of qualifiers (27%).

There are no significant differences when comparing the six-targeted markets with respect to budget allocations in 2008.⁸

⁷ See Table 1, page 17 for detailed survey responses.

⁸ See Table 2, page 18 for detailed survey responses.

Motivational Meetings Budget

Twenty-six percent (n=243) of the respondents indicated that they are involved in the management of Sales and other types of Motivational Meetings.

The percentage of respondents reporting budget decreases for motivational meetings averaged 32% across all six industries. This result is consistent with the impact the slowdown in the economy has had on incentive travel, merchandise and Non-Cash incentive programs. One interesting finding is that the percentage of respondents reporting increases for motivational meeting budgets averaged 22%. This compares favorably to both incentive travel and merchandise and non-cash incentive budgets where respondents reported 17% and 8% respectively. This is likely due to the fact that most respondents reported that the primary goal of their motivational meeting programs was to “recognize performance” and “build new relationships”. The Tele-communications Reseller market was the largest contributor to increased budgets for motivational meetings. Interestingly, this same industry was the largest contributor to a decrease in the merchandise program budget. A theory that may need to be investigated in future studies is whether budgets for merchandise programs within the tele-communications reseller industry is being re-allocated to motivational meetings?

The budgets across all of the six-targeted industries are expected to decrease on average by 32% with respect to motivational meetings in 2008.⁹

- 34% of both the Insurance Agency/Brokerage and Electronic Computer Manufacturer respondents indicated a “decrease” in their budget in 2008.
- 33% of the Automotive Dealer respondents indicated a “decrease” in their budget in 2008.
- 32% of the Pharmaceutical Preparations/Manufacturing respondents indicated a “decrease” in their budget in 2008.

The most significant reasons given by the respondents for the decrease in motivational meeting budgets were:¹⁰

- Cost of airfare and transportation (24%)
- Conducted at a corporate owned facility (20%) and,
- Reduced number of attendees (9%).

There are no significant differences when comparing the six-targeted markets with respect to budget allocations in 2008.¹¹

⁹ See Table 1, page 17 for detailed survey responses.

¹⁰ See Table 2, page 18 for detailed survey responses.

Incentive Program Design, Management and Measurement

Twenty-seven percent (n=246) of the respondents indicated they are personally involved with the design, implementation and measurement of their company's incentive programs.

Across all industries the respondents listed softer issues and less tangible and measurable relationships as the “most valuable goals when designing an incentive program”. Specifically, the three highest rated goals were:¹²

4. Build customer loyalty/trust
5. Start new relationships
6. Maintain existing relationships

Only one of the targeted industries, Tele-communications Reseller, reported greater emphasis on “recognizing performance” and “creating new markets” than on “starting new relationships” goals.

These findings raise some interesting questions regarding how individuals responsible for managing and determining the success or value of their programs, and in these economic times, how will they justify the program and its budget. When asked how the respondents “measure the success of their programs”, 79% indicated it was: total incremental improvement of sales/profits over program objectives. This is an opportunity for Incentive Program Providers to provide their services to these end-users to help better define the measures of success (given that the primary goals are soft relationship issues) for their programs to further justify the budgets for upcoming programs.

Finally, while there were significant differences among the industry segments regarding their use of “outside incentive companies”, the one observation from these data is the tremendous opportunity for incentive companies. While the Computer Component Manufacturing industry segment reported that 60% of the respondents use “outside incentive companies”, only 20% of the Tele-communications Reseller segment used outside firms. The other segments reported usage of outside incentive companies in the 27% to 43% range.¹³

¹² See Table 3 page 19 for detailed results

¹³ See Table 4 page 20 for detailed results.

Table 1

Budget Change in 2008	Electronic Computer/ Component Manufacturing			Pharmaceutical Preparations/ Manufacturing			Automotive Dealer		
	Incentive Travel	Merchandise & Non-Cash	Motivational Meeting	Incentive Travel	Merchandise & Non-Cash	Motivational Meeting	Incentive Travel	Merchandise & Non-Cash	Motivational Meeting
Increased	18%	7%	19%	19%	8%	24%	19%	8%	22%
Decreased	27%	61%	34%	26%	62%	32%	26%	61%	33%
Stayed the same	55%	33%	47%	55%	30%	45%	55%	30%	45%
Budget Change in 2008	Commercial Banking			Tele-communications Reseller			Insurance Agency/ Brokerage		
	Incentive Travel	Merchandise & Non-Cash	Motivational Meeting	Incentive Travel	Merchandise & Non-Cash	Motivational Meeting	Incentive Travel	Merchandise & Non-Cash	Motivational Meeting
Increased	14%	7%	20%	16%	10%	27%	17%	7%	21%
Decreased	33%	57%	27%	31%	65%	33%	17%	56%	34%
Stayed the same	53%	36%	54%	53%	25%	40%	66%	37%	45%

Table 2

Annual Budget for Incentive Travel	Vertical Markets					
	Electronic Computer/ Component Manufacturing	Pharmaceutical Preparations/ Manufacturing	Automotive Dealer	Commercial Banking	Tele-communications Reseller	Insurance Agency/ Brokerage
Less than \$100,000	27%	26%	26%	33%	31%	17%
\$100,000 - \$500,000	38%	37%	39%	37%	35%	43%
\$500,000 - \$750,000	0%	0%	0%	0%	0%	0%
\$750,000 - \$1,000,000	0%	0%	0%	0%	0%	0%
More than \$1,000,000	17%	18%	17%	15%	18%	23%
Don't Know	18%	19%	19%	14%	16%	17%
Annual Budget for Merchandise & Other Non-Cash Incentive	Electronic Computer/ Component Manufacturing	Pharmaceutical Preparations/ Manufacturing	Automotive Dealer	Commercial Banking	Tele-communications Reseller	Insurance Agency/ Brokerage
Less than \$100,000	82%	78%	78%	79%	73%	72%
\$100,000 - \$500,000	18%	22%	22%	21%	27%	28%
\$500,000 - \$750,000	0%	0%	0%	0%	0%	0%
\$750,000 - \$1,000,000	0%	0%	0%	0%	0%	0%
More than \$1,000,000	0%	0%	0%	0%	0%	0%
Annual Budget for Sales & Other Types of Motivational Meeting	Electronic Computer/ Component Manufacturing	Pharmaceutical Preparations/ Manufacturing	Automotive Dealer	Commercial Banking	Tele-communications Reseller	Insurance Agency/ Brokerage
Less than \$100,000	74%	74%	71%	71%	73%	63%
\$100,000 - \$500,000	17%	16%	20%	20%	13%	32%
\$500,000 - \$750,000	9%	11%	8%	10%	13%	5%
\$750,000 - \$1,000,000	0%	0%	0%	0%	0%	0%
More than \$1,000,000	0%	0%	0%	0%	0%	0%

Table 3

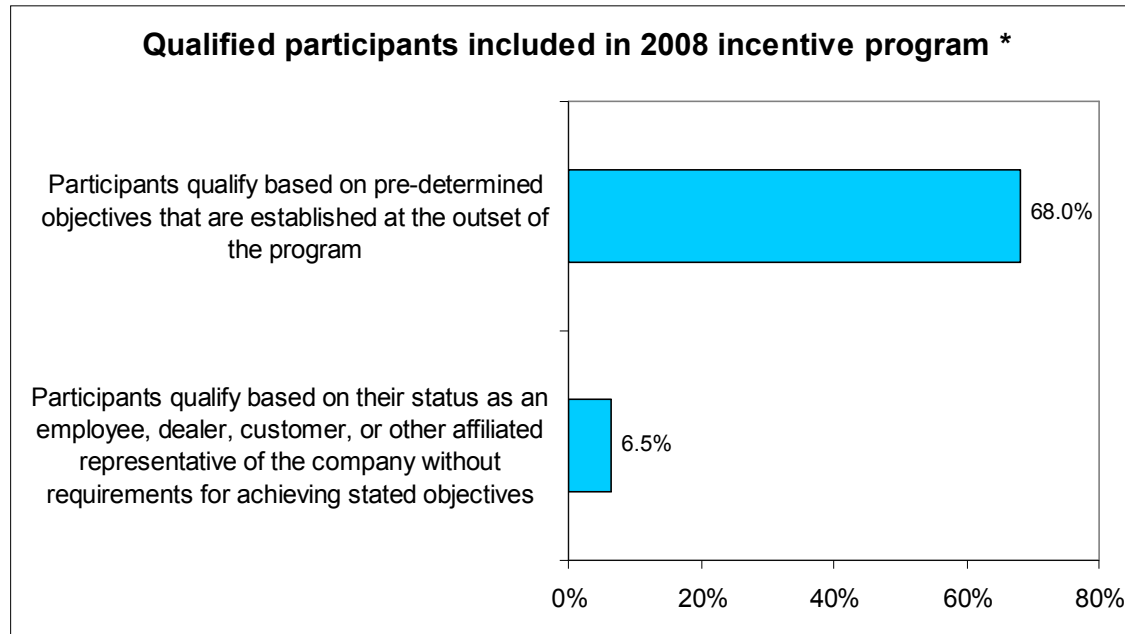
Three most valuable goals when designing an incentive program	Electronic Computer/ Component Manufacturing	Pharmaceutical Preparations/ Manufacturing	Automotive Dealer	Commercial Banking	Tele-communications Reseller	Insurance Agency/ Brokerage
Increase or maintain sales	38%	36%	37%	38%	35%	34%
Recognize performance	23%	21%	22%	27%	46%	34%
Build employee loyalty/trust	19%	25%	22%	13%	19%	27%
Build customer loyalty/trust	58%	54%	56%	58%	65%	46%
Start new relationships	50%	46%	48%	51%	19%	44%
Maintain existing relationships	54%	50%	52%	47%	54%	46%
Improve customer service	8%	7%	7%	9%	0%	10%
Foster teamwork	4%	4%	4%	4%	0%	5%
Create new markets for your company	38%	43%	41%	44%	46%	34%
Other	0%	0%	0%	0%	0%	0%

Table 4:

The role an outside Incentive company plays in the DESIGN of your incentive programs	Vertical Markets					
	Electronic Computer/ Component Manufacturing	Pharmaceutical Preparations/ Manufacturing	Automotive Dealer	Commercial Banking	Tele-communications Reseller	Insurance Agency/ Brokerage
Engaged at the inception of the program to consult on all aspects of the program design	60%	43%	50%	33%	20%	27%
Engaged after the initial planning is completed to provide support in specific areas	0%	0%	0%	0%	0%	0%
Engaged to provide fulfillment services only	40%	57%	50%	67%	80%	73%
The role an outside Incentive company plays in the MANAGEMENT of your incentive programs	Electronic Computer/ Component Manufacturing	Pharmaceutical Preparations/ Manufacturing	Automotive Dealer	Commercial Banking	Tele-communications Reseller	Insurance Agency/ Brokerage
Actively involved in all aspects of the program design from the very start of the planning process	75%	75%	75%	67%	50%	60%
Brought in after the initial planning stages are completed to provide support in specific areas as directed	25%	25%	25%	33%	50%	40%
The role an outside incentive company plays in MEASURING THE SUCCESS of your incentive programs	Electronic Computer/ Component Manufacturing	Pharmaceutical Preparations/ Manufacturing	Automotive Dealer	Commercial Banking	Tele-communications Reseller	Insurance Agency/ Brokerage
Actively involved in all aspects of the program design from the very start of the planning process	57%	53%	55%	56%	68%	50%
Brought in after the initial planning stages are completed to provide support in specific areas as directed	10%	9%	10%	8%	4%	13%
Other	33%	38%	35%	36%	29%	37%

Detailed Results

Participant Qualification in Incentive Program

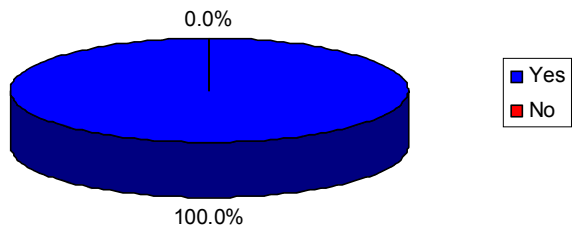


* Multiple Responses Accepted

- Most companies (68.0%) qualify incentive program participants based on pre-determined objectives that are established at the outset of the program.
- Only a small percentage (6.5%) of companies qualify participants based on their status as an employee, dealer, customer, or other affiliated representative of the company without requirements for achieving stated objectives.

Incentive Travel Programs in 2008

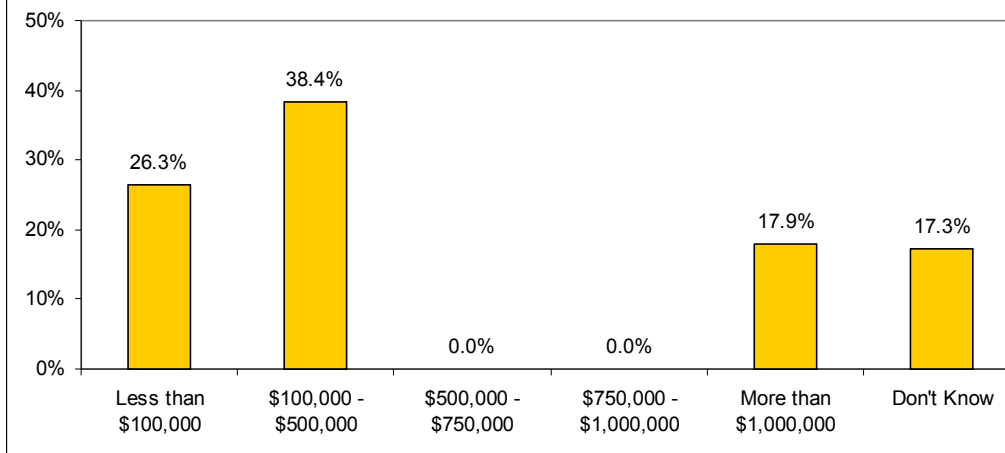
Did you use incentive travel as an award vehicle for your 2008 incentive programs?

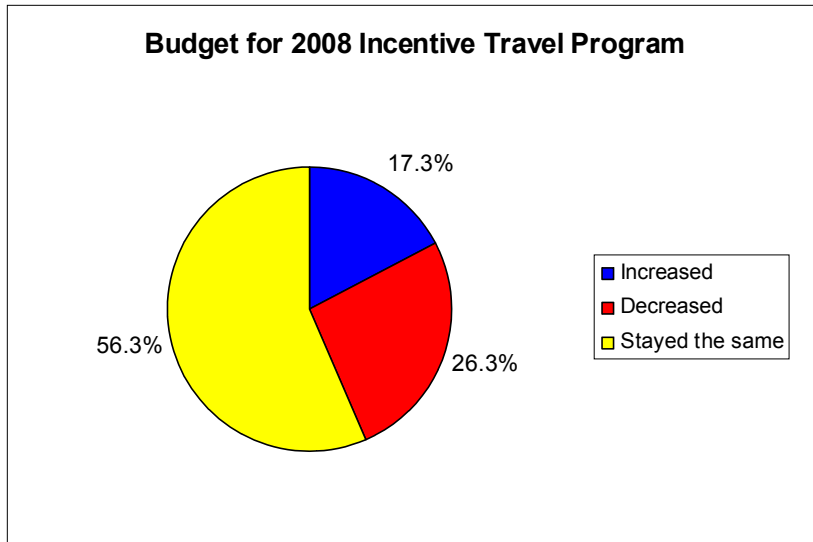


- Among those participants that qualify based on pre-determined objectives, all of them also used incentive travel as an award vehicle for 2008 incentive programs.

- Among those who used incentive travel as an award vehicle for their 2008 incentive programs, 26.3% of them had a budget “Less than \$100,000”, while 38.4% had a budget between “\$100,000 - \$500,000”.
- 17.9% had a budget of “More than \$1,000,000” for 2008.

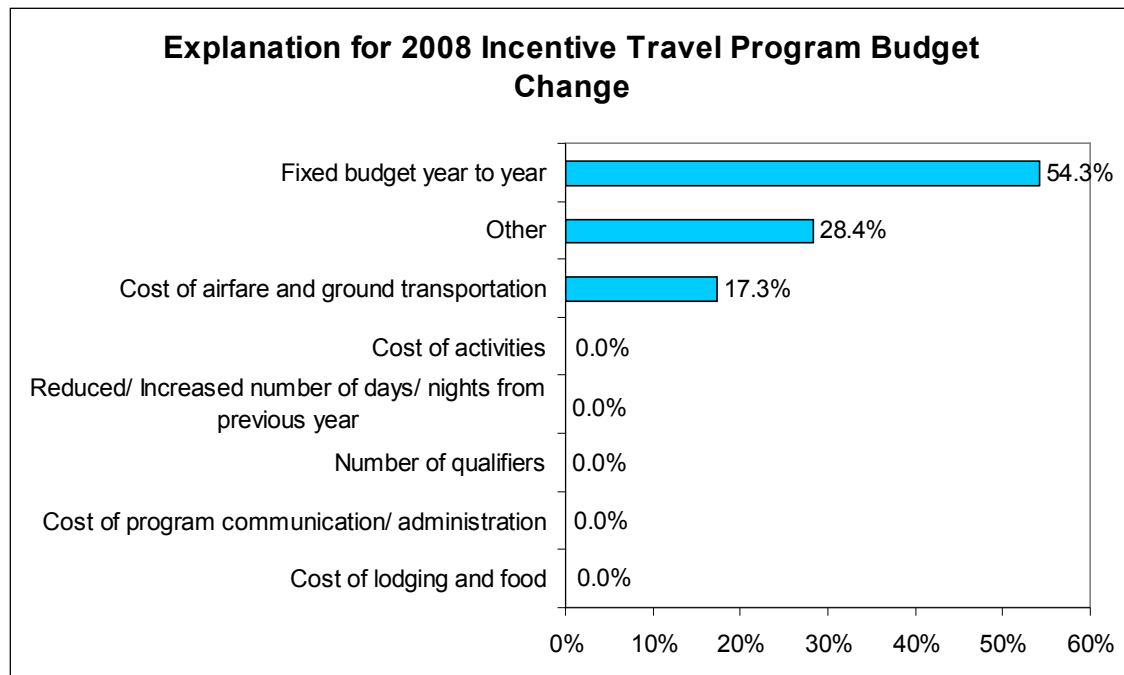
Incentive Travel Budget for 2008

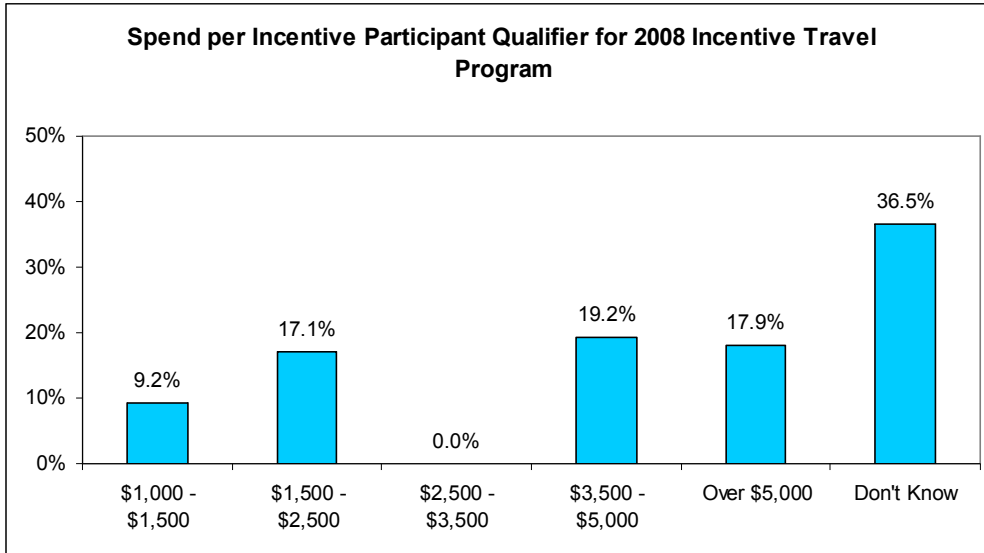




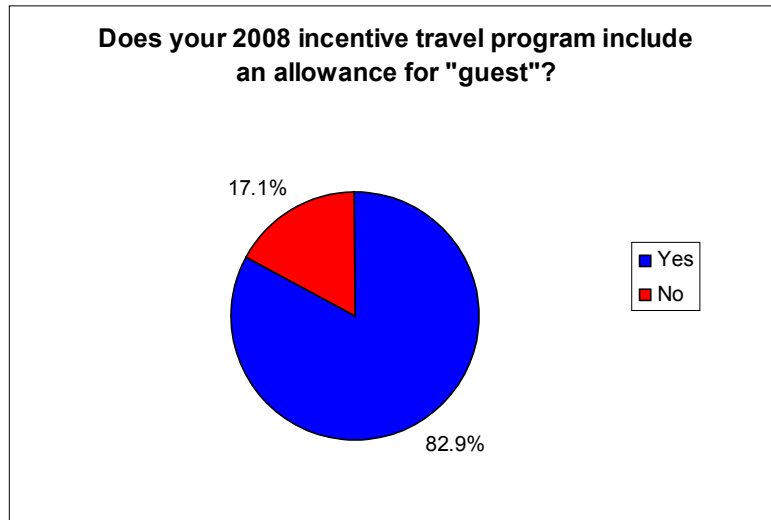
- 56.3% of companies who used incentive travel as an award had their budget stay the same in 2008.
- 17.3% of them increased their budget while 26.3% have decreased their budget in 2008.

- 54.3% of those who use incentive travel as an award mentioned the main reason for a budget change in 2008 was that they had a “Fixed budget year to year”, followed by the “Cost of airfare and ground transportation”.
- 28.4% of them have specified “other reasons” for a budget change in 2008 incentive travel programs.



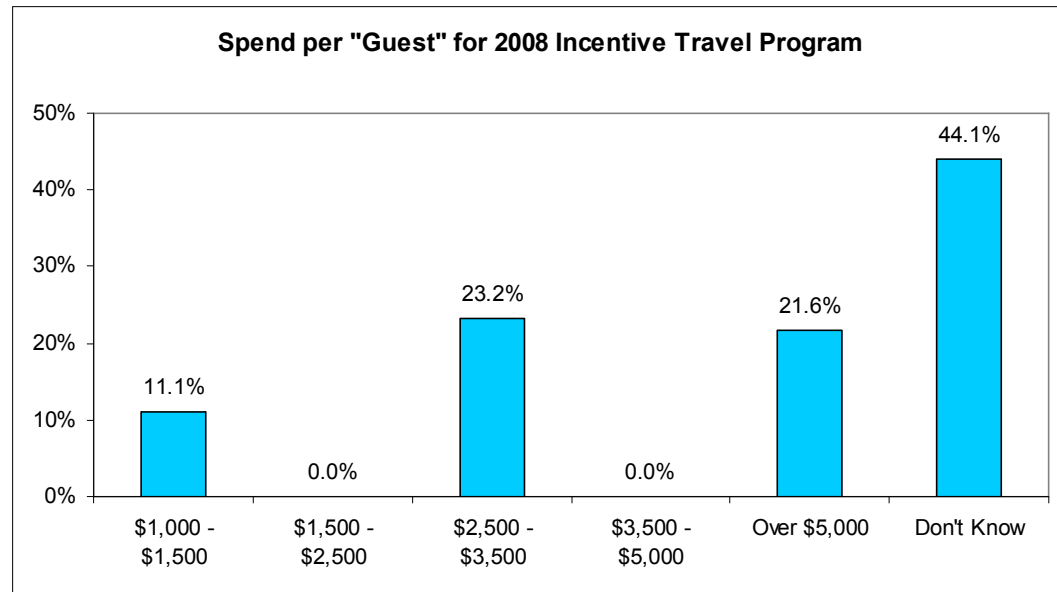


- There are a high percentage (36.5%) of survey respondents that did not know their company's **spend per incentive participant qualifier** for their 2008 incentive travel programs. The spending includes airfare, ground transportation, lodging, food, communication/ administration and activities.
- 19.2% of companies spent "\$3,500 - \$5,000" per incentive participant qualifier for 2008 incentive programs.

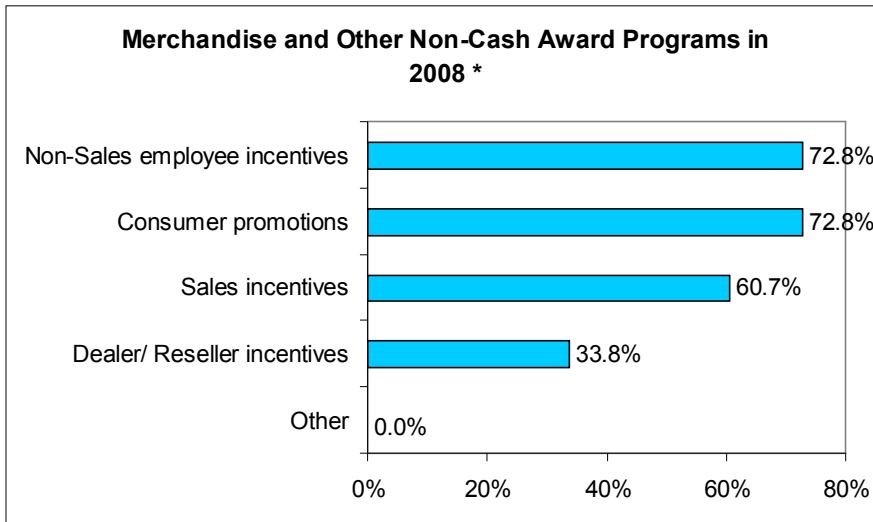


- 82.9% of companies included an allowance for "guests" for their 2008 incentive travel programs, while 17.1% did not.

- There are a high percentage (44.1%) of survey respondents that did not know their company's **spend per guest** for their 2008 incentive travel program. The spending includes airfare, ground transportation, lodging, food, communication/ administration, and activities.
- 23.2% of companies spent "\$2,500 - \$3,500" per guest for their 2008 incentive travel program.



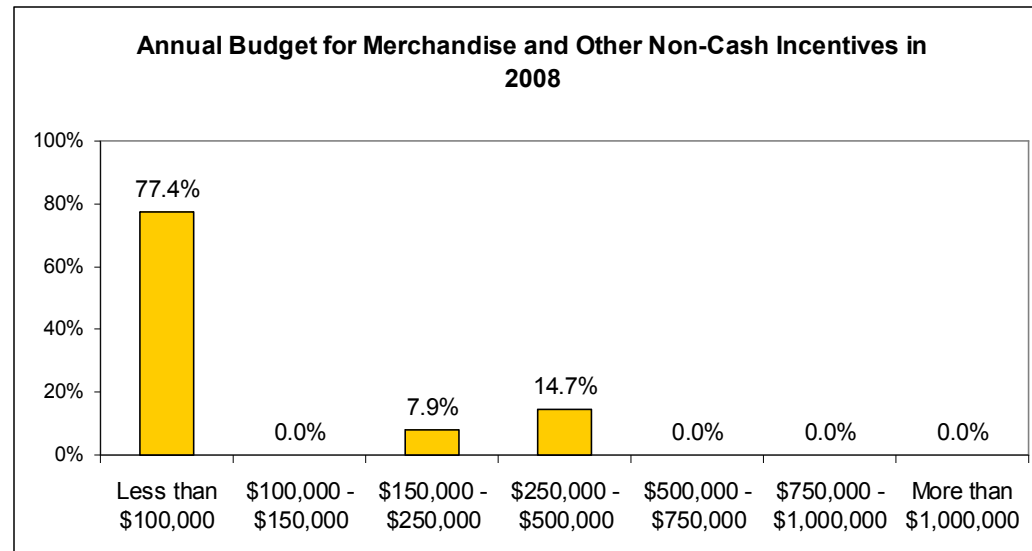
Merchandise and Other Non-Cash Awards in 2008

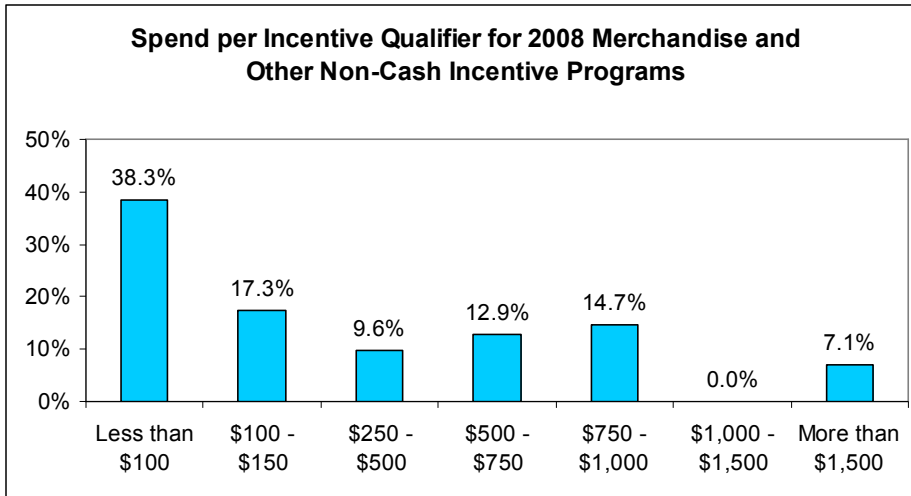


- 72.8% of companies utilize merchandise and other non-cash awards for either “Non-Sales Employee Incentives” or “Consumer promotions” in 2008.
- 60.7% used “Sales incentives”. 33.8% used “Dealer/ Reseller incentives” as merchandise and other non-cash award programs in 2008.

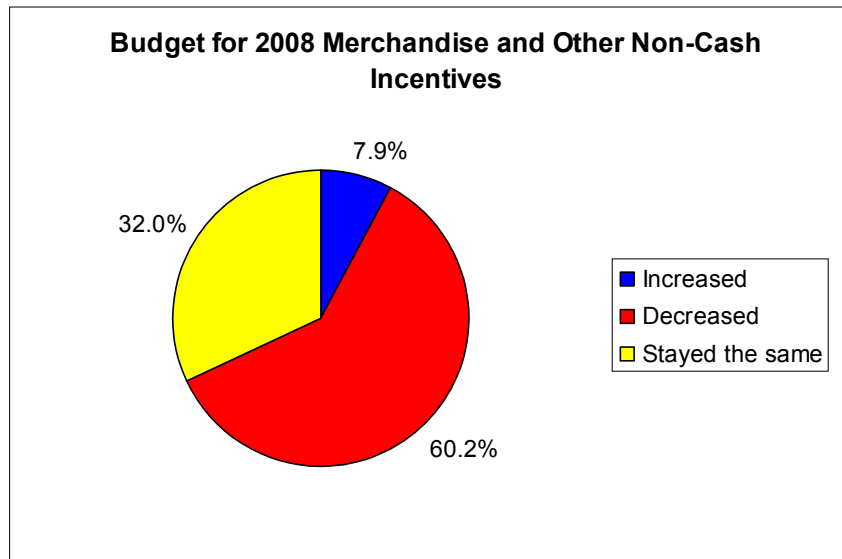
* Multiple Responses Accepted

- 77.4% of companies had an annual budget of “Less than \$100,000” for merchandise and other non-cash incentives in 2008.
- A small percentage (22.6%) had an annual budget over \$100,000 in 2008.

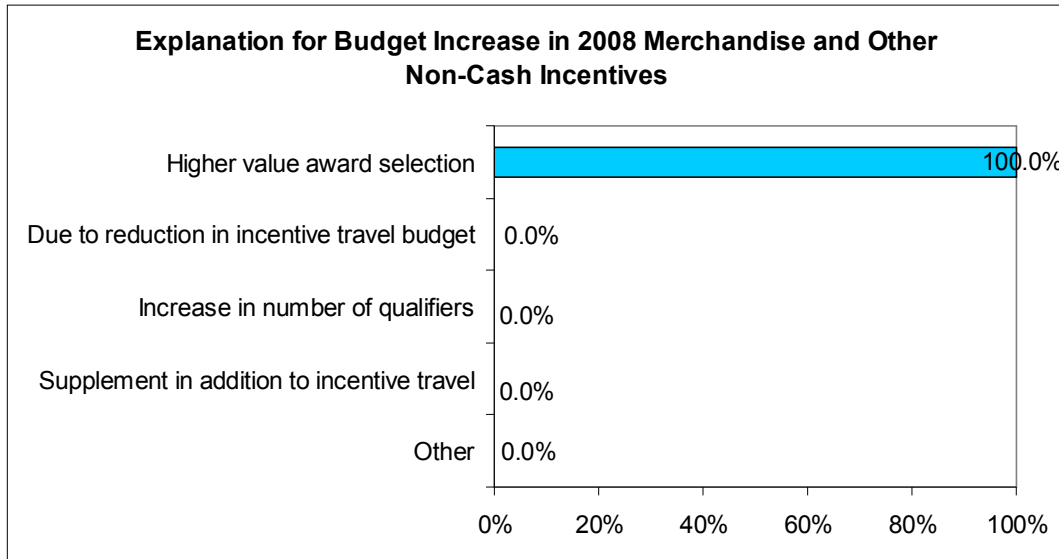




- 38.3% of companies spent “Less than \$100” per incentive qualifier in 2008 for merchandise and other non-cash incentive programs (including merchandise redemptions, program communications, program design, program tracking and administration).

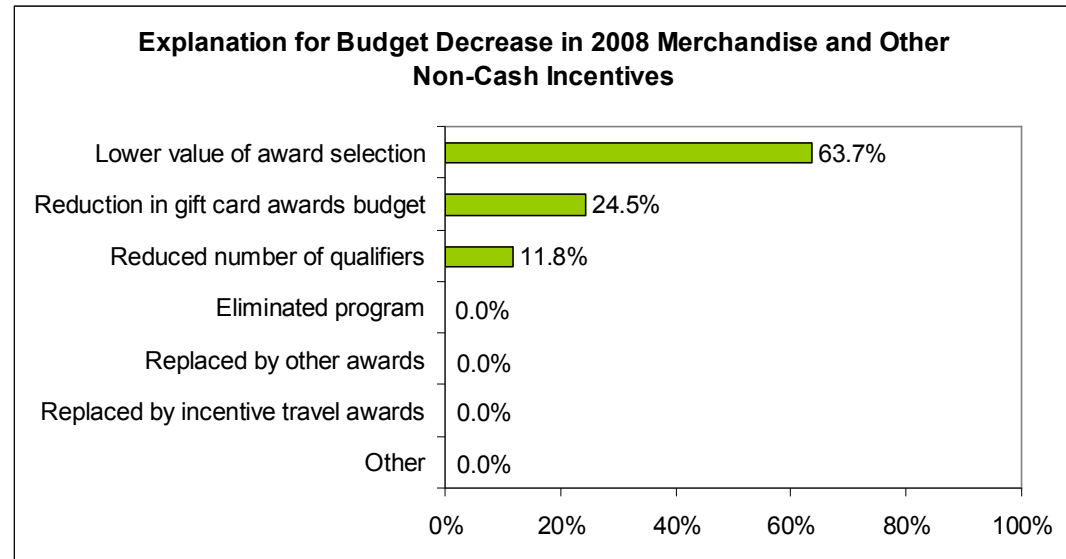


- 60.2% of companies “Decreased” their budget for 2008 merchandise and other non-cash incentives.
- 32.0% had their budget “Stay the same”.
- Only 7.9% “Increased” their budget for 2008 merchandise and other non-cash incentives.

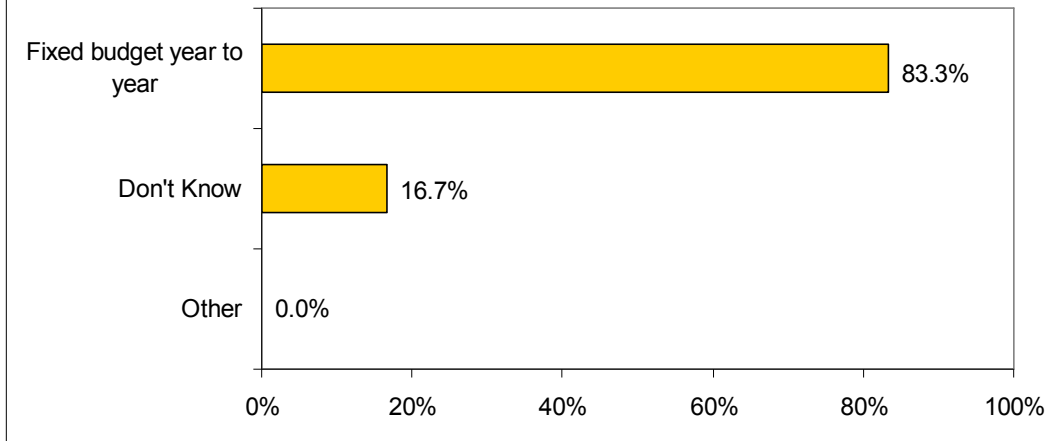


- 100.0% of those who have increased their budget for 2008 Merchandise and other non-cash incentives mentioned their reason for budget increases were “Higher value award selection”.

- The budget for 2008 merchandise and other non-cash incentives has decreased either because of “Lower value of award selection”, or because of “Reduction in gift card awards budget”, or due to “Reduced number of qualifiers”.



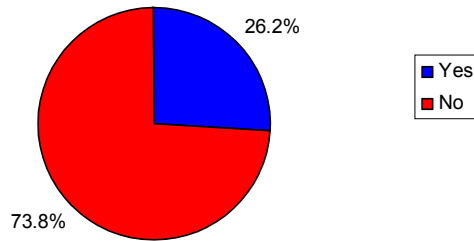
**Explanation for the Same Budget in 2008 Merchandise and Other
Non-Cash Incentives**



- 83.3% of companies have a fixed budget year to year for merchandise and other non-cash awards.

Sales and Other Types of Motivational Meetings in 2008

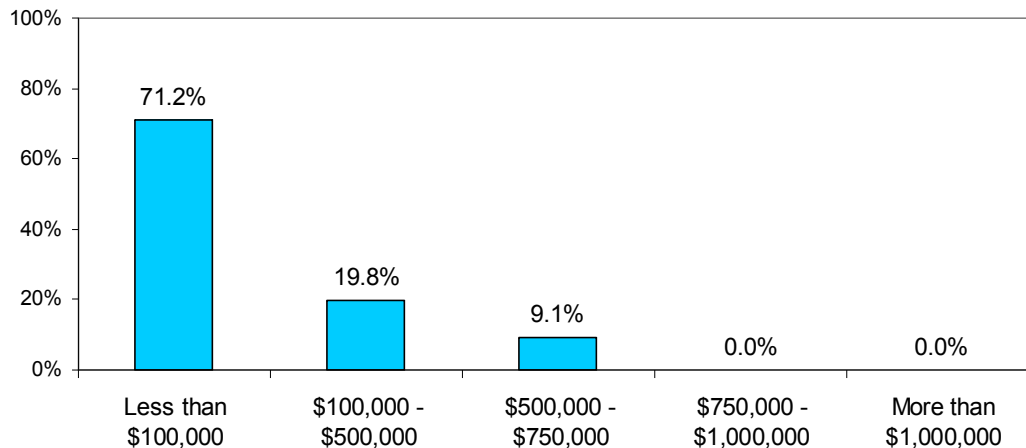
Were you personally involved with the management of any Sales and other types of Motivational Meetings for your company?

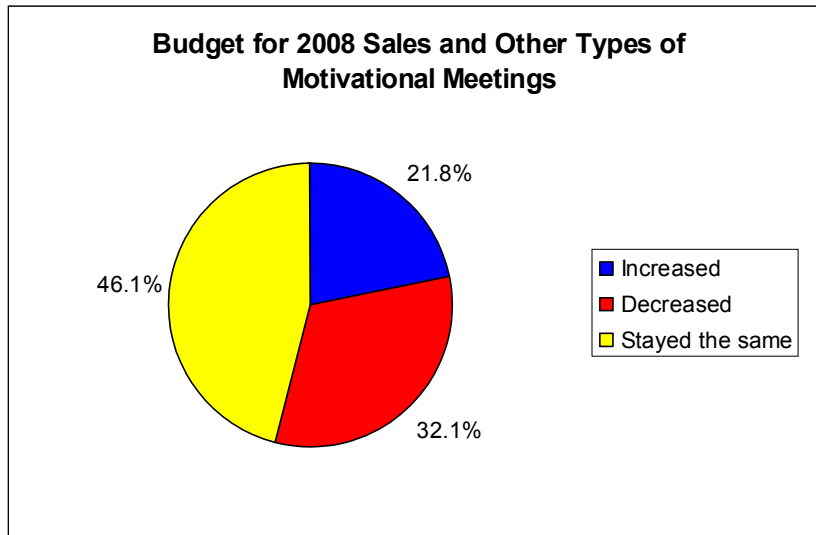


- 26.2% of surveyed respondents were personally involved with the management of any Sales and other types of Motivational Meetings for their companies.
- 73.8% of them were not.

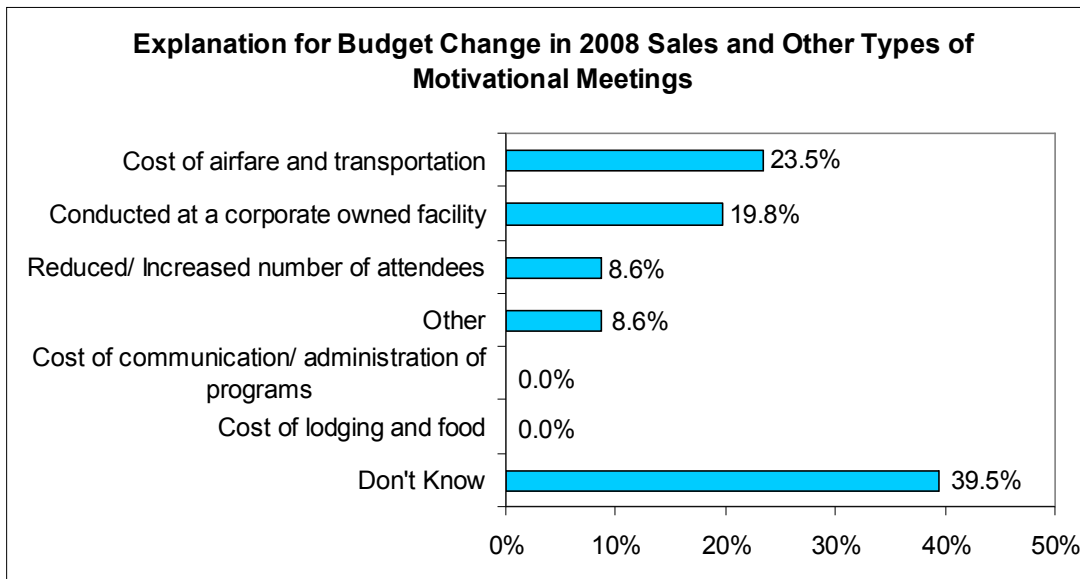
- Among those who were personally involved with the management for any Sales and other types of Motivational Meetings, 71.2% have a budget of “Less than \$100,000” for Sales and other types of Motivational Meetings (including airfare and ground transportation, lodging, food, communication/ administration and activities).

Budget for 2008 Sales and Other Types of Motivational Meetings

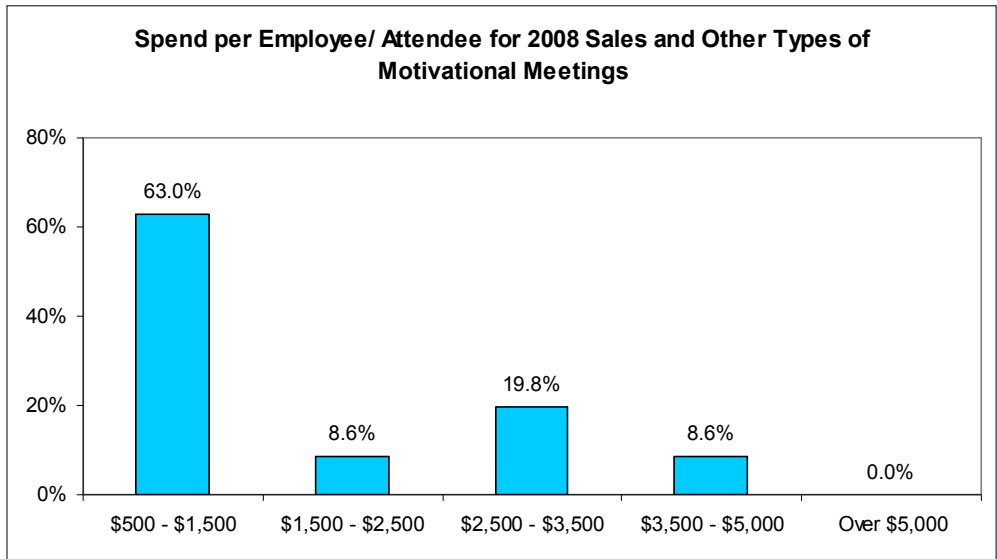




- About half (46.1%) of companies had their budget stay the same in 2008 for Sales and other types of Motivational Meetings.
- 32.1% decreased their budget in 2008 for Motivational Meetings, while 21.8% increased their budget.

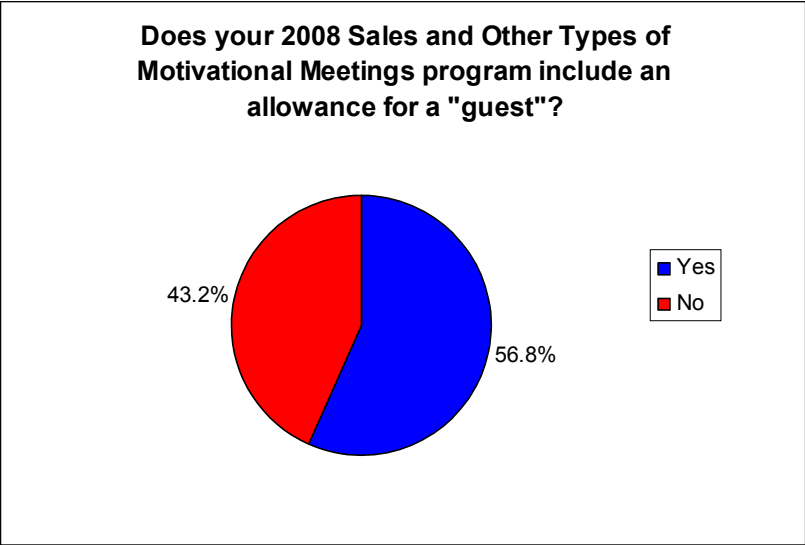


- The main reasons for a budget change in 2008 for Sales and other types of Motivational Meetings is either due to “cost of airfare and transportation” or because it was “conducted at a corporate owned facility”.

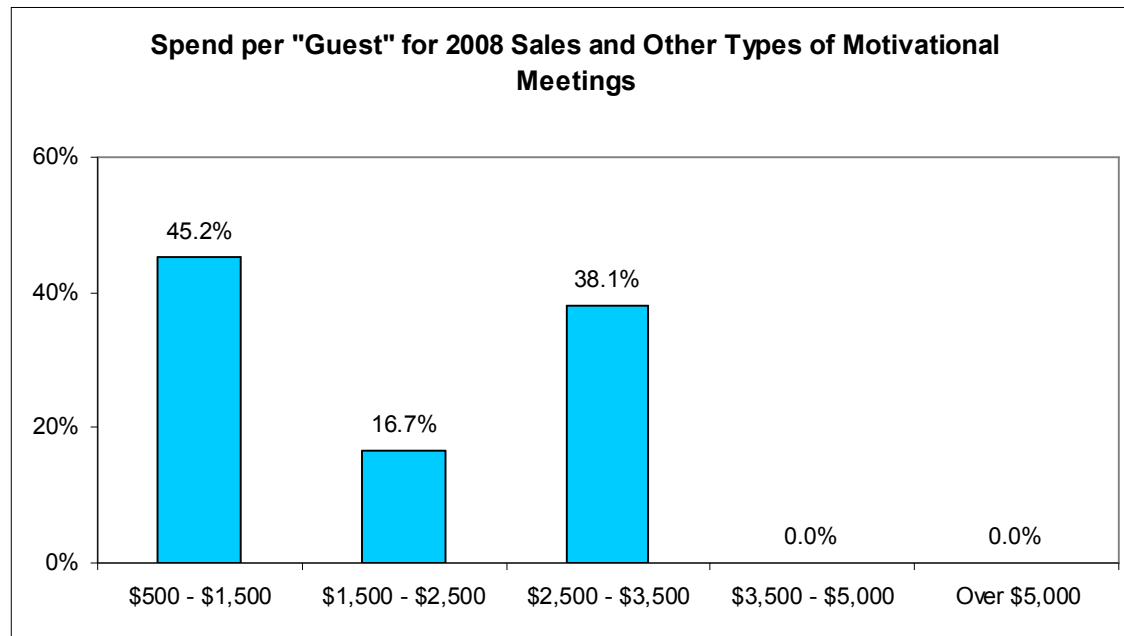


- 63.0% of companies spent “\$500 - \$1,500” per employee/ attendee, including ground transportation, lodging, food, communication/ administration and activities.
- 37.0% spent around “\$1,500 - \$5,000” per employee/attendee.

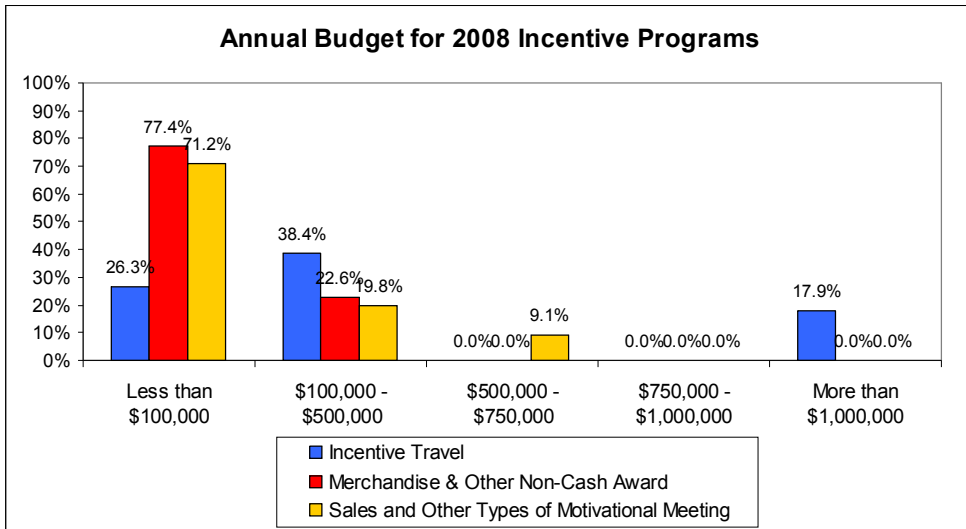
- Among those who were personally involved with the management for any Sales and other types of Motivational Meetings, 56.8% of their 2008 Sales and other types of Motivational Meetings program included an allowance for a “guest”.
- 43.2% of them did not have an allowance for “guests”.



- 45.2% of companies spent “\$500 - \$1,500” per guest for their 2008 Sales and other types of Motivational Meetings (including airfare and ground transportation, lodging, food, communication/ administration and activities).
- 38.1% spent “\$2,500 - \$3,500” per guest for 2008 Sales and other types of Motivational Meetings, while 16.7% spent “\$1,500 - \$2,500” per guest.

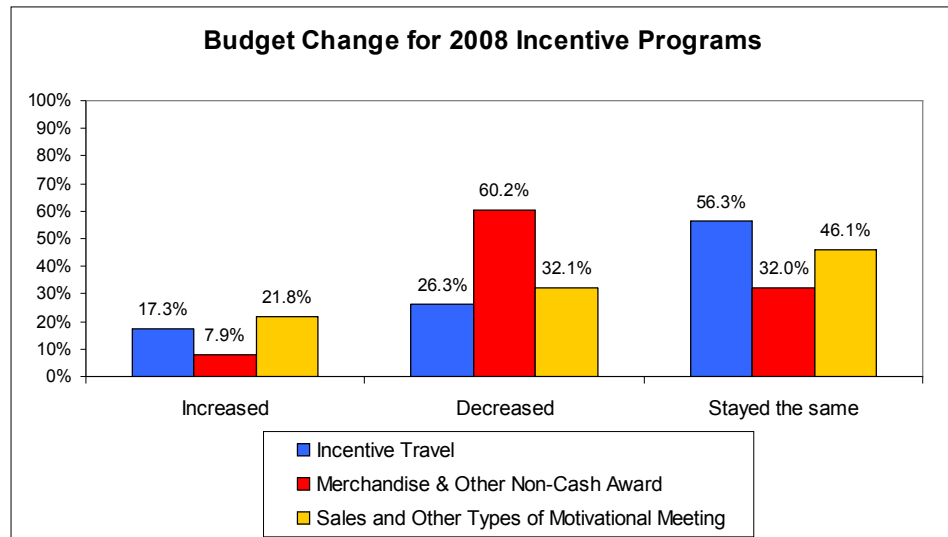


Overall Comparison of Incentive Programs Cost



- 2008 Incentive Programs include “Incentive Travel”, “Merchandise & Other Non-Cash Awards”, and “Sales & Other Types of Motivational Meetings”.
- Companies in this study revealed that they were committed to higher budgets for Incentive Travel over both Merchandise and Non-Cash incentives and Motivational Meetings.

- In 2008, the budgets for Merchandise & Other Non-Cash Awards have decreased.
- About half (56.3%) of Incentive Travel and Sales & Other Types of Motivational Meetings have budgets that stayed the same for 2008.



Incentive Travel		Budget Change in 2008		
		Budget Increased	Budget Decreased	Budget Stayed the same
Reasons for Budget Change	Cost of airfare and ground transportation	100.0%	0.0%	0.0%
	Fixed budget year to year	0.0%	65.1%	65.9%
	Other	0.0%	34.9%	34.1%
Total		100.0%	100.0%	100.0%

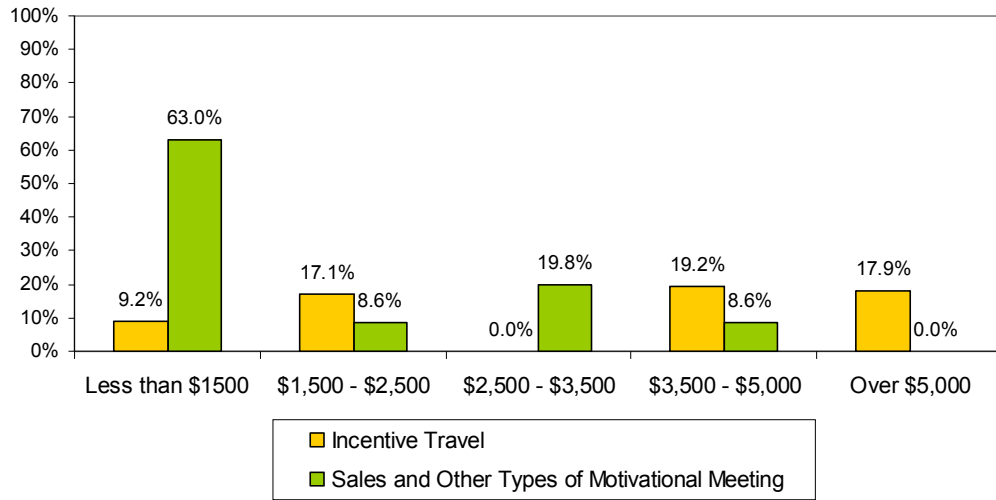
Sales & Other Types of Motivational Meeting		Budget Change in 2008		
		Budget Increased	Budget Decreased	Budget Stayed the same
Reasons for Budget Change	Cost of airfare and transportation	Not Asked	73.1%	0.0%
	Cost of lodging and food		0.0%	0.0%
	Cost of communication/ administration of programs		0.0%	0.0%
	Conducted at a corporate owned facility		0.0%	42.9%
	Reduced/ Increased number of attendees		26.9%	0.0%
	Other		0.0%	18.8%
	Don't Know		0.0%	38.4%
	Total		100.0%	100.0%

- The three tables below specified the reasons for a budget change in 2008 among three types of incentive programs, including Incentive Travel, Merchandise & Other Non-Cash Award, and Sales & Other Types of Motivational Meetings.

Merchandise & Other Non-Cash Award			Budget Change in 2008		
			Budget Increased	Budget Decreased	Budget Stayed the same
Reasons for Budget Change	Budget Increase	Higher value award selection	100.0%		
	Budget Decreased	Lower value of award selection		63.7%	
		Reduced number of qualifiers			11.8%
		Reduction in gift card awards budget			24.5%
	Budget Stayed the same	Fixed budget year to year			83.3%
		Don't Know			16.7%
Total			100.0%	100.0%	100.0%

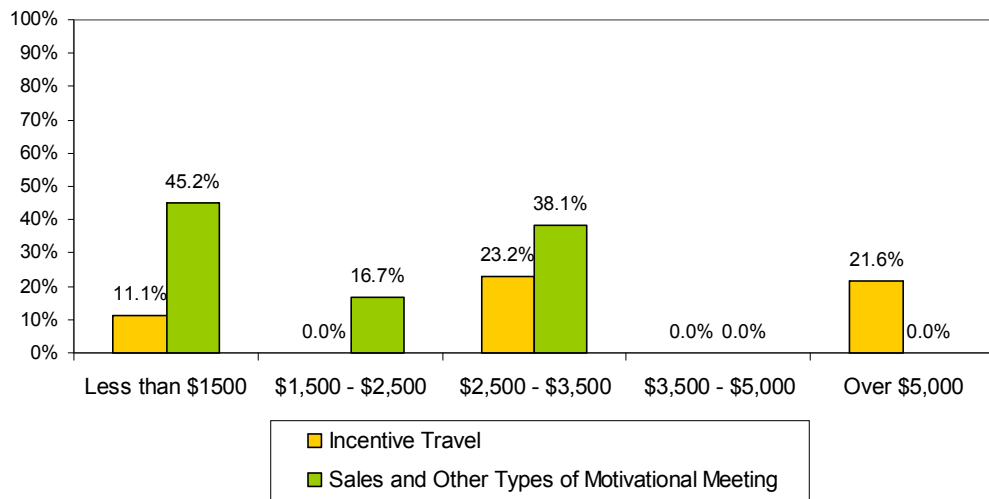
- For example, for 2008 Merchandise & Other Non-Cash Award, 63.7% decreased their budget due to “lower value of award selection”. At the same time, 83.3% had their budget stay the same due to a “fixed budget year to year”. The only reason for a budget increase in Merchandise & other Non-Cash Award is “higher value award selection”.

Spend per Participants in 2008 Incentive Programs



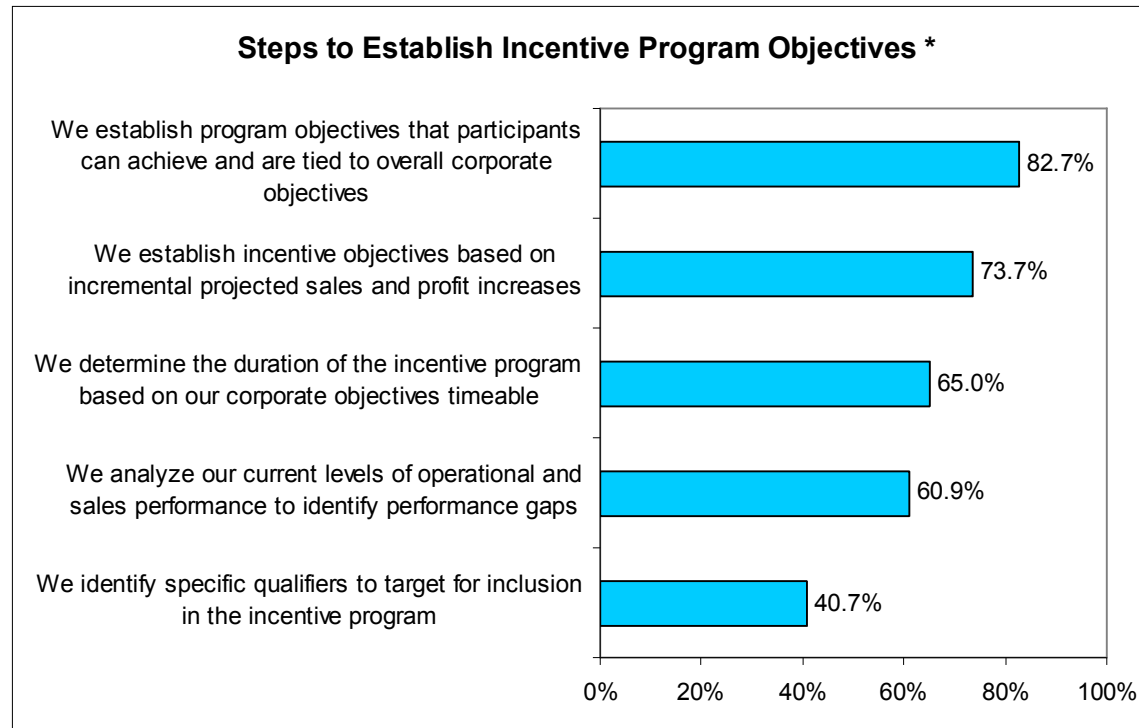
- Apparently, a majority (63.0%) of companies spent “less than \$1,500” per participant for Sales and Other Types of Motivational Meeting.

Spend per "Guest" in 2008 Incentive Programs



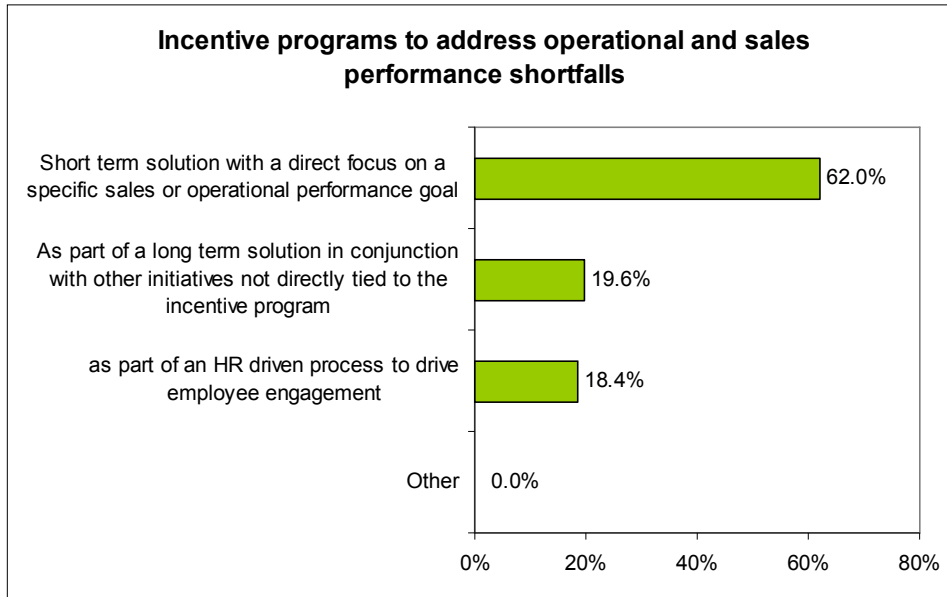
- Almost 8 out of 10 surveyed companies spent less than \$3,500 per Motivational Meeting “Guest”. Among them, 45.2% spent “less than \$1,500” per Motivational Meeting “Guest”.

Planning and Implementing an Incentive Program



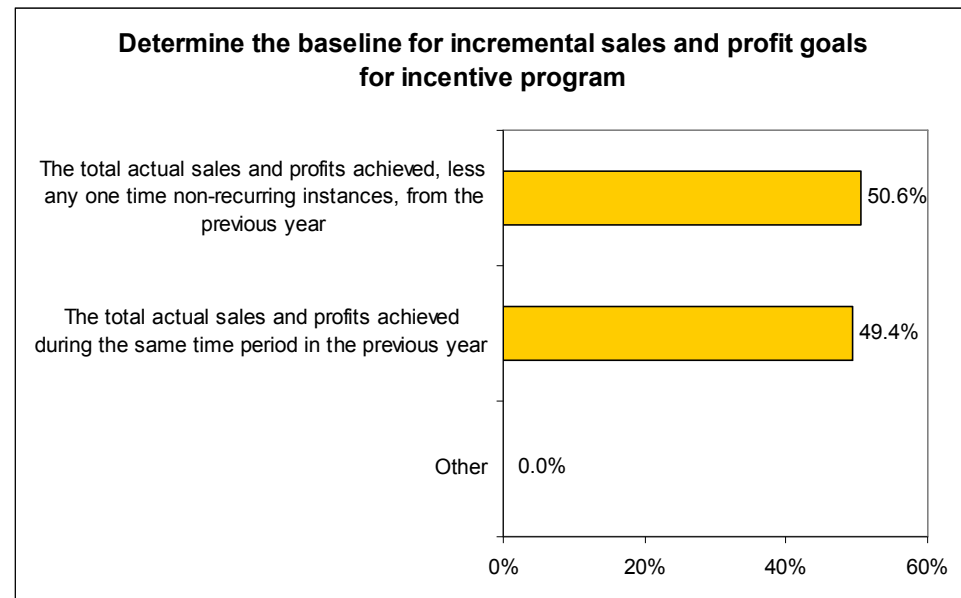
* Multiple Responses Accepted

- To understand the “steps companies take in determining the objectives of their incentive programs prior to the program being announced”, most (82.7%) utilized program objectives that participants can achieve and are tied to overall corporate objectives. In addition, 73.7% establish incentive objectives based on incremental projected sales and profit increases.
- Respondents indicated the least used “step” (40.7%) is “identifying specific qualifiers to target for inclusion in the incentive program”.

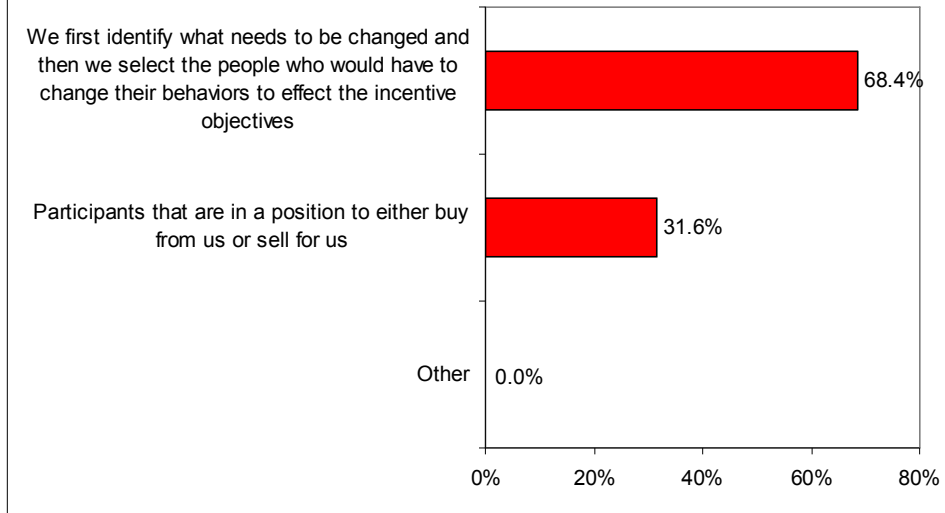


- 62.0% of companies used their incentive programs to address operational and sales performance shortfalls to specifically provide a “short term solution with a direct focus on a specific sales and operational performance goal”.

- To determine the baseline for incremental sales and profit goals for incentive programs, companies either used “The total actual sales and profits achieved during the same time period in the previous year” or “The total actual sales and profits achieved, less any one time non-recurring instances, from the previous year”.

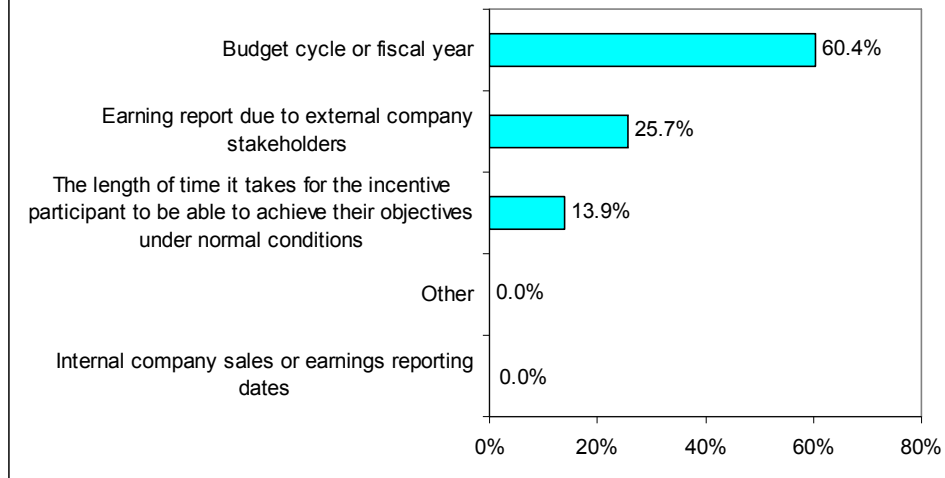


Identify the incentive participant audience

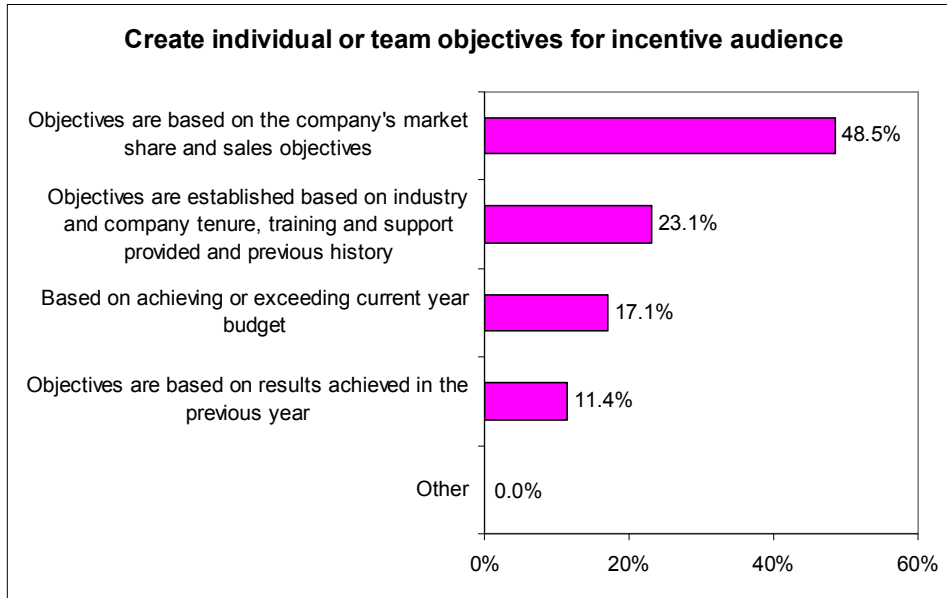


- To identify the incentive participant audience, 68.4% of companies first identify what needs to be changed and then they select the people who would have to change their behaviors to affect the incentive objectives.
- 31.6% of companies also indicated "Participants that are in a position to either buy from us or sell for us".

Factors that determine the duration of your incentive program

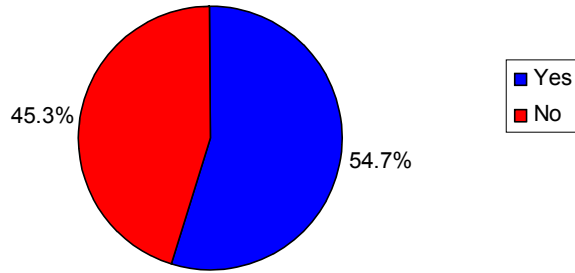


- 60.4% of companies determined the duration (qualifying period) of the incentive program based on their corporate "Budget cycle or fiscal year".
- 25.7% determined the duration by "Earning report due to external company stakeholders".



- To create individual or team objectives for the incentive audience, 48.5% of companies' objectives are based on the companies' market share and sales objectives.
- 23.1% of companies established the objectives based on industry and company tenure, training and support provided and previous history.

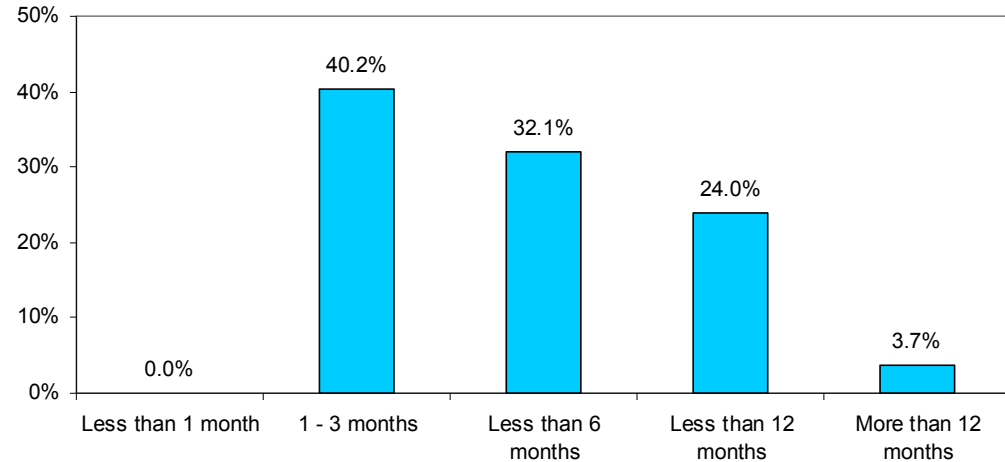
Are you personally involved with the design and implementation of your company's incentive programs?



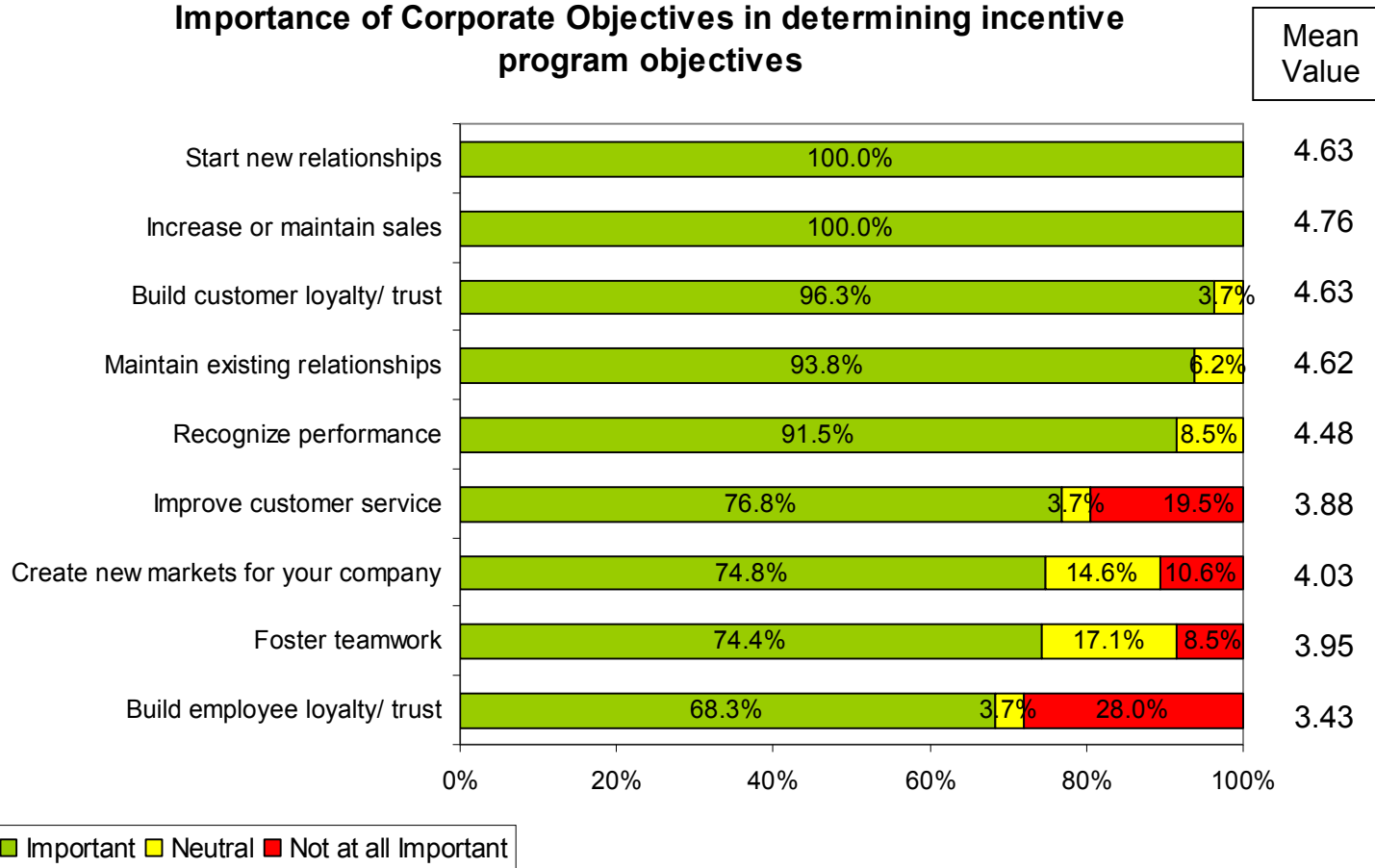
- 54.7% of respondents were personally involved with the design and implementation of their company's incentive programs (Can be incentive travel, merchandise or other non-cash incentives).
- 45.3% were not involved with the design and implementation of the incentive programs.

- 40.2% of those who were personally involved with the design and implementation of their company's incentive programs indicated that the average length of the qualifying period of 2008 incentive programs is shown in "1 – 3 months" (40.2%), followed by "Less than 6 months" (32.1%) and "Less than 12 months" (24.0%).

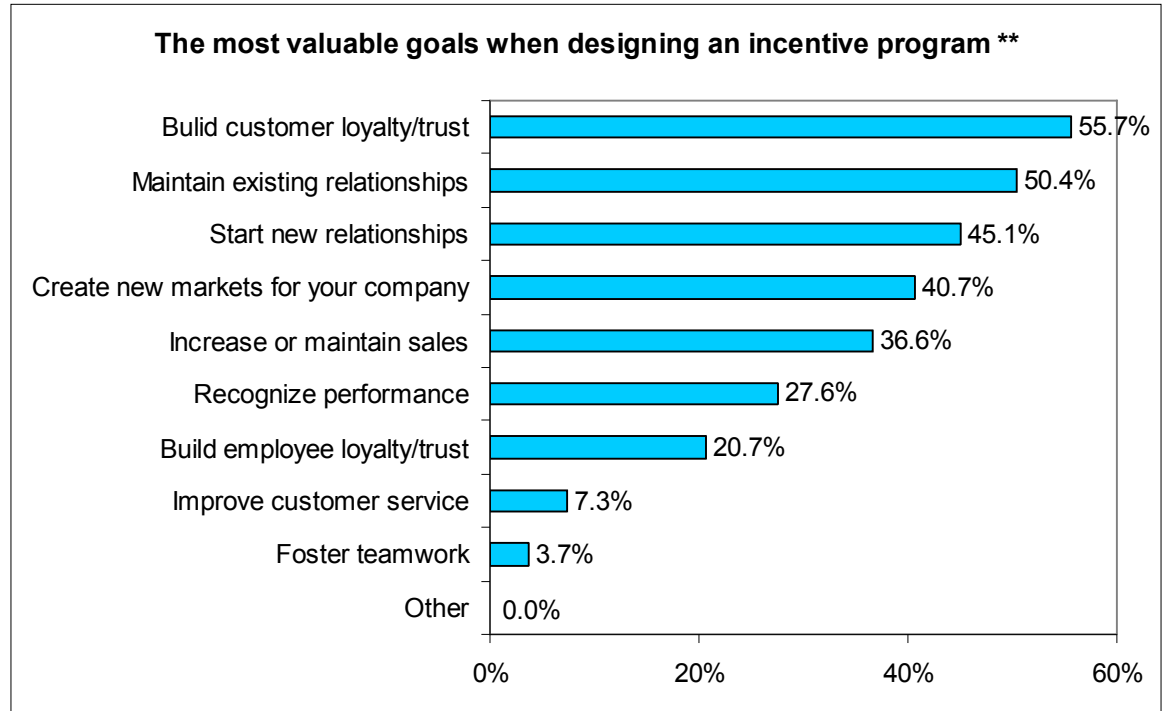
Average Length of the Qualifying Period of 2008 Incentive Programs



Importance of Corporate Objectives in determining incentive program objectives



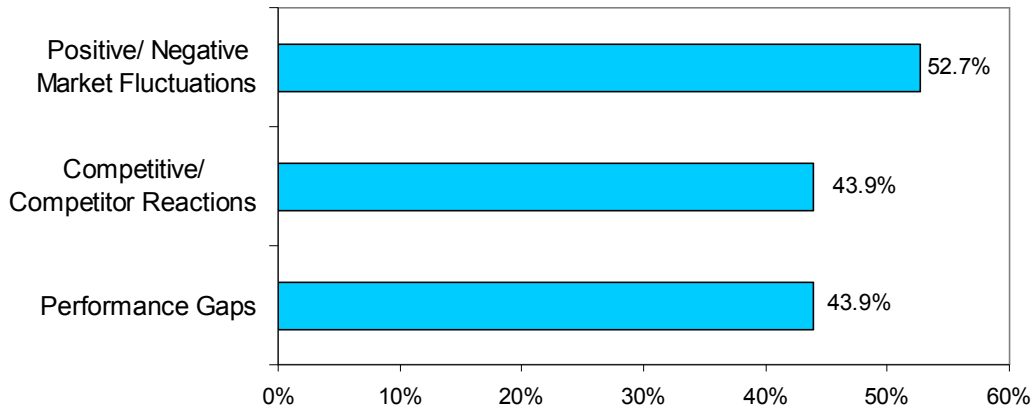
- When the respondents were asked their corporate objectives in determining the incentive program objectives, 5 of 9 attributes evaluated had important scores of at least 80%. Among them, “Start new relationships” and “Increase or maintain sales” had the highest rating (100.0%), followed by “Build customer loyalty/trust”, “Maintain existing relationships”, and “Recognize performance”.
- “Build employee loyalty/trust” was the attribute that respondents rated least important (68.3%).



** Up To Three Responses Accepted

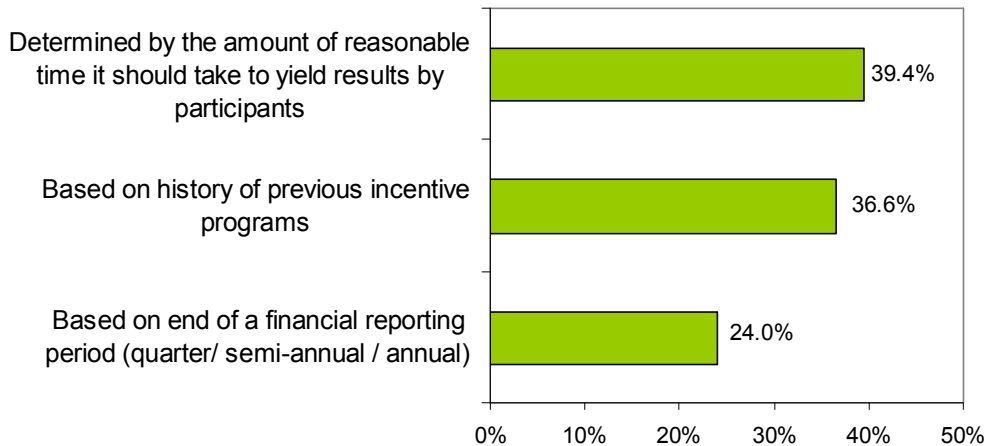
- The three most valuable goals to respondents' companies when designing their incentive programs are "Build customer loyalty/trust" (55.7%), "Maintain existing relationships" (50.4%), and "Start new relationships" (45.1%).
- The least valuable goals when designing an incentive program are "Foster teamwork" (3.7%) and "Improve customer service" (7.3%).

The need to modify the incentive program to adjust any of the following:

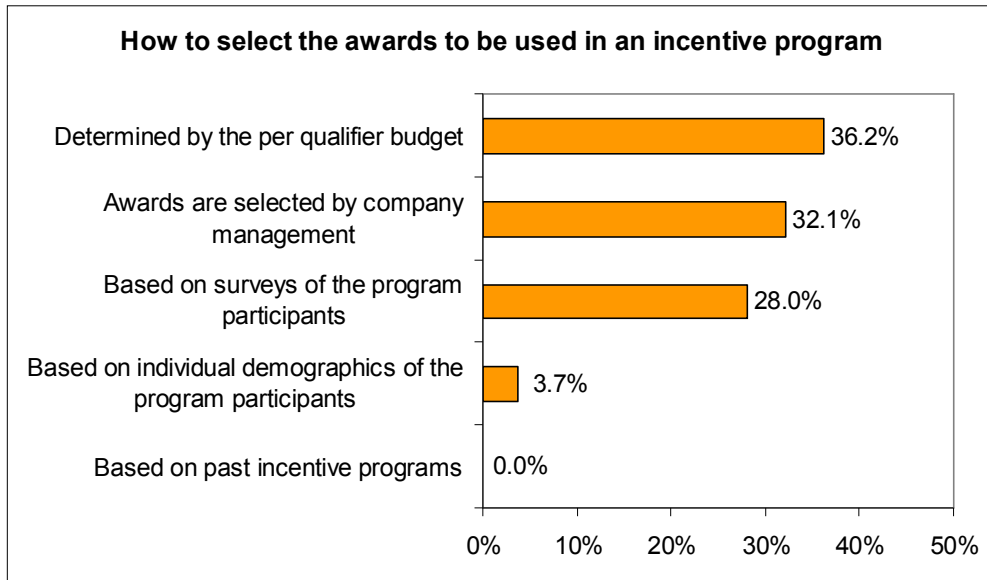


- When designing an incentive program, about half (52.7%) of companies anticipate the need to modify the program once it has been implemented to adjust “Positive/Negative Market Fluctuations”.
- At the same time, 43.9% have the need to modify the incentive program to adjust “Competitive/ Competitor Reactions”. Another 43.9% need to adjust “Performance Gaps”.

How to determine the length of your incentive programs



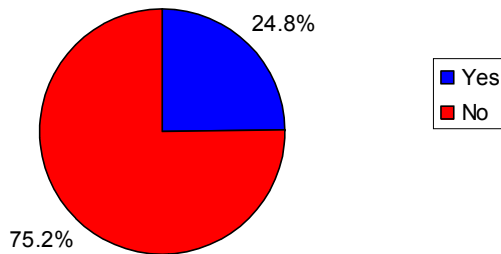
- 39.4% of companies determined the length of the incentive programs by “ the amount of reasonable time it should take to yield results by participants”.
- In addition, 36.6% determined the length of incentive programs “based on history of previous incentive programs”. Another 24.0% determined the length “based on end of a financial reporting period”.



- When survey participants were asked how their companies select the awards to be used in an incentive program, they indicated that the awards were either “determined by the per qualifier budget” or “selected by company management”, or “based on surveys of the program participants”.
- Only 3.7% of companies selected the awards “based on individual demographics of the program participants”.

Managing an Incentive Program

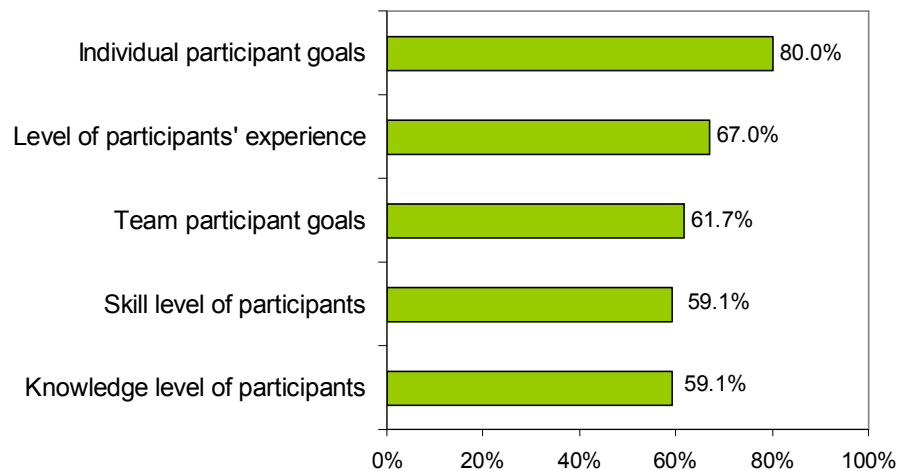
Are you personally involved with managing incentive programs once they are deployed?



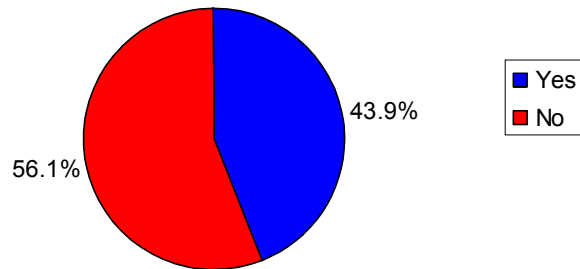
- 24.8% of participants were personally involved with managing incentive programs once they are deployed. (Incentive programs can be incentive travel, merchandise, other non-cash incentives.)
- 75.2% of survey respondents were not personally involved with managing incentive programs.

- Among those who are personally involved with incentive programs, 80.0% of the companies mentioned that their incentive program rules are structured to address differences in “Individual participant goals”.
- “Level of participants’ experience”, “Team participant goals”, “Skill level of participants”, and “Knowledge level of participants” were also important to address differences in incentive program rules structure.

Incentive program rules structured to address differences in the following areas:



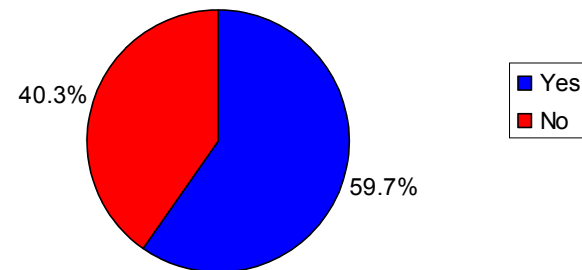
When an incentive program is operating, does your company measure/ monitor competitor's reactions to the program?

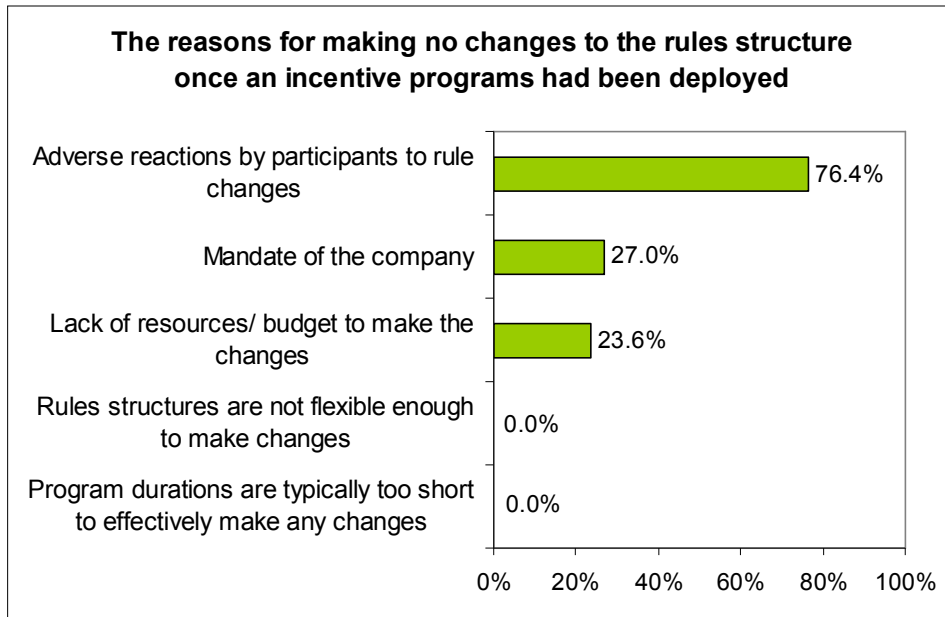


- 43.9% of companies' measured/monitored competitor's reactions to their incentive program, while the program was operating.
- At the same time, 56.1% did not measure/monitor competitor's reactions to their incentive program.

- 59.7% of the companies allowed for changes to their program rules structure once it has been deployed, while 40.3% did not.

Does your company allow for changes to the program rules structure once it has been deployed?



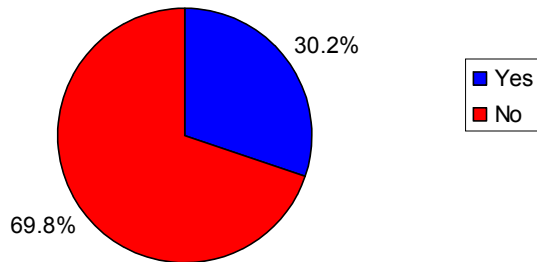


- Companies did not make changes to the rules structure once an incentive program was deployed, is due largely to (76.4%) “Adverse reactions by participants to rule changes”.
- In addition, “Mandate of the company” (27.0%) and “Lack of resources/budget to make changes” (23.6%) were also two slightly important reasons for making no changes to incentive program rules structure.

* Multiple Responses Accepted

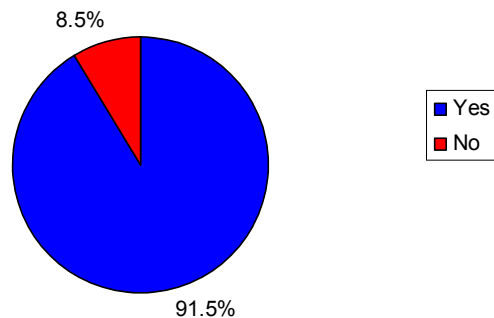
Measures of Incentive Program Success

Are you personally involved with measuring the success of incentive programs once they are completed?



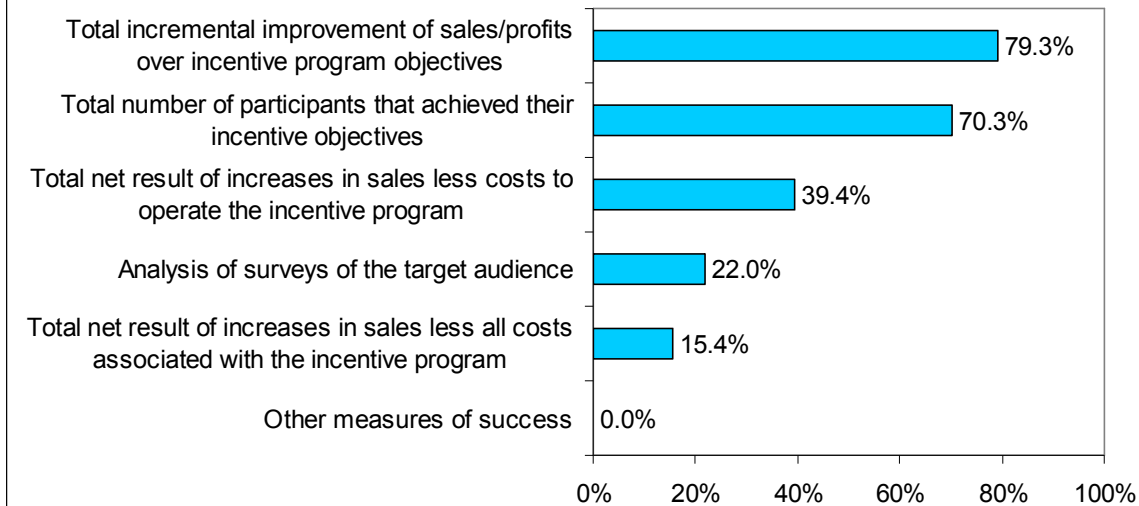
- 30.2% of survey respondents were personally involved with measuring the success of incentive programs once they are completed, while 69.8% of them did not.

Overall, when designing an incentive program, does your company determine how the success of the program will be measured?



- Overall, when designing an incentive program, 91.5% determined how the success of the program would be measured, while only 8.5% did not.

Criteria to Measure the Success of Incentive Programs *

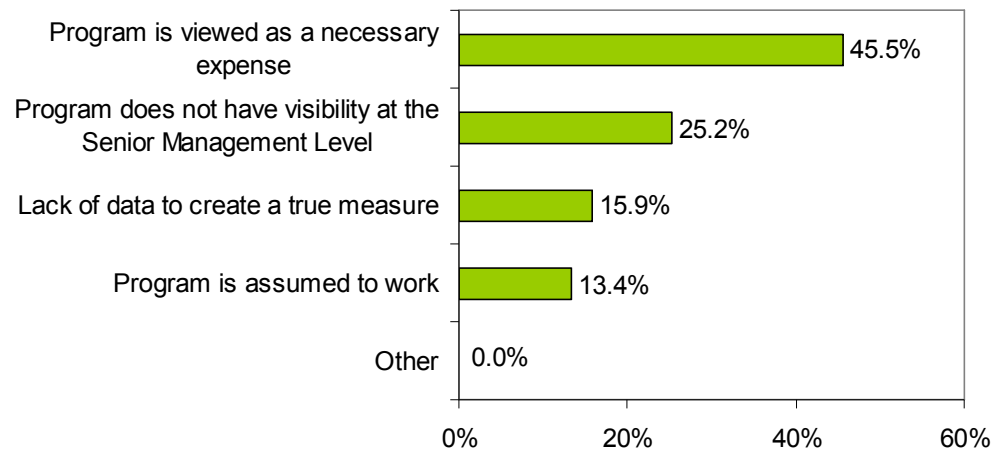


- The best criteria used to measure the success of incentive programs was “Total incremental improvement of sales/profits over incentive program objectives” (79.3%), followed by “Total number of participants that achieved their incentive objectives” (70.3%).

* Multiple Responses Accepted

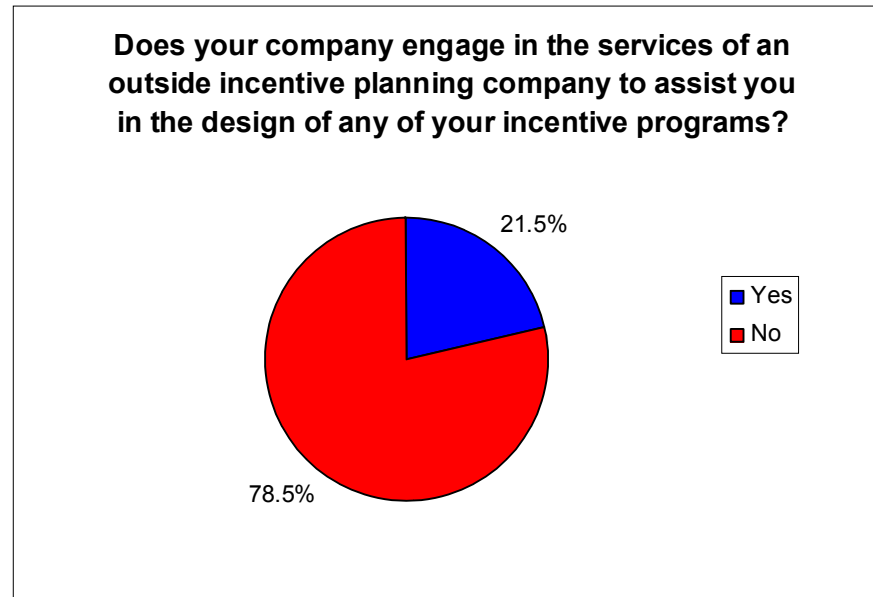
- The main reason (45.5%) why the company did not measure the success of the incentive program was “Program is viewed as a necessary expense”.
- The second reason (25.2%) for no measurement for incentive program was “Program does not have visibility at the Senior Management Level”.

No measurement for incentive program



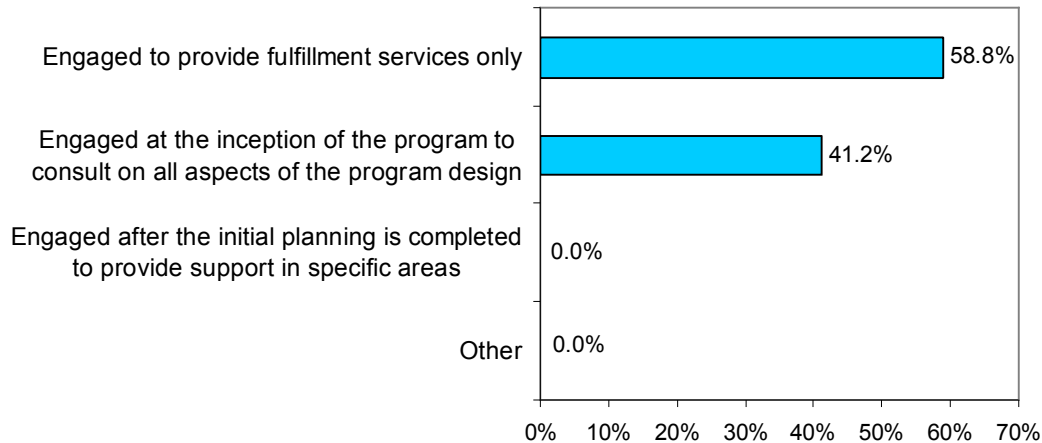
The Role of an Outside Incentive Planning Company

In the Process of Designing an Incentive Program



- Only 21.5% of companies engaged in the services of an outside incentive planning company to assist in the design of any of the incentive programs, while 78.5% of companies did not outsource an outside company when designing their incentive programs.

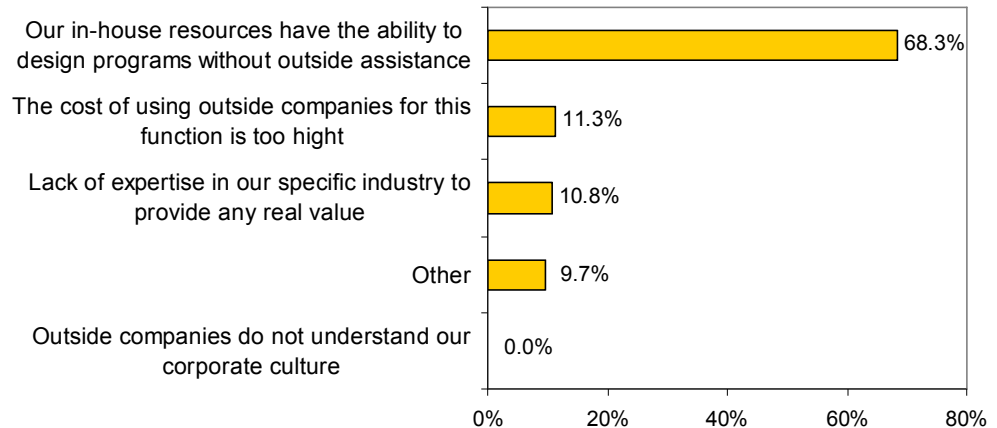
The role of outside incentive company in design of incentive program



- Among those who did engage in the services of an outside incentive planning company in design of their incentive programs, they indicated that the outside incentive companies either “engaged to provide fulfillment services only” or “engaged at the inception of the program to consult on all aspects of the program design”.

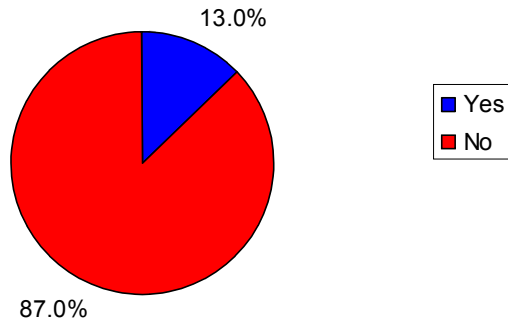
- Among those who did not engage in the services of an outside incentive company, a high percentage (68.3%) of them explained that their in-house resources have the ability to design programs without outside assistance.

The reason your company does not use an incentive services company to assist with designing your incentive program



Process of Managing an Incentive Program

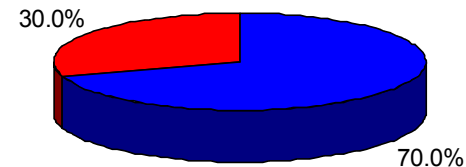
Does your company engage the services of an outside incentive planning company to assist you in managing your incentive programs?



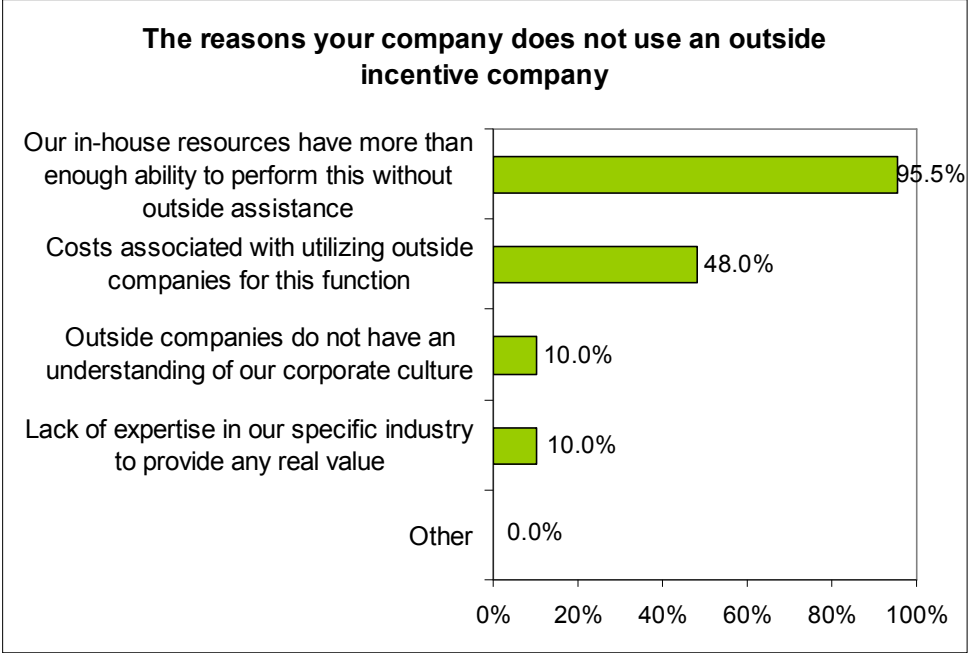
- Only 13.0% of companies engaged the services of an outside incentive planning company to assist in managing their incentive programs, while 87.0% of companies did not engage the services of an outside company when managing their incentive programs.

- Among those companies that engaged the services of an outside incentive planning company, 70.0% of their outside companies are “actively involved in all aspects of the program design from the very start of the planning process”.

The role your outside company plays in the management of your incentive program



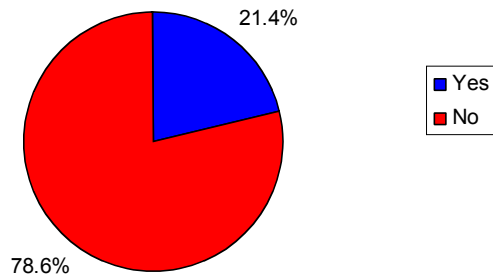
- Actively involved in all aspects of the program design from the very start of the planning process
- Brought in after the initial planning stages are completed to provide support in specific areas as directed



- The reason companies did not use an outside incentive company to assist with the management of their incentive programs, are either because “their in-house resources have more than enough ability to perform this without outside assistance” (95.5%) or because of “costs associated with utilizing outside companies for this function” (48.0%).

Process of Measuring the Success of an Incentive Program

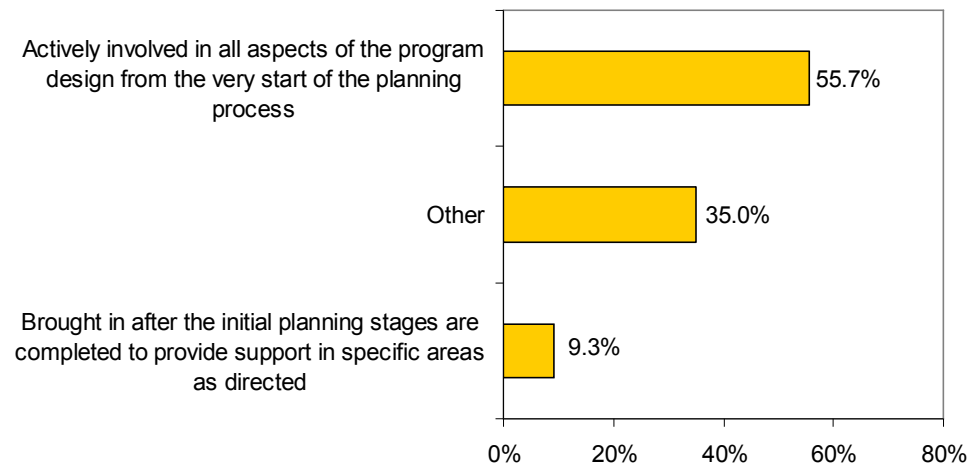
Does your company engage the services of an outside incentive planning company to assist you in measuring the success of your incentive programs?



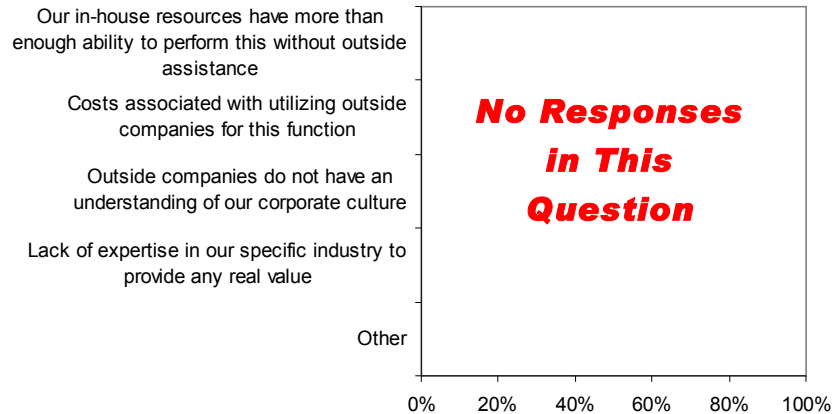
- Among those who were personally involved with measuring the success of incentive programs, only 21.4% also engaged the services of an outside incentive planning company to measure the success of their incentive programs.

- 55.7% of respondents indicated that outside incentive companies were “Actively involved in all aspects of the program design from the very start of the planning process” in measuring the success of incentive programs.

The role your outside incentive company plays in measuring the success of your incentive program

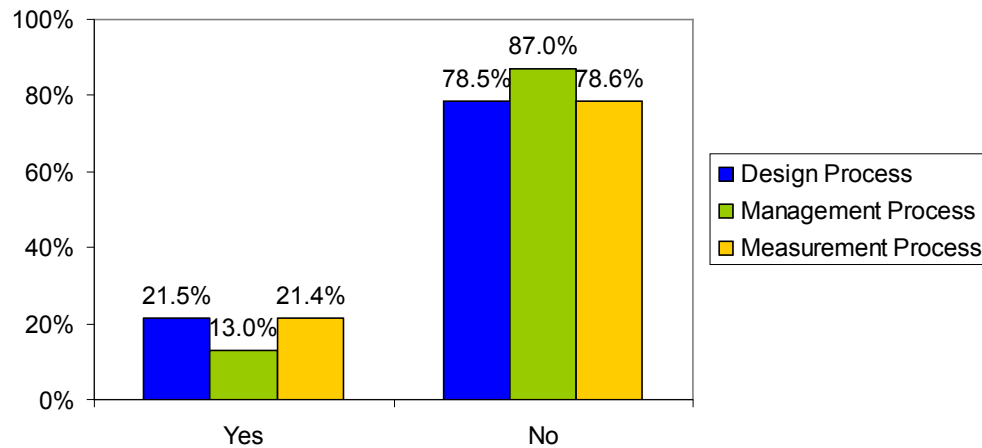


The reason why your company does not use an outside incentive company to assist with measuring the success of your incentive program



- (There were no responses when surveyed respondents were asked the reasons why their companies did not use an outside incentive company to assist with measuring the success of incentive programs.)

Engaged in the Service of an Outside Incentive Planning Company



- Overall, surveyed companies did not largely engage in the service of an outside incentive company in any process of designing, managing, and measuring the success of their incentive programs.

Appendix A

Vertical Market Segmentation

What was the overall sales revenue of your company in 2007?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Less than \$10 million	47	27%	12	8%	0	0%	0	0%	0	0%	3	2%
\$10 million - \$25 million	15	9%	11	8%	17	9%	0	0%	0	0%	41	28%
\$25 million - \$50 million	0	0%	0	0%	0	0%	0	0%	0	0%	30	20%
\$50 million - \$100 million	4	2%	19	13%	45	24%	40	27%	40	32%	70	48%
\$100 million - \$250 million	2	1%	2	1%	35	19%	35	23%	35	28%	3	2%
\$250 million - \$500 million	0	0%	46	32%	46	25%	46	31%	46	37%	0	0%
More than \$500 million	41	24%	49	34%	0	0%	28	19%	3	2%	0	0%

Which department do you work in at your company?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Travel department	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Conference or events	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Marketing department	29	17%	22	15%	38	20%	27	18%	20	16%	38	26%
HR department	2	1%	1	1%	2	1%	1	1%	0	0%	2	1%
Purchasing	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Sales department	20	11%	16	11%	22	12%	18	12%	14	11%	19	13%
Operations department	40	23%	30	21%	35	19%	31	21%	19	15%	26	18%
Other	83	48%	76	52%	90	48%	72	48%	71	57%	62	42%

Which of the following Statements best describes the method by which your participants qualified to be included in your 2008 incentive program:	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Participants qualify based on pre-determined objectives that are established at the outset of the program	121	70%	94	65%	127	68%	99	66%	74	60%	115	78%
Participants qualify based on their status as an employee, dealer, customers, or other affiliated representative of the company without requirements for achieving stated objectives	11	6%	8	6%	11	6%	11	7%	5	4%	14	10%
None of the above	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Did you use incentive travel as an award vehicle for your 2008 incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	121	100%	94	100%	127	100%	99	100%	74	100%	115	100%
No	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

What was your company's incentive travel budget for 2008?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Less than \$100,000	33	27%	24	26%	33	26%	33	33%	23	31%	20	17%
\$100,000 - \$500,000	46	38%	35	37%	49	39%	37	37%	26	35%	49	43%
\$500,000 - \$750,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$750,000 - \$1,000,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
More than \$1,000,000	20	17%	17	18%	21	17%	15	15%	13	18%	27	23%
Don't Know	22	18%	18	19%	24	19%	14	14%	12	16%	19	17%

In your company, has the budget for your 2008 incentive travel programs increased, stayed the same, or decreased?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Increased	22	18%	18	19%	24	19%	14	14%	12	16%	19	17%
Decreased	33	27%	24	26%	33	26%	33	33%	23	31%	20	17%
Stayed the same	66	55%	52	55%	70	55%	52	53%	39	53%	76	66%

Which of following best explains why your budget for 2008 incentive travel programs has increased, decreased, or stayed the same?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Cost of airfare and ground transportation	22	18%	18	19%	24	19%	14	14%	12	16%	19	17%
Cost of lodging and food	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Cost of program communication/ administration	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Number of qualifiers	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Reduced/ Increased number of days/ nights from previous year	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Cost of activities	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Fixed budget year to year	65	54%	50	53%	67	53%	55	56%	42	57%	63	55%
Other	34	28%	26	28%	36	28%	30	30%	20	27%	33	29%

What was your company's spend per incentive participant qualifier for your 2008 incentive travel programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
\$1,000 - \$1,500	11	9%	8	9%	11	9%	11	11%	10	14%	7	6%
\$1,500 - \$2,500	22	18%	16	17%	22	17%	22	22%	13	18%	13	11%
\$2,500 - \$3,500	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$3,500 - \$5,000	23	19%	18	19%	25	20%	19	19%	10	14%	26	23%
Over \$5,000	20	17%	17	18%	21	17%	15	15%	13	18%	27	23%
Don't Know	45	37%	35	37%	48	38%	32	32%	28	38%	42	37%

Does your 2008 incentive travel program include an allowance for "guests"?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	99	82%	78	83%	105	83%	77	78%	61	82%	102	89%
No	22	18%	16	17%	22	17%	22	22%	13	18%	13	11%

What was your company's spend per "guest" for your 2008 incentive travel programs?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
\$1,000 - \$1,500	11	11%	8	10%	11	10%	11	14%	10	16%	7	7%
\$1,500 - \$2,500	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$2,500 - \$3,500	23	23%	18	23%	25	24%	19	25%	10	16%	26	25%
\$3,500 - \$5,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Over \$5,000	20	20%	17	22%	21	20%	15	19%	13	21%	27	26%
Don't Know	45	45%	35	45%	48	46%	32	42%	28	46%	42	41%

Did your company utilize merchandise and other non-cash award program in 2008 for any of the following?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Consumer promotions	54	31%	46	32%	61	33%	48	32%	39	31%	39	27%
Sales incentives	44	25%	38	26%	51	27%	38	26%	33	27%	35	24%
Dealer/ Reseller incentives	24	14%	21	14%	29	16%	20	13%	19	15%	20	14%
Non-Sales employee	55	32%	45	31%	60	32%	48	32%	36	29%	43	29%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

What was your company's annual budget for merchandise and other non-cash incentives in 2008?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Less than \$100,000	62	82%	49	78%	65	78%	53	79%	37	73%	39	72%
\$100,000 - \$150,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$150,000 - \$250,000	5	7%	5	8%	7	8%	5	7%	5	10%	4	7%
\$250,000 - \$500,000	9	12%	9	14%	11	13%	9	13%	9	18%	11	20%
\$500,000 - \$750,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$750,000 - \$1,000,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
More than \$1,000,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

What was your spend in 2008 per incentive qualifier for merchandise and other non-cash incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Less than \$100	31	41%	25	40%	34	41%	25	37%	20	39%	16	30%
\$100 - \$150	13	17%	10	16%	13	16%	13	19%	7	14%	12	22%
\$250 - \$500	8	11%	6	10%	8	10%	8	12%	4	8%	4	7%
\$500 - \$750	9	12%	8	13%	11	13%	8	12%	7	14%	8	15%
\$750 - \$1,000	9	12%	9	14%	11	13%	9	13%	9	18%	11	20%
\$1,000 - \$1,500	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
More than \$1,500	6	8%	5	8%	6	7%	4	6%	4	8%	3	6%

In your company, has the budget for your 2008 merchandise and other non-cash incentives increased, stayed the same, or decreased?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Increased	5	7%	5	8%	7	8%	5	7%	5	10%	4	7%
Decreased	46	61%	39	62%	51	61%	38	57%	33	65%	30	56%
Stayed the same	25	33%	19	30%	25	30%	24	36%	13	25%	20	37%

Which of the following best explains why your 2008 budget for merchandise and other non-cash incentives has INCREASED?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Due to reduction in incentive travel budget	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Supplement in addition to incentive travel	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Higher value award selection	5	100%	5	100%	7	100%	5	100%	5	100%	4	100%
Increase in number of qualifiers	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Which of the following best explains why your 2008 budget for merchandise and other non-cash incentives has DECREASED?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Lower value of award selection	31	67%	25	64%	34	67%	25	66%	20	61%	16	53%
Reduced number of qualifiers	6	13%	5	13%	6	12%	4	11%	4	12%	3	10%
Replaced by incentive travel awards	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Reduction in gift card awards budget	9	20%	9	23%	11	22%	9	24%	9	27%	11	37%
Replaced by other awards	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Eliminated program	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Which of the following best explains why your 2008 budget for merchandise and other non-cash incentives has stayed the same?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Fixed budget year to year	21	84%	16	84%	21	84%	20	83%	11	85%	16	80%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Don't Know	4	16%	3	16%	4	16%	4	17%	2	15%	4	20%

Were you personally involved with the management of any Sales and other types of Motivational Meetings for your company?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	47	27%	38	26%	49	26%	41	28%	30	24%	38	26%
No	127	73%	107	74%	138	74%	108	72%	94	76%	109	74%

What was your company's 2008 budget for Sales and other types of Motivational meetings?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Less than \$100,000	35	74%	28	74%	35	71%	29	71%	22	73%	24	63%
\$100,000 - \$500,000	8	17%	6	16%	10	20%	8	20%	4	13%	12	32%
\$500,000 - \$750,000	4	9%	4	11%	4	8%	4	10%	4	13%	2	5%
\$750,000 - \$1,000,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
More than \$1,000,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

In your company, has the budget for your 2008 Sales and other types of Motivational Meetings incentives increased, stayed the same, or decreased in the past year?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Increased	9	19%	9	24%	11	22%	8	20%	8	27%	8	21%
Decreased	16	34%	12	32%	16	33%	11	27%	10	33%	13	34%
Stayed the same	22	47%	17	45%	22	45%	22	54%	12	40%	17	45%

Which of the following best explains why your budget for 2008 Sales and other types of Motivational Meetings has increased/ stayed the same/ decreased?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Cost of airfare and	12	26%	9	24%	12	24%	8	20%	7	23%	9	24%
Cost of lodging and food	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Cost of communication/ administration of programs	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Conducted at a corporate owned facility	9	19%	7	18%	9	18%	9	22%	5	17%	9	24%
Reduced/ Increased number of attendees	4	9%	3	8%	4	8%	3	7%	3	10%	4	11%
Other	4	9%	3	8%	4	8%	4	10%	2	7%	4	11%
Don't Know	18	38%	16	42%	20	41%	17	41%	13	43%	12	32%

What was your company's spend per employee/ attendee for your 2008 Sales and other types of Motivational Meetings?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
\$500 - \$1,500	30	64%	25	66%	32	65%	25	61%	20	67%	21	55%
\$1,500 - \$2,500	4	9%	3	8%	4	8%	3	7%	3	10%	4	11%
\$2,500 - \$3,500	9	19%	7	18%	9	18%	9	22%	5	17%	9	24%
\$3,500 - \$5,000	4	9%	3	8%	4	8%	4	10%	2	7%	4	11%
Over \$5,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Does your 2008 Sales and other types of Motivational Meeting program include an allowance for "guests"?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	25	53%	19	50%	25	51%	20	49%	15	50%	22	58%
No	18	38%	16	42%	20	41%	17	41%	13	43%	12	32%
Don't Kow	4	9%	3	8%	4	8%	4	10%	2	7%	4	11%

What was your company's spend per "guest" for your 2008 Sales and other types of Motivational Meetings?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
\$500 - \$1,500	12	48%	9	47%	12	48%	8	40%	7	47%	9	41%
\$1,500 - \$2,500	4	16%	3	16%	4	16%	3	15%	3	20%	4	18%
\$2,500 - \$3,500	9	36%	7	37%	9	36%	9	45%	5	33%	9	41%
\$3,500 - \$5,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Over \$5,000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Which of the following steps does your company utilize to establish incentive program objectives for all of your incentive program?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
We analyze our current levels of operational and sales performance to identify performance gaps	30	64%	23	61%	30	61%	26	63%	17	57%	22	58%
We establish incentive objectives based on incremental projected sales and profit increases	34	72%	28	74%	36	73%	28	68%	23	77%	30	79%
We identify specific qualifiers to target for inclusion in the incentive program	20	43%	15	39%	20	41%	15	37%	12	40%	17	45%
We determine the duration of the incentive program based on our corporate objectives timetable	30	64%	25	66%	32	65%	25	61%	20	67%	26	68%
We establish program objectives that participants can achieve and are tied to overall corporate objectives	39	64%	32	66%	41	65%	34	61%	25	67%	30	68%
None of the above	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Which statement best describes how your company uses incentive programs to address operational and sales performance shortfalls?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Short term solution with a direct focus on a specific sales or operational performance goal	32	63%	19	56%	32	60%	28	65%	23	77%	21	54%
As part of a long term solution in conjunction with other initiatives not directly tied to the incentive program	9	18%	7	21%	9	17%	9	21%	5	17%	10	26%
as part of an HR driven process to drive employee engagement	10	20%	8	24%	12	23%	6	14%	2	7%	8	21%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Which statement best describes the method that your company uses to determine the baseline for incremental sales and profit goals for your incentive program?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
The total actual sales and profits achieved during the same time period in the previous year	21	47%	18	51%	23	49%	18	47%	18	55%	24	49%
The total actual sales and profits achieved, less any one time non-recurring instances, from the previous year	24	53%	17	49%	24	51%	20	53%	15	45%	25	51%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Which statement best describes the method that your company uses to identify the incentive participant audience?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
We first identify what needs to be changed and then we select the people who would have to change their behaviors to effect the incentive objectives	28	70%	19	70%	30	71%	24	69%	21	70%	21	60%
Participants that are in a position to either buy from us or sell for us	12	30%	8	30%	12	29%	11	31%	9	30%	14	40%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Which statement best describes the factors that determine the duration (qualifying period) of your incentive program?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Budget cycle or fiscal year	16	59%	13	65%	18	62%	12	52%	11	61%	17	63%
Earning report due to external company stakeholders	7	26%	5	25%	7	24%	7	30%	3	17%	8	30%
Internal company sales or earnings reporting dates	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
The length of time it takes for the incentive participant to be able to achieve their objectives under normal conditions	4	15%	2	10%	4	14%	4	17%	4	22%	2	7%
Other	0	15%	0	10%	0	14%	0	17%	0	22%	0	7%

Which statement best describes the process that your company uses to create individual or team objectives for your incentive audience?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Objectives are established based on industry and company tenure, training and support provided and previous history	15	22%	9	20%	15	22%	15	26%	11	28%	12	21%
Objectives are based on the company's market share and sales objectives	29	43%	22	50%	31	45%	25	44%	24	60%	31	54%
Objectives are based on results achieved in the previous year	8	12%	4	9%	8	12%	8	14%	4	10%	6	11%
Based on achieving or exceeding current year budget	15	22%	9	20%	15	22%	9	16%	1	3%	8	14%
Other	0	22%	0	20%	0	22%	0	16%	0	3%	0	14%

Are you personally involved with the design and implementation of your company's incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	52	60%	28	45%	54	58%	45	61%	26	49%	41	51%
No	35	40%	34	55%	39	42%	29	39%	27	51%	40	49%

What was the average length of the qualifying period of your 2008 incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Telecommunications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Less than 1 month	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
1 - 3 months	18	35%	11	39%	20	37%	18	40%	12	46%	20	49%
Less than 6 months	18	35%	9	32%	18	33%	14	31%	9	35%	11	27%
Less than 12 months	14	27%	7	25%	14	26%	12	27%	4	15%	8	20%
More than 12 months	2	4%	1	4%	2	4%	1	2%	1	4%	2	5%

In 2008 how important were the following Corporate Objectives in determining your incentive program objectives?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Telecommunications Reseller		Insurance Agency/ Brokerage	
	Count	Mean	Count	Mean	Count	Mean	Count	Mean	Count	Mean	Count	Mean
Increase or maintain sales	52	4.77	28	4.71	54	4.74	45	4.82	26	4.81	41	4.68
Recognize performance	52	4.42	28	4.39	54	4.41	45	4.53	26	4.77	41	4.44
Build employee loyalty/ trust	52	3.46	28	3.50	54	3.48	45	3.53	26	3.50	41	3.12
Build customer loyalty/ trust	52	4.62	28	4.57	54	4.59	45	4.69	26	4.73	41	4.59
Start new relationships	48	4.63	26	4.58	50	4.60	41	4.66	22	4.77	39	4.62
Maintain existing relationships	48	4.63	26	4.58	50	4.60	41	4.56	22	4.82	39	4.64
Improve customer service	52	4.04	28	4.04	54	4.04	45	3.98	26	3.54	41	3.49
Foster teamwork	52	3.88	28	3.89	54	3.89	45	3.98	26	4.19	41	3.95
Create new markets for your company	48	4.21	26	4.19	50	4.20	41	4.12	22	3.64	39	3.62

Overall, what are the three most valuable goals to your company when designing an incentive program?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Increase or maintain sales	20	38%	10	36%	20	37%	17	38%	9	35%	14	34%
Recognize performance	12	23%	6	21%	12	22%	12	27%	12	46%	14	34%
Build employee loyalty/trust	10	19%	7	25%	12	22%	6	13%	5	19%	11	27%
Bulid customer loyalty/trust	30	58%	15	54%	30	56%	26	58%	17	65%	19	46%
Start new relationships	26	50%	13	46%	26	48%	23	51%	5	19%	18	44%
Maintain existing relationships	28	54%	14	50%	28	52%	21	47%	14	54%	19	46%
Improve customer service	4	8%	2	7%	4	7%	4	9%	0	0%	4	10%
Foster teamwork	2	4%	1	4%	2	4%	2	4%	0	0%	2	5%
Create new markets for your company	20	38%	12	43%	22	41%	20	44%	12	46%	14	34%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Overall, when designing an incentive program, does your company determine how the success of the program will be measured?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	46	88%	25	89%	48	89%	41	91%	26	100%	39	95%
No	6	12%	3	11%	6	11%	4	9%	0	0%	2	5%

Overall, which method best describes the criteria your company uses to measure the success of your incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Total incremental improvement of sales/profits over incentive program objectives	38	73%	21	75%	40	74%	37	82%	25	96%	34	83%
Total number of participants that achieved their incentive objectives	34	65%	19	68%	36	67%	30	67%	25	96%	29	71%
Total net result of increases in sales less all costs associated with the incentive program	8	15%	4	14%	8	15%	8	18%	4	15%	6	15%
Analysis of surveys of the target audience	12	23%	6	21%	12	22%	8	18%	5	19%	11	27%
Total net result of increases in sales less costs to operate the incentive program	22	23%	11	21%	22	22%	18	18%	9	19%	15	27%
Other measures of success	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Overall, which statement best describes why your company does not measure the success of your incentive	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Lack of data to create a true measure	8	15%	4	14%	8	15%	8	18%	6	23%	5	12%
Program is viewed as a necessary expense	26	50%	14	50%	27	50%	20	44%	9	35%	16	39%
Program does not have visibility at the Senior management Level	12	23%	7	25%	13	24%	11	24%	7	27%	12	29%
Program is assumed to work	6	12%	3	11%	6	11%	6	13%	4	15%	8	20%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Does your company engage in the services of an outside incentive planning company to assist you in the design of any of your incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	10	19%	7	25%	12	22%	6	13%	5	19%	11	27%
No	40	77%	20	71%	40	74%	37	82%	21	81%	28	68%
Don't Know	2	4%	1	4%	2	4%	2	4%	0	0%	2	5%

What best describes the role an outside incentive company plays in the design of your incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Engaged at the inception of the program to consult on all aspects of the program design	6	60%	3	43%	6	50%	2	33%	1	20%	3	27%
Engaged after the initial planning is completed to provide support in specific areas	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Engaged to provide fulfillment services only	4	40%	4	57%	6	50%	4	67%	4	80%	8	73%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

What best describes the reason your company does not use an incentive services company to assist with designing your incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Our in-house resources have the ability to design programs without outside assistance	26	65%	13	65%	26	65%	25	68%	17	81%	20	71%
The cost of using outside companies for this function is too high	6	15%	3	15%	6	15%	4	11%	0	0%	2	7%
Outside companies do not understand our corporate culture	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Lack of expertise in our specific industry to provide any real value	4	10%	2	10%	4	10%	4	11%	4	19%	2	7%
Other	4	10%	2	10%	4	10%	4	11%	0	0%	4	14%

Overall, when design an incentive program, does your company anticipate the need to modify the program once it has been implemented to adjust to any of the following?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Performance Gaps	24	46%	12	43%	24	44%	19	42%	14	54%	11	27%
Competitive/ Competitor Reactions	24	46%	12	43%	24	44%	19	42%	14	54%	11	27%
Positive/ Negative Market Fluctuations	30	58%	15	54%	30	56%	23	51%	14	54%	13	32%

Overall, how does your company determine the length of your incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Based on end of a financial reporting period	14	27%	7	25%	14	26%	10	22%	5	19%	9	22%
Determined by the amount of reasonable time it should take to yield results by participants	18	35%	11	39%	20	37%	18	40%	8	31%	22	54%
Based on history of previous incentive programs	20	38%	10	36%	20	37%	17	38%	13	50%	10	24%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Overall, how does your company select the awards to be used in an incentive program?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Based on individual demographics of the program participants	2	4%	1	4%	2	4%	1	2%	1	4%	2	5%
Based on surveys of the program participants	14	27%	9	32%	16	30%	10	22%	5	19%	15	37%
Determined by the per qualifier budget	18	35%	9	32%	18	33%	16	36%	12	46%	16	39%
Based on past incentive programs	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Awards are selected by company management	18	35%	9	32%	18	33%	18	40%	8	31%	8	20%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Are you personally involved with managing incentive programs once they are deployed?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	52	30%	26	18%	52	28%	42	28%	22	18%	36	24%
No	122	70%	119	82%	135	72%	107	72%	102	82%	111	76%

Overall, are your company's incentive program rules structured to address differences in any of the following areas?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Level of participants' experience	34	65%	17	65%	34	65%	29	69%	17	77%	23	64%
Knowledge level of participants	32	62%	16	62%	32	62%	25	60%	13	59%	18	50%
Skill level of participants	32	62%	16	62%	32	62%	25	60%	13	59%	18	50%
Individual participant goals	40	77%	20	77%	40	77%	33	79%	21	95%	30	83%
Team participant goals	32	62%	16	62%	32	62%	25	60%	17	77%	20	56%

When an incentive program is operating, does your company measure/ monitor competitor's reactions to the program?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	24	46%	12	46%	24	46%	19	45%	9	41%	13	36%
No	28	54%	14	54%	28	54%	23	55%	13	59%	23	64%

Does your company allow for changes to the program rules structure once it has been deployed?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	30	58%	15	58%	30	58%	24	57%	14	64%	19	53%
No	20	38%	10	38%	20	38%	16	38%	8	36%	15	42%
Don't Know	2	4%	1	4%	2	4%	2	5%	0	0%	2	6%

If your company does not make changes to the rules structure once an incentive program has been deployed, it is largely due to which of the following reasons?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Lack of resources/ budget to make the changes	6	30%	3	30%	6	30%	4	25%	0	0%	2	13%
Mandate of the company	6	30%	3	30%	6	30%	4	25%	0	0%	5	33%
Adverse reactions by participants to rule changes	14	70%	7	70%	14	70%	12	75%	8	100%	13	87%
Program durations are typically too short to effectively make any changes	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Rules structures are not flexible enough to make changes	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Does your company engage the services of an outside incentive planning company to assist you in managing your incentive programs?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	8	15%	4	15%	8	15%	3	7%	2	9%	5	14%
No	44	85%	22	85%	44	85%	39	93%	20	91%	31	86%

What best describes the role your outside company plays in the management of your incentive program?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Actively involved in all aspects of the program design from the very start of the planning process	6	75%	3	75%	6	75%	2	67%	1	50%	3	60%
Brought in after the initial planning stages are completed to provide support in specific areas as directed	2	25%	1	25%	2	25%	1	33%	1	50%	2	40%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

What best describes the reasons your company does not use an outside incentive company to assist with the design of your incentive program?	IRF Vertical Market											
	Electronic Computer/ Component Manufacturing		Pharmaceutical Preparations/ Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/ Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Our in-house resources have more than enough ability to perform this without outside assistance	42	95%	21	95%	42	95%	37	95%	20	100%	29	94%
Costs associated with utilizing outside companies for this function	22	50%	11	50%	22	50%	18	46%	12	60%	11	35%
Outside companies do not have an understanding of our corporate culture	4	9%	2	9%	4	9%	4	10%	4	20%	2	6%
Lack of expertise in our specific industry to provide any real value	4	9%	2	9%	4	9%	4	10%	4	20%	2	6%
Other	0	9%	0	9%	0	9%	0	10%	0	20%	0	6%

Does your company engage the services of an outside incentive planning company to assist you in measuring the success of your incentive programs?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	12	20%	7	21%	12	19%	11	22%	10	36%	8	17%
No	48	80%	27	79%	50	81%	39	78%	18	64%	38	83%

Are you personally involved with measuring the success of incentive programs once they are completed?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Yes	60	34%	34	23%	62	33%	50	34%	28	23%	46	31%
No	114	66%	111	77%	125	67%	99	66%	96	77%	101	69%

What best describes the role your outside incentive company plays in measuring the success of your incentive program?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Actively involved in all aspects of the program design from the very start of the planning process	34	57%	18	53%	34	55%	28	56%	19	68%	23	50%
Brought in after the initial planning stages are completed to provide support in specific areas as directed	6	10%	3	9%	6	10%	4	8%	1	4%	6	13%
Other	20	33%	13	38%	22	35%	18	36%	8	29%	17	37%

What best describes the reasons your company does not use an outside incentive company to assist with measuring the success of your incentive program?	IRF Vertical Market											
	Electronic Computer/Component Manufacturing		Pharmaceutical Preparations/Manufacturing		Automotive Dealer		Commercial Banking		Tele-communications Reseller		Insurance Agency/Brokerage	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Our in-house resources have more than enough ability to perform this without outside assistance	26	65%	13	65%	26	65%	25	68%	17	81%	20	71%
Costs associated with utilizing outside companies for this function is too high	6	15%	3	15%	6	15%	4	11%	4	19%	2	7%
Lack of expertise in our specific industry to provide any real value	4	10%	2	10%	4	10%	4	11%	0	0%	2	7%
Other	4	10%	2	10%	4	10%	4	11%	0	0%	4	14%

Appendix B

Research Methodology

Data Presentation

Throughout the report, the non-answers were removed and the base adjusted to 100%. Data is presented in the form of frequencies, percentages and mean scores.

- ❑ **Frequencies (n) reflect the number of times a given response is recorded.**
- ❑ **Percentages (%)** are based on the total number of responses, [*frequency of one given answer*]/(*total number of responses*).
- ❑ **Mean scores** are averages of data [*sum of all frequencies*]/(*total sample number*)]. They are provided when respondents have been asked to rate their agreement and/or satisfaction on a numbered scale.

Statistical Measures

The standard deviation is a measurement of dispersion. The higher the value of the standard deviation, the more spread out the data is from the average. It is possible to evaluate the degree of data dispersion using Confidence Intervals. The formula for Confidence Intervals is as follows:

Confidence Interval

- (Average value) +/- (1)(standard deviation value) = **range of 66% of the responses**
- (Average value) +/- (2)(standard deviation value) = **range of 95% of the responses**
- (Average value) +/- (3)(standard deviation value) = **range of 99% of the responses**

For the purposes of this study, all confidence levels were set at 95%. Results are based on that 95% confidence interval.

Market Segmentation

The objective of market segmentation is about understanding the behaviors and needs of customers, identifying the markets that are different from one another and therefore targeting potential customers. This insight is used to form groups, or markets, of customers who share the same or very similar value criteria.

Appendix C

Survey Instrument

INTRODUCTION/WELCOME PAGE

Thank you for taking the time to participate in The Incentive Research Foundation's study of incentive travel, sales and other types of motivational meetings, merchandise and other non-cash incentives.

Your answers and identity will be kept strictly confidential.

Please answer all questions. If a question or item does not apply or you do not have enough information to answer the question, just indicate that it is not applicable. If you skip a question, a red error message will appear and identify which item you have skipped.

Use the "Next" button at the bottom of the screen to proceed to the next page once you have selected a response. If you would like to return to a previous page in the survey, use the "Previous" button at the bottom of your screen. Please do not use your "Back" or "Forward" browser buttons.

Thank you for your time - your feedback is vital to our research.

1. Do you work for any of the following types of companies?

- Travel agency => Terminate
- Incentive travel company => Terminate
- Full service incentive house => Terminate
- Meeting or events planning company => Terminate
- Hotel => Terminate
- Market Research Organization => Terminate
- None of the Above

3. Could you please let us know whom the appropriate person may be to contact within your company? We are looking for the person who makes decisions regarding Incentive Travel Programs, Sales and other types of Motivational Meetings, Merchandise and Other Non-Cash Incentive Programs.

- NAME _____
- TITLE _____
- Email Address _____
- Don't Know

4. Which of the following industries do you work in?

- Electronic Computer/Component Manufacturing
- Pharmaceutical preparations/ manufacturing (e.g., capsules, liniments, ointments, tablets)
- Automotive dealer
- Commercial Banking
- Tele-communications Reseller
- Insurance Agency/Brokerage
- None of the above

5. What was the overall sales revenue of your company in 2007? Was it...

- Less than \$10 million
- More than \$10 million but less than \$25 million
- More than \$25 million but less than \$50 million
- More than \$50 million but less than \$100 million
- More than \$100 million but less than \$250 million
- More than \$250 million but less than \$500 million
- More than \$500 million
- DON'T KNOW

6. Which department do you work in at your company?

- Travel department
- Conferences or events department
- Marketing department
- HR department
- Purchasing
- Sales department
- Operations department
- Other (please specify)

7. Which of the following statements best describes the method by which your participants qualified to be included in your 2008 incentive program:

- a) Participants qualify based on pre-determined objectives that are established at the outset of the program
- b) Participants qualify based on their status as an employee, dealer, customer or other affiliated representative of the company without requirements for achieving stated objectives
- c) None of the above => SKIP to Continue3

CONTINUE1: ASK Q8-14 IF Q7= 'a'

8. Did you use incentive travel as an award vehicle for your 2008 incentive programs?

- Yes
- No => SKIP TO CONTINUE 2

9. What was your company's incentive travel budget for 2008, including airfare, ground transportation, lodging, food, communication/administration and activities?

- Less than \$100,000
- More than \$100,000 to \$500,000
- More than \$500,000 to \$750,000

- More than \$750,000 to \$1,000,000
- More than \$1,000,000
- Don't know

10. In your company, has the budget for your 2008 [incentive travel programs](#) increased, stayed the same, or decreased?

- Increased
- Decreased
- Stayed the same
- Don't know

11. Which of the following best explains why your budget for your 2008 incentive travel programs has [insert response from Q10] ?

- Cost of airfare and ground transportation
- Cost of lodging and food
- Cost of program communication/administration
- Number of qualifiers
- Reduced/Increased number of days/nights from previous year
- Cost of activities
- Fixed budget year to year
- Other [Specify]
- Don't know

12. What was your company's spend per incentive participant qualifier for your 2008 [incentive travel programs](#), including airfare, ground transportation, lodging, food, communication /administration and activities?

- \$1,000 – \$1,500
- \$1,500 – \$2,500
- \$2,500 – \$3,500
- \$3,500 – \$5,000
- Over \$5,000
- Don't know

13. Does your 2008 incentive travel program include an allowance for “guests”?

- Yes
- No => Skip to CONTINUE

14. What was your company’s spend per “guest” for your 2008 [incentive travel programs](#), including airfare, ground transportation, lodging, food, communication/administration and activities?

- \$1,000 – \$1,500
- \$1,500 – \$2,500
- \$2,500 – \$3,500
- \$3,500 – \$5,000
- Over \$5,000
- Don’t know

IF Q7 = ‘a only’ SKIP to CONTINUE 3

CONTINUE 2: ASK Q15-24 IF Q7= ‘b’

15. Did your company utilize merchandise and other non-cash award programs in 2008 for any of the following? (**Select all that apply**)

- Consumer promotions
- Sales incentives
- Dealer/Reseller incentives
- Non-Sales Employee incentives
- Other
- Don’t know

16. What was your company’s annual budget for [merchandise and other non-cash incentives](#) in 2008?

- Less than \$100,000
- More than \$100,000 to \$150,000
- More than \$150,000 to \$250,000
- More than \$250,000 to \$500,000
- More than \$500,000 to \$750,000
- More than \$750,000 to \$1,000,000
- More than \$1,000,000
- Don't know

17. What was your spend in 2008 per incentive qualifier for merchandise and other non-cash incentive programs (including merchandise redemptions, program communications, program design, program tracking and administration)?

- Less than \$100
- \$100 - \$250
- \$250 - \$500
- \$500 - \$750
- \$750 - \$1,000
- \$1,000 - \$1,500
- Over \$1,500
- Don't Know

18. In your company, has the budget for 2008 [merchandise and other non-cash incentives](#) increased, stayed the same, or decreased?

- Increased
- Decreased
- Stayed the same
- Don't know

19. Which of the following best explains why your 2008 budget for merchandise and other non-cash incentives has [insert response from Q18]?

IF Q18= 'INCREASED'

- Due to reduction in incentive travel budget
- Supplement in addition to incentive travel
- Higher value award selection
- Increase in number of qualifiers
- Other [Specify]
- Don't know

IF Q18= 'DECREASED'

- Lower value of award selection
- Reduced number of qualifiers
- Replaced by incentive travel awards
- Reduction in gift card awards budget
- Replaced by other awards
- Eliminated program
- Other [Specify]
- Don't know

IF Q18= 'STAYED THE SAME'

- Fixed budget year to year
- Don't know

20a. Were you personally involved with the management of any Sales and other types of Motivational Meetings for your company?

- Yes
- No

20. What was your company's 2008 budget for Sales and other types of Motivational Meetings, including airfare and ground transportation, lodging, food, communication/administration and activities?

- Less than \$100,000
- More than \$100,000 to \$500,000
- More than \$500,000 to \$750,000
- More than \$750,000 to \$1,000,000
- More than \$1,000,000
- Don't know

21. In your company, has the budget for 2008 Sales and other types of Motivational Meetings increased, stayed the same or decreased in the past year?

- Increased
- Decreased
- Stayed the same
- Don't know

22. Which of the following best explains why your budget for 2008 Sales and other types of Motivational Meetings has [insert response from Q21] ?

- Cost of airfare and transportation
- Cost of lodging and food
- Cost of communication/administration of programs
- Conducted at a corporate owned facility
- Reduced/Increased number of attendees
- Other [Specify]
- Don't Know

23. What was your company's spend per employee/attendee for your 2008 Sales and other types of Motivational Meetings, including airfare and ground transportation, lodging, food, communication/ administration and activities?

- \$500 – \$1,500
- \$1,500 – \$2,500
- \$2,500 – \$3,500
- \$3,500 – \$5,000

- Over \$5,000
- Don't know

24. Does your 2008 Sales and other types of Motivational Meeting program include allowance for "guests"?

- Yes
- No => Skip to CONTINUE 3

25. What was your company's spend per "guest" for your 2008 Sales and other types of Motivational Meetings, including airfare and ground transportation, lodging, food, communication/administration and activities?

- \$500 – \$1,500
- \$1,500 – \$2,500
- \$2,500 – \$3,500
- \$3,500 – \$5,000
- Over \$5,000
- Don't know

CONTINUE 3: PLANNING & IMPLEMENTING AN INCENTIVE PROGRAM

We would now like to understand the steps your company takes in determining the objectives of your incentive programs prior to the program being announced.

26. Which of the following steps does your company utilize to establish incentive program objectives for all of your incentive programs?: (**Select all that apply**)

- a) We analyze our current levels of operational and sales performance to identify performance gaps
- b) We establish incentive objectives based on incremental projected sales and profit increases
- c) We identify specific qualifiers to target for inclusion in the incentive program
- d) We determine the duration (length) of the incentive program based on our corporate objectives timetable
- e) We establish program objectives that participants can achieve and are tied to overall corporate objectives

ASK IF Q26= 'a'

26a. Which statement best describes how your company uses incentive programs to address operational and sales performance shortfalls:

- Short term solution with a direct focus on a specific sales or operational performance goal
- As part of a long term solution in conjunction with other initiatives not directly tied to the incentive program
- As part of an HR driven process to drive employee engagement.
- Other, briefly describe

ASK IF Q26= 'b'

26b. Which statement best describes the method your company uses to determine the baseline for incremental sales and profit goals for you incentive program?:

- The total actual sales and profits achieved during the same time period in the previous year
- The total actual sales and profits achieved, less any one time non-recurring instances, from the previous year
- Other, briefly explain

ASK IF Q26= 'c'

26c. Which statement best describes the method your company uses to identify the incentive participant audience?:

- We first identify what needs to be changed and then we select the people who would have to change their behaviors to effect the incentive objectives
- Participants that are in a position to either buy from us or sell for us
- Other, briefly describe

ASK IF Q26= 'd'

26d. Which statement best describes the factors that determine the duration (qualifying period) of your incentive programs?:

- Budget cycle or fiscal year
- Earnings report due to external company stakeholders
- Internal company sales or earnings reporting dates
- The length of time it takes for the incentive participant to be able to achieve their objectives under normal conditions
- Other, briefly explain

ASK IF Q26= 'e'

26e. Which statement best describes the process that your company uses to create individual or team objectives for your incentive audience?

- Objectives are established based on industry and company tenure, training and support provided and previous history
- Objectives are based on the company's market share and sales objectives
- Objectives are based on results achieved in the previous year
- Based on achieving or exceeding current year budget
- Other, please briefly explain

27. Are you personally involved with the design and implementation of your company's incentive programs? (Can be incentive travel, merchandise or other non-cash incentives)

- Yes
- No => SKIP TO CONTINUE 4

28. What was the average length of the qualifying period of your 2008 incentive program(s)?

- Less than 1 month
- 1-3 months
- Less than 6 months
- Less than 12 months
- More than 12 months

29. In 2008 how important were the following Corporate Objectives in determining your incentive program objectives? (1= Not at all important, 5= Very Important)

Attributes will be randomized	1	2	3	4	5	NA
Increase or maintain sales						
Recognize performance						
Build employee loyalty/trust						
Build customer loyalty/trust						
Start new relationships						
Maintain existing relationships						
Improve customer service						
Foster teamwork						
Create new markets for your company						

30. Overall, what are the three most valuable goals to your company when designing an incentive program? [Select up to three.]

- Increase or maintain sales
- Recognize performance

- Build employee loyalty/trust
- Build customer loyalty/trust
- Start new relationships
- Maintain existing relationships
- Improve customer service
- Foster teamwork
- Create new markets for you company
- Other

31. Overall, when designing an incentive program, does your company determine how the success of the program will be measured?

- Yes => Ask Q32
- No => Ask Q33
- Don't Know =SKIP TO Q34

32. Overall, which method best describes the criteria your company uses to measure the success of your incentive programs? (check all that apply)

- Total incremental improvement of sales/profits over incentive program objective(s)
- Total number of participants that achieved their incentive objective(s)
- Total net result of increases in sales less all costs (including any additional operating expenses not directly tied to the components of the incentive program) associated with the incentive program
- Analysis of surveys of the target audience'
- Total net result of increases in sales less costs to operate the incentive program
- Other measure(s) of success, please briefly explain:

33. Overall, which statement best describes why your company does not measure the success of your incentive programs?

- Lack of data to create a true measure
- Program is viewed as a necessary expense
- Program does not have visibility at the Senior Management Level

- Program is assumed to work
- Other, please briefly explain:

34. Does your company engage the services of an outside incentive planning company to assist you in the design of any of your incentive programs?

- Yes => Ask Q35
- No => Ask Q36

35. What best describes the role an outside incentive company plays in the design of your incentive programs?

- Engaged at the inception of the program to consult on all aspects of the program design. (i.e., communications, administration, fulfillment)
- Engaged after the initial planning is completed to provide support in specific areas (i.e., communications, administration, fulfillment)
- Engaged to provide fulfillment services only.
- Other, please describe briefly:

36. What best describes the reason(s) your company does not use an incentive services company to assist with designing your incentive programs?

- Our in-house resources have the ability to design programs without outside assistance
- The cost of using outside companies for this function is too high
- Outside companies do not understand our corporate culture
- Lack of expertise in our specific industry to provide any real value
- Other, briefly explain:

37. Overall, when designing an incentive program, does you company anticipate the need to modify the program once it has been implemented to adjust to any of the following?

<i>Factor</i>	<i>Yes</i>	<i>No</i>	<i>Don't Know</i>
Performance Gaps			
Competitive/Competitor Reactions			

38. Overall, how does your company determine the length of your incentive programs?

- Based on end of a financial reporting period (quarter/semi-annual/annual)
- Determined by the amount of reasonable time it should take to yield results by participants
- Based on history of previous incentive programs
- Don't know
- Other

39. Overall, how does your company select the awards to be used in an incentive program?

- Based on individual demographics of the program participants
- Based on surveys of the program participants
- Determined by the per qualifier budget
- Based on past incentive programs
- Awards are selected by company management
- Other

CONTINUE 4: MANAGING A PROGRAM

40. Are you personally involved with managing incentive programs once they are deployed? (Can be incentive travel, merchandise, other non-cash incentives or motivational meetings)

- Yes
- No => SKIP TO CONTINUE 5

41. Overall, are your company's incentive program rules structured to address differences in any of the following areas?

<i>Dimensions</i>	<i>Yes</i>	<i>No</i>	<i>Don't Know</i>
Level of participants' experience			
Knowledge level of participants			
Skill level of participants			
Individual participant goals			
Team participant goals			

42. When an incentive program is operating, does your company measure/monitor competitor's reactions to the program?

- Yes
- No
- Don't Know

43. Does your company allow for changes to the program rules structure once it has been deployed?

- Yes => SKIP TO Q45
- No
- Don't Know

44. If your company does not make changes to the rules structure once an incentive program has been deployed, it is largely due to which of the following reasons? (check all that apply)

- Lack of resources/budget to make the changes
- Mandate of the company
- Adverse reactions by participants to rule changes
- Program durations are typically too short to effectively make any changes
- Rule structures are not flexible enough to make changes
- Other
- Don't know

45. Does your company engage the services of an outside incentive planning company to assist you in managing your incentive programs?

- Yes => Ask Q46
- No => Ask Q47

46. What best describes the role your outside incentive company plays in the management of your incentive program?

- Actively involved in all aspects of the program design from the very start of the planning process
- Brought in after the initial planning stages are completed to provide support in specific areas as directed
- Other, please describe briefly:

47. What best describes the reason(s) your company does not use an outside incentive company to assist with the design of your incentive program?

- Our in-house resources have more than enough ability to perform this without outside assistance
- Costs associated with utilizing outside companies for this function
- Outside companies do not have an understanding of our corporate culture
- Lack of expertise in our specific industry to provide any real value
- Other, briefly explain:

CONTINUE 5: MEASURES OF SUCCESS

48. Are you personally involved with measuring the success of incentive programs once they are completed? (Can be incentive travel, merchandise, other non-cash incentives, or motivational meetings)

- Yes
- No => SKIP TO CONTINUE 6

49. Does your company engage the services of an outside incentive planning company to assist you in measuring the success of your incentive programs?

- Yes => Ask Q50
- No => Ask Q51

50. What best describes the role your outside incentive company plays in measuring the success of your incentive program?

- Actively involved in all aspects of the program design from the very start of the planning process
- Brought in after the initial planning stages are completed to provide support in specific areas as directed
- Other, please describe briefly:

51. What best describes the reason(s) your company does not use an outside incentive company to assist with measuring the success of your incentive program?

- Our in-house resources have more than enough ability to perform this without outside assistance
- Costs associated with utilizing outside companies for this function
- Outside companies do not have an understanding of our corporate culture
- Lack of expertise in our specific industry to provide any real value
- Other, briefly explain:

CONTINUE 6: WRAP UP

52. Do you have any general comments or suggestions you would like to share with us regarding the topics covered in this survey?

53. So that we may contact you if you are selected as a winner for participating in our study, please provide us with your contact information below. The information you provide will ONLY be used to fulfill the prize award will not be used for any other purpose, nor disclosed to any other party.

Name: _____
Email: _____
Phone: _____