

THE SECRET TO
THE RIGHT REWARDS

WHITE
PAPER



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Engage, inspire, & motivate with the right reward mix.



An effective rewards program benefits both recipients and the sponsoring organization. When participants get recognized for targeted behavioral outcomes, they have an increase in interest, satisfaction, and involvement in organizational activities. As a result, the organization experiences greater outcomes, efficiency, and an increase in revenue and productivity.

Rewards have a range of uses. They can be good for recognizing people who have stopped performing specific actions, as can be seen in health programs that reward activities like smoking cessation. More importantly, re-

RESEARCH TELLS A STORY

According to one popular theory of human motivation, actions often are inspired by a desire to gain outside reinforcement. In other words, human beings are programmed to perform when they know they will be rewarded or recognized for their actions. This motivation theory suggests an eagerness for the addition of a reward and that it may not only be wanted but needed to motivate behavior.



wards are used to reinforce desirable behaviors, such as increases in sales, engaging in healthy living, performance improvements, and more.

The more importance an individual put on the reward offered, the more influential it becomes in changing their behavior. An extensive offering of rewards increases your chances of building better behavioral outcomes for audiences that matter most.

When looking at reward options, it is crucial to keep in mind that rewards must be obtainable to be motivating. For example – a participant in a channel sales program will not be motivated to reach their sales goals if the sales claiming and validation process is over-complicated and not realistically achievable.

Additionally, if only your top performers are being rewarded, there is no motivation for lower-performing or mid-level performing participants to improve. A tiered rewards system can be used to ensure that there is motivation for everyone to strive to be better and to be recognized for improvement.



Consider All The Factors That Affect Your Participant's Motivation

Not all rewards are created equal, and the rewards that one person is motivated by might not be enough to affect another person's motivation. For example, one employee might be motivated by a spa day gift package, but another employee might have no interest in going to a spa. Having a varied reward mix and understanding your rewards program participant's demographics will significantly improve the outcomes of your program. There are a range of other factors besides reward type that can also play a role in motivating participants and influencing the value they place on

the rewards offered. It is essential to consider whether the program has been designed to effectively engage your participants' physiological, social, and intellectual needs. Rewards are more effective when they are viewed as personal, and the participants feel seen and understood by those running the rewards program. Some people might be tempted to make the mistake of thinking choosing rewards is simple, but there is a lot that goes into making choices that will result in the best outcomes. As effective as the right rewards are in motivating participants, the wrong

rewards can cause apathy at best and resentment at worst.

Here is a quick list of some of the major factors influencing the effect rewards have on motivation:

- The type of rewards offered
- The variety of rewards offered
- Whether or not self-selection is allowed
- Frequency of rewards
- The value of the reward (Note: this is not the same as the price of the reward)
- How the reward is delivered
- How long it takes to receive the reward
- What is required to earn the reward
- Ease of reward redemption
- How memorable the reward is
- How fair the reward process is perceived to be by participants
- How effectively issues with the reward process are resolved

Due to the range of factors influencing the effectiveness of rewards on motivating behavior, many companies opt to work with a reward program management company. This allows them to access expert knowledge and capabilities to optimize the return on investment from their rewards program.



What Reward Types Are Available to You and Which Are Right For Your Goals?



Reward options are varied. What rewards are best for your program depends on your goals.

Here are a few of the most popular reward options categories:

- Cash-based
- Experiential
- Merchandise
- Digital
- Gamification

Each of these categories can be effective

when used in a way that complements your program's goals and your participants' interests.

Cash-Based Rewards

Cash-based rewards are popular both among reward program participants and program sponsors. They can include prepaid cards, gift cards, checks, and more. Cash-based incentives tend to be viewed as “windfalls” by recipients who are likely to use them to get something nice for themselves, rather than using them on bills or other normal expenses.



When choosing cash rewards, there are some pros and cons to consider about the different types and how well they will appeal to your demographics. For example:

Prepaid Cards

Pros:

- 1: Can be used anywhere a debit card can be used.
- 2: Wide range of options for the recipient.
- 3: Can be custom branded.
- 4: Can be virtual or physical cards.

Cons:

- 1: Can be seen as impersonal.
- 2: Low excitement value unless for a large amount of money.

Gift Cards

Pros:

- 1: Can be tailored to demographic's Interests.
- 2: Can be virtual or physical cards.

Cons:

If the wrong brands are selected, they may not be effective in motivating and can cause participants to have a negative perception of the program.

Inspire Your Participants With Experiential Rewards



Experiential Rewards

Experiential rewards do much more than just give your participants something in recognition of their efforts. If a participant receives a cash incentive, the moment the cash is spent, the reward is quickly forgotten. If they redeem for merchandise, it's something that they'll like, but usually, only the participant will appreciate the reward.

Experiential rewards create memories and stories that can be shared with friends, family, and other participants. A participant who receives an experiential

reward will share their stories with other members of their team. This will inspire others to work to earn those rewards as well.

Experiential Rewards

- Travel
- Movies
- Sporting Events
- Concerts
- Theme Parks
- Special Dining

Merchandise

Merchandise is the workhorse of an incentive program. Giving merchandise makes your incentive special as it is not a reward that will be used to pay bills or existing expenses like might happen with a prepaid card or check. Merchandise rewards allow program participants to get something they have not had an opportunity to purchase on their own. Merchandise creates a physical reminder that the end-user can associate with your brand, which helps to build a stronger, lasting relationship between you and your participants.

Merchandise can be limited to specific categories, such as offering health and fitness-related merchandise for a wellness program, or merchandise can include a massive catalog of options.

Merchandise rewards can include everything from electronics, clothing, jewelry, sporting goods, appliances, etc. There can also be merchandise for Branded Cross Promotions as well.

Merchandise should be selected to fit your program and the demographics of your participants. The right merchandise will motivate, excite, and engage.





Digital rewards can be used immediately and provide instant gratification

Digital

Digital incentives boast a lot of benefits over their physical counterparts and can fit a wide range of incentive programs. Digital rewards can be used almost immediately and provide instant gratification to your participants, which is why they are often encouraged by reward suppliers.

Digital rewards can include electronic gift cards for top-rated brands (for example: Target, Walmart, Amazon, Best Buy, etc.), virtual visa prepaid cards, audiobook or video service subscriptions, or credits (Fandango, Audible, Scribd, etc.), and so much

more.

Benefits of Digital Rewards:

- Instant issuing for instant use by participants
- Will not be lost in the mail
- Immediate delivery
- Ease of use for your employees
- No production cost

Adding digital incentives into your reward mix may give your program the boost you've been looking for.

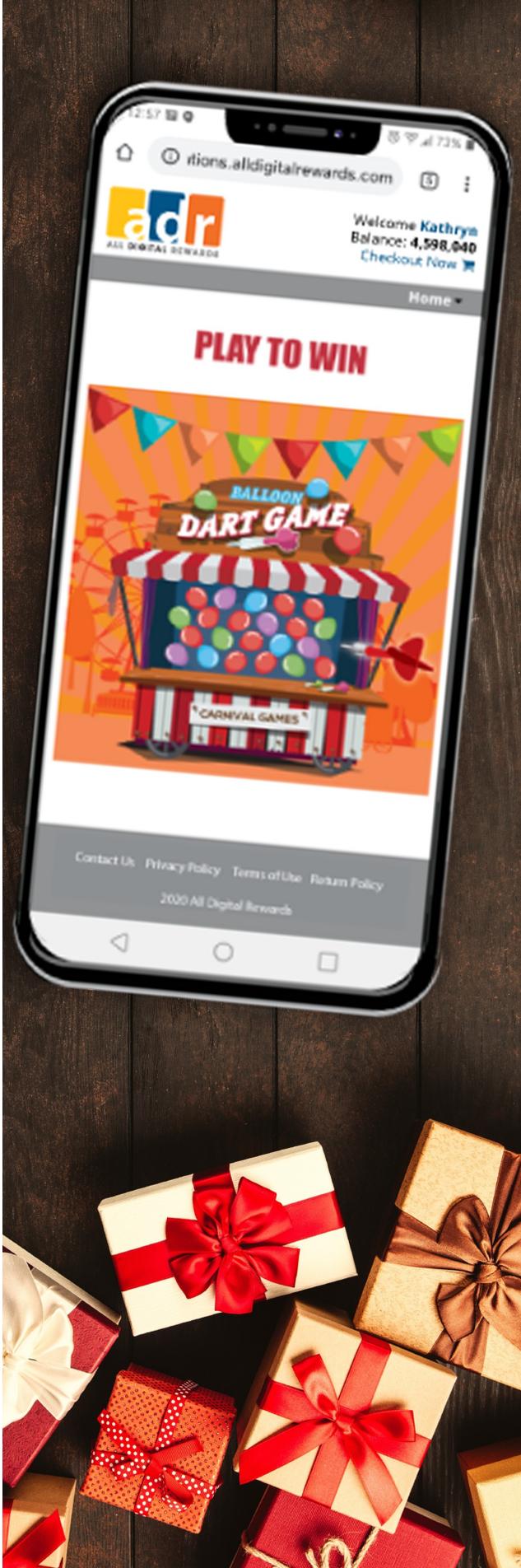
Gamification

Gamification is an online marketing technique that takes qualities of games (point scoring, competition, rules of play) and applies them to a company's product or service – such as, an incentive program.

Gamification taps into the natural human desires of status, achievement, and competition. Instant win game applications can be fun and engaging, like a Plinko game or mobile phone scratch-offs and spin-to-win games, generating excitement among your participants. Sweepstakes are great at increasing retention, increasing spend off in points-based programs, and increasing overall engagement.

Examples of Gamification in an incentive program can include:

- Games – A promotion where winning game pieces are randomly seeded into the universe of common and/or losing game pieces. These include:
 - ◇ Collect & Win – Promotion requires participants to save game pieces to complete a phrase, picture, or puzzle.
 - ◇ Match & Win – Promotion requires players to match a symbol on their game piece to the winning symbol on displays.
 - ◇ Instant Win – A self-contained random chance promotion. Includes scratch off, peel off, scan and win games, online and 800 number call-in games.
- Sweepstakes – a promotion in which the winners are selected by chance. These can include:



The right rewards are best when paired with the right rewards technology.



- ◇ Random Drawings – Consumer enters via entry form, 3” x 5” card, online or 800 number. A drawing is held at a late date to select winners.
- ◇ Automatic Entry – Coupons, rebate submissions, and loyalty card purchase double as a sweepstakes entry.
- ◇ Programmed Learning – A promotion technique that requires participants to read something and provide key copy points or information in order to enter the sweepstakes.
- ◇ Qualified Entry – This type of sweepstakes is similar to programmed learning. Participants guess an answer from clues or try to solve a puzzle.

Reward Technology

The right rewards are best when complemented with the right rewards technology. Good reward technology should allow you to manage incentive rewards through a single toolset. When selecting reward program technology, there are some key features to look for. Some of the basics include managing user accounts and permissions, along with the ability to support multiple programs.

Ideally, you should consider technology with a single connection to handle all aspects of processing incentives, validation events, and fulfillment for digital rewards, physical merchandise, experiential rewards, open-loop, closed-loop, digital, and physical prepaid products. You should be able to customize



ADR's reward systems can handle even the most difficult reward redemption program.

Conclusion

When considering rewards and reward technology, All Digital Rewards is your one-stop-shop. ADR team works with organizations to develop end-to-end solutions to help manage their incentive and claims programs utilizing ADR's technology solutions. Our team helps clients plan, design, develop, process, validate, and manage the incentive payout issuance. We handle the relationships with product suppliers and aggregators – merchandise, travel, VISA card network, name brand gift card partners used in issuance, as well as responsible for securing and managing inventory with our advanced technology services that consume supplier API connections.

ADR has third-party contractual relationships with hundreds of top manufacturers and distributors of national and global brands via API or through Bulk Ordering to secure engaging products and services to appear in our reward offerings to drive the behavior outcomes to meet organizational business objectives. Our incentive portfolio is best in class. We have one of the largest portfolios available on the market, meeting all demographic needs. Reward programs are processed and fulfilled through our proprietary Platform. We're always adding to our portfolio and anticipating the next category of incentive products that will resonate with employees and consumers. Detailed reporting is



available through our Back Office online administrative tool, which connects to our Platform and gives organizations and their consumers end-to-end insights into their program.

ADR is one of the few companies that can boast a single API connection, which allows clients to process sales, claim and validation events, issue incentive payouts in the form of digital rewards, merchandise, experiential rewards, and name brand gift cards. Our real-time reporting and analytics assist a top-level Organizational Hierarchy – all accessible through a single integration to our API.

Whether your program requires simple platform access to manage file uploads or a full SSO integration with your existing system, we can provide real-time incentive reward processing, validation, quality control, card incentive issuance, and customer service. And, let's not forget the best in class real-time analytics and insights while offering participants a simple easy to understand redemption process.

For more information on our reward products and services, Reward catalog API, prepaid and gift card options, and our proprietary SaaS STACK™ reward delivery and fulfillment management technology applications, call us at 866-415-7703 now or visit our website to schedule a demo.