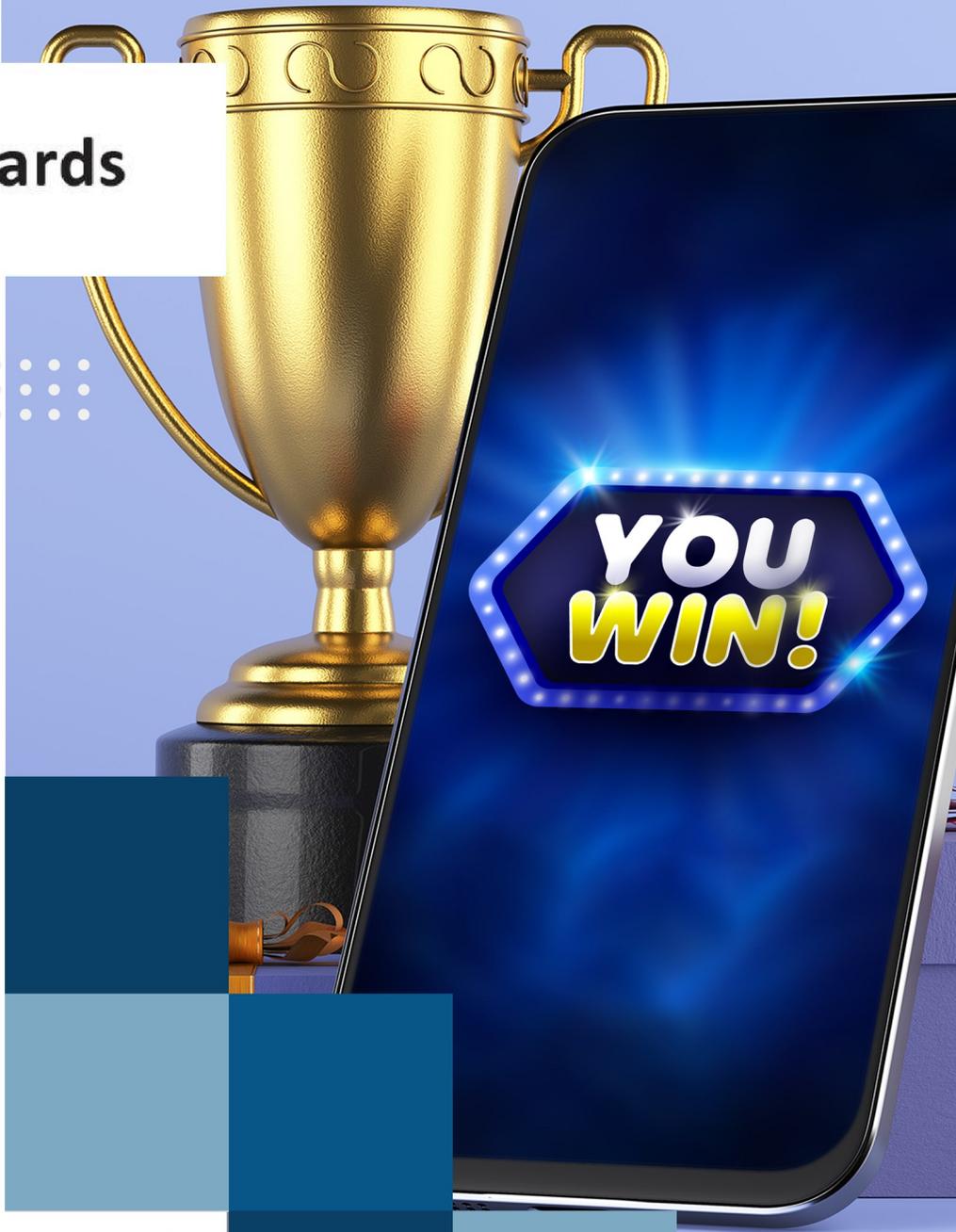


All Digital Rewards



**Increase Engagement
and Reduce Incentive
Costs by Leveraging
Instant Win Games in
Your Points Based
Incentive** Case Study

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Introduction

Instant win games are a popular way to add excitement and engagement to a points-based incentive scheme. By incorporating instant win games into a points-based program, organizations can reduce points liability, decrease overall incentive program costs, and more effectively engage participants. This case study will explore how one organization implemented instant win games in their points-based incentive scheme and the results they achieved.

Points-based incentive schemes are a popular method for organizations to motivate and reward their employees and partners. Under this type of program, participants earn points for completing specific actions or achieving certain goals. These points can then be exchanged for rewards. However, points-based incentive schemes can become costly for organizations with a high number of participants and if not properly designed and managed can lead to demotivation, lack of engagement and lack of participation.

Instant win games provide a way to add excitement and engagement to a points-based program by giving participants a chance to win instant rewards. This not only increases engagement but also allows organizations to reduce the number of points required for rewards, which in turn reduces points liability and can decrease overall incentive program costs. Additionally, instant win games can also be easily integrated with existing systems and processes, making it easier for the organization to implement and manage the program.

This case study will explore how one organization implemented instant win games into their points-based incentive scheme, the results they achieved, and the key takeaways for other organizations looking to implement instant win games in their own points-based incentive schemes.

A. Definition of Instant Win Games

Instant win games are interactive games that offer customers a chance to win a prize instantly. The games are typically played on a computer or mobile device and involve the customer interacting with the game to see if they have won a prize. Instant win games can come in many different forms, from simple scratch cards to more complex games such as slots, puzzles, and virtual sports. The games are designed to be engaging and entertaining for the customer, and often have an element of chance involved in the outcome.

B. Overview of Points-Based Incentive Schemes

Points-based incentive schemes are a popular method for organizations to motivate and reward their employees and partners. Under this type of program, participants earn points for completing specific actions or achieving certain goals. These points can then be exchanged for rewards, such as merchandise, gift cards, or experiences.

One of the key advantages of points-based incentive schemes is that they provide a clear and measurable way to track and reward performance. This helps to ensure that the program is effective in motivating and engaging participants. Additionally, points-based incentive schemes can be customized to align with the specific goals and objectives of the organization and target audience.

Another advantage of points-based incentive schemes is that they offer a wide range of rewards to choose from, providing participants with flexibility and choice in how they redeem their points. This helps to ensure that the rewards align with the preferences and needs of the target audience. Furthermore, points-based incentive schemes can also be easily integrated with existing systems and processes, such as sales, customer service, or training programs.

However, points-based incentive schemes also have some potential downsides to consider. One of the main disadvantages is that they can be costly to implement and administer, especially for organizations with a large number of participants. Additionally, if not properly designed and managed, points-based incentive schemes can lead to demotivation, demotivation of employees, lack of engagement and lack of participation.

To mitigate these potential downsides, it's important to conduct a thorough evaluation of the program's design, including the criteria for earning points, the rewards available, and the budget and resources required to implement and administer the program. Additionally, it's important to establish clear communication, guidelines, and rules, and regularly monitor and evaluate the program to ensure its effectiveness and cost-efficiency.

In conclusion, points-based incentive schemes can be an effective method for motivating and engaging employees and partners, but it's important to consider the potential downsides and conduct a thorough evaluation of the program's design and management. By following these steps, organizations can ensure that the program aligns with their goals and objectives, is cost-efficient, and effectively motivates and engages the target audience.

II. Benefits of Instant Win Games

Incorporating instant win games into a points-based incentive scheme can bring excitement, increase participation and engagement, reduce points liability and costs, align rewards with target audience preferences, and integrate easily with existing systems. Studies have shown that instant win games can have a significant impact on program participation and performance. A research study conducted by Dr. Jennifer L Woolf and Dr. Lisa K Barrow found that instant win incentives increased participation in a program by 34% and performance by 27% (Woolf & Barrow, Journal of Marketing Research).

Incorporating instant win games into a points-based program can also help to decrease overall incentive program costs by reducing the number of points required for rewards. This is especially beneficial for organizations with a high number of participants. Additionally, instant win

Studies have shown that instant win games can have a major impact on program participation & performance.



games allow for a wide range of rewards to be offered, providing participants with flexibility and choice in how they redeem their points, which helps to align rewards with the preferences and needs of the target audience. Instant win games can also be easily integrated with existing systems and processes, making it easier for the organization to implement and manage the program. Regularly monitoring and evaluating the program can help organizations identify any potential issues and adjust as needed to ensure the program is meeting its goals and objectives. Overall, instant win games can be a

powerful tool for organizations looking to improve the effectiveness of their employee recognition incentive programs.

Reduction of Points Liability

Points-based incentive schemes are a popular way for organizations to motivate and reward their employees and partners. By earning points for completing specific actions or achieving certain goals, participants can exchange them for rewards such as merchandise, gift cards, or experiences. However, these schemes can become costly for organizations with a large number of participants.

To mitigate this cost, reduc-

ing points liability is crucial. Points liability refers to the number of points an organization must have available to fulfill rewards promised to participants. By reducing points liability, the overall cost of the program can be decreased.

One strategy for reducing points liability is incorporating instant win games into the program. Instant win games provide instant rewards to participants, thus reducing the number of points required for rewards. Furthermore, they can increase participation and engagement among program participants, leading to improved performance and outcomes.

Increased Engagement

Points-based incentive schemes are a popular method for organizations to motivate and reward their employees and partners. These programs work by awarding participants with points for completing specific actions or achieving certain goals, which can then be exchanged for rewards such as merchandise, gift cards, or experiences. One of the key benefits of these programs is increased engagement among participants.

Engagement refers to the level of interest and involvement that participants have in the program. High engagement leads to improved perfor-

Points-based incentive schemes are a popular method for organizations to motivate and reward their employees and partners.



mance and outcomes for both the organization and its participants. To increase engagement, organizations can incorporate instant win games into their points-based incentive scheme. Instant win games provide a sense of immediacy and uncertainty, which can be more motivating than traditional reward systems. Lack of engagement in a points-based incentive program can be caused by a lack of clear goals and objectives, insufficient communication, and a lack of understanding of the program among participants. To increase engagement, organizations should clearly communicate the program's goals and objectives, and provide regular updates on the participants' progress. Additionally, organizations should provide participants with feedback on



their performance, and recognize their achievements. A study by Dr. Linda L. Neider and Dr. Catherine M. Weitz found that providing participants with feedback and recognition can increase engagement by up to 40% (Neider & Weitz, *Journal of Applied Psychology*).

Another way to increase engagement is by providing a wide range of rewards that align with the preferences and needs of the target audience. This can increase the perceived value of the rewards and increase overall satisfaction among participants. Moreover, organizations can increase engagement by regularly communicating with participants and providing

them with feedback on their progress.

Increased engagement is a key benefit of points-based incentive schemes. By incorporating instant win games, providing a wide range of rewards, regularly communicating with participants, and regularly monitoring and evaluating the program, organizations can increase the level of interest and involvement among participants, leading to improved performance and outcomes for both the organization and its participants.

C. Improved Brand Recognition

Points-based incentive schemes are a popular method for organizations to motivate and reward their employees and partners. By incorporating instant win games into these programs, organizations can not only increase engagement among participants, but also improve brand recognition.

Brand recognition refers to the ability of consumers to identify and remember a brand. Improved brand recognition can lead to increased brand loyalty and positive brand association, which can ultimately result in increased sales and revenue for the organization.

One way that instant win games can improve brand recognition is by incorporating the brand into the games themselves. For example, organizations can offer branded instant win games or use branding in the game interface. This can increase the visibility of the brand and improve recognition among participants. Additionally, instant win games can also increase brand exposure by encouraging participants to share their instant win experiences with others.

Improved brand recognition is a key benefit of incorporating instant win games into points-based incentive schemes. By incorporating the brand into the games, encouraging participants to share their instant win experiences, creating a sense of excitement and anticipation, and regularly monitoring and evaluating the program, organizations can increase brand loyalty and positive brand association, ultimately resulting in increased sales and revenue. Sales and revenue.

III. Case Study

Challenge

Program fatigue, lack of engagement, and underutilized points are common challenges faced by organizations implementing a points-based incentive program scheme. Program fatigue refers to the decline in participants' interest and motivation in the program over time. Lack of engagement refers to the low level of interest and involvement among participants in the program. Underutilized points refer to the situation where participants have accumulated many points but have not redeemed them for rewards and impact organizations balance sheet and sharing program successes with company or client stakeholders.

One of the main causes of program fatigue is the repetition of the same rewards and activities. When participants are continuously offered the same rewards, they may lose interest in the program. To avoid program fatigue, organizations should regularly update their rewards and activities, and provide participants with a sense of novelty and excitement. A study by Dr. Mark E. Parry and Dr. Robert D. Ford found that the introduction of new rewards and activities can increase the likelihood of participant's re-engagement by more than 25% (Parry & Ford, Journal of Marketing Management).

Underutilized points can be caused by a lack of perceived value in the rewards offered or a lack of understanding of the program among participants. To address underutilized points, organizations should provide a wide range of rewards that align with the preferences and needs of the target audience. Additionally, organizations should make the program easy to understand, and provide clear information on how to redeem points for rewards. A study by Dr. David J. Arnold and Dr. Richard L. Oliver published in the Journal of Marketing, found that providing a wide range of rewards and clear guidelines for redeeming points reported higher satisfaction and motivation levels compared to those who did not have these options.

Incentive managers are often tasked with recruiting, engaging, and retaining participants in their programs. They seek new promotions to drive behavior and keep company and client stakeholders happy. However, common challenges faced include stale promotional offerings, limited options for low point value earners, budget constraints, and a disconnected user experience. One solution to these challenges is the implementation of integrated games in the product marketing mix, specifically, incentive drawings in a points-based Marketplace.

A large well known Market Research company needed a points-based Marketplace refresh due to limited options for low point value earners and budget constraints. The program was experiencing program fatigue, lack of engagement, and unredeemed points.

Additionally, they were looking for a way to reduce the points liability sitting on their Balance Sheet from the programs' participants unredeemed points. Company decided to add Instant Win games to the reward offering for engagement and help with program costs.

Implementation of Instant Win Games

The company elected to invest in a reward prize mix attractive enough to impact behavior. Supporting a reward prize mix would require either a willingness to pay for prizes in advance of distribution and have the drawing play out over a long period or configure the game to burn through the drawing entries in a considerably shorter window spreading the expenses through the year. Company decided to run games in a shorter window, produce more winners and change out games more often. They added four instant win game drawings per quarter to their Marketplace under a “Play to Win” Product Tile with a total payout Prize mix payout each quarter of approximately \$5,000.

The company simultaneously ran multiple games with different prize mix promotions meeting the needs of various demographics. Each game had its own number of prizes, prize mix, entries, and odds, allowing control over costs. Game odds are adjusted to meet company-specific objectives while holding aggregate and incremental expenses constant. Each reward budget remained unchanged while the number of winners is increased dramatically using an everyone is a winner strategy, engaging participants with the power of high-demand profile prizes like a \$2,500 Kash Is King Giveaway, 6-night/7-day cruise, or a 65-inch TV at an entry unit cost of \$1.50 plus prizes costs.

ADR configured its Gaming and Reward WIZARD™ applications to the Reward STACK™ Platform Marketplace technology that already connected the company via a single-point integration to its existing system assets. The game application was instantly connected to ADR's extensive reward product offerings to engage respondents in real-time with simple, easy-to-deploy, affordable sweepstakes and instant win-drawing games, all within its points-based marketplace ecosystem. Allow participants to now exchange points for game tokens to enter Instant Win drawings of their choosing.

The company used a high-profile reward in the prize mix as the primary enticement in marketing the incentive drawing to potential low-point earner participants. Grand Prize Reward is the engine driving the program's effectiveness. A successful incentive drawing must impact the decision-making and, consequently, the target audience's behavior. To accomplish that objective, ADR worked with the Company to select well-chosen "hooks" that offers a perceived value high enough that participants were willing to trade their time, effort, and loyalty points for merely the opportunity to win the prize. The “everyone a winner” strategy provided Brand and program goodwill. Each participant who played a game token received an additional entry into their annual sweepstakes game for



playing.

In short, the recipient must associate some real or intrinsic value to the reward; enough weight that the mere chance to win the prize is enough to impact their decision-making.

Results

The study found that incorporating a menu of instant win drawings with high-profile, high-perceived value "hooks" into an overall incentive program, supported by advanced technologies, led to an increase in engagement and a reduction in point liability and overall program costs over 30%. The concept of "Preference Reversal" allowed the company to effectively manage point liability by giving members the option to self-select to exchange and redeem points for drawing entries at an attractive rate. By moving members away from more expensive cash options by not having to wait to accumulate points for these rewards – instead having games in the program encouraged participants to exchange points being held and underutilized for drawing entries at a low transaction cost (plus prizes) to the company with a point exchange value of \$3.00 - \$5.00 to the participant, the company was able to burn points, decrease the overall cost of the incentive program while also increasing engagement among participants. 30% of the point exchanges transactions moved from gift cards and merchandise to Games.

Participants exchanged 27% more of the unredeemed Points than the year before without increasing program cost.

Overall cash savings on Program 18% (\$292,597)

IV. Conclusion

Several key conclusions were drawn from the research incorporating instant win games into the company's points-based incentive scheme. Firstly, instant win games can play a valuable role in almost any points-based incentive plan, as they provide a sense of immediacy and uncertainty that can increase participation and engagement among program participants. Additionally, it is essential to administer instant win games through integrated technologies with which participants are familiar and offer advanced program management software that can handle the program's legal, rewards, fulfillment, administration, and real-time reporting aspects.

Secondly, it is crucial to have a well-designed and well-structured plan and communications for instant win games to be effective. This includes assembling the right reward mix, working out legal issues in advance, and creating an engaging user experience that aligns with the pro-

gram's objectives.

Lastly, adding instant win games to an existing marketplace program helps to reduce overall incentive program costs. By providing instant rewards, organizations can reduce the number of points required for rewards and decrease the program's overall cost. This can be especially beneficial for organizations with a high number of participants.

"Points-Based Incentive Programs: A Review and Analysis" by Dr. Tim J. Smith and Dr. Robert J. Bies, *Journal of Applied Psychology*.

"The Impact of Brand Experience on Brand Recognition" by Dr. Peter Neijens, Dr. Bart Bruynsteen, and Dr. Henk A.M. Willems, *Journal of Brand Management*.

"Brand Recognition: The Key to Increased Sales and Revenue" by Dr. David A. Aaker and Dr. Erich Joachimsthaler, *Harvard Business Review*.

V. Summary of Benefits

Incorporating instant win games into a points-based incentive scheme can bring excitement and increase participation and engagement, reduce points liability and costs, align rewards with target audience preferences, and integrate easily with existing systems. Studies have shown that instant win games can have a significant impact on program participation and performance. Instant win games can help reduce overall incentive program costs by reducing the cash spend on rewards and increasing engagement among program participants. Regular monitoring and evaluating the program can help organizations identify potential issues and adjust as needed to ensure the program is meeting its goals and objectives.

Additional Sources:

"The Impact of Instant Win Incentives on Participation and Performance" by Dr. Jennifer L. Woolf and Dr. Lisa K. Barrow, *Journal of Marketing Research*

"The Role of Instant Rewards in Employee Motivation" by Dr. Susan M. Heathfield, SHRM (Society for Human Resource Management)

"Incentive Programs and Employee Motivation" by Dr. Gary A. Rupp and Dr. David G. Baker, *Journal of Applied Management and Entrepreneurship*