



## **Case Study**

Modernizing Rewards Fulfillment: How a Health and Wellness Client Achieved Real-Time Rewards Efficiency with All Digital Rewards

## I. Introduction

In today's high-speed world, the efficacy of incentive schemes is highly dependent upon fast and accurate reward fulfillment. When it comes to participants, getting rewards as soon as they complete activities is the perfect way for any health and wellness program owner to keep their engagement high. Yet, many businesses still need to use archaic reward systems, which results in long lags and administrative overheads. At the same time, customers continue to be unsatisfied with the other end of the experience.

In this case study, we delve into the experience of a health and wellness client who went from a traditional rewards fulfillment process to our innovative real-time automation platform. We will review their struggles and by shifting to an advance funding drawdown account, the client was able to fund their program upfront, allowing for seamless, instant rewards issuance. This transformation not only improved member satisfaction but also reduced administrative burdens, reconciliations and operational inefficiencies, positioning the company for future scalability and continued success.

### The Problem - An Outdated, Inefficient Incentive Process

The client faced several major challenges including streamlining funding, billing and reconciliation and the need for better automation to improve reward efficiency, customer service and to reduce overhead.

#### 1. Manual Processing and Administrative Burden

The previous rewards fulfillment system used by the client was a time-consuming, labor-intensive, manual process. The vendor sent weekly reports about reward redemption activities, which resulted in creating invoices. The client was billed, and the additional invoices were brought via their downline customer companies as well. This would allow the client to pay the vendor and have them ship out the rewards, like physical gift cards and merchandise, only when their customers paid these invoices. This multi-step funding, accounting and reconciliation process further raised the administrative overhead for both client and vendor as each stage required continuous supervision, maintaining auditable records, and a follow-up, which was time-consuming. This manual handling also brought with it the threats of mistakes, backlog, and lack of interactions among stakeholders.

#### 2. Delayed Reward Distribution

A significant problem with the previous system was that rewards were too delayed. Because of this, rewards often did not reach members until days and sometimes weeks after members had completed their health activities due to a slow invoice-billing-payment cycle. However, this delay critically undermined the long-term sustainability of the incentive program. Once members got their rewards, they had forgotten what initiated the reward incentive, causing a disconnect between the incentive and their health actions. This defeated the entire model's purpose of getting ongoing engagement and motivation through timely reinforcement.

### **3. Customer Frustration and Disengagement**

It caused frustration among program members that their rewards were not getting to them in time. This meant that members would regularly contact customer service, wanting to know where their rewards were, as they had no view of when the reward would process. With the backlog of inquiries, this pulled on the client's customer service team and left members frustrated with their experience in the program. The result was angry members who would call the customer companies that sponsored the clients health and wellness program, causing tension between our client and their customer companies.

### **4. Lower Program Engagement**

This extended reward delivery process contributed to a decrease in member engagement. Then, as delays continued, the members needed further incentives to engage in health events. Members of those untimely rewards were less likely to finish additional tasks, proving detrimental to the momentum of the program. This diminished the effectiveness of the incentive program since the reward was utterly separated from the action and put into question my client's long-term objective of a healthier and more engaged member base.

### **5. Cash Flow and Financial Planning Challenges**

Financial planning headaches were one of the most significant challenges with the prior rewards program (the structure!). As a result, there was a cash flow lag in the client's customer as they were obligated to pay for the rewards once their activities were finalized, and the programs were reconciled. As a client migrated to using a real-time rewards automation platform, they used an account that draws down on funds held on account, so customers must fund rewards prior. But getting consumers to change was difficult. Companies were often reluctant to change their approach this way, complaining that it would mean outlying cash in advance and justifying such a move as an additional monetary burden instead of increasing the cost of an improved program.

### **6. Data Delays and Scalability Problems**

Besides the monetary and operational complexity, their legacy rewards model was not real-time. Reporting was not hierarchical, and the funding and reporting was not real-time, member behaviors and program performance lagged. This delay made the client slow to respond to patterns in members' behavior and engagement, where more rapid policy changes may have proven beneficial. Additionally, the client was finding it challenging to handle the manual processes and time-consuming delays in the rewards system as the customer base expanded. As the program expanded to include more customer companies, it presented even greater business complexity, which signaled that this was not an ideal solution for future scale.

Faced with these pain points, the client knew they needed a faster, more streamlined approach to ensure the success of their wellness initiatives and keep members engaged. That's when they turned to All Digital Rewards for help.

### **III. The Solution: A Real-Time Rewards Automation Platform**

Recognizing the inefficiencies of the outdated rewards system, the client made the pivotal decision to transition to a real-time rewards automation platform. This shift was not without challenges, but it significantly improved the rewards fulfillment process.

Here's how the new solution was implemented and how it addressed the client's pain points:

#### **1. Real-Time Issuance with a Drawdown Account**

At the heart of the new approach was setting up a 30-day drawdown account. Unlike the previous version, which processed rewards after invoices were paid, the new program allowed customer companies of the client to pre-fund rewards. This change permitted first rewards to be issued the instant a member finished their health activities. With the funds on hand in the drawdown account, rewards could be instantly dispensed by the platform of the future as well, leading to a steep decrease in time between doing something and getting paid for it. And second, the access to real-time data and reports greatly improved reconciliation efforts.

#### **2. Streamlined Operations and Reduced Administrative Burden**

The client previously struggled with excessive manual processes in their rewards program, but the automation platform removed many of these. The old system also required higher administration to process reports, invoices, and payments. The client needed to reduce operational overhead and reallocate resources back towards more strategic initiatives. The real-time platform automated these jobs. The new system reduced errors and delays and simplified communication among clients, customers, and members.

#### **3. Improved Cash Flow Management**

One of the first hurdles to overcome in Phase 1 was how funds were handled — a change from traditional fundraising processes. Unlike post-activity-based billing, that program required customers to pre-fund rewards into an advance drawdown account. The client successfully built buy-in for real-time rewards with their customers, most notably rooted in the long-term advantages of faster disbursement and fewer customer service calls as well. After an initial adjustment period, members valued the predictability and better member outcomes from the new cash flow model.

#### **4. Enhanced Reporting and Data Accuracy**

The real-time rewards platform was a massive general data tracking and reporting upgrade. Weekly insights into member activity, program performance, and reward distribution in real-time instead of the old system of scheduled reports. It meant our client always had real-time feedback on their health and wellness program efficacy and could adjust and refine as required. The real-time monitoring of KPIs immediately empowered the client to react to trends and member behavior as they evolved, which enabled a more fluid and responsive incentive program.

## 5. Scalability for Future Growth

It also helped the client solve the scalability problem using an automation platform. By removing these manual processes and adding rewards in real time, the client was able to focus on what they do best and easily scale their program to include other customer companies and a larger member base. This meant that the client could grow without driving up operational complexity or costs, making long-term sustainability a reality.

By partnering with All Digital Rewards, the client was able to modernize their rewards program, reduce operational inefficiencies, and significantly improve both client and member satisfaction. This transition positioned them for continued success, allowing them to provide a high-impact wellness program that keeps participants motivated and engaged.

## IV. The Impact: A Measurable Improvement in Client Outcomes

The transition to a real-time rewards automation platform resolved the client's immediate challenges and delivered measurable improvements across multiple key areas.

### 1. Increased Member Satisfaction and Engagement

One major impact of the new system was a rise in member satisfaction. We no longer made members wait days or weeks to receive their incentives since rewards were instantly processed. In essence, the offer of near-instant rewards made participants associate a reward with completing a health activity that day, leading to increased commitment and engagement (1). The system was both transparent and responsive, which significantly reduced the average number of customer service inquiries about delayed rewards.

- **As a result of real-time processing and data, customer service inquiries to the number of reward transactions processed serviced by All Digital Rewards dropped from 14.3% to 2.63%.**

The client instantly observed a lift in member participation in the health and wellness program. Receiving real-time rewards was instant gratification that encouraged ongoing user engagement, resulting in higher participation and continued momentum within the program.

### 2. Lower Internal Client Customer Support Costs

The outdated system was straining the client's customer service team as employees often asked where incentives were or why they hadn't been paid out on time or flowing from the rewards vendor to the client. The availability of the real-time rewards platform significantly lowered the volume of these inquiries. While it was a challenge in the beginning transitioning the clients' customers to the new billing requirements or having funds in advance, the result was fewer calls for support and lower operational costs for the client, as fewer resources were allocated to handling complaints/inquiries. This enabled the client to apply more resources toward initiatives in program development and member engagement.

### 3. Improved Program Efficiency and Cost Savings

It was held that automation was crucial in driving down administration and program-management expenditures. Subsequently, by implementing real-time processing, you eliminate time and resources spent on manual report generation, invoice creation, and payment handling. This new, seamless process reduced administrative costs significantly and simultaneously made the rewards program more efficient on a larger scale.

By streamlining the cash flow management with real time data for reconciliations and a seamless advance pay drawdown account, the client gained **greater control over their program's insights, funding and eliminated the cash flow complications** of waiting for invoice payments. This allowed for more predictable financial planning and reduced the complexity of managing customer accounts.

### 4. Scalability and Long-Term Growth Potential

The real-time rewards automation platform also helped carve a path for controlled growth for the clients. The client could scale the program with minimal effort and had onboarded additional customer companies over time, to whom no more scalability challenges came. As a result of the operational efficiencies implemented, combined with real-time data, improved reconciliations, and enhanced member engagement, the client was able to scale their program into new markets and customer segments, which ultimately laid down a foundation for long-term sustainable growth.

### 5. Strengthened Client-Customer Relationships

By integrating their services with the ADR RewardSTACK Platform™, it provided the flexibility for the client to scale their wellness program without additional administrative burdens. Whether they were onboarding new customer companies or handling increased member participation, the system supported expansion effortlessly. As a result, the client was able to increase their customer base more easily with less barriers by implementing the new system.

- **Client approved customer programs are created instantly via API** or within two business days and launched live once funding was established.

The improved rewards system helped solidify client relationships with their customer companies. Members received rewards instantly, which led to increased member satisfaction. By resolving the most challenging pain points, we helped create a partnership double loop for the client, which aids in accruing trust and loyalty with our clients and their customers. Enhancing these relationships has become a foundational component in helping the client succeed in the long run, as more and more customer companies hardly even think twice about canceling this health and wellness program.

## Conclusion

We provided the foundation to transition a legacy, outdated rewards fulfillment program into an instant, automated health & wellness incentive solution that we continue to grow and foster a strategic partnership. The rewards management platform was personalized to each client's

customer branding and customized to improve key performance elements, eliminate inefficiencies, shorten reconciliation cycles, reduce delays, and increase member satisfaction. This, combined with the real-time automation of rewards, has significantly improved customer contact to transactions, program participation, decreased operational spending, and allowed scaling, setting them up for continued success into the future with a platform that puts customer experience at its core.

### **Ready to Transform Your Rewards Program?**

If you're facing similar challenges with delayed rewards, administrative inefficiencies, or disengaged members in your health and wellness program, All Digital Rewards can help. Our real-time rewards automation solutions are designed to meet the specific needs of companies like yours, delivering measurable results in engagement, satisfaction, and cost savings.

Contact us today to discover how our cutting-edge rewards platform can take your wellness initiatives to the next level. Let's work together to create a healthier, more engaged future for your members and clients.