



Cash Isn't Always King

When trying to motivate desired behaviors, non-cash items have proven to be more effective than cash rewards.

While cash is nice, it often gets lost in the shuffle and ends up going towards next week's grocery or utility bill. Research has shown that participants feel more recognized with tangible, non-cash rewards.

Choosing the right reward offering is critically vital to a well-constructed program. Non-cash rewards like trips and merchandise tap into the emotions that make incentive programs work.

It's The Thought That Counts. Non-Cash Rewards Emotionally Connect.

BEST IN CLASS FIRMS ARE **31%**
MORE LIKELY TO AGREE THAT NON-CASH
INCENTIVES ARE A VITAL COMPONENT TO
SALES PERFORMANCE MANAGEMENT (1)

\$.04 vs \$.12
CASH REWARDS COST ABOUT \$.12 PER
INCREMENTAL DOLLAR OF REVENUE
VERSUS \$.04 PER INCREMENTAL DOLLAR
FOR NON-CASH REWARDS (1)

38.6% vs 14.6%
UNIVERSITY OF CHICAGO STAFF
PERFORMANCE IMPROVED 38.6% WITH
NON-CASH REWARDS, VERSUS 14.6%
WITH CASH REWARDS (2)

65% OF EMPLOYEES WOULD
CHOOSE NON-CASH REWARDS OVER
CASH REWARDS (3)

9.6% vs 3%
YEAR OVER YEAR ANNUAL REVENUE
INCREASE FOR FIRMS THAT USED NON-CASH
REWARDS VERSUS THOSE THAT DIDN'T (4)

MORE THAN **65%** OF CASH
REWARD REDEMPTION WAS FOR NON-
MEMORABLE AND NON-MOTIVATING
ITEMS (5)

1. Aberdeen Group: "Incenting Success: Best-in-Class Sales Management", 2014
2. "Strategic Brand Engagement", 2013
3. Incentive Research Foundation, 2015
4. Incentive Research Foundation, 2011
5. Maritz Incentive Research of Redemption, 2006





Better Than Cash

7 REASONS WHY NON-MONETARY REWARDS DRIVE BETTER RESULTS

1. It's got legs: it's more socially acceptable to tell the story of how you earned a non-cash item
2. It won't get lost in the shuffle: how was that cash spent again?
3. It has trophy value: there's a tangible reminder of the reward
4. It's guilt free: you don't have to justify it
5. It won't become an entitlement: non-cash tends to be perceived as an added bonus
6. It can create memories: positive experiences create positive associations
7. It's not viewed as compensation: ties more directly to the behavior

CASE IN POINT : Goodyear Tire

Goodyear Tire introduced a sales incentive program for associates selling tires. At half of their stores, sales associates were given cash rewards for every 12 tires sold. Sales associates at the other half of their stores were offered merchandise rewards for every 12 tires sold.

The stores working with non-cash incentives outsold the cash incentive stores by 46%, and achieved a program ROI of 31% (compared to an ROI of -20% for the cash program).

6 - Journal of Economic Psychology; "Preference reversals in evaluations of cash versus non-cash incentives"; Shaffer, Victoria A. and Arkes, Hall R.; 11 June 2008

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