

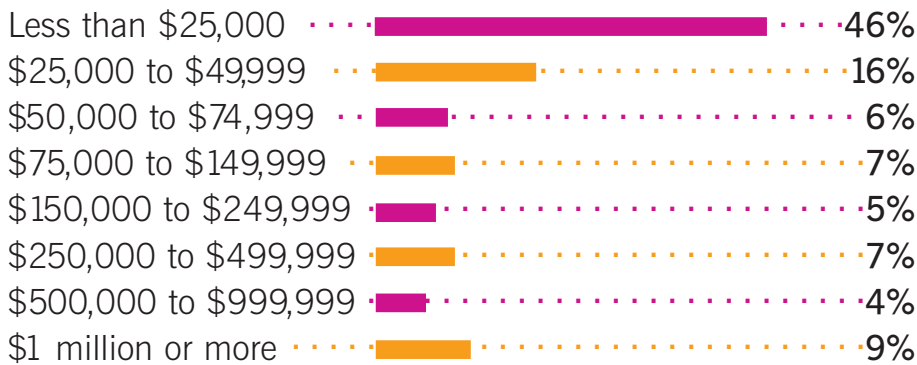
INCENTIVE

FACTS Report 2006

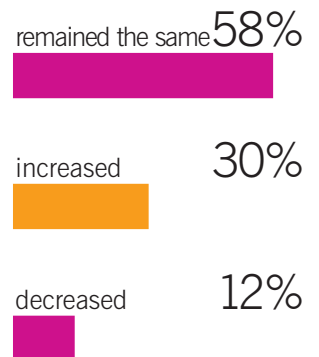
GIFT CARDS & CERTIFICATES

The 2006 Gift Card & Certificate FACTS Report generated 591 respondents, 83 percent of whom use gift certificates in their incentive programs. Most respondents were C-level executives (34 percent) or sales and marketing/merchandising managers and directors (26 percent) who work predominantly in the fields of manufacturing (20 percent), wholesale/distributor/retailer (18 percent), service/utility/transportation (15 percent) or finance/insurance/real estate (13 percent).

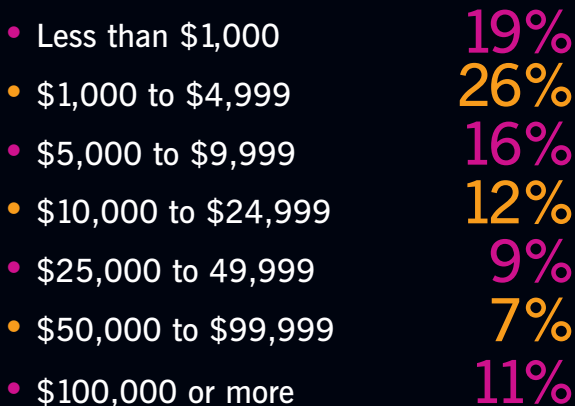
What is your company's annual budget for all incentive/reward/recognition programs for 2006?



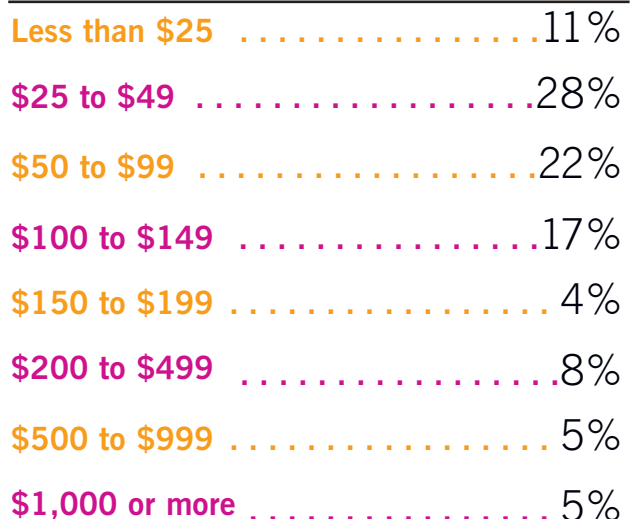
Did your 2006 budget change from 2005's?



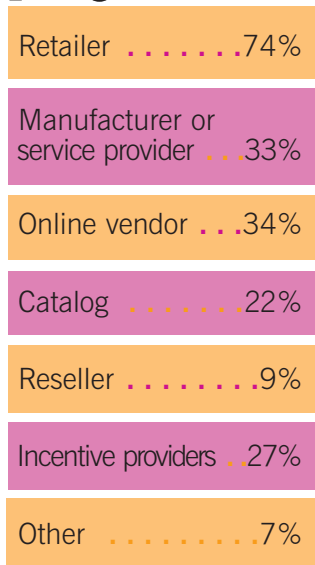
What is your company's annual budget for all gift certificates/cards in incentive programs for 2006?



On average, how much do you spend on gift certificates per recipient?



Where do you purchase gift certificates used in your programs?



Which of the following types of gift certificates/cards have you purchased as incentives in the past year?

	2005	2006
Dining/restaurant	68%	76%
Retail store	67%	71%
Entertainment	41%	50%
Gift check	39%	40%
Credit card branded debit card	—	30%
Gas	—	29%
Catalog merchant	26%	19%
Travel	16%	18%
Multiple-merchant certificate	24%	17%
Online merchant	21%	17%
Bank-issued debit card	30%	12%
Telephone Card	13%	11%
Service	9%	8%
Other	6%	2%

How do you use gift certificates in your incentive programs?

	2005	2006
Recognize performance	67%	73%
Sales incentives	48%	52%
Business gifts	44%	45%
Non-sales recognition awards	38%	40%
Service awards	39%	39%
Consumer promotions	25%	23%
Start/maintain business relationship	18%	16%
Safety awards	13%	14%
Dealer incentives	14%	11%
Other	4%	3%

How effective are gift certificates/cards as compared to cash?

Gift certificates/gift cards are **MORE** effective than cash



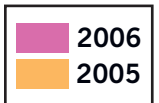
They are about **EQUALLY** as effective



Gift certificates/gift cards are **LESS** effective than cash



Do **NOT** use cash awards



How effective are gift certificates/cards compared to merchandise?

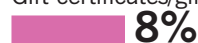
Gift certificates/gift cards are **MORE** effective than merchandise



They are about **EQUALLY** as effective



Gift certificates/gift cards are **LESS** effective than merchandise



Do **NOT** use merchandise awards



What are your primary objectives for using gift certificates/cards?

	2005	2006
Recognize performance	69%	78%
Boost morale	72%	63%
Build employee loyalty/trust	46%	47%
Foster teamwork	34%	38%
Increase or maintain sales	45%	37%
Build customer loyalty/trust	31%	36%
Improve customer service	30%	26%
Start or maintain business relationships	19%	24%
Create new markets	10%	10%
Other	4%	3%

How would you rate the effectiveness of gift cards/certificates?

(on a scale from 1-5, with 5 as most effective)

1	0%
2	4%
3	22%
4	50%
5	24%

What are the primary benefits of offering gift certificates/cards in incentive programs?

