



IS CASH REALLY KING?

A science-based review of cash and non-cash rewards in loyalty and incentive programs



REWARDS ARE MORE THAN JUST A TRANSACTION

Rewards are a tangible representation of accomplishment. When used properly within an incentive, recognition or loyalty program, they symbolize consistent, desired behaviors.

We take a scientific approach to rewards, examining data and human behavior to create reward experiences that motivate and engage.



BEHAVIORAL SCIENCE

Digging into the “why” behind human actions and motivations provides deep insights for designing incentive programs that truly resonate with participants.



DATA SCIENCE

Harnessing advanced analytics reveals powerful reward-performance connections and strategies for crafting tailored experiences that get results.

WHAT DOES BEHAVIORAL SCIENCE SAY ABOUT TANGIBLE REWARDS?

Tangible rewards are more effective in helping businesses achieve consistent and measurable results, and behavioral science can tell us why.

EVALUABILITY

Non-cash rewards tap into emotions, allowing people to choose what holds the most personal value. Individuals can easily picture themselves enjoying a tangible reward, increasing its perceived worth and making it a more desirable option.

FREQUENCY OF THOUGHT

People tend to think about tangible rewards more frequently than cash rewards, which provides continuous encouragement and motivation to reach performance goals.

JUSTIFIABILITY

Non-cash rewards often have a more personal and meaningful impact because individuals connect them to specific goals or desires. This makes it easier to justify the choice over cash, as it feels less like a generic transaction and more like a reward tailored to their preferences.

MEMORABILITY

Non-cash rewards create lasting joy, stretching participants' satisfaction beyond the initial excitement of receiving it. These tangible reminders serve as a constant positive association with your brand and foster long-term loyalty.

SEPARABILITY

Individuals often place cash rewards in the same mental account as salary, which means receiving them can become an expectation rather than a source of motivation. Non-cash rewards are accounted for separately, making them more effective at shaping desired behaviors and easier to integrate into new and existing programs.

EVALUABILITY

Presenting non-cash rewards triggers a desire to reciprocate, unlike cash which can feel transactional. It's the nature of the gift, not the price tag, that builds a sense of urgency and obligation to return the favor.

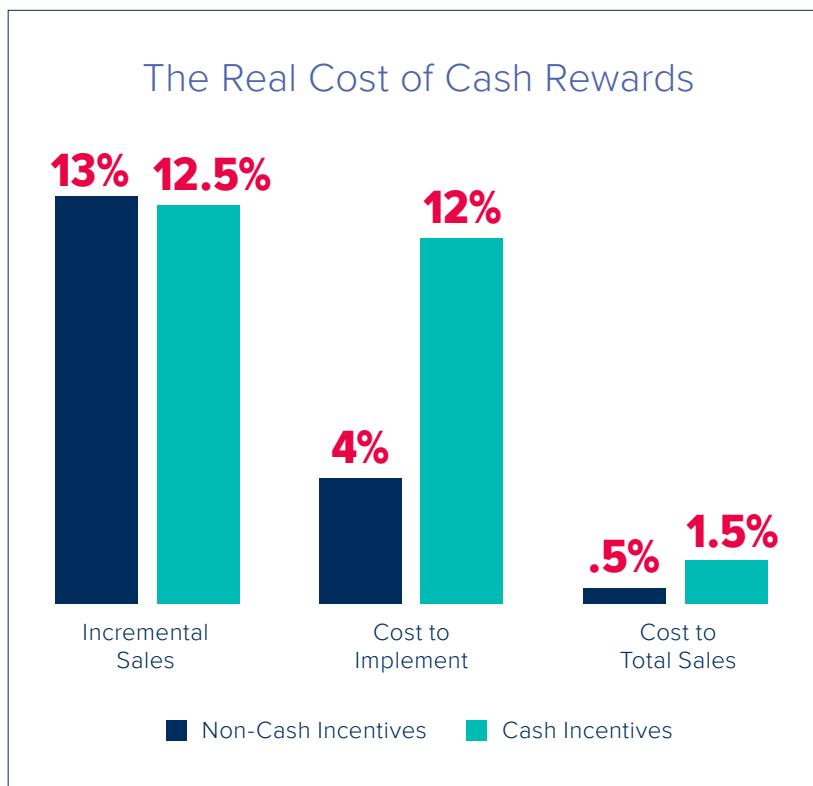


HOW CASH REWARDS STACK UP

DO EMPLOYEES VIEW CASH REWARDS AS PART OF THEIR SALARY?

To understand how participants classify rewards, we asked them to sort potential incentives into groups. The results were clear: Cash consistently ended up alongside salaries compared to non-cash items. This suggests that cash rewards are mentally sorted as compensation and can become expected rather than exciting over time.

In fact, our studies have found that it takes three times as much cash to make the same behavioral impact as a non-cash reward.

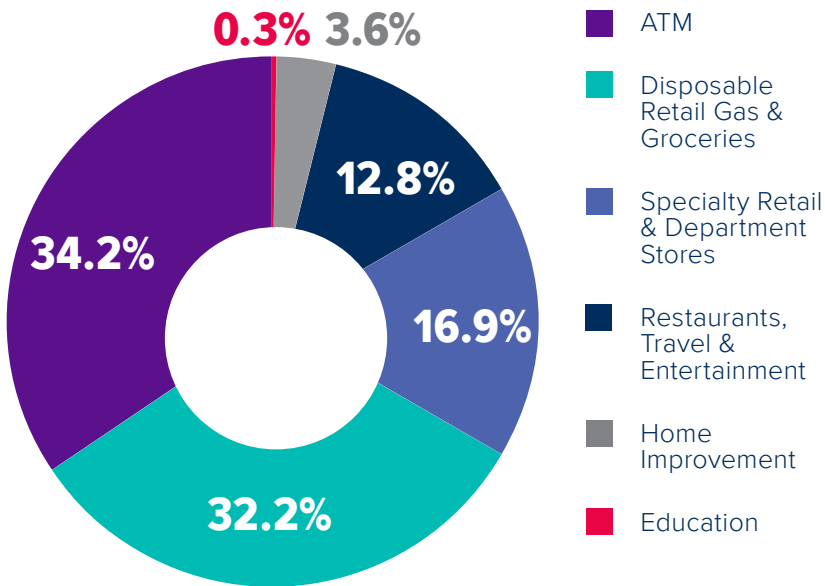


CONSIDER CASH REDEMPTION



WHAT DO PEOPLE BUY WITH A CASH CARD?

We also analyzed the cash and card redemption behaviors of thousands of program participants. In many cases, individuals made an everyday purchase rather than enjoying a memorable reward experience.



2/3

Of program earnings went to ATM withdrawals or disposable items



DO YOUR REWARDS CREATE BEHAVIORAL CHANGE OR SPARE CHANGE?

Over time, non-cash redeemers are consistently better performers than those who opt for cash rewards. Consider whether your rewards are sparking behavioral changes that benefit your business or simply padding participants' pocketbooks.

21%

Increase in program performance of non-cash redeemers over cash redeemers

REWARD PORTFOLIO SPECTRUM

A portfolio that provides a wide choice of rewards and offers varying degrees of joy and connection.



Cash and
Prepaid Cards



Gift Cards



Lifestyle
Merchandise



Individual
Travel



Experiences



Transactional
Weaker Brand Connection

Emotional
Stronger Brand Connection

WE HAVE BEHAVIOR DOWN TO A SCIENCE

When it comes to attracting, engaging and retaining your best channel partners and most valuable customers, we have the right formula. We create reward experiences that deliver value and encourage business-building behaviors. Let's work together to unlock the hidden potential in the people who matter most to your brand.