

Be the Best: Defining Exceptional Channel Incentive Programs





Defining Exceptional Channel Incentive Programs

Exceptional channel incentive programs aren't just about flashy rewards or sleek platforms – they're about delivering what partners really value. So, how do you know what separates a forgettable program from one that stands out and drives results?

Maritz recently conducted a comprehensive market study to explore the state of channel incentives. We surveyed hundreds of channel program participants and uncovered key insights into the pitfalls of poorly designed programs and the elements that make a truly impactful incentive experience.

This report will break down the elements that make a program exceptional, dive into the market study data, and provide actionable steps you can take to create a top-tier program that drives results and engagement.

But What Makes a Program “Exceptional”?

Is it the rewards? The technology? The perks? According to our market study, the programs that stand out have one thing in common: They understand what channel partners really want, and they deliver a powerful value proposition that resonates.



Exceptional vs. Average: Defining the Difference

The gap between an average program and an exceptional one isn't surface-level features; it's in the program's overall impact.

Our study confirmed that top-rated programs deliver significantly higher participant satisfaction and engagement levels. Many respondents claimed they put an "all-out 100% effort" into the best programs. In other words, they're not just participating in these programs; they're thriving, motivated and fully immersed. That's the game-changing difference.



ACTIONABLE INSIGHT: ELEVATE YOUR VALUE PROPOSITION

If your program isn't generating excitement and engagement, it's time to reevaluate. Ask yourself: What does my program offer that others don't? Exceptional programs offer partners a unique value proposition, whether it's through innovative rewards, stellar communications or personalized experiences.

What Do the "Best" Channel Incentive Programs Have in Common?

To uncover what makes a channel incentive program truly stand out, we asked participants to reflect on the best program they've ever been a part of. We wanted to know: What specifically made them consider that program "the best"?

The responses shed light on key elements that consistently differentiate top programs from the rest. Participants ranked up to three aspects of the program that were most important to them. Below are the top five responses.

Top 5 Defining Features of the "Best" Programs (According to Participants)



- 49%:** Value of rewards/benefits offered (good value for effort)
- 39%:** Type(s) of rewards/benefits offered (appealing, unique, meaningful to me, etc.)
- 39%:** Helped me develop new skills/knowledge (personal development, work performance, etc.)
- 35%:** Participating was easy (clear rules, easy progress tracking, user-friendly site, etc.)
- 29%:** Communications kept me aware/engaged

Where to Focus

Many programs are underperforming simply because they are doing the bare minimum. To stand out, programs must continually evolve, optimize and respond to participant needs. Based on our research, here are the top areas where successful programs differentiate themselves:



Simplicity

The structure is easy to understand, minimizing confusion and barriers.



Personalization

The experience is tailored to individual participants or segmented groups.



Communication

Interactions are clear, relevant and timely.



Rewards

A range of appealing incentives are offered to match different motivators.

But what does this look like in practice? Let's break down the essentials for creating exceptional incentive programs using insights from behavioral science and market data.

We asked participants to describe what the rules would look like in their ideal program. One respondent was clear:

“Very simple sales goals.”





31%

of participants have disengaged from a program because the rules were too confusing

Simplicity | Why Complexity is Killing Your Program

One of the biggest pitfalls of program engagement is complexity. Programs overloaded with intricate rules – like “growth over two rolling quarters” or hard-to-understand SKU targets – may seem logical on paper but are confusing in practice. As a result, participants simply stop trying.

Our market study supports this, revealing that **31% of participants have disengaged** from programs because the rules were too confusing.

Channel partners focus on their customers, not on navigating convoluted rules and requirements. A well-designed program must translate your business goals into simple, clear actions for your partners. When you remove friction points for participants, you stand out as exceptional.

We asked participants to imagine they could design their ideal incentive program – one they would find memorable, enjoyable, fun, exciting and engaging. We also asked them to describe the rules and goals in that program.

Here were the key themes that emerged from their open-ended responses:

- **Clarity and Transparency:** Simple, understandable rules with clear pathways for earning rewards.
- **Fairness and Equity:** Consistent application of rules to avoid any sense of favoritism.
- **Attainability and Relevance:** Goals that are achievable and aligned with their roles and business priorities.

A fundamental question to ask is: **Who are you designing your program for?**

Most organizations design solely with their own goals in mind rather than thinking from the participant's perspective. This is a classic misstep, as behavioral science tells us that perspective taking – or considering how the other person perceives and understands a situation – is essential for motivating behavior.

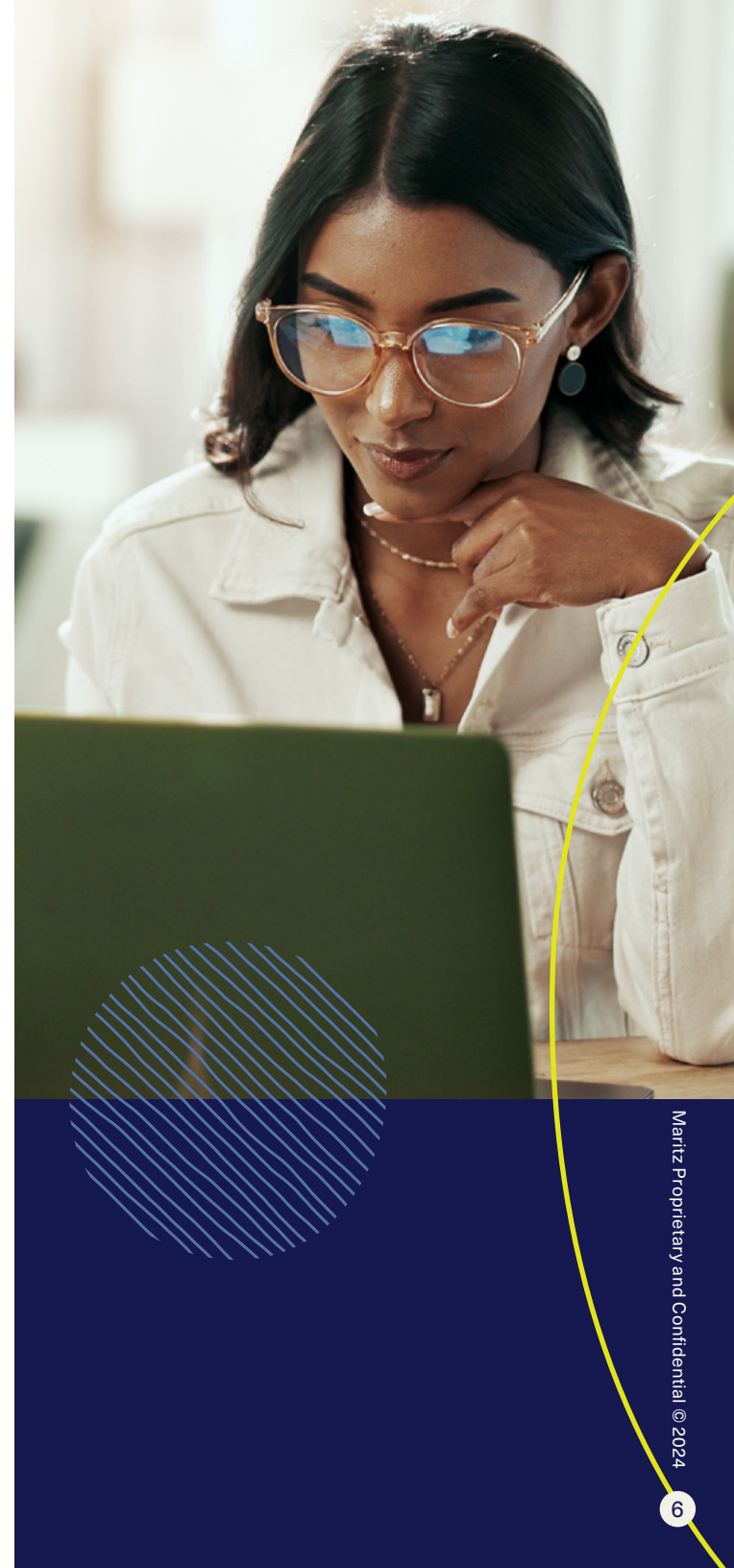
Desired business outcomes don't always translate directly to behavior. You need to map out the behavior(s) that will get you to those business outcomes and incentivize accordingly.



ACTIONABLE INSIGHT: FOCUS ON SIMPLIFYING THE RULES

There are many possibilities for structuring these incentive programs – a variety of rules and goals you could implement – but it's best to focus on one or two clear objectives. Simplicity is clarity, and it keeps participants engaged. If they don't understand the rules, they won't change their behavior.

- In the top-rated channel incentive programs, **98% of sellers** rated the program rules as good to excellent.
- **35% of respondents** said the **ease of participation** was a significant factor in their best programs.
- Partners said: “**The rules should be straightforward and easy to understand**, avoiding overly complex or convoluted requirements.”





Personalization | The VIP Effect

Personalization isn't just a trend – it's a strategic advantage. However, it's important to understand what personalization really means to participants.

Programs are trending away from one-size-fits-all approaches, recognizing that different partners have different roles, needs and motivators. When shaped around specific partners or partner groups, program experiences automatically feel more important to those individuals, encouraging participation.

Our data showed that programs with personalized elements, such as tailored communications, flexible reward options and individual progress trackers, see significantly higher engagement.

Progress trackers are one of the most appreciated features of successful programs. Our study concluded that the ability to see personalized reporting on performance was one of the highest-rated elements in the best programs, with **69% of participants** highlighting it as critical. When participants see their progress, they remain engaged and motivated to continue.

But there's still room for improvement. Sellers in our survey said that providing personal progress and earning updates is also the greatest area for growth. Despite its strong correlation with overall program success, it's underutilized in many programs.



95%

of participants reported excitement and anticipation as they got closer to earning a reward, underscoring the emotional power of well-designed incentive structures and the importance of communicating progress.



69%

of participants said personalized reporting on performance is critical.

Partners said:

“I want to track my progress day by day.”

Tip: Harness the power of both “to-date” and “to-go” framing to enhance motivation in progress tracking.



ACTIONABLE INSIGHT: MAKE YOUR EXPERIENCES UNIQUE

Here are some tactical ways to introduce personalization in your program:

- Segment rules based on partner types or tiers.
- Personalize communications and progress updates to individual participants.
- Offer flexible reward options that appeal to participants’ different motivators.
- Show personal progress trackers so partners know how they are performing.

What Do the “Best” Channel Incentive Programs Have in Common?

To uncover what makes a channel incentive program truly stand out, we asked participants to reflect on the best program they’ve ever been a part of. We asked respondents to rank the specific aspects of these top programs, scoring them from 1 (poor) to 5 (excellent).

The results were clear: **Exceptional programs consistently excel in the following 10 areas:**

4.4: Types of incentives & rewards offered

4.3: Communications, announcements & program reminders

4.3: Clarity of rules and how to earn

4.3: Value of rewards for the effort

4.3: Personal progress or earnings updates

4.3: Sales and marketing collateral

4.2: Program website or app functionality

4.2: Training or learning opportunities

4.2: Personalization, adaptability & relevance

4.2: Product education & resources



38%

of participants' disengaged because the communications weren't relevant or easy to understand

Communication | Program Outreach is Everything

Exceptional programs keep participants informed with regular, relevant updates that help them stay on track. Clear and timely instructions, progress updates, and reminders are essential for driving continued engagement.

- In the top-rated channel incentive programs, **99% of sellers** rated the program communications as good to excellent.
- **38% disengaged** because the communications weren't relevant or easy to understand.
- **Partners said:** "Make them short and sweet."

We asked participants to imagine they could design their ideal incentive program – one they would find memorable, enjoyable, fun, exciting, and engaging. We also asked them to **describe the communications** in that program.

Here were the key themes that emerged from their open-ended responses:

- **Multi-Channel Approach:** Outreach through various platforms, including email, text, newsletters, partner portals, social media and mobile app notifications.
- **Clear and Consistent Messaging:** Concise, timely updates on goals, progress and rewards.
- **Personalized:** Tailored messages and content based on individual needs, roles or partner type.
- **Feedback:** Two-way interactions encouraging feedback through polls, surveys and Q&A sessions.



Rewards Mix | Variety & Choice Matter

Rewards are a critical factor in whether participants stick with a program or drop out. According to our study, **39% of participants dropped out of a program** because the rewards were too hard to earn or took too long, and **36% disengaged** because the rewards weren't appealing.

To combat disengagement, top-tier programs offer a diverse reward mix. While monetary incentives like cash are popular, non-monetary rewards—such as experiential or symbolic rewards—often have a longer-lasting impact. As a result, they foster a stronger emotional connection with the brand.

- In the top-rated channel incentive programs, **99% of sellers** rated the types of rewards offered as good to excellent.
- **“Types of Incentives and Rewards Offered”** are rated as an important aspect in programs considered “best” by sellers, rated 4.4 on a 5-point scale.

We asked participants to imagine they could design their ideal incentive program – one they would find memorable, enjoyable, fun, exciting and engaging. We also asked them to **describe the incentives and rewards** in that program.

Here were the key themes that emerged from open-ended responses:

- **Customization and Relevance:** Rewards tailored to individual motivations.
- **Variety and Choice:** A broad range of rewards to cater to diverse interests.
- **Tangible and Intangible Benefits:** Both material rewards (e.g., money, trips) and non-material rewards (e.g., recognition, skill development).
- **Partners said:** “Give options, please, not a one-size-fits-all situation.”



Key Takeaway: Build with the Participant in Mind and Optimize for Success

It's not enough to rely on a set-it-and-forget-it approach. Exceptional channel incentive programs aren't built overnight, and they require ongoing optimization.

To recap, here are the core elements to focus on:

- **Simplify your rules** – Make them easy to understand to keep partners engaged.
- **Personalize the experience** – Tailor everything to segments and individuals.
- **Track progress** – Provide consistent updates to motivate partners.
- **Enhance communications** – Keep interactions clear, relevant and timely.
- **Offer a mix of rewards** – Give partners variety and freedom of choice.

By applying these principles, you ensure long-term partner engagement and drive mutual success, moving your program from average to exceptional.

Reward Preferences

To determine the most favorable reward types, we asked channel partners to rate the appeal of 15 different reward categories on a scale from 1 (Not Appealing) to 5 (Extremely Appealing). Here are their responses:

4.2: Reward currency or points

4.2: Individual travel (e.g., certificates for flights, hotels, car rentals)

4.2: Group travel (including hosts, transportation, lodging, activities)

4.2: Gift cards/certificates

4.1: Discounts on company products/services

4.1: Choice from catalog or website

4.1: Rebates

4.1: Entertainment tickets

4.1: Market development funds (MDF)

4.0: Certifications or credentials

4.0: Badges or online designations

4.0: Seat on a special board or task force

4.0: Branded company items

4.0: Cooperative advertising

3.9: Charitable donations

Create Your “Best” Program

Creating an exceptional channel incentive program isn't just about checking off boxes. It's about delivering a dynamic, engaging experience that resonates with your partners. By focusing on simplicity, personalization, and reward variety, as well as keeping your communications clear and progress tracking accessible, you can create a program that motivates your partners to achieve more.

The survey included 308 respondents from various industries, with the majority in manufacturing or technology organizations. Respondents were primarily business owners, executives, or sales professionals. Most respondents were located in US and Canada and have been in their industry for an average of 14 years. Respondents are between 20 and 69 years of age with the breakdown as follows: 18-34 (21%), 35-44 (43%), 45-54 (30%), 55-69 (6%).

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