

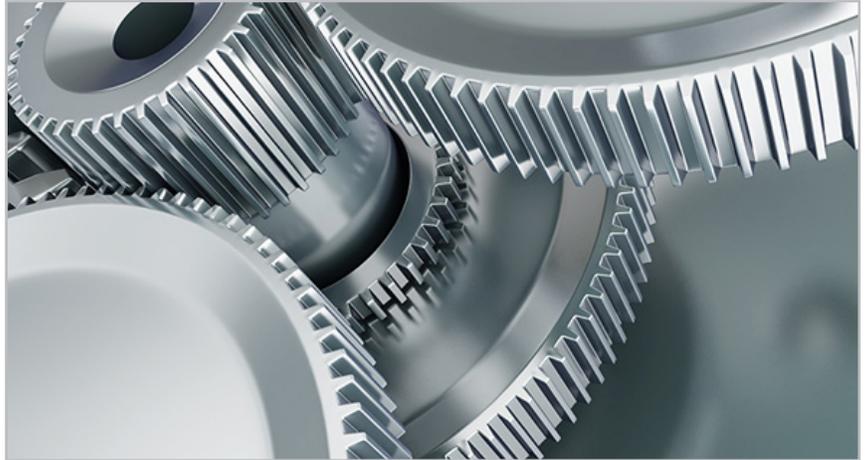
# The Science of Motivation

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## Why do Merchandise and other Tangible Rewards Motivate Better than Cash?

Incentive Services programs feature custom-designed rewards catalogs with highly desirable and attainable merchandise as rewards. Our reward items are memorable and reinforce the relationship between the rewards earner and the reward provider. They keep on giving.

Each time a merchandise reward is viewed or noticed; recipients relive the special recognition and appreciate the organization that honored them.



Cash rewards on the other hand, often have fleeting impact and more often than not, leave the recipient's mind as soon as they are spent. Cash – unfortunately for those companies that attempt to motivate with it – is the least lasting type of reward, because it's typically confused with other compensation and therefore forgotten. Additional reasons to use tangible rewards rather than cash are summarized below.

## QUICK FACTS ABOUT CASH VS. TANGIBLE REWARDS

### Cash or Any Cash Equivalent

1. Purely an extrinsic motivator with little emotional involvement; does not provide lasting satisfaction and long-term performance stimulation
2. Creates expectations, leads to entitlement and consequently loses its motivating value
3. A dollar is a dollar; participant attaches no greater emotional or inspirational value to cash. Lacks emotional impact of tangible rewards; thus quickly spent and forgotten
4. No “trophy” value to be a constant reminder and continue to motivate. It is difficult to show off; thus limits the lasting impact of the reward
5. Difficult to target a particular behavior because of the lacking association with a particular achievement
6. Recipients often can't recall what they purchased with cash reward which further diminished its impact
7. Minimal association with sponsoring company due to minimal trophy value of reward which minimizes the potential of goodwill toward the company
8. Not cost-effective; requires three times the incentive investment compared to non-cash, on average
9. Usually spent on necessities thus lacking a positive association with the targeted accomplishment or behavior
10. Participant feels guilty for not spending a cash award on necessities which taints the reward with unpleasant feelings

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## Tangible Rewards

1. Carry a significant “trophy value” thus continue to reinforce the good performance and behaviors
2. Provide tangible symbol of achievement and serve as an encouragement to other employees
3. Reinforce the association with sponsoring company and thus increase loyalty
4. Provide guilt-free enjoyment of reward, thus increasing the motivating impact
5. Both extrinsic and intrinsic motivators; provide strong emotional appeal to participants' personal wants and interests
6. Carry a higher perceived value because of the increased emotional attachment; therefore, stimulate performance better than cold cash
7. Can be attached to a particular behavior thus stimulating a specific response in a long term
8. Participant's family is involved in selecting and sharing awards thus multiplying the emotional value of the reward and its impact on the participant
9. Provide a 3-to-1 return on investment compared to cash. On average, cash programs cost 12 cents per incremental dollar netted by increased performance, versus 4 cents per dollar for non-cash programs
10. Do not become an expected part of an employee income or an entitlement; always seen as a reward for a particular accomplishment or performance