

BENEFITS OF TANGIBLE MERCHANDISE AWARDS GUIDE



TABLE OF CONTENTS

Overview.....	01
Hidden Value.....	01
Tax Free.....	02
Increased Motivation.....	02
Bragging Rights.....	02
Reportability.....	03
Indulgent.....	03
Fit All Lifestyles.....	03
Most Modern.....	04
Break Away From Compensation	04
Save On Shipping.....	04
Drawbacks Of Cash Bonuses And Gift Cards	05

OVERVIEW

If you're looking to increase employee performance and boost morale, then gift giving is a great place to start. While cash may give the illusion of being the gift everyone wants, it leaves out the personal touch that creates a lasting memory for your employees. Merchandise awards have been proven to offer emotional engagement and extrinsic motivation to employees who work hard toward earning a particular gift.



HIDDEN VALUE

The dollar amount spent or value assigned to an achievement or milestone is hidden.

Keeping the cost of the merchandise award hidden from your recipients often results in employees assigning a higher perceived value. Many achievements and milestones have a large impact on your organization and when a person receives a tangible award, he or she will not know the monetary value assigned to this achievement.

TAX FREE

In many cases, no personal income tax is applied to a merchandise award.

Tangible award merchandise is not necessarily subject to personal income taxes so there is no need to “gross-up” an award or have an employee who is taxed for something that is supposed to be a gift.

INCREASED MOTIVATION

Providing a catalog full of awards increases motivation to achieve goals.

Tangible merchandise awards engage employees and inspire them to work towards a particular goal in order to get the gift they want. Merchandise awards have been proven to offer emotional engagement and extrinsic motivation to participants who work hard to work towards earning a particular gift. In addition, tangible awards have been shown to increase employee retention more than cash or gift cards.

BRAGGING RIGHTS

Tangible awards bestow “bragging rights” for recipients.

Recognition awards that are quality and name brand bestow “bragging rights” for recipients and have a trophy value among coworkers. Friendly competition can build a reward program’s momentum over time, thus increasing its success and return on investment.

Did You Know?

Companies providing non cash rewards and recognition have **3x** the revenue compared to those that don’t.

Incentive Research
Foundation, 2012

REPORTABILITY

Tangible awards are reportable and replaceable.

Awarding tangible gift merchandise allows a company to report and track on how many employees have earned rewards, when and what they selected as a reward. Tangible corporate gifts do not expire and are replaceable if lost or misplaced.



INDULGENT

Recognition awards are wanted and appreciated rather than simply needed.

Another benefit of tangible award merchandise is that the person will reward him or herself with an item that he or she wants and are able to select. Recognition awards present a guilt-free reason for a person to indulge him or herself for a job well done with a great reward.

FITS ALL LIFESTYLES

Lifestyle merchandise awards are appealing to all demographics.

By providing a large number of lifestyle awards for recipients to select from, you ensure that there are items for members of all demographics. Lifestyle merchandise has high trophy value and are often items that a person will use such as exercise equipment, purses, small kitchen appliances, electronic items and furniture.

MOST MODERN

Merchandise awards are the latest items available in modern award programs.

Traditional employee awards tended to include pen sets and jewelry made of increasingly costly metals, making the program cost increase year over year and decreasing the flexibility and appeal of the incentive program. Modern award programs, on the other hand, include tangible corporate gifts usually grouped together by price points, always ensuring an easy-to-budget employee award program with a wide assortment of brand name gifts to select from.



BREAK AWAY FROM COMPENSATION

Merchandise recognition awards are treated separately from compensation.

Lifestyle merchandise award programs are easy to budget and provide recipients with a large assortment of corporate gifts within a single price point. It is easy for employees to take a cash bonus for granted and lump the extra money in with their overall compensation. Giving merchandise awards creates a memorable experience for employees and employers; each time the corporate gift is utilized, an employee will remember the reason and experience that surrounded the award.

“Paying people more not only fails to change their behavior but actually makes them perform even worse.”

**Washington Post,
2013**

SAVE ON SHIPPING

Awards through Awards Network include the cost of shipping within the 48 contiguous United States.

Your recipients will not have to go out of their way to place an order and pick up their reward at a retail store, everything is taken care of for them by our Account Management Team.

DRAWBACKS OF CASH BONUSES AND GIFT CARDS

- Gift cards and cash are always subject to personal income taxes
- Reveal the amount you spent to the recipient
- Less personal and memorable
- Gift cards and cash are often spent on necessities and not something that really rewards the person

- Force a person to use the gift card at a particular retailer, making the person go out of his or her way for a gift
- If a retailer goes out of business, the gift card may not be honored
- No way of knowing what the recipient used the cash or gift card for, or even if it was used
- Gift cards may have expiration dates, activation fees and ongoing charges
- A person is very likely to spend more money than the face value of the card

Ready to learn more?

REQUEST A DEMO

Awards Network aims to Amplify Workplace Culture® across all organizations, no matter the size or industry. Our proprietary engagement platform of rewarding activities and features creates an exhilarating employee recognition and appreciation experience for employees and managers alike.

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