

The Reward Delivery Experience

ENGAGE

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REWARD

How award packaging affects the recipient's perceptions of the award and the company behind it.

*A Qualitative
Research Project*

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the future of engaging rewards

Introduction

Hinda Incentives has a stated mission of assisting organizations in realizing their true potential by providing innovative solutions that engage, inspire and reward their employees and customers. Pursuant to that mission, Hinda has been proving comprehensive sales incentive, employee recognition and customer loyalty programs to clients for nearly 50 years.

Between 2005 and 2015, regular telecommuting in the U.S. grew 115% or nearly 10 times faster than the rest of the workforce.¹ The rapidly rising number of remote employees means fewer opportunities to publicly recognize outstanding performance in a face-to-face manner. This makes it increasingly important for incentive program sponsors to determine the factors in a reward delivery experience most likely to engage employees emotionally. In the past, sponsors recognized employees at work normally by calling teammates together and announcing the individual's accomplishments. This approach multiplies the recognition affect through the accolades of peers in attendance. But how does recognition change when it occurs primarily at the home and only when their award arrives? Can the way a reward is packaged help engage them with the program and the brand? Or is it simply the award itself that determines the value ascribed to the relationship?

With those questions in mind, Hinda set out to learn if award packaging altered the recipient's perceptions of the program, the sponsor and even the award they were receiving. Using focus groups, Hinda created a reward delivery experience and provided each participant various types of packages to open. Information on their perceptions based on the award packaging was collected and analyzed. An independent firm was hired to recruit focus group participants and to conduct the study to remove any biases. Both a representative of the firm conducting the focus groups as well as another independent analyst who observed the focus programs provided detailed reports on the findings.

Introduction

Previous Work

The Incentive Research Foundation's *2015 Landmark Study: Participant Award Experience Preferences* provided some amazing insight and helped lead us to further investigate their findings in light of the evolving workplace and the increasing number of remote employees.

This far-reaching study, sponsored by the Incentive Marketing Association, gathered information from a national cross section of 452 working adults in various industries through a 15-minute online questionnaire. This study offered some astounding findings including:

- Reward preferences are very unique. In a summary of the findings, IRF President, Melissa Van Dyke writes, "Out of 452 respondents, 99% had a unique set of preferences – different from every other person in the study. This is, again, a strong indicator that just as we are unique individuals in our consumer shopping and lifestyle habits so also are we in our preferences for reward and recognition."²
- Another interesting finding was "people don't automatically prefer cash. According to Van Dyke, "While small awards do correlate to a high preference for cash, on average 65% of people would select a non-cash award if all other experiential elements were optimal."² This was a useful finding for us as it may indicate a preference for non-cash awards as a symbol of success making it an important consideration in the entire reward delivery experience.
- But for our purposes, the study's most important finding was the simple fact that, "The experience is much more than just the reward." Van Dyke summarized it this way, "...on average between 40% and 50% of an employee's preferred total award experience has nothing to do with the physical reward itself." She goes on to explain they found how the award is communicated, the professional impact of the recognition and even who is recognizing the employee are all part of what determines the employee's preferred experience. The IRF also say, "Organizations should be aware that the perfect award poorly presented would have half the impact"².

Introduction

Why are employee recognition preferences important?

The Bureau of Labor Statistics tracks what they call “quits” on a monthly basis. “Quits” are defined as voluntary separations started by the employee. One would rightly expect quits to rise as employment rates decline, but it might shock most employers to learn on average over 3.3 million people per month voluntarily quit their jobs between February and June of 2018. That is a “quit rate” of about 2.3%³.

But even in uncertain economic times, employees still quit their jobs. 2008 was the middle of the Great Recession. In December of that year, unemployment in the U.S. reached 7.2%. Yet, in the same month, the quit rate was 1.5%.⁴ That translates to over 1.7 million people voluntarily choosing to leave their jobs in the midst of economic uncertainty. One of the most common reasons for leaving is lack of appreciation or recognition for their work. This is backed up by a number of studies from reputable research organizations including Gallup and Accenture as well as publications like Forbes⁵. Factor in the costs of replacing an employee using a conservative average of 20%⁶ of the employee’s annual wages, and it is suddenly easy to see how engaging employees at each opportunity including remote ones becomes a crucial concern for a healthy business.

Methodology

Hinda began this study by selecting an outside project consultant charged with investigating and recommending the appropriate research firm to manage the project. The consultant worked with the research firm to recommend the best qualitative survey method for the project.

Based on the project parameters, three focus group sessions would be conducted over a two-day period with one group each populated by people who had participated in sales incentive, employee recognition and consumer loyalty programs. Each group would be limited to a total of six participants.

The research company selected to manage the project created the recruiting standards for the focus group participants. Chicago, Illinois was chosen as the single location for all focus groups. A recruiting company used the outlined standards and recruited participants who had participated in sales incentive programs, employee recognition initiatives and customer loyalty applications for the respective focus groups. Prospective participants were contacted via phone and interviewed to insure they fit the recruiting parameters and invited to come to the facility for a final selection screening the day focus groups were conducted. Invited participants were promised a modest stipend for their time whether or not they were chosen as a study group participant and were informed of the basic purpose of the research, how their input would be used and asked if they would consent to participate. More participants were recruited than were needed for the groups. Upon arrival at the facility, prospective participants completed a questionnaire asking demographic questions and their experience with the program type. From those, six participants for each group were selected representing a variety of age groups and demographics and whose experience with the program type most closely aligned with the recruiting standards of the specific group.

During the opening of each group, the facilitator provided an even more detailed overview of the research and explained specifically what the participants would be asked to do and how the input they provided would be used.

Methodology

Participants were told a company representative had reached out to inform them they were receiving an award for their outstanding performance, service or loyalty. The representative also informed them the award would be shipped directly to their home. Next, participants were each given a package and were sent to separate areas of the room to open and examine their package. The facilitator explained there was no award inside, and they would be brought back together to discuss their perceptions of the package. After given ample time to examine the package, they were brought back together to discuss their experience with the packaging. This process was repeated (4) times with the following different package types opened by each individual participant.

- **Box R** – Industry Standard consisting of a brown box filled with Styrofoam peanuts and a packing slip imprinted with an “Award Headquarters” logo.
- **Box L** – Basic Award Delivery Package with a white box sealed with imprinted “Thank You” tape, containing crumpled brown heavy-duty Kraft packing paper and an enhanced packing slip imprinted with a client logo.
- **Box M** – Premium Award Delivery Packaging with a white box sealed with imprinted “Thank You” tape. Inside was a blank white box representing the internal packaging for the award, surrounded by hand-folded colored tissue paper. An enhanced packaging slip containing the client logo, a program logo and a thank you message to the recipient was enclosed.
- **Box H** – Pinnacle Award Delivery Package with a white box sealed with program logoed tape. Inside was crumpled tissue paper and a gold-wrapped box with a blue ribbon and note card enclosure containing a custom message and signed by two corporate executives.

After opening and examining each box, the focus group facilitator brought them back together and asked them to react to the packaging. Specifically discussing:

- What the packaging said about the sponsoring company
- What the packaging revealed about the item being sent
- What the sponsoring company thought of them
- Which elements of the packaging made them feel the way they did

Methodology

Each group was recorded and a transcript of all responses was developed. The group facilitator provided a detailed report of the insights revealed from the focus groups and categorized input into overall themes supported by actual participant verbatim responses. The project consultant monitored each group noting specific insights and reviewed the transcripts. Afterward, the project consultant also provided a detailed report. Both reports, as well as the transcripts, were analyzed to prepare the final report, “Reward Delivery Experience. How award packaging affects the recipient’s perceptions of the award and the company behind it.”

Research Findings

The research identified (4) overriding themes relating an award recipient's perceptions of the program, the sponsoring organization and the award itself based solely on the shipping packaging. Under one of the themes we discovered three strong sub-themes worthy of further discussion which led the facilitator to probe more deeply on those sub-themes.

1. **The Power of Presentation**
2. **Context is Critical**
 - 2.1 Packaging and Award Value
 - 2.2 Work Awards vs. Consumer Rewards
 - 2.3 The Connection between "waste" and "purpose"
3. **Execution Matters**
4. **The Human Touch**

1. The Power of Presentation

Consistent with the Incentive Research Foundation's 2015 Landmark Study, respondents in the research appeared to strongly feel that the way a reward or award was presented (i.e., the packaging design) impacted the experience. In addition to affecting their expectations and perceptions of the award itself, it also appeared to send a compelling message about the company behind it.

Packaging design seemed to drive perceptions of the reward or award – for better or worse.

- Respondent reacting to Package L
 - Basic Award Delivery Packaging - White Box sealed with "Thank You" tape.
"This packaging makes me think the thing inside of it is worth something extra... they are thankful for having me as a customer."
- Respondent reacting to Package H
 - Pinnacle Award Delivery Packaging - White Box sealed with logoed tape containing a gift wrapped box inside.
"Unique. Excited. Appreciated... It was different because you rarely see where [they] put the actual logo on there... The outside. The tape. I would be excited to get it because I would want to see what is in the gold box. I would expect it to be much nicer. And then, I put appreciated because, based on the certificate of excellence and how they packaged it, I assume it isn't going to a lot of people... Because it's kind of expensive, I would guess. And I would hope the item inside was nicer, too... I would expect like a watch or a really nice pen or something like that. I would be annoyed if there was like a trophy in there or something."

Research Findings

- Respondent reacting to Package R
 - Industry Standard – Brown box sealed with brown tape with Styrofoam peanut packing.

“It de-values whatever would be inside... Whatever I am getting is a little less special. One of the examples I get from work, they send us Harry & David’s every fall. And, when you unwrap Harry & David’s, it’s a celebration inside. There is colored, shredded paper and there are stacked boxes tied with colored ribbon. What’s inside isn’t really, like ‘Ok, I got six pears and a bag of popcorn,’ but in that case, the packaging almost exceeds what they packaged. You feel really special opening it up. And, anyone who gets Christmas gifts from me, they are packaged in recycled Harry & David’s boxes because they look so nice.”

The consistency of responses punctuated the importance of the power of presentation.

Box R - Industry Standard



88% described R, as plain, ordinary and cheap. They could not differentiate it from their online purchase shipments

55% said it made the contents less special and did not make them feel appreciated.


Box L – Basic Award Delivery Package



88% felt the company appreciated their efforts or business specifically highlighting the “Thank You” tape.

16% were disappointed to find brown packing paper inside the box.


Box M – Premium Award Delivery Package



88% used the word “gift” to describe the item packed in this box.

88% felt more appreciated due to the human touch of the folded tissue paper.

Box H – Pinnacle Award Delivery Package



88% thought this packaging would be reserved only for top performers.

81% pointed out areas for improvement. Details became more important at this level.

Research Findings

The mere fact that participants were expecting an award seemed to change expectations. As one participant said, “Amazon is not an award.” Participants in all groups saw a clear difference between their personal purchases and an award shipped to their home. If it was an award being sent, they expect more than standard packaging.

This expectation, however, doesn’t mean they don’t expect the item to be packaged to arrive undamaged. 22% of the respondents described Box R as safe and well packaged. When probed about this response, one related the purchase experience of poorly packed eBay shipments that arrived broken. She went on to say, “I like that it (Box R) is carefully packaged.”

But the majority of respondents not only seemed to expect more from an award delivery, but would have a negative perception of a sponsor who packed an award in the Industry Standard (Package R).

- Respondent reacting to Package R
 - Industry Standard – Brown box sealed with brown tape with Styrofoam peanut packing.
RESPONDENT: *“Uh, no, I don’t think it would come in a brown box. I don’t think my company would do that.”*
MODERATOR: *“What does a brown box communicate to you? What does it say? Like if they package it like this, what are they saying?”*
RESPONDENT: *“Cheap... because it’s very standard. And they didn’t spend any extra on it.”*

And while they would negatively perceive those who were not meeting their expectations in award packaging, they felt more positively about those who used an enhanced level of packaging.

- Respondents reacting to Package M
 - Premium Award Delivery Package – White outer box sealed with “Thank You” tape and folded tissue paper around the award
RESPONDENT: *“That they just took the time to package it and recognize and be thoughtful.”*
MODERATOR: *“What do they think about you?”*
RESPONDENT: *“That they value me.”*

RESPONDENT: *“I said, genuinely appreciative and invested in their perception. I think that if you got a gift from a company like that, they’re the ones who made this and packaged it like that. So, they want you to know that they took the time to do it. So, they’re perceived in a positive light, like that it’s not just a gift. Like they’re just saying, thanks, you came up in our system as you shopped X amount. Here’s the gift from the factory, like bye. This is like hey, like we actually appreciate you, and this is really a gift from us to you to thank you for it. So, I think it’s a very positive spin on who they are as a company. They went above and beyond.”*

Research Findings

This indicated a positive bias toward sponsors who offered such minimal changes as shipping in a white box sealed with tape imprinted with thank you. Simply packing the item in neatly-folded tissue paper not only improved the perception of the organization, but also seemed to encourage participants to reward the organization by remaining a customer or employee of that company.

2. Context is Critical

The discussions did reveal, however, packaging design was just one piece of the overall puzzle. Context appeared to play an important role in how a recipient perceived the overall experience. Our research found people compartmentalize the award experience and circumstances surrounding the award. The reason for the award, the relationship between the recipient and the awarding organization, the relative value of the award compared to the packaging design, and even the functionality of the packaging all impacted the recipient's perceptions.

As we analyzed the input from respondents and segmented it into the respective groups -- sales incentive, employee recognition and consumer loyalty participants, we discovered context could be broken down into three separate sub-themes.

- 2.1 Packaging and Award Value
- 2.2 Work Awards vs. Consumer Rewards
- 2.3 The Connection between "Waste" and "Purpose"

2.1 Packaging and Award Value

"If the tissue paper and the packaging goes past the price point of whatever the gift is inside, it's too much."

Even though our research focused primarily on the packaging, respondents seemed to understand the increasing level of value offered by each subsequent packaging design (starting with Industry Standard moving to Basic, Premium, and Pinnacle Award Delivery Packages). And, although they did not know which rewards would be paired with each option, the participants made relative guesses of award value compared to the package design. Without exception, as participants perceived the packaging as more prestigious and higher value, their perception was that the award would be of higher value.

Research Findings

The facilitator recognized the value of asking participants to name a brand of watch they might expect to come in each package as a way to identify their perceptions of award value aligned with package type. The chart below shows the most common brands participants assigned to each package.

Packaging	Watch Brand Delivered
Package R – Industry Standard	Generic, Walmart or Casio
Package L – Basic Award Delivery	Swatch
Package M – Premium Award Delivery	Apple Watch
Package H – Pinnacle Award Delivery	Movado

Interestingly, respondents did reach an award value they felt was unsuitable for shipping an item to the home. Using the watch brand as the relative value, the facilitator asked participants in the sales incentive group if the Pinnacle packaging would be appropriate for a Rolex. The entire group agreed it would not be appropriate to send an award with the value of a Rolex in the Pinnacle packaging. In fact, the entire group agreed an item with this value should not be sent to the home at all. It should be presented personally by a member of the corporate executive team to the individual. The group felt an award with the value of a Rolex watch required some extraordinary effort on the part of the recipient. They thought this deserved special and personal recognition and suggested the participant could be invited to corporate headquarters for a special presentation or an executive should go the participant’s location to present the award on site.

While respondents voiced disapproval for elaborate packaging and an underwhelming award, they were more accepting of modest packaging for a higher value award. Some even said a non-descript package created a sense of mystery which could be exciting.

- *“I don’t care what the box looks like. I care about what’s inside.”*
- *“It’s fun that I’m opening the box and I can’t see it, like it’s mystical, it’s fun and takes curiosity.”*

But given the powerful message that could be sent by an attractive and thoughtfully-wrapped package, it seems this might be a missed opportunity. This seems even more apparent once we factor in the relatively low cost of some of these changes compared to the benefits gained of increasing employee engagement and customer loyalty.

Research Findings

2.2 Work Awards vs. Consumer Rewards

In general, respondents expected more of their workplaces than other retail or service companies who might be rewarding them for loyalty. The assertion was their employers should know them better and value them more than a place where they shop. The employer/employee relationship also carried with it an expectation for the company to make an effort to personalize an award and an award experience due to their intimate relationship.

- Respondents discussing expectations of their employer award programs.
 - *"I would hope that you would expect more from your company. Hope, because, you know, you are loyal. You are giving your best efforts in your day. So, you would think that you would be rewarded in the same way that you were giving. I would like that."*
 - *"I have higher expectations from my company. I get all of my money from my company, and I spend a little bit at every other company. So, it's just like it's a scale kind of thing."*

Consumers overall seemed to have significantly lower expectations of their loyalty programs. Perhaps this is because of the transactional nature of this type of program. The very fact that they might get an award was in many cases a true "surprise and delight" to them. Packaging can enhance the level of delight and punctuate the value the sponsor holds for the customer while potentially increasing loyalty.

- Respondent sharing perceptions of the sponsor of a consumer loyalty program who had sent them a reward in Package M
 - Premium Award Delivery Package – White box, thank you tape with tissue paper packing.

MODERATOR: *"What does it make you think they think about you?"*
RESPONDENT: *"Either that I'm actually an important customer to them, or that they want to show me that they appreciate my business or whatever."*
MODERATOR: *"Is this the kind of company you want to do business with?"*
RESPONDENT: *"You would hope so, yeah."*
MODERATOR: *"Is it the kind of place you would want to?"*
RESPONDENT: *"Oh, absolutely."*
MODERATOR: *"Because?"*
RESPONDENT: *"Because, I think if they spend this much time in just giving me a gift that means their normal customer service or whatever they're offering is also a very high caliber. And so, that's [a] genuine company kind of start to finish."*

Research Findings

But consumer loyalty program sponsors do have to walk a thin line between being perceived as anticipating customer's needs and knowing so much it is viewed as an invasion of privacy.

- Respondents discussing consumer loyalty programs.
 - *“United Airlines, they send me a travel pillow. I am ok if it’s in a generic box. If it were like that (referring to Package H - Pinnacle Award Delivery Packaging), I’d be a little creeped out.”*
 - *“For instance, if Dick’s sent me that (points to Package H – Pinnacle Award Delivery Packaging)... and inside was a specific lure that I was looking at for fishing, that would freak me out... I wouldn’t want that from Dick’s.”*

It appears one of the key takeaways for sponsors of consumer programs is a cautionary lesson in balancing accrued knowledge of the customer with tactical customer outreach that could be viewed as intrusive. Finding the right balance between proactive marketing messages valued by customers and unwelcome solicitations built upon data collection will likely plague marketers for years to come as our abilities to collect information on individuals across multiple channels grows and artificial intelligence becomes increasingly more effective at analyzing the data to identify exploitable links.

2.3 The Connection between Waste and Purpose

Prior to the focus group discussions, the project team had hypothesized that packaging waste could be a significant issue with the package designs. But overall, waste was mentioned less than anticipated. And, even those respondents who raised concerns about waste seemed to base their evaluations more on PURPOSE than QUANTITY.

For example, there was clearly more packaging material in the Pinnacle Award Delivery Package (Box H) design than the Premium Award Delivery Package (Box M) design. But while waste started to become a concern with Premium (M) and even Basic Award Delivery Package (Box L), it seemed to lessen with Pinnacle (H). In Premium (M), the interior white box seemed repetitive (i.e., it looks the same as the outer box). Respondents didn't clearly understand its purpose, and as a result, interpreted it as waste. In Pinnacle (H), the interior white box was wrapped with gold paper and blue ribbon. Logically, this meant more material—and potentially, more waste. But respondents saw a very important purpose for the additional adornment as it seemed to convey an important message about the reward/award and the company. Consequently, it wasn't viewed as “wasteful.”

Research Findings

- Respondent discussing the Basic Award Delivery Package (Box L):
 - *“I said they were appreciative of my business, but need help with packaging... Like, the box, the aesthetic of the box didn’t really bother me, the mismatched pieces. But I can’t stand the internal use of paper like that... To me, it’s like its coarse and it’s not protective. And therefore, the thing that would be inside—if you have paper like that—is something that doesn’t actually need it - a hat or like a t-shirt or something like that. Like they’re doing it to fill the box and make it heavier, but it doesn’t actually need protection... To me, it’s filling. It’s not protective.”*
- About Pinnacle Delivery Package (Box H):
 - *“So, my initial reaction was a little bit too much paper, but the gold box made it feel like a true hand packaged gift... It was a special gift... They want me to know that they really care and really awarding or awarded me with this gift.”*

Colored tissue paper also seemed subject to similar criteria. When folded neatly and used sparingly as a bit of color (a la Premium—Box M), it was viewed as a personal touch and added some excitement. But when crassly crumpled and used as “filler” (a la Pinnacle—Box H) respondents argued it was wasteful because it wasn’t beautifying the package, and it wasn’t adding significant shipping protection for the reward/award.

- Respondent discussing the Premium Award Delivery Package (Box M):
 - **MODERATOR:** *“I heard a ton of gift, exciting, surprise. Diana, you said a gift from a friend or family. What about this made it seem like that?”*
 - **RESPONDENT:** *“Well, using the tissue paper. You find it in a nice gift bag. In this case it’s in a gift box.”*
 - **MODERATOR:** *“Just the tissue paper or how they used it or the colors?”*
 - **RESPONDENT:** *“I think it’s how they use it, how everything was folded you know, very uniquely and how it all came together.”*
 - **MODERATOR:** *“You said, hand packaged?”*
 - **RESPONDENT:** *“You can’t get a machine to do that. Somebody had to do it by hand.”*
 - **MODERATOR:** *“The folding part?”*
 - **RESPONDENT:** *“Yeah, the folding, the placement and folding.”*
 - **MODERATOR:** *“You said, reusable for my gifts meaning?”*
 - **RESPONDENT:** *“Yeah, I mean the way it’s nicely folded I mean it doesn’t look like it’s wrinkled in any kind of way, that I could use it in my gift bags.”*
- Respondents discussing the Pinnacle Award Delivery Package (Box H):
 - *“I liked the packaging. When I opened it up, at first, I thought the box inside was a prop. So I was wondering why there was the tissue paper in there. Because it just seemed like if you just use that, it wasn’t protecting anything.”*
 - *“Overdone. It was the tissue paper. I could have done without one portion. It doesn’t matter which it was, the crumpled or the folded... Too much tissue paper overall.”*
 - *“My reaction was basically, way too much wrapping paper, tissue.”*

Research Findings

3. Execution Matters

Details are important to the participants when they receive an award. Regardless of whether they were in the sales incentive, employee recognition or loyalty program focus group, respondents noticed even the smallest details. When the details are executed well in the eyes of the recipient, the sponsor's credibility increases.

- Respondent discussing the Premium Award Delivery Package (Box M):
 - **RESPONDENT:** *"For this one, I was pleasantly surprised. Again, I'm all about the details. What I saw here, regardless of what it was, I was quite impressed... The way it was carefully [folded], the tissue paper. Everything is symmetrical. Everything is laser beam straight. Everything is just placed in there beautifully."*
MODERATOR: *"What impression does that give you?"*
RESPONDENT: *"Sense of care."*

Conversely, poorly executed details detract from the sponsor's image. And, as the package complexity increases, executional expectations climb higher. A more intricately wrapped package was expected to be even more meticulously executed.

- Respondents discussing the "attention to detail" of packaging for award shipments.
 - **RESPONDENT:** *"I want them to care about me giving them [business] whether it's one dollar or one billion dollars. You want my money you better show up. It better be packaged nicely."*
 - **MODERATOR:** *"Does the fact that there is all of this [attention to detail] raise your level of expectation for things like you were just talking about, Mark?"*
RESPONDENT: *"If done properly and it looks like, 'Wow. Someone has put a lot of effort into this.' I appreciate noticing detail. If they are sloppy, then I also notice that, too. There is a human touch to it and it's either, they are either going to hit the nail on the head or they are going to screw it up."*

Research Findings

4. The Human Touch

It appeared practically every respondent in our study regardless of whether they were in the sales incentive, employee recognition or consumer loyalty group is hungry for recognition and special treatment. They notice if something appears to be hand done or have a human touch rather than “production line” or “mass produced”. This distinction significantly impacted their perceptions of the sponsoring organization.

When respondents perceived a human touch in packaging, as opposed to what they referred to as “mass produced”, their descriptors of the sponsor began to include words like thoughtful, caring and appreciative. Techniques or special touches that required additional effort to pack and could only be executed by hand were highly valued and seemed to tap into a fundamental human desire to be acknowledged.

- Respondents discussing Premium Award Delivery Packaging (Box M):
 - **RESPONDENT:** *“There are no robots, as far as I know, that do tissue paper. It has to be hand done.”*
MODERATOR: *“That’s awesome. So the fact that it was hand done and not robots, what does it make you think about them or about this thing they are sending you?”*
RESPONDENT: *“That they really appreciate whatever it is that they are thanking me for, and I think that it’s nice that they took the time to do it. It’s the human touch. I like that.”*
 - **RESPONDENT:** *“If I were to ship a gift, like I have a relative going away to college, if I were to ship a gift, this is how I would package it up. I would do a box in a box. And I would literally use tissue just make it look a little fancier than just crushing up some newspaper. So this literally looks like I wrapped it, other than I don’t know where to get thank you tape.”*
MODERATOR: *“And when you do that, what is the message you are trying to send?”*
RESPONDENT: *“That I put care in it. I didn’t just go to Target and stick a label on something.”*
MODERATOR: *“And is that what you think they are trying to tell you?”*
RESPONDENT: *“Right. It appears more personalized.”*

Research Findings

- **RESPONDENT:** *"I was grateful... just that they took the time to package this up for me in this way."*

- **RESPONDENT:** *"I just said wow."*
MODERATOR: *"What about the people that sent it to you?"*
RESPONDENT: *"Very special."*
MODERATOR: *"That they're very special, or you are, or both?"*
RESPONDENT: *"Yes, the thing inside is very special that they're giving [it] to me as a gift."*
MODERATOR: *"And the fact that they sent that to you, what does that make you think they think about you?"*
RESPONDENT: *"That you're kind of like family or friend that they're giving a nice gift to me."*
MODERATOR: *"Is that okay with you that a company would think of you that way?"*
RESPONDENT: *"Yeah."*
MODERATOR: *"How come?"*
RESPONDENT: *"I don't know. It just seems unique for a company to do that because you never expect that. You know, usually it's a simple manufacturing kind of materials. In this case, it's like an extra touch."*

On the other hand, elements that seemed mass-produced were typically considered less personal. In some cases, respondents translated "mass-produced" to "less thoughtful"—especially if the company was smaller and could reasonably deliver a more individualized experience, or if the award was coming directly from someone the recipient knew personally like their manager, versus a CEO who they may not personally know.

- Respondents discussing Industry Standard Packaging (Box R):
 - **RESPONDENT:** *"Off a production line, they're just churning these out. I'm just a number and it's kind of dated. I didn't feel they cared about the environment because of all the Styrofoam in there. I don't necessarily care as long as my goods showed up okay."*
MODERATOR: *"You said it just kind of felt like I was a number. What is that feeling for you, or what's the implication of that?"*
RESPONDENT: *"You're at the buffet line and they don't care. It's whatever. When you get something—like when Walmart sends something to my house you can tell it's whatever. Their paper goods or whatever have been shopped there. But like Nordstrom, their customer service and everything is probably what every company is striving for. And even if you order like a crappy t-shirt from them, it's still going to come nice with a little sticker on it."*

Research Findings

- **RESPONDENT:** *“...they’re shipping a lot of these. It just looks like something that you can just load up the widget and let it go... The only thing it doesn’t have on there is an Amazon sticker.”*
- **RESPONDENT:** *“The invoice [packing slip] is very commercial again, like something I would have ordered. That they work with hundreds of thousands of people again, like Amazon... A pack slip, I mean my company, we build and ship tools and that’s how we treat a shipment that is not a personal [order]. Like if you order from a boutique store and it was something special, that maybe they send 10 packages a day and not 500, it wouldn’t look like this.”*

Some respondents, however, acknowledged that a mass-produced solution was sometimes more practical. But at the same time they highlighted the importance of a human touch.

- Respondents discussing Industry Standard Packaging (Box R):
 - **RESPONDENT:** *“If I worked for a huge company I would probably say met or exceeded. Because I work for a smaller company, I would expect a handwritten note on there that says why I am getting this. Not just like, ‘You’re great.’ But a very specific example.”*

Given this connection between human touch and appreciation, the research team hypothesized that ordering something from Amazon wouldn’t seem as much like a reward. Although some respondents reported choosing their own gifts in various programs (which was sometimes appreciated), receiving something that looked like “any other Amazon box” didn’t seem like it would be considered as special as an award could be.

- *“I am just expecting an Amazon box. The fact that I am getting a gift is nice, so anyone putting any effort into anything beyond the actual gift is kind of a bonus.”*

Research Limitations

Qualitative research studies like the focus groups sponsored by Hinda investigating the reward delivery experience have, by their very nature, certain limitations. The most obvious is the sample size. While a tremendous amount of input was gained from the group participants in understanding award recipient perceptions, the number of focus groups conducted may limit our ability to apply our findings to a broader population. Quantitative research methods could be used to further validate our learnings.

Our focus groups provided the ability to create a very immersive experience for the participants with each allowed to physically open (4) different packaging approaches and provide input immediately after opening each. We felt this allowed respondents the ability to physically touch the packaging and provide immediate input, contributing to our deep understanding of their perceptions. However, we also restricted each group to 6 individuals limiting our ability to transfer our findings across a wider population without conducting further quantitative research.

Recruiting individuals who had participated in sales incentive programs, employee engagement and recognition programs and consumer loyalty programs allowed us to determine any differences in the perceptions of members of these respective groups regarding the reward delivery experience. However, the need to recruit people who had participated in these programs may also have restricted our recruiting pool. This seemed to have relatively little impact on our ability to recruit diverse ages, a nearly equal ratio of male to female participants as well as racial and ethnic diversity. But this need may have limited our ability to recruit beyond a narrower range of socio-economic indicators who are normally target participants in these programs. Additionally, the need to conduct the research in the greater Chicago area may also have restricted our abilities to extend our findings to a national participant base. Further quantitative research could be used to test and validate our findings across a more geographically and socio-economically diverse population.

The qualitative research findings were surprisingly consistent from group to group with participants reporting the Industry Standard packaging as producing virtually no positive perceptions of the program sponsor. The Basic and Premium Award Delivery packaging, however, elicited dramatically improved perceptions of the sponsor by the participants. While the Pinnacle Award Delivery packaging seemed to provide a tremendous amount of personalization, the complexity of the packaging also opened it more scrutiny. While the consistency of these responses among individual participants and across the various groups provides an indication of the validity of the research, a quantitative study of a more statistically valid number of participants could be beneficial to corroborate these findings.

Summary of Conclusions

For awards shipped to the home, packaging can provide a significant differentiator to recognize the recipient, demonstrate appreciation and create positive perceptions of the organization sponsoring the award.

- A standard brown box filled with Styrofoam peanuts will be perceived as utilitarian and protective of the contents, but may be confused with the recipient's normal online purchases and provide no additional recognition value. This packaging approach is perceived as inexpensive and actually may devalue the award it is protecting in the mind of the program participant.
- Simply changing the box color to white and sealing with "Thank You" tape shifted the perception of 88% of our respondents who:
 - Felt appreciated by the sponsor
 - Were excited to open the package
 - And were, in the case of a customer loyalty program, more likely to do business with the sponsor
- Adding tissue paper as a packing material communicated a human touch that was highly valued by the recipients and perceived as demonstrating how much the sponsor cared. But there are caveats:
 - Tissue paper must be neatly folded, indicating the award is important and providing perceptions of a gift
 - Crumpled tissue paper was viewed as wasteful as it did not protect the item nor add to the celebratory nature of the packaging.
 - Color is important. Although bright colors are considered festive, award recipients in our study preferred more muted, subtle and classic tones – white tissue, imprinted or embossed with "thank you" or cream colored were highlighted as preferable.
- Gift wrapping offered added value and demonstrated to participants their importance, but also carried with it executional challenges
 - While our respondents saw an immense value to gift wrapped items, they were much more likely to look at small details based on their own personal experience and taste.
 - 88% view the Pinnacle Award Delivery packaged as reserved for only top performers, but 81% offer ways to improve this packaging. This indicates there may be a point of diminishing returns in packaging as participants become more obsessed with smaller and smaller executional details.

Endnotes

¹ 2017 State of Telecommuting in the U.S. Employee Workforce. Presented by Global Workplace Analytics and Flexjobs. Page 6. https://cdn.thepennyhoarder.com/wp-content/uploads/2017/06/30140000/State_Of_Telecommuting_U.S._Employee_Workforce.pdf

² The Incentive Research Foundation. 2015 Landmark Study: Participant Award Experiences Preferences. Melissa Van Dyke, November 5, 2015. <http://theirf.org/research/2015-landmark-study-participant-award-experience-preferences/1619/>

³ United States Department of Labor – Bureau of Labor Statistics. *Economic News Release, Table 4. Quits levels and rates by industry and region, seasonally adjusted.* August 7, 2018. <https://www.bls.gov/news.release/jolts.t04.htm>

⁴ Bureau of Labor Statistics News. Job Openings and Labor Turnover: December 2008. February 10, 2009. https://www.bls.gov/news.release/archives/jolts_02102009.pdf

⁵ Forbes. “I’m Outta Here!” Why 2 million Americans Quit Every Month (And 5 Steps to Turn the Epidemic Around). Alan Hall. March 11, 2013. <https://www.forbes.com/sites/alanhall/2013/03/11/im-outta-here-why-2-million-americans-quit-every-month-and-5-steps-to-turn-the-epidemic-around/#1ff62d936484>

⁶ Center for American Progress. *There are Significant Business Costs to Replacing Employees.* Heather Boushey and Sarah Jane Glynn. November 16, 2012. <https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf>