

CHANNEL PARTNER AWARDS MATRIX



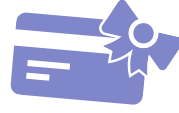
Today, the most common rewards are:



TRAVEL



MERCHANDISE



GIFT CARDS



PREPAID CARDS



CASH

FEATURES

Group "club trip" rewards top performers

Individual trip options let winner choose own destination and dates

Online merchandise catalog of exciting and practical items

Participants use bank account of points to redeem

Used like cash at one specific retailer, dollar for dollar, often in specific denominations

Preloaded points works like a debit card, redeemable anywhere Visa/MC is accepted

You know what cash is! And how it works!

PROS

Always a popular, aspirational award

Produces memorable experiences for a lifetime

Socially acceptable to "show off" pictures and brag of adventures

Ease of online shopping

Exciting awards increase motivation and aspiration

Has trophy value significance for concrete reminder of sponsoring company

Freedom of choice when at the retailer

Participant decides when and how to use

Easy to administer, one-time issuance

Participants can take advantage of sale prices

Can ensure purchase with lasting trophy value

Maximum flexibility & freedom of choice

Participants can take advantage of sale prices at retailers

"Wallet branding" when sponsor logo added to card plastic

Reloadable options available

Ultimate flexibility

OK for channel incentives, where confusion with compensation is less of a concern

Provides currency for taxes on very large awards (ex. >\$5,000)

CONS

Time-consuming to plan travel arrangements and trip operation

Participants out of the office

Uncontrollable variables - weather

Some like to see & touch & compare items at retail stores

Fulfillment delays or discontinued items may cause complaints

May have to manage inventory issue and handle returns of damaged merchandise

Choices limited to one retailer

Typically no customization or sponsor branding

Appeal depends on individual taste and what retailer offers

Specific retailer may not be convenient for all participants

Generally lacks lasting trophy value, with most purchases for necessities (groceries, gas, fast food)

Complexities in fulfillment (card branding, emboss line message, expire date)

Often confused with compensation, creating future expectancy, and dissatisfaction if incentive changes

No warm fuzzy feelings with cold cash

Disappears into checking account

Used for paying bills and basic needs

Recipients cannot recall what they purchased with rewards

Delivers minimal, lasting association with sponsor company due no trophy value

CHANNEL RECOMMENDATION

Best award for building lasting loyalty with important producers

Most common award for EMEA & APAC

Delivery challenges in LTAM

Good for channel reps who accrue small reward balances (\$25, \$50, \$100)

Many new e-card options

Amazon is a good global award because it has local market awards and fulfillment

Popular for USA & Canada channel incentives

Not as popular in EMEA & APAC due to cultural norms

Virtual VISA e-card can ease international fulfillment of cash awards

OK for channel incentives, where confusion with compensation is less of a concern