

RECOGNITION

# MOTIVATING SALES WHEN TRAVEL IS OUT

When all-expenses-paid trips to exotic locales are no longer an option during the pandemic, the power of points accumulation is a powerful motivator, says **Andrew Clark** of BI WORLDWIDE Canada



**WHEN** considering employee inspiration, rewards and recognition, research tells us that the number one motivator is travel. But with the onslaught of the COVID-19 pandemic and its aftermath, that's an unlikely scenario for the immediate future for many employers.

However, incentivizing employees is not only about the rewards, it's also about emotional engagement and focus from the beginning of a contest to the ultimate outcome — the results and the reward. And there are numerous engagement touchpoints in well-designed programs that create anticipation and engagement throughout.

## Understanding the science

It's a carefully mapped-out process, leveraging behavioural science. It starts with: "Why should we offer an incentive in the first place?" People like to win; they like to feel appreciated and rewarded for the effort they put forward. It's called the dopamine effect — the rush that people get when something good happens to them.

With incentives, it's about trying to create excitement and focus on specific

objectives for a limited period of time — to inspire people to change behaviour or perform at a higher level.

After executing an incentive program, there's a great opportunity to establish a "new normal" for performance. It's called the hedonic treadmill. People always want to move to the next level. Those who achieved will be keen to do it again. There is a pride in winning, regardless of the reward.

It's important to build competition and communication around program results. Known as relativity bias (commonly called "keeping up with the Joneses"), it's about wanting to be seen as successful and judging our success relative to those around us.

## Picking the right reward

Real, ongoing motivation comes from offering the right rewards, in the right place, at the right time. The "Extrinsic Rewards Efficacy Continuum" — developed by Ran Kivetz, professor of marketing at Columbia University Business School — goes from low-efficacy rewards such as cash or gas and groceries to mid-range efficacy such as utilitarian merchandise to high-efficacy

rewards such as luxury merchandise or experiences (including travel). It ranges from a financial mindset, with a focus on needs, to an emotional connection, with a focus on wants.

Experience has overwhelmingly shown that tangible awards drive higher

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performance. With travel or tickets to the theatre or luxury merchandise, the rewards are more emotional in nature, and the question becomes: "Do I want it?" This is referred to as hedonic motivation (high emotional and pleasurable experiences).

The farther away from the dollar sign, the more effective the rewards become at changing behaviour. We refer to it as mental accounting; rewards separate wants from needs. Participants can redeem for something they want.

There are a few key reasons tangible rewards are so powerful:

**Sociability:** It really isn't acceptable for people to tell their friends how much their cash bonus was. They can, however, watch the big game together on their new 85-inch big-screen TV and tell everyone they got it as a result of their performance at work. It's the difference between sharing and showing off.

**Re-consumption:** Both the employee and the employer remember how they got that reward all the time. Simply put, it's being reminded of how they earned something.

**Justifiability:** The reality is that people won't spend their own money on certain things, no matter how much they want it. Justifiability is a key reason that rewards are so compelling; it's the permission to get what you want. Rewards and recognition also create subjective well-being — they help people feel better about the work they are doing.

So, what rewards will work in our current situation? Employers know that the reason they run an incentive program in the first place is more important now than ever. And whether it's results or behaviour based, they are trying to achieve incremental results.

There are many options to consider, and a wide selection of desirable merchandise is key during this crisis. Award points give participants the power of choice, and if there are ongoing programs, the power of points accumulation makes people aspire for even greater rewards.

We will all travel again, and when we do, the anticipation of a travel reward is part of the participant experience.

Aspiration for the future can be very compelling.

In the end, the core reason that employers incentivize is even more relevant today as businesses compete to recapture market position. **CHRR**



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