



Self Check

Check Your Knowledge Of This
Section

Answer these questions to check your knowledge of what's covered in the Award Selection & Administration Series. An Answer Key follows the questions.

True or False?

1. T F WorldatWork (formerly the *American Compensation Association*) found that non-cash rewards programs achieved three times the return on investment compared with cash-based programs.
2. T F The Incentive Marketing Association considers cash, as a motivator, to be an “unemotional” award.
3. T F Cash value is concrete. While it could be used to purchase a lifestyle award, it is often used for bills, and can be confused with compensation. This diminishes its power as an incentive.
4. T F Incentive travel is defined as a face-to-face event designed to motivate, either directly or indirectly, and includes the offering of travel as one (or all) of the awards. It also includes any motivational use of a face-to-face event to accomplish a business objective—distinct from meetings designed to get work done and communicate routine information.
5. T F Incentive travel is not used in consumer promotions due to legal issues.
6. T F It is now illegal to offer incentive travel to shareholders of a company.
7. T F Incentive travel destinations and venues are mediums through which an organization makes its brand statement with critical audiences.
8. T F Even though they come in denominations, gift cards and certificates purchased from corporate specialists can actually have higher perceived value.
9. T F Gift cards or certificates should not be used in plateau programs because such programs reward recipients at multiple sales levels over time; you’d have to give recipients more than one card.
10. T F Recently enacted legislation prohibits the use of gift cards in consumer loyalty programs.
11. T F Recently enacted legislation makes it illegal for nonprofit organizations (such as the American Diabetes Association) to use gift certificates and cards in fund-raising events.
12. T F When a gift certificate/gift card is given in conjunction with an incentive travel award, the perceived value of the incentive travel award is said to diminish.

13. T F Most branded merchant's cards are offered in various denominations and are referred to as "stored value cards." These cards decrement electronically until the entire value is used up. Some merchants offer a reloadable feature.
14. T F Debit cards are set one time at one set amount and are not reloadable.
15. T F Filtered Cards can be redeemed at any merchant's location that accepts a major credit card such as Visa, MasterCard, American Express, or Discover.
16. T F A manufacturer sent emails to its customers. When customers clicked on the links, the recipient could make purchases from the manufacture's web site. At the same time, credit card information was requested in order to increase purchase amounts. This practice is a violation of the Sarbanes-Oxley act.
17. T F Under the auspices of what are known as the "laws of escheats," states monitor the books of merchants and their gift certificate/card sales, unredeemed certificates, etc.
18. T F Recent U.S. regulations now make all state escheat laws moot – federal legislation has been enacted to ensure common expiration dates so that uniform "service fee transparency" exists.
19. T F It is held by the incentive industry that although gift certificates and cards have more "trophy value" than cash, they produce no "halo effect."
20. T F Monetary incentives such as discounts and rebates are not common in most distribution channels.
21. T F A retailer offering a gift card valued at \$10 for every \$100 in purchases must refer to the program as a "corporate sweepstakes" in order to get around escheat laws.
22. T F *Based on the research of Scott Jeffrey*, non-cash awards can have higher perceived value than cash if properly marketed and presented.
23. T F *Based on the research of Scott Jeffrey*, non-cash awards help ensure that awards are viewed as recognition, not compensation.
24. T F *Based on the research of Scott Jeffrey*, cash awards can provide more pleasure than non-cash award because cash provided through incentive programs tends to go toward special items a recipient would not normally purchase.
25. T F *Based on the research of Scott Jeffrey*, cash awards create buzz by being easier to promote than non-cash awards.

Matching

26. This section discussed factors favoring cash vs. non-cash as awards within incentive programs. Put 'C' by the factors favoring cash; put 'NC' by the factors favoring non-cash.
 - _____ Requirement to distinguish from compensation
 - _____ No general link to communications efforts
 - _____ No need for buzz
 - _____ Programs come and go as part of the mix, so awards aren't predictable
 - _____ Repeatable year after year
 - _____ Need for buzz and excitement
 - _____ Desire to convey marketing messages

Now turn the page to check your answers.



Answer Key

Self Check Answers

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- | | | | |
|-----------|--|-----------|--|
| 1. True | | 24. False | |
| 2. True | | 25. False | |
| 3. True | | 26. NC | Requirement to distinguish from compensation |
| 4. True | | C | No general link to communications efforts |
| 5. False | | C | No need for buzz |
| 6. False | | NC | Programs come and go as part of the mix, so awards aren't predicable |
| 7. True | | C | Repeatable year after year |
| 8. True | | NC | Need for buzz and excitement |
| 9. False | | NC | Desire to convey marketing messages |
| 10. True | | | |
| 11. False | | | |
| 12. False | | | |
| 13. True | | | |
| 14. False | | | |
| 15. False | | | |
| 16. False | | | |
| 17. True | | | |
| 18. False | | | |
| 19. False | | | |
| 20. False | | | |
| 21. False | | | |
| 22. True | | | |
| 23. True | | | |