

Create Lasting Memories

The Power of Experiential Rewards

By Catherine Eberlein Pfister

When the comedy-drama movie "The Bucket List" hit American theaters in January 2008, the after-buzz got many of us thinking about what kinds of experiences we wanted to achieve in our lifetimes. It's something we all can relate to. Secretly, on paper or in our minds, we fantasized about what might be on our own lists. At the very least, perhaps we found ourselves comparing our wish lists to that of Carter Chambers, the character played by actor Morgan Freeman:

1. Witness something truly majestic.
2. Help a complete stranger for a common good.
3. Laugh till I cry.
4. Drive a Shelby Mustang.
5. Kiss the most beautiful girl in the world.
6. Get a tattoo.
7. Skydiving.
8. Visit Stonehenge.
9. Spend a week at the Louvre.
10. See Rome.
11. Dinner at La Cherie d'Or.
12. See the Pyramids.
13. Get back in touch (previously "Hunt the big cat").
14. Visit Taj Mahal, India.
15. Hong Kong.
16. Victoria Falls.
17. Serengeti.
18. Ride the Great Wall of China.

Whatever might find its way onto your own or any individual's wish list of experiences, one thing is certain. Experiences heighten all of the senses. They are palpable. They create tangible perceptions that are substantially real and memorable. Just ask anyone who has ever skied at the Matterhorn, viewed a sunset at the Grand Canyon or taken a plane ride over Paris. It's something you just never forget.

The concept of giving experiences as a personal gift has been popular in Europe for at least a couple of decades. But it has only recently begun to catch on in the United States, predominantly among savvy online consumer shoppers looking for unusual gifts for family and friends. European-based companies such as Red Letter Days and the Red Balloon, along with U.S.-based firms like Excitations, have become familiar names to this group.

Quickly fast-forward to today and we find that an entire industry—known as the experiential reward industry—is taking hold globally and specifically catering to the incentive needs of a wide variety of companies. Experiences can be used in employee recognition and incentives programs, small team-building programs, customer appreciation and loyalty programs, corporate gifts, special promotions, giveaways and drawings, appreciation for partners, suppliers and more.

If You Can Dream It, You Can Do It

The options are almost endless. Companies can choose from experiences in a wide range of prices, including hot air balloon rides, rock climbing, wolf watching, murder mystery weekends, mountain bike tours, gourmet cooking, sailing lessons, glass blowing, scuba diving, whitewater rafting, skydiving and even seal trainer and glider ride experiences. And that's just for starters. Recipients also can go trekking

with a llama, race indoor karts, experience private trapeze and star-gazing parties or behind-the-scenes aquarium tours. They can make their own signature wine, participate in actual aerial dog fights or swim with sharks. Recipients can choose from solo activities to those for two or more people, for both adults and kids.

One experiential reward company alone, Excitations, currently provides experiences in 25 states and in 17 major cities across the United States. It was started in 2005 and is the exclusive provider of The Discovery Channel experiences and has been featured on ABC's "Good Morning America" and CBS's "The Early Show."

"Today people feel a lot of stress. Giving rewards that truly create happiness and joy can be so powerful and make the difference," said Nancy Lamberton, co-founder of Excitations. "The pursuit of our lifelong dreams often gets lost in our hectic day-to-day lives. Giving someone a life experience that they have always aspired to is a fun and thoughtful way to help them achieve their personal 'Bucket List.'"

In 2008 the company became the only U.S.-based partner in a newly formed international consortium call the Global Experience Alliance. (See "Where to Find Experiential Reward Providers" for additional information.)

"We started Excitations with a strong conviction that experiences as rewards and gifts are more meaningful and bring people more happiness," Lamberton said. "We are in the business of providing unique, incredible experiences for both consumer loyalty programs and gifts, as well as corporate rewards," she added. "It's our belief that experiences make more impact than some of the more traditional rewards because people can actually go out and do a life experience. They can go on a hot air balloon ride, drive a race car, go kayaking or learn how to blow glass. It creates an incredible memory around this experience, around this reward."

Excitations started with the mission of offering low entry price points (as low as \$50) and then offering other higher-priced experiences. The majority of what the company provides to the corporate marketplace are Circle Choice packages, a sort of smorgasbord of similarly priced experiences. Each Circle Choice package gives a person eight to 15 different experiences from which to choose, depending upon which region of the United States they are in.

"It's important to offer a wide selection of experiences to meet the needs of a wide range of people," Lamberton said. "Not every experience appeals to every employee or every consumer, so personal choice is important. "You want a selection of experiences that appeals to the adventurer type who might have dreamed about doing military dog fights as well as the person who says, 'No way am I getting my feet off the ground.'"

All of the experiences are exchangeable, and there are no fees charged for exchanges. A recipient also can select from experiences in other locations if they wish. For example, if a service award was earned in New York, they might want to exchange it for an experience in the Napa Valley that coincides with a vacation they're planning to San Francisco. All exchanges can be handled online or through Excitations' customer service.

Presentation of the experiential reward comes in an elegant, ribbon-decorated gift box complete with company logo on the gift tag. The employee reward recipient (or consumer) then goes to the Excitations Web site to select an experience from those offered in the particular Circle Choice package that they've received.

"Clients have told us that there's a lot of sudden excitement when people receive their boxed presentation. It creates a lot of word-of-mouth around the reward," Lamberton said. "People think, 'you mean I could do...a Kentucky Derby railcar adventure or actually go on a flying trapeze or visit the NBC studios in New York?' It's fun for them to think about the things they may have always wanted to do and the experiences allow them to do that."

Clients often tell Lamberton that there is heightened buzz from employees about experiential rewards. "They talk about what they are going to do (the experience selection), they think about it, imagine doing it and anticipate doing it. The experience itself then creates a very powerful memory that is associated with that reward.

"We recently found university research that indicates experiences create happiness and what one professor calls 'positive memory capital,'" Lamberton added. Professor Ryan Howell, Ph.D. in Psychology at San Francisco State University studied this from the consumer perspective, looking at what brings a person happiness—if the same amount of money was spent on a tangible item such as a sweater or an experience, such as a hot air balloon ride.

"The most effective reward elicits that sense of excitement, releasing endorphins," said Lamberton. "Experts have long studied the specific elements behind successful reward programs, and they all agree: Programs must contain an element of surprise and trigger the pleasure sensors in the brain." For more information on Professor Howell's study regarding positive memory capital see, "What's Happiness Got to Do With It."

Current & Future Applications for Experiential Rewards

Lamberton admits to learning something new every day about how the company's experiential rewards can be applied in the corporate world.

One of Excitations' first clients, GTSI, had used prepaid debit cards for its *Unsung Heroes* program, the technology service company's employee reward and recognition program. In 2008 they decided to enhance the program with Circle Choice packages that offered recipients a choice—a countryside tour in a vintage biplane, herding longhorn cattle at a dude ranch, a day at the spa or a private behind-the-scenes tour of Baltimore's National Aquarium.

"In this way, a single reward works for all the recipients yet still feels individual and inspired," said Lamberton. Following the success of the *Unsung Heroes* program, GTSI created an additional new program in 2009 for account people that offers experiential rewards. Here the account people can earn points that can be used for one or more experiences over time.

Another example is Winchester Homes, a large homebuilder in the Washington metro area. The builder's marketing department created a distinctive program in which new homeowners received an experiential gift following the closing on their home. Because of the positive feedback received from homeowners, Winchester recently developed and rolled out a new program for realtors so that they could earn points to receive an experiential reward. Points are earned by selling homes, and other specific activities each month and can be used toward five different experiences.

Here are some additional examples of how savvy companies are innovating with experiential rewards:

- Some companies will build a program around an experience. For example, Verizon's Business Links program for small and medium-sized firms, helps them earn points as they use different Verizon services. They then go online and can choose from a variety of both experiential and Circle Choice experiential packages.
- A new startup company, NEMEA Security Services LLC developed a trade show marketing program using experiential rewards in 2008, to attract the attention of C-suite decision-makers in Fortune 1000 companies. The program resulted in a 20 percent response rate and assisted the company in capturing solid leads for its on-demand, fully hosted software. (See this issue's Case In Point section on page 48 for more information about this program.)
- Lamberton said that many experiential rewards are environmentally conscious, supporting the growing interest in eco-friendly activities. "A guided mountain bike tour, a glider experience, survival training or whitewater rafting all deliver the opportunity to experience and appreciate our planet while leaving a minimal footprint," she said.

- Sometimes specific experiences are selected because they support a corporate reward theme—for example, a Nascar driving experience would build on a theme of a "Race to the Finish" program. The specific experience might be a very powerful component of the program.
- Other clients want to drive more personal choice, such as in service awards. In this case, they're looking for a range of experiential rewards that will appeal to a broader group of employees. The adventurous type of person might, literally, jump at the chance to skydive from a plane while another person might prefer to make their own wine and go home with 20 cases of their own private reserve.
- While the company doesn't focus on team-building programs or events, Lambertson has found that some of the company's experiences, such as sailing and scavenger hunts, are good for small groups and outings.
- Some companies working with Excitations are developing new reward programs, others are considering experiential rewards to make existing programs more cost-effective and more impactful and meaningful. "They're looking to do something that employees or clients will find more fun, exciting and remember for a longer period of time," Lambertson explained.
- Some recipients want to stay home or close to home to enjoy their experiential rewards. They may work in a position that requires constant travel and welcome the opportunity to enjoy experiences in "their own back yard" with a spouse, a child or a significant other. Also, "staycations" have become a popular alternative for many Americans due to economic realities. Excitations, for instance, provides experiences that are within 250 miles of the major cities it covers, allowing recipients to coordinate their stay-at-home vacations with fun day trips that don't break the bank.

However your company decides to use experiential rewards, Lambertson said there are several things to keep in mind when selecting a provider.

"It's important to select a company that offers experiences from quality providers," she said. "Have they done the research to find the best providers, carefully vetted them and personally visited each site? Have they made sure that the provider has the proper type of insurances, waivers and meets the standards of their particular industry? What's valid for skydiving may not be valid for scuba diving."

She added that checking on the provider's customer service quality is critical. "It's one thing for a company to give an employee or a consumer an experience as a part of an incentive or loyalty program," she said. "The provider's customer service needs to focus on the person receiving the experience to make certain that they have a truly great experience."

Overall, she added, "the best way for companies to honor employees or to reward customers is by demonstrating that they understand what drives people at both a professional and personal level, and selecting rewards or gifts that reflect these unique interests."

Where to Find Experiential Reward Providers

Some experiential reward providers, like Excitations (www.excitations.com) focus solely on providing a portfolio of experience packages. It is not a reward, recognition or consumer loyalty program planner. Nor is it a travel company or an event planner. Other experiential reward providers do offer those services along with program planning and execution, and a cache of products and services such as merchandise, individual or group travel, gift cards and stored value cards. Some providers focus on team-building or event experiences. Others specialize in experiences in specific cities or in very expensive higher-end experiences

Currently there isn't a specific national or international trade association bearing the name of the experiential reward industry. Some providers are members of various existing incentive and recognition industry groups such as the Global Incentive Group, a strategic industry group within the Incentive Marketing Association (IMA) that may or may not all provide experiential rewards. A complete list of members is available at www.incentivemarketing.org.

Also, a number of international experiential reward providers are joining forces in the forms of networks, partnerships or consortiums. For instance, a group called the World Incentive Network formed in 2007, creating an international network of business partners and incentive providers that handle multinational business and fulfillment. It was founded by three partners, The Incentive Depot in Canada, AV-Business & Communications in Argentina and The Extra Mile Company in New Zealand. WIN's coverage includes Mexico, England, Spain, South Africa, Ecuador, Venezuela, Australia, Singapore, India and more, according to Carol Wain, president of The Incentive Depot and founding partner. More information is available at www.worldincentivenetwork.com.

The Global Experiences Alliance, another group that was created in 2008, is an international consortium composed of independent experience gift providers around the world. It was initiated by Red Letter Days, the United Kingdom's leading experience company, to provide global solutions within the experiences sector including reward and recognition, incentive and event services to corporate clients across the world.

In addition to Red Letter Days and Excitations (featured in our main story), members include Red Balloon, Elation, Yamando, Life Styles Experience Group, Allegria, Magic Day and Liveit.se. Between them, the nine companies provide experiences in the United

States, Australia, New Zealand, Italy, Germany, Spain, the UK, the Czech Republic, Slovakia, France, Sweden, Norway, Asia, Africa and South America. More information is available at www.globalexperiencealliance.com.

"The GEA was formed as a business partnership between these companies in order to start developing some industry best practices, for business development purposes and for customer service reasons," explained Nancy Lamberton, vice president of Excitations, the only U.S.-based member of GEA.

"We believe that every business can benefit from stronger teams and happier staff. In today's tough business climate this will be a key differentiator for successful companies," she said. "And in a world where memories last a lifetime and make people happier...we can deliver smart, tailored incentives which will make a real difference to performance."