
**FOR THE EXCLUSIVE USE OF
LAURIE@LAURIEGARRISON.COM**

From the The Business Journals:

<https://www.bizjournals.com/bizjournals/news/2021/06/01/gifts-and-incentives-101.html>

Gifts and incentives 101: Why companies prefer to give prepaid Mastercard and Visa gift cards

Sponsored Content Jun 1, 2021

Most organization have a few loyal clients who keep coming back over the years. Others have brand champions who regularly refer new business. Then there are those vendors who go above and beyond. No doubt these individuals are appreciated by business owners and executives for the ways they have helped business grow — and they deserve to be rewarded.

Among the rewards a company might offer customers or vendors for their loyalty or contributions include thank-you notes, merchandise and gift certificates to specific



If a company has a stock of prepaid Mastercard or Visa gift cards in \$25 or \$50 increments, an employee or customer can receive instant recognition for an outstanding achievement.

stores or restaurants.

Such rewards are also useful tools to help companies recognize top employees with who have attained a landmark anniversary or a major achievement.

Recently, the incentive or gift of choice seems to be Visa® or Mastercard® gift cards. A study by Blackhawk Network, a leader in the branded payments industry, showed that most recipients prefer prepaid cards of any value to all other possible reward options. In contrast to other kinds of gifts, these gift cards don't sit in a drawer unused.

Recipients prefer Visa and Mastercard gift cards

There are several reasons clients and employees prefer this reward to other forms of incentives.

Versatility — More flexible than a gift certificate or gift card to a particular restaurant or store, a Visa or Mastercard gift card may be redeemed for almost any product imaginable at any retailer or restaurant that accepts those card networks.

Higher perceived value — Additional cash in an employee's paycheck can easily be overlooked, especially if it's a direct deposit, while the gift card is a separate and visible sign of recognition. In many cases, additional funds received in a paycheck are likely to be used for bills or everyday expenses, while the gift card gives the employee the opportunity for guilt-free spending. A study by Ovation Incentives showed that prepaid gift cards are seen as a true reward for effort, rather than compensation.

A more personal option — When gifts or rewards consist of merchandise pre-selected by the company, the recipient may end up with something they didn't want or need. But with a prepaid Mastercard or Visa, they can select their own gift, thereby making the reward much more personal.

A more memorable experience — When a recipient buys a particular item they've been wanting for a while, they're likely to remember they were able to purchase it with the prepaid card they received in recognition of their work or for their longevity as a customer. They may even share the details of their special new purchase with colleagues. On the other hand, the memory of what an employee might have purchased with a cash bonus — especially if those funds went towards groceries or gas — may fade.

“We have been using prepaid gift cards as an employee appreciation gift for

achieving certain preset KPIs,” said Jie Liu, chief accounting officer, The Carlstar Group, a consumer goods manufacturer and distributor. “The employees appreciate receiving the gift cards, and we have witnessed significant productivity gains from the employees after we implemented the programs. Given the quantity and frequency that we need for the prepaid gift cards, we have been using the Kroger Corporate Gift Card program for these purchases. The Kroger website is easy to follow and easy to use, provides multiple options for payments and card delivery, and offers timely order status notifications.”

Companies prefer prepaid Visa or Mastercard gift cards

In addition to recipient preference, there are also several reasons prepaid Mastercard’s and Visa’s are an advantageous choice for company rewards or gifts.

Company awareness — When a customer or employee receives a prepaid Visa or Mastercard and makes a purchase with it, they’ll likely share that news with their coworkers or colleagues. This can draw attention to the company’s incentive programs, and others may see the benefit of going the extra mile. Employees may improve their work efforts to have an opportunity of earning one. Conversely, employees are less likely to talk about a financial bonus they receive in their paycheck.

Personalization and customization opportunities — Prepaid Visa’s and Mastercard’s are not one-size-fits-all options. For example, Kroger Personal Finance offers prepaid cards through its Corporate Gift Card Center. Companies can choose the quantity of cards they’d like and pre-load them in any range of dollar amounts from \$20 to \$500.

Recognition vs. rewards — If a company has a stock of prepaid Mastercard or Visa gift cards in \$25 or \$50 increments, an employee or customer can receive instant recognition for an outstanding achievement. For example, if a sales rep lands a major client, you can immediately reward them with a \$500 gift card. Or, if a customer service rep defuses a difficult situation with a customer, they could take home a \$100 gift card that day. Employers can predetermine how they’d like to use their incentive program and distribute the cards as employees earn them.

Employee and customer incentive programs and gifts have evolved over the years, leading to today’s preference for prepaid Mastercard and Visa gift cards. Both companies and recipients appreciate their versatility and benefits.

Thank your employees or customers with a prepaid Visa or Mastercard gift card from Kroger. With flexible use, it’s the perfect gift for everyone. [Learn more.](#)

The Kroger Co. serves over 11 million customers daily through a seamless shopping experience under a variety of banner names, serving America through food inspiration and uplift, and creating #ZeroHungerZeroWaste communities by 2025. For more information, visit www.TheKrogerCo.com.

The Visa® and Mastercard® Gift Cards are issued by U.S. Bank National Association, pursuant to a license from Visa U.S.A. Inc. or Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated. No cash access. For use in the U.S. Only. See Gift Card for terms and applicable fees.