



HAWK
INCENTIVES

DO DIGITAL REWARDS RIGHT

A COMPREHENSIVE GUIDE TO THE LATEST AND GREATEST



EVERYONE'S ON THEIR SMARTPHONES—WHY AREN'T YOUR REWARDS?

Our phones are almost always within an arm's reach, and we're connected to them 24/7. We use them for everything. In fact, nearly half of smartphone owners feel phones are no longer primarily for making calls*.

People now expect digital integration in all facets of their day-to-day lives—receiving and redeeming rewards are no exception.

The digital age is impacting every aspect of modern business, even down to your incentive program strategy. People want to be connected—but are you meeting them there? Do your rewards offer the same mobile and digital experience you've worked hard to create in other areas of your business?

We at Hawk Incentives have created this handbook to get you up to speed on why people want digital incentives, why there's an increasingly urgent need to offer them, and how to do it right.

*The "Smartphones Keep Us Running" study was conducted by OnePoll on behalf of Asurion in September 2017. The sample size included 2,000 U.S. adults who owned smartphones.



THE NEED FOR SPEED

Now more than ever, people expect to be rewarded for their loyalty, purchases, workplace accomplishments and more. And as people have become accustomed to fast, digital lifestyles, they expect to receive their rewards soon after earning them, and on the devices they use all day, every day. Forward-thinking businesses like Hawk Incentives know that consumers, employees and partners rely on smartphones as extensions of themselves, and it's vital to meet people in the digital world. Reward strategy must be the same.

Consider this: most Americans say the ideal reward is delivered in less than a week*. Delivering physical rewards this quickly can be a challenge, but digital rewards fit the bill by satisfying the desire for instant results delivered quickly and electronically.

The expectation for fast, digital rewards is real—make sure your incentive program and your reward provider are keeping up in the right way.

*"Let's Make a Deal 2017" is an online survey of 2001 Americans by Leger and Hawk Incentives completed between February 28-March 12, 2017. A probability sample of the same size would yield a margin of error of +/- 2.0%.



REWARDS AS OMNICHANNEL AS THE REST OF YOUR BUSINESS

Including a versatile mix of digital rewards in your engagement strategy can lead to a better reward experience and keep your business relevant among mobile-minded people. It can also help reinforce your business objectives.

The speed and flexibility offered by digital rewards can keep your recipients happy, but they can also help your business:

- Extend brand engagement
- Reach different audiences no matter their geographic location
- Create ongoing sales and marketing opportunities
- Make reward program results trackable
- Increase efficiency
- Cut overhead (digital rewards don't require printing and shipping costs)

But it's not just enough to offer digital rewards. You need to do it right.

Curious about what digital rewards are available? Let us walk you through the options—all offered by Hawk Incentives.



PREPAID MASTERCARD® FOR MOBILE WALLET

WHAT: Hawk Incentives was the first to offer Prepaid Mastercard for incentive programs that can be added to mobile wallet.

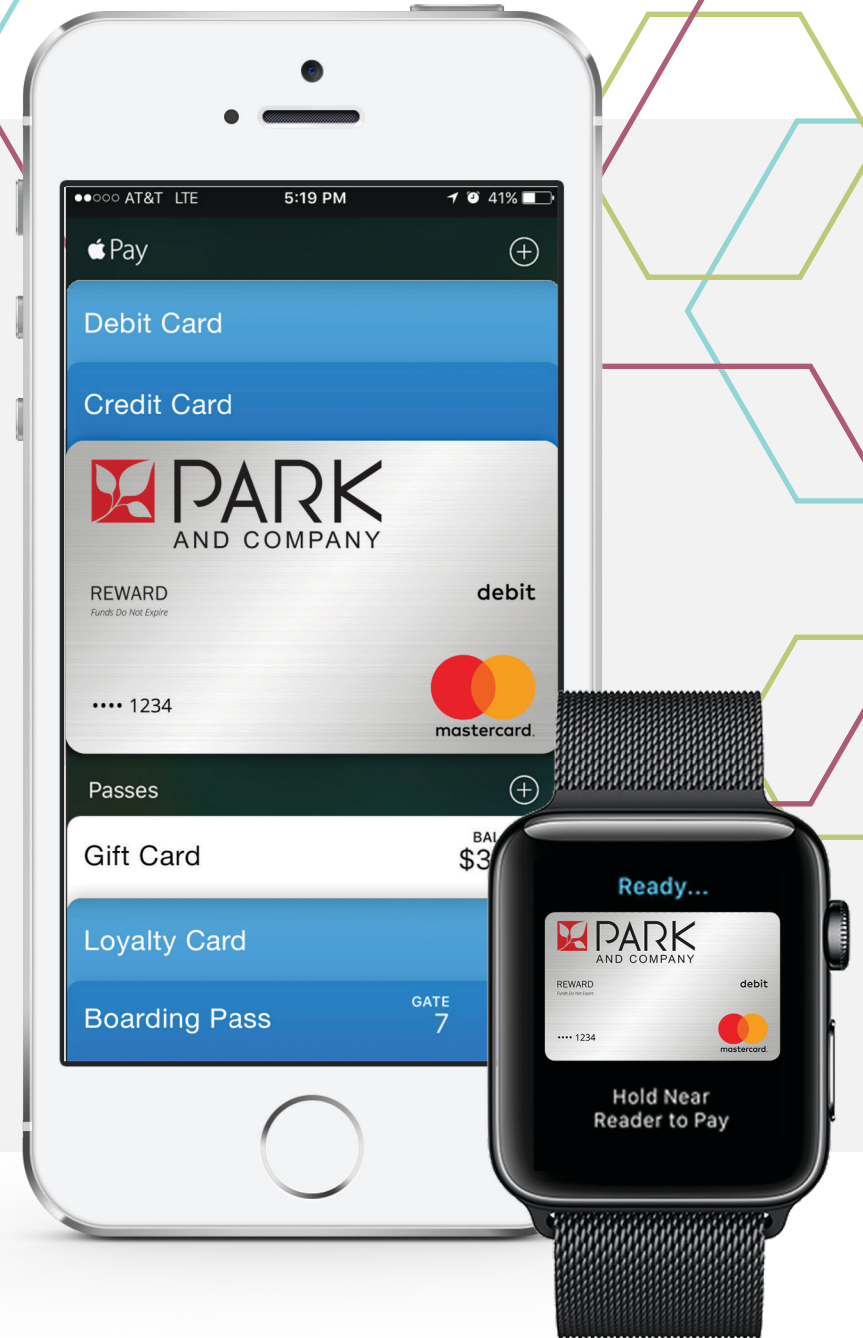
HOW: Thanks to our Digital Pass™ technology, reward recipients can load their physical or virtual reward into their mobile wallet and redeem everywhere Debit Mastercard is accepted.

WHY: Prepaid cards that are wallet-enabled minimize the number of cards the recipient needs to carry around since they can be stored in the same mobile location as personal credit and debit cards. People are free to manage and make payments with the reward using their mobile wallet whenever and wherever they want, including online or in-store. This innovation is a real game changer.



Three out of five smartphone users have a mobile wallet on their phone or has used one of the "Pays,"* so it's no surprise the adoption of wallet-enabled rewards is growing.

*The "Study on Mobile Banking & Payments" surveyed 1,514 U.S. consumers ages 18+ in January 2017. Card and Virtual Account is issued by MetaBank®, Member FDIC, pursuant to license by Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.



PREPAID MASTERCARD® VIRTUAL ACCOUNT

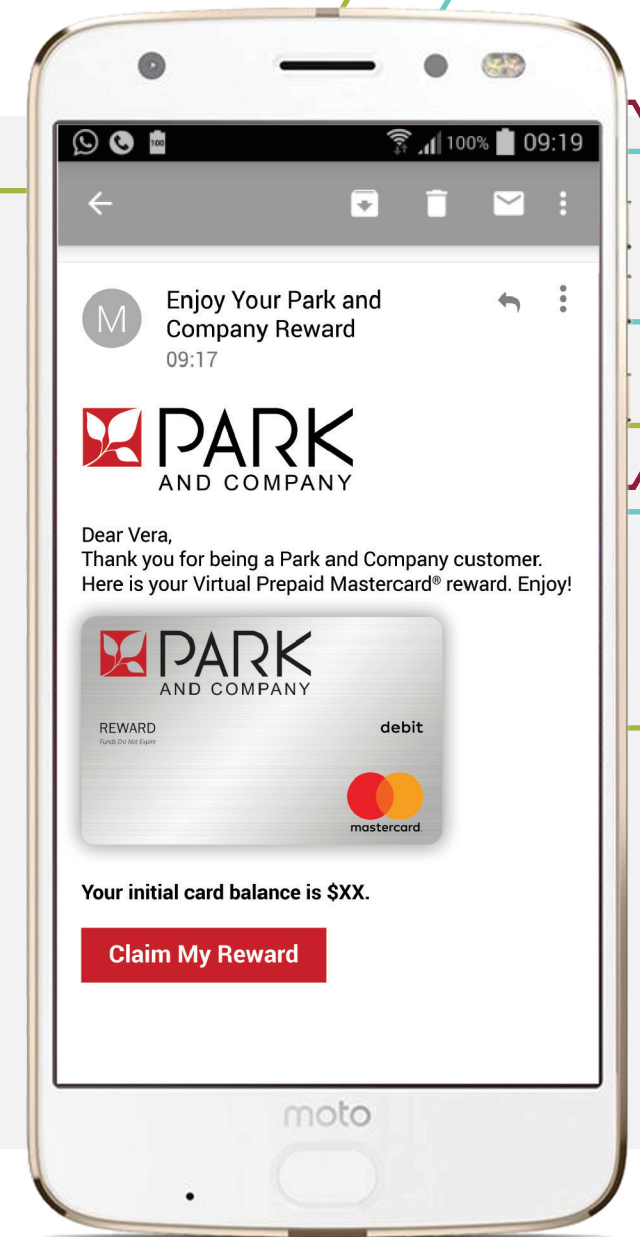
WHAT: The digital versions of Virtual Account that can be emailed to recipients for online spending.

HOW: A Virtual Account is sent to reward recipients in near real-time and can be added to your mobile wallet or used online where Debit Mastercard is accepted.

WHY: There's no need to print or carry around virtual reward cards. These flexible, virtual incentives are also almost universally accepted where Debit Mastercard is accepted online, enabling cardholders to buy just about anything they want. When given a choice about how to receive a prepaid card, Hawk Incentives research discovered nearly 30 percent of people would choose digital¹.



In the past, online-only rewards may have felt limiting, but more than 240 million Americans browsed or bought online in 2015 and those numbers are predicted to rise rapidly². Virtual prepaid cards now make great sense—and people want them! In fact, Hawk Incentives research found one in five people would prefer a digital prepaid card for rewards between \$5 and \$50¹.



1. "Reward Preference" is an online survey of 1,022 smartphone owning Americans completed by Leger for Hawk Incentives between February 10-28, 2017. A probability sample of the same size would yield a margin of error of +/-3.07%, 19 times out of 20.
2. "U.S. Cross-Channel Retail Forecast, 2015 to 2020" is a report published by Forrester Research in January 2016. Card and Virtual Account is issued by MetaBank®, Member FDIC, pursuant to license by Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

EGIFTS

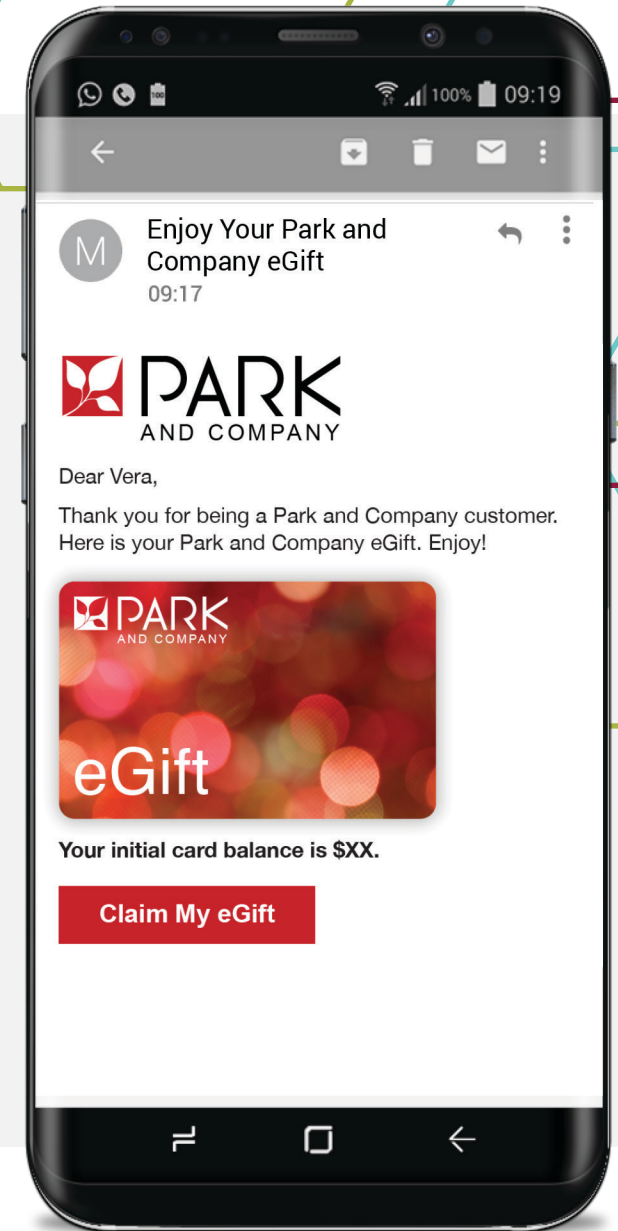
WHAT: eGifts are essentially digital versions of closed-loop gift cards, and are also referred to as single-merchant cards. They are delivered digitally but offer redemption flexibility since they can be spent online, in-app or in-store.

HOW: An email is sent to the recipient almost immediately with a unique code that provides access to the egift. The recipient just needs to pull up the egift code from that email to redeem it at checkout.

WHY: People love gift cards; year after year they're the number one most requested gift in America. And when given the choice, Hawk Incentives research learned that nearly one in three Americans would prefer an egift to a physical gift card¹. So why not give people what they want? Hawk Incentives offers more than 160 egifts in the United States, and more than 60 in Canada.



Adoption of egifts has risen in the past few years. In 2011, an average of about two percent of the dollars loaded onto gift cards went onto egifts. By 2015, it was nearly ten times that amount—and those figures are expected to grow².



1. "Reward Preference" is an online survey of 1,022 smartphone owning Americans completed by Leger for Hawk Incentives between February 10-28, 2017. A probability sample of the same size would yield a margin of error of +/-3.07%, 19 times out of 20.

2. The "Retail Gift Card Trends in the United States: 2015 in Review" is a survey conducted by Mercator Advisory Group in January 2016.

OMNICODES

WHAT: Codes delivered to recipients electronically that provide redemption choices via an online reward card catalog.

HOW: Unique digital code is emailed to recipient to redeem for an open- or closed-loop prepaid reward of their choice. The person that receives the code can go online, do some shopping and enter the code at checkout to redeem its value.

WHY: OmniCodes are delivered quickly, and recipients have the choice to select their reward from an online catalog selection that you can tailor to suit your audience. You can even customize the redemption website with your own branding to further promote your company. Funds that are not redeemed are delivered back to you, saving your business money.



Online sales were estimated at nearly \$460 billion in 2017*; people clearly love shopping online and offering them rewards that make this happen can create a positive brand experience.

*"Forrester Data: Online Retail Forecast, 2017 to 2022" was a survey conducted in summer 2016.



WHICH DIGITAL REWARDS WORK BEST?

It depends on your end goal, resources, situation and what you think will resonate best with your recipients. Ideally, you'll want to offer a reward mix that satisfies a variety of tastes and preferences, while driving desired behaviors.

There's a right reward and reward mix for every situation, and Hawk Incentives can tailor them to your business. Here are a few idea starters:

Card and Virtual Account are issued by MetaBank®, Member FDIC, pursuant to license by Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

Prepaid Mastercard® for Mobile Wallet

Are your customers, employees or partners comprised of a younger demographic? Or are they early adopters to new technology? If so, this Prepaid Mastercard is a perfect fit since these smartphone users are likely to already be using mobile wallets as part of their digital lifestyles. These rewards can be directly loaded into mobile wallets alongside debit and credit cards, and streamline the mobile payments process by integrating multiple payment options into one convenient location—giving spenders the ultimate freedom of choice and encouraging in-wallet engagement.

eGifts

Are you a retailer running an online promotion? You can use gifts as a carrot to encourage shoppers to make certain purchases, and then once they check out, you can send an egift directly to their inbox to use the next time they shop with you. Another scenario: if an online order didn't go right, you can appease customers with an egift to make things right quickly and encourage consumers to shop with you again despite the hiccup.

Prepaid Mastercard Virtual Account














Are you at a large organization with a diverse workforce offering an employee wellness program? Just as your workforce is varied in terms of demographics, physical locations and so forth, so are their tastes and preferences. There's no one-size-fits-all solution for everyone. Your employees want choice, and virtual prepaid cards deliver since they can be redeemed almost anywhere. This enables recipients to use the reward however they want, whether it's for everyday purchases such as gas or groceries, or something fun like a movie night with family or friends.

OmniCodes

Is your company asking website visitors to provide online feedback? Or are you conducting an online survey for which you'd like to pay respondents? OmniCodes are a great go-to option because they provide the flexibility of open- or closed-loop redemption options. You can't guess which folks will prefer, but giving them the choice will ensure a satisfying experience either way.

SPECIAL DELIVERY

Deciding the right digital rewards to offer is contingent on how and where you think your audience could like to use them. Here's a quick cheat sheet to reference when you're evaluating what's best for your program:

	Prepaid Mastercard® for Mobile Wallet	Virtual Account	eGifts	OmniCodes
Open-Loop Redemption (Anywhere the network card brand is accepted)				
Closed-Loop Redemption (Single-merchant cards)				
Mobile or Online Redemption				
In-Store Redemption				
Mobile Wallet Compatible				

Card and Virtual Account are issued by MetaBank®, Member FDIC, pursuant to license by Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

IT'S ALL ABOUT WHO YOU KNOW

If you've made the choice to set up or refresh your program, make sure you're working with the right digital rewards provider. Vendors should be able to offer you:

- An abundance of customizable digital reward options
- Fast solutions that meet your needs
- Scalability for small to large programs
- Company stability
- The right infrastructure to execute your strategy
- Security and fraud control
- Ongoing innovation to help keep you ahead of the competition
- Expertise that helps you maximize your digital reward program's output

Keep in mind that checking off all the boxes listed above is a tall order, and you want to make sure your bases are covered.

Don't worry, we've got your back.



WHY HAWK INCENTIVES?

Know any other companies that offer hundreds of digital rewards, the ability to scale small or massive reward programs, access to one of the largest rewards catalog in the industry, close relationships with all major card networks, global security and fraud control and a longstanding history of excellence in the incentives and payments industries all at once? Neither do we.

Anyone can say they will provide you with the best digital reward solutions. But not everyone has the long track record of success and global network that we have. Hawk Incentives nurtures a culture of innovation that enables us to constantly offer the most leading-edge digital rewards that create relevant and individualized experiences and drive positive brand engagement—the right way.

Let's set up some time to talk.

866.219.7533 | [HawkIncentives.com](https://www.hawkincentives.com)

ABOUT HAWK INCENTIVES

Hawk Incentives, a Blackhawk Network business, is a leading provider of rewards and incentives to organizations across the globe, including many of the Fortune 500. We power an inspiring brand experience with proven delivery of customized rewards for consumer, employee, sales and channel incentive programs. Our expansive rewards portfolio includes multiple patents and industry firsts, including digital and mobile rewards. To learn more, visit www.hawkincentives.com.

Hawk Incentives, headquartered in Lewisville, Texas, is a division of Blackhawk Network.

