Corporate Gift Giving Is The Ultimate Form of Target Marketing

Corporate Gift Giving Applications

Corporate gift giving is the ultimate form of target marketing. Examples of corporate gift giving in business applications include the following.

Training. Incorporating quick tips, quizzes and guided Web site tours to reinforce learning.

Quizzes. Allowing for easy setup of tests and awarding of points and prizes for good grades.

Consumer Programs. Allowing integration of customer programs into a master database.

Employee Programs. Supporting the administration of non-sales programs awarding recognition on a service-award basis or for spontaneous awards by managers and peers.

Interesting Awards. Offering either a wide variety of customizable award options or linking it to a wide variety of other offerings.

Real-Time Performance Tracking. Providing management the ability to see real-time results by product, geography, salesperson, etc.

Return-On-Investment Analysis. Offering ability to correlate performance improvement to program costs.

Reports. Enabling administrators to print out or e-mail clear, easy-to-read reports.
Where To Find Vendors

Useonlineincentives.org, a Web site operated by a group of incentive technology providers under the umbrella of the Incentive Marketing Association.

Motivationshowonline.com, the Web site of the Motivation Show.

Incentivesatwork.com, the Web site of Incentive and Potentials magazines.

Corporate gift giving is the ultimate form of target marketing. When run correctly, corporate gift programs can help establish or enhance critical relationships and become a cost-effective means of recognizing activities that benefit the business. When organizations fail to take these programs seriously, they can backfire or, worse yet, come off as bribes.

Purposes of Corporate Gift Giving

According to many surveys, most business gifts are given to major clients. After that come employees, then prospective clients. Reasons for gift giving range from thanking long-standing customers for their business to recognizing a valued employee for working on a weekend. The general reason is the same: to affirm relationships and enhance the personal connection between giver and recipient.

How Gifts Differ From Incentives and Ad Specialties

Gifts differ from incentives in that they are offered with no explicit preconditions for performance. They differ from ad specialties in that they do not contain any blatant imprints or advertising. That doesn’t mean there’s no bottom-line benefit to be derived from corporate gift giving. For some companies, it’s an essential part of marketing strategy. Just about everyone agrees that, done correctly, gift giving is a cost-effective way to build a feeling of partnership with valued associates.

How Corporate Gift Giving Is Beneficial

Although there’s hard evidence relating corporate gift giving to increased business activity, these programs by definition cannot have a clear return on investment. An award linked to performance is an incentive. Gifts enhance relationships in more subtle ways. But Promotional Products Association International surveys have shown that vendors who give are twice as likely to be contacted by customers for future purchases as those that don’t have a gift program.
It’s tempting to view gift and incentive programs in the same light. After all, you want to know that you’re getting your money’s worth from any business investment, and most givers want to motivate the recipient in one way or another. But be careful: Leaving customers or employees with the impression that they’re being bribed can do more harm than good. Instead, look at gift giving as a subtle, long-term process of relationship building, following the basic guidelines described in this article.

Ethical Considerations

Before giving any gift, you should know if either the giving or receiving company has policies regarding gifts. The most extreme are the no-gift policies that became popular in the late 1980s and 1990s, partly as a result of scandals involving gifts and partly as a reaction to the perceived excesses of that decade. More common are restrictions placed on the value of a gift or on situations in which gifts may be given. Ask the potential recipient if his or her company publishes an ethics handbook or has any policy on receiving gifts.

- Giving gifts during a bidding process is a definite no-no, even if a holiday happens to fall during this time.
- Lavish gifts are suspect and should be used only after careful consideration.
- Even when there isn’t a stated restriction, be careful not to create the wrong impression with a gift. Anything that might embarrass your recipient or lead to a reprimand can sabotage a valuable relationship.

Gift-Giving Etiquette

There is an art to effective corporate gift giving, so consider the following before you go shopping.

Appropriateness

Care should be taken that the gift is appropriate to the business relationship. This has less to do with the dollar value of business transacted, or even the amount of time one has been doing business with the recipient, than with the closeness of the relationship. If a client seems aloof and excessively businesslike, don’t try to loosen him or her up with baubles; it can backfire. With a new relationship, don’t get too personal or too lavish with the gift. Frequency of giving generally should be restricted to major holidays and special occasions. Again, be sure to avoid the impression that you’re bribing the recipient.
**Personality**

It’s great when a gift has personality, but the real issue is whether the gift reflects the personality and interests of the recipient. Is she a sports-car nut? Does he have an obsessive relationship with his sailboat? What’s her favorite color? Try to find out these kinds of things discreetly because when you do—and your gift reflects it—the impression is that you care about the person and have taken the time to understand his or her style and taste.

**Timing**

The most popular times for giving, of course, are holidays, but the true champions of corporate gift giving know that other times of the year can have a more profound personal impact on the relationship. For instance, birthday gifts are bound to impress, since they show that you’ve bothered to learn a thing or two about the recipient. Important dates, such as the anniversary of a new job or the day you initiated a business relationship, may be good occasions for a gift. You can also mark such events as a promotion, the birth of a child or completion of an important project. Whether you stick to holidays and impersonal occasions or get into the personal life of the recipient depends on the nature of the relationship. It may seem slightly presumptuous, or even intrusive, to choose the wrong occasion for a gift.

**Presentation**

Special care should be taken in preparing the gift. Invest in some nice wrapping paper, and take the time to compose a personal, handwritten card. This can be as important as the gift itself, since your message to the recipient conveys your intentions and sincerity. Then there’s the issue of whether to mail or present in person. Mailing can reduce any feelings of obligation on the part of the recipient, and it can provide some unexpected pleasure in a routine workday. If the relationship warrants it, mailing to the person’s home adds a personal touch.

**Customizing**

To logo or not to logo is a key question. For many businesses, customized gifts keep the company name in the minds of recipients. When the item is a practical one that is likely to be used every day, such as a calendar, coffee mug or tote bag, this amounts to free daily advertising. But there is a tackiness quotient to consider: They may make great trade-show premiums or leave-behinds, but customized items should never be considered for personal, deeply heartfelt gifts. In general, avoid obvious self-promotion when giving expensive gifts or any time you want to leave the impression that the gift is coming personally from you.