# 2009 Merchandise IQ Survey

## Despite some budget cuts, the incentive merchandise market seems remarkably resilient

By Leo Jakobson

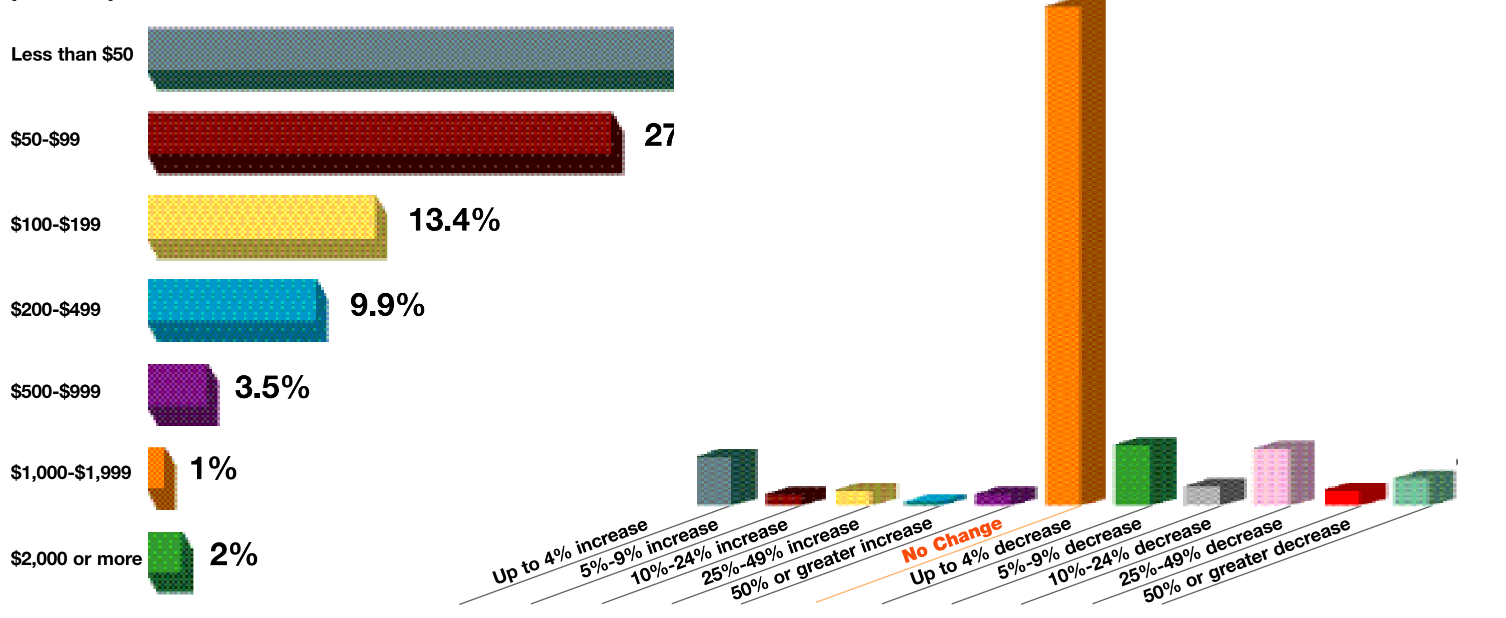
*Incentive*'s annual Merchandise IQ survey showed a decrease in spending in 2008, but it was, all in all, a fairly minor one. That's hardly surprising given the economy. Dave Peer, vice president of client services for Chicago-based Hinda Incentives, says his company "expects the average dollar value per redemption to be down this year," although like many incentive merchandise resellers, he hasn't seen a slowdown in redemptions hit yet. "I had my strongest January ever," Peer says, adding that Hinda is taking a conservative view of the market in late 2009 and 2010. A number of manufacturer's representatives say they are concerned that fewer points will be won this year, thanks to decreased incentive programs and lower spending on consumer goods and travel impacts credit card rewards programs.

That conservative view is probably warranted, according to our results. While the number of respondents who did not change per-recipient budgets stayed remarkably stable at about two thirds, there were substantially fewer budget increases than decreases, as the chart below shows. This trend was even more dramatic in overall program budgets: Half of the respondents reported that their 2009 budgets were unchanged from 2008, while 8.5 percent saw an increase; but fully four times as many—more than 34 percent—reported reduced budgets for 2009.

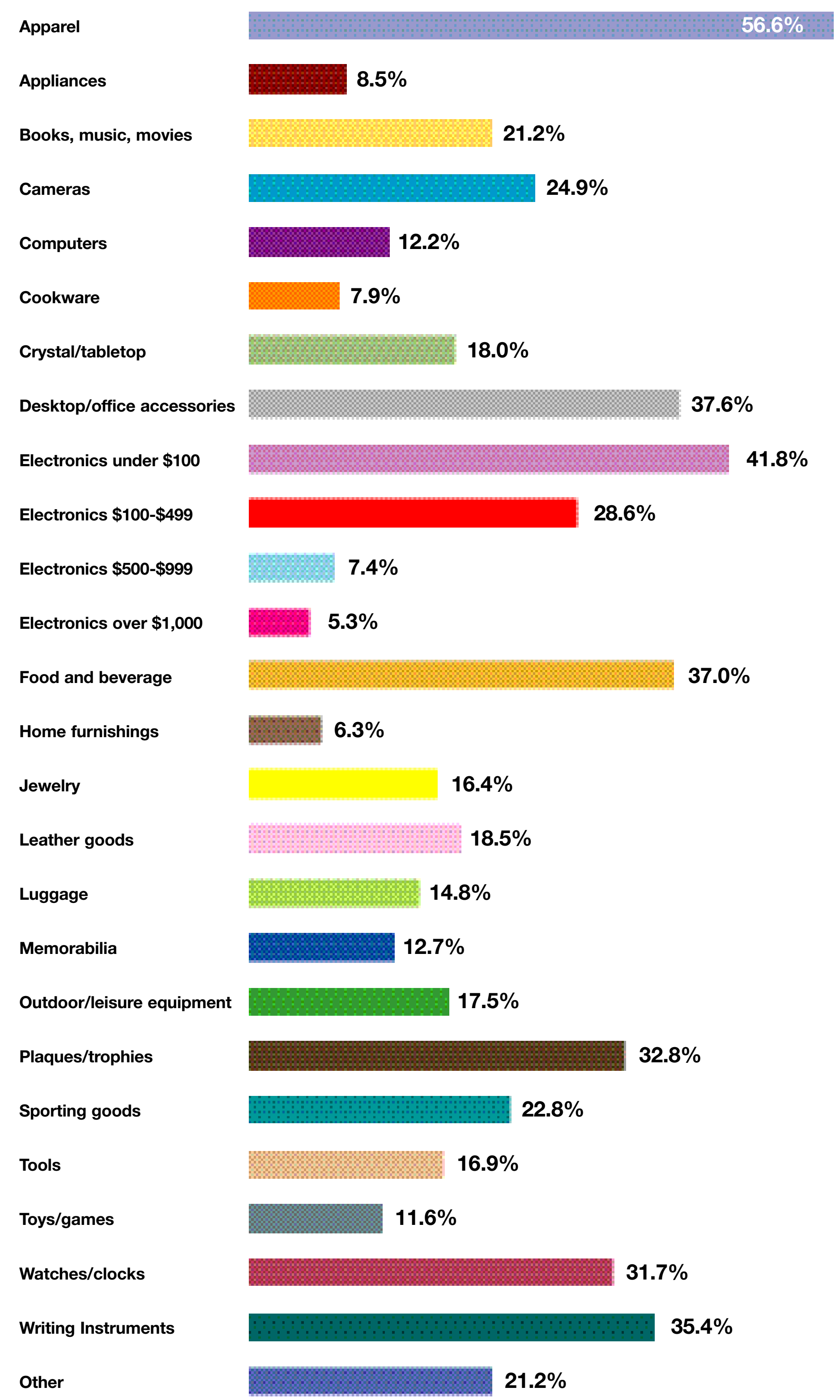
For all that, the publicity troubles incentive travel has faced this year haven't translated into more travel programs being replaced with merchandise incentives: About one fifth of our respondents plan such a change in 2009, but that's down from one quarter in 2008.

For complete results of this year's Merch IQ survey, visit INCENTIVEMAG.COM/MERCHIQ2009

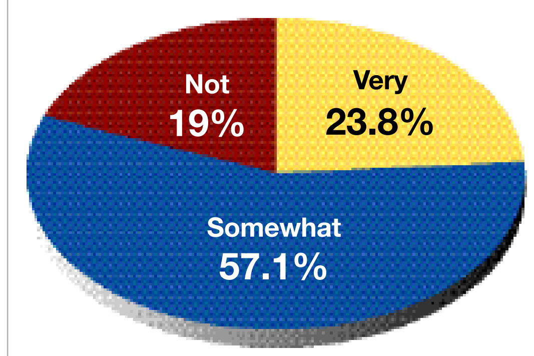
**On average, how much will you spend on merchandise awards per recipient in 2009?**



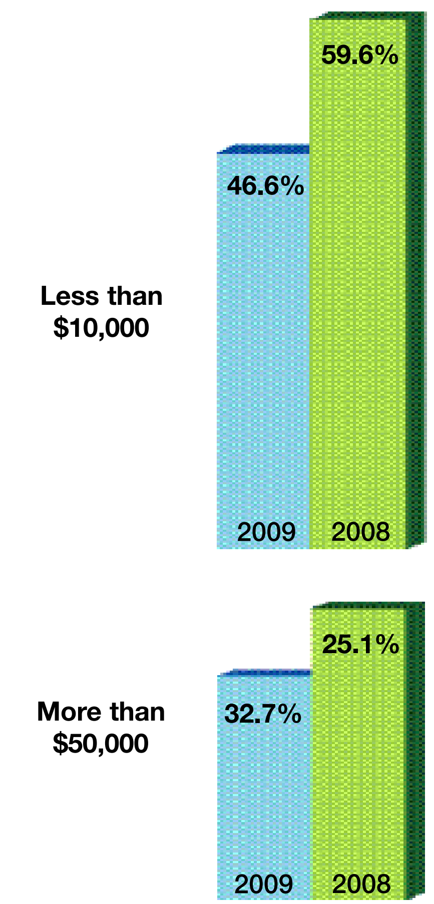

**Which merchandise awards do you offer?**




**How important is the brand name of the award product?**




**What is your annual budget for merchandise awards?**




In 2009, nearly 7.5 percent will spend more than $1,000,000