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# IRR Market Report Part 2: IMA Experts on the 2025 Outlook

*As part of the RRN's annual market report, RNN reached out to the Incentive Marketing Association to get the views of its chapter chairs on the outlook for 2025.*

**General Market Trends: Jeffrey Brenner, CPIM, IMA President and Director, Special Markets/Military, Seiko Watch of America.**

**Program Design and Implementation: Vince Chiofalo, President Incentive & Engagement Solutions Providers (IESP) and Senior Vice President, Revenue Strategy, Dash Solutions**

**Recognition: Andrew Bishop, Vice President Recognition Professionals International (RPI) and President Recognation**

**Gift Cards: Eric Thiegis, Incentive Gift Card Coalition Member and Head of Strategy & Growth, NeoCurrency**

**Incentive Representatives: Ivory Alexander, Board Member Incentive Merchandise To Reward & Appreciate (IMRA) and Director of Premium Sales, MAS, Inc.**

**Incentive Travel: Lori Cassidy, Incentive Travel Council (ITC) Member and Founder, Gift A Trip**

**Europe and the UK: Andrew Johnson, President IMA Europe and CEO UK, COO Group & Director, Diggecard**

**MEAPAC. Debbie Ghillino, IMA MEAPAC Board Member and Founder and Chief Happiness Officer at The Incentive Company**

What does the world of incentive, rewards, recognition, and loyalty look like for next year. Here are views from the IMA President; President of the Incentives and Engagement Solution Providers SIG (Significant Industry Group), the Recognition Professionals International Vice President; a Member of the Incentive Gift Card Coalition; a Board Member of Incentive Merchandise to Reward & Appreciate (IMRA); a Board Member of the Incentive Travel Council member; President of IMA Europe, and a Board Member of the MEAPAC (Middle East, Asia, Pacific) SIG.

Here's a summary of key trends from around the world, according to leaders of the **Incentive Marketing Association** (<https://incentivemarketing.org>). Below are more details from each SIG.

- Business remains on a growth mode, with solid performance for premium brands, gift cards and travel.
- AI will play a growing role in all aspects of program design, communications, and analysis.
- The imposition of tariffs in the US could have an impact on imported brands or US brands made with imported components.
- There is increased demand for research and insights in recognition; prioritization of data-driven decisions and seamlessly integrated tech platforms.
- Brands have more choices than ever for gift card distribution partners; more programs are seeing combined open-loop and closed-loop card options, as well as more demographic- and lifestyle-specific rewards and experiences, such classes and education, music streaming, crypto, and more.
- Brand manufacturers are running lean on inventory, but volume deals are available with proper planning.
- Both group and individual travel continue to grow.
- Growth is expected to increase in the European Union, United Kingdom, and MEAPAC

## General Market Trends. Jeffrey Brenner, CPIM, IMA President and Director, Special Markets/Military, Seiko Watch of America.



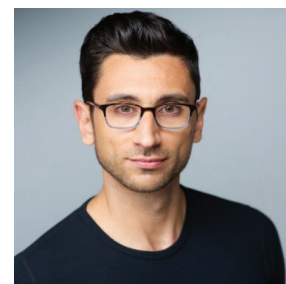
### Current Market Trends

- The industry remains strong in 2024, and we anticipate that 2025 will trend in that direction. There is solid performance with premium brands, a focus on luxury and aspirational merchandise across all categories. Gift cards continue to have a significant presence, as does incentive travel.

### 2025 Market Trends

- AI and technology will continue to play an important role in how we all do business.
- New, trending brands are having their moment again. A younger demographic is getting hooked on these brands from social media, particularly TikTok, and they want them as redemption and gifting options. We see national marketing companies and smaller organizations all partnering with on-trend brands. This growth also includes wearables and fashion.
- The only potential disruptor could be what transpires with possible tariffs on foreign production and manufacturing. Though the promotional industry will feel it the most, some but not all premium brands may as well.

## Program Design and Implementation: Vince Chiofalo, President Incentive & Engagement Solutions Providers (IESP) and Senior Vice President, Revenue Strategy, Dash Solutions



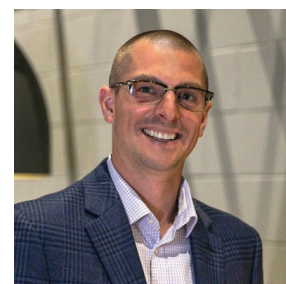
### Current Market Trends

- 2024 has been a strong year for incentive and engagement programs.
- Technological advancements have led to more flexible and integrated solutions, while mergers and acquisitions have reshaped the industry landscape.
- Positive market sentiment persists, driven by companies' increasing recognition of the value of incentive and recognition programs in supporting their corporate strategies.
- As competition intensifies and employee turnover rises, businesses are prioritizing performance and engagement, fueling demand for effective incentive and engagement solutions.

### 2025 Market Trends

- A strengthening economy can fuel demand and competition across various sectors, including technology, retail, and automotive. This increased competition may drive greater interest in sales incentives and consumer rebate programs as companies strive to attract and retain customers.
- A tight labor market could lead to higher employee turnover, prompting organizations to invest more in employee reward and recognition programs to boost morale, engagement, and retention.

## Recognition: Andrew Bishop, Vice President Recognition Professionals International (RPI) and President RecogNation



### Current Market Trends

- Growth in existing programs: Despite hesitancy around new programs, many existing programs experienced growth and expansion. Most organizations are looking to drive broader impact and measurable results within their current programs.
- Increased demand for research and insights: There's been a noticeable uptick in demand for research, white papers, case studies, benchmarking and best practices. Practitioners are prioritizing data-driven decisions and seeking deeper insights to inform their strategies.
- Demand for scalable, integrated solutions: Customers expect high-tech platforms to be scalable and seamlessly integrate with their existing ecosystems. Instead of adopting multiple standalone tools, they expect solutions that connect seamlessly across a variety of applications to reduce complexity and enhance efficiency.

### 2025 Market Trends

- Continued demand for scalable, integrated solutions: This will remain a key focus in 2025 as clients seek to streamline their technology stacks while enhancing program effectiveness.
- Growing desire for personalization: Platforms, programs, and services will need to evolve to address preferences at an individual participant level, creating more tailored and impactful experiences.

- Increased focus on community, connection, and performance: Buyers will prioritize solutions that not only deliver tools but also offer partnerships, education, research, and proven results. They expect research-backed insights and best practices to shape program design, justify budgets, and drive strategic outcomes. Prospective buyers will likely approach the market with more comprehensive criteria, evaluating vendors for their ability to deliver both tools, thought leadership, and demonstrated results/impact.

## **Gift Cards. Eric Thiags, Incentive Gift Card Coalition Member and Head of Strategy & Growth, NeoCurrency**



### **Current Market Conditions**

- Brands have more choices than ever in selecting service providers within their gift card ecosystem for issuance, processing, and printing. This gives brands more control of their programs and more opportunities to forge direct partnerships in the often-opaque world of B2B (business-to-business) sales.
- Open loop vs. closed loop: More B2B programs offer both open and closed-loop incentives/rewards. Program managers for traditional open-loop (cards used almost anywhere) and distributors of closed-loop cards (usable with select brands) are collaborating to offer both reward types to the end buyers.
- New reward products: In addition to the most popular reward brands, consumers are looking for more relevant, age-specific demographic-specific, or lifestyle-specific rewards. This includes experiences, travel, unique niche brands, classes/education, music/streaming content, crypto value, digital services such as deliveries and other non-retail rewards.

### **2025 Trends**

- Barriers to entry are low: Technical barriers to running certain gift card solutions, e.g. distribution, are lower than ever. New entrants coming into the market are applying competitive pressure for B2B buyers not seen in years, but also providing those same gift card program buyers and the merchant brands a wider variety of direct partners with which to interact.
- Innovation abounds: Gift card and reward services gaining traction include, but are not limited to, both new and existing industry players and customers operating in trending fields including global gift card order platforms and API (application programming interface) providers, gift card card-linking to a Visa/MC/Amex credit or debit card, dynamic balance checking within a digital program interface, and better/deeper brand reporting enhancements at the gift card distributor level.
- Physical vs digital cards: Globally, physical production and distribution of cards, in both B2B and B2C (business to consumer), will continue to shrink as the consumer base continues to embrace 'add-to-mobile-wallet functionality' and print-on-demand kiosk technology enters the market. The latter is poised to disrupt traditional third party distribution and merchant cost modeling, while offering net new green field expansion into new distribution touch points, such smaller footprint retailers, airports, hospitals, etc.

## **Incentive Representatives. Ivory Alexander, Board Member Incentive Merchandise To Reward & Appreciate (IMRA) and Director of Premium Sales, MAS, Inc.**



### **Current Market Conditions:**

- Manufacturers are running lean. They have less inventory on hand, operate by forecast, have less staff onsite and are always looking for the 'next thing.'
- The travel segment is leading the charge and gaining incentive market share.
- Remote work changed the landscape of employee gifting, with more drops to individual addresses vs. bulk shipping to a corporate address. The rising cost of domestic shipping also has corporations looking for alternative gifting options to reduce costs.

### **2025 Market Trends**

- Manufacturers will continue lean operations with more volume deals available with proper planning.
- Subscription-based SKUs will grow with smart homes, 3D printers, e-exercise equipment, audio, and more. Smart technology will help incorporate these items into consumer ecosystems.
- Experiential opportunities will rise with travel rewards and onsite merchandise to generate unique experiences. As remote workers return to work corporations may spend money on merchandise to welcome them back.
- New industry players: Continued growth in international companies offering incentive services in the US market. Our membership in IMA/IMRA has provided valuable business connections to buyers around the world as they seek help to incentivize their US-based workforce.
- As international business grows, distributors will create more international partnerships to increase their incentive business.

## Incentive Travel. Lori Cassidy, Incentive Travel Council (ITC) Member and Founder, Gift A Trip



### 2024 Market Conditions

- More and more companies are getting into the reward and recognition space as they see the growing need from businesses for recognition programs to retain talent, strengthen employee engagement, etc.

### 2025 Market Trends

- Incentive travel is growing. Our experience regarding incentive travel mirrors trends reported in the **2024 Incentive Travel Index**. (<https://theirf.org/news/2024-incentive-travel-index-released/>) Business leaders are seeing the correlation between incentive travel and retaining and engaging employees. Interest in new locations and experiential travel is a big contributor to growth.
- We are seeing an upward spike in individual travel rewards year-over-year. and we expect 2025 to be our best year since our company's launch two years ago.

## Europe and the UK. Andrew Johnson, President IMA Europe and CEO UK, COO Group & Director, Diggecard



### 2024 Market Conditions

- The UK B2B market continues to grow, partly due to more employee benefit schemes and new merchants entering the market.
- Many countries in mainland Europe are embracing the advantages offered in the B2B sector, so there is increasing business across countries like Germany and Poland.

### 2025 Market Trends

- We expect to see more countries entering the B2B sector driven by the want from corporate customers and the need for retailers and merchants to expand their customer base.
- Digital gift cards are opening more sectors with the continual need for automation and digital delivery giving real-time benefits.
- Tech, ease of user experience, will be under constant scrutiny from corporate buyers.
- Merchants will strive to keep customer loyalty by leveraging incentives to keep customers interested.

## MEAPAC. Debbie Ghillino, IMA MEAPAC Board Member and Founder and Chief Happiness Officer at The Incentive Company



### 2024 Market Conditions

- Like the rest of the world, the cost-of-living crisis continued to make its mark on the type of rewards vouchers used—more food and basics instead of spoils and rewards.
- A good increase in the number of incentive travel programs.
- AI has started to show itself in the form of systems and analytics.
- Doing more for clients with lower budgets and a reduced workforce. Turnaround demands have risen. In some of our countries, merchandise has started to make a comeback.

### 2025 Market Trends

- New payment options are coming to the fore, with open banking and API linking of payment methods. In addition, personalized rewards, innovative and alternative ways to enhance winners' lives are being noticed. The globalization trend will continue, and we anticipate more acquisitions in the market.
  - For 2025, we anticipate a slightly better year of budgets coming back, more focus on alternative rewards, and bank account opening promotions taking off.
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