

Who should you Reward? the individual, or the organisation



The **'Individual'** makes the initial decision to purchase or to continue purchasing your company's products or services

Possible Situations where this question arises:

- A travel agency providing individual/incentive travel to corporate houses
- A hotel catering to the requirement of rooms/facilities for corporate houses
- A mobile service provider offering corporate deals



Note: This is relevant for loyalty/continuity programs run in a business-to-business environment



Pros: Advantages that may be gained

By Rewarding Individuals

- Builds stronger relationships and is more likely to create emotional loyalty
- Raises the barrier of entry for competitors trying to capture your business
- Helps because individuals will alert you to new business opportunities

By Rewarding Organizations

- Allows the maintenance of continuity of relationships over the long term
- Rewarding the organization/CEO gives you visibility at the highest level

The **'Organisation'** is the entity that actually pays for your company's products and services

Cons: Problems that may arise

By Rewarding Individuals

- Relationships linked to individuals run a higher risk of disruption if the person leaves
- The presence of multiple decision makers can cause problems with administration
- Some organisations have corporate policies disallowing acceptance of rewards

By Rewarding Organizations

- This may lead to functional loyalty, without building emotional bonds

Questions you must ask yourself before deciding

- Have we cross-checked the individual/organization's position regarding this issue?
- Have we clearly identified the roles of individuals in the organization/decision making?
- Have we evaluated the impact of your service/product on the company/individual?

