BI WORLDWIDE

Revolutionising *sales and channel* incentives and rewards

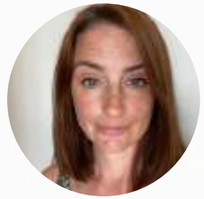
Trends, takeaways and tips for 2025

Aiming for future success

Third party channels and B2B sales require delicate handling and a deep knowledge of the rapidly evolving landscape.

Staying ahead requires a keen understanding of emerging trends and the ability to adapt strategies accordingly. This report delves into six critical areas shaping the future of B2B sales and channel incentives, enablement and engagement for 2025.

By exploring these themes, we provide actionable insights and strategies that equip organisations to enhance their sales performance, engage their workforce, and achieve sustained measurable results.



Deborah Watson
Client & Solutions Strategy Director
BI WORLDWIDE EMEA

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Trends shaping *sales and channel incentives* in 2025

1. **Artificial intelligence**
2. **Driving sustainability**
3. **Seamless engagement**
4. **Behaviour-based incentives**
5. **Inspiring inclusion**
6. **Empowering growth**

Harnessing *artificial intelligence* – revolutionising incentives and recognition

Harnessing *artificial intelligence* to revolutionise incentives

> **The year ahead will be pivotal in positioning your company to win in a future increasingly shaped by AI.**
>
> Sharyn Leaver, Chief Research Officer, Forrester

AI influencing strategy

In 2025, AI's influence will continue to expand to support channel sales strategies in the incentives, rewards, and recognition space, particularly when it comes to optimising programme effectiveness.

With AI's ability to analyse and learn, incentive prediction modelling, target recommendations and ongoing optimisations will enhance personalisation of incentive structures and in turn increase engagement and motivation.

AI-driven tools, such as recognition advisors, will optimise recognition programme usage by identifying candidates for recognition, driving performance triggered communications, improving recognition commentary, flagging unconscious bias and monitoring sentiment analysis.

Long-term approach

Since the introduction of mainstream AI models, we've learned that AI needs to be applied correctly to be truly effective. Forrester's[I] latest B2B Predictions 2025 report states, "Impatience with AI ROI could prompt enterprises to prematurely scale back investments, which would be a long-term disadvantage. Instead, AI leaders must establish a solid strategy aligned to their business model and aspirations."

This insight outlines the importance of building an infrastructure that has a long-term strategic focus on AI development and integration, so solutions can adapt as the technology continues to evolve. At BI WORLDWIDE (BIW) we have a dedicated team focused on harnessing the power of AI to complement our incentive and recognition solution strategies with a roadmap of developments underway, ensuring we can help our clients to achieve their targets and get the most from their salesforce.

In summary, the integration of AI into incentive and recognition programmes is set to revolutionise how businesses engage and motivate their sales teams. By leveraging AI's capabilities, companies can create more personalised and effective incentive structures and engagement strategies, ultimately driving better performance and satisfaction.

2

Driving *sustainability* – integrating green practices into incentives

Driving *sustainability* and integrating green practises

2

Sustainability ranks highly on most companies' agendas. It’s a topic that particularly resonates with younger generations within the workforce.

Integrated reward and recognition solutions are well placed to drive progress on many strategic objectives, including sustainability, with aligned programmes and initiatives that motivate sustainable behaviours and recognise successes.

At BIW we offer a range of tactics to help organisations achieve their sustainability goals, including our rewards solution. Being truly global, but leveraging local fulfilment teams, our clients don't have to sacrifice their carbon footprint to consistently reward and recognise employees with an aspirational choice of rewards around the world.

> **“By being truly global, but leveraging local fulfilment teams, our clients don't have to sacrifice their carbon footprint to consistently reward and recognise employees.**
>
> Debbie Watson, BI WORLDWIDE EMEA

Driving *sustainability* and integrating green practises

2

Implementing sustainable solutions

Every industry we work with at BIW looks to be sustainable in different ways and face a variety of challenges in achieving their goals.

> **“ Our flexible programme design methodology means we can address and incorporate unique strategies and initiatives into the programmes we deliver for our clients.**
>
> Debbie Watson, BI WORLDWIDE EMEA

For example, we see a growth in reusable technology initiatives in the high-tech sector. With reusable technology margins squeezed, we have identified an opportunity for a new incentive model that enables incentivisation of solution or product throughout its life cycle, recognising the moments that drive sustainability behaviours, including the initial first purchase. This model works by driving collaborative behaviours across functional teams and directing available funds and margin appropriately, across the entire ecosystem.

In conclusion, sustainability is not just a trend but a critical component of modern business strategy. By integrating sustainability into reward and recognition programmes, companies can drive meaningful progress towards their net zero goals whilst also engaging and motivating their workforce.

3

Seamless *engagement* – bridging gaps in sales and recognition

Seamless *engagement* bridging the gaps between sales and recognition

We know that successful channel engagement thrives on being as frictionless as possible. But as sales ecosystems broaden and legislation locks down, solution sales will continue to become more complex.

As vendors and their channel partners try to navigate these changes, how an organisation does business and how all stakeholders interact will become increasingly important and magnified.

> **Customers nowadays expect more and companies need to shift to put them at the center of sales—by improving channels, technology, talent, incentives, and culture.**
>
> McKinsey, 2024

Eliminating friction

As McKinsey[2] states, "Selling is not always driven by sales: for example, customer service has long been part of most companies' selling playbook. However, some leading companies are building innovative channels to capture revenue from unexpected places".

Removing points of friction between the vendor and channel partners and bringing the entire ecosystem closer together will become increasingly important to maximise sales opportunities and achieve excellent customer experience. The good news is incentive and recognition programmes are an effective tool for doing just that, promoting and encouraging positive and consistent behaviours across multiple audiences.

Enhancing the *employee value proposition* across channels

3

According to Gartner [3], "an employee value proposition (EVP) captures the set of attributes that external talent and internal employees perceive as the value they gain by working in an organization". From staff retention to sales performance, a strong EVP is crucial to achieving business goals.

Recognition programmes can be leveraged by organisations to help embed specific behaviours and values expressed by your EVP. In direct sales environments, organisations have complete autonomy over their EVP and how they bring it to life.

Influencing indirect sales

However, in indirect sales environments, a brand's EVP becomes secondary to that of the salesperson's employer. This scenario can generate tension, especially in cases where there is misalignment between the way the company interacts with end customers and the values of the brand they're selling. In these cases, the way the brand wants to do business can become more diluted. So, how can you influence a channel partner's culture and EVP with your own values to ensure the best end customer experience that is representative of your brand?

In 2025, as workforces increasingly seek to feel valued in their roles, brands must consider how to integrate and influence their partners' EVP within the channel. Brands that sell through the channel should explore holistic programmes that close the gap between head office/internal employees and those in the channel. This approach will help channel employees become more invested in the brand's vision and mission, delivering on promises made to the end customer.

3

Success Story: The Watches of Switzerland Group

The Watches of Switzerland Group consider all their people to be special, regardless of the role they hold.

They believe that despite being in different buildings, the Head Office and retail teams have a joint responsibility to serve customers and are equally important when it comes to ensuring the customer is delighted with the experience they have.

This is why it was so important to them that all colleagues, regardless of position, should have access to the same opportunities for recognition.

Their recognition programme, VibE, was designed to foster a unified culture across the business based on shared values. This shared culture has proven to be very effective.

TIP

Ensure you have a *holistic* sales and channel incentive programme

In the last 12 months...

40%
of all recognitions sent were to someone in a separate part of the business (Head Office/retail teams/brands).

65%
of Head Office staff recognitions were awarded to retail staff.

10%
of recognitions on average were given by the retail team were awarded to a colleague working for a different brand.

Source: BIW Programme Data

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Focusing on how - the power of behaviour-based *incentives*

The power of *behaviour-based incentives* 4

Whether through recognition or rewards, behaviour-based incentives focus on HOW something is done. Let's take the example of the sale of a complex solution. With the changing roles of sales teams from transaction managers to buyer navigators or guides, this places increasing importance on behaviours that achieve outcomes.

What steps do our salespeople and the wider ecosystem need to take to support the customer journey? What collaboration, learning, or support is needed to create a positive buying experience for the customer and drive business success across the ecosystem?

In a recent Canalys[4] survey of 337 global partners, the MOST valuable thing channel partners wanted from their vendor partner programme was the ability to be incentivised across the customer lifecycle - before, during, and after the transaction.

Throughout 2025 we anticipate customer needs and expectations will continue to change. Incentive programmes that are designed to reward and recognise behaviours across the customer lifecycle, focussing on the customer experience as well as the sale, will help generate repeatable and sustainable success.

As Forrester[1] states in its 2025 B2B Predictions report, "organisations should have the courage to focus on long-delayed moves such as resetting strategy and planning to orient around customers, fixing broken revenue processes, improving operational effectiveness, and levelling up talent to blend human and machine competencies."

> **"Focussing on the customer experience as well as the sale, will help generate repeatable and sustainable success.**
>
> Debbie Watson, BI WORLDWIDE EMEA

The power of *behaviour-based incentives*

4

TIP

The most valuable thing for channel partners is being *incentivised* across the customer lifecycle.

Aligning strategies for optimal engagement

As a brand, what tools are you currently using to support your values and mission? What strategies do you need to deploy to align your sales ecosystem with your end customer needs?

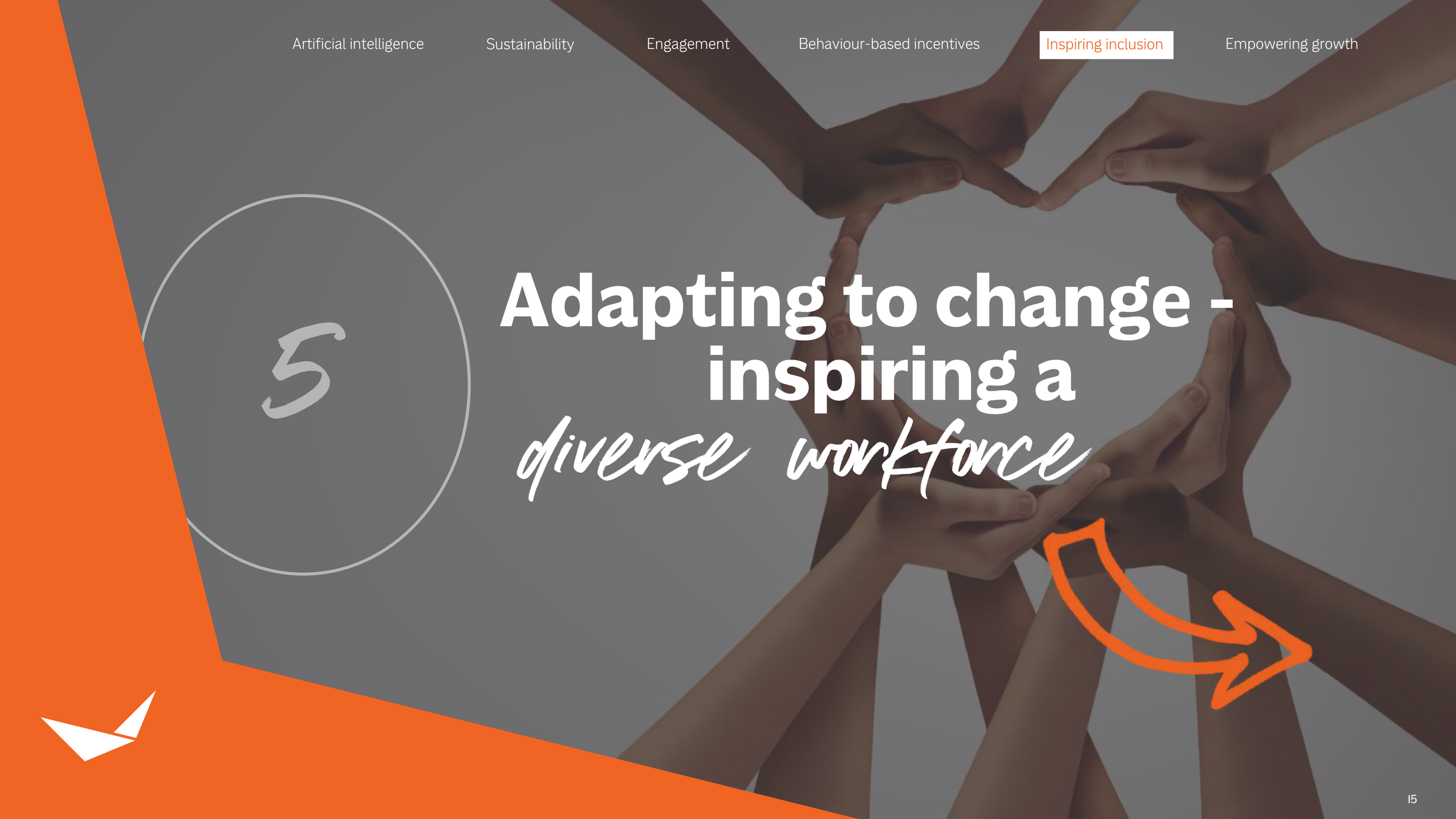
Our research, conducted in partnership with Kantar, states that Operational Excellence is the most important factor for engagement according to channel partners.

Therefore, consider how your incentive programmes could be leveraged to reduce friction between your brand and your network of channel partners. Focus on incentivising customer outcomes and fostering closer collaboration between partners and the brand.

> **Organisations should have the courage to focus on resetting strategy and planning to orient around customers.**
>
> Forrester 2025 B2B Predictions report

5

Adapting to change - inspiring a *diverse workforce*



Inspiring a *diverse* workforce

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The notion of frictionless incentives also comes into play when you consider globalisation and changing workplace demographics. To be effective, methods of motivation and reward need to align with the values and beliefs of the changing workforce.

TIP

42% of employees **care more about company values than salary.**

Global personalisation

Whilst not a new trend (we first spoke about this in our Megatrends report back in 2022), we foresee the requirement to consistently serve a global workforce to continue to dominate programme design.

In order to continue to appeal and attract diverse regional and generational teams, programmes also need to offer an idiosyncratic fit for its entire workforce. Research[5] shows that younger generations in the workplace, such as Gen Z, are more likely to be motivated when they feel valued.

According to Hillary Hoffower[6], 42 percent care more about their company's values and purpose than salary levels. Opportunities for reward and recognition that elevate their profile may be more effective in triggering intrinsic motivation than tangible rewards. Factors such as insight-led and data-driven incentive programme design, reward choice, and personalised programme objectives and communications are all effective ways to help make a global solution feel more personal, regardless of demographic.

Inspiring a *diverse* workforce

5

Adapting to change

It's not only the incentives themselves that need to keep pace, organisations also need to keep up with the preferences of WHO they incentivise.

For example, as Millennials and Gen Z buyers enter decision making roles in the workplace, Forrester[i] is predicting that up to 50% of buying decisions will involve multiple external influencers.

It suggests, "as extended value networks become an increasingly important part of the buying process, B2B marketers and sellers must understand these outside influencers and develop capabilities to enable, support, and interact with them".

Engaging for success

Understanding that no sale happens in isolation in 2025, brands should be looking at how they can engage and reward positive behaviours across the whole ecosystem, including external influencers who are an extension of their brand.

Ask yourself, what programmes need to be in place to encourage collaboration and harmony at all touchpoints along the end-customer journey?

6

Empowering growth - integrating *learning* into incentive programmes

6

Empowering *growth* via incentive programmes

With learning and personal growth opportunities being key drivers in the retention of young professionals, skills training, mentorships, and career pathways are all important strategies organisations need to have in place.

Overlay this with emerging technologies, changing customer expectations and needs, and shifting industry landscapes, and it's clear to see why a cohesive learning strategy will be priority for organisations as we move into 2025.

6

Empowering *growth* via incentive programmes

The Fogg behaviour model

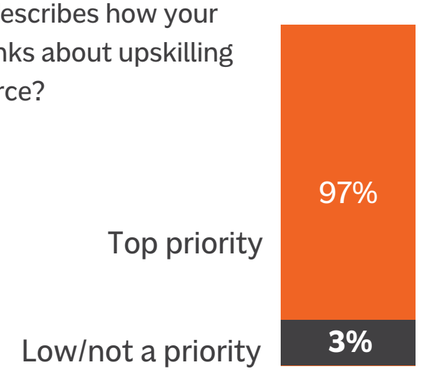
The Fogg behaviour model explains that behaviour change is created through a combination of motivation, ability and a prompt. All three must be present for a behaviour to occur.

Raising ability can be built into the design of an incentive programme in many ways. Through rewarding people for milestones in their personal learning journey, recognising their engagement with the right tools and processes and lastly through gamifying and imagining an incentive structure that makes using the tools people need more simple.

The Future of B2B sales research by McKinsey[2] shows that there is demand from employees for new sales skills. This is overlayed with the finding that less than half of sales leaders believe their sales staff have the skills they need to succeed.

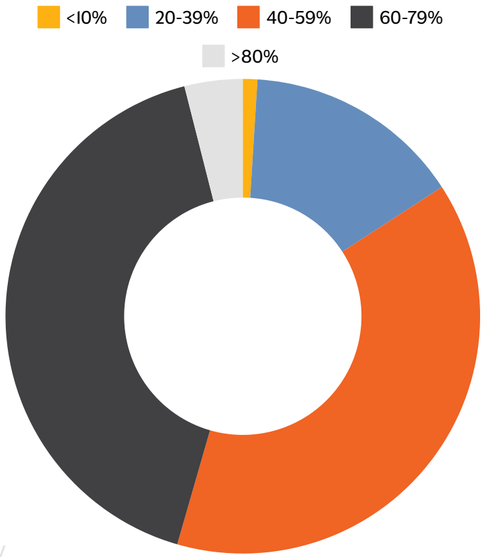
Sales leaders see reskilling as their immediate priority...

Which best describes how your company thinks about upskilling your sales force?



... as less than half of sales leaders believe that most of their reps have the right capabilities to succeed

What percentage of your company's sales force currently has the right capabilities to be successful?



Source: McKinsey & Company

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Empowering *growth* via incentive programmes

Targeted learning and development

In 2025, ensure your incentive strategy has idiosyncratic fit with your audience to drive behaviour change. Use your business KPI's to target and incentivise learning within your recognition and reward strategy, where you need it most.

This will boost the ability of your direct and indirect salesforce, and simultaneously support engagement, retention, and business improvement.

As the landscape of organisations and customer needs evolve. Move from simply integrating learning and development into incentive programmes, to a more targeted solution that optimises and delivers micro learning to individuals based on their unique performance and needs.

This approach not only enhances skills and abilities but also fosters a culture of continuous improvement and engagement, driving long-term success.

Looking ahead:

Leveraging *sales and channel incentives* for success

As we look ahead to 2025, the landscape of B2B sales and channel incentives is set to evolve, driven by technological advancements and shifting business dynamics. From integrating AI to enhance personalisation and effectiveness, to embedding sustainability in business strategies, the trends outlined in this report underscore the importance of adaptability and innovation in creating successful incentive programmes

By embracing these trends and implementing the strategies discussed, organisations can not only meet the challenges of a competitive market but also create an environment where sales teams and channel partners feel valued, motivated, and inspired. As we navigate the future of B2B incentives, focusing on streamlined processes, demographic changes, and integrated learning and development will be key to sustaining a positive and productive business environment.

> “ At BI WORLDWIDE, we create tailored incentive and recognition solutions at the forefront of these trends. Our team is dedicated to helping you deliver effective sales and channel incentives and loyalty solutions that accelerate profitable revenue growth and engage your audiences employees, customers, and partners.

Mike Davies
CEO EMEA
BI WORLDWIDE

Takeaways from 2025 *sales and channel incentive* trends

Harnessing AI

Integrate AI to enhance personalisation and effectiveness in incentive programmes by using AI-driven tools for incentive prediction modelling, target recommendations, and ongoing optimisations. This will drive better engagement and motivation.

Driving sustainability

Embed sustainability into business strategies and incentive programmes by aligning incentive solutions with sustainable behaviours. Utilise local fulfilment teams to reduce carbon footprints and implement reusable technology initiatives.

Seamless engagement

Eliminate friction in the sales ecosystem by removing points of friction between vendors and channel partners. Align employee value propositions across teams to maximise opportunities and enhance customer experiences.

Behaviour-based incentives

Focus on rewarding behaviours that support the customer journey by recognising and rewarding actions across the customer lifecycle. This approach will drive business success across the ecosystem.

Adapting to change

Personalise incentives to align with the values and beliefs of a diverse, global workforce by offering reward choices and personalised programme objectives. Adapt to changing customer demographics by understanding and engaging external influencers in the buying process.

Empowering growth

Integrate learning and development into incentive programmes by targeting and incentivising learning based on business KPIs. Use micro-learning to deliver personalised training, enhancing skills, engagement, and retention, and fostering a culture of continuous improvement.

Learn more about our incentives solutions and discover how we can help engage, motivate and reward salespeople and channel partners in 2025 and beyond.

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About BI WORLDWIDE

With its EMEA head office in the UK, BI WORLDWIDE helps organisations solve critical business challenges by driving positive behaviour change and engagement. BI WORLDWIDE applies its talent and expertise in behavioural economics to deliver complementary recognition, rewards, incentives and live event solutions.

Our full-service portfolio offers clients a unique blend of consulting expertise and proprietary technology solutions that drive value from programme design to implementation and beyond. Working with over 2000 organisations worldwide, across 183 countries, BI WORLDWIDE has been inspiring people, partners, and customers since 1950.

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