

Five Dollars and a Click:

Testing Digital Post-
Incentives vs. Cash in ABS
Mail



Frank Kelly

Virtual Incentives

Cipher Conference

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The Problem: Cash Works... But It's Inefficient

ABS studies commonly use \$1 –\$2 prepaid cash incentives

- Only a fraction of households complete the survey
- Most prepaid cash is never tied to a completed survey
- Additional challenges:
 - Security risk (cash handling & loss)
 - Operational complexity in production and fulfillment



The Hypothesis



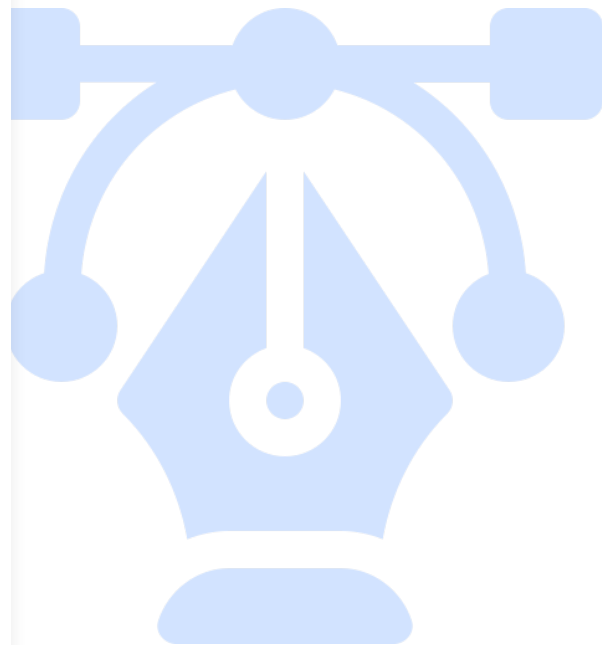
Can QR Codes replace prepaid cash?

- \$5 digital reward paid only after completion
- Design print executions to replicate the “I can see value” effect
- Goal: Maintain response while improving:
- Security
- Scalability
- Total cost per complete

Study Design

Address-Based Sample (ABS) 7 midwest states

- 3 arms, 1,000 addresses per arm (3,000 total)
- Addressed to: Current Resident
- Push-to-web via QR code
- Primary outcomes: Response rate and Cost per Complete



The Three Test Arms

1. Arm A: Letter (window) + \$1 prepaid cash
1. Arm B: Letter (window + visible digital incentive choices)
\$5 digital post -incentive
1. Arm C: Postcard + \$5 digital post -incentive

Everything else held constant (survey, timing, sample frame)



Why we tested a Postcard



Lower postage (~\$0.20 less per piece)

Lower printing cost (~\$0.50 less per piece)

Less production complexity

Fewer failure points in fulfillment

Potential for strong visibility and fast engagement

Cost Considerations

	control	\$5 letter	\$5 postcard
	Arm 1	Arm 2	Arm 3
Quantity	1,000	1,000	1,000
Print/fulfillment	\$ 1,200	\$ 1,000	\$ 750
Postage	\$ 670	\$ 670	\$ 460
Total	\$ 2,870	\$ 2,670	\$ 2,210
Incentive	\$ 1,000		
Cost per outgo	\$ 3.87	\$ 2.67	\$ 2.21

Our test showed a 6% completion rate for the \$1 pre-incentive with no post incentive. By comparison, the \$5 post incentive achieved a 2% completion rate and the postcard just over 1%. We did not test a \$1 pre-incentive with a \$5 post incentive, but if it gave even a 1% increase in completion rates, it would lower the cost per completion

Cost per completion					
Redemption Percentage	\$1 Bill	\$5 post incentive Letter	\$5 post incentive Postcard	\$1 pre plus \$5 post	
1%	\$ 387	\$ 272	\$ 226	\$ 392	
2%	\$ 194	\$ 139	\$ 116	\$ 199	
3%	\$ 129	\$ 94	\$ 79	\$ 134	
4%	\$ 97	\$ 72	\$ 60	\$ 102	
5%	\$ 77	\$ 58	\$ 49	\$ 82	
6%	\$ 65	\$ 50	\$ 42	\$ 70	
7%	\$ 55	\$ 43	\$ 37	\$ 60	
8%	\$ 48	\$ 38	\$ 33	\$ 53	
9%	\$ 43	\$ 35	\$ 30	\$ 48	
10%	\$ 39	\$ 32	\$ 27	\$ 44	

The Conclusion

The postcard did not work as well as anticipated.

The \$5 digital post-incentive letter had a much lower response rate than the \$1 cash pre-incentive letter and therefore had a higher cost per complete. I suggest a \$ 1 pre-incentive combined with a \$ 5 digital post-incentive.