



# INCENTIVE TRAVEL: THE PARTICIPANT'S VIEWPOINT PART IV: AN INTEGRATED VIEWPOINT ON INCENTIVE TRAVEL VALUE

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of the **Incentive Marketing Association**

This study examined the participant's viewpoint, both qualifiers and non-qualifiers, on what makes incentive travel programs more *meaningful*, *motivational* and *memorable*.

Just as the general business practices of marketing, sales, finance, procurement and human resources have evolved, so too have effective Incentive Travel strategy design, operation and measurement. Throughout the research for the *Participant's Viewpoint*, both buyers and suppliers stated that today's incentive travel participants are very different in terms of behavioral drivers and expectations. But, that is not all that has changed. Here are two other areas to consider as well:

### ■ Incentive Travel Objectives

The spirited intentions and business objectives of today's incentive travel programs are as diverse and unique as the participant base itself. From attracting and retaining talent, fostering teamwork and encouraging safety to building morale, loyalty, trust and sales, these are but a few of the targeted objectives that sponsoring organizations seek in order to create breakthroughs in performance.

### ■ Incentive Travel Business Stakeholders

While sales and marketing remain key stakeholders of incentive travel strategies, so too are other organizational departments such as finance, procurement, operations and human resources. Based upon the mix of disciplines, the combination of different role and responsibility drivers can create conflicts that make it difficult to clearly identify the primary versus secondary objectives of an incentive travel strategy. Agreement must be achieved to ensure these differences do not become at odds with one another. Achieving such agreement can be grossly challenging, often leading to emotionally charged and/or political compromises that diminish or even jeopardize performance measurement.

As a result of these elements, traditional approaches can greatly impede an organization's ability to consistently and effectively drive targeted participant behaviors. The urgency to identify and adopt new approaches has never been greater. Consider this:

- 95% of executives are concerned about retaining their key employees. *Source: PriceWaterhouseCoopers*
- 47% of top performers are currently looking for a job. *Source: Leadership IQ*
- 1-in-3 employees are feeling dissatisfied and disloyal, to the point of hoping to be working elsewhere in the next twelve months. *Source: MetLife Employee Benefit Trends*

As the economy and job market continue to improve, so too will competition for employee talent, channel partners and valued customers. Creating the right engagement experiences through incentive travel requires a new level of participant engagement.

Academic and association groups, hotels, airlines and many other industry suppliers along with corporate practitioners and buyers of incentive travel services continue to research, educate and promote ways to better measure, forecast and improve incentive travel performance. While the incentive travel industry is much more informed, knowledgeable and strategically rich than ever before, one area still remains a bit of a riddle—what do incentive travel participants think about all of this? It's for this reason that the *Site International*



Foundation and Incentive Travel Council decided to undertake an unprecedented effort to shed deeper insight through the incentive travel *Participant's Viewpoint* study.

The overall experience of an incentive travel program can be measured in terms of how it is meaningful, motivational and memorable. Program sponsors want an experience that will effectively drive business performance. Participants want an experience that they view as worth their added time and effort. Often, though, a disproportionate amount of focus exists on one or two of these value areas without the others. This can lead to results falling short of the ideal levels of participant inspiration. This study makes a case that all three value areas are of equal importance and are highly interdependent considerations.

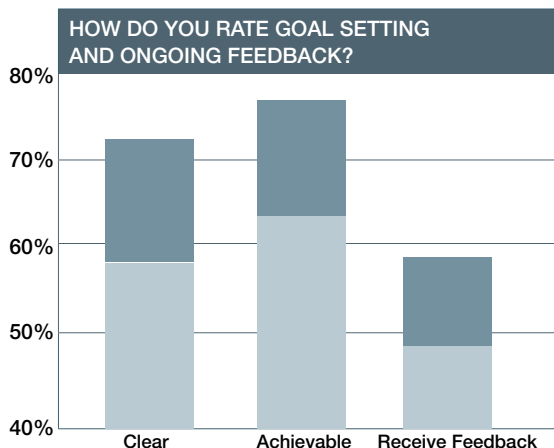
This final installment of our four-part *Participant's Viewpoint* study series revisits each of these value areas independently in order to connect with the importance of how decisions in one area can greatly influence the others.

## PART I - MEANINGFUL

Representing clearly defined rules, fair and attainable goals, effective communications and ongoing feedback on performance measurement, meaningful values are significant influencers with respect to participant engagement choice.

This value area requires considerably more time and attention than the others, but not necessarily where most might think. Both earner or non-earner respondents gave management high marks for their fairness and clarity in setting goals. However, management did not score as well when respondents were asked about receiving ongoing feedback to help them understand their progress toward the travel incentive.

That 77 percent of respondents feel they have the ability to achieve performance goals and 39 percent state that they do not receive ongoing feedback suggests that participant engagement and behavior can change quickly. Once the program is launched, the early stage of the program will likely



experience initial benefits; but this is quickly followed by a drop-off of participant engagement. For incentive travel programs that run 10, 12 or 18-months, there is a lot of potential value left behind. Assessing the communications model is key to keeping participants engaged. Does your incentive travel program:

- Have ongoing, company-wide communications to promote the incentive?
- Provide for formal team-based and one-on-one performance planning with participant peers, managers and leadership?
- Promote and advocate how participants choose to learn and interact through an integrated communications model?

The answers to these questions will lead to added insights needed to more effectively ensure a program does not fall short of meaningful participant engagement.

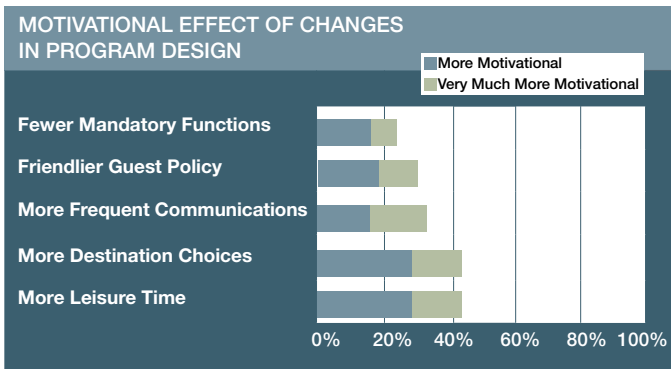
## PART II - MOTIVATIONAL

This value area represents the proverbial carrot itself since it has to do with the actual incentive travel onsite experience and surrounding design elements. It stands to reason that this value area takes up the majority of program designers' time.

Historically, incentive travel frequently used a one-size-fits-all approach. With the onsite itinerary packed with activity from beginning to end, there was hardly a waking moment that participants had to "do their own thing." Factors such as increasingly diverse interests and values and economic and personal-time pressures have significantly changed program design. Despite these influencers, program design comes down to answering the participants' question, "what reward would make me work harder?"

Program participants are a great source of information when it comes to incentive travel onsite experience design. What one perceives as valued and motivating may not be equally interesting or compelling to others. Therefore, it is vital to have a deeper understanding of the experiences desired by participants. What type of destination do they prefer? Do they want to bring a guest or the entire family? Are they interested in community involvement or free time? Making the wrong assumptions on behalf of the incentive travel participants can have substantial negative consequences. A specific program design that sounds ideal to the sponsor is not necessarily what the participants would prefer.

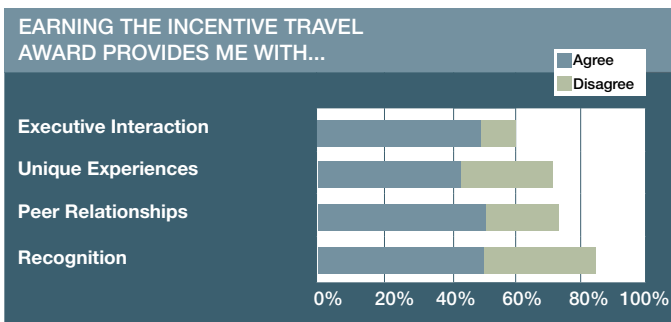
When planning an incentive travel program, it is important to understand what the participants view as the ideal experience. Gathering participants' input about the program design areas they find more important—destination choice, leisure/unscheduled time, trip duration, guest policies or even the inclusion of different award levels—will aid that design.



In addition, understanding what participants take away from the experience besides just the reward and recognition alone—more time with leadership and peers or the opportunity to have a unique experience they simply could not have on their own—should be taken into consideration. These insights from program participants go a long way toward overcoming biased views and insuring that budget dollars are spent where they count the most. The result is an onsite experience that truly inspires and motivates a unique audience.

### PART III - MEMORABLE

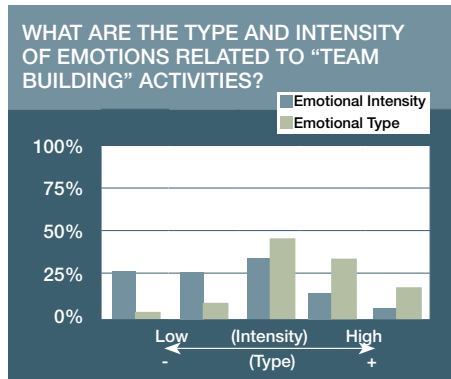
Engaging experiences must be viewed for short- and long-term value, both at the participant and organizational level. Planners tend to think about incentive travel performance measurement in hard financial terms but participant takeaways provide for a view into the softer, often less discussed, returns that incentive travel strategies provide to a sponsoring organization.



For participants, it is the overall incentive travel experience from an end-to-end perspective that is important. While planners tend to survey earners for what they thought of the onsite experience right afterwards, measurement approaches need to be much broader to get a better sense of what was accomplished and what can be improved. How did the program:

- Influence attitudes, behaviors or intentions before, during and after the program?
- Differ in performance between earners and non-earners?

- Meet onsite experiences against earner expectations?
- Help peers, managers and leadership better engage one another to build relationships and camaraderie?
- Support the corporate vision, mission, values and culture by better connecting with program participants?



When looking for answers to these questions, planners are typically interested in whether or not the program had a positive emotional effect. However, they also need to look at the emotional level of intensity

of the experience as well. In the case of our incentive travel participant respondents, while 63.8 percent found the emotional impact of camaraderie with other participants to be positive to very positive, only 14.8 percent thought it was of very to extremely high intensity. Focusing on these types of questions can help move a program's memorable experiences from good to great.

An increasingly complex business environment creates more and more challenges. The industry is bombarded with such influencers as *doing-more-with-less* philosophies, constant mergers and acquisitions, *prioritizing-until-it-hurts* practices, demands for more work/life balance, integrating technology into our daily lives, media rhetoric and public scrutiny. Conflicting business and participant challenges lead to budget constraints and cuts, reactions toward public and shareholder image, talent and customer attrition, productivity drops and other consequences that impede organizations' ability to succeed in achieving growth objectives. Organizations that, in the past, reduced, postponed or discontinued efforts that reward and recognize employees, channel partners and customers through strategies such as incentive travel have found that there are no alternatives or substitutions that provide the same degree of value returns for either the business stakeholders or the program participants.

Considering these influencers, program design can easily and quickly shift in focus and intent. Understanding the impact from one value area to the others greatly helps provide significant insights that inform and guide decision making.

There is a different basic measure that exists for an organization versus the participant. For organizations, it is basically a set of financial outcomes that exceed all related costs and result in positive Return on Investment (ROI). Therefore, it is crucial to get agreement in advance on





not only the primary objective of the program, but also on how performance will be measured. Otherwise, business stakeholders from one organizational area to another may disagree on value.

For participants, it is about whether or not the opportunity to earn the experience is worth their added time and effort—Return on Experience (ROE). From meaningful to motivational to memorable, there is an experience value chain that is only as strong as its weakest link.

In order for incentive travel to truly deliver value on core business objectives, there must be a more people-centered and cross-functional set of efforts. These efforts help socialize and clearly provide direction on what is a primary and overarching objective for the incentive travel strategy. Creating this win/win focused approach for both the organization and the participants provides for a more fair and equal set of returns.

It is recommended that anyone interested in knowing more about each of these three value areas refer to their respective

installments. All three must be considered as highly interrelated values for effective incentive travel strategy. Together, they provide for a more checks-and-balances approach that helps connect with better performance outcomes.

#### METHODOLOGY AND RESEARCHERS

This survey was designed with assistance from practicing incentive managers and other incentive industry professionals. The survey was then assembled by the marketing research firm, **ResearchNow**. There were 1,003 valid responses from individuals who had been eligible to receive incentive travel. Their demographics can be found in the first installment of this report, **Incentive Travel: The Participant's Viewpoint, Part I: Incentive Travel as a Meaningful Motivator**. The survey was supervised by Scott A. Jeffrey, Ph.D., Monmouth University, and Marion Joppe, Ph.D., University of Guelph.

*Copies of all four reports in the Participant's View series are available at: [www.siteglobal.com/Foundation/Research.aspx](http://www.siteglobal.com/Foundation/Research.aspx).*

#### THE SITE INTERNATIONAL FOUNDATION

The Site International Foundation has provided research and educational programs that assist business executives, practitioners and professionals since 2006. The Foundation is the research arm of Site, a membership community that represents 90 countries and professionals who deliver best-in-class solutions and insights to maximize the business impact of motivational experiences regardless of industry, region or culture.

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#### THE INCENTIVE TRAVEL COUNCIL

The Incentive Travel Council, a strategic industry group within the Incentive Marketing Association (IMA) is dedicated to exploring, promoting and educating about how incentive travel strategies can best be designed and leveraged to help organizations achieve better business performance.

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