

# Top Trends in International Incentive Travel

International incentive travel is finally coming back.  
Here's where to head next:

After several years in which the deciding factor on where, or whether, companies ran an incentive program was how likely the CEO was to be pilloried in the press for wasting shareholders' money, the issue of perception is receding. Between a strengthening economy and the broader meetings industry's publicity campaign to show that getting your people together is good business, companies appear to have come to the conclusion that they have to motivate their top performers.

Where are incentive groups going these days? Well, here's what our informal survey of some incentive travel professionals had to say about international destinations.

## **Mexico and the Caribbean**

Mexico and the Caribbean generally remain popular incentive destinations, but different issues are affecting them. Mexico is very much a value destination right now, and the product offerings in coastal destinations like Los Cabos, Cancun, and the Riviera Maya are even stronger than in the past thanks to the addition of new, high-end, all-inclusive properties. But the violence associated with drug cartels is having an effect. Different incentive professionals we spoke to disagree on how much that matters to clients.

Randy Officer, vice president with Massachusetts based Performance Enhancement Incentives, says Mexico remains popular despite the violence, adding that companies seem convinced that it is a factor along the U.S. border, while the incentive destinations are on the other side of the country. The cold weather has made Mexico an even more popular destination, adds Officer, saying that the Riviera Maya, Cancun, and Puerto Vallarta are getting a lot of business. And while some clients have security concerns, he says, "We are able to educate them."

The distance factor applies to the Caribbean, which is the other international destination Officer sees as most popular with clients these days. "For several years, many clients were interested in 'sun-and-fun' locations in Hawaii or Mexico," he says. "But we are definitely seeing a trend towards the Caribbean." He adds that the Caribbean got business from companies determined to go to sun-and-fun destinations but concerned about public perception. "The Caribbean held up better than other places" in this regard, he says. And of course, it's a huge cruise destination.

Among the Caribbean destinations our incentive experts highlighted was Punta Cana in the Dominican Republic, which is gaining momentum in the incentive market. Classic islands like Nevis, the Bahamas, Bermuda, and Grand Cayman are still strong. The U.S. Virgin Islands and Puerto Rico offer the Caribbean experience in a U.S. territory that doesn't require a passport.

## **Ireland, the U.K., and Portugal**

Europe seems to be returning as an incentive destination after several years hampered by the strength of the euro compared to the U.S. dollar. One constant seems to be Ireland. “When the rate is quoted in euros, we get a lot of pushback,” says Officer. But Ireland is starting to quote and guarantee prices in U.S. dollars, he says, which has put it back on the map. Cruises quoted in dollars, in locations like the Greek Islands and Barcelona, are also seen as a low risk financially. We have seen interest in English-speaking Europe—London and the United Kingdom, as well as Ireland—rising as the pound stabilizes. Ireland and Italy are breaking down the resistance to Europe. Noting that destinations such as Portugal and Ireland” are making a big comeback.

## **All-Inclusive and Cruises**

The next big thing in the incentive travel market is definitely the rise of all-inclusive resorts that are able to cater to incentive groups.

“Three or four years ago, ‘all-inclusive’ meant standing in line at a buffet,” says Officer. “Now there are great five-star all-inclusives with great restaurants, fine wine lists, and open bars featuring Tanqueray, Johnnie Walker Black, and even Grey Goose. They are deluxe resorts now.”

That’s true even though all-inclusives can cost more up front, says Officer, who notes that corporate planners have told him the certainty of knowing that if the president decides to buy everybody in a 100-person group a round of drinks and it won’t bust the food and beverage budget makes it worth the cost. Besides, he notes, almost all of the resort activities like snorkeling and kayaking—everything except for motorized water sports, really—are free.

The Dominican Republic and parts of Mexico like Riviera Maya and Cancun, in particular, are getting a reputation for their all-inclusives.

Of course, cruise ships are the original all-inclusives in the incentive market, and they seem to be strong in virtually every part of the world visited by incentive groups, from Florida, to the Caribbean, to Europe. While a few more activities have charges, and the bar bills aren’t included, it is still largely a single bill and they have the added excitement of several ports of call, Officer says.

And they are quoted in U.S. dollars, which is important in European destinations from Italy and Barcelona to the Greek isles and the Dalmatian coast.

New ships are keeping the excitement level high, for example Royal Caribbean’s two new behemoths, the *Oasis of the Seas* and *Allure of the Seas*.

River cruises also seem to be picking up steam for all those reasons and because many of the vessels are of perfect size for buyouts. Singling out the Danube and the Seine It’s amazing what happens to an organization when it owns the whole ship. It gives a sense of ownership and affinity, and building affinity is critical now. It becomes a force multiplier for the program.