

TRAVEL WHITE PAPER April 2013

Making Destination Choice Go the Distance



Incentive Travel is a Win-Win

Incentive travel is a long-employed and proven reward and recognition strategy. Maritz Travel firmly believes in the value of incentive travel and the positive impact it consistently has in helping achieve business goals. In our opinion, substitutions for incentive travel strategies are clearly at a disadvantage in providing equal value when it comes to achieving business performance and effectively motivating participants. This positioning is reinforced through several studies recently conducted on related topics. One of those studies **Incentive Travel: The Participant's Viewpoint**, conducted by Site International Foundation and the Incentive Travel Council (ITC), provided the following insights:

- 95.5 percent of qualifiers said they were **extremely motivated, motivated or a little motivated** to earn the travel reward.
- 90.7 of non-earners were similarly motivated even though they did not receive the reward.
- 72.4 percent of earners reported an increased feeling of loyalty toward the company that provided the reward.

Additionally, the study showed that destination is one of the largest drivers of motivational value for incentive travel participants due to its ability to create memorable experiences. In the study, respondents indicated that, "the destination generated the greatest intensity of memory among earners."

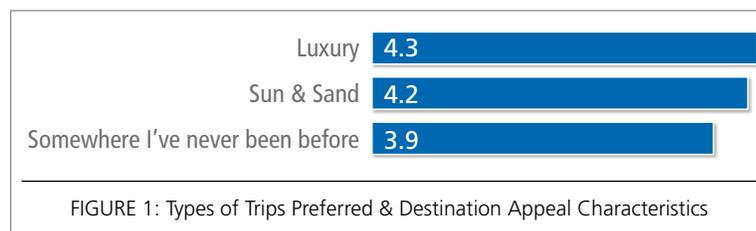
What Motivates Incentive Travel Program Participants?

Making program design decisions can be difficult for meeting stakeholders and planners, especially when there is pressure to keep budgets flat, while still delivering exceptional participant experiences. Truly understanding what motivates program participants will help guide organizations in providing better motivational value and greater business returns.

Recently, Maritz Travel conducted the "International Destination Index" to better understand participant preferences, perceptions and appeal when it comes to incentive travel destination options. The study surveyed more than 1,000 U.S.-based employees who were eligible to earn incentive travel rewards in the last three years. Leveraging 13 international destination choices, survey respondents provided a wealth of insights on a variety of areas.

Key findings of the International Destination Index included:

- Visiting new destinations or destinations that seem otherwise unattainable are key motivators (Figure 1).
- Participants prefer luxurious trips and "sun and sand" destinations.
- Long-haul destinations do not mean lower motivational value. Travel time is well worth the experience if the trip is something the participant wouldn't be able to experience on their own or is considered luxurious.
- Gender and parenting status impacted incentive travel preferences.



Well-regarded destinations with broad motivational appeal, such as New Zealand, Australia and Europe, provide insights about what incentive travel participants truly want out of a destination. Travel time, lodging accommodations and other experience inclusions are all highly dependent on the destination. Survey respondents indicated that destinations, such as these, play a strong role in creating and sustaining motivational value. Overall, destination sets the tone as the backdrop for experience design. Choosing a destination that falls outside of participants' preferences, perceptions and appeal creates a substantial disadvantage in effectively tapping the full potential value of incentive travel strategies.

In addition to understanding what motivates incentive travel program participants, we asked respondents their reasons for not finding a particular destination motivational.

Main drivers included:

- General lack of interest in the destination.
- Previous visit to the destination.
- Safety concerns regarding the destination.

Education and discrete audience promotions significantly influence these and related situations. For instance, many destinations shouldn't be on the proverbial "bucket list" as they offer return value through experience diversity. Returning to a destination doesn't necessarily mean a "repeat of experiences." Many destinations have a wealth of diverse offerings from culture and history to landscapes and activities. Destinations have an opportunity to influence incentive travel participants' perspectives by creating targeted messages for use in the media. In addition, destinations should work directly with suppliers and buyers to further related efforts, ultimately helping to effectively inform and shift sentiments surrounding a destination's overall appeal.

Making Incentive Travel Addictive

According to the International Destination Index, previous incentive travel earners find incentive travel more motivating and they had stronger opinions regarding destinations than their non-earner (but eligible) counterparts. This is likely because of their past incentive travel experiences. Previous earners want to:

70% | Go to places that are new and interesting to them

76% | Experience destinations & activities considered unattainable on their own

Destination selection becomes even more important when you have repeat earners. As a participant earns multiple incentive travel experiences, there is a steadily increasing level of motivational value. Those that have earned three or more incentive travel experiences, for instance, rank the appeal of incentive travel at **4.36** on a five-point scale. Those who only earned one experience ranked it at **4.2**.

It is important to note that non-earners also found strong motivational value in incentive travel opportunities — scoring an aggregate of **3.9** on the same five-point scale. Many organizations are adopting a trial, or a first-experience approach, for new hires to help improve onboarding time and retention rates while increasing the level of personal advocacy towards the organization.



Understanding Motivational Values of Different Demographics

The study showed that demographic differences can play a strong role in understanding what participants value in incentive travel programs. Parenting status and gender were two key drivers of respondent preferences.

Parenting Status

Overall, parents were more enthusiastic about incentive travel, rating most trip and destination characteristics higher than their counterparts. Not surprisingly, parents also had strong preferences about including their family. Parents favored trips that were more accessible in terms of international distance and logistical ease, also highly ranking “sand and sun” destinations.

- 65% | Parents want to take their family
- 39% | Parents prefer shorter, more moderate trips with destination choice

Respondents without children at home indicated that they:

- 72% | Prefer destinations new to them
- 77% | Prefer luxury trips

Additionally, distant locales such as Australia and New Zealand were more appealing destinations. These respondents indicated that destination distance does not negatively impact motivational value. As long as the destination aligns well with preferences, perceptions and appeal, program participants will not see the travel distance as devaluing the motivational interests of the destination.

Gender

The International Destination Index indicated that men and women differ on their incentive trip preferences. Overall women preferred more adventurous destinations – Africa, Belize and Russia – than men, while also preferring to travel in groups, explore new destinations, and participate in sight-seeing and recreational activities.

- 48% | Women prefer more adventurous destinations – Africa, Belize and Russia
- 43% | Women prefer to travel in groups
- 73% | Women prefer to explore new destinations
- 79% | Women want to participate in sight-seeing and recreational activities

Interestingly, the survey indicated that more men than women prefer to take their families on incentive trips. Men also felt strongly motivated by destinations they had never been to before.

- 58% | Men prefer to take their families on incentive trips
- 52% | Women prefer to take their families on incentive trips
- 39% | Men prefer to travel in groups
- 68% | Men prefer to explore new destinations



Understanding Participants Creates More Successful Incentive Travel Programs

At a time when incentive travel planners and stakeholders are struggling to stretch every budgetary dollar for the experiential value of their participants, this study indicated destination selection can make or break performance outcomes. Various market studies have shown that destination choice remains a common denominator of participant interests and engagement. Based upon the International Destination Index, we recommend these four considerations when evaluating destination options:

- 1. Destination is Key** – Other related decisions around hotel type, program length, activities and other elements are all strongly influenced by destination selection.
- 2. Market Demand ≠ Participant Interests** – What is in demand based upon economic or market indicators (mainly influenced by buyers and suppliers) may not necessarily be what's in demand from the participant's viewpoint.
- 3. Long Travel Time Doesn't Mean Lower Motivation** – Given the right destination, participants are more than willing to be patient. Air travel time doesn't have to be lost time, organizations can design some of the time spent traveling to and from the destination as part of the overall trip experience for participants.
- 4. Build Anticipation** – Considering a destination that hits the mark, but your participants aren't knowledgeable about it? If so, focus on communication approaches that provide your participants with educational opportunities and background information to better assess perceptions, preferences and appeal. Awareness approaches are not enough; destinations need to be further defined to allow participants to formulate their own opinions.

For organizations looking to “WOW” their incentive travel participants, it's nearly impossible to do so without the right destination to set the stage. While organizations want every investment dollar to provide the best business returns, incentive travel participants want an experience that is fair and worth their added investment in time and effort. Following the voice of your participants can make the difference between good, better and the best possible program outcomes for both the organization and program participants.



For more information, please visit Maritz Travel at www.maritztravel.com or call (877) 4 MARITZ.