

The New Face of Incentive Travel

By Karen Brost

No More One-Size-Fits-All for a Multi-Generational Work Force

After a few lean years during the recession, incentive travel is coming back in a big way. But that doesn't mean it's business as usual. As in any segment of the meetings industry, incentive programs are continuing to evolve to meet the changing needs of their attendees.

"It's no longer that one-size-fits-all mentality, it just can't be," explains Jeff Eells, president of TenDot Corporate

Travel in Lincoln, NE. "Our father's incentive program is not the same thing that my kids' program is going to be in another 20 years or what it is right now.

"I think the biggest thing that we've seen so far over the last year or two is the change of generation," he continues. "You're seeing a lot younger qualifiers instead of the people who are in their 60s and 70s who are qualifying. Now it's people in their late 20s, 30s and 40s

Photo courtesy of Keystone Resort



Younger incentive qualifiers would rather engage in "weekend warrior" activities — like this mountain-biking group at Keystone Resort in Colorado — than attend a stuffy, formal dinner.

community or having one of the local chefs come and do a farm-to-table dinner or helping the chef get something ready. They want to be more hands on. I think we're seeing a shift where people are willing to go take a hike or go take a bike ride or a canoe trip or a rafting trip or things like that because they want to get that rush. They want to play a little weekend warrior. They see it as a great opportunity to do that."

Deciding on a Destination

Experts say that the choice of destination plays a key role in an incentive program's success. After all, people will work that much harder to earn a trip to a place they've always dreamed of visiting.

"We are seeing that participants and companies are more open to international and remote and creative destinations," explains Steve O'Malley, senior vice president for Fenton, MO-based Maritz Travel. "They are getting more adventurous relative to places that were in favor maybe 10 years ago and during the

that are qualifying for the trip. Because of the age difference, there's just a new need for what we do on incentive trips.

"People want to be more engaged when they're on these programs," he

continues. "It's just not enough to dump people off on a warm-weather beach and say, 'OK, great, have a good time. We'll see you on Sunday when it's time for departure.' People are looking

for a lot more engagement, a lot more activities, a lot more involvement. It's not about sitting down for a formal dinner with suit and tie anymore. It's about being out on the beach or being in a local

downturn. What companies are saying is that in order to get the right behavior, the right performance and the right additional effort that they're asking people to invest here, they do need to provide a



Photo courtesy of Ritz-Carlton

A feel-good component of many incentive programs includes a corporate social responsibility activity, such as this Ritz-Carlton Volunteering sand dune protection project.



Photo courtesy of the K Club

Ireland is an incentive hot spot, as exemplified by the K Club (Smurfit Clubhouse shown) near Dublin City Centre. The K Club was anointed

one of the world's top 10 golf resorts by CNN.



Photo courtesy of Mexico Tourism Board

Cabo San Lucas, Mexico, (above) and the Caribbean are home to all-inclusive beachfront resorts, which have improved their offerings for groups in recent years.

Jeff Eells
President
TenDot Corporate
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Lincoln, NE



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destination and a complete package that is memorable, motivational and meaningful. It has to get people’s attention. It has to drive their performance, and I think that is why you’re looking at a little bit more of an exotic destination.”

“People are still pretty committed to North America,” Eells notes. “Now they’re also taking more of a look at the Caribbean, the Bahamas, Jamaica, Aruba. Nevis is one of our favorite places. They’re also looking for Costa Rica. We’re seeing some movement down in Colombia. It now is one of the places, in my opinion, to watch. It has fabulous hotels, great activities...a really over-the-top experience for not a lot of money. I’m always a huge fan of that.

“The Colombian government as a whole has done a fantastic job of getting planners down there,” he continues.

“It’s not the Colombia of the ’80s and ’90s where you’re thinking “Scarface.” It’s not that drug-riddled culture they’ve been known for in the past. It has the most hospitable people that you’ll ever meet. Brazil’s going to be another huge location. We’re doing a huge program for the World Cup there for 2014.”

Rodger Stotz, chief research officer for the Incentive Research Foundation, recently gave a presentation at the Philippine M.I.C.E. Conference on “What’s In, What’s Hot” in incentive travel. In his presentation, he identified the following countries as being emerging incentive destinations: China, Bali, Vietnam, Cambodia, South Africa, Argentina and Peru.

Some warm-weather destinations have been known for their all-inclusive packages, which have often received a bad rap in the past. “The all-inclusives have come a long way in the last five or six years,” Eells explains. “It’s not (any longer) that schlocky ‘feed them, water them and get them home.’ They’ve put a lot of thought and effort into making the food good and the service good. They have to, out of necessity.”

O’Malley agrees. “Some of the all-inclusive properties that we use quite often, primarily in the Caribbean and Mexico, are some of the nicest properties that I’ve ever seen.”

No More One-Size-Fits-All

With so many generations in the work force, it’s no longer easy to pick a one-size-fits-all destination. “Not everyone will say that a beach destination is what is going to really appeal to them,” O’Malley notes. “Thirty years ago it could have been a grand European capital, and that would have been fine because you had a much more homogeneous work force. I really think that (now) you need to offer multiple choices of destinations because destination does tend to be one of the biggest drivers of attractiveness of an incentive travel program. Where possible, you need to build choice around destination, then once you get to the destination, build in choices to the destination itself.

“Probably a quarter of our clients of-

fer that,” he continues. “They find it unbelievably motivating. It only makes sense that if people can shape their own experience, choose their own destination, that they’ll strive that much harder for it.” He gave the example that an employee with young children might be far more motivated by the prospect of a family trip to Orlando than they would by a seven-day program in Europe at this stage of their lives.

“Outside of that warm-weather destination, we’re seeing a lot of Ireland,” Eells describes. “It’s hard to go to Ireland and not come back without a big smile on your face. It’s a great place. It’s one of the only places in the world where people will stop you on the street, and say ‘Let’s go have a beer.’ The people are what make Ireland so absolutely incredible. We’ll take incentives over there as much as we can just because of the hospitality of the people. It also has fantastic hotels, easy lift and great transportation while you’re there. I think Ireland is another hot spot right now.”

Panama Case History

Ted Funk, president of Funk Travel,



Cruises are ideal for incentive groups because of their all-inclusive service and value. The atrium on the Carnival Breeze (above) is a great space for networking.

plans an annual sales incentive trip for a client in the agricultural industry. This year, the group traveled to Panama for a week-long program that included a bucket-list-worthy activity — a cruise down the Panama Canal.

For accommodations, Funk’s client chose the luxurious Trump Ocean Club International Hotel & Tower in Panama City. Set on the coastline in the exclusive residential neighborhood of Punta Pacifica, the hotel soars 70 stories above Panama Bay and delivers spectacular city and ocean views. The building’s stunning architectural design is in the shape of a butterfly, the national symbol of Panama. Guests have a choice of multiple restaurants and bars offering indoor and outdoor dining, and plans are underway to add the Spa at Trump and a 75,000-sf casino. The 369-room resort has 46,000 sf of meeting space.

“The rooms were amazing,” Funk describes. The hotel’s sleek, contemporary rooms and suites are spacious, measuring from 525 sf to more than 1,500 sf, and they each offer floor-to-ceiling windows and a private balcony “The hotel has great restaurants, great bars and a lot of public spaces. The pool area was amazing. We had a cocktail party (there), so people could come have a drink or two. We had entertainment — some local Panamanian musicians, which were good.” The hotel’s pool deck is located on the 13th floor and includes five pools, private cabanas and an open-air restaurant and lounge. “Everybody was very happy.”

Panama City provided an excellent home base for exploring much of what the country has to offer, and the group saw and did a lot within a three-hour drive. “We went to the San Blas Islands archipelago to do snorkeling,” Funk explains. “San Blas is amazing. We also went to the jungle twice — to a bird sanctuary and a preserve. They were always on the go, whether it was to San Blas or the rain forest.”

The group also toured the engineering wonder of the Panama Canal on two different days. “We did the visitor’s center on Sunday, and we had a half-transit on Thursday,” he explains. For



The Trump Ocean Club International Hotel & Tower in Panama boasts a stunning butterfly architectural design and offers equally impressive amenities and experiences.

the half-transit tour, the group traveled by ship through two of the canal’s three locks. “It was amazing,” he says, “just to see all those ships going through.” Funk arranged the tour through a local ground operator.

“It was an eye-opener,” Funk says of his Panama experience. “We learned a lot.”

Designing the Program for ROI

“There’s definitely a belief that when designed appropriately, incentive travel is a critical tool for businesses to use to increase the performance of their people,” O’Malley explains. “One of the biggest changes that we’ve seen in the past couple of years is that people are looking for demonstrative return for the dollars that they’re putting against these activities.”

O’Malley says that program design is one of the critical issues that the industry is facing right now. “It’s really gaining a deep understanding of what the client’s goals and objective are in order to design the program correctly, in the rules and campaign phase, as well as ultimately designing the right experience for the guests. That requires a deep understanding of what is appealing to that individual, not necessarily what is appealing to the executives who are forming the programming.”

He adds that a well-designed program should easily pay for itself. “I think you should have anywhere between a three

and five times return on the investment if done correctly, absolutely. When you look at incentive travel, it should be viewed as core to the attraction of new employees, retention and engagement of your current employees, and even viewed as part of their compensation plan. I think the best companies out there do just that. It’s part and parcel of the value proposition that a company is providing to an associate to say, ‘Hey, we value you and want you to be part of this mission that we have.’”

How Long Should it Be?

The typical length of a program has also changed over the years. Brad Williams, senior director, operations for CWT Meetings & Events, remembers the time when there were a lot of five- and six-night programs as well as dual destination programs that spanned eight to 10 nights. “For the most part, those programs are history,” he says. “I would say the average incentive program that we’re seeing now is three to four nights unless it takes a day to get there. So if you’re going to Australia or South Africa, obviously it’s going to be a longer incentive program because of travel time. The other programs that tend to be longer are cruises. We do a lot of six- and seven-night cruises because that’s what the itineraries are, typically.”

He listed some advantages of cruise incentives. “They’re just a tremendous

value because everything is all-inclusive. You don't have to plan a lot of tours because the cruise lines offer a lot of tours. You can simply give people a shipboard credit to use to purchase their own tours, then do a couple of exclusive ones to keep the group together and supplement what the ship already offers."

Williams also discussed regional incentive programs, which can be as short as two nights. "Say the Northeast region was doing a spiff incentive program to drive this particular product in the fourth quarter of the year. They might offer a New York City/Big Apple reward for the people that achieve the results and do something that they couldn't do on their own like a private dinner at the top of Rockefeller Center. The regionals are really great for those spiff-type spur-of-the-moment incentives."

More Trends

If there's one thing incentive attendees love to get, it can be summed up in two words: Free time. O'Malley says, "One of the things our research shows at Maritz Travel Company is when we went out and tested, I'll say, 17 activities that are normally included in incentive travel, the one activity that came back as the most popular was free time. It only makes sense. Everyone is so busy now that having an opportunity to relax and enjoy and take time to do whatever you might want to do with your guests is probably a pretty attractive thing. Free time doesn't really cost the sponsoring company anything, so you can use those dollars to invest in something else, whether it's upgraded menus, an additional night, you name it. It really becomes a choice that the sponsoring company can make."

Williams says, "It used to be that incentive programs were jam-packed full of activity. Now it seems like companies want to have group time, but they also want people to have free time."

"CSR (corporate social responsibility) is still big," he adds, "depending on the corporate culture of the company. If, on an incentive program to Mexico, you take a group out into a village and build bikes and the kids come and they

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ride their bikes off, you feel really good about that whole experience. We have customers that try it once and then it becomes part of the culture. People want to do it every time they go on an incentive program.

"It doesn't have to be a half day out of your incentive program," he elaborates. "It could be a half hour where you go into a ballroom and you pack boxes with chewing gum and magazines and things to send to the service people overseas."

Taking Care of Business

Incentive programs are mainly designed for rest, relaxation and rewards, but they also offer a rare opportunity for company executives to communicate and interact with their top performers. As O'Malley explains, "You have your top performing associates gathered together, so you may as well

take that time to share with them insights as to where you're going to take the company, have them feel even more engaged and help steer the process to take the company to new heights. It's always going to be a matter of trying to balance out the amount of time you spend in a meeting room versus the amount of time you spend at leisure or doing other activities."

Williams described one creative approach to soliciting this kind of input while everyone is gathered together. "It's creating these kinds of lab environments where you're showcasing your new product or new technology. They can touch it and feel it, maybe in small groups rotating throughout the lab. You're not only showing them what's new, but soliciting their input. They feel really good about giving that input, and it's just a great way to share information with your most important stakeholders," he explains. "We've even set them up so that you walk into this space and there are these big beakers with colored water and dry ice. The smoke is coming out and the presenters are in lab coats. You get the sense that 'Wow, we're really experimenting here.'"

Getting Them Hooked

"The best thing about any kind of incentive program," Eells notes, "is if you can get someone out of their comfort zone. Maybe they haven't left the country before, maybe they haven't seen a sugary sand beach before, but as soon as they have that experience, you can watch their eyes open up. Once you know they've been transformed through one of these incentive programs, you know they're hooked from here on out."

"Travel is such a transformative thing," he concludes. "If these men and women bust their butts to qualify, it's up to us to make sure they have a great time and come back for more year after year."

One CEO succinctly summed up the power of incentive travel. At the close of his presentation in the Philippines, Stotz quoted the executive who said, "Our incentive travel program would be the last thing we would eliminate before we turn the lights off." **C&IT**

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