

# 5 Incentive Travel Trends in the Post Pandemic World



Annette Gregg, CMM MBA  
CEO, Society of Incentive Travel Excellence/SITE

# Agenda

- 1 Does Incentive Travel still work?
- 2 Incentive Travel – Can it truly serve two masters?
- 3 Destination types and program inclusions – what's new?
- 4 Headwinds and challenges – what's brewing for 2023 and beyond?

# inSITES Series

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WHITE PAPER



## ▶ Attendee Preferences for Incentive Travel: How the Right Motivation

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# Incentive Travel Index

Incentive Research Foundation (IRF) & Society for Incentive Travel Excellence (SITE)  
In association with Oxford Economics

Take the survey

# site MEMBERS

  
**2,500+**  
members strong

  
27 local / regional chapters worldwide

**84 countries**  
represented in membership



  
**\$1.06B+**  
PURCHASING POWER

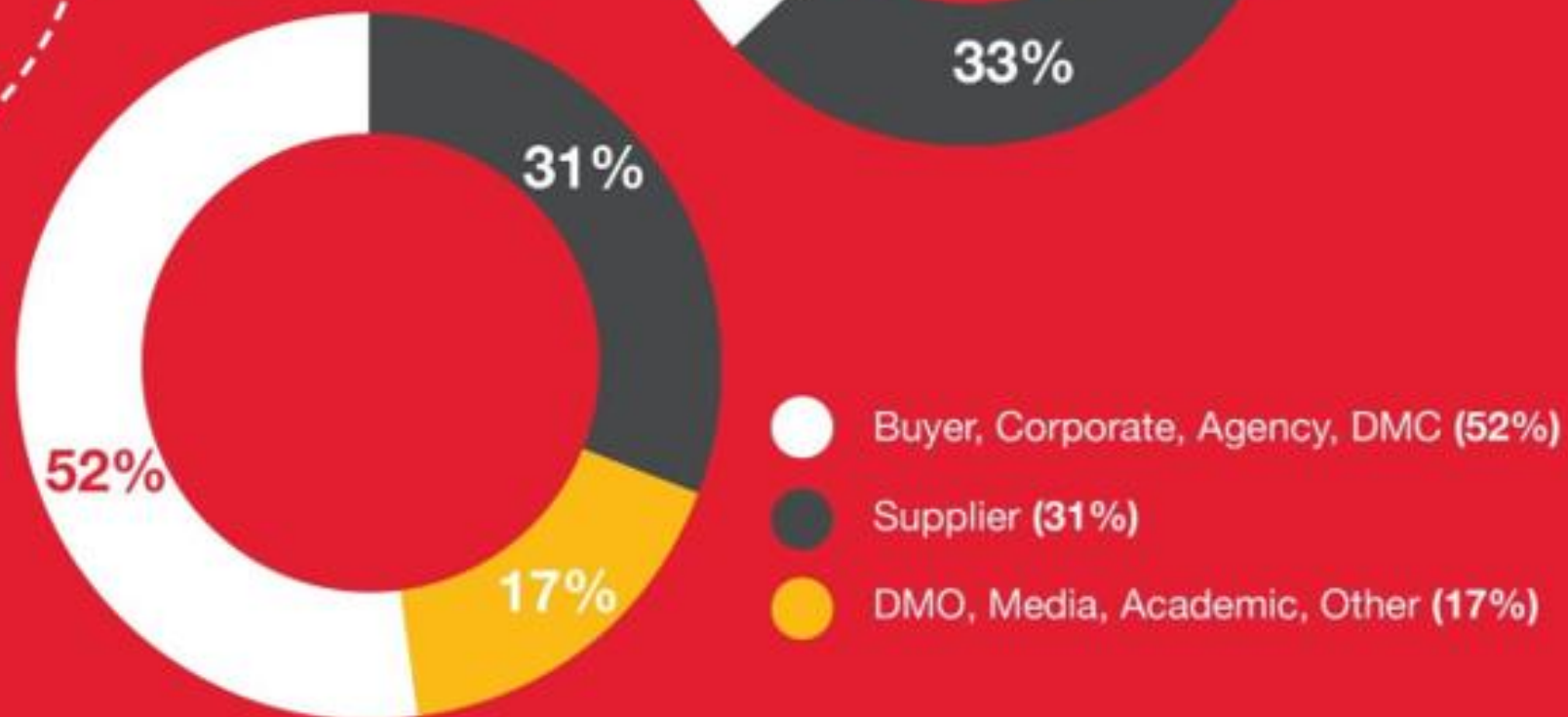
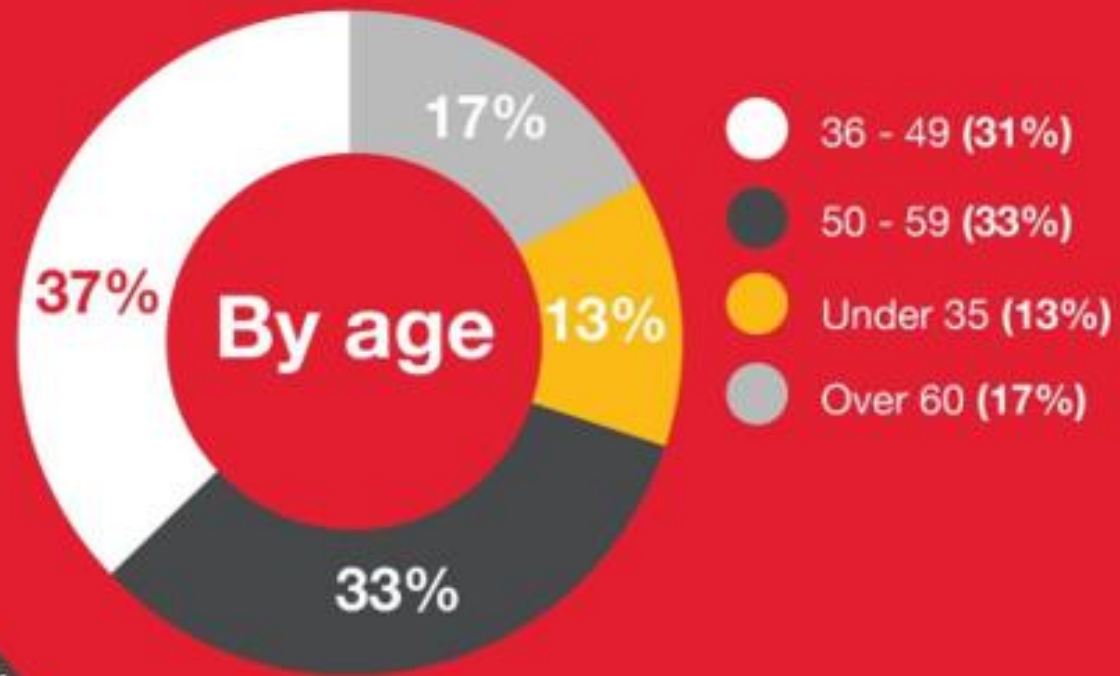
## Significant buying power

SITE members have a combined **\$1.06B+** purchasing power

Over **400 members** of SITE have program budgets in excess of **\$1.5M**



# SITE Member Demographics



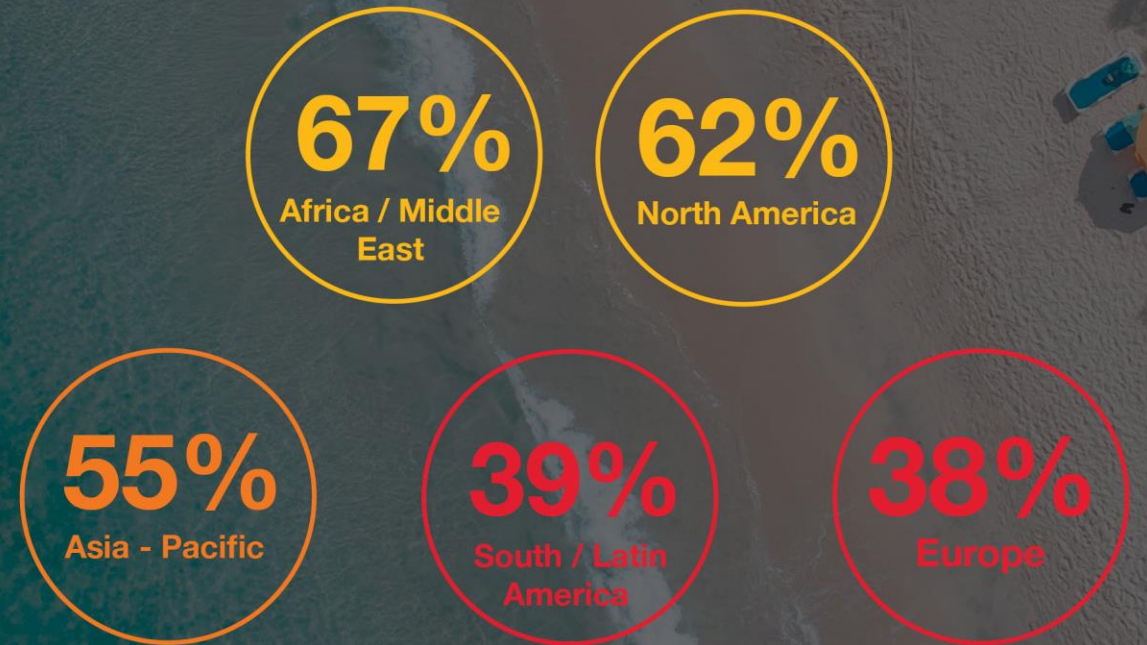
# 1. Incentive Travel still works as a key motivator

- 91% of qualifiers see incentive travel as “very” or a “extremely” motivating (IRF 2023)
- 69% of senior management in North America see incentive travel as a profit driver v 63% in ROW (ITI 2022)
- 86% of qualifiers felt “extremely motivated” or “motivated” to qualify for an incentive travel experience (SITE 2023)



# The Regional Picture...

Extremely motivated respondents by region:



# Soft power objectives are at least as important as hard dollar returns

## 2019

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- Increased profits
- Improved engagement
- Increased productivity
- Better relationship between qualifiers and management
- Improved retention

## 2023 onwards

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- Improved engagement
- Enhanced customer satisfaction
- Better relationship between qualifiers and management
- Better relationship between workforce
- Increased profits



# #WFH

## How do people feel about remote work?

site

**65%**

Want to become full-time remote employees



**31%**

Prefer hybrid arrangements with some days in the office and some days working from home

## 2. Some different priorities emerge

Qualifiers	Program Owners
<p>74% “much prefer” or “have a slight preference” for an individual travel experience versus 13% for group (IRF 2023)</p> <p>“Free Time” or “Time with Spouse” rank 1<sup>st</sup> or 2<sup>nd</sup> across ALL regions (SITE 2023)</p>	<p>Top ranking success factors are:</p> <ul style="list-style-type: none"><li>Activities that promote relationship building between officers and qualifiers;</li><li>Group cultural or sight seeing experiences;</li><li>Group Dining Experiences (ITI 2022)</li></ul>

**Figure 2: Most Important Drivers of Positive Incentive Trip Experiences**



*Response of "Extremely Important" or "Somewhat Important" for each incentive trip driver.*

**Participant Activity Preferences by Region**

	Africa/Middle East	Asia - Pacific	Europe	North America	South America / Latin America
1	Team-building	Free time	Free time	Time with spouse	Time with spouse
2	Time with spouse	Shopping	Time with spouse	Free time	Gala dinner
3	Free time	Gifting	Immersive cultural	Immersive cultural	Gifting
4	Immersive cultural	Gala dinner/ awards	Gifting	Gifting	Shopping
5	Time with colleagues	Time with spouse	Gala dinner	Active	Free time



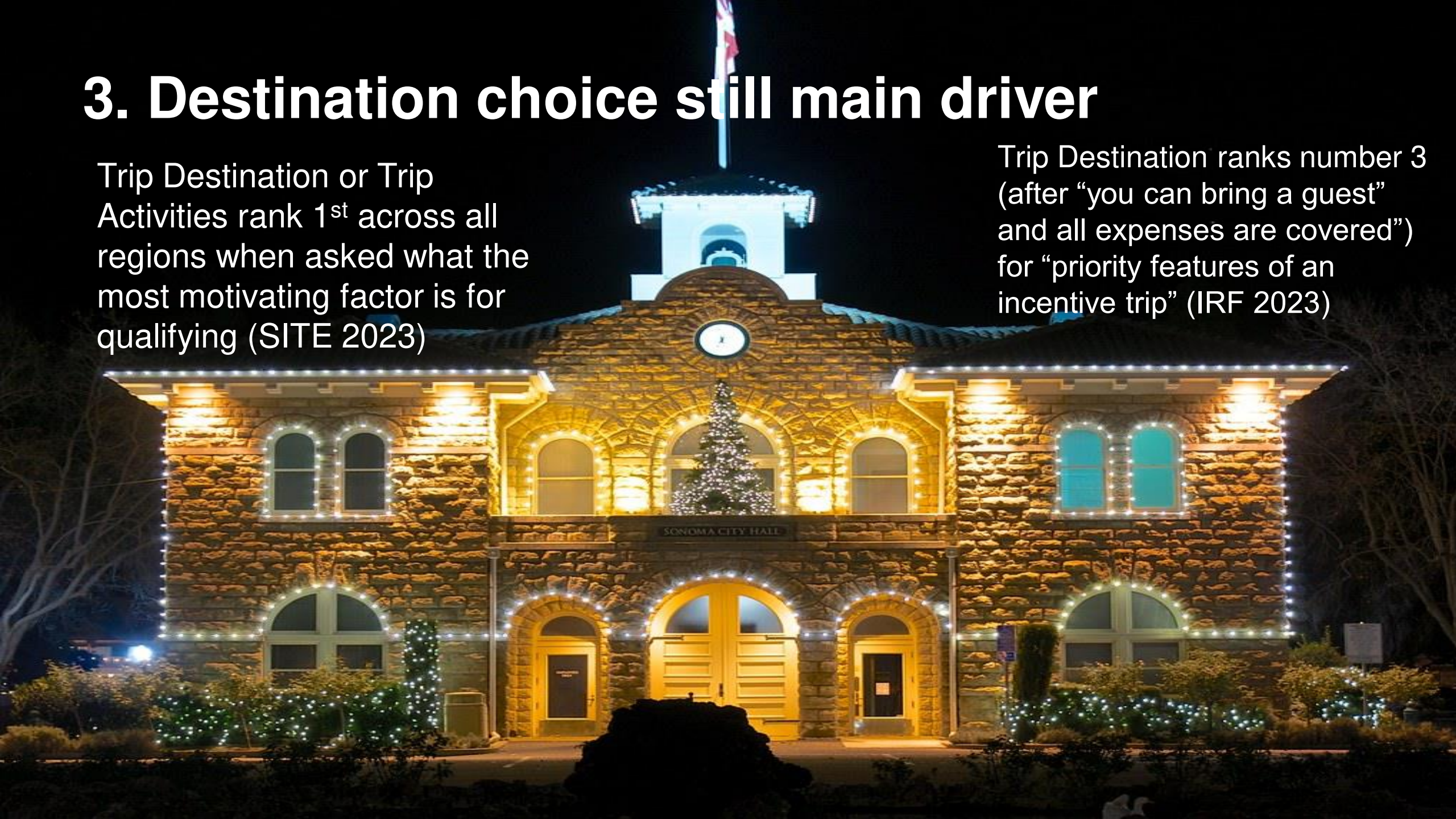
# Activities key to a successful program



# 3. Destination choice still main driver

Trip Destination or Trip Activities rank 1<sup>st</sup> across all regions when asked what the most motivating factor is for qualifying (SITE 2023)

Trip Destination ranks number 3 (after “you can bring a guest” and all expenses are covered”) for “priority features of an incentive trip” (IRF 2023)



**Figure 6: Top Destination Experience Features**

- |     |  |                     |
|-----|--|---------------------|
| # 1 |   | Beach/sunshine      |
| # 2 |   | Adventure travel    |
| # 3 |   | Cruise              |
| # 4 |   | Mountains           |
| # 5 |  | Cultural importance |

Source: IRF

# Participant Destination Preferences by Region

	Africa/Middle East	Asia - Pacific	Europe	North America	South America / Latin America
1	International	International	Culturally Unique	International	International
2	Culturally Unique	Resort	Sunny Beach	Resort	Culturally Unique
3	Resort	Culturally Unique	International	Sunny Beach	Sunny Beach
4	Sunny Beach	Sunny Beach	Resort	Culturally Unique	Cruise
5	Mountain / Snow	Mountain / Snow	Urban City	Domestic	Resort

Source: SITE

# 4. Some concerns on the horizon

## Future challenges facing incentive travel professionals



S2. What important future challenges face incentive travel professionals?

Each respondent was shown a short, random list of choices and was asked to select the three most important

Response base: All, n = 1,079 respondents

Source: ITI 2022



<b>Challenge / Ranking</b>	<b>2022</b>	<b>2023</b>
<b>Rising Costs / Inflation</b>	<b>1</b>	<b>1</b>
<b>Attracting / Retaining Talent</b>	<b>2</b>	<b>2</b>
<b>New Expectation regarding contract management</b>	<b>3</b>	
<b>Uncertainty / Short Term Planning</b>	<b>4</b>	<b>3</b>
<b>Loss of industry knowledge due to staff departures</b>	<b>5</b>	<b>4</b>
<b>International instability</b>	<b>6</b>	<b>6</b>
<b>Rise of Legal</b>	<b>7</b>	<b>10</b>
<b>Public Health</b>	<b>8</b>	<b>12</b>
<b>Decreased margins</b>	<b>9</b>	
<b>Evolving preferences amongst qualifiers</b>	<b>10</b>	<b>9</b>
<b>Sustainability</b>	<b>11</b>	<b>7</b>
<b>DEI</b>	<b>12</b>	<b>13</b>
<b>M&amp;A activity</b>	<b>13</b>	
<b>Event Insurance</b>	<b>14</b>	
<b>Climate Change</b>	<b>15</b>	<b>14</b>
<b>Securing resort availability</b>		<b>8</b>
<b>Securing airline availability</b>		<b>5</b>
<b>Need for program justification</b>		<b>11</b>



### TOP TWO

Rising  
Costs

Attracting  
New  
Talent

### NEW 2023

Airline  
(5)

Resort  
(11)

Program  
Justification  
(11)

### GONE 2023

Contracts

Margins

M&A  
Insurance

### UP 2023

Uncertainty  
(4-3)

Staff (5-4)

Preferences  
(10-9)

Sustainability  
(11-7)

Climate  
(14-13)

### DOWN 2023

Legal  
(7-10)


Health  
(8-12)

DEI  
(12-13)

# Changing Demographics

**According to recent studies, Gen Z and millennials currently make up approximately 38% of the global workforce and this percentage will rise to about 58% by 2030 (40 years old or younger)- PWC**





# **What's Important to the Younger Incentive Participant/Designer/Owner:**

1. Authenticity
2. Choice/personalization
3. Immersion



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