

MeetingsNet/  
Incentive Research  
Foundation  
**SURVEY**

# INCENTIVES RALLY

**Budgets for  
incentive  
travel spending  
climb toward  
pre-recession  
levels**



**Benchmark your  
incentive size,  
program priorities,  
destination choices,  
and more**



# BUDGETS

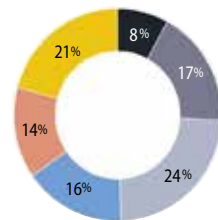
**Last year's results could have been an anomaly**, but with the latest data just in from the annual incentive travel survey by MeetingsNet and the Incentive Research Foundation, it looks like we've got a trend on our hands: Budgets are coming back! "Overall this year's survey again shows a banner year for incentive travel, with budgets expanding and programs growing," says IRF President Melissa Van Dyke. "Planners continue to find ways to meet attendee demands for authentic, unique, personalized experiences by targeting new destinations, expanding their use of mobile, highlighting merchandise experiences, and helping attendees give back."

## PER-PERSON INCENTIVE SPENDING

We're climbing back to pre-recession levels

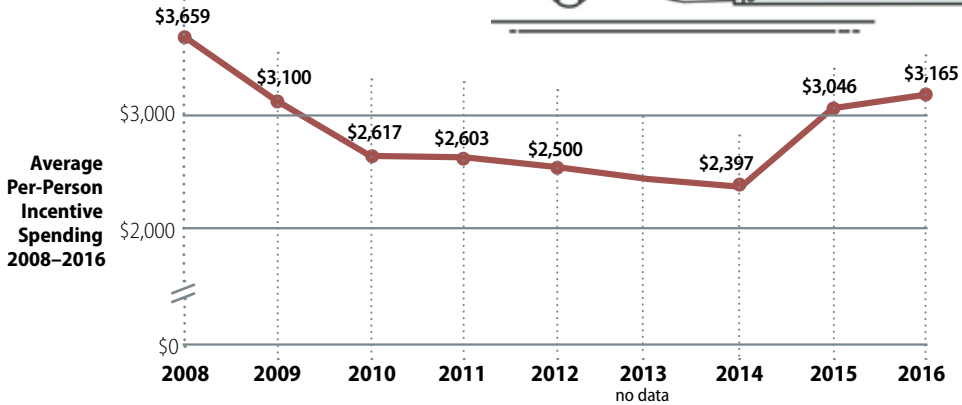
Back in early 2008, the MeetingsNet/IRF survey marked the average per-person spending on incentive travel programs at \$3,659, but it was downhill from there. For seven years, spending took a steady dive, hitting a low of \$2,397 in 2014. Finally, last year, things started to change in a positive direction. This year the recovery continues, with respondents' 2016 average per-person incentive spending at \$3,165. "Last year saw the largest year-over-year jump we had seen since the recession," says Van Dyke, "increasing almost \$650 per person. Although this year's change is more modest—a \$119 increase per person—it gives the market its first per-person-spend upward trend line since the recession."

Per-Person Spending



- Less than \$1,000
- \$1,000 to \$1,999
- \$2,000 to \$2,999
- \$3,000 to \$3,999
- \$4,000 to \$4,999
- \$5,000 or more

Respondents were asked for the per-person expenditure, including airfare, for their largest group travel incentive program in 2016



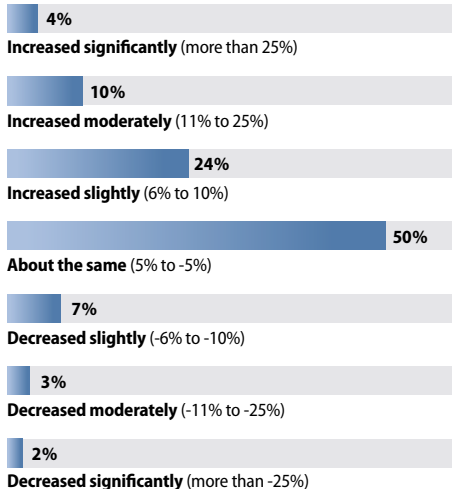
## Sustainable Growth

Asked about their 2016 incentive budgets overall, most planners reported budgets that are stable or that have grown over 2015. But the mood is not quite as giddy as it was last year when almost 54 percent saw increases (and half those increases were more than 10 percent). For 2016, planners whose budgets are up (about 38 percent of respondents) are typically working with modest—and more sustainable—increases. “The austerity measures and cautious optimism of the post-recession era is finally receding from budgets,” Van Dyke says. “The pendulum is now swinging toward program re-investment, giving planners the resources they need to create incentives with a lasting impression.”

### Average Incentive Budget Change in 2016



#### Change in 2016 Incentive Budgets



**More Info!**



**Supplier Partnerships Rule** When it Comes to Managing Your Incentive Travel Budget



# HELP! THE BUDGET GOT CUT (OR, YAY! THE BUDGET WENT UP)

## What to do when the budget changes?

The most common reaction when faced with a shrinking incentive travel budget is to shorten the length of the trip. But when budgets rise there are seven strategies more common than adding more room nights: **They are, in order:**



**1. ADDING WOW ELEMENTS**



**2. CHOOSING A MORE LUXE PROPERTY**



**3. INCREASING THE F&B BUDGET**



**4. ACCEPTING MORE QUALIFIERS**



**5. ADDING MORE OFF-SITE EVENTS**



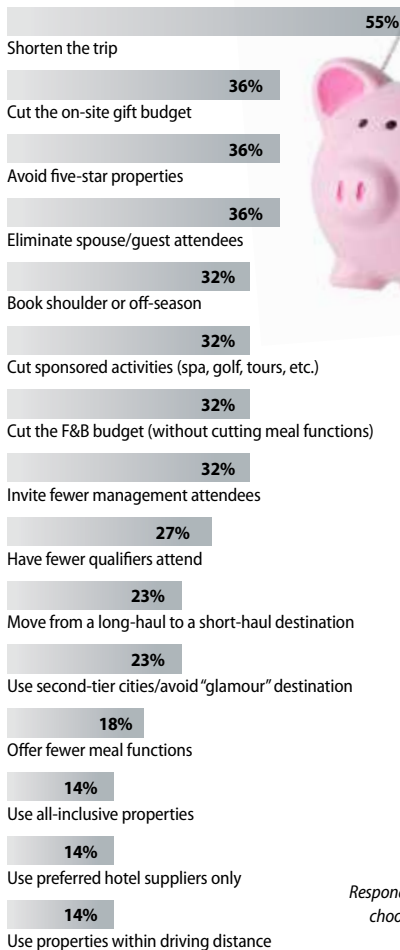
**6. DEVELOPING AN APP**



**7. INCLUDING AN ON-SITE MERCHANDISE EXPERIENCE**

## Cost-Cutting Strategies

Only one in five planners said they add room nights when the budget goes up, but more than half will cut room nights when the budget goes down. Here's a full ranking of respondents' cost-cutting strategies:



39 percent of respondents are working with a bigger budget in 2016 than 2015.

Can you guess the No. 1 thing they attribute it to?



Respondents could choose multiple responses

# DESTINATIONS

## AROUND THE WORLD WITH 2016 INCENTIVES

Two long-haul locations—Africa and Asia—are seeing a pop in incentive travel programs compared to last year, but home-grown destinations remain the most common choices, and will be used by almost eight out of 10 incentive planners this year. “With proximity, natural beauty, and a long history of strong vendor partnerships, it’s not surprising the U.S. and Caribbean remain the primary targets for incentive travel programs in 2016,” Van Dyke says. “But the rich, deep, cultural experiences offered in Asia and Africa, coupled with increasing budgets for longer-haul flights, mean planners now have more options to offer demanding attendees looking for authentic and unique experiences.”

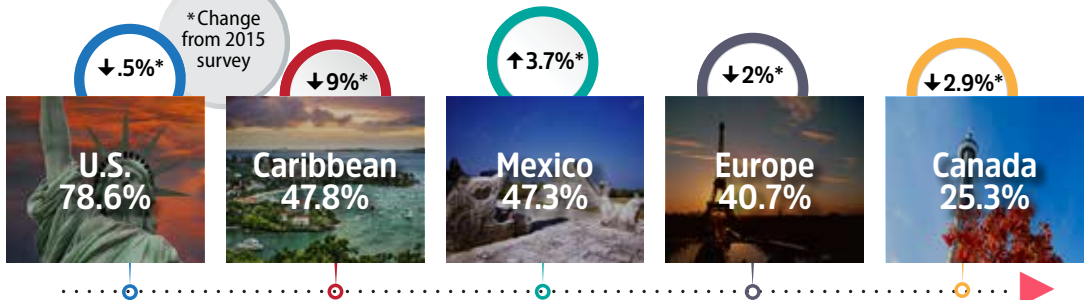


**Guess the most common lead-time for booking an incentive program:**

- 1–3 months
- 4–6 months
- 7–12 months
- 13–24 months
- 25–36 months



**Where will you take your incentives in 2016?** (continued on next page)



Respondents could choose multiple destinations

# UP & COMERS

## Emerging Latin America destinations are top of mind

A good incentive program gives attendees some bragging rights and provides experiences that they couldn't or wouldn't be able to arrange on their own. With its ongoing rapprochement with the U.S. government, Cuba leads the list of emerging destinations that have respondents' attention. (It's moved up from third place on last year's list.) Straight-ahead tourist travel to Cuba is still not permitted for U.S. citizens. However, some U.S. groups are finding

their way to the island under **12 approved travel categories**, including professional meetings and educational activi-

ties. With an agreement signed in February, commercial air travel to Cuba could be available this fall and American

and Southwest airlines are among the carriers interested in the new routes.

### Top 5 Emerging Incentive Destinations



1

◀ **CUBA**  
View of Presidents Avenue, Havana

2

▼ **PANAMA**  
Panama City Market



**COSTA RICA** ▶  
Matapalo Beach

4

▼ **COLOMBIA**  
Sunset over Cartagena

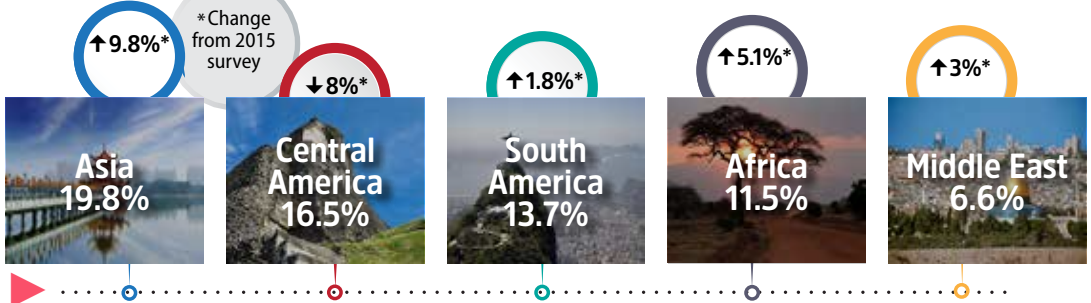


3

**ICELAND** ▶  
Aurora Borealis above Kirkjuffell in Iceland



### Where will you take your incentives in 2016? (continued from previous page)



Respondents could choose multiple destinations

## PIER-TO-PIER INCENTIVES

Third parties plan cruise incentives more than others

Cruising remains a notable option for incentive travel programs. Overall, almost half of our survey respondents hold cruise incentives. However, it turns out that third-party planners are a lot more likely to send winners up the gangway.

### Do you use cruises for incentive trips?

IN-HOUSE MANAGERS



● YES 34.5%  
● NO 65.5%

THIRD-PARTY PLANNERS



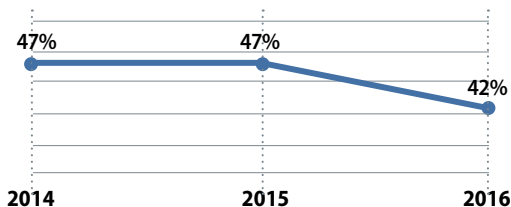
● YES 56%  
● NO 44%

## A CHOICE OF DESTINATION

Individual rewards used by 4 in 10 planners

Individual incentive rewards may not allow for networking and group recognition activities, but they certainly tick the customization box many incentive winners appreciate. While we saw a slight drop for individual incentives in this year's survey, it's still a well-used option in the motivation toolkit.

### Percentage of incentive planners who use individual incentives



# PROGRAMMING

## DESIGNING A MEMORY

How planners add "wow"

When budgets go up, so does the adrenaline: Planners are most likely to add experiential "wow" elements to a program when they have additional resources (with "selecting a more luxurious



property" a close second, followed by "increasing the F&B budget"). But creating the "wow" means different things to different people. Here's how it plays out for the planners we surveyed, with physical activities that involve the great outdoors coming out on top...

How do you add “wow” into your incentives?



**ADVENTURE ACTIVITIES** **68%**  
(i.e. ziplining, hiking, extreme sports)

**THEMED EVENTS** **64%**

**ENTERTAINMENT** **58%**

**FACE-TO-FACE TIME WITH EXECS** **46%**

**SPEAKERS** **45%**

**MUSIC** **41%**

**STAGE SETS/ ROOM SETS** **37%**

*Respondents could choose multiple answers*

## DOWNWARD DOG DAYS

**Yoga is the top wellness activity for incentives**

While lounging poolside at a five-star resort or touring one of the world’s great cities can be good for the soul, many incentive planners—41 percent of our respondents—say they consciously build health and wellness options into their agendas in addition to the lineup of sightseeing, shopping, and networking events that make a memorable incentive program.

How do they do it? The number-one wellness option mentioned by planners is **yoga** classes, followed by **healthy meal choices**, **fun runs**, and **spa activities**. While one planner commented that the yoga and nutritional classes she offers are empty (“Clients want the option for perception, but attendees don’t care”), many others revealed enthusiasm and thoughtful creativity around their wellness initiatives. **Here are some of our favorites:**



**COOKING CLASSES**  
focused on healthy cuisine



**SEMINARS** on stress management and work-life balance



**GIVEAWAYS** that promote wellness, such as infuser cups and gift cards to athletic company stores



**PEDOMETERS**  
for attendees

**CREATIVITY LOUNGES**

**HEALTH SCREENINGS**

What do these brands have in common?



Bose,  
TOMS,  
Maui Jim



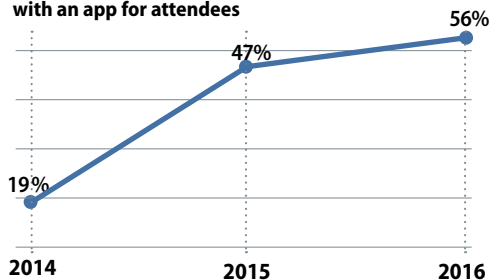


# DOES AN INCENTIVE PROGRAM NEED AN APP?

Increasingly, the answer is “yes.”

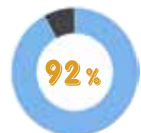
“While apps continue as a pronounced part of programs, they now function primarily to reduce prior paper-based elements: agenda, surveys, contact sheets, etc.,” Van Dyke says. “Over the next few years, our prediction is that the integration of these tools with other business applications and marketing tools will help planners migrate to more robust use: gaming, geo-location, and more.”

**Percentage of incentive programs with an app for attendees**

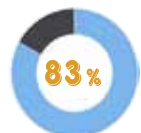


*Respondents could choose multiple answers*

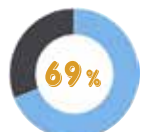
**What are the app's features?**



On-site agenda

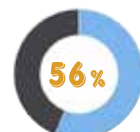


Messaging to attendees

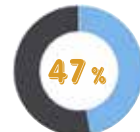


Surveys

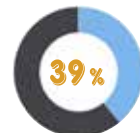
*Respondents could choose multiple answers*



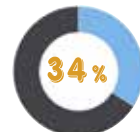
Attendee-to-attendee messaging



Sponsor recognition



Content/interaction leading up to incentive



Geo-location features



In theory, gamification sounds promising. Add friendly challenges and a little healthy competition to get attendees fired up, engaged with

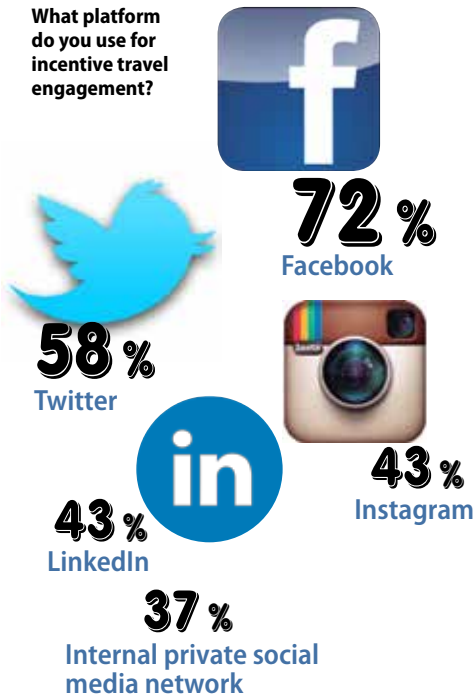
the destination, and interacting with each other. But the trend remains somewhat weak among incentive program planners. In

last year's survey, 17 percent of respondents had game elements in their program and this year it was 16 percent—8 percent

of in-house manager respondents, and 22 percent of third parties.

For those who do add gamification, mobile apps often play a central role by making it possible to track attendees' points for taking pictures, tweeting out messages, or sharing other content.

What platform do you use for incentive travel engagement?



Respondents could choose multiple answers

## SNAPSHOT OF SOCIAL MEDIA USE

Facebook still king, Instagram gains followers

About half our respondents (49 percent) said they use social media to enhance incentive travel programs and engage participants. As in 2015, Facebook remains the most popular platform for incentive travel planners, but Instagram has gained ground, increasing by 5 percent.

## GIVE BACK

One in four incentives includes a CSR activity

"Even on incentives, groups want to give back," wrote one survey respondent. "We find they like [corporate social responsibility programs] better than teambuilding activities, especially when it ties into a local organization." About one-quarter of respondents said they offer CSR events as part of their incentive trips. "This trend started as a way to help planners legitimize their incentive programs in the downturn," Van Dyke says, "but it has expanded, given employees' increasing desire to work for organizations with a strong social mission. Organizational social responsibility is like Wi-Fi, no longer a nice to have but a necessity."

Here's a sample of what planners are doing:

Building bikes or



Assisting a Meals on Wheels program



Donating school supplies to local schools

Replanting a forest with native plants



Building computers

Helping Clean the World with soap recycling



Clearing invasive plant species

Working with Habitat for Humanity



Decorating and donating TOMS shoes

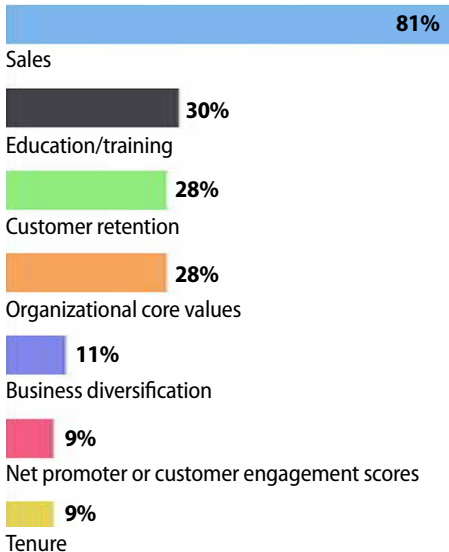
# DEMOGRAPHICS

## WHO ANSWERED OUR SURVEY?

In a survey conducted January 29 through February 16, 2016, MeetingsNet and the Incentive Research Foundation received 182 usable responses from people responsible for planning incentive travel programs. Penton Research, the research arm of MeetingsNet's parent company, was responsible for data collection and analysis.

Forty-seven percent of the respondents are in-house managers and the rest work for third-party planning companies. Four out of five in-house planners say their companies plan 1–10 incentive travel programs a year. Third parties tend to be the volume players, where one-quarter of the firms plan more than 80 incentive programs annually.

### To which goals do you tie your largest incentive trip?



*Respondents could choose multiple answers*

### Number of Incentive Travel Programs Planned Annually

