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Incentive
Travel
Excellence



**INCENTIVE TRAVEL
INDUSTRY INDEX**

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INCENTIVE TRAVEL INDUSTRY INDEX

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Preliminary 2019 survey results

September 2019



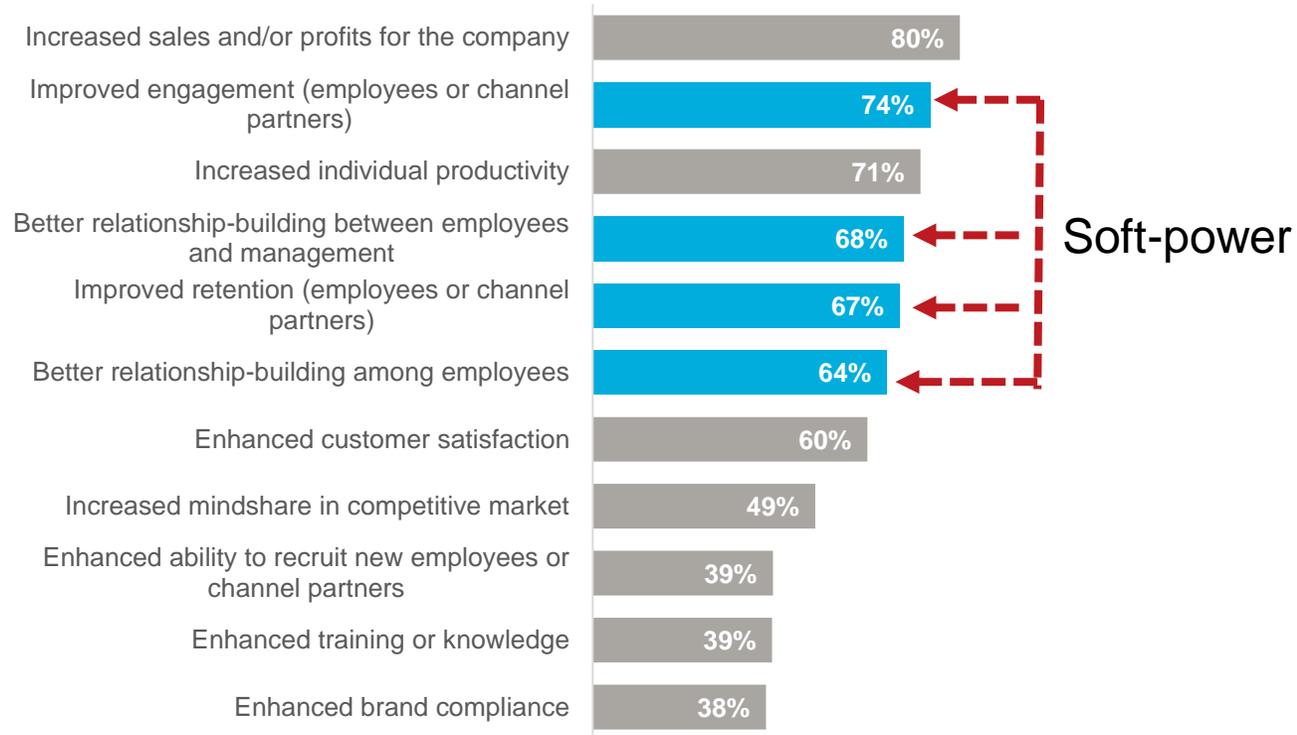
SOFT POWER BEATS HARD DOLLARS

TREND 1

Stronger focus on soft power is boosting the role of incentive travel

Most important benefits to companies of incentive travel

“Most important” and “Important” responses



A stronger focus on soft power is boosting the role of incentive travel as a builder of corporate culture and engagement.

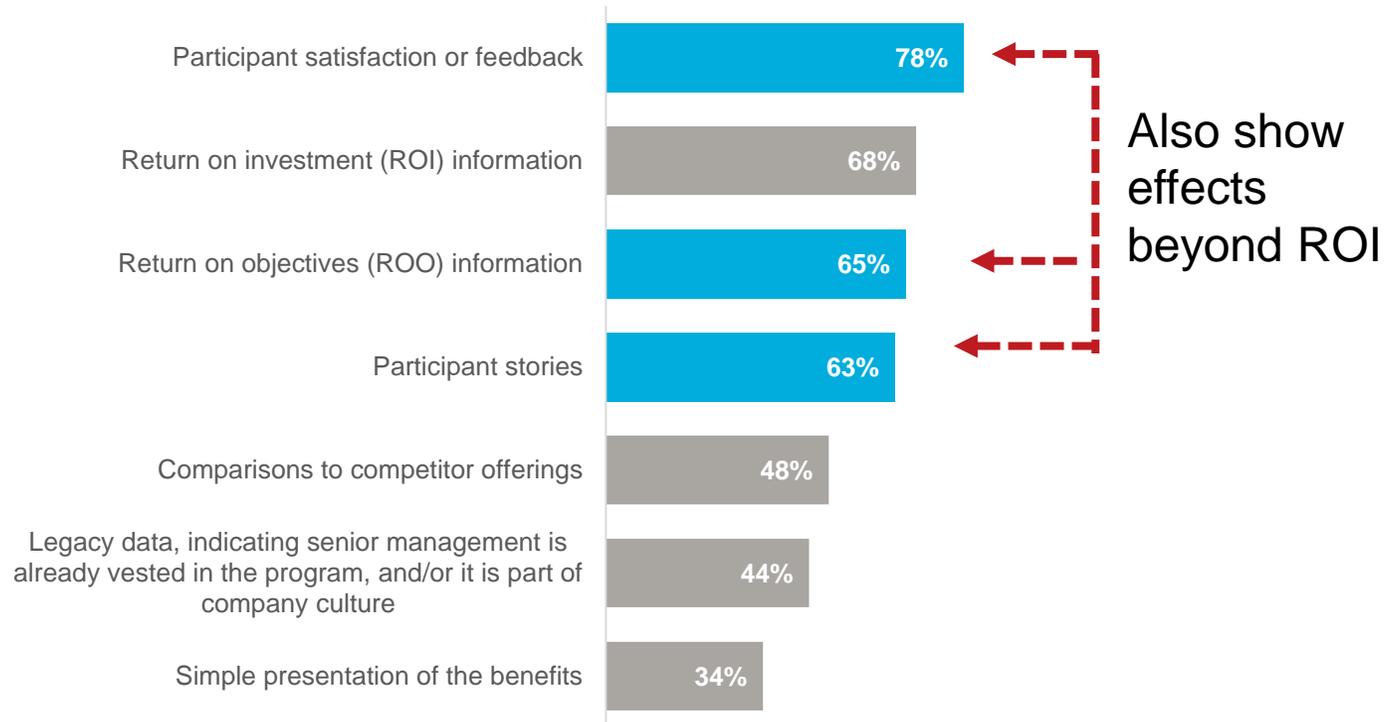
Driving corporate profitability remains important.

B1: What are the most important benefits your company receives from its incentive travel programs?
Response base: Buyers, n=606

Senior management considers not just ROI, but also soft-power effects

Most effective information to demonstrate value to senior management

“Very effective” and “Effective” responses



Senior management values program effects on participants and return on objectives, in addition to measures of ROI.

Also show effects beyond ROI

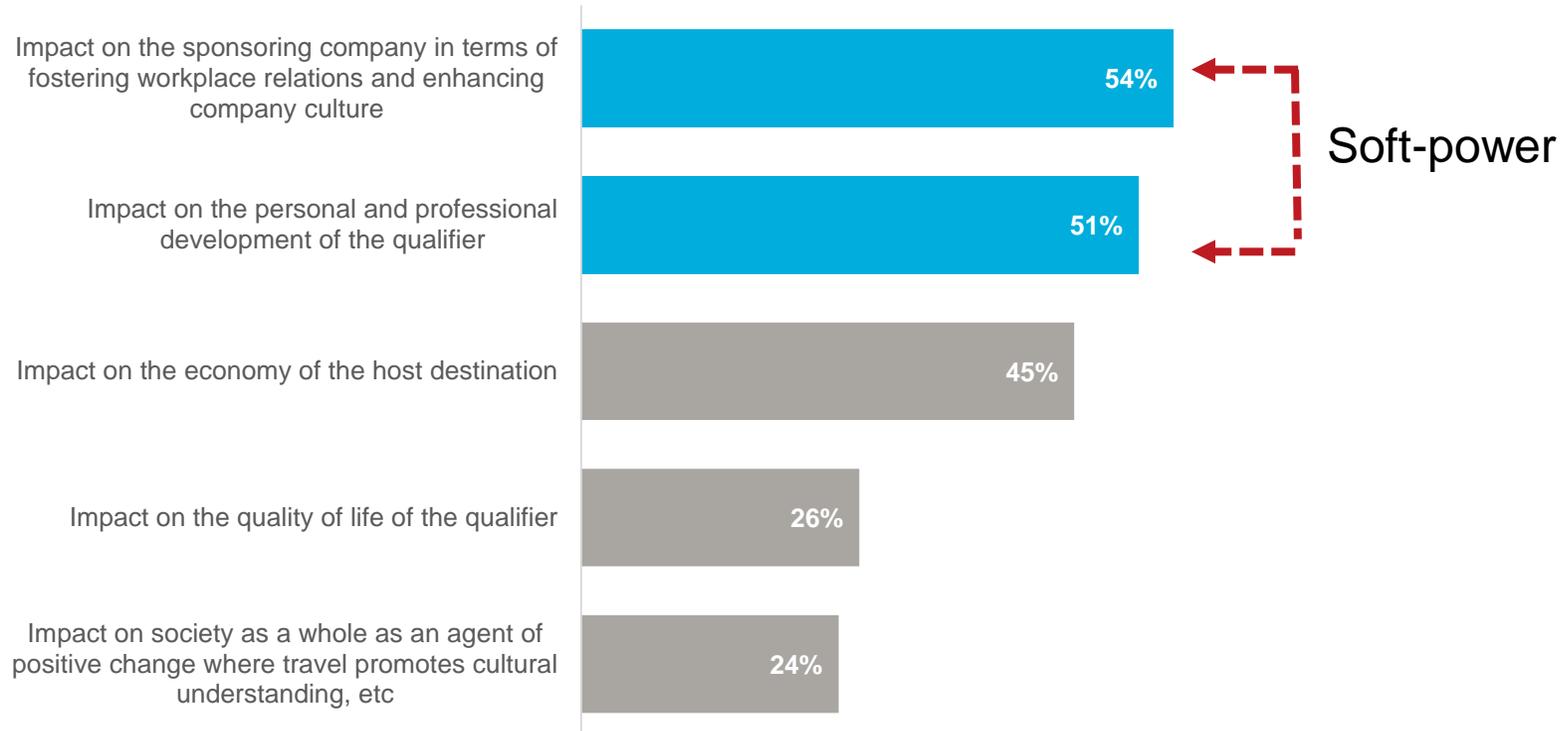
B2. Which types of information are most effective at demonstrating the value of the incentive travel program to senior management and other stakeholders at the corporations for whom you organize incentive travel programs?

Response base: Buyers, n=568

Important impacts to workplace relations and company culture are valued

Most significant impacts, beyond impact to sponsor company bottom line

“Most important” and “Important” responses



The importance of impacts to workplace relations and company culture stands out.

Also the importance of the personal and professional development of the qualifier, rises above the more transactional (“quality of life”).

B3. Beyond the impact of the incentive travel program on the sponsoring company's bottom line, which additional impacts of incentive travel are most significant?

Response base: Buyers, n=846



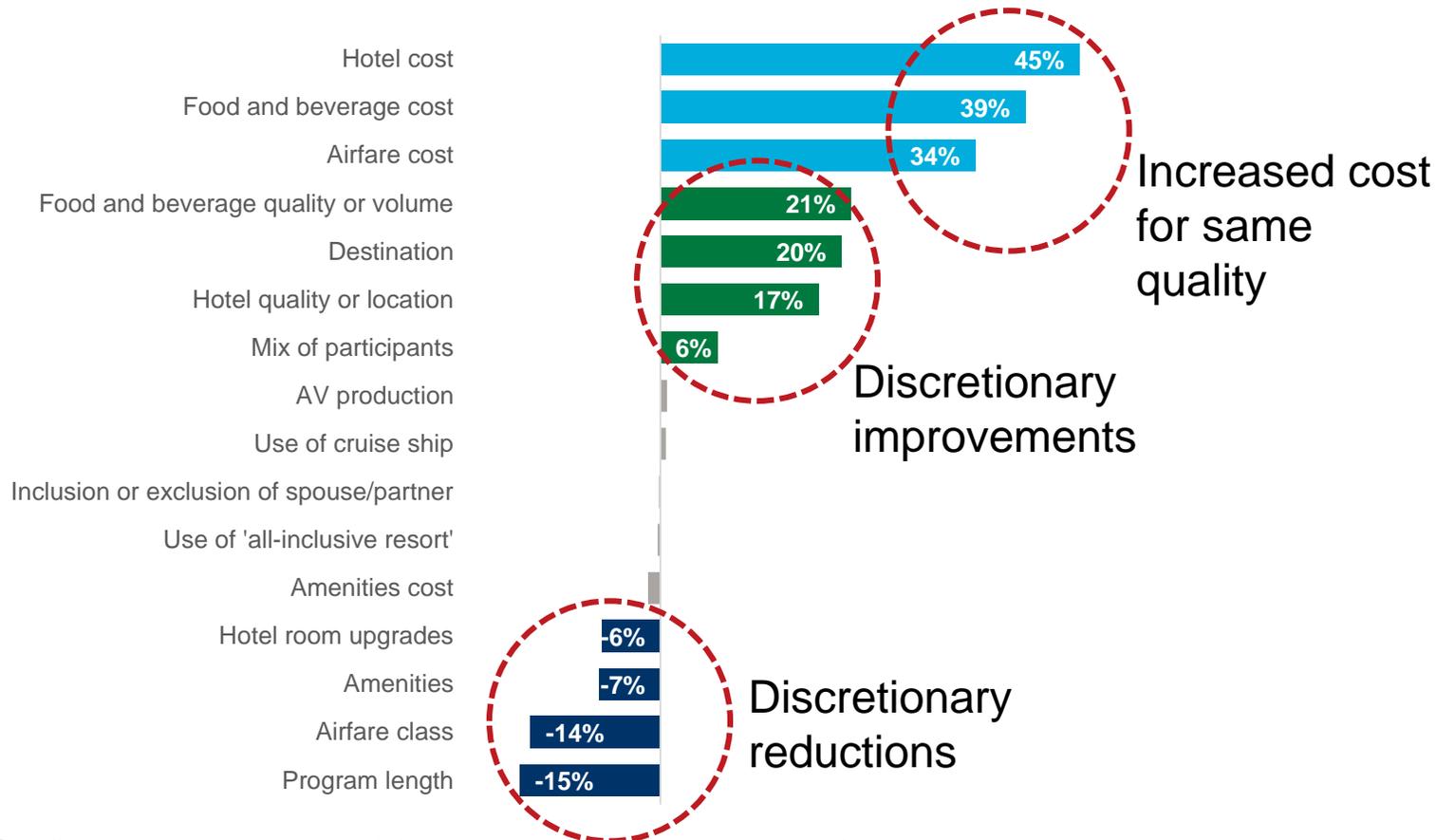
SPENDING IS UP

TREND 2

Cost factors and discretionary improvements are driving increased spend per person

Trends impacting spend per person over 2020 and 2021

Net higher spending ("higher spending" responses minus "lower spending" responses)



Cost factors are the most important drivers of increases in spending per person.

Sponsors reporting hotel costs as a factor increasing costs outnumbered those citing hotel costs as a factor decreasing costs by 45 percentage points.

Discretionary choices, such as selecting higher cost destinations, are also contributing to increases.

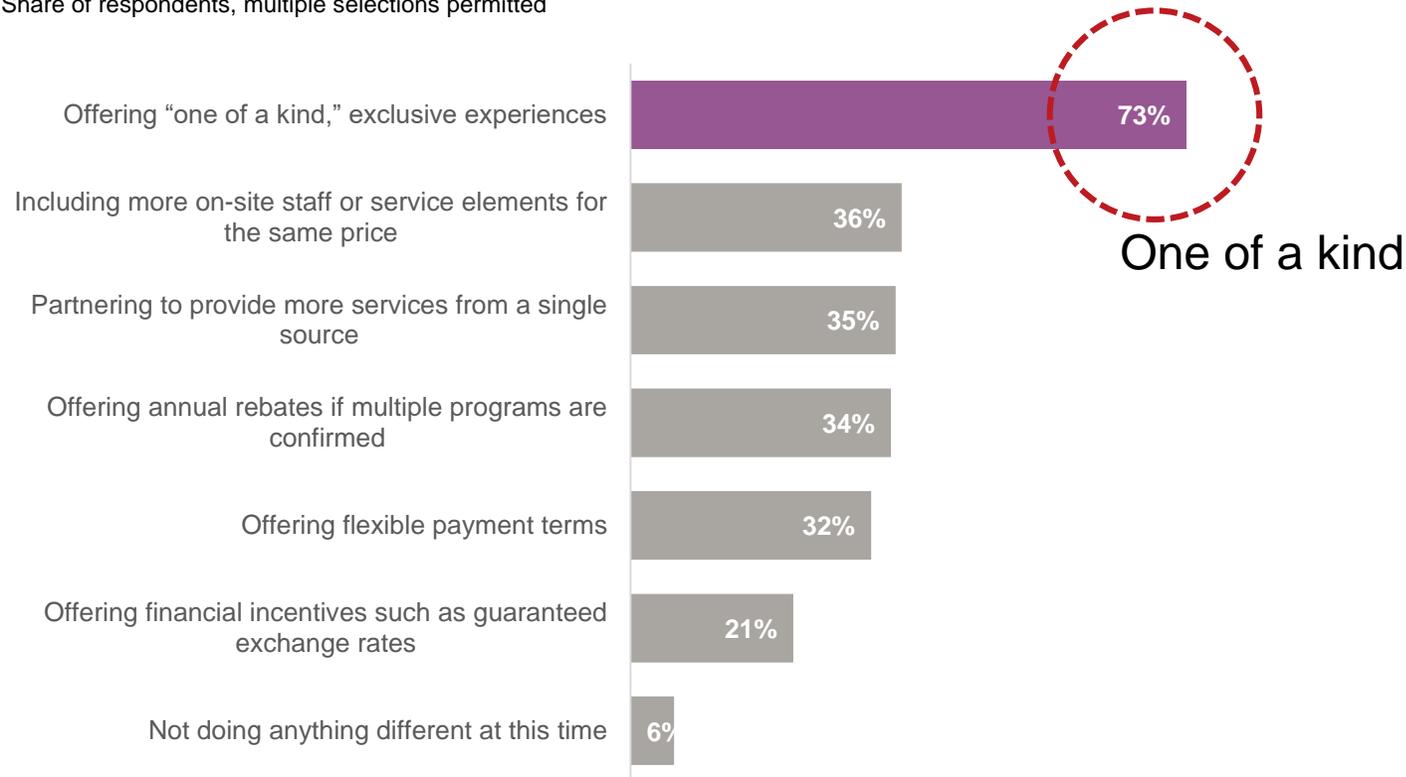
G6. What are the most important trends impacting spending per person in your team's incentive travel programs over the next 2 years (2020 and 2021)?

Response base: Buyers, n=684

Sellers compete by delivering a “one of a kind” experience

Actions by sellers to add value

Share of respondents, multiple selections permitted



For incentive travel to be a true reward, it needs to be unique.

To add value and win business, sellers focus on offering one of a kind, exclusive experiences.

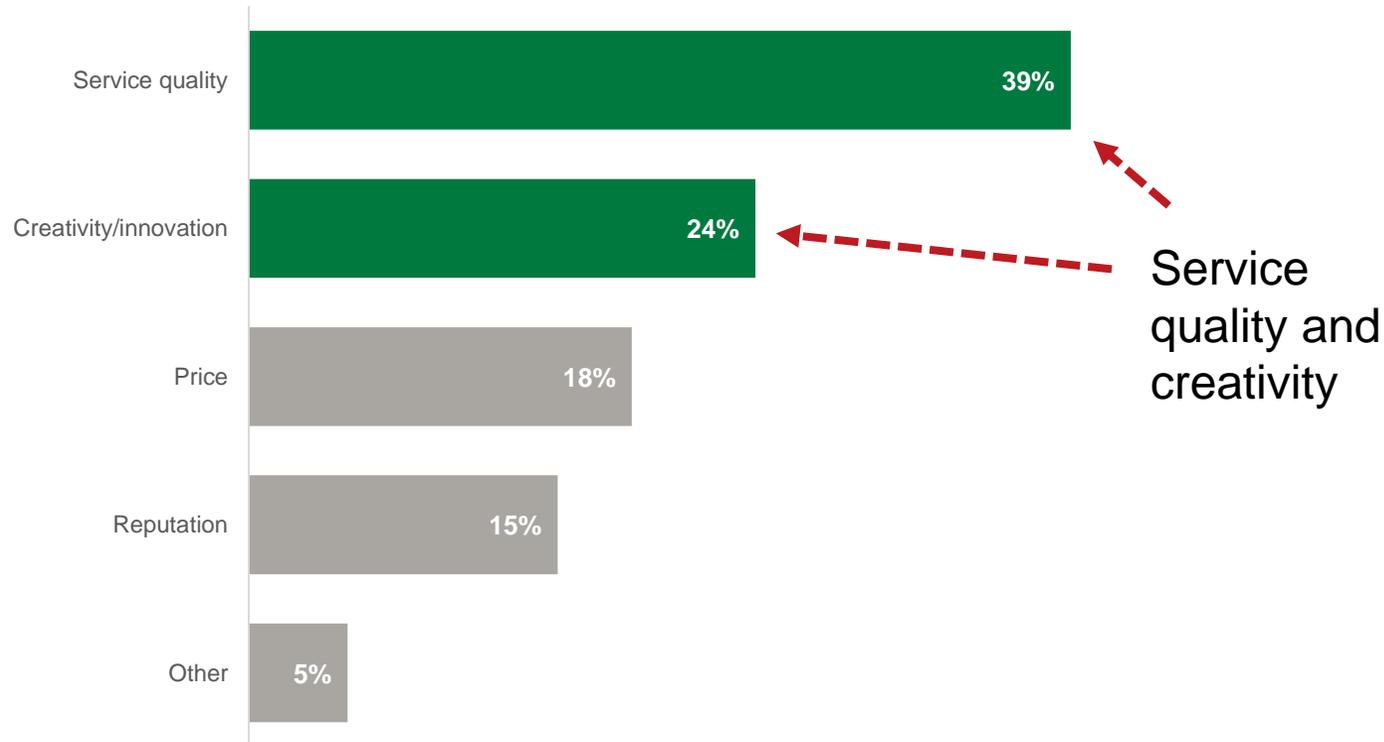
G9. When competing for contracts for incentive travel programs occurring during the next 2 years (2020 and 2021), what actions are your team taking to add value and win business? Select all that apply.

Response base: DMCs, DMOs, suppliers, n=991

Suppliers strive to distinguish through service quality and creativity

Strongest supplier differentiator

Share of respondent answers



In competing for incentive travel business, suppliers recognize the importance of compelling experiences, delivered with seamless service quality.

G10. What factor do you consider your strongest differentiator to win incentive travel program business?
Response base: Suppliers, n=343

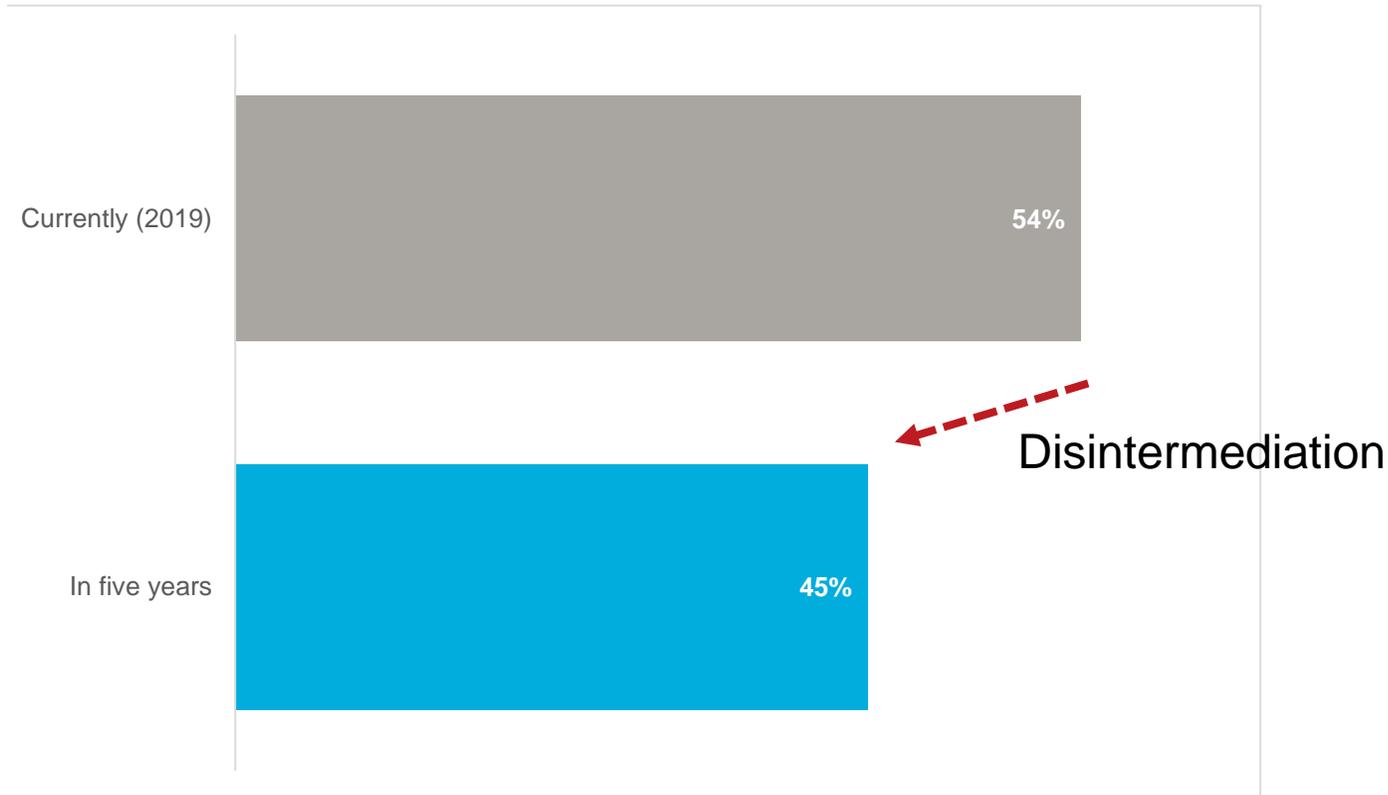
TO BE OR NOT TO BE A DMC?

TREND 3

DMC's anticipate trend toward disintermediation will continue

DMC share of spend in destination

Mean of respondent answers



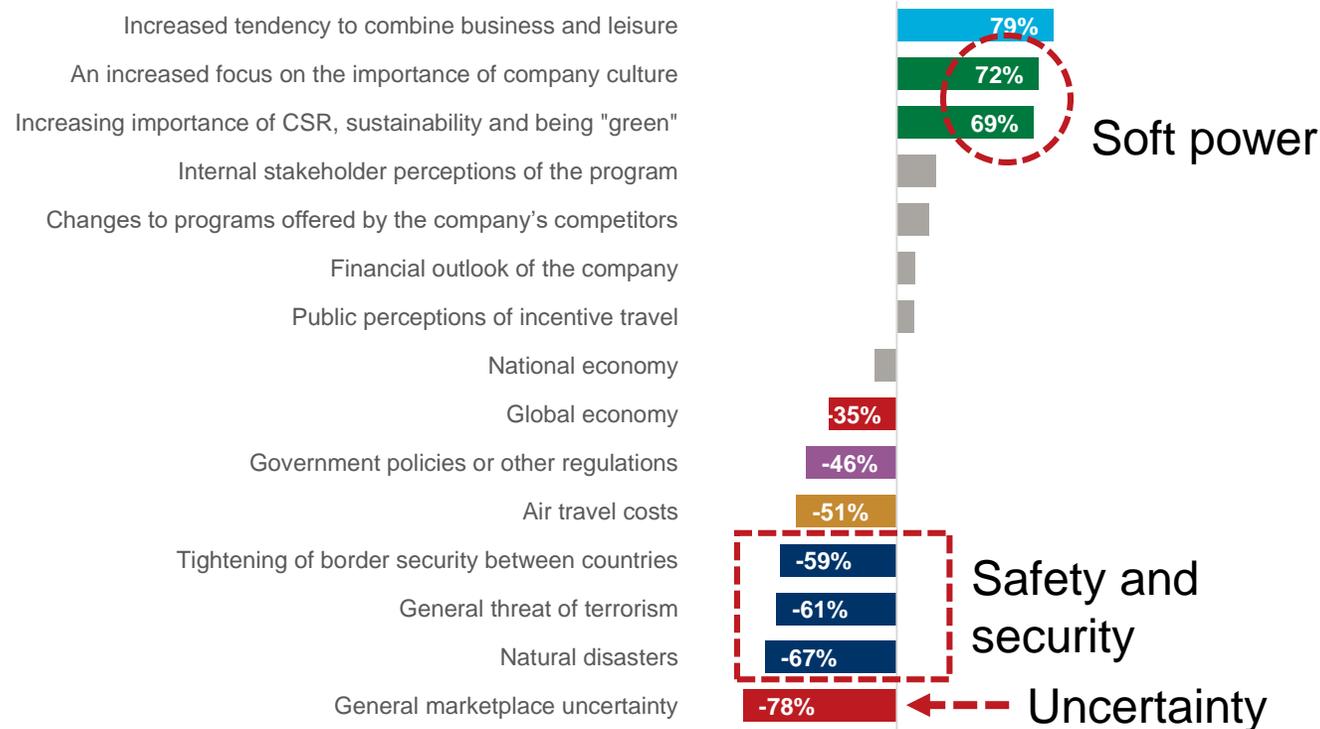
DMC's anticipate buyers will increasingly contract directly with suppliers, bypassing DMC's as intermediaries.

What percentage of the overall spend per person in the destination (transportation, hotel, off-site functions) do you estimate is channeled through a DMC currently (2019)? How much will be channeled through a DMC in five years?
Response base: DMC's, n=546

Planning context reflects positive factors, as well as challenges

Factors impacting plans for programs in 2020 and 2021

Net positive ("positive impact" responses minus "negative impact" responses)



Sector participants referenced the focus on company culture and sustainability as key positive factors impacting programs planned for 2020 and 2021.

Challenges around safety, security and marketplace uncertainty were the most important negative factors.

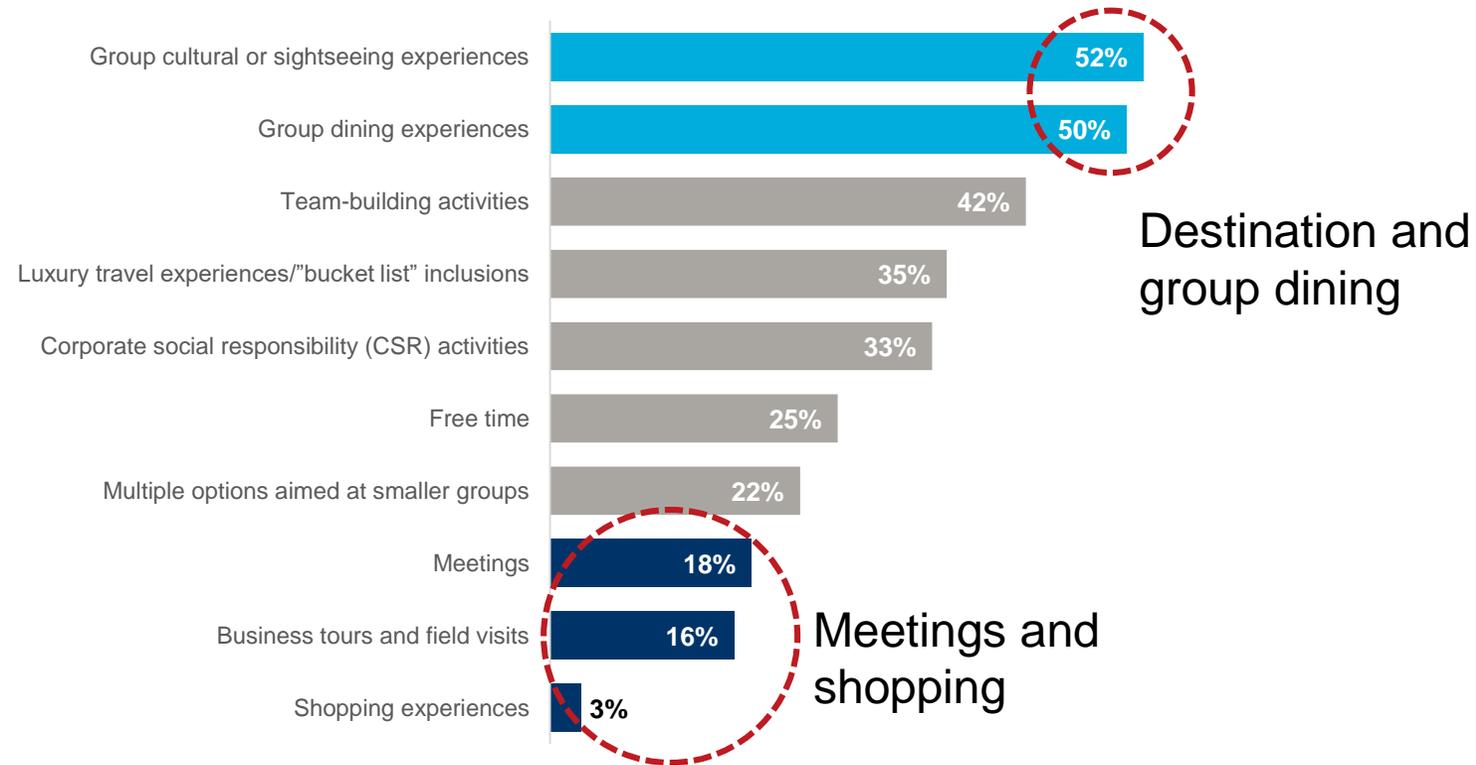
G12. Which of the following factors are having the greatest positive and/or negative impact on your team's plans for incentive travel programs occurring over the next 2 years (2020 and 2021)?

Response base: Buyers, suppliers, DMC's, DMO's, n=1,502

Experiencing the destination and group dining remain most important

Activities that are most important to a successful program

Share of respondents, multiple selections permitted



Incentive travel is about going to a new place, crossing a barrier together, experiencing a new culture.

Experiencing the destination and building relationships through meals remain top rated items for successful incentive travel programs.

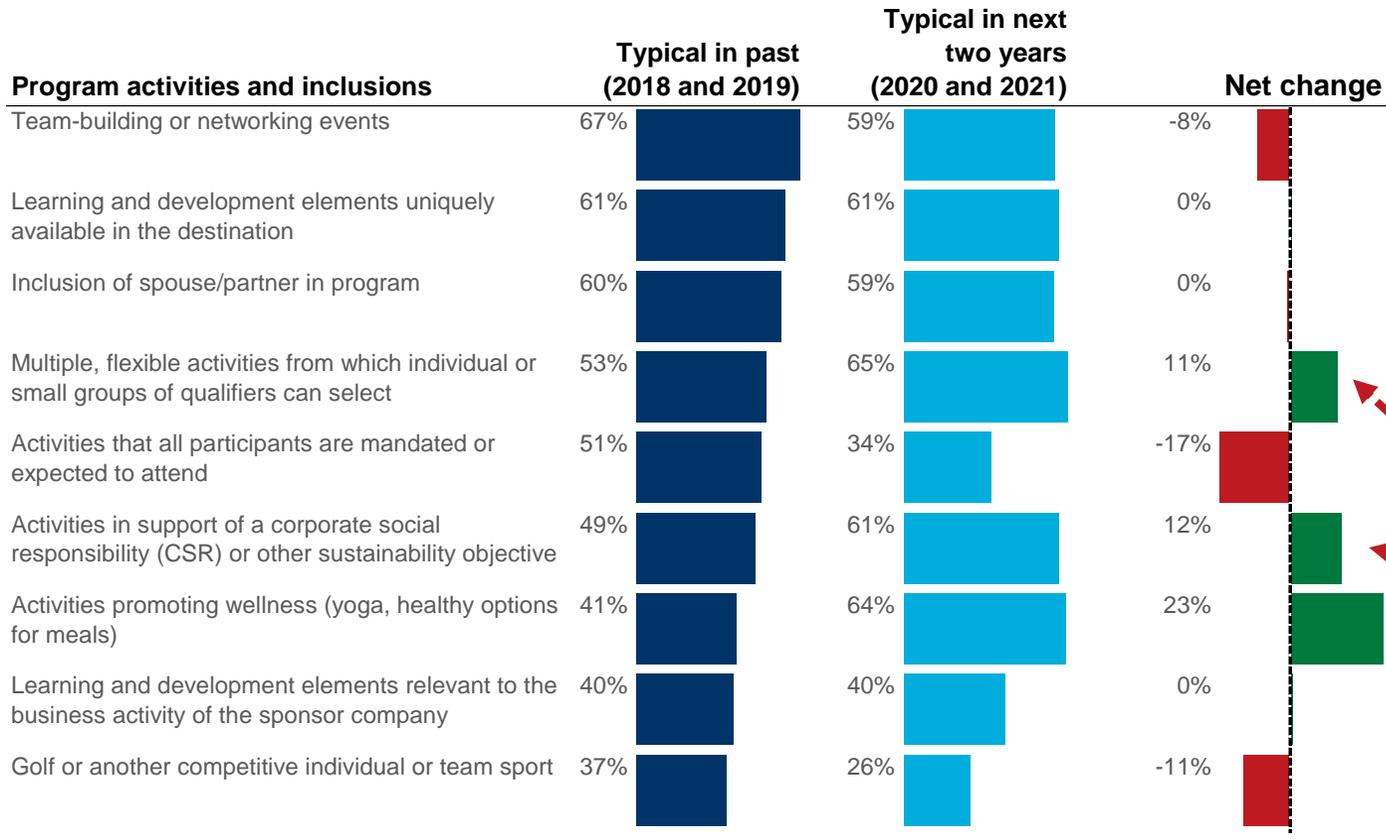
More so than meetings, shopping or free time.

P1. What activities do you consider most important for a successful incentive travel program? Select up to three.
Response base: Buyers, suppliers, DMC's, DMO's, n=1,429

Wellness and sustainability will gain prevalence, golf will recede further

Typical activities and inclusions

Share of respondents, multiple selections permitted. Net change is prevalence in next two years minus prevalence in past.



Wellness, sustainability and flexible activities will gain prevalence.

Golf and other competitive sports will recede further.

Mandated events and team-building events will become slightly less common.

Wellness, sustainability and flexible activities

P5. Which program activities and inclusions have been typical in past and current events? What is expected to be typical in future events?

Response base: Buyers, suppliers DMC's, DMO's, n=1,412



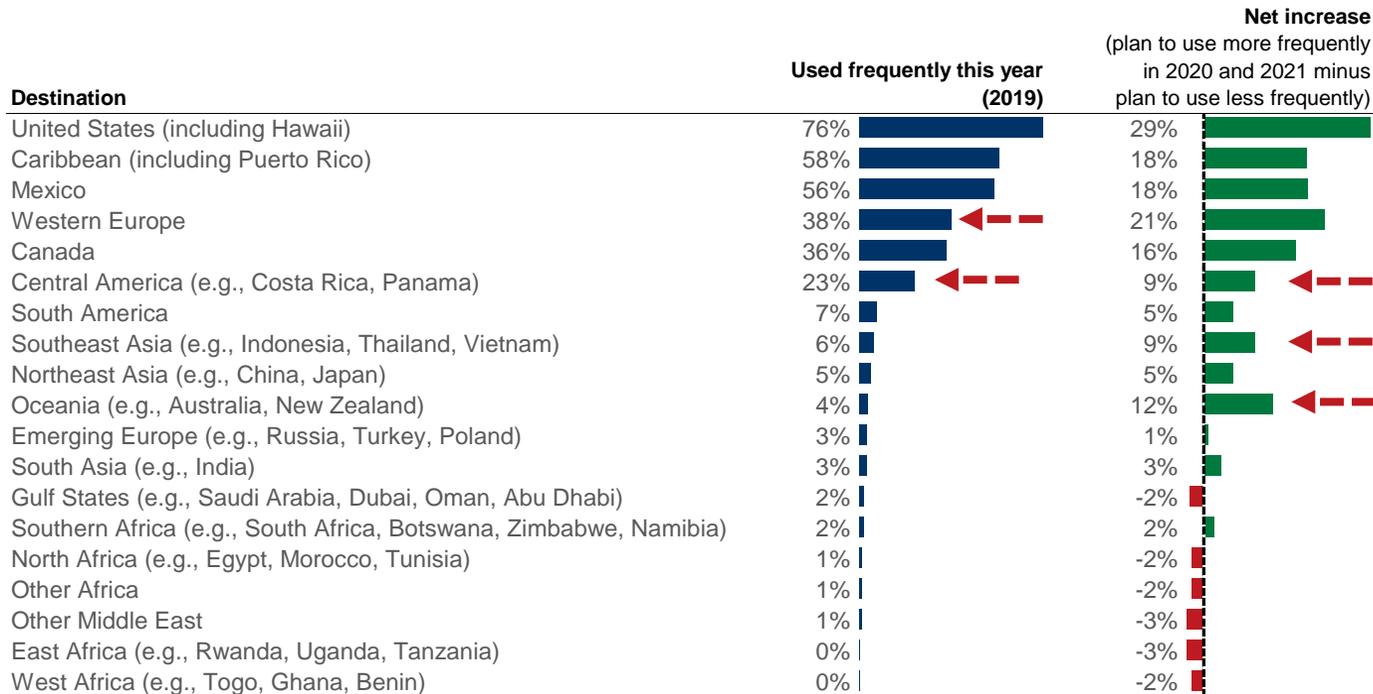
**WHERE ON EARTH ARE WE GOING
WITH INCENTIVE TRAVEL?**

TREND 3

Western Europe and Central America are the top long-haul destinations used by North American buyers

Destinations used by North American buyers

Share of respondents indicating they used the destination frequently in 2019; net increase calculated as share of respondents that planned to use the destination more frequently in the future, minus the share that planned to use it less frequently.



VD1. Which destinations did your team use or plan to use for incentive travel programs that are occurring this year (2019)?

VD2. Which destinations does your team plan to use for incentive travel programs occurring during the next 2 years (2020 and 2021), and how does that use compare to this year (2019)?

Response base: North American Buyers, n=323

Western Europe and Central America are the top long-haul destinations used by North American buyers.

North American buyers showed favorable interest in Oceania, Southeast Asia, and Central America, with a net increase of approximately 9-12% more buyers expected to make increased use of those destinations over the next two years.



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