



BUYER DECISION DRIVERS



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Buyer Decision Drivers

As vaccine rates continue to rise in the United States and organizations begin to consider incentive travel programs again, we gathered a group of incentive professionals from across the country who met in person in Palm Beach to discuss the factors that are driving buyer decisions. For some, this was their first trip in more than a year, while others had been traveling during the pandemic and had attended one or two group events.

The Incentive Travel Industry Index from FICP, IRF and SITE Foundation released in December 2020 saw incentive professionals struggling with the balance between experience and safety. The Palm Beaches and their partners set out to create a destination review experience that would demonstrate how the two could be effectively balanced and set the stage for the conversations driving this paper. Careful planning led to the use of many of the best practices and recommendations outlined below. Two weeks post-event, all attendees reported there were no COVID-19 symptoms or cases among the group.

The group participated in facilitated roundtable discussions on the final day of the event, sharing their insights from their own perspective as well as that of their clients where applicable regarding the considerations for moving forward with group incentive travel programs.



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What Drives Confidence Among Incentive Professionals?

We started the conversation by looking at how this group decided whether to attend this event. Smaller numbers helped to deliver a sense of comfort and confidence – particularly for those who had not traveled over the last year. Having COVID protocols in place helped most participants feel like they were able to join the event without concern. Event protocols included:

The typical privacy standards for health-related data have included:

- Mandatory pre-event testing for all participants
- Daily health screenings including temperature checks
- Socially distanced transportation
- Socially distanced seating (following local Palm Beach protocols)
- Masks at indoor events, on transportation, and where distancing was not possible outside

Most incentive-level hotels have COVID health and safety protocols in place. One third-party incentives provider said their main decision driver was “the passage of time, not protocols ... you are either comfortable or you are not.” Others agreed that many external and personal factors impacted their comfort level, and for many that comfort level increased significantly when they received the vaccine.

Another participant noted that the testing requirement was frustrating particularly given the number of participants who were already vaccinated. They added “a large portion of the population is over it and we need to be considering what the next practice should be.” While rapid testing was offered on arrival for all participants for this event, it is not always possible or practical for larger groups.

Communications Take Center Stage

Pre-event communications were cited by attendees as “critical” to creating a sense of comfort and confidence in attending the program. Communications need to be frequent, short, and staggered to ensure the key points are taken in easily and attendees understand what will be required of them and their fellow participants.

They noted that right now, attendees are constantly evaluating their level of comfort and shifting. Decisions to attend, or not attend, events are highly personal depending on vaccination status, status of immediate family members, confidence in protocols, and clarity around expectations. One attendee noted that spouses and other family members are more engaged in decisions around event attendance and recommended a communication directed to family members regarding protocols and safety measures to help create comfort.



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It's important that communications establish clear expectations of what to expect onsite at the event. Health and safety requirements must be communicated, tempered with reminders that these protocols are for the attendees' safety and the greater good. One participant noted that they frequently include reminders that these COVID-19 protocols "are not forever."

Micro-communications delivered in "drip campaigns" that focused on 3-4 elements were most seen as most effective. A balance of health and safety information, event announcements, and messaging that generates enthusiasm works well. It's a good idea to set expectations by communicating all elements of the event, rather than using the "surprise and delight" approach that may have been effective prior to this break from events.

Communications also need to be more broad and encompass the entire journey, including setting expectations outside of the event. Attendees will need information about what to expect when they travel by air, perhaps with links to airline resources. Similarly, local regulations and hotel health and safety policies could be included. One attendee suggested communications encourage attendees to be "patient and kind" with other travelers as they resume travel and venture back to new locations.

Employers Face Additional Challenges

Data and information privacy is a concern any time information is collected. In the time of COVID-19, collection of additional information such as vaccination status, COVID-19 test results and more has become a conversation piece. Employers need to consult with their attorneys to consider the boundaries around the information they can collect and have a clear plan for how that data will be stored, managed, and shared.



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That said, many employers are also increasingly using incentives to encourage their employees to get vaccinated. Some employers are considering making vaccination mandatory for participation in incentive award travel, while others are seeking greater clarity on the legality and reputational impact of mandating the vaccine.

Employer concerns go beyond whether attendees are vaccinated when it comes to making the decision to proceed with incentives. Reputational risk is driving the decisions in many cases, with some concerned about moving too quickly, while others are concerned about not moving quickly enough. One industry professional noted, "There is often a difference of opinion between the CEO and program owners who are ready to move forward, and the legal and compliance departments within their organizations who are taking a more conservative approach."

One attendee has observed that industries with workforces in public settings, such as construction and distributors, tend to be ready for travel. Industries whose remote workforce is thriving, such as technology and financial sectors, tend to be more cautious. Another noted that some companies

are first offering incentive travel for distributors and dealers, who thrive with face-to-face, but are a step removed from the company. These same companies are holding off on incentive travel for employees, since they are more protective of their own employees.

Complexity is added as government regulations and guidance shifts with the vaccine rollout in the United States. “We’re seeing clients make more go / no-go decisions 60 to 90 days out than ever before,” noted another third-party professional. This is partially driven by company’s weighing the risks and benefits, and partially driven by attendee readiness.



Considerations for the Travel-Hesitant

Our group of incentive professionals noted that, more often than not, program attendees appear ready to travel. But there are still pockets of travel-hesitant individuals. In 2020, our group noted that substitutions and alternatives were the norm. In 2021, they are still observing the need for some flexibility, particularly in programs where winners come from multiple countries. For example, one incentive professional noted their client was operating the incentive travel program, but any Canadian winners were being offered a voucher for an individual travel reward due to ongoing border restrictions and quarantine policies. Overall, the sentiment was substitutions such as individual travel vouchers, merchandise, or even cash, were going to be the exception. Most organizations who previously offered group incentive travel as the primary or only reward were planning to return to that by 2022 at the latest, with the hope that comfort levels with travel will rise as we return to an overall normal “at home” with schools, concerts, movies, and sports opening back up.

Destinations: Opportunities for Differentiation

Overwhelmingly, the group indicated that having a clear sense of the destination's health & safety practices along with a plan for what the organization will require could help close the "go / no go" decision gap for companies.

Tapping into resources on the ground such as DMO's, DMC's and CVB's can provide clarity regarding local and state regulations, and how consistently each supplier – properties, venues, transportation, and more – are following those regulations. An industry professional indicated, "For my clients, it is important the destination is clear on the protocol phases and what that means for them locally. Clients are more likely to choose those destinations where the rules and protocols are clear and consistent."

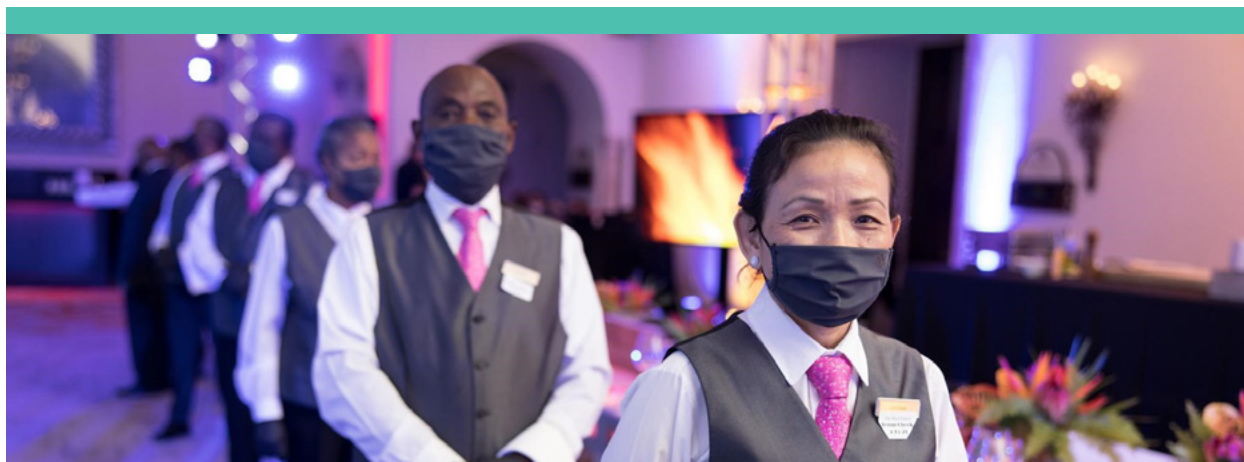
On the wish list for third party planning organizations was a clear set of recommendations from DMOs and CVBs for protocols based on their local market and local vendors, supported by case studies of similar sized events. Having clear examples that delivered successful outcomes (defined as no resulting COVID cases following the event) could put a destination at an advantage in the current climate.

Other elements that our incentive professionals indicated clients were considering in making destinations decisions includes:

- Understanding destinations that are more "open" and less restrictive, particularly for some clients who have attendees that are less concerned with masks and distancing. As one respondent noted, "Clients are either all in or all out when it comes to masks."
- Destinations with good lift given the route reductions airlines made over the last 15 months
- Ample outdoor space for events, and ample doors, windows and ventilation for indoor spaces
- Venues where the organization can do a full buyout and have spread out and controlled spaces
- Domestic US for US-based programs to minimize quarantine and testing for attendees. It was also noted that more global programs were breaking into regional programs for this reason



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The group also pointed out the additional work and research associated with health and safety protocols that is in addition to the standard event planner role. It is a heavy and time-consuming effort. Therefore, another potential differentiator for destinations is having someone in the operations team that is specifically focused on “wellness services” and has relationships locally with urgent care partners, health & safety screening providers, and other wellness and COVID-19 protocol related suppliers. The ability to make quick introductions to trusted partners who are well-versed in the local regulations and have operated protocols at larger scale events can ease the planning burden for event professionals.

Getting There from Here

While air lift was top of mind relative to choosing a destination, comfort with airline policies was also a concern. Most incentive professionals were supportive of airline policies, provided they were consistently applied across all flights and passengers. However once attendees arrive in their destination, the attention turns to ground transportation.

In many cities, ride share services are still limited to and from airports. Combine that with a rental car shortage, and event professionals face a challenge. Having trusted and reliable transportation partners that understand and are willing to observe COVID protocols can make a difference. While in Palm Beach, our travel professionals experienced various modes of transportation including private airport transfers, mini coaches with seats blocked to achieve 50% capacity and distancing within the coach, and a trolley transfer, again with blocked seats to achieve reduced capacity and social distancing. In addition, signage instructing all passengers to mask-up was prominently displayed. This can help build the confidence of attendees and program decision makers.

The Talent Challenge

While many hotels and venues are re-opening, and we see airports with increasing traffic, talent and staffing in the hospitality industry remains a challenge. Our incentive professionals indicated that a major decision driver is the level of staffing at host properties and offsite venues.

“Labor impacts the quality of the experience for the attendee,” noted one incentive professional, “Being honest with partners about what has changed in terms of levels of service and compliance to policies onsite is more important than ever.” Several incentive professionals expressed concern about whether the stated protocols and service levels would be reality onsite during the event.

To this end, having more site visits or even unannounced visits to hotels and venues to “audit the staff for compliance to the playbook” is now part of the decision process.

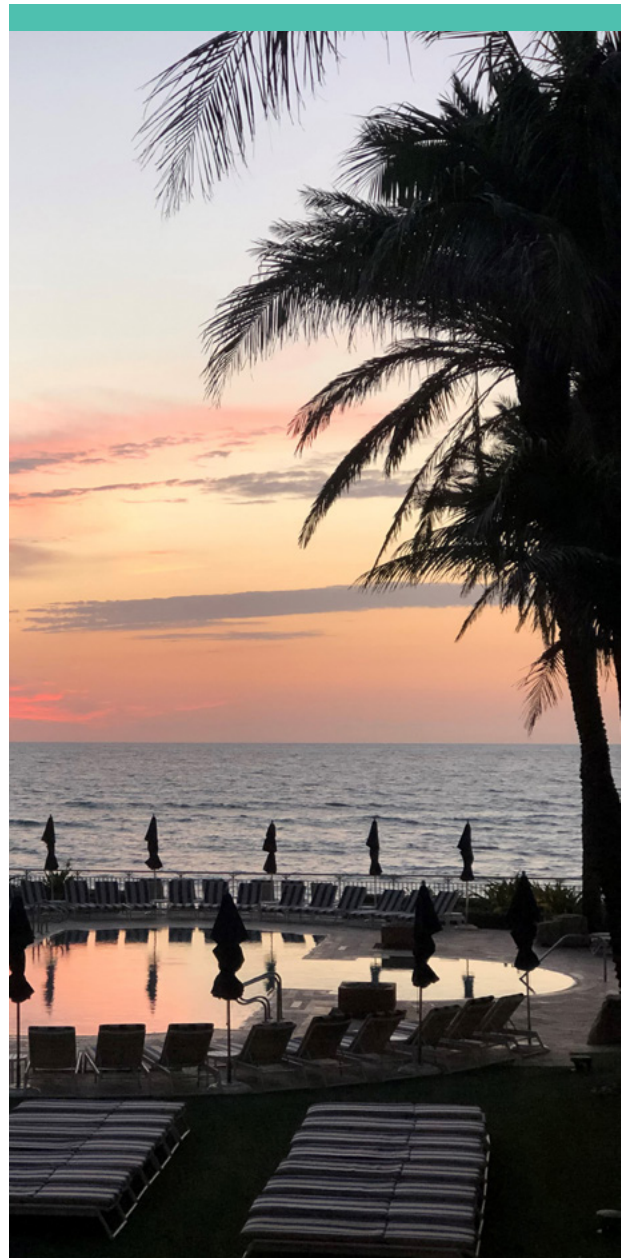
In addition to hiring qualified labor, incentive program owners are concerned with the retraining processes, and are particularly concerned with whether the staff has had enough time and training to deliver to the standards for which a property may be known. Training for COVID-19 protocols so each group is managed to the standards they are setting for their attendees and their events may require additional training time and investment by properties and venues. Incentive professionals indicate that the hotel needs to be prepared to uphold the health and safety standards the group is mandating.

Looking Ahead – Hotel Demand

In discussing booking decisions being made now, most of our incentive professionals indicated their clients are booking based on what they know today in terms of restrictions, border closures, and quarantines. That means seeing more programs shift from countries that have border restrictions to domestic US, Caribbean, and Mexico where there is more certainty for US-based attendees.

There is strong acknowledgement that while leisure travel is up, driving rates up, hotels are still eager for group business that books out into the future. There is an awareness that leisure travel will level out as people “get it out of their system, making up for lost travel time.” Hotels need the balance of group and leisure business, and in some segments and locations there are still good rates to be found.

Overall, the expectation among the group is that once we get past 2021, we will see a return to business as usual relative to rates and availability. But for now, there is still compression particularly among US destinations that are in high demand for leisure and incentive travelers. Finding creative, boutique and smaller destinations are potential alternatives, however the air lift and service standards need to be firmly in place to be considered.





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Conclusion

We are at a tipping point, particularly in the United States where more than half of the population has received at least one vaccine shot. With the White House’s goal of a 70% vaccination rate by July 4, many have set their sights on “Independence Day” from the virus. Incentive professionals and program participants are overwhelmingly ready to resume travel and in-person events. CEOs are not far behind, and corporate travel bans are beginning to be removed. We are trending toward fewer barriers to moving forward with travel incentive programs

Smaller incentive programs have already taken place, and several incentive professionals noted they have larger programs scheduled as early as June. Planners and properties are putting health and safety protocols in place, especially for larger events. However, increases in vaccinations and loosening of state restrictions could make it more difficult for incentive professionals to gain compliance with all COVID protocols among their participants, particularly if the program is held in a more “open” state with relaxed protocols, or if the participants are largely from states where protocols are more relaxed.

For the time being, incentive travel will look and feel different, and planners will have to navigate new requirements, restrictions, and limitations. Incentive professionals are excited to launch or resume programs, but they are challenged to ensure events are incentive level and the experience is not diminished due post-COVID factors. Health and safety requirements will need to be communicated, enforced, and considered in programming. The talent challenge could impact service levels onsite, and the economic downturn could impact the selection of local restaurants, suppliers, and businesses available. Partner with CVBs, DMCs and DMOs to get the true view of what is possible within their market in the current landscape.

The group of incentive professionals was quick to point out that many changes could be here for good. Mask wearing will likely become more commonplace, especially on flights during flu season. Food safety practices, cross-contamination prevention, and enhanced cleanliness will continue to enhance attendee comfort. Outdoor venues with stunning views will always be a top choice.

Events can be held safely without sacrificing experience as our event in the Palm Beaches demonstrated, but it takes extra planning and enhanced communication. As we take these first steps back to in-person events, planning and flexibility are critical, particularly with the protocols landscape in a constant state of change. One industry professional reminded us, “It’s not forever.” In time, the events will be bigger and at destinations farther away – and attendees will be closer to each other again.



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