



OPEN FOR BUSINESS!

Incentive Expectations and Reality in the Hospitality Industry | Market Study

JUNE 27TH, 2022

Executive Summary

- The incentive travel business is spooling up after a nearly a two-year hiatus, with **63%** of the industry **anticipating significant growth**.
- **Incentive Planners** are facing the front-end **brunt of the demand** leaving downstream partners scrambling to get back up to speed.
- **Hoteliers** are better **poised to get their facilities back up and running** with many already getting their restaurants, gyms, and outdoor events back online.
- Tourism, Convention, and Visitor Bureaus **struggle to balance many competing priorities**, Incentive Travel being just one of them.
- **DMCs are the most overwhelmed**. With many going out of business permanently or short term they are now grappling with staffing up, getting profitable, responding to RFPs, and figuring out what is still operational in their local markets.
- The two biggest concerns and challenges shared by everyone:
 - **Finding and keeping staff** to execute incentive travel
 - **Soaring costs** for everything
- **Clients**, once accepting of COVID related issues, **are losing their patience** and want things back to Pre-COVID service levels ASAP.
- **Where are we going?** To the beach of course, with 70% of Incentive planners focusing on **“Sun and Fun”** incentive travel

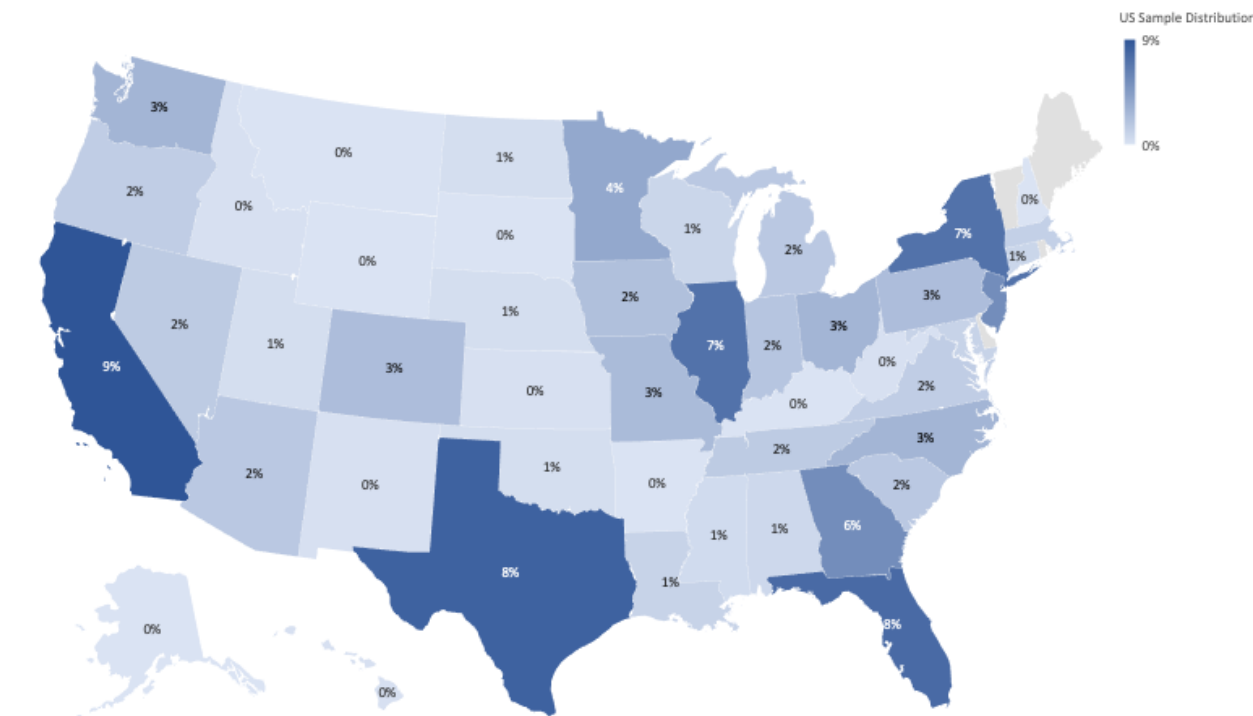
Methodology



Fielded a 10-minute on-line survey from April 27 to June 17, 2022

- Used client and member lists from IRF and Questex
- Invitation originated from sponsor organizations
- 84% of the sample was from the United States
- 5% from Canada
- 1% from Mexico and the UK
- Late stage recruiting a modest incentive was used (\$10 gift)
- Data cleaning yielded a final sample size of 710 individuals
- All population estimates are +/- 3.5% accuracy with a 95% confidence level.

United States Sample Distribution



Stakeholders

Four Groups Are Identified



Hotelier (n=280)

A professional working for a hotel and/or resort property; responsible for arranging and coordinating incentive travel.



Tourism Board/ Convention/Visitors Bureau (n=75)

A member of an organization that helps promote and secure leisure and business travel in a regional area.



Destination Management Company (n=125)

A regional travel company responsible for helping to coordinate and secure local travel events (experiences) with regional transportation, recreation, food, and lodging facilities (event venues).



Incentive Planner/ Third Party Incentive Agency (n=230)

A professional responsible for coordinating (the sourcing, management and execution of) incentive travel on behalf of a client organization

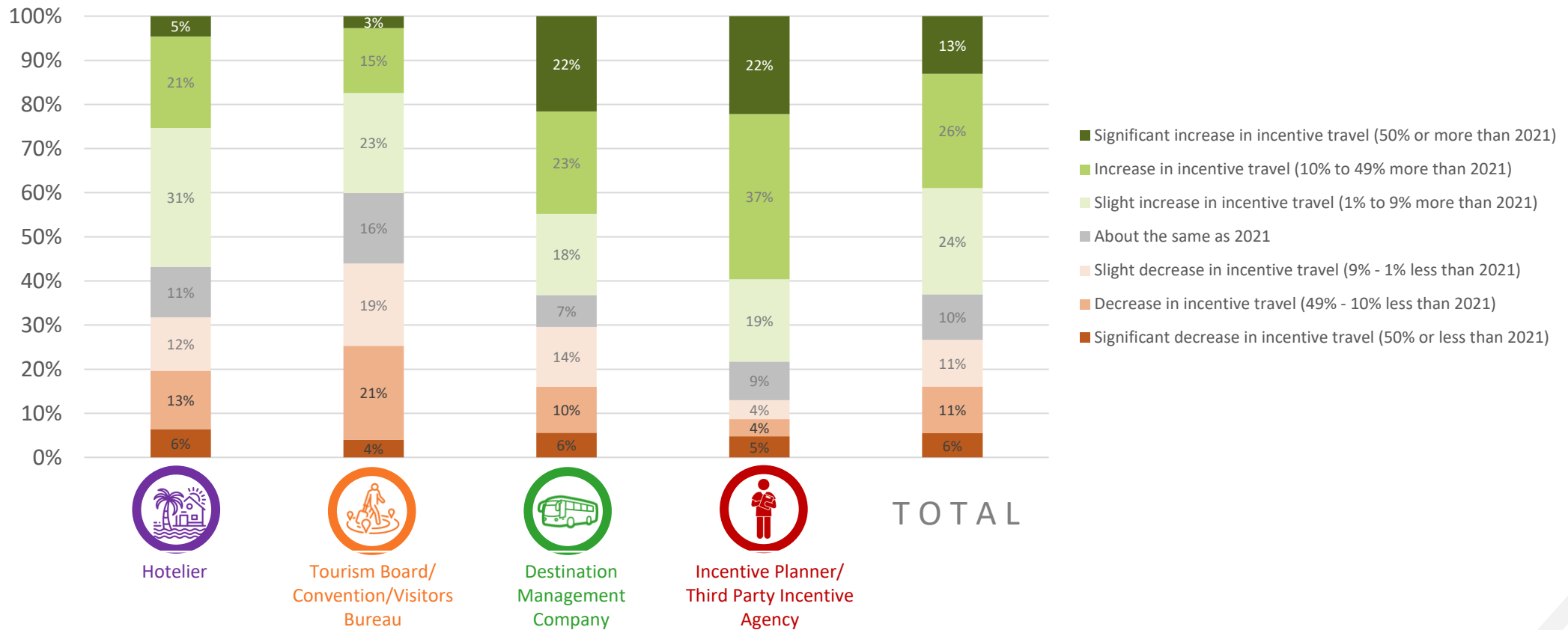
Industry Outlook

Things are looking bright for most



Nearly 2/3rds (63%) of the industry think things are looking up for 2022 and beyond, with 13% saying incentive travel will increase by 50%. Incentive planners are most bullish with 60% seeing incentive travel spend above 10% of 2021 or more. Tourism boards have the most conservative outlook, likely since local domestic travel has been brisk throughout the latter part of the COVID pandemic.

Q3 For your business, what is the outlook for INCENTIVE TRAVEL for the next 18 months?



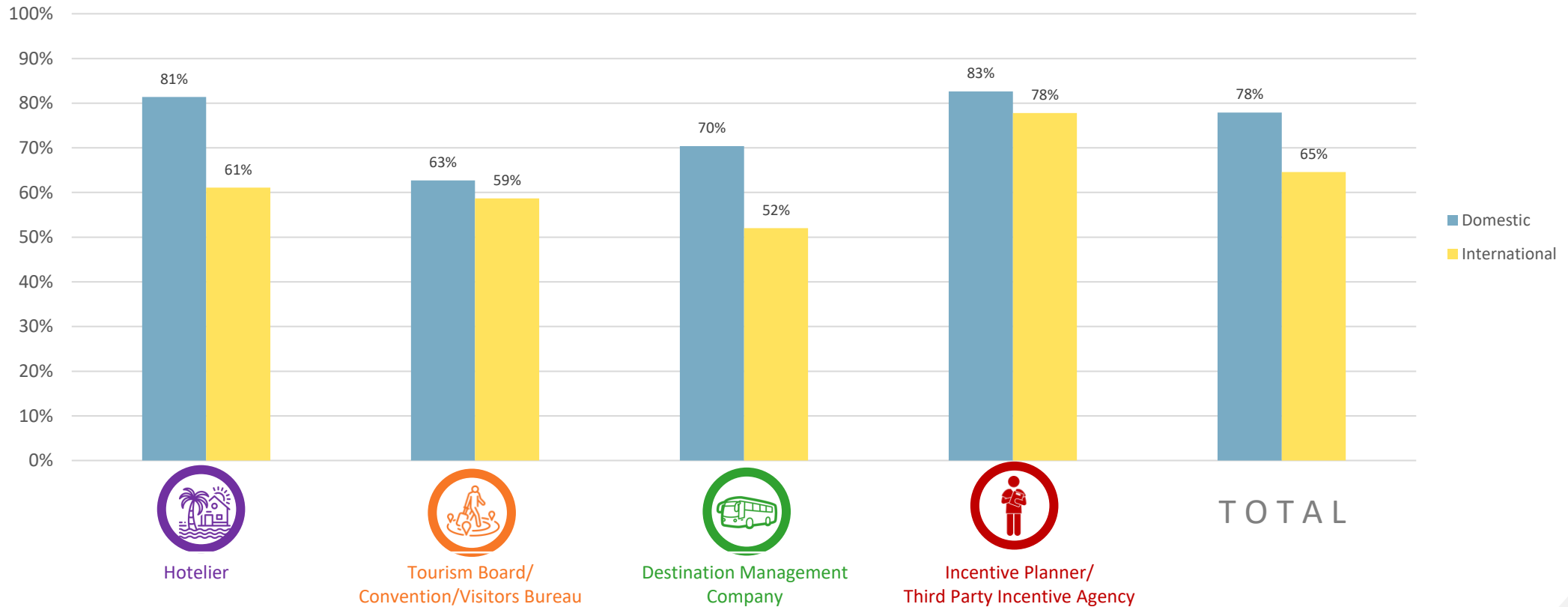
Travel Types

Domestically focused...for now



Most travel focus into the next 18 months will skew toward domestic travel, with Hoteliers being most focused on domestic travel and incentive planners almost equally split between domestic and international travel.

What types of incentive travel will you focus on in the next 18 months? (Check all that apply)?





Hoteliers

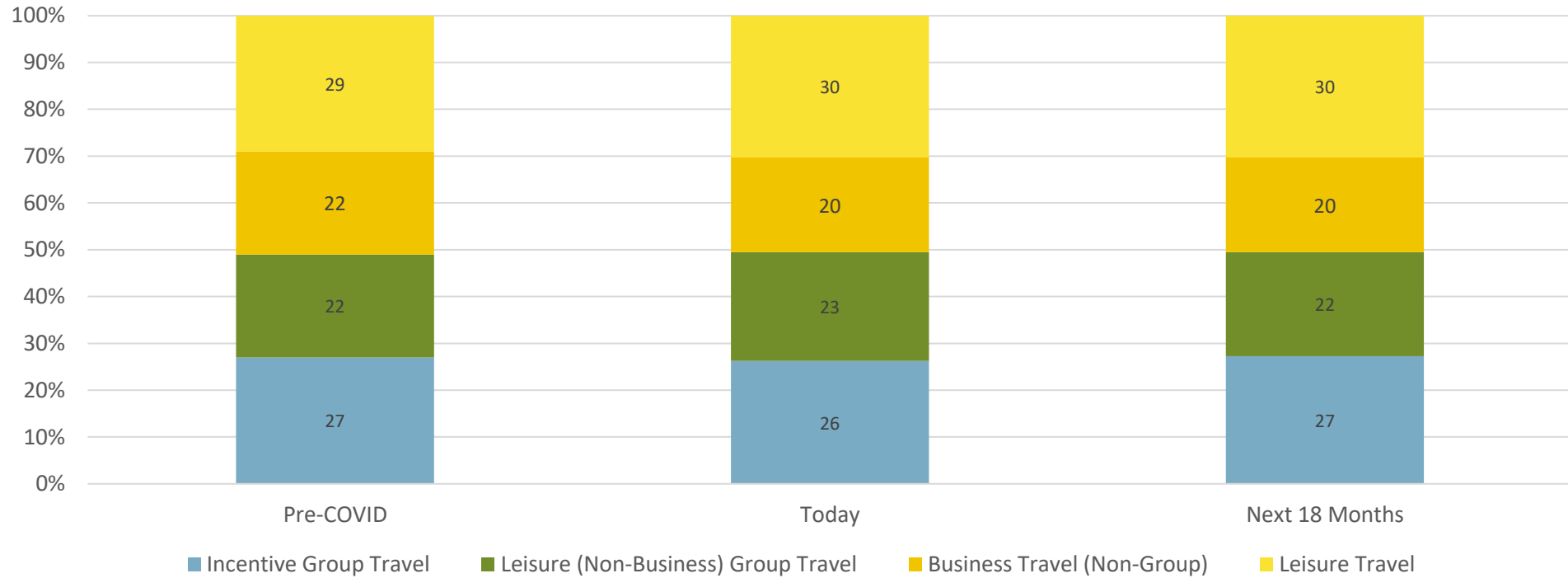
Revenue Mix

Getting back to normal



Amongst Hoteliers, Leisure travel predominates and is projected into the next 18 months. Incentive group travel is expected to have a modest pickup in the next 18 months. Business travel is anticipated to still be the smallest part of revenue distribution.

Report Revenue Mix by Travel Type

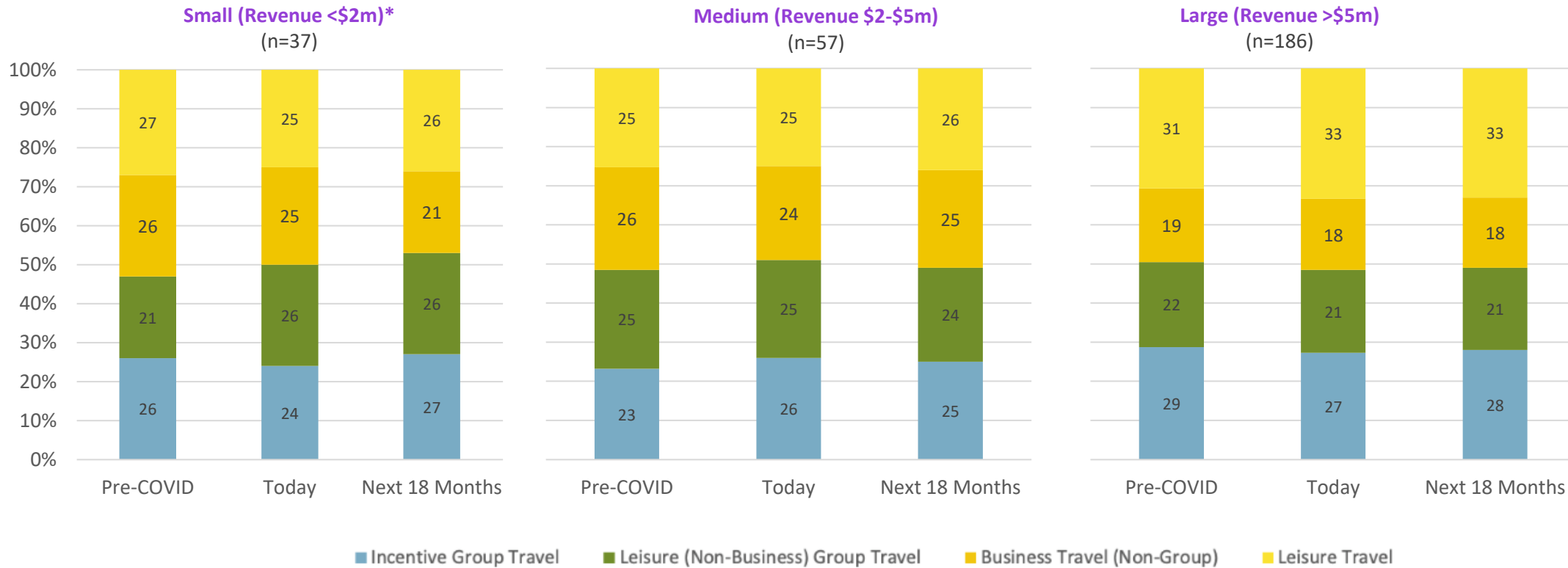


Revenue Mix

Getting back to normal



Larger properties have a higher reliance on Leisure Travel, and they are expecting a strong demand into the future. Incentive travel for all properties is seeing no slow down in the future, with smaller properties expecting an uptake, possible due to limited supply from larger hoteliers as we enter the summer travel season.



*Based on "What was your organization's local annual revenue pre-COVID (your specific resort location, not the larger company as a whole)?"

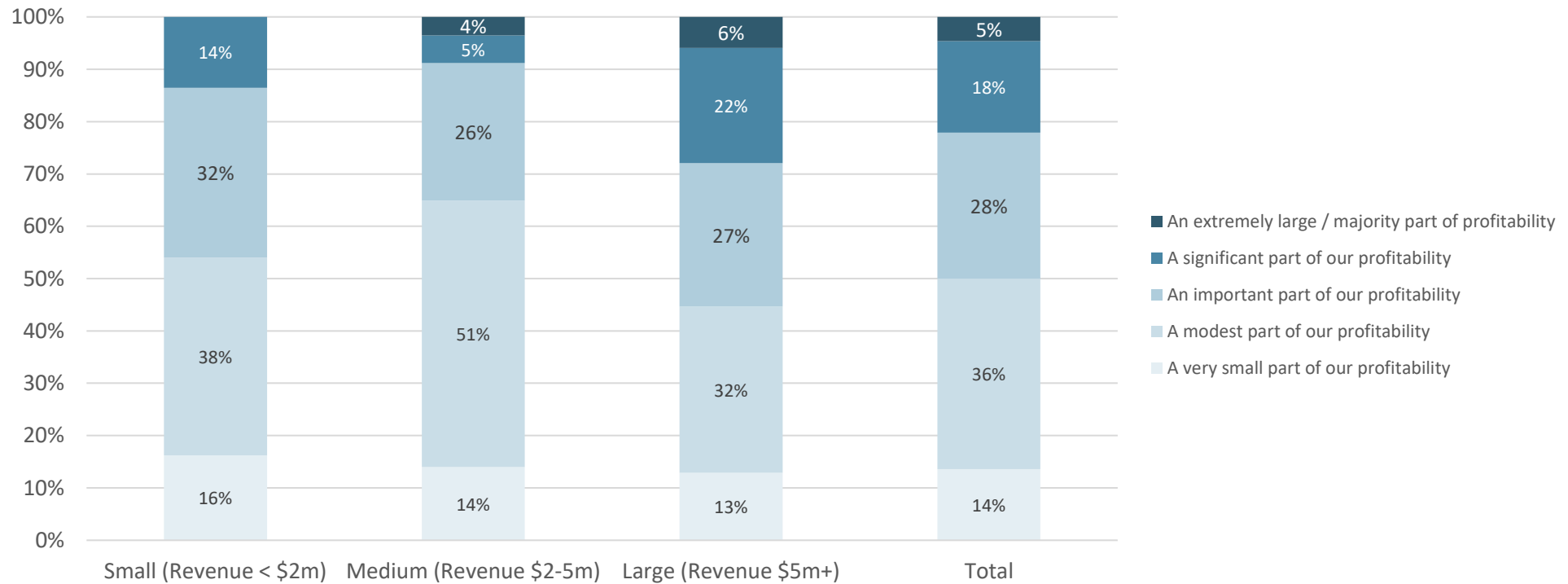
Incentive Travel Importance

An essential part of the business mix for Hoteliers



Nearly 1/4 of Hoteliers indicate that Incentive travel is a significant or extremely large part of profitability. The larger the property, the more important Incentive Travel becomes.

How important is incentive travel to your organization's revenue and annual goals?



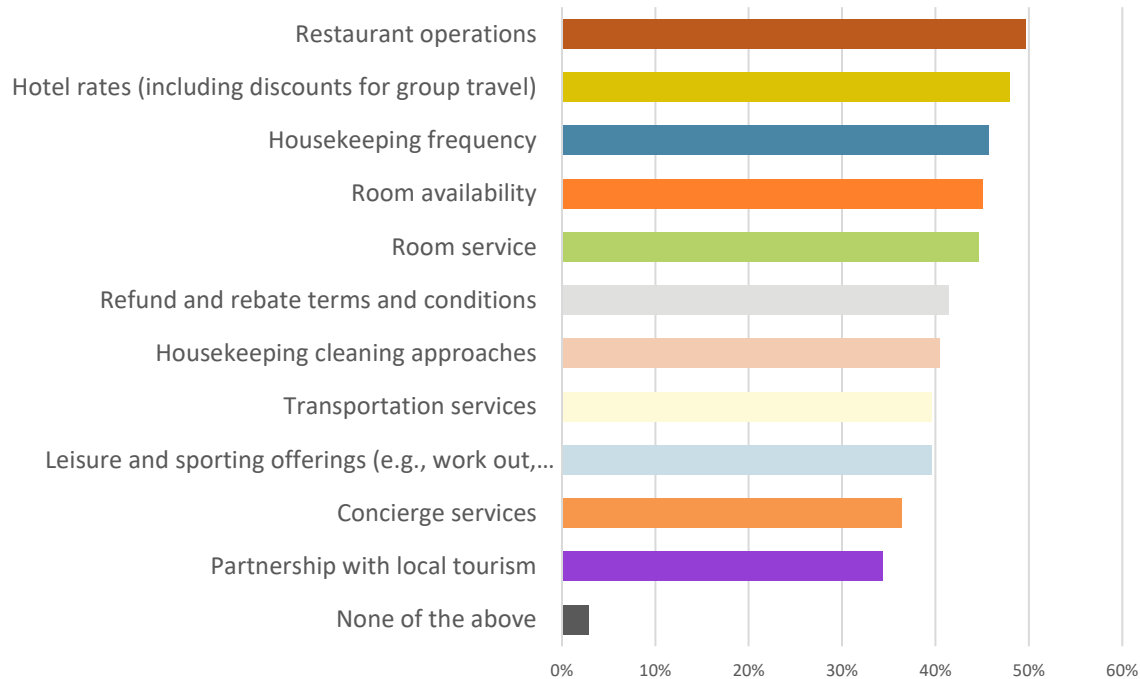
Business Changes

The Impact of COVID and the snap back to normalcy

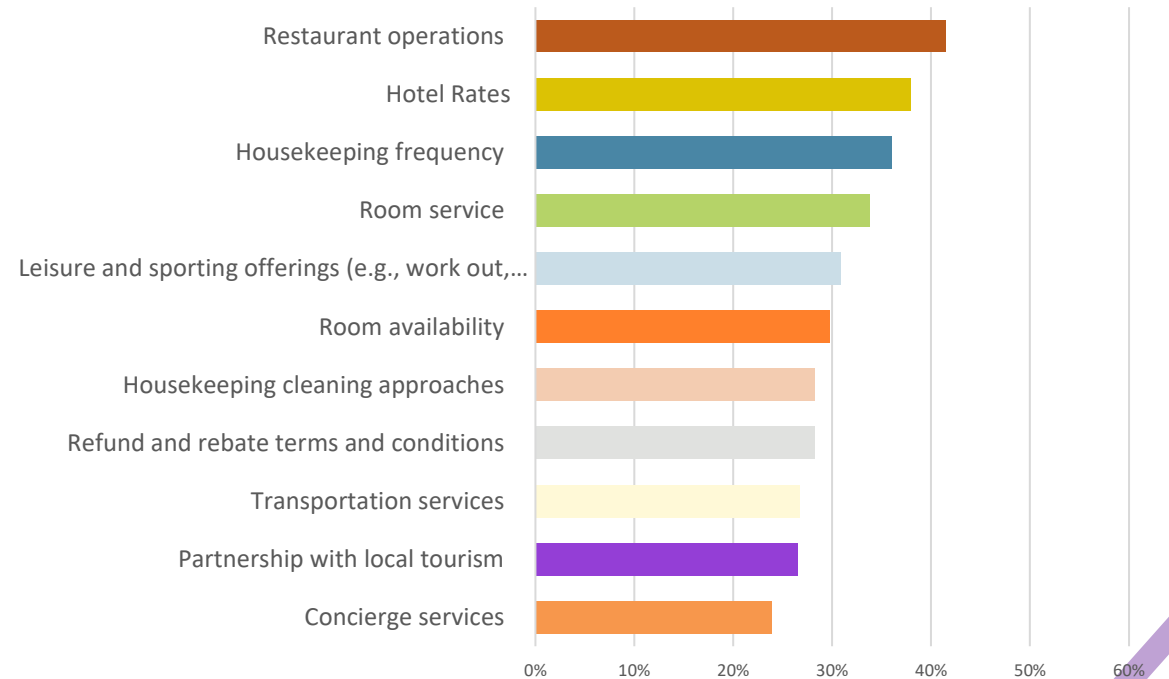


The hardest hit areas of Hotel operations was in the restaurant, impacted rates, housekeeping frequency, and room availability. Most are anticipating more favorable rates, a return of hotel and house keeping frequency. Lower on the list is transportation services, partnership with local tourism, and concierge services (which were less likely to be impacted by COVID).

Which of the following hotel amenities, services, and issues **changed (were reduced) during COVID?** (Check all that apply)



Which of the following hotel amenities and services do you anticipate will return to Pre-COVID service levels in the next 18 months? (Check all that apply)*.



* Of those that appears on the previous list on the left

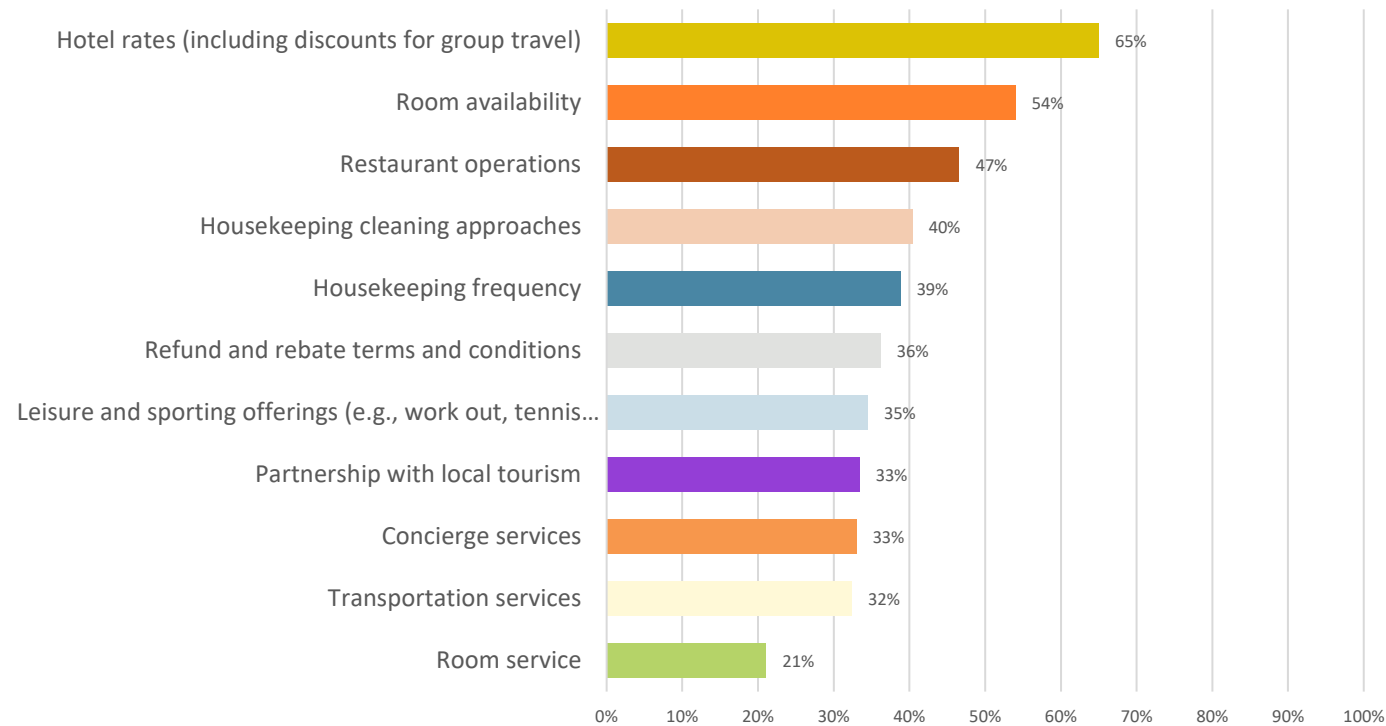
Business Priority

Getting back to volume and profitability



Two thirds (65%) of the near-term focus for hoteliers is on increasing REVPAR. Then, getting revenue generating restaurants up and running as well as housekeeping. Concierge, Transportation Services, and Room Services are de-prioritized for now.

*Please rank your selections from highest to lowest in terms of priority to your business plans. (% Rank 1 or 2)**



* of those reported to return to Pre-COVID service levels in

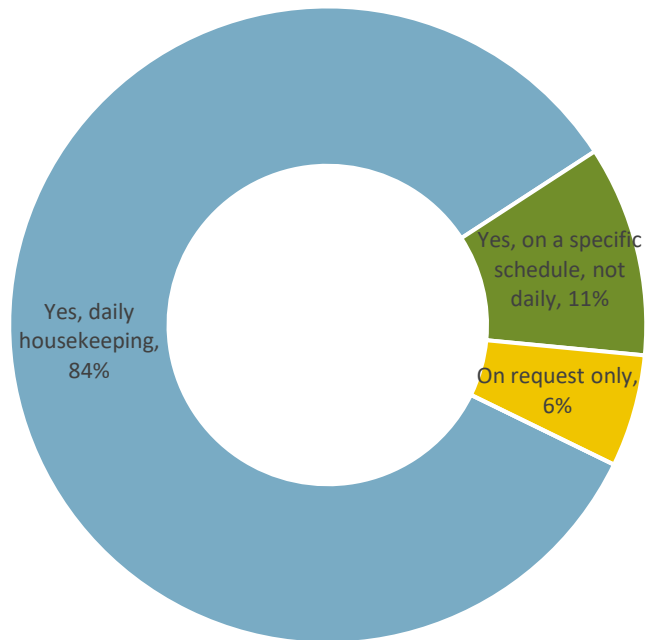
Housekeeping

Back to normal and staying that way

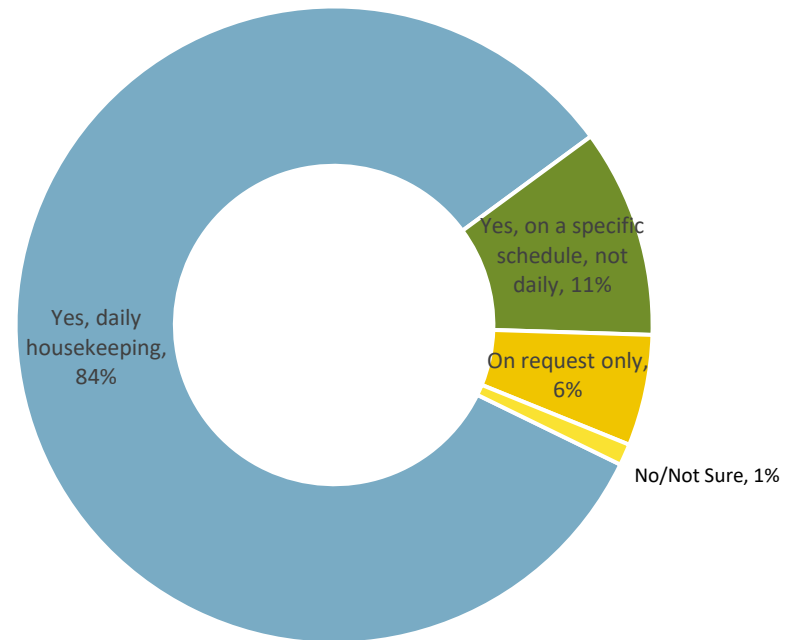


The majority of hoteliers are back to daily housekeeping. About 17% are still doing on-demand or a modified schedule. Most anticipate providing daily housekeeping moving forward.

Does your property currently offer housekeeping services?



Do you plan to offer daily, scheduled, or on-request housekeeping in the next 18 months?



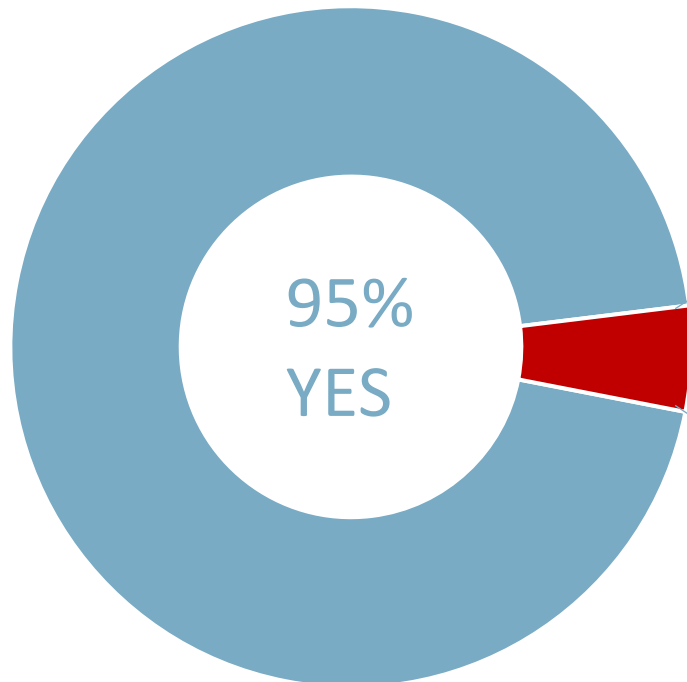
Food and Beverage

Ready for business

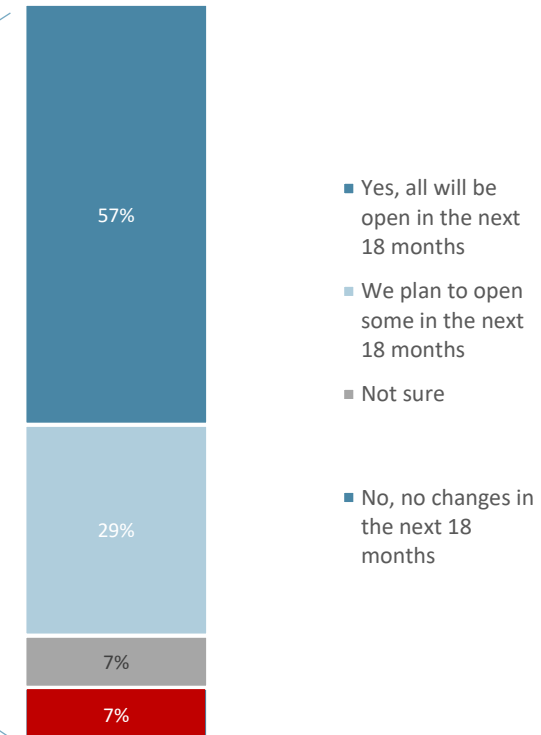


Most hoteliers now have food and beverage operational. Of the 5% that does not, the majority are planning to open in the next 18 months.

Are all of your food and beverage services currently open (inclusive of room service)?



Do you plan to open them in the next 18 months?



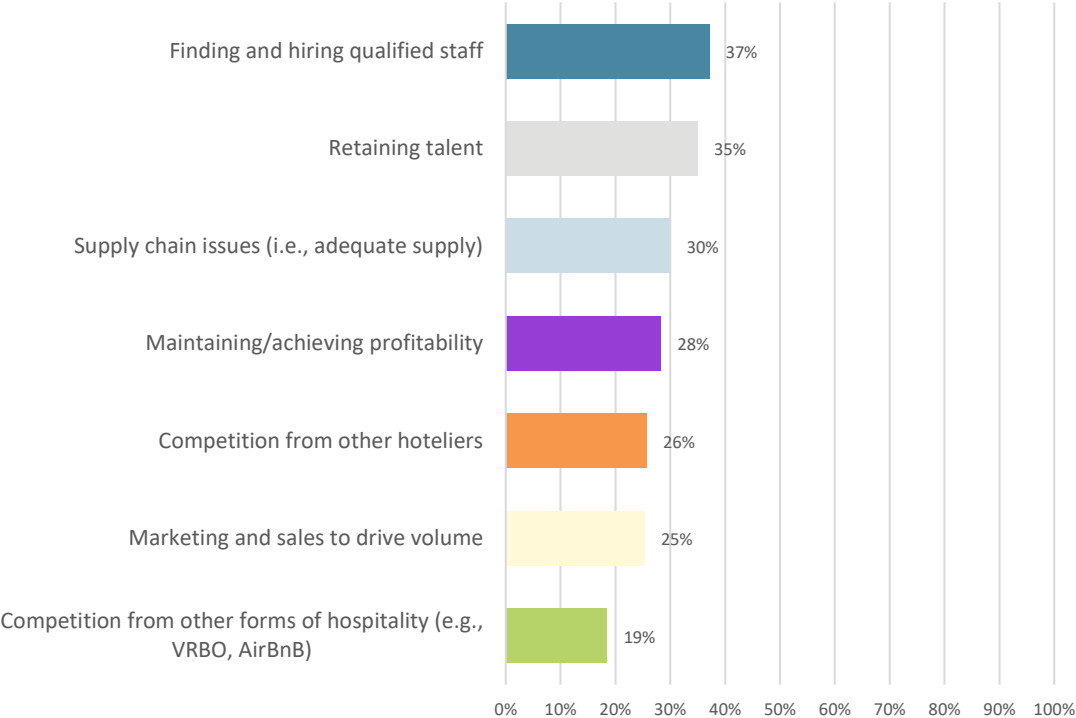
Business Challenges

Short handed



The biggest challenge for hoteliers is finding and retaining talent. Supply chain issues and profitability were also on the minds of others. Volume and competition, including competition from other hoteliers and non-traditional forms of hospitality, were the bottom of their list.

Please rank your organization's biggest challenges in the next 18 months with 1 being the most challenging (% Rank 1 or 2)



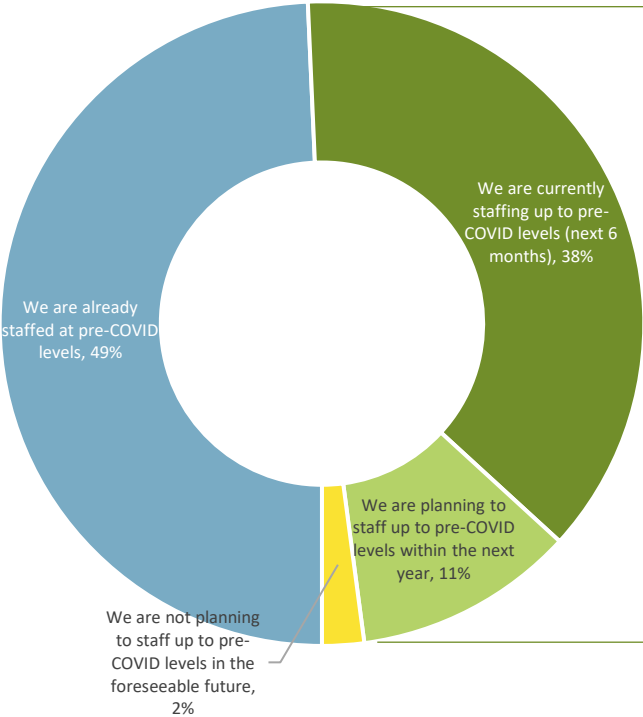
Staffing Challenges

Still Trying to Staff Up

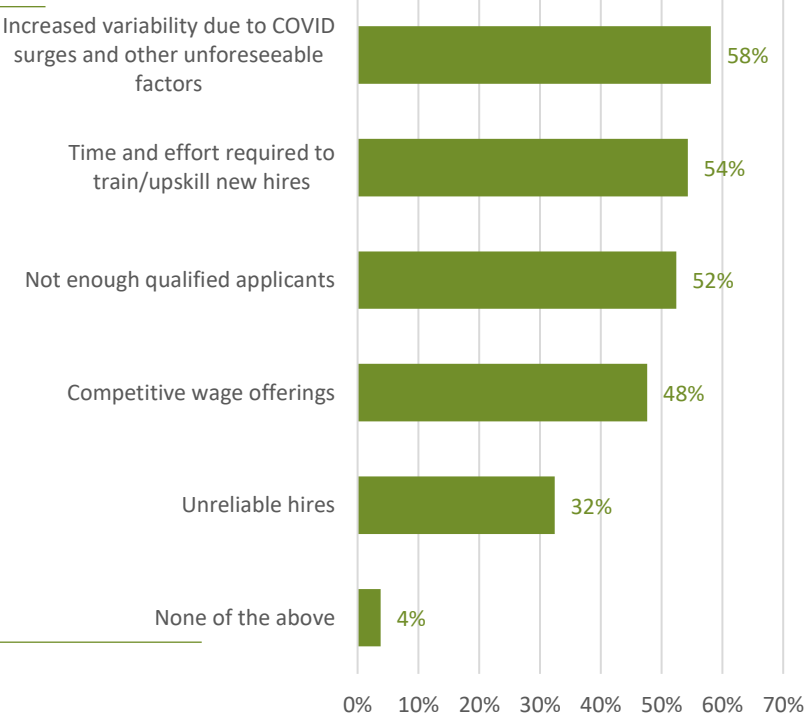


Hoteliers are struggling to staff up post COVID with only about 49% achieving pre-COVID levels and the balance trying to get back to pre-COVID levels. The uncertainty in COVID surges and resultant policy and staff availability is the biggest barrier for staffing. This is closely followed by the low availability of 'out of the box' talent, requiring hiring less skilled applicants, if they can be found at all.

Do you plan to staff up to pre-COVID levels?



Are you encountering any specific challenges or obstacles as you attempt to staff up to pre-COVID levels? (of those planning to staff up)



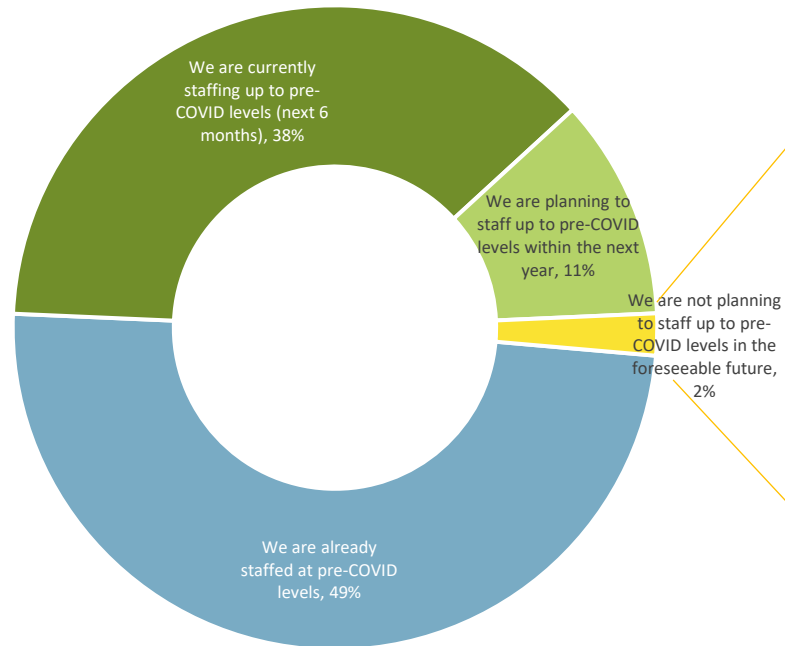
Staffing Challenges

The Few Not Staffing

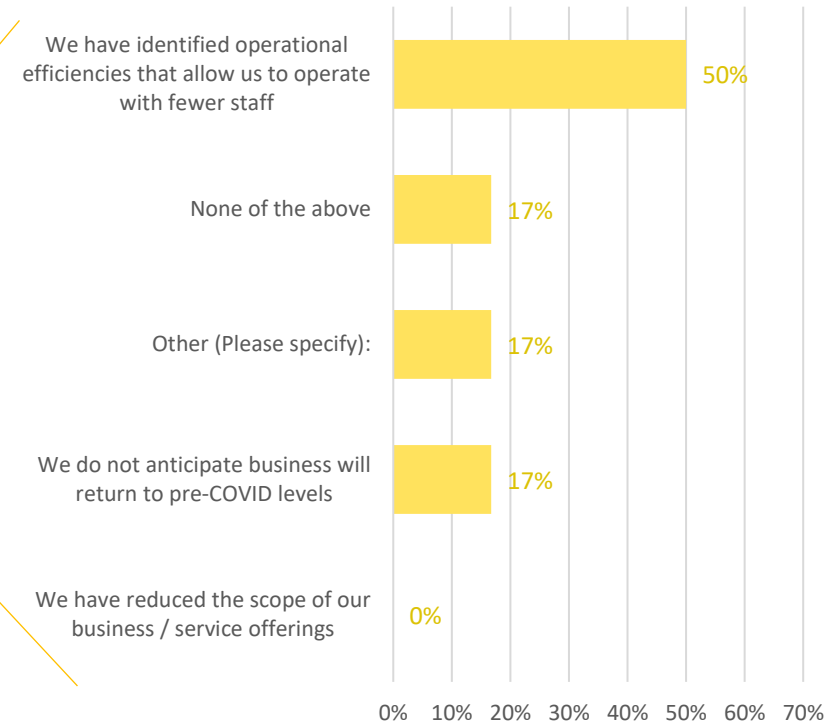


Of the very few who are not staffing up, about half of them found ways to run their properties with fewer people. These are generally smaller properties. A few others have either permanently reduced scope or do not anticipate business returning.

Do you plan to staff up to pre-COVID levels?



You said you are not planning to staff up to pre-COVID levels. Why is that?



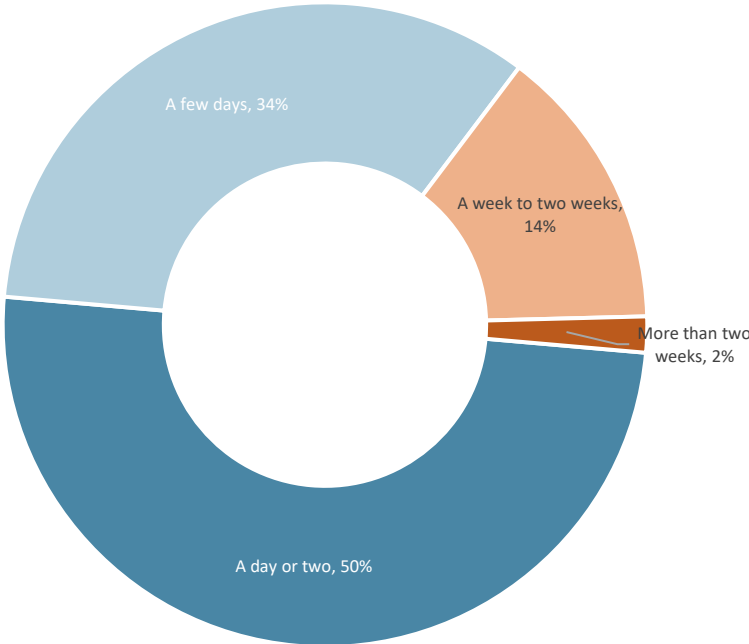
Ready for Business

What should incentive planners expect?

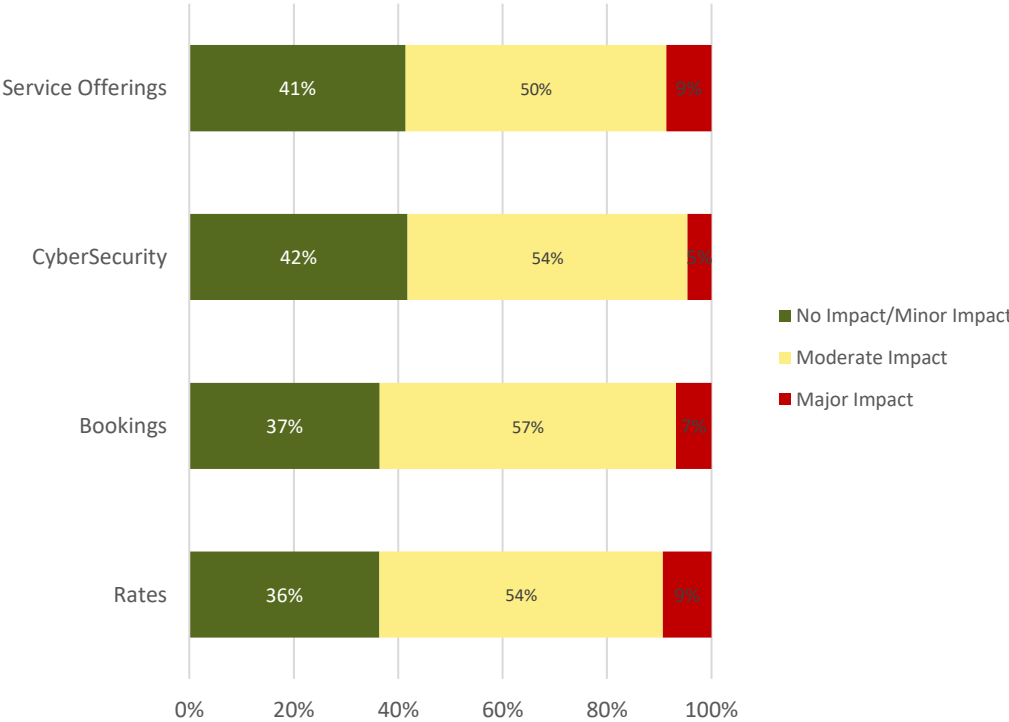


Most Hoteliers respond to incentive travel requests in less than two days (50%) or less than a week (34%). Current world events are having a mild or no impact on current business. Aside for staffing challenges affecting service levels, hotels are ready for business.

What is your current average response time for an incentive travel request for proposal?



Have current world political / socioeconomics (inflation, war in Ukraine, etc.) impacted your:



What Planners Need to Know

The Hotelier Perspective



Hoteliers key in on few points in their feedback to planners:

- Be specific
- Be transparent and honest
- They are open for business, but still spooling up
- There is very high demand
- Rates will be higher
- International travel is again opening up
- Book early

The sooner they send out RFP's the better chance they will have finding space, they also need to have flexibility on dates

We have limited space for 3Q and 4Q. Space for 1Q2023 confirmation is very short notice.

Stop casting vague, wide nets for availability. Come to the table with specific questions so we can supply specific answers. Also, start looking at dates outside of the next 1.5 years, as we're already fully committed. Availability starts opening up in 2024 and beyond.

When incentive planners are open and transparent with their hotel partners, it makes it much easier for the hotel professionals in turn, to be transparent and open with the incentive planners, especially when it comes to issues like staffing levels, service challenges, delayed responses, etc. A collaborative approach instead of a combative approach, especially in the current climate we are all working through continues to be the key to success. Things get better week by week, and one day we will be able to say, "Wow, remember when we had to do the job of five different people for a whole year?".

We are newly renovated (\$50 million during covid timeframe) and have reopened as a completely different luxury resort. We are actively pursuing incentive business interested in a domestic sun destination with a highly desirable location (San Diego) with the opportunity to do all events outdoors year round.

People want to do incentives again. Companies I feel are just still hesitant of clients getting stuck Internationally until CDC lifts testing.

Please keep supply and demand economics in mind. Huge demand means rates increase, we need to educate the end user that they will not see the rates of prior years.

That hoteliers are most eager to recapture the incentive travel business especially in international destinations. Domestic and Mexico are going to be the regions that receive the business back first.



Tourism Board/
Convention/Visitors Bureau

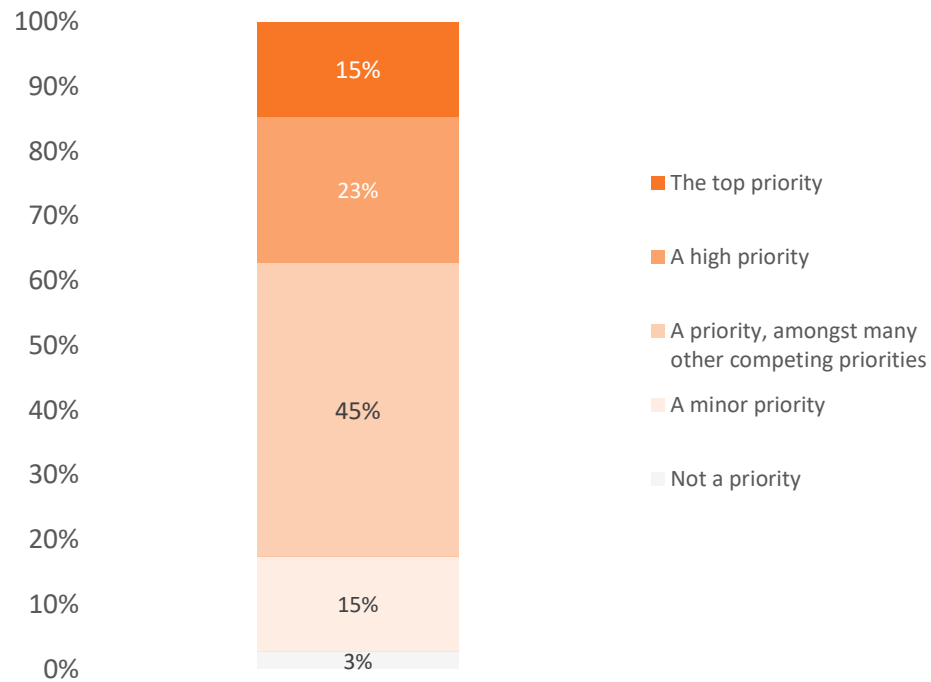
Incentive Travel

Importance and Challenges

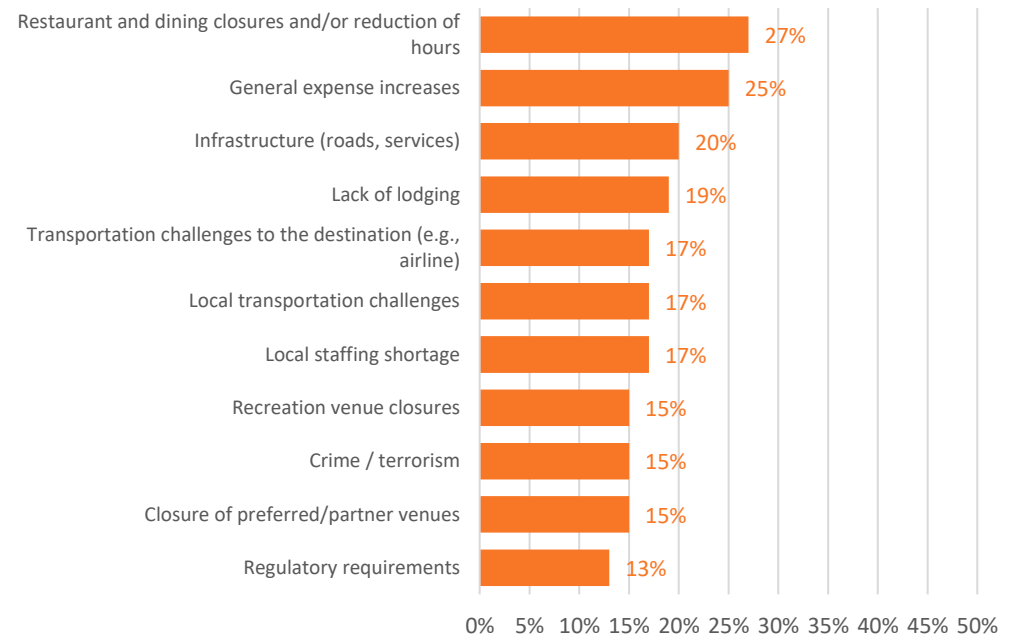


Tourism Boards/Visitors Bureaus are juggling many responsibilities with most considering incentive travel one many priorities. Local restaurants and dining closures and reduction of hours are also top of mind. General expense increases and infrastructure also factor into their concerns.

How important is incentive travel to your organization's revenue and annual goals?



Please rank your biggest challenges your organization currently faces as it relates to incentive travel with 1 being your biggest challenge. (% Rank #1 or #2)



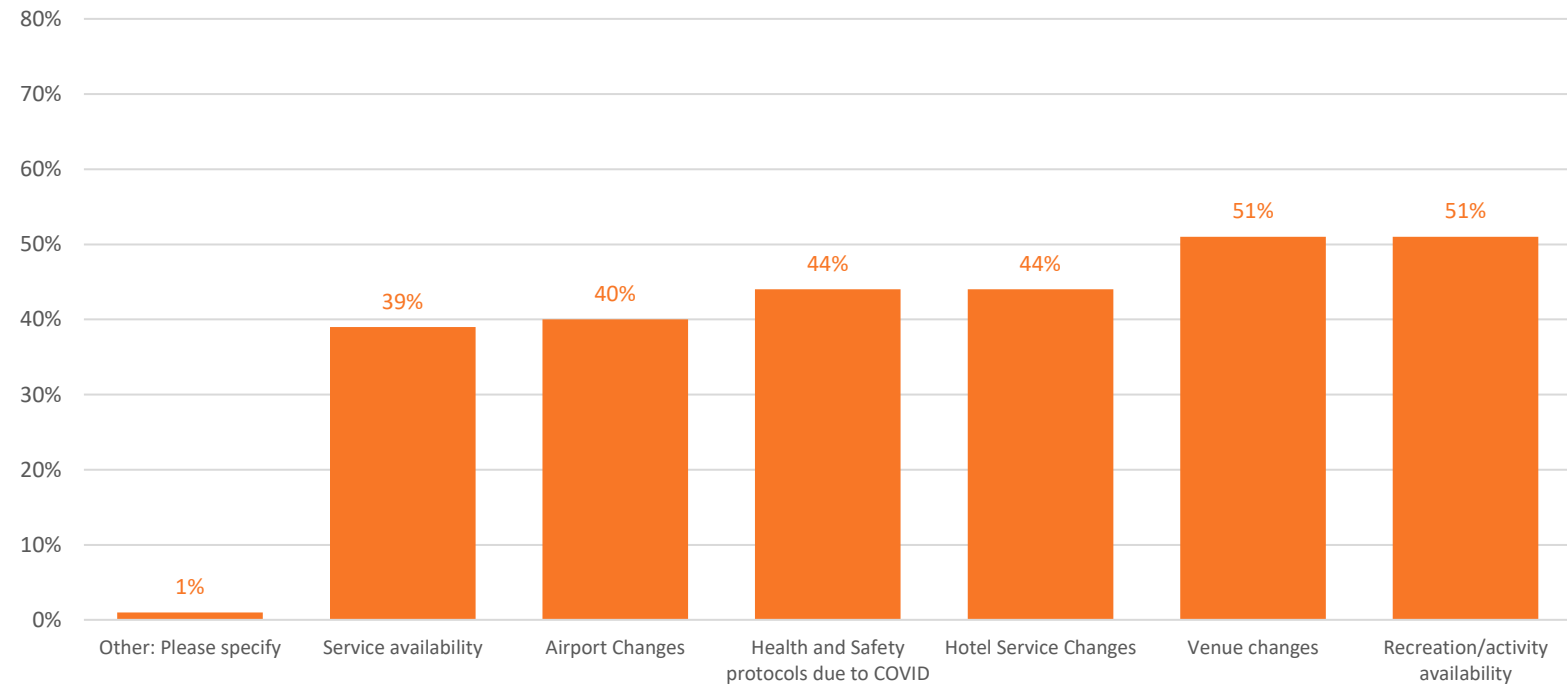
Incentive Travel

Location challenges



For local Tourism Boards and Conventions Centers, awareness of available extra-curricular activities, venue changes, and hotel service changes is important in locations. COVID still plays a role, but the repercussions of COVID seem to have taken center stage.

What are the biggest challenges that event organizers need to understand about your location in the next 18 months?



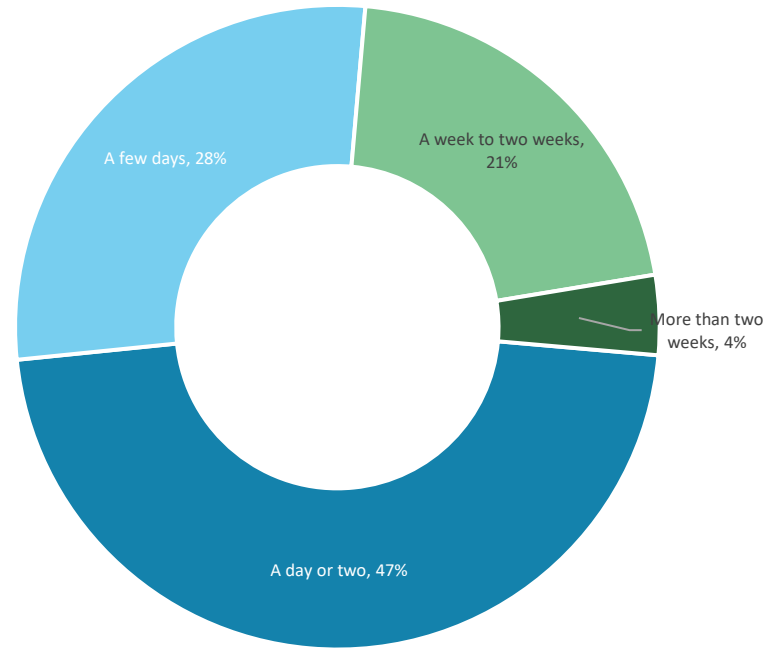
RFP Response Time

What should incentive planners expect?



Tourism board response time is fairly quick with most responding in a few days or less. About 1 in 5 take a week or two to respond.

What is your current average response time for an incentive travel request for proposal?



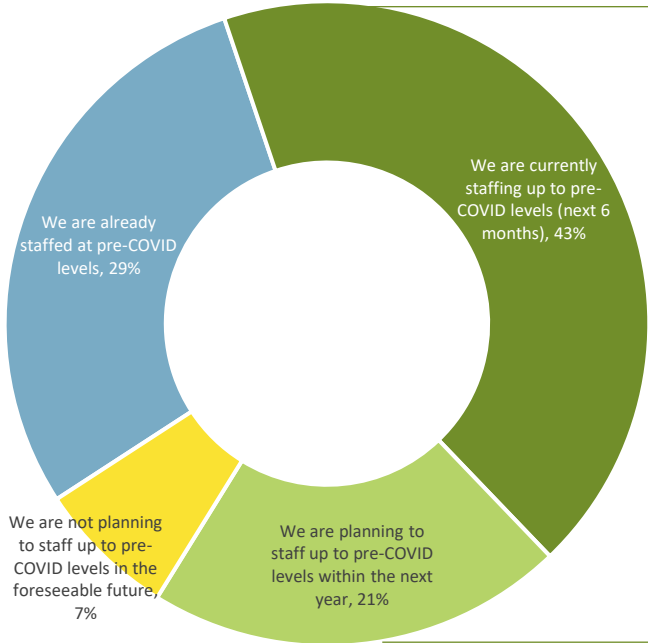
Staffing Challenges

Struggling to Find Talent

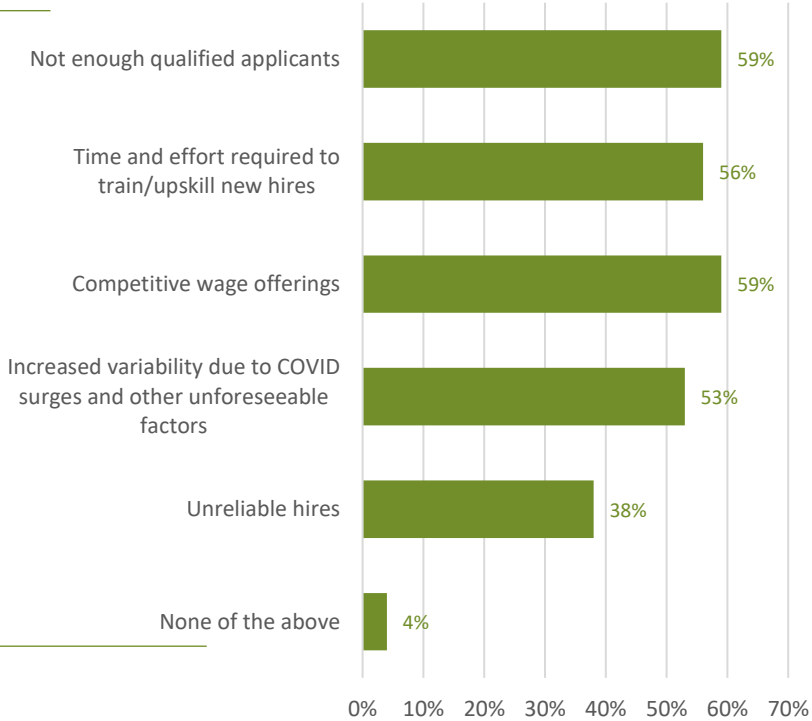


Local tourism boards and visitors' bureaus are struggling to staff up, with only 1 in 3 achieving pre-COVID staffing levels. Local market conditions make finding qualified application and the time to train new applicants difficult. Also, reliability of hires is also an issue..

Do you plan to staff up to pre-COVID levels?



Are you encountering any specific challenges or obstacles as you attempt to staff up to pre-COVID levels?



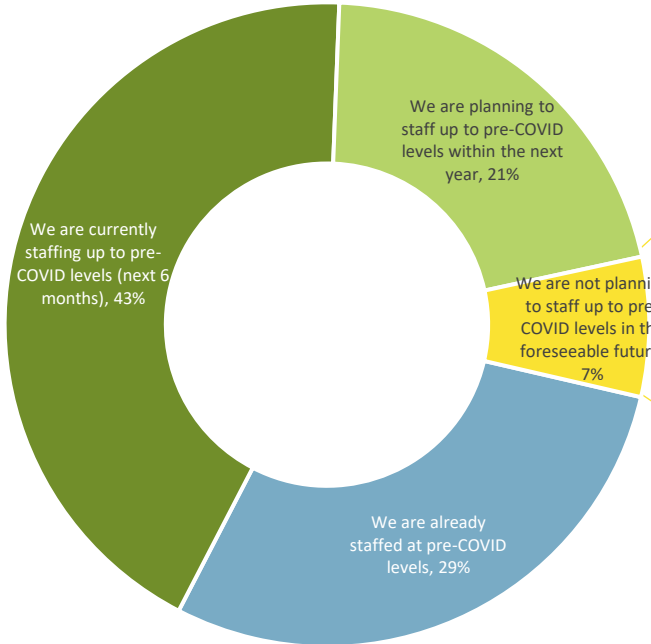
Staffing Challenges

The Few Not Staffing

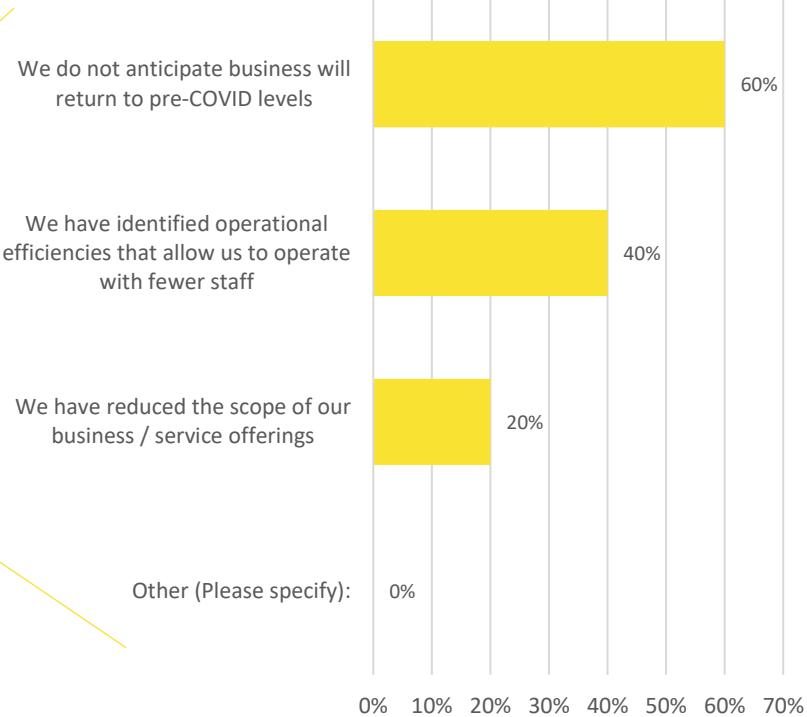


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Do you plan to staff up to pre-COVID levels?



You said you are not planning to staff up to pre-COVID levels. Why is that?*



* Low sample size

What Planners Need to Know

Tourism, Convention, and Visitors Bureau perspective



*What do you feel would be important for planners to know about your destination?
(Select Comments)*

Mostly tourism, convention, and visitor's bureaus want you to know

- They're open!
- They're safe
- They are prepared
- They think their location is the best

Very consistent weather in the Caribbean, outside of the hurricane belt

Come visit our beautiful island!

I feel would be important for planners to know about my destination is safe with health like preventing from covid.

Our destination is fully open with all venues, outlets, hotels, restaurants open for business.

Security, Ambience, Connectivity to Important Clients

It's important that planners know our destination is well-financed and has tremendous infrastructure support and this is more important to program success than finding somewhere new to experience.



Destination Management Companies

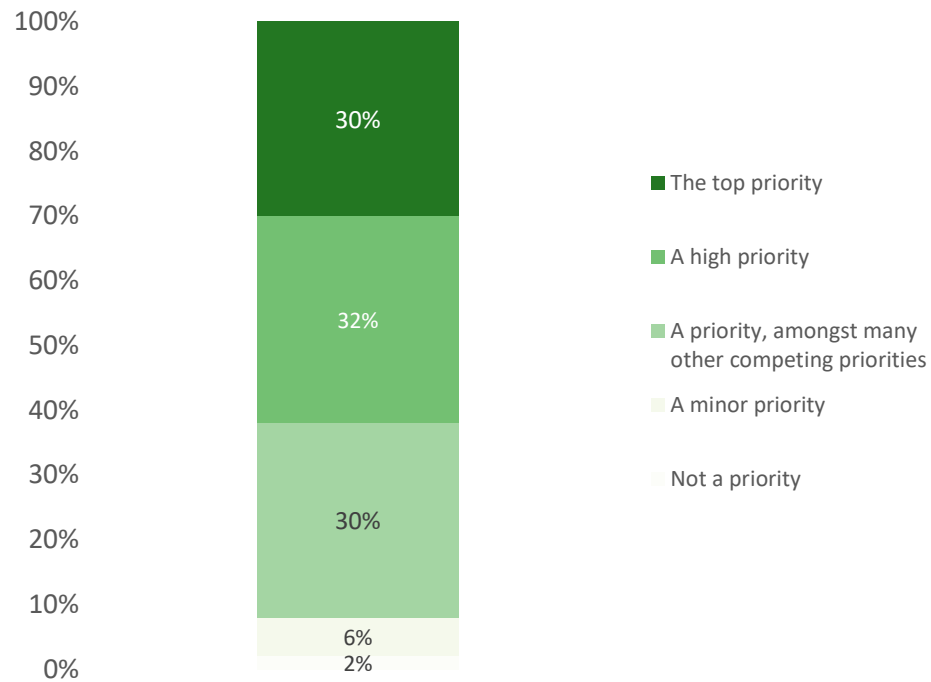
Incentive Travel

Importance and Challenges

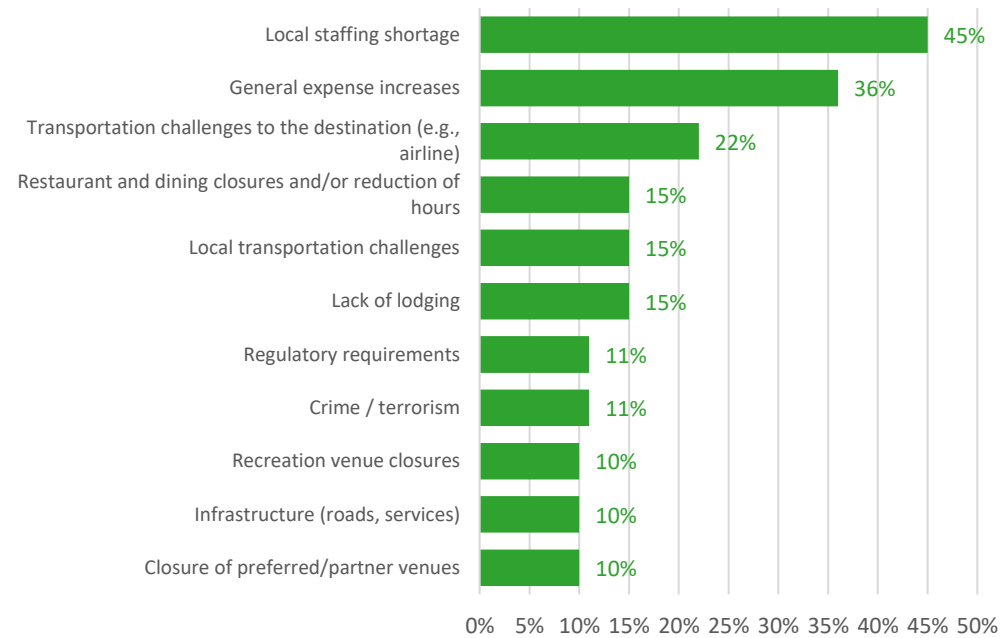


Incentive travel is a priority for 92% of DMCS, with about one in three (30%) saying it's their top priority. DMCS are also hardest hit by lack of staffing, increased expense, and logistics to location.

How important is incentive travel to your organization's revenue and annual goals?



Please rank your biggest challenges your organization currently faces as it relates to incentive travel with 1 being your biggest challenge. (% Rank #1 or #2)



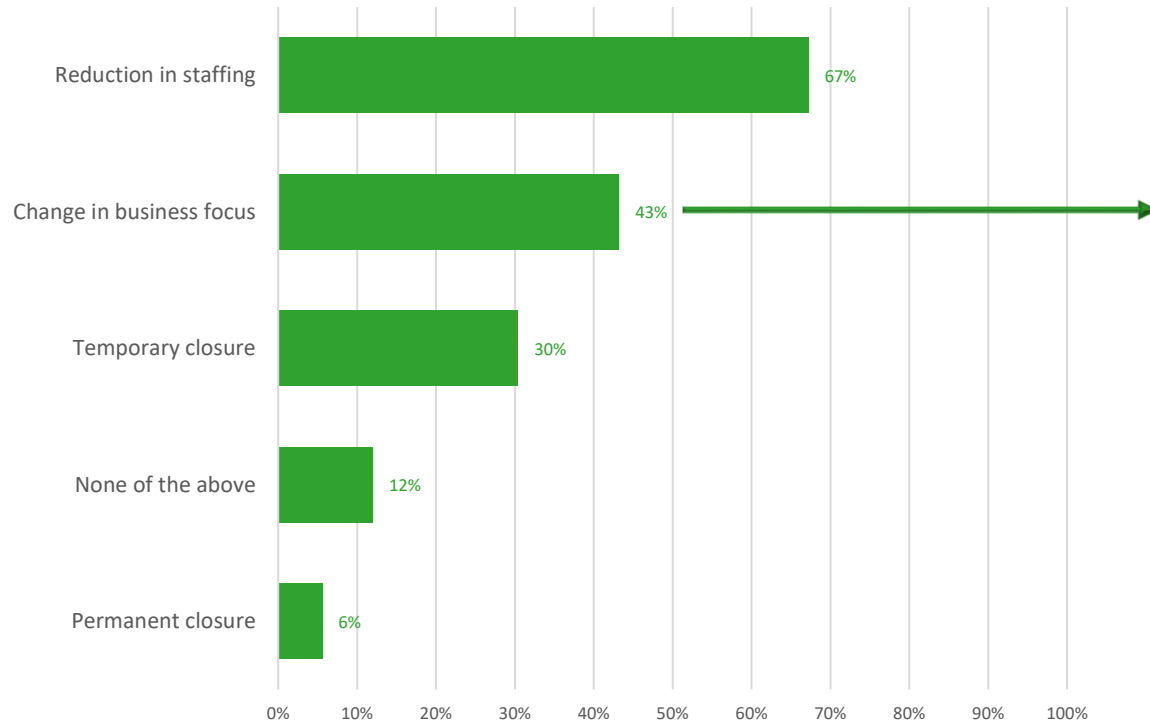
DMCs Impacted

Surviving the Storm



DMCs have been heavily impacted by COVID, with almost a third temporarily closing shop and 6% permanently closing (likely under-reported due to sample). Many survived by shifting focus to COVID support, digital events, or localized short-term travel. Most are hoping to get back to normal.

In the last 18 months, which of the following has your business experienced?



In the previous question, you indicated your business has experienced a change in business focus. Please elaborate on how your focus has changed and the reasons for making that change. (Select comments)

During the pandemic (March 2021-22) our company shifted our logistical and production teams (internal and supply chain teams/staff) to providing hospitality and logistics support to mass urban vaccination clinics and operating mobile vaccination clinics in the rural regions of our province through a contract with our provincial government. It was a transfer of our industry's skill set to an urgent situation. We have now returned to our main business in business meetings, events and incentives. However, we have positioned our company and our industry sector for emergency response support should there be a need. This pivot kept our company in business ensuring our survival and recovery..

During the pandemic, we made a shift to focusing on digital events, but moving out of the pandemic, it has shifted back to in-person events.

Did some local outreach to businesses for virtual events and gift deliveries. Also produced a Holiday Festival of Lights which has become an annual event. We were trying to keep our name out front locally and use our resources for a give back event.

Change from long term travel to shorter trips and day trip focus

Adapt from in person to hybrid and virtual events.

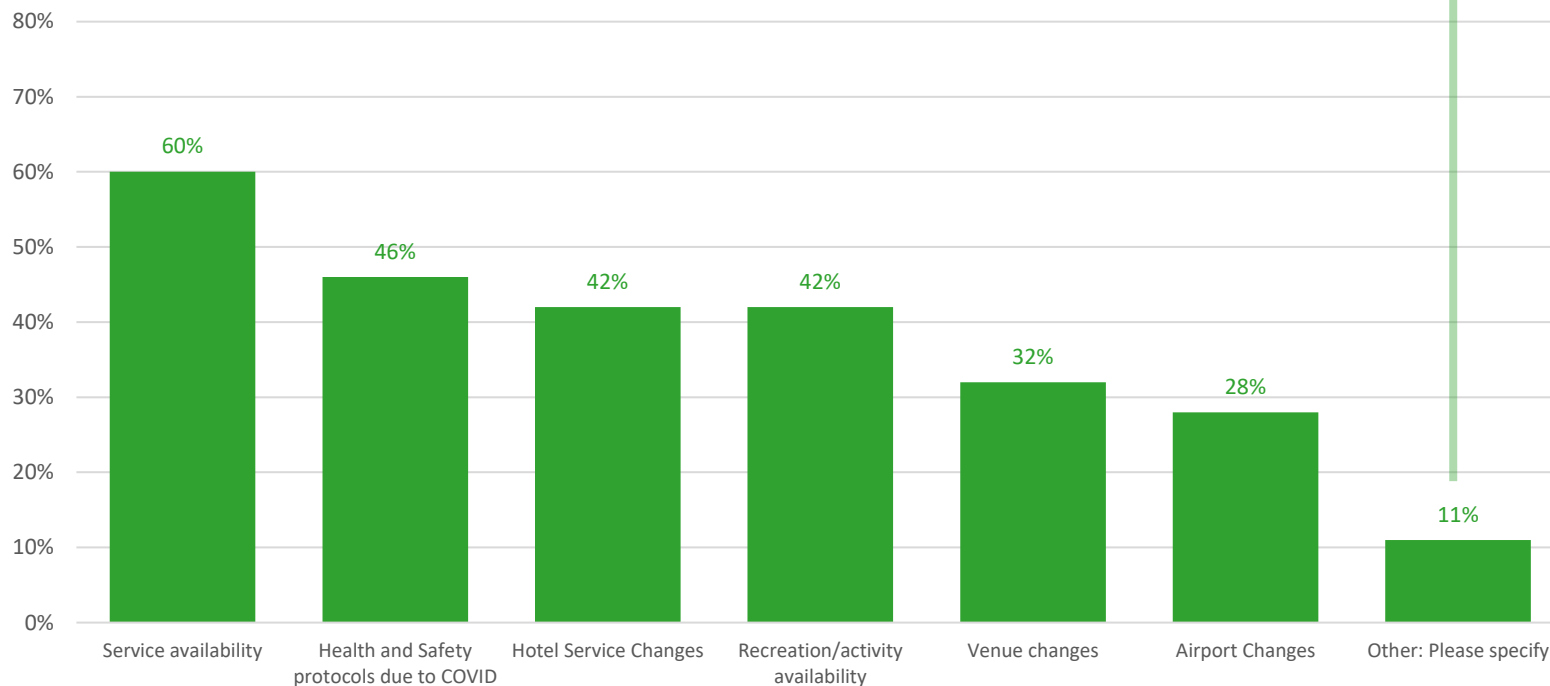
Incentive Travel

Location challenges



Service availability (or lack of) is something DMCs want planners to understand in their area as they get back up on their feet. This is followed by lingering COVID guidelines, and changes to hotel services and recreation and activity available..

What are the biggest challenges that event organizers need to understand about your location in the next 18 months?



- Ability to get back to clients quickly - we are inundated with requests at all levels and still getting back to needed staffing
- Challenges with staffing shortages, especially for transportation services.
- Immigration restrictions
- It's going to take longer to get quotes and confirm availability.
- labor shortage and services / product demand is very high in my market
- Lack of staffing across the board
- staff and on the ground vehicle availability, fuel surcharges
- Staffing changes and training of new staff
- Staffing, everyone is understaffed
- The war in Ukraine and an inability to predict the outcome
- Transportation/driver shortage
- We need patience and understanding and as much lead time when putting budgets and proposals together.

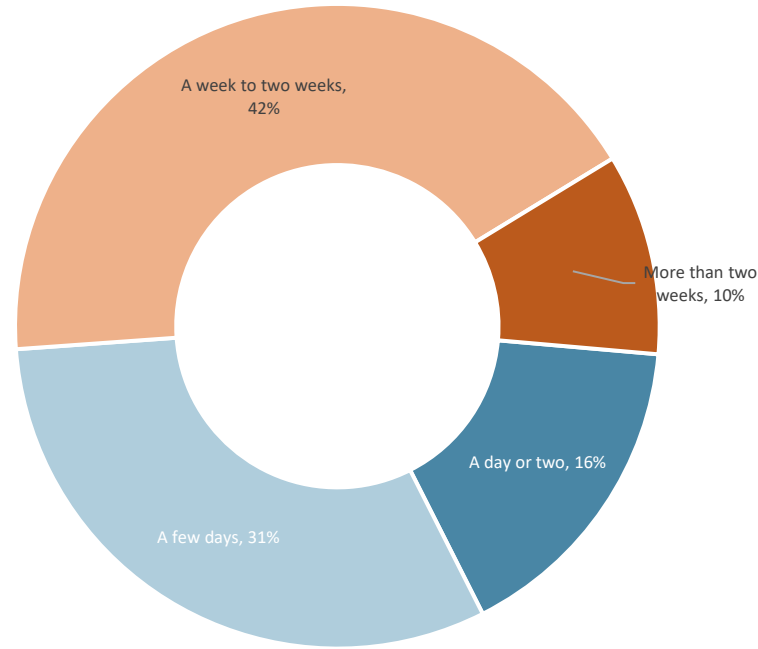
Not As Ready for Business

What should incentive planners expect?



DMCs are slower to respond to RFPs with most taking a week or more (52%). This likely reflects the shortage of both staffing in the DMC and supporting contractors and businesses in their network (Hotels, Transportation, Events location, Catering, Restaurant, Entertainment, etc.)

What is your current average response time for an incentive travel request for proposal?



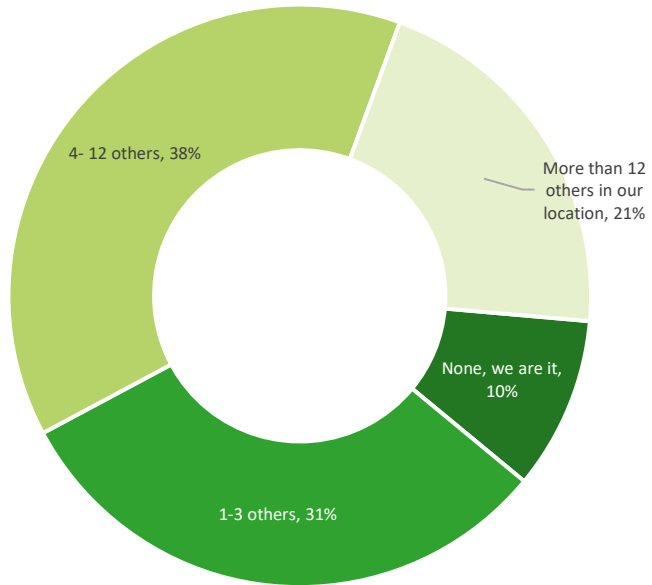
DMCs Profile

Competitive markets with larger players

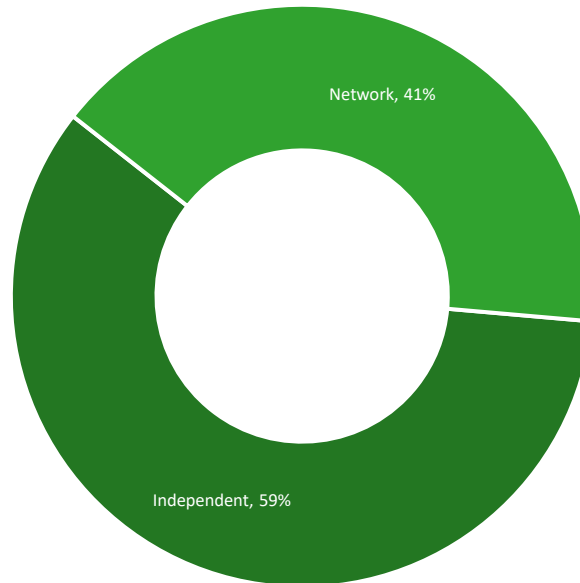


While smaller markets may have lost DMC presence, it appears that many in competitive markets found a way to survive, with (45%) reporting over \$1m in revenue in our sample. More than half (59%) are independent DMCs.

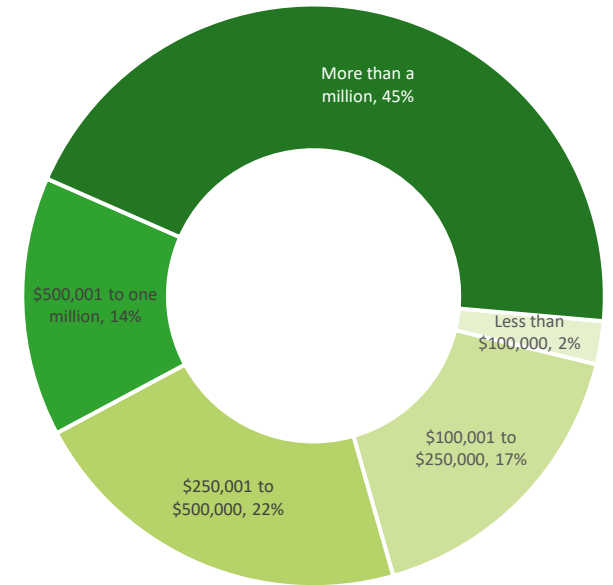
Besides your organization how many other destination management companies service or operate in your immediate area?



Are you an independent or part of a larger DMC network?



What was your annual revenue pre-COVID



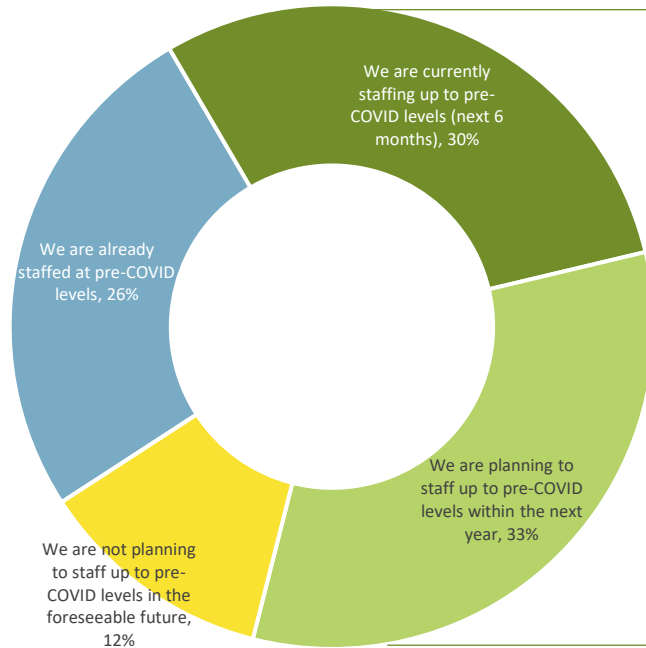
Staffing Challenges

Struggling to Find Talent

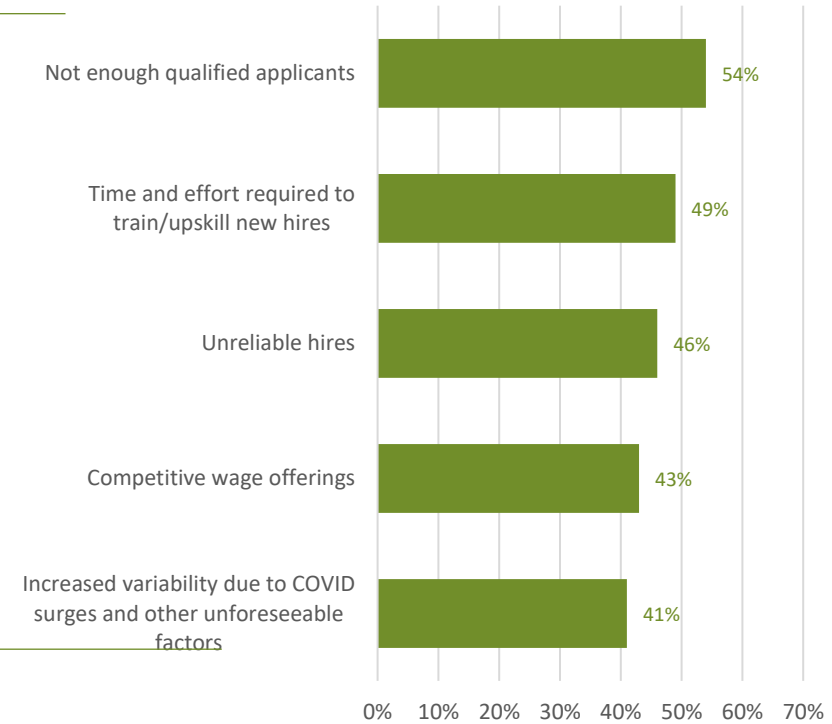


DMCS are struggling to staff up, with only 1 in 4 achieving pre-COVID staffing levels. Local market conditions make finding qualified applicants and the time to train new applicants difficult. Also, reliability of hires is an issue.

Do you plan to staff up to pre-COVID levels?



Are you encountering any specific challenges or obstacles as you attempt to staff up to pre-COVID levels?



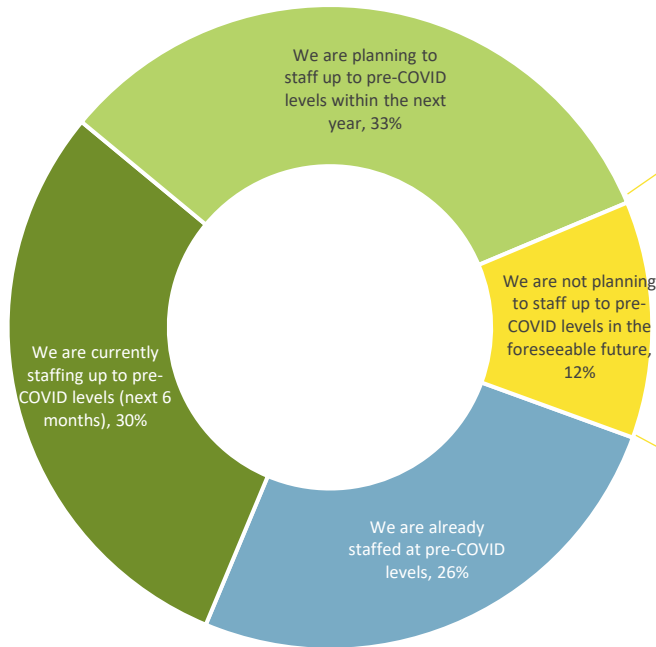
Staffing Challenges

Not shrinking

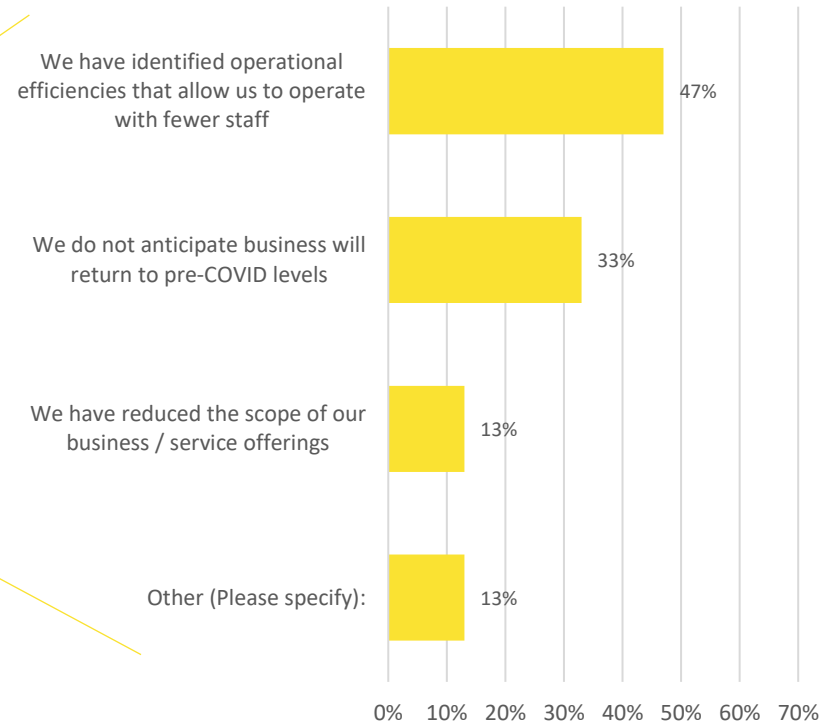


For the 12% of DMCs reporting not staffing up, half are doing so because of achieving new operational efficiencies. Only about 4%* of all DMCs do not anticipate business to return to Pre-COVID levels, if they haven't already.

Do you plan to staff up to pre-COVID levels?



You said you are not planning to staff up to pre-COVID levels. Why is that?*



* Rebased to all DMCs responding (13% * 12%)
** Low sample size

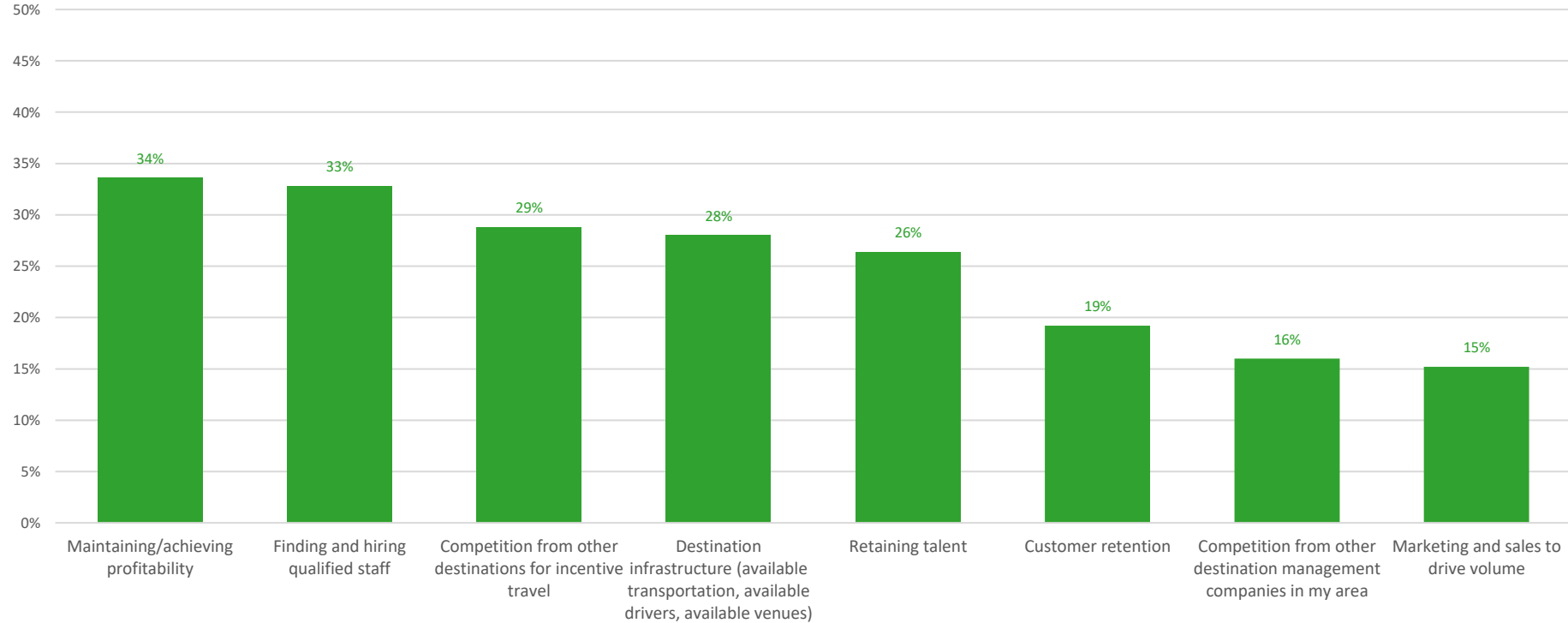
DMCs Challenges

Trying to survive to fight another day



DMCs are still trying to achieve or maintain profitability while also looking for qualified staff. Competition and Destination Infrastructure are also concerns. The volume appears to have returned; it's now just trying to execute profitably that is key.

Please rank your biggest challenges in incentive travel in the next 18 months with 1 being the most challenging. (% Rank 1 and 2)



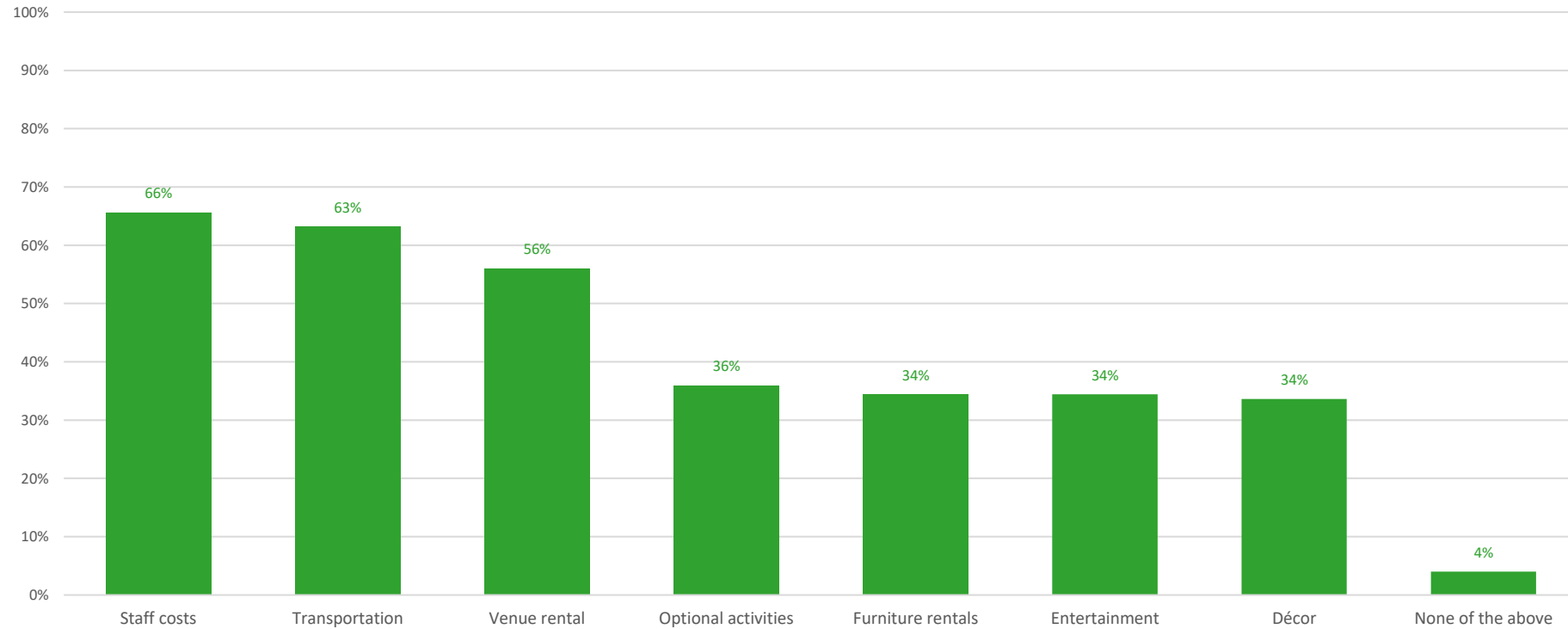
DMCs Cost Rising

Again...labor is the pinch point



Two-thirds of DMCs are reporting both staff and transportation (likely also labor related) cost increases. Venues are likely becoming scarce also driving up cost. About a third report other cost increases in activities, furniture rentals, entertainment, and décor. Only 4% indicated no cost increases.

Where are you seeing the biggest increases in your cost of delivering services?



What Planners Need to Know

DMCs' perspective



The key message from DMCs is they are slammed:

- Staffing is in short supply
- Response times will increase
- Surcharges for fuel
- Transportation and driver shortages
- Book early
- Stick with the tried and true for now

*What do you feel would be important for planners to know about your destination?
(Select Comments)*

It's booming and hotel room blocks and meeting space are at a premium based on high demand.

We need patience and understanding and as much lead time when putting budgets and proposals together..

It's important that planners know our destination is well-financed and has tremendous infrastructure support and this is more important to program success than finding somewhere new to experience.

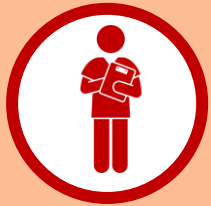
staff and on the ground vehicle availability, fuel surcharges

Ability to get back to clients quickly - we are inundated with requests at all levels and still getting back to needed staffing.

It's going to take longer to get quotes and confirm availability.

Need to book labor at least a month in advance. Even when a vendor has the supplies/furniture they don't have the delivery labor.

Transportation/driver shortage



Incentive Planner/
Third Party Incentive Agency

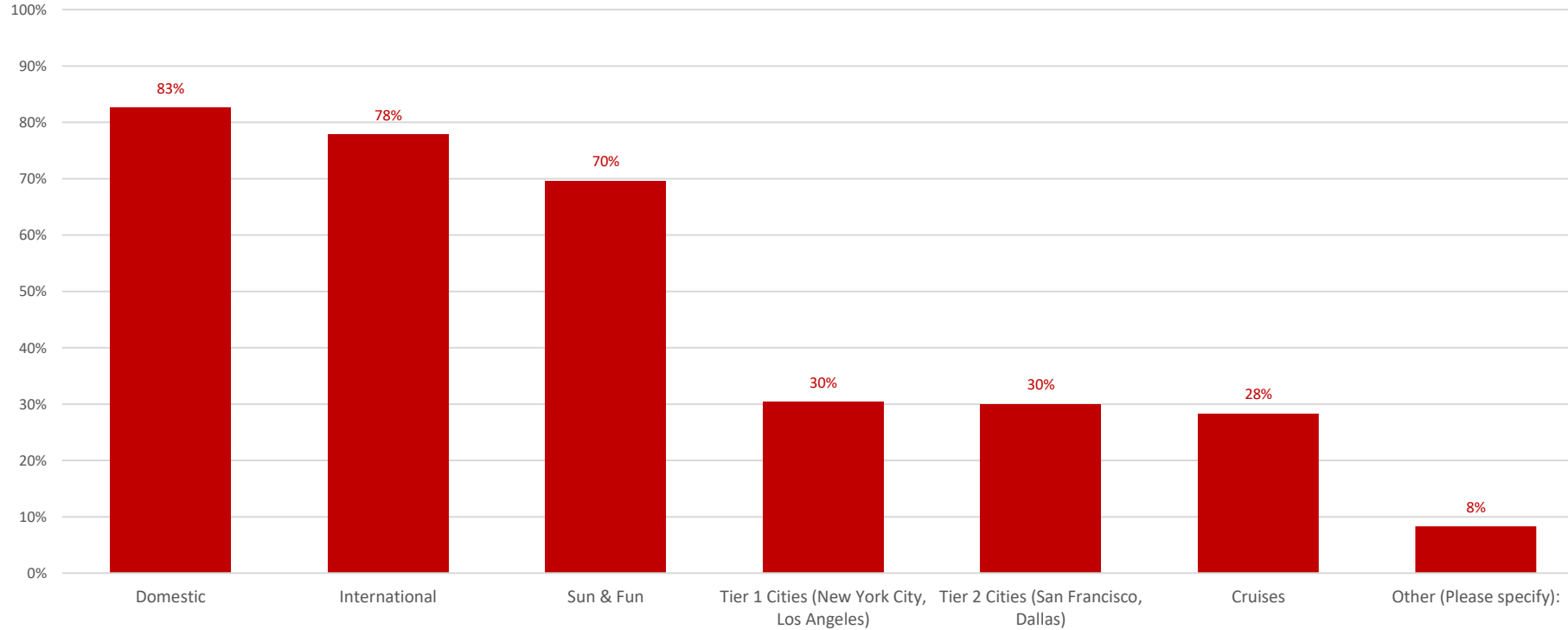
Planned Trips

Back to the Sun



Planners are entertaining both domestic and international incentive travel. The biggest focus is on Sun and Fun destinations, after 24 months stuck indoors due to COVID.

What types of incentive travel will you focus on in the next 18 months? (Check all that apply)



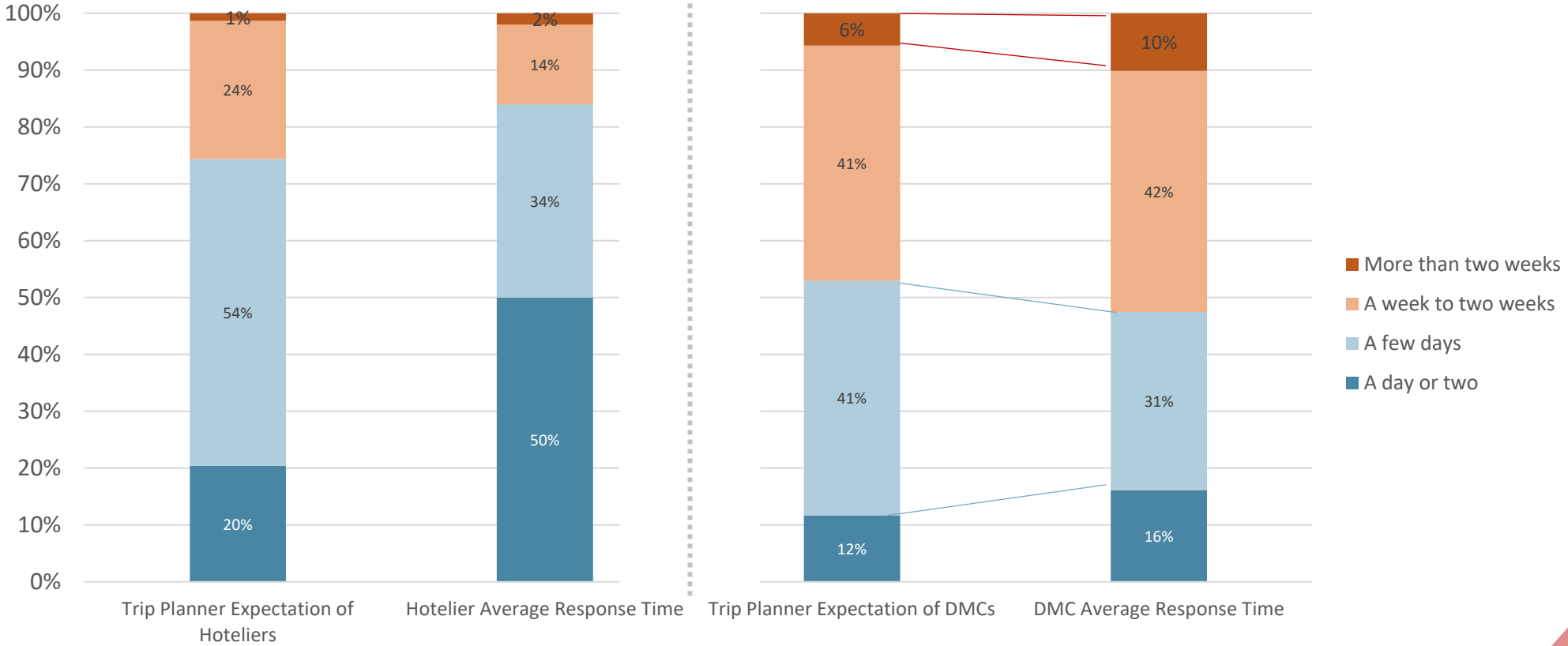
RFP Response Time

Mostly Aligned



Incentive Trip Planners' expectations of Hoteliers RFP response time is a bit more lenient than Hotelier's self-report response time. DMC response time is *slightly* slower than what Trip Planner expectations are, but not significantly. This likely reflects DMCs' labor issue and volume uptick in recent months.

Time Expected and Average RFP Response Time



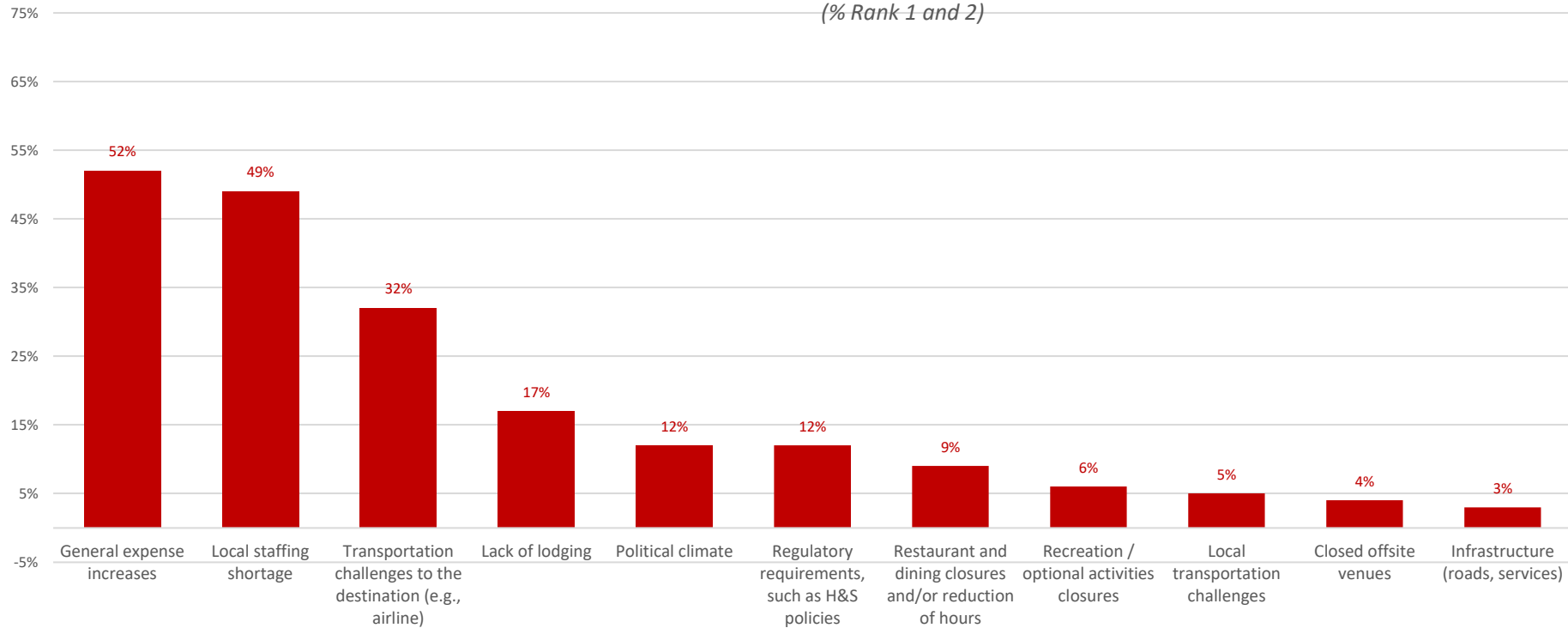
Travel Planner Concerns

Tourism Board, CVBs, and DMCs



Travel planners are principally concerned about rising expenses and local staffing shortages. Transportation (which is also labor related) is also a concern. These largely are the same concerns expressed by Tourism Boards, CVBs, and DMCs.

Please rank your biggest concern about incentive travel in the next 18 months as it relates to Tourism Board, CVBs, and DMCs with 1 being the highest concern (% Rank 1 and 2)



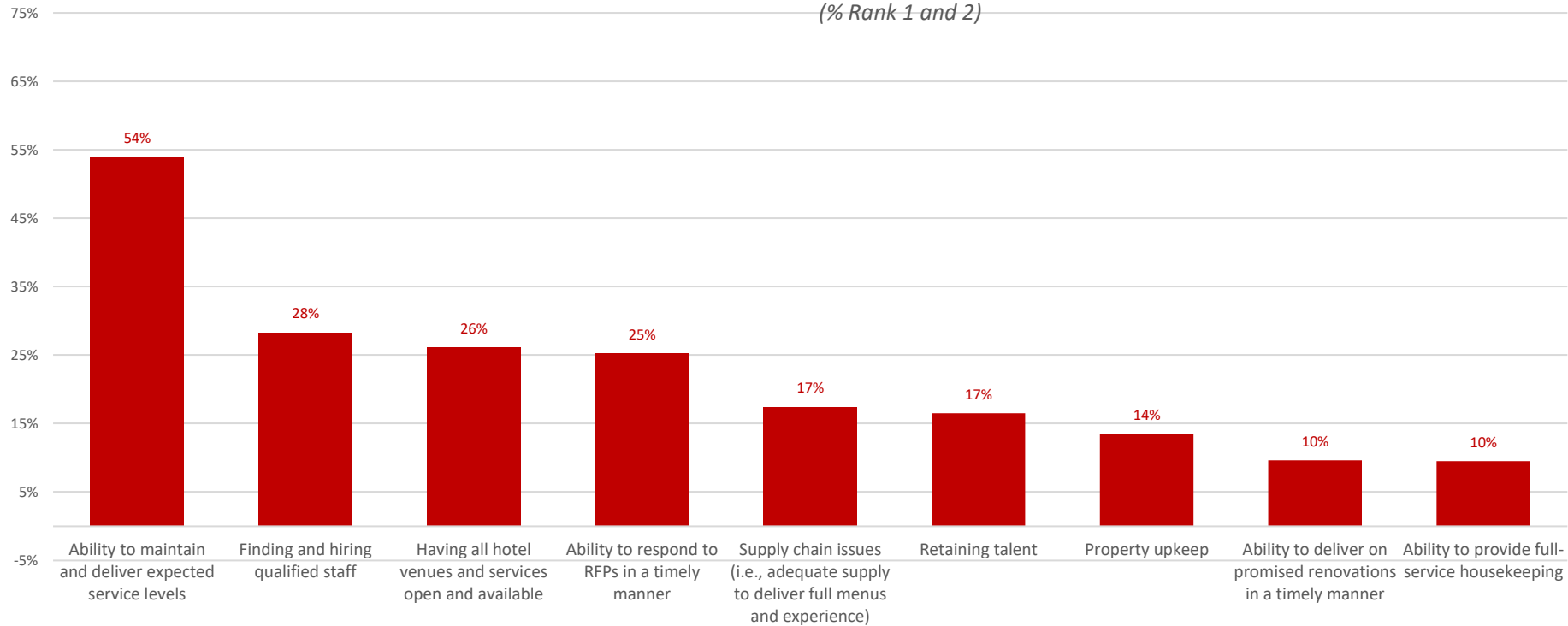
Travel Planner Concerns

Can Hotels Deliver?



Service levels are the greatest concern by travel planners about booking hotels, followed by adequate staffing, services availability, and timely response to RFPs. Staffing concerns, based on Hoteliers feedback, are well founded. However, most hotel ancillary operations (restaurants, gym, etc.) are now open for business.

Please rank your biggest concern about incentive travel in the next 18 months as it relates to Tourism Board, CVBs, and DMCs with 1 being the highest concern (% Rank 1 and 2)



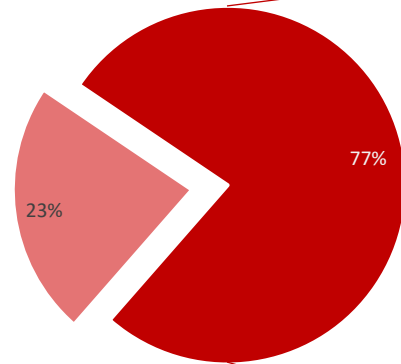
Incentive Planner Experiences

More expensive, less availability, lower service levels



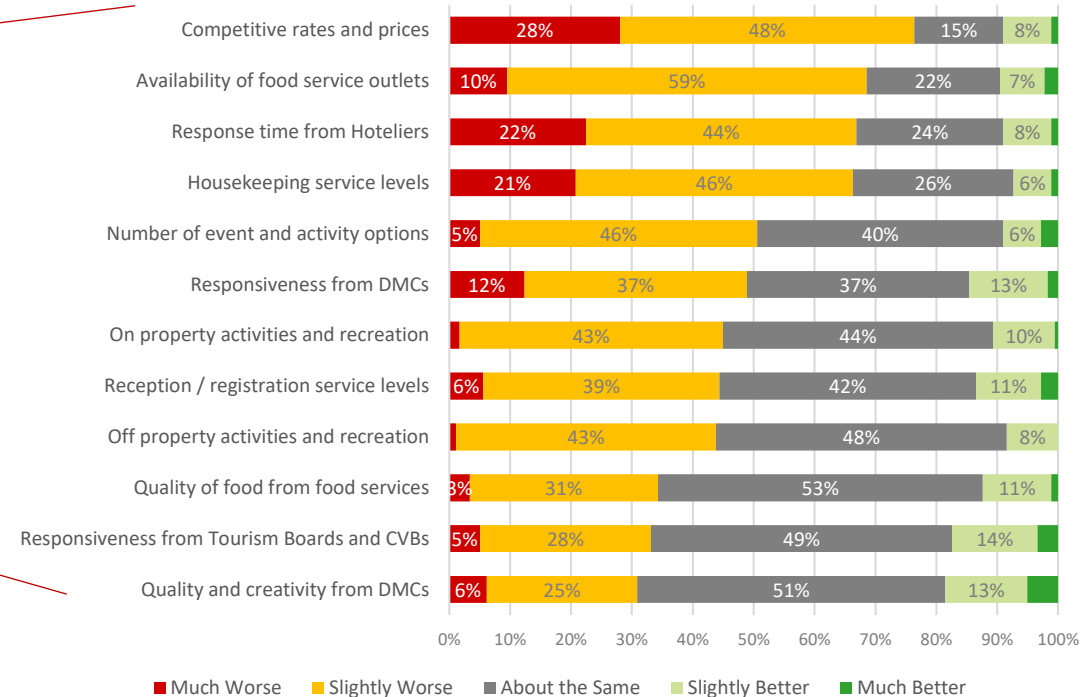
Nearly two thirds of incentive planners conducted a program in the last 18 months. By and large, the programs have been evaluated as more challenging. Rates, food outlets, response time from Hoteliers and DMCs and Housekeeping were all evaluated worse. They do note some creativity from DMCs.

Have you operated an incentive travel program in the last 18 months?



■ Yes ■ No

For programs you've operated in the last 18 months, how have the following attributes compared to pre-COVID incentive programs

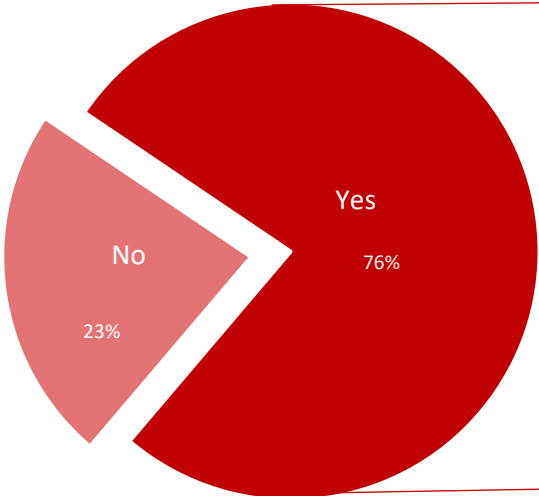


Site Inspections

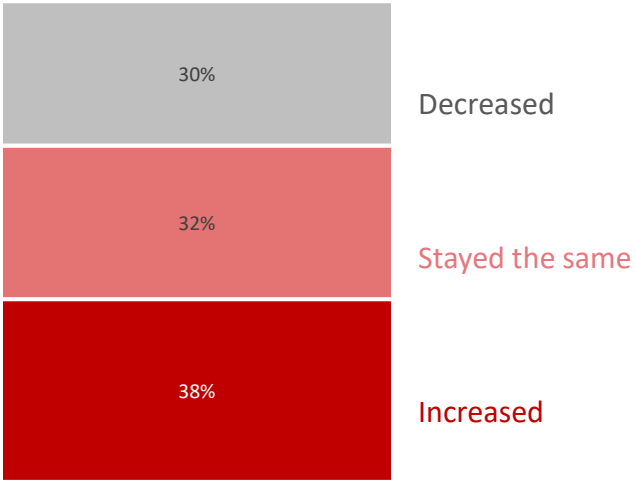


Three-quarters (76%) of Incentive Trip Planners conducted a site inspection in the last year and a half. About one third report staying the same, about 38% are reporting an increase in site inspections .

Have you conducted a site inspection in the last 18 months?



How has the number of site inspections conducted by you or your organization change in the past 18 months?



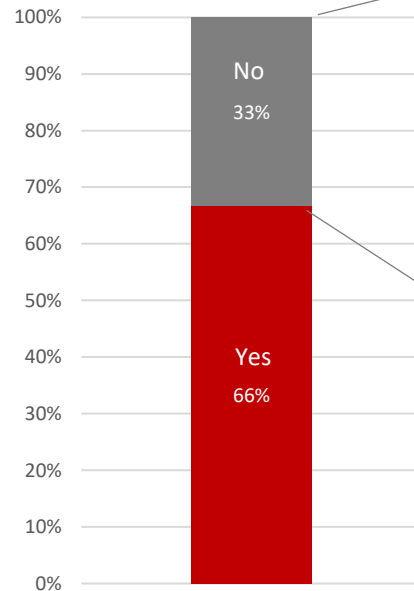
Site Inspections

Up to standard?



About 2/3rds of site inspections have been up to planners' standards. Of the one third not up to standards, concerns centered on property maintenance, cost increases, and general property readiness.

What percentage of those site inspections have been up to your organization standards



You indicated some site inspections did not meet your organization's standards. Please elaborate on the specific elements in which standards were not met.

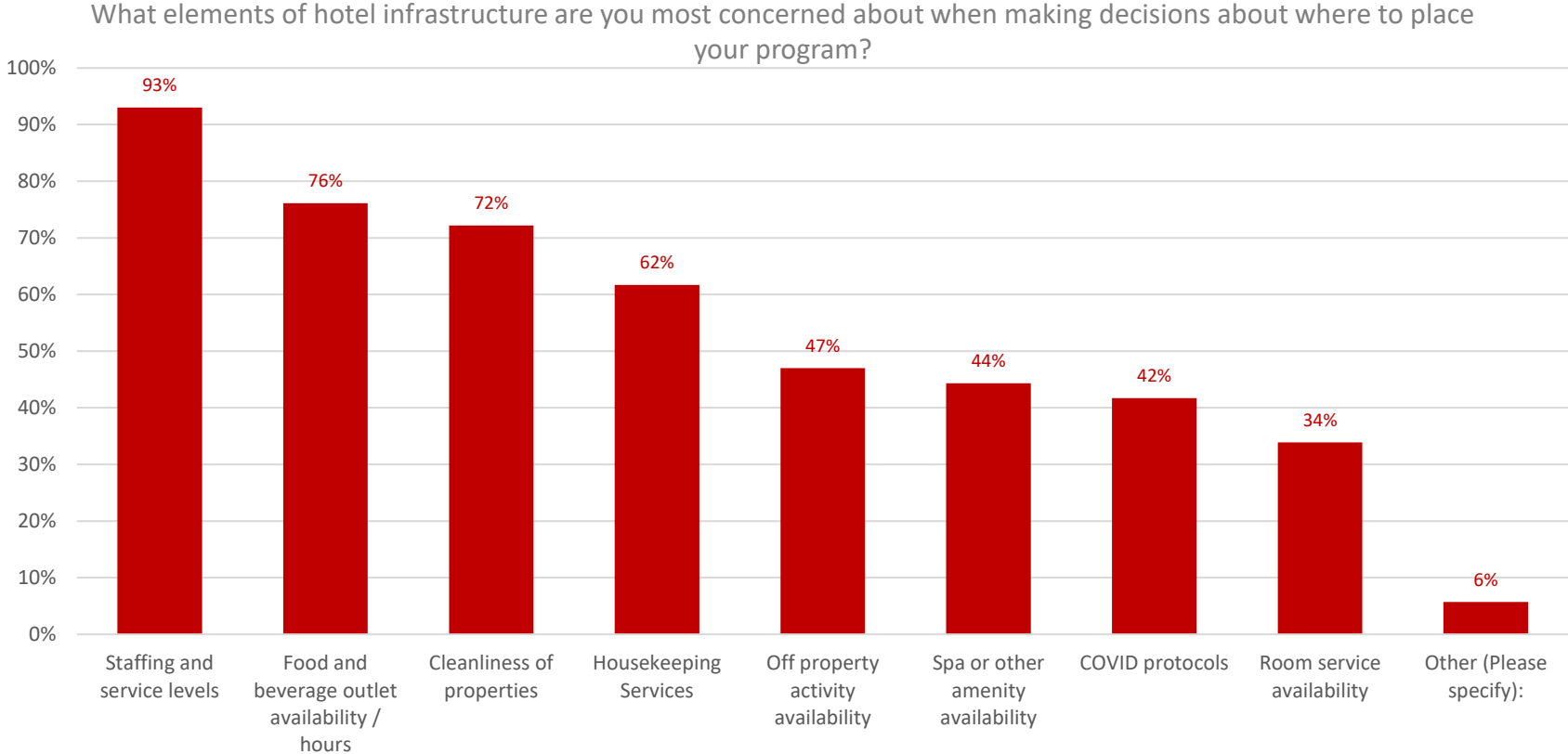
- Transportation
- Timeliness of commission payments. We have experienced unreasonable delays in collecting commissions due.
- Property upkeep
- Property and facility maintenance
- Overall customer service has declined
- Overall condition of property
- Menu options, experienced staff, well-lit spaces, front desk personnel lacking knowledge, and slow-responding staff.
- Hotel inventory and pricing
- Food and beverage costs increases that are excessive.
- Current renovations being completed on time. Commitments being followed through.
- Construction and renovations. Why wait until the market turned for the better to then start doing construction? Not accepting it was due to COVID any longer.
- Accessibility to transportation, good air lift options

Hotel Infrastructure Concerns

Staffing...again



Key concerns by planners centered mostly on facility and destination staffing, followed by food and beverage availability and general cleanliness of the property. Lower on the list were COVID or room service concerns.



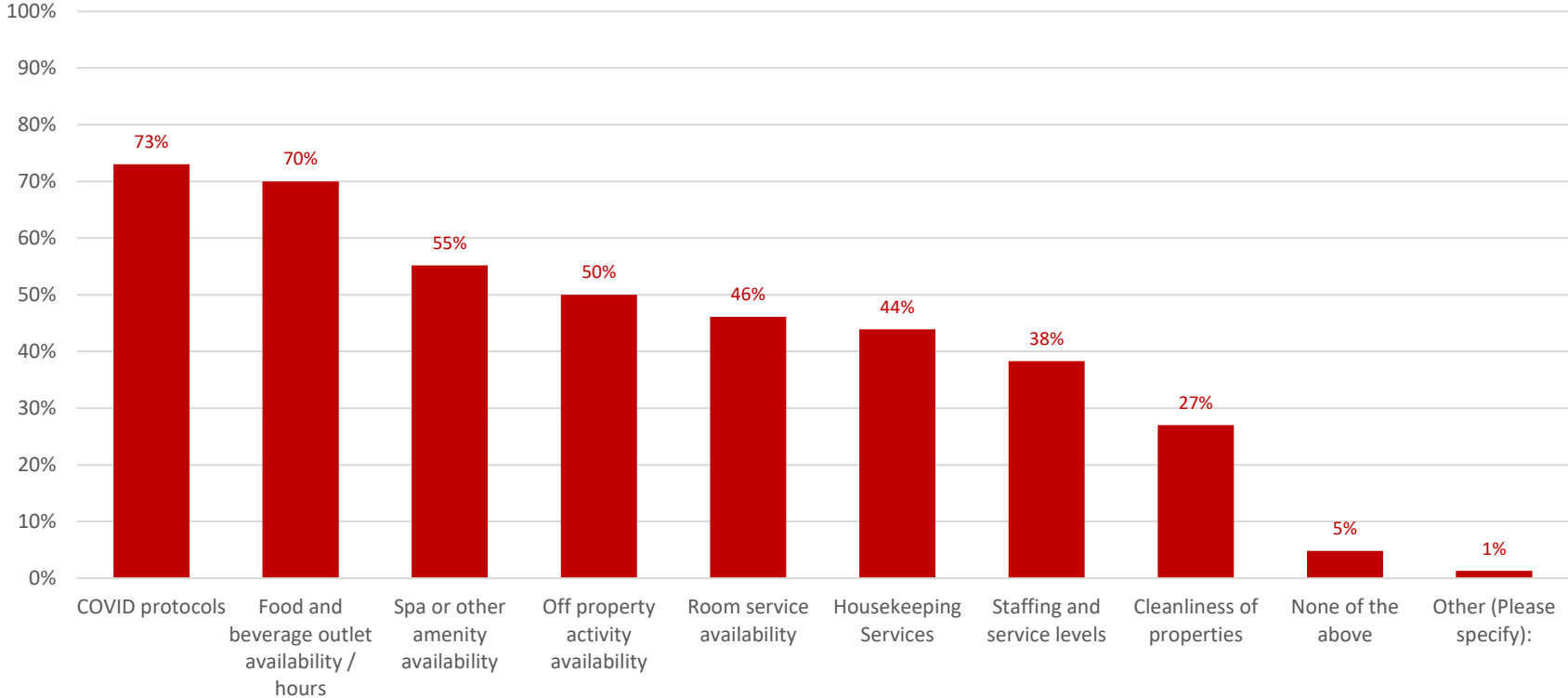
Attendee Communication

Communicating constraints not staffing



Most of the communication emphasis for attendees have to do with COVID and availability of food, beverage, spa and off property activity. Although concerned with staffing levels, this was less frequently mentioned to attendees.

What aspects of the hotel experience are you currently communicating to your attendees ahead of the program



What Hoteliers Need to Know

Planners' perspective



What do you think Hoteliers should know about your incentive business moving into the next 18 months?

Key message to Hoteliers is :

- Client's patience for COVID-related 'excuses' for staffing and preparedness is waning
- Hard to justify higher cost and lower service
- Faster response and staff back up as quickly as possible

More companies are asking for bids but are concerned about air service increased fares and cancelled flights

We are going to be more demanding in our contracts for commission payment schedules and expecting improved response time on issues.

Clients have been understanding of staffing/service level issues, but that will only last so long.

We can't lower the bar but increase costs, especially if we are selecting a luxury hotel. The COVID, supply chain, or staffing shortage excuses is not something we want to hear today if we are paying the same cost or higher as pre-COVID. Be upfront in the beginning regarding the shortfall so we can make an informed decision instead of hitting us with it right before the program or when the program starts.

If you want to earn our business, you need to return to pre-COVID service, experiences, staffing, service and more. People got lazy and entitled trying to be in the travel and hospitality industry from home. That's not the case anymore. Time to return to work and if your heart isn't in it, we can see it.

They need to build their sales staff back up for more timely RFP responses and get back to competitive pricing

Non-commissioned Food and Beverage contracts are excessive, a lot of work and of little value to the business model of the planner. We are moving groups to all-inclusive or cruises whenever and wherever possible.

Although help is hard to find, it is not the client's problem. They want what we are selling them on, not excuses due to COVID

What Tourism Boards, CVBs, and DMCs Need to Know

Planners' perspective



What do you think Tourism Board, CVBs, and DMC should know about your incentive business moving into the next 18 months?

Key message to Tourism Boards, CVBs, and DMCs are:

- Planners are very busy and need DMCs and Tourism boards to be responsive
- Want better pricing for services and concerned about “making up for COVID”
- Opportunity for up and comers to “set up” and fill a void
- Intermediate cities have an opportunity to promote themselves as a new destination as they are perceived to treat planners better.

It's booming and hotel room blocks and meeting space are at a premium based are in high demand.

We will be shopping more DMCs and we need to see why you deserve the business. Many DMCs lost so many staff and are trying to pass the buck or are start-ups hoping to catch business...this won't work.. We need to see the drive and passion for promoting our destination. If you don't love it, neither will we.

They expect the same service and professionalism from pre-covid days. They expect that destinations/hotels/cruises/ DMCs would want to offer better incentives to earn their business. Everyone is making up for lost time with the rates they are charging or lack of services to save \$\$

They expect the same service and professionalism from pre-covid days. They expect that destinations/hotels/cruises/ DMCs would want to offer better incentives to earn their business. Everyone is making up for lost time with the rates they are charging or lack of services to save \$\$

They need to build their sales staff back up for more timely RFP responses and get back to competitive pricing

Need fair price for services; extra management fees to make up lost income due to COVID puts a strain on the industry.

Although help is hard to find, it is not the client's problem. They want what we are selling them on, not excuses due to COVID

I think this is a great opportunity for smaller cities to really get out there and make themselves the pick for our programs. One of the biggest negative factors of larger cities is the growing homeless issue. This is why we've strayed away from the large metros and focused on more "off the beaten path" locations. Work with us to make it special, but above all make yourself more visible so you can be part of the selection process.

What would you like to see improved as it relates to incentive travel? (select comments)

The staffing shortage is a huge concern and a real one. However, we don't want this to be a crutch. We all need to together move forward as we get back to being in person, safely.

We all need to communicate and collaborate more. The future is bright, but we do have our work cut out for us. The demand for travel is back however traveler/attendee expectations are still high.

Understanding that rates are reflective of demand and seasonality and concessions offered in the past may be different than what can be offered now.

Try new urban destinations. There is a ton for families and employees to do in Philly!

Transparency. Open communication. Management involvement. Revenue growth in most regions has increased, but profits have not kept pace; intermediaries are capturing more value; scale economies are proving elusive, and productivity is relatively stagnant. As a result, the hospitality industry's immediate economic gain will not continue next year.

Sustainability measures around client's menu planning and food waste. Transparent discussions about the realities of bringing the hospitality industry back from the dead. Recognition of inflationary pressure.

We are experiencing a very short booking window vs travel window period and sometimes is challenging in both ends. Hopefully this will get back to normal in 2023.

Up-to-date communication on the status of destination or hotel. More of what incentive travel looked like before the late 2000s, more high-touch, white-glove experiences.

understanding from customers that the program budgets from pre-pandemic no longer work due to inflation and sky-high operating costs.

Transportation quality in terms of vehicles & operations, wider variety of inventory with rental companies

Transparency between all parties... don't tell us the proposal is due on Friday and then go on vacation for two weeks (yes, this happened). Work together to request what is really needed; our time is even more precious than ever.

Timely commission payments from vendors who disrespect the business we give them by slow paying commissions we have earned.

APPENDIX - Survey

Project:

Create a joint study to understand the new landscape of hotels. Study respondents will include Hoteliers, Tourism Boards/CVBs/DMCs, and Planners – both corporate and third parties. Launch a survey in response to ongoing industry conversation related to service levels, staffing and RFPs and end to end user experience within the Incentive sector pre and post Covid-19.

Goals:

1. To assess sentiment from incentive planners, hoteliers, CVB's and Tourism Boards on the current landscape and on how industry partners are working together to optimize the end-to-end user experience.
2. To gauge any discrepancies between levels of service at the provider level and expectations of the service recipient.

Questionnaire:

As part of our continuing efforts to provide value to our members and to the industry the Incentive Research Foundation has partnered with [Questex](#) to find out the pulse of the marketplace from our most important stakeholder; you.

Please take a few minutes to share your expert opinions. In return, we will share the results of this survey with you when the study is complete. Thank you in advance.

PQ: What description best describes your role? (Select one)

- **Hotelier:** A professional working for a hotel and/or resort property; responsible for arranging and coordinating incentive travel. [\[go to ALL RESPONDENT and then skip to section\]](#)
- **Tourism Board or Convention and Visitors Bureau:** A member of an organization that helps promote and secure leisure and business travel in a regional area. [\[go to ALL RESPONDENT and then skip to section\]](#)
- **Destination Management Company:** A regional travel company responsible for helping to coordinate and secure local travel events (experiences) with regional transportation, recreation, food, and lodging facilities (event venues). [\[go to ALL RESPONDENT and then skip to section\]](#)
- **Incentive Planner / Third Party Incentive Agency:** A professional responsible for coordinating (the sourcing, management and execution of) incentive travel on behalf of a client organization. [\[go to ALL RESPONDENT and then skip to section\]](#)
- **Other** (Please specify): [?]

ALL RESPONDENTS

1. **For your business, what is the outlook for INCENTIVE TRAVEL for the next 18 months?**
 - Significant decrease in incentive travel (50% or less than 2021)
 - Decrease in incentive travel (49% - 10% less than 2021)
 - Slight decrease in incentive travel (9% - 1% less than 2021)
 - About the same as 2021
 - Slight increase in incentive travel (1% to 9% more than 2021)
 - Increase in incentive travel (10% to 49% more than 2021)
 - Significant increase in incentive travel (50% or more than 2021)

2. What types of incentive travel will you focus on in the next 18 months? (Check all that apply)

- Domestic
- International
- Sun & Fun
- Cruises
- Tier 1 Cities (New York City, Los Angeles)
- Tier 2 Cities (San Francisco, Dallas)
- Other (Please specify): _____

[\[Segment hoteliers on T1 v T2\]](#)

3. **Please rank your selections from highest to lowest in terms of priority to your business plans.** [\[Ranking; Show only the responses selected in Q2 if more than one response was selected\]](#)

HOTELIER SECTION

[Q6 Start Hotelier]

1. What was your revenue mix of group, business, and leisure travel prior to the COVID 19 pandemic? [\[100% allocation, forces sum of percentages to equal 100%\]](#)
 - Incentive Group Travel ____
 - Leisure (non-business) group travel ____
 - Business Travel (non-group) ____
 - Leisure Travel ____
2. What is your revenue mix of group, business, and leisure travel today? [\[100% allocation, forces sum of percentages to equal 100%\]](#)
 - a. Incentive Group Travel ____
 - b. Leisure (non-business) group travel ____
 - c. Business Travel (non-group) ____
 - d. Leisure Travel ____
3. What is your projected revenue mix of group, business, and leisure travel in the next 18 months? [\[100% allocation, forces sum of percentages to equal 100%\]](#)
 - a. Incentive Group Travel ____
 - b. Leisure (non-business) group travel ____
 - c. Business Travel (non-group) ____
 - d. Leisure Travel ____
4. How important is incentive travel to your organization's revenue and annual goals?
 - A very small part of our profitability
 - A modest part of our profitability
 - An important part of our profitability
 - A significant part of our profitability
 - An extremely large / majority part of profitability

5. Which of the following hotel amenities, services, and issues **changed (were reduced) during COVID?** (Check all that apply)
- Hotel rates (including discounts for group travel)
 - Refund and rebate terms and conditions
 - Room availability
 - Housekeeping frequency
 - Housekeeping cleaning approaches
 - Restaurant operations
 - Leisure and sporting offerings (e.g., work out, tennis courts, etc.)
 - Concierge services
 - Transportation services
 - Room service
 - Partnership with local tourism
6. Which of the following hotel amenities and services do you anticipate will return to Pre-COVID service levels in the next 18 months? (Check all that apply). [Note: list only those that appeared in Q5]
- a. Hotel rates (including discounts for group travel)
 - b. Refund and rebate terms and conditions
 - c. Room availability
 - d. Housekeeping frequency
 - e. Housekeeping cleaning approaches
 - f. Restaurant operations
 - g. Leisure and sporting offerings (e.g., work out, tennis courts, etc.)
 - h. Concierge services
 - i. Transportation services
 - j. Room service
 - k. Partnership with local tourism
7. [If more than one response selected in Q6] [Ranking; Show only the responses selected in Q6] Please rank your selections from highest to lowest in terms of priority to your business plans.
8. Does your property currently offer housekeeping services?
- Yes, daily housekeeping
 - Yes, on a specific schedule, not daily
 - On request only
 - No, only between guests or upon checkout
9. [if #8 is no] Do you plan to offer daily, scheduled, or on-request housekeeping in the next 18 months?
- Yes, daily housekeeping
 - Yes, on a specific schedule, not daily
 - On request only
 - No, only between guests or upon checkout
 - Not sure
10. Are all of your food and beverage services currently open (inclusive of room service)?
- a. Yes
 - b. No

11. [if #10 is no] Do you plan to open them in the next 18 months?
- Yes, all will be open in the next 18 months
 - We plan to open some in the next 18 months
 - No, no changes in the next 18 months
 - Not sure
12. Please rank your organization's biggest challenges in the next 18 months with 1 being the most challenging.
- Finding and hiring qualified staff
 - Retaining talent
 - Maintaining/achieving profitability
 - Marketing and sales to drive volume
 - Supply chain issues (i.e., adequate supply)
 - Competition from other forms of hospitality (e.g., VRBO, ~~AirBnB~~)
 - Competition from other hoteliers
13. What is your current average response time for an incentive travel request for proposal (RFP)?
- A day or two
 - A few days
 - A week to two weeks
 - More than two weeks
14. Do you plan to staff up to pre-COVID levels?
- We are already staffed at pre-COVID levels
 - We are currently staffing up to pre-COVID levels (next 6 months)
 - We are planning to staff up to pre-COVID levels within the next year
 - We are not planning to staff up to pre-COVID levels in the foreseeable future
15. [Q15=b] Are you encountering any specific challenges or obstacles as you attempt to staff up to pre-COVID levels?
- Not enough qualified applicants
 - Unreliable hires
 - Time and effort required to train/upskill new hires
 - Competitive wage offerings
 - Increased variability due to COVID surges and other unforeseeable factors
16. [If more than one response selected in Q15] [Ranking; Show only the responses selected in Q15] Please rank your selections from highest to lowest in terms of impact to your business plans.
17. [Q15=d] You said you are not planning to staff up to pre-COVID levels. Why is that?
- We do not anticipate business will return to pre-COVID levels
 - We have identified operational efficiencies that allow us to operate with fewer staff
 - We have reduced the scope of our business / service offerings
 - Other (Please specify): _____

18. What was your organization's local annual revenue pre-COVID (your specific resort location, not the larger company as a whole)?
- Less than \$1,000,000
 - \$1,000,001 to \$2,000,000
 - \$2,000,001 to \$3,000,000
 - \$3,000,001 to 5,000,000
 - \$5,000,001 to \$10,000,000
 - More than \$10,000,000
19. What do you think incentive planners should know about your approach to incentive business moving into the next 18 months?
20. Have current world political / socioeconomics (inflation, war in Ukraine, etc.) impacted your: [Scale: No impact, Minor impact, Moderate impact, Major impact]
- Rates
 - Bookings
 - Cybersecurity
 - Service Offerings
 - Other: Please Specify

[Q25 End of Hotelier]

Tourism Board, CVBs, and DMC Section

1. How important is incentive travel to your business in driving a positive economic outcome? [Q26 Start TB/CVB/DMC]
- Not at all important (1)
 - Extremely important (10)
2. What priority is incentive travel for your business in the next 18 months?
- Not a priority
 - A minor priority
 - A priority, amongst many other competing priorities
 - A high priority
 - The top priority
3. Please rank your biggest challenges your organization currently faces as it relates to incentive travel with 1 being your biggest challenge.
- Local staffing shortage
 - Infrastructure (roads, services)
 - Local transportation challenges
 - Transportation challenges to the destination (e.g., airline)
 - Closure of preferred/partner venues
 - Lack of lodging
 - Recreation venue closures
 - Restaurant and dining closures and/or reduction of hours
 - General expense increases
 - Regulatory requirements

Crime / terrorism

4. What are the biggest challenges that event organizers need to understand about your location in the next 18 months?
- Health and Safety protocols due to COVID
 - Service availability
 - Venue changes
 - Hotel Service Changes
 - Airport Changes
 - Recreation/activity availability
 - Other please specify _____
5. What do you feel would be important for planners to know about your destination?
6. What is your current average response time for an incentive travel request for proposal (RFP)?
- A day or two
 - A few days
 - A week to two weeks
 - More than two weeks
7. Do you plan to staff up to pre-COVID levels?
- We are already staffed at pre-COVID levels
 - We are currently staffing up to pre-COVID levels (next 6 months)
 - We are planning to staff up to pre-COVID levels within the next year
 - We are not planning to staff up to pre-COVID levels in the foreseeable future
8. [Q15=b] Are you encountering any specific challenges or obstacles as you attempt to staff up to pre-COVID levels?
- Not enough qualified applicants
 - Unreliable hires
 - Time and effort required to train/upskill new hires
 - Competitive wage offerings
 - Increased variability due to COVID surges and other unforeseeable factors
9. [If more than one response selected in Q8] [Ranking; Show only the responses selected in Q8] Please rank your selections from highest to lowest in terms of impact to your business plans.
10. [Q15=d] You said you are not planning to staff up to pre-COVID levels. Why is that? [Q35 END TB/CVB]
- We do not anticipate business will return to pre-COVID levels
 - We have identified operational efficiencies that allow us to operate with fewer staff
 - We have reduced the scope of our business / service offerings
 - Other (Please specify): _____

[DMC QUESTIONS ONLY]

1. In the last 18 months, which of the following has your business experienced? [Q36 Start DMC]

Reduction in staffing
 Temporary closure
 Permanent closure
 Change in business focus

2. [If Q1=d] In the previous question, you indicated your business has experienced a change in business focus. Please elaborate on how your focus has changed and the reasons for making that change.
3. Besides your organization, how many other destination management companies service or operate in your immediate area?
 - None, we are it
 - 1-3 others
 - 4- 12 others
 - More than 12 others in our location
4. Please rank your biggest challenges in incentive travel in the next 18 months with 1 being the most challenging.
 - Finding and hiring qualified staff
 - Retaining talent
 - Maintaining/achieving profitability
 - Marketing and sales to drive volume
 - Customer retention
 - Destination infrastructure (available transportation, available drivers, available venues)
 - Competition from other destination management companies in my area
 - Competition from other destinations for incentive travel
5. Where are you seeing the biggest increases in your cost of delivering services?
 - Transportation
 - Staff costs
 - Furniture rentals
 - Décor
 - Optional activities
 - Entertainment
 - Venue rental
6. Are you an independent or part of a larger DMC network?
 - Independent
 - Network
7. What was your annual revenue pre-COVID? [Q42 End DMC]
 - Less than \$100,000
 - \$100,001 to \$250,000
 - \$250,001 to \$500,000
 - \$500,001 to one million
 - More than a million

Incentive Planner Section

1. What is an acceptable response time for incentive RFPs from Hoteliers? [Q43 begin Incentive Planner]
 - A day or two
 - A few days
 - A week to two weeks
 - More than two weeks
2. What is an acceptable response time for incentive RFPs from Destination Management companies?
 - A day or two
 - A few days
 - A week to two weeks
 - More than two weeks
3. Please rank your biggest concern about incentive travel in the next 18 months as it relates to **Tourism Board , CVBs, and DMCs** with 1 being the highest concern.
 - Local staffing shortage
 - Infrastructure (roads, services)
 - Local transportation challenges
 - Transportation challenges to the destination (e.g., airline)
 - Closed offsite venues
 - Lack of lodging
 - Recreation / optional activities closures
 - Restaurant and dining closures and/or reduction of hours
 - General expense increases
 - Regulatory requirements, such as H&S policies
 - Political climate
4. Please rank your concern with the following hotel-related issues, with 1 being most concerning.
 - Finding and hiring qualified staff
 - Retaining talent
 - Supply chain issues (i.e., adequate supply to deliver full menus and experience)
 - Ability to provide full-service housekeeping
 - Ability to respond to RFPs in a timely manner
 - Having all hotel venues and services open and available
 - Property upkeep
 - Ability to deliver on promised renovations in a timely manner
 - Ability to maintain and deliver expected service levels
5. Have you operated an incentive travel program in the last 18 months?
 - a. Yes
 - b. No [skip to 5]
6. [if yes to #3] For programs you've operated in the last 18 months, how have the following attributes compared to pre-COVID incentive programs [much worse, slightly worse, about the same, slightly better, much better]
 - Response time from Hoteliers

IRF Market Study

- Responsiveness from Tourism Boards and CVBs
- Quality and creativity from DMCs
- Responsiveness from DMCs
- Competitive rates and prices
- Number of event and activity options
- Housekeeping service levels
- Reception / registration service levels
- Availability of food service outlets
- Quality of food from food services
- On property activities and recreation
- Off property activities and recreation

7. Have you conducted a site inspection in the last 18 months?
 - a. Yes
 - b. No [skip to 8]

8. How has the number of site inspections conducted by you or your organization changed in the past 18 months?
 - Increased
 - Decreased
 - Stayed the same

9. What percentage of those site inspections have been up to your organization standards [0-100%]

10. [If Q7 percentage is less than 100%] You indicated some site inspections did not meet your organization's standards. Please elaborate on the specific elements in which standards were not met. [Open End]

11. What elements of hotel infrastructure are you most concerned about when making decisions about where to place your program? (Check all that apply)
 - Staffing and service levels
 - Cleanliness of properties
 - COVID-protocols
 - Housekeeping Services
 - Spa or other amenity availability
 - Food and beverage outlet availability / hours
 - Room service availability
 - Off property activity availability
 - Other (Please specify): _____

12. What aspects of the hotel experience are you currently communicating to your attendees ahead of the program:
 - a. Staffing and service levels
 - b. Cleanliness of properties
 - c. COVID-protocols
 - d. Housekeeping Services
 - e. Spa or other amenity availability
 - f. Food and beverage outlet availability / hours

IRF MARKET STUDY

- g. Room service availability
- h. Off property activity availability
- i. Other: please specify _____

13. What do you think Hoteliers should know about your incentive business moving into the next 18 months?

14. What do you think **Tourism Board , CVBs, and DMC** should know about your incentive business moving into the next 18 months?

[ALL]

1. **What would you like to see improved as it relates to incentive travel?** [open end max 1500 char]

AA. On a scale of 1-10 with 1 being difficult and 10 being easy, how simple was it to complete this survey?

Would you like to receive a copy of the results of this survey? If so, please provide your email address:

Email Address: _____ (Required)

First Name _____ (Optional)

Last Name: _____ (Optional)

Title: _____ (Optional)

Organization: _____ (Optional)

Thank you for your participation in this survey. We very much appreciate your time!

Internal Use - Survey Statistics:

GROUP	# Qs	Start Q #	End Q #
Hotelier	25	6	25
Tourism Board or Convention and Visitors Bureau	15	26	35
Destination Management Company	22	36	42
Incentive Planner / Third Party Incentive Agency	19	43	56



CURIOSITY
RESEARCH

REDESIGNING EXPERIENCES TO DRIVE GROWTH