



ATTENDEE PREFERENCES FOR INCENTIVE TRAVEL: How the Right Destinations and Good Program Design Boost Employee Motivation

Introduction

The selection of an incentive destination is an important part of designing an incentive travel program that will motivate the audience and satisfy business requirements. Past destinations, infrastructure, cost, senior leadership recommendations, and more can all come into play. *Attendee Preferences for Incentive Travel* explores the impact of destinations on motivation and value perception among the participants themselves. It also looks at the key factors influencing selection of various destinations and the differences between attendee destination preferences and what is being sourced by buyers.

Top destinations indicated by employees were close to home: **Hawaii, Western United States, the Caribbean, Eastern United States, Southwest United States, and Western Europe.**

Employees also reported which destinations they previously visited and would recommend returning to for an incentive trip, with **the Caribbean, Las Vegas, Western Europe, Hawaii, and Southern Florida** being the top recommendations. Actual booking data from Cvent shows that **Mexico** is still a top incentive destination, with four Mexican destinations in the top five most booked destinations for incentive trips.

Incentive trip program design is key to providing participants with a memorable and rewarding experience. Employees want time to relax, individualized experiences, and flexibility in their schedules. Beaches, sunshine, and adventure travel were the top destination experiences, with a growing interest in cruising. Enthusiasm for incentive travel remains high, as does excitement for the destination. In fact, 66% of recent winners indicated that they extended their North American incentive trips and 70% extended their international incentive trips.

Methodology

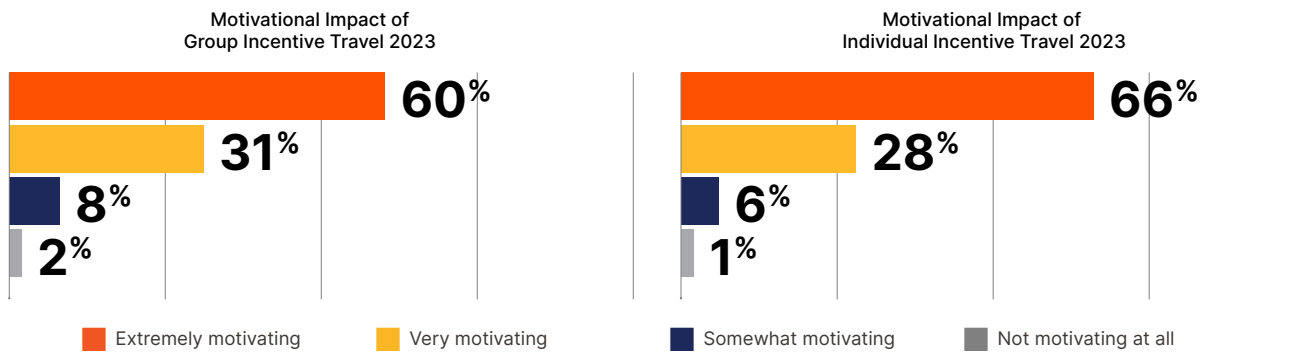
The survey was conducted March of 2023, and builds on the 2022 and 2021 *Incentive Travel Destination Preferences* studies. The 2023 study sample included 400 survey respondents who are presently employed full-time in a sales role. All participants were 21 years or older and could not be self-employed, temporary employees, or independent contractors. Respondents had to be eligible for an incentive travel award within the past three years. Forty-three percent of the sample won an incentive travel award during this period.

This year, the study evolved to include more data on experience design to complement the focus on destinations. The current survey also included questions directed toward participants who previously visited a popular destination to assess their interest in returning and recommending the destination as an incentive award trip.

Incentive Travel Awards Continue to Have High Motivational Appeal

The motivational appeal of group incentive travel continues to be exceptionally strong, with 91% of respondents describing a group incentive travel experience as ‘very’ or ‘extremely’ motivating. This is consistent with findings from the previous two years. A particularly encouraging sign is that 64% of Gen Z (21-26 years of age) and Millennials (27-42 years) find group travel awards to be ‘extremely motivating,’ which is an even more positive response than is seen in older generations.

Figure 1: Incentive Travel Is Highly Motivating



Assuming a group travel experience was designed and planned to a destination to which you'd find appealing, how motivating of a reward is an opportunity for an incentive travel experience?

While the appeal of group travel is exceptionally strong, the appeal of individual incentive travel is even stronger. 94% of respondents describe individual travel as ‘very’ or ‘extremely’ motivating, with less than 1% saying it is ‘not motivating at all.’ In the case of individual travel awards, the motivational appeal of these awards is consistent across generational groups.

Overall, 99% see ‘some’ or ‘a great deal of value’ associated with an incentive travel award. However, people no longer prefer ‘one size fits all’ experiences where incentive trips have too much structure and a requirement that everyone be together for the duration of the trip. Participants seem to be seeking a middle ground to experience the benefits that are associated with both individual and group travel experiences. They still appreciate the guidance of group travel coordinators as well as the security group travel personnel provided in navigating an unfamiliar destination. Group incentive trip planners should build flexibility around how people spend their time, as well as provide ample opportunities for people to find privacy amid being with their larger group.

Priorities of the Most Motivating Incentive Trips: Time to Relax & Flexibility

The most important thing participants want in an incentive trip is to be given ample time to relax. Attendees do not want to be overscheduled with group activities. Giving people time to ‘do their own thing’ has emerged as one of the most important trends over the past two years. Additional participant preferences include:

- Being able to bring a guest along, having out-of-pocket expenditures covered, and having luxury accommodations continue to be important priorities for participants.
- Having unique experiences and experiencing a unique culture are considered important.
- Going to a destination to which the participant has never been before is extremely important to a third of the participants.
- The least important elements of an incentive trip were receiving merchandise gifts as part of the experience and being recognized in front of peers.

Figure 2: Most Important Drivers of Positive Incentive Trip Experiences

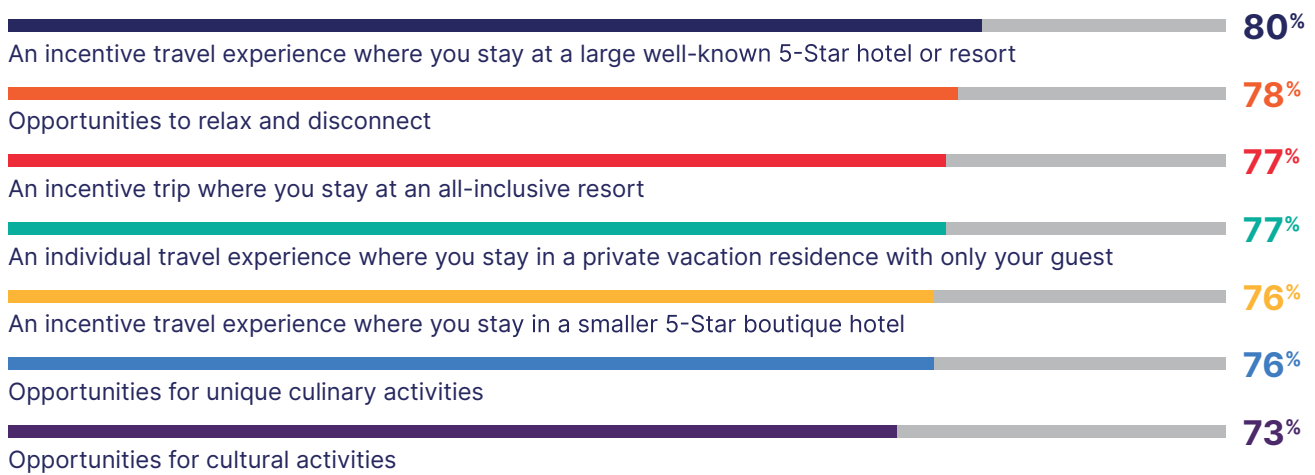


Response of “Extremely Important” or “Somewhat Important” for each incentive trip driver.

Respondents were also asked to rate various incentive trip features as being ‘somewhat’ or ‘extremely’ appealing. This set of attributes included such incentive travel considerations as accommodations and activities that may be included in an incentive trip. Highlights include:

- Participants have a slight preference for staying at large well-known 5-star resorts compared to smaller 5-star boutique hotels, but both have a high amount of appeal to participants.
- When we drill down to activity types, unique culinary activities have the most overall appeal, although other activities (e.g., cultural, spa/wellness, etc.) are not far behind in appealing to attendees.
- The least appealing activities are ones involving mingling with large groups of people.

Figure 3: Most Appealing Features of Incentive Trips



Response of “Extremely Appealing” or “Somewhat Appealing” for each incentive trip feature.

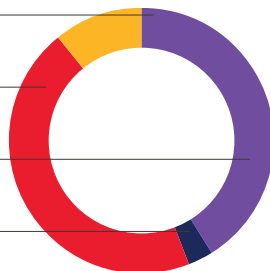
Length of Trip: 4 – 6 Days, But Many Extend

When it comes to North American incentive trips, the survey participants were closely divided on the ideal length of an incentive trip with 45% saying the ideal length is 4-6 days and another 41% indicating 7-10 days is the ideal length. For international trips, there is much more of a consensus, with 54% saying 7-10 days represents an ideal length. Additionally, 66% of recent winners indicated that they extended their North American incentive trips, while 70% extended their international incentive trips.

Figure 4: Preferred Length of Incentive Trip

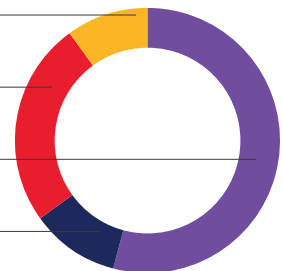
Within North America

- 11% 1 - 3 days
- 45% 4 - 6 days
- 41% 7 - 10 days
- 3% Over 10 days



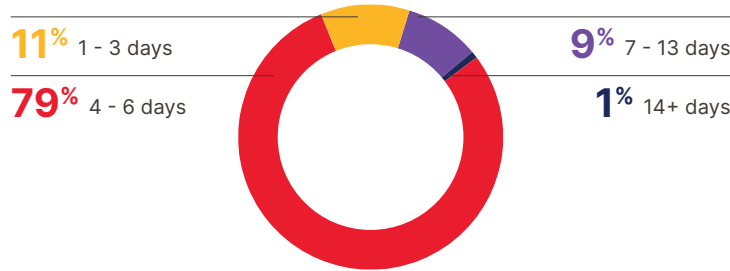
International

- 10% 1 - 3 days
- 25% 4 - 6 days
- 54% 7 - 10 days
- 11% Over 10 days



Data from Cvent, however, shows that 79% of incentive trips are planned for 4-6 days. Perhaps this is why such a large number extend their events beyond the official window of the event. Even though the typical incentive trip may not be as long as some people like, the percentage of trips planned for only 1-3 days has declined from 21% in 2019 to 11% in 2023.

Figure 5: Actual Length of Incentive Trips
Booking Data Provided by Cvent



Destination Experiences: Beach & Sunshine Tops the List

Beach & sunshine and adventure travel destinations were the top destination experiences, consistent with the past two years’ data. Interest in cruises is increasing, placing cruise experiences third overall as their preferred type of destination experience. Two years ago, cruise experiences were ranked last, showing how far attitudes toward cruising have come. ‘Large metropolitan areas’ and ‘smaller cities’ were rated lowest in destination experience rankings suggesting the type of destination experience is more important than the geographic location itself.

Figure 6: Top Destination Experience Features



Increased Interest in Incentive Travel Cruising

As noted in the previous section, interest in cruises for incentive travel groups is on the rise. Over 70% of respondents agreed that an ocean cruise would be extremely motivating as an incentive award. Similarly, 71% indicated that a cruise ship provides all the comforts of a luxury hotel. More importantly, 68% agree that cruise ships provide a safe and secure environment, with only 15% disagreeing.

Figure 7: Attitudes Toward Cruising

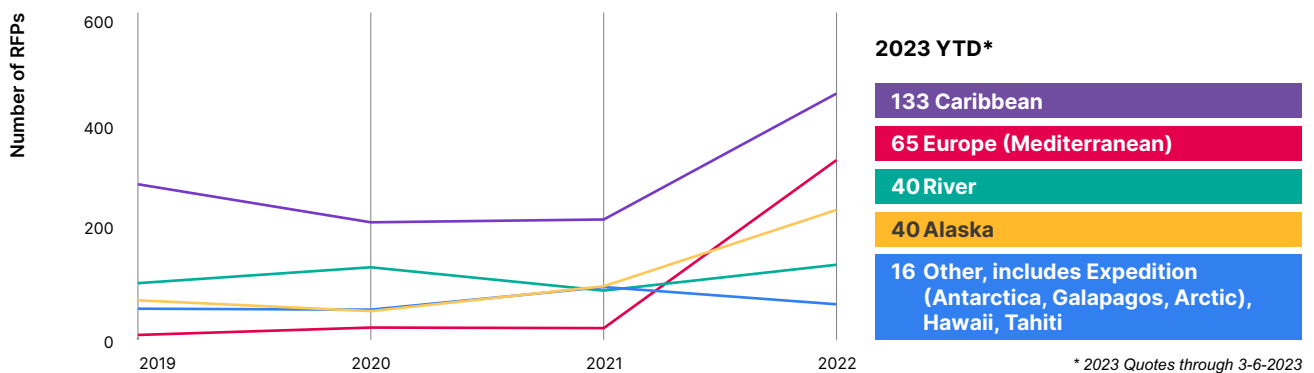


Response of "Strongly Agree" or "Somewhat Agree" for each statement about cruising.

Booking numbers provided by 3-D Cruise Partners show a dramatic increase in incentive trip activity. Quotes were up by 76% in 2022 compared to pre-pandemic rates in 2019, and RFP activity continues to be strong in early 2023. The Caribbean remains the top cruising destination, accounting for 45% of RFPs to date in 2023 and 42% of incentive cruise RFPs in 2022.

Figure 8: Interest in Incentive Cruises is Increasing

RFP Data provided by 3-D Cruise Partners



Previous Experiences with Destinations

A new section was added to the 2023 in which participants were asked about their previous experience with popular incentive destinations. In addition to being asked whether they had visited the destination previously, previous visitors were asked how interested they were in returning and whether they would recommend the destination as an incentive travel award trip. Among the key findings:

Previously Visited

- Southern Florida (73%), Mexico (67%), Las Vegas (67%) were the most previously visited destinations.
- Central America (33%) and Western Europe (40%) were the least visited.
- Mexico had the highest percentage (14% of the total sample) that recently visited on an incentive trip award.

Interest in Returning for Leisure

- Visitors to the Caribbean indicated the highest amount of interest in returning for a leisure trip (87%), with Hawaii (84%), Western Europe (84%) and Las Vegas (82%) running close behind.
- Mexico was the destination in which people were least interested in returning for leisure (66%).

Recommend for an Incentive Trip

- The Caribbean was the destination to which previous visitors were most likely to recommend as an incentive trip (80%).
- While Hawaii is consistently the destination which people indicate is the destination they would most prefer as an incentive destination, it ended up just behind Las Vegas (74%) and Western Europe (73%) as the place previous visitors would most likely recommend as an incentive trip with 72%.
- Mexico, Central America, and Phoenix/Scottsdale are the destinations previous visitors would be least likely to recommend for an incentive trip at 63% each.

Figure 9: Top Incentive Destinations Recommendations Based on Previous Experience



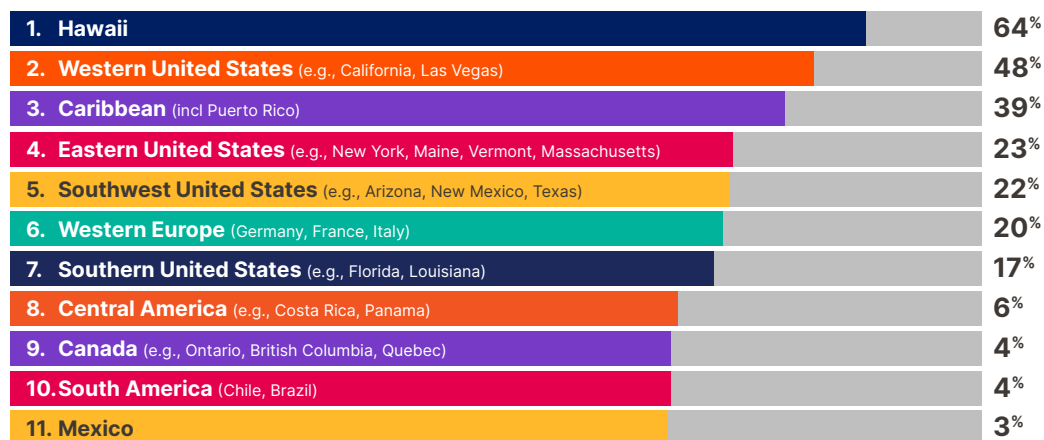
Based on your experiences traveling to...how likely would you be to recommend ...as an incentive travel award destination?

Destination Preferences: Hawaii Still on Top, Domestic Rising

The survey asked about the destinations that incentive award participants would find least/most motivating. Overall, the five most popular destinations are Hawaii, the Western United States, the Caribbean, the Eastern United States, and the Southwest United States. It's noteworthy that for United States based incentive award participants, many of the most popular destinations are U.S.-based. Asian and African destinations are the least motivating, along with Emerging Europe (e.g., Hungary, Romania, etc.).

Each person was asked to name their top three, along with their next four destination preferences, e.g., the destinations they would find most motivating if offered as an incentive trip award. Each was also asked to select their bottom seven preferences. 'Preference share' is referred to as the net total of the percentage who selected the destination as 'Top 7' choice, subtracting the percentage who selected the destination as a 'Bottom 7' choice.

Figure 10: Top Incentive Destination Preferences



'Preference share' is the net total of the percentage who selected the destination as 'Top 7' choice, subtracting the percentage who selected the destination as a 'Bottom 7' choice.

- For the third straight year, Hawaii was the clear winner as the place program participants would most like as an incentive award. Preference shares for Hawaii were virtually unchanged for all three years of the study.
- Both the Western United States and the Caribbean have consistently been among the top three preferred destinations for all three years of study. Preference share for the Caribbean slipped a bit this year but was like the 2021 study when it was initially the second most preferred incentive destination behind Hawaii.
- The Eastern United States made its first appearance as a top four destination, making significant gains.

- While Western Europe was still a top destination, it was the biggest ‘decliner’ in the study.
- Another large ‘decliner’ was Alaska, which was the fifth most popular destination in 2021, but is now ranked twelfth in preference.
- While it is still a second-tier incentive destination, the Midwest United States was the biggest riser in 2023.

Figure 11: Additional Incentive Destination Preferences

| | |
|---|------|
| Alaska | -1% |
| Midwest United States (e.g., Chicago) | -4% |
| Middle East (e.g., Dubai, Egypt) | -14% |
| Northeast Asia (e.g. Hong Kong, Macau) | -16% |
| Oceania (e.g., Polynesia, Micronesia) | -17% |
| Southeast Asia (e.g., Singapore, Vietnam) | -21% |
| Emerging Europe (e.g., Hungary, Romania) | -23% |
| South Asia (e.g., India, Maldives) | -25% |
| Southern Africa | -27% |
| North Africa (e.g., Morocco) | -28% |
| East Africa (e.g., Kenya, Madagascar) | -35% |
| West Africa (e.g., Nigeria, Senegal) | -39% |

‘Preference share’ is the net total of the percentage who selected the destination as ‘Top 7’ choice, subtracting the percentage who selected the destination as a ‘Bottom 7’ choice.

Preferences vs. Actual Planned Incentive Trips: Caribbean and Mexico Top Bookings

Event booking data suggest destination preferences and actual planned trips may not be as aligned as in the past. Mexico has high booking rates, with four Mexican destinations in the top five most booked destinations for incentives. Some of the biggest ‘risers’ on the top twenty destinations are in Mexico, including Riviera Maya, Puerto Vallarta, and Cancun. While the survey revealed that large numbers of eligible award participants have already been to Mexico and are less enthused about returning than going to other destinations, Mexico has never been hotter as an incentive trip.

The Caribbean remains a popular destination, both for participants and planners. Caribbean destinations occupy nine of the top twenty top booked destination positions. Two Puerto Rican destinations, San Juan and Rio Grande, have also moved into the top ten most booked destinations for 2023.

Fewer participants are realizing their desire to go to the perennial destination favorite Hawaii. Far fewer Hawaiian destinations are being booked than in the past. In 2021, Maui was the fifth most booked destination. In 2023, it now ranks at eighteen. Bookings at other popular destinations such as Honolulu and the Kohala Coast have also dropped off significantly, as neither ranks within the top twenty booked destinations in 2023. Cost and availability have certainly been too great a challenge for many incentive trip planners to overcome.

Figure 12: Top Booked Incentive Destinations for 2023
Booking Data Provided by Cvent

| | |
|--------------------------------|-------------------------------|
| 1. Playa del Carmen, Mexico | 11. Rio Grande, Caribbean |
| 2. San Jose del Cabo, Mexico | 12. Riviera Maya, Mexico |
| 3. Cancun, Mexico | 13. Montego Bay, Caribbean |
| 4. Nassau, Caribbean | 14. Scottsdale, Southwest US |
| 5. Cabo San Lucas, Mexico | 15. St. Thomas, Caribbean |
| 6. Punta Cana, Caribbean | 16. Providenciales, Caribbean |
| 7. Grand Cayman, Caribbean | 17. Puerto Vallarta, Mexico |
| 8. Guanacaste, Central America | 18. Maui, Hawaii |
| 9. Los Cabos, Mexico | 19. Palm Beach, Caribbean |
| 10. San Juan, Caribbean | 20. Miami Beach, Southern US |

Summary and Key Takeaways

- The appeal of both group and individual travel remains extremely high, especially among younger (under 42 years) participants. The fact that incentive travel is so popular among younger people bodes well for the incentive travel industry's future.
- Prior to the pandemic, there was a growing trend toward incentive travel participants wanting more individualization in their experiences. This trend has continued to grow as participants no longer want a 'one-size-fits-all' experience in which they spend their entire trip in the company of large groups of people. They now prefer a program that provides them with greater privacy and flexibility, even while participating in a group travel environment.
- Consistent with this idea of greater individuality, providing ample free time to relax was ranked as the most important priority for an incentive trip. Also consistent with the previous waves of the study is a strong desire to bring along a guest and for the trip to cover out of pocket expenses. Providing luxury accommodations also remains a high priority.
- Two-thirds of recent winners extended their trips to either the front end, back end, or both.
- Cruising has shown a very strong recovery. Cruising went from being bottom ranked as a destination experience in 2021, to being ranked only behind beach/sunshine and adventure travel in 2023 as preferred destination experiences. Millennials showed particular interest in cruising as an incentive experience.

- Even though large percentages of the participants have previously visited the Caribbean, Las Vegas, and Southern Florida, there is a high interest in returning and recommending these destinations as incentive destinations.
- The survey revealed possible evidence of possible 'Mexico fatigue.' Fourteen percent of the sample have been on a recent incentive trip to Mexico, and 67% have visited Mexico previously. Yet, it is the destination people are the least likely to want to return, and there is also a low likelihood to recommend as an incentive destination.
- Even though Mexico may not be as popular with participants as in the past, it is growing in popularity with meeting planners. Mexican destinations had high booking rates, according to 2022 Cvent booking data.
- While Hawaii is as popular as ever among participants, it is the region that shows the greatest decline in bookings since 2021. This could be attributed to inventory and airline prices.
- United States destinations emerged as the big winners in the study. The Eastern United States surged into the top four preferred destinations for the first time in 2023.
- Interest in Western Europe declined from previous years but was still ranked among the top ten destinations.

Incentive travel continues to thrive as a motivational reward. Although the preferred structure and activities of the experiences continues to evolve, companies can be assured that offering incentive travel experiences is a great way to get the best possible sales performance from their employees.

Survey Respondent Overview

400 survey respondents

- Employed full-time in a sales role
- Eligible for an incentive travel award sometime within the past three years
- 21+ years of age
- Cannot be self-employed, an independent contractor, or a temporary employee

| Industry | 2023 |
|--------------------------------------|------|
| Retail/Wholesale | 18% |
| IT/Technology | 13% |
| Banking/Financial Services/Insurance | 11% |
| Other | 10% |
| Manufacturing/Industrial | 9% |
| Professional Services | 9% |
| Health and Medicine | 8% |
| Education | 8% |
| Automotive | 6% |
| Hospitality/Travel/Leisure | 4% |
| Entertainment/Media | 3% |
| Pharmaceutical | 2% |

| Generation | 2023 |
|---------------------|------|
| Gen Z (21-26) | 25% |
| Millennials (27-42) | 47% |
| Gen X (43-58) | 22% |
| Boomers (59-75) | 7% |



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