

SITE Incentive Travel Factbook 2008 Pan-European Report

The fourth IMEX analysis of the Pan-European incentive travel market updates the views of programme planners summarised in previous annual polls in respect of their motives, expectations and opinions towards key industry issues. Undertaken during December 2007, the research attracted replies from 15 countries across Europe and Scandinavia, plus Russia.

A characteristic of the survey is the seniority of those who participated. Typical job titles this time include: general manager; managing director; ceo; international corporate sales manager; business development director; owner; customer relations director; international marketing manager; head of contracting; managing partner; and operations manager. The majority are industry specialists ranging from PCOs and DMCs to intermediaries and event-organising agencies, and marketing communications experts to event and training co-ordinators. For 54% of respondents the focus on incentive travel accounts for up to half of their workload, and in 30% of cases the proportion exceeds three-quarters of their overall job responsibility.

The specialists were invited to identify for their respective countries how well established they think is the concept of incentivising a workforce. **Table 1** summarises their views:

	Very widespread	Increasingly widespread	Not very well widespread
* Established within major international business	55%	41%	4%
* Established amongst most sizes of business	24%	64%	12%
* Established amongst public sector workforces	11%	36%	53%

Questions posed annually within this IMEX study assess the hierarchy of factors that influence decision-makers. **Table 2** summarises the ranking of considerations that affect the destination selection process:

	2008	2007	2006	2005
<i>A safe and secure incentive travel experience which ensures that participants are not at risk</i>	1 st	2 nd	2 nd	1 st
<i>An incentive travel experience that most accurately matches the educational background/lifestyle/status of the prize-winners</i>	2 nd	5 th	4 th	3 rd
<i>An expensive-sounding programme at a good-value price that allows for the maximum number of participants within the overall budget</i>	3 rd	3 rd	1 st	4 th
<i>Ease of access so that winners are away the least time from work</i>	4 th	4 th	5 th	5 th
<i>A fashionable or new destination/holiday type that gives winners something to boast about to friends</i>	5 th	1 st	3 rd	2 nd
<i>An incentive travel programme that is really easy to organise and book</i>	6 th	6 th	6 th	6 th

(Note: 1st = most appealing; 2nd = next most appealing, etc. Research conducted in each case at the end of the previous year.)

One significant change in emphasis is the more precise matching of the incentive programme to the background of those who are winners as opposed to simply picking a place or product that appears trendy and conveys bragging opportunities. It is a subtlety that suggests that incentives are becoming more targeted and individualised, and perhaps by implication involve smaller numbers. The question of safety and security for prize-winners remains all-important and its new number one ranking no doubt reflects the growing legislative emphasis on corporate liability for staff.

Table 3 ranks those factors that planners 'think make an incentive travel programme most memorable and motivating to prize-winners':

	2008	2007	2006	2005
<i>The perception that the experience is unique/ a privilege/difficult for others to book</i>	1 st	1 st	1 st	1 st
<i>The creativity of the programme that really catches the imagination</i>	2 nd	2 nd	2 nd	2 nd
<i>The perception that the experience would have cost a great deal to buy</i>	3 rd	3 rd	3 rd	3 rd
<i>The opportunity for incentive prize-winners to choose some or all of the programme, and to personalise their experience</i>	4 th	5 th	4 th	4 th
<i>The degree to which the programme appeals to a partner/other members of the family who are included</i>	5 th	4 th	5 th	5 th
<i>The degree to which winners have been consulted about the kind of incentive travel prize that would best match their lifestyle and interests</i>	6 th	6 th	6 th	6 th

(Note: 1st = most appealing; 2nd = next most appealing, etc.) Research conducted in each case at the end of the previous year)

One small change within the hierarchy again suggests a stronger emphasis on customising prizes to participants.

Table 4 appraises the issue of what organisers think is the ‘category of incentive travel trip that currently appeals most to prize winners, and in what sequence’.

	2008	2007	2006	2005
<i>A sports/adventure holiday</i>	1 st	4 th	3 rd	4 th
<i>A cultural city break</i>	2 nd	1 st	1 st	3 rd
<i>A sightseeing/travelling about programme</i>	3 rd	2 nd	2 nd	1 st
<i>A spa/health/holistic experience</i>	4 th	5 th	4 th	6 th
<i>An eco/wildlife incentive</i>	5 th	6 th	6 th	7 th
<i>A romantic resort/island destination</i>	6 th	3 rd	7 th	2 nd
<i>A good cause/community support project</i>	7 th	8 th	-	-
<i>A cruise</i>	8 th	7 th	5 th	5 th

(Note: 1st = most appealing; 2nd = next most appealing, etc. Research conducted in each case at the end of the previous year).

Whilst this poll reveals several changes which may in due course represent distinct patterning – namely the focus on sports/adventure pursuits and a reduced interest in ‘romantic’ destinations – what is of interest is the continuing gradual rise in importance both of environmental, and socially responsible, incentive options. One correspondent also predicted the future growth of incentives that go beyond spa and wellness considerations to touch upon the idea of ‘self-awareness’, for instance through the experiences of fire-walking and living rough in wilderness locations.

trends

Trend-spotting is dominated again by remarks suggesting that budgeting issues increasingly matter but are now interwoven with an awareness of the ‘opportunity cost’ of the working time that prize-winning participants spend away from their work. Such factors may explain why many respondents suggest that in 2008 programmes typically will be shorter in duration and distance, involve fewer winners, be less structured and planned, opt mainly for time-saving direct flights, and incorporate added-value services wherever possible. Flight times of up to three hours are considered acceptable, and the accent has preferably to be on the ‘new’ or ‘unusual’ destination and ‘unique’ experiences, and programmes still need to appear ‘exceptional’ in content. The growing importance of so-called ‘meetcentives’ (hybrid business-focused events to which a reward element has been added) is noted by

many (see below). The concern of organisers to demonstrate Return on Investment (ROI) can be gauged from the following characteristic verbatim comments: 'we look for a return of 200% in terms of sales'; 'our long-term criteria include increased staff retention and motivation'; 'the programme has to be wholly self-funding through increased efficiency, productivity, and profit'. In addition the emergence of more precise customer relations management systems means that incentives are appraised also in respect of continuing client loyalty. Against a background of global economic concern it remains the case that respondents in many countries are 'very confident' that 2008 will be a good year for them, and they suggest that incentive campaigns are perceived to be especially effective during difficult times. Consequently a positive forecast is expressed frequently in Belgium, Germany, Hungary, Portugal, Russia, and the UK, but there may be less confidence generally in France, Greece, Italy and The Netherlands.

governments

Within this context almost all respondents again note that their governments do little or nothing to support the MICE sector and there are repeated calls to 'make incentive travel tax-allowable', to 'rid the profession of its image of bribery', and to re-position the sector as 'a management tool for boosting personnel performance and corporate success'.

meetcentives

For just this reason many European countries are reporting an expansion in the number of meetcentives taking place, i.e. the linking of business and pleasure with the intention of minimising tax obligations. The nature of these programmes ranges from 50%:50% work and reward; to two half-day meetings within a four-day trip; to a half-day meeting organised within a long weekend.. Favourite destinations for such events are European capital cities. **Table 5** identifies the ranking of those factors said to influence the planners of meetcentives, as follows:

Table 5

	2008	2007
<i>To make the event more tax-efficient</i>	1 st	2 nd
<i>To make sure the event has some productivity benefit and is not simply 'lost' working time</i>	2 nd	1 st
<i>To meet the criteria of the senior management who are not fully convinced that 'pure pleasure' incentives are appropriate, or necessary</i>	3 rd	4 th
<i>To reflect the company philosophy that meetings and/or training courses are more effective if an element of reward is incorporated</i>	4 th	3 rd
<i>To enhance the image of the event in the eyes of non-participating staff</i>	5 th	5 th
<i>To satisfy participants who would feel guilty if no work took place</i>	6 th	6 th

(Note: 1st = most important; 2nd = next most important, etc. Research conducted at the end of the previous year)

relevance of macro-issues

Finally, this annual review considered current thinking towards the macro-issues of the environment, social responsibility, and multi-culturalism. Proportions acknowledging the relevance of these themes to their work have significantly risen (to 45%; 34%; and 35%, respectively) and compare to percentages 12 months ago of 40%; 25%; and 26%; and two years ago of 33%; 27%; and 20%.

In respect of sustainability, characteristic remarks refer to 'selecting destinations with greater care'; 'commitment to carbon offsetting and carbon-neutral events'; and 'switching wherever possible to high-speed trains'. On the other hand concern about climate change is not yet seen as likely to reduce overall demand for MICE programmes with a typical comment being, 'consumers and companies are either not yet sufficiently conscious of this issue, or choose to ignore it'. A similar view is that 'corporate economics and personal self-interest remain the dominant factors'. Government engagement through higher fuel costs and environmental taxes is seen as likely to reduce travel distances and further encourage expansion in train travel.

In respect of social responsibility, characteristic comments are that this will help shape part of an incentive programme, though not all of it, and that the driving force will be corporate image (a 'win-win' opportunity valued both by customers and staff), rather than for more altruistic concerns. Increased demand for visits to safe parts of Africa is considered a likely outcome and recent CSR projects on the continent have included tree planting and improving water supply. Some predict that incentive travel programmes will increasingly adopt eco-aware and social conscience dimensions when motivation campaigns become more widely used within the public sector.

The topic of multi-culturalism is no longer a matter of debate: and the associated issues are increasingly taken into account (e.g. diet, religious observance, relationships, gender issues, decision-making processes etc.). Perversely the response can vary between a deliberate choice of destinations that enable mixing to be maximised, to the specific avoidance of countries where cultural values are seen as too rigid to allow integration to succeed.

To conclude: the stock exchange and fiscal turmoil being experienced across Europe early in 2008 may render the above mood of relative optimism rather out-of-date, but it seems likely that incentive travel will remain buoyant in the year ahead whilst becoming somewhat greener and socially-considerate in style.

- Ends -