

THE INCENTIVE Travel Buyer's HANDBOOK

2009 SUPPLEMENT
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THE COMPREHENSIVE GUIDE TO
PLANNING INCENTIVE TRAVEL PROGRAMS



UNCHARTED WATERS

Planners have always been advised to keep the big picture in mind: travel trends, the health of the economy, and Corporate America. That's truer than ever as the world faces its most serious economic crisis in decades, and the meetings and incentive industry deals with a public relations nightmare, resulting in talk of restricting the use of meetings and employee incentive and recognition programs for certain companies.

Not surprisingly, this year's *Incentive Travel Buyer's Handbook* survey reflected the turmoil. Fewer respondents claimed no change in budgets compared to 2008; over half saw budget decreases. Half of those polled had to cancel or postpone a program this year and next (in a heartening note, 47 percent are carrying on with scheduled trips). Lower-cost domestic destinations won out for programs that were held. Despite a backlash against "resorts," the

majority of planners surveyed prefer a resort setting for their reward travel. Of the issues facing the incentive industry, a slow economic recovery worried most planners.

Confronting misperceptions about incentive travel also weighed on their minds. An incentive trip is no run-of-the-mill vacation, and this handbook explains why. From guidelines for setting up an incentive program, to picking the right destination, and smart negotiating strategies, this year's handbook addresses the benefits of combining meetings and incentives, using individual travel to reward in tough times, charitable tie-ins to your program, getting bang for your buck with cruises, and the powerful draw of sporting and entertainment events.

With the industry under siege, do what you can to be an advocate. Find out more at www.saveemployeemotivation.org and www.keepamericameeting.org.

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TABLE OF CONTENTS

CHAPTER 1	
Strategy and Budget	4
CHAPTER 2	
Running the Program	6
CHAPTER 3	
Outsourcing	9
CHAPTER 4	
Choosing a Destination	14
CHAPTER 5	
Working with Cruise Lines	21
CHAPTER 6	
Negotiating with Suppliers	24

SURVEY METHODOLOGY:

The *Incentive Travel Buyer's Handbook* survey was conducted online from May 27 to June 22, 2009. There were a total of 239 respondents who are subscribers of *Incentive*, *Business Travel News*, *Successful Meetings* and *MeetingNews* magazines. All charts and graphs included in this supplement are based on the 2009 survey's results.

STRATEGY AND BUDGET

The first step to any incentive program is to carefully consider what you want the program to accomplish. Ask yourself what your business goals are and how they fit with current market conditions. Be sure to keep in mind how your objectives are affected by the overall business environment, world events, the economy, your company's strengths and weaknesses, and those of your competition. One incentive program is unlikely to solve all your difficulties, so narrow your list to your most urgent needs.

Objectives should be:

1. **FOCUSED.** Keep your objectives simple and specific.
2. **ACHIEVABLE AND ABOVEBOARD.** Ambitious goals can be a rush, but unless those goals are doable, they will only lead to disappointment. Do not encourage risky or unethical business practices with your program.
3. **MEASURABLE.** Successful programs are quantifiable in some way, whether you measure progress by a reduction in the number of accidents at a factory or track sales force progress by an increase in sales volume.
4. **TIMED RIGHT.** Every business has its seasonal ups and downs. Be sure to take these cycles into consideration and incorporate them into your goal structure.

5. **IN SYNCH.** Make sure they are in line with corporate goals and company policies. Gathering feedback from colleagues might help protect you from goals rendered unattainable by the realities of the workplace.

Program Types

There are two basic structures, but bear in mind that programs don't have to be strictly locked into an "open" or "closed" format. Multi-level programs give participants the opportunity to win increas-

The profits or cost savings generated by a well-structured incentive program should cover its costs, but you probably won't know the exact results until the program has concluded.

ing levels of rewards based on their performance, with higher tiers tying into higher performance.

OPEN-ENDED PROGRAMS award all participants who achieve a predetermined level of performance. The benefit of this type of strategy is that it produces better results as it targets the 60 percent of people who generally function at the average level. But beware, budgeting may be more difficult since there is no way to pinpoint the final outcome.

CLOSED-ENDED PROGRAMS

limit the number of qualifiers to only a set number of top performers. While easier to budget, this strategy can alienate sales people who make quota but still aren't at the top of the heap. Also, repeat winners may dominate the program, leaving the low performers unmotivated to participate.

Budget-Wise

The profits or cost savings generated by a well-structured incentive program should cover its costs, but you probably won't know the exact results until the program has concluded. Earmark 5 to 10 percent of the profits the program gener-

ates (incremental sales), or 1 percent of overall sales, for the cost of the program itself. Here is a general budget breakdown:

1. **ADMINISTRATION.** Should account for 5 to 15 percent of the total program cost. Spending will fluctuate, depending on the intricacies of the program, how much analysis will be done on the results, how detailed it will be, and how many hours are required to handle administrative tasks.

2. **PROMOTION.** Should stand at 20 percent because communicating with participants is integral to the incentive's overall success.

3. **AWARDS.** 70 to 75 percent should be spent on the awards themselves. For a travel award, this money covers transportation, accommodations, food and beverages, activities, events, meetings, room gifts and amenities, as well as miscellaneous fees, gratuities, and taxes.

You might also have to put aside a portion of the budget for research, training, or product introductions.

Tax Obligations

Generally, the federal government views incentive travel as "income," and it is taxed as additional compensation. So, depending on the type of program, the market value of the travel award, and the cost of any accompanying merchandise awards, you and your winners might have to report earnings related to the incentive program to the IRS using 1099 or W-2 forms once the campaign has been completed. The same factors will affect whether your company can deduct any of the award value from its books, so it's important to understand the tax issues upfront. It is common for companies to reimburse winners for the taxes due on an incentive award. Contact your tax advisor for specifics. ■



RUNNING THE PROGRAM

The way you launch an incentive program can make a huge difference in its success. First impressions strongly impact program participation. Here are a few ways to jump-start your incentive initiative:

- Create an eye-catching teaser and enrollment kit that outlines the program's goals, qualification requirements, and rewards. Follow up with an official program announcement that details the "fine print" issues, such as objectives, rules, measurement systems, timing, and tax implications.
- Give your target audience a reason to respond. All mailings should include a trip itinerary and related information on the destination.
- Use different promotion platforms such as the company Intranet with a custom area of the site devoted to the program, or e-mail to support your efforts. Kickoff collateral, such as well-designed banners, posters, and DVDs, should be

placed in office common areas to provide employees a visual reminder of their potential reward.

- After sending out the teasers and enrollment kit, sign up interested individuals. Make sure that information is accurate for contact and updating purposes.

The Qualification Period

Midway through the program, it is important to make sure that participants are on track. This can be achieved by keeping accurate records through your own database system or an outsourced provider.

You'll need to:

- Create periodic summaries of the incentive program's progress. Also be sure to send individual participants their own performance updates. Frequency of updates depends on the length of the program.
- Determine whether additional resources are needed to bolster performance, such as



INCENTIVE TRAVEL AT WORK

The Merchandise Complement

Selecting merchandise items to include in an incentive travel program can be slightly overwhelming with so many choices in the marketplace. However, when it comes to travel, these are some products that work better than others for gifting. Dave Peer, vice president of client services for Hinda Incentives in Chicago, provides insight into some of the more popular picks among planners.



- **Digital Cameras:** Capturing memories on a camera preserves those special moments of a trip and provides incentive winners with tangible reminders of their accomplishments. "Cameras from name brands are commonly used as a welcoming room gift in a hotel or cruise cabin upon check-in," Peer says.
- **Luggage:** Suitcases and other travel bags from Tumi and Samsonite are a natural fit for programs, and allow seasoned travelers to get there in style.
- **Socially Responsible Gifts:** "With travel being under fire because of the economy, there is more receptivity to socially responsible gifts, from organizations such as World of Good or Helping Hand Rewards. These kinds of programs help people improve their lives by allowing them to directly benefit from the items that they produce, such as toiletry gift baskets and food items, including brownies and chocolate."
- **Sports Equipment:** If a travel program entails some time on the greens, then golf products, such as a Callaway golf putter, might be the right choice. As for soft adventurers, they often appreciate Bushnell binoculars for sightseeing trips.
- **GPS Units:** Road warriors needing help with navigation may find a GPS unit from Garmin a handy and practical travel accessory to have in their cars.
- **Bose QuietComfort Headphones:** A long-standing hit with incentive programs, this popular tech gadget goes the distance in terms of blocking out noise on the plane—and elsewhere.



product or sales training.

- Take note of external factors impacting the incentive program.

Communication works several ways during this mid-program phase. For those participants who are successfully meeting their goals, promotions at this time can be reminders of what they've accomplished so far. For their peers who might not be hitting their numbers, fun mailings and friendly reminders might be the push needed to motivate them to move ahead.

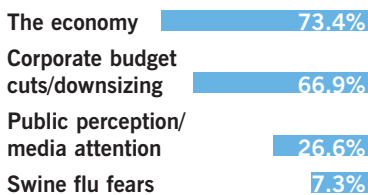
Also consider sending at least some materials directly to a participant's home, rather than to the office, especially if spouses and children are included in the trip. Receiving packages at home can build excitement among the participant's family and spur on the employee.

Award Delivery

Send letters congratulating winners on their achievement. Get participants excited with small gifts such as wallets that hold agendas, airline ticket itineraries, passports, or luggage such as a

SURVEY SAYS

About 53% of respondents had to cancel or postpone programs in 2009 and 2010. Their reasons included:



Other reasons noted were safety issues and negative political rhetoric.

PROGRAM POINTERS

Here are a few things to keep in mind as you decide on a travel award that truly motivates your participants:

- 1. Know your audience:** Consider their level of sophistication and travel experience, along with basic demographics.
- 2. Variety is the spice of life:** While group travel is the most popular incentive travel paradigm, individual travel may offer more choice and convenience depending on budgets and participants' schedules.
- 3. Keep it timely:** Travel awards for a year-long incentive should take place as soon as the results have been verified. Individual travel certificates should be delivered within 72 hours of when they are won.
- 4. Don't foolishly cut corners:** Trying to save a few bucks can be self-defeating if it seriously mars the quality of a program. That said, if there's an upside to the economic crisis, travel planners are finding unprecedented deals in destinations they may not have considered in the past because of cost considerations.

carry-on bag (not a bad idea considering recently instituted airline baggage fees).

Upon arrival in the destination, greet guests with a gift that ties in with the incentive theme. In-room gifts should become ever grander and should include a good mix of categories. On the first night, it's nice to give participants amenities that they can use while they are on the trip, such as a sun glasses for a beach destination, an unlimited subway pass in an urban area, an electronic language translator or interactive map for cities abroad, or a digital camera. Wearable items, like good-quality polo shirts, golf shirts, and fleece jackets, are also popular.

You can reinforce the program and its theme, budget allowing, with signage, branded menus and programs, as well as an awards dinner or group meeting of some kind, which allows winners to be recognized in front of their peers and executives.

Post-program Assessment

This crucial final step will tell you if your company actually met its goals and alert you to ways you can improve future incentives. Perform a detailed examination of the program as a whole, considering both the results of the winners and the record of those who did not qualify. Feedback is essential, so you'll want to poll your participants on all aspects of the program—not just the trip itself—and calculate their responses. Ask participants about the timeliness of the program, its rules structure and qualification requirements, the clarity of communication, the awards mix, the impact of training efforts on their performance, and the quality of promotion-

al materials and activities. Ask the program's administrators to describe any snags or successes they encountered with the incentive. If you outsourced all or part of the program, evaluate how well those partnerships worked.

While the anecdotal information from participants—along with their perceptions of the program—is critical, you'll also need to quantify results based on the measurable characteristics. A few examples to consider:

- Units or dollars sold during the qualification period
- Increase in market share
- Incremental sales gains during the qualification period
- Percentage of audience that participated
- Percentage of audience that met goal

Factor in external influences, both positive—strong market, weak competition—and negative—distribution problems, poor morale.

Post-award administration also involves: **ACCURATE RECORDS:** Make sure that all information is organized and easy to understand for reporting purposes. If you used an online incentive program management application, or outside incentive provider, quantifiable results should be available at the click of a mouse.

TAX INFORMATION: It is required by law to report participants' additional earnings to the Internal Revenue Service.

GENERATING EXCITEMENT: With the program at an end, it's time to capitalize on it and build excitement for the next incentive. ■

OUTSOURCING



The process of planning an incentive travel program can be complex. Between structuring the program to meet corporate goals, finding transportation providers and hotels, and staging entertainment and leisure activities, some planners have looked beyond their companies' resources for ways to meet all their needs.

As such, entire industries have developed around the outsourcing of incentive travel, with scores of companies willing to help manage all or certain parts of your program. The outsourcing process itself can be intricate, as planners must decide what specific aspects of the program, if any, could be better handled by a third party as well as what suppliers to use, whether such action will assist in meeting the goals of the incentive, and if doing so will be cost-effective.

The Choices

The first step in deciding whether the involvement of a third party would help your program is to examine the options available and the services they provide. There are suppliers dedicated to fulfilling every aspect of an incentive travel plan, and any combination thereof.

INCENTIVE COMPANIES: Also called incentive houses, these organizations often have the tools necessary to manage every aspect of incentive travel, from the conceptualization of goals and strategies to trip delivery. Some, but not all, large incentive houses are part of larger travel agencies or travel management companies—most of the largest agencies have an incentive travel division—and so they can handle airline ticket fulfillment, too. Large incentive houses also typically have significant buying power with hotels and other suppliers, sometimes more so than the company hosting the incentive. Costs vary significantly, often including commissions and sometimes including a management fee, all of which depends heavily on the size and breadth of the incentive program and the services required.

DESTINATION MANAGEMENT COMPANIES (DMC): A typical DMC can

assist in finding and negotiating with hotels, entertainment providers, and leisure activities within the city or region it serves. Many planners have found DMCs to be a key partner in an incentive travel program, as the local knowledge that DMCs retain can help planners find quality options they might otherwise not know about, and their relationships with suppliers can help with negotiation. A DMC might charge a flat fee or negotiate a percentage of total event cost. In recent years, some DMCs have banded together to form nationwide or global networks, allowing planners to be easily referred from one DMC to another.

INDEPENDENT PLANNERS: Either as part of a large firm or working solo, independent planners typically can provide any and all services related to incentive travel management, including site selection, contract negotiation, logistical management, and event production. Fees vary based on services requested and the size of the event.

SITE SELECTION FIRMS: These companies typically exist to find and solicit bids from properties capable of hosting your event. Site selection firms can negotiate contracts and provide some meeting management services, based on the buyer's needs. They are paid by hotels and work on commission, usually

10 percent of the room rate.

Why Outsource?

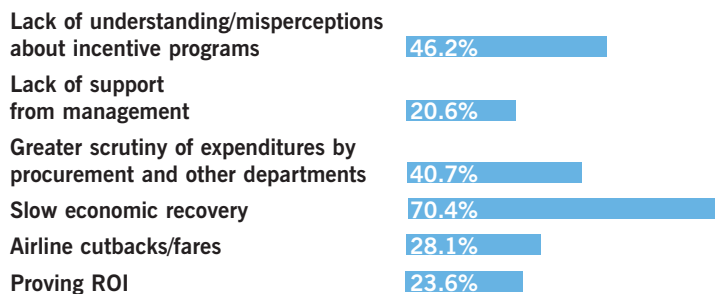
There is no one set of conditions in any incentive travel program that automatically dictates outsourcing. Every program is different; every company's goals are unique to its culture and context. But some of the reasons why planners choose to outsource form a common thread through different corporations and programs, as do some of the reasons why they decide to keep planning functions in-house. Below are some areas planners should consider in their decision-making.

COMPLEX PROGRAM: A large incentive travel program, or one that involves multiple destinations, can often benefit from the inclusion of third-party services. More attendees, especially if they are departing from several locations, means more details and more intricate itineraries.

INTERNATIONAL PROGRAM: Incentive programs in countries outside the United States can pose an entirely different set of challenges than domestic

SURVEY SAYS

Planners rank the importance of issues facing the incentive travel industry.



Giving Back

As corporate social responsibility becomes an important focus for organizations, many are taking the opportunity to champion their favorite causes during meetings and incentive travel programs. Whether the area of interest is the environment, education, housing or combating hunger, Impact 4 Good, a socially conscious teambuilding company in Hanover, N.J., specializes in organizing group experiences to benefit participants and the community at large.

“We do teambuilding. The only type of activity is the philanthropic type. We don't have ropes courses. Every single activity gives back to a cause,” says Alan Ranzer, executive director of Impact 4 Good. “If a pharmaceutical company were to call, we would suggest an activity, such as ‘The Best Medicine,’ in which participants would assemble piñatas to give to kids through Ronald McDonald House Charities or The Valerie Fund, an organization that provides family support services for children with cancer.”

Since its inception, Impact 4 Good has created many motivating moments for corporate clients in destinations around the world. In Jamaica, one major financial institution partnered with the All Island Bee Farmers Association for a beehive building initiative that helped farmers increase income through the production of honey, soap, and other products. Other ways to make a difference include Literacy Builders, where teams build and stock bookshelves for donation to local schools, and Fare to Share, a culinary

teambuilding event that entails participants preparing hot food items, sandwiches, nutritional snacks, and more for soup kitchens, food drop-off sites, and families in need.

“Planners do a good job learning about a destination via recreation and activities, but it really brings a different meaning when a group can learn about the inhabitants, the challenges they face, and then leave something behind for those who really need it,” Ranzer says.

Last February, Impact 4 Good partnered with Beckman Coulter, a manufacturer of biomedical testing instrument systems, tests, and supplies for laboratory processes in Fullerton, Calif., to organize Go Green Racing, an activity that helps raise awareness about recycling and energy conservation. Within two hours, teams created solar cars and then participated in a drag race tournament with kids from the Dallas-based charter Pegasus School. After the event, all of the solar cars, environmentally friendly flags, and classroom curriculum were donated to the school.

Says Ranzer: “In these times, there is so much scrutiny, oversight, and criticism. Doing something that gives back says to those naysayers, ‘Yes, we are having a meeting, and rewarding people for the great work they have done and the business they have brought to the company. However, at the same time, there is an understanding that there is more than just us—there is a greater community out there.’ ”

events. Incentive buyers must consider factors like international and value-added taxes, myriad different transportation options, currency conversion, possible language barriers, local laws and customs, and different methods of booking space. A third party familiar with these complex issues can save time and ultimately money.

LOCAL KNOWLEDGE: Similarly, whether a program is international or domestic, many planners have found value in retaining the services of a third party that has long working relationships with local hotels, transportation providers, and production and entertainment companies. Almost every popular domestic incentive destination is home to at least one destination management company; they typically know how to find available hotel or resort space and can suggest fun and interesting tours and activities that you might overlook.

TIME: A sales executive or other employee planning an incentive travel program in conjunction with regular job responsibilities might quickly discover that incentive planning is no part-time affair. Many companies, even those with pro-

fessional incentive planners on staff, have found outsourcing beneficial to reduce workload.

CONTINGENCIES: Many third parties have the experience to be able to address ancillary but important aspects of incentive travel, like security and contingency planning, that might slip past the inexperienced planner. In addition, large incentive houses often have the clout to handle unexpected and potentially disastrous incidents.

On the Other Hand

COST: The concept of cost is one that some companies use to justify outsourcing incentive travel—and others use to rationalize keeping the program planning in-house. Neither is wrong. There is going to be additional cost incurred when parts of an incentive travel program are outsourced. However, it's certainly possible that some of that cost might be offset by the better hotel and transportation rates a third party may secure. One single answer about the cost effectiveness of outsourcing is impossible due to the unquantifiable nature of its benefit: Time saved. Quality of the experience. Minimization of mistakes

and snafus during the program.

CORPORATE CULTURE: Planners sometimes cite concerns about corporate culture, as no outside party can appreciate the values and traditions of a corporation and its employees as well as someone who works for that company. This concern is often exacerbated when senior management is involved with an incentive travel program, as planners frequently want to ensure service levels for those executives. On the flip side, if planners can convey the elements they're looking for, a third party can help make sure such needs are met.

CONFUSING RELATIONSHIPS: Outsourcing can lead to a convoluted communication process among the planner, the third party, and the hotel, with a lack of clarity as to which party is responsible for maintaining each line of communication. Clear contracts and agreements can alleviate such problems.

IMAGE AND APPEARANCE: Perhaps the most common reason given by planners who resist outsourcing incentive travel is the fear that utilizing the services of a third party will result in senior manage-

ment determining there is no need for an internal position dedicated to planning incentives. Opinions vary on the validity of this concern, but the concern certainly exists.

The Process

Should you decide to outsource all or part of your incentive travel program, the next step is to determine not only the level of third-party involvement, but the actual suppliers you will use. Finding the ones that best fit your program at a reasonable cost is not tremendously complex, but it is an important process.

1. FIND THIRD PARTIES

Some of the larger incentive houses—Maritz, BI, WorldTravel, USMotivation, Carlson Marketing Group, and Ambassadors, for example—are well known and have planted deep roots in the industry. The same is true for the largest site-selection firm—HelmsBriscoe—and the largest independent planning companies, Experient and ConferenceDirect. The companies listed above perform a wide variety of services, beyond one specific aspect of incentive travel. But if you are looking for

a destination management company or a smaller incentive house, site-selection firm, or independent planner, it could take a bit more digging to find them.

REFERRALS: Perhaps the single most important tool in the incentive planner's arsenal is the testimony of peers. Fellow planners are usually perfectly happy to share their impressions of third parties they have used for their own programs, and those companies' prices, service levels, ability to deliver on their promises, reliability, and execution of the program. This can offer you an unvarnished look at a potential outsourcing partner.

INDUSTRY ASSOCIATIONS: Many third parties, large and small, belong to at least one industry association, most frequently the Society of Incentive & Travel Executives. Site's Web site includes a search engine that lets planners search for outsourcing partners by type and location, and the association has dozens of chapters throughout the world. Other associations with third parties as members include Meeting Professionals International (MPI) and the Professional Convention Management Association (PCMA).

CONVENTION & VISITORS BUREAUS

(CVB): Almost every popular incentive destination in the United States has a convention and visitors bureau, while foreign destinations tend to have tourist offices. In either case, these agencies can provide the names of third parties in their area, and in some cases they can make referrals. Be aware, though, that oftentimes members, including potential outsourcing partners, pay dues to the bureau, making it impossible for a CVB to recommend one supplier over another. Also, the CVB will sometimes be required to forward the lead (your program) to all members who satisfy your requirements. On the plus side, the CVB or tourism office might be able to provide you with ancillary services itself.

2. SEND RFPS

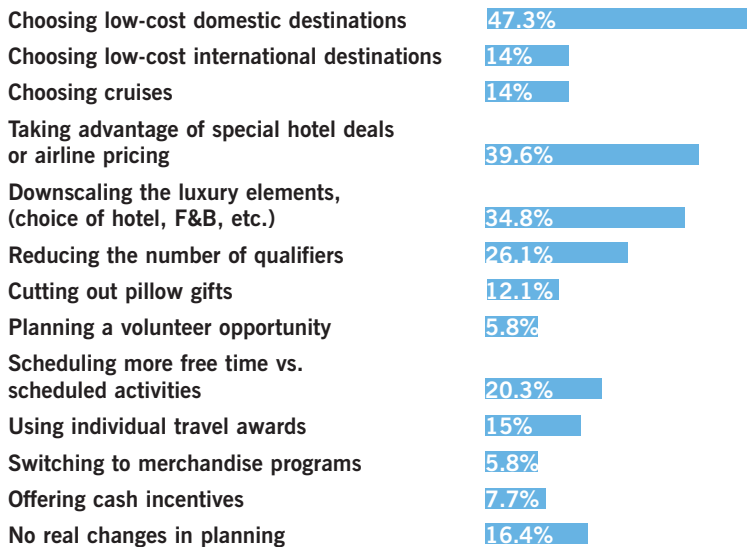
Once you narrow your list of possible outsourcing partners, the next step is to send formal requests for proposals. There is probably no such thing as too much detail here—the more the third party knows about your program, the more specificity it can use to address your unique situation. Include the date of the program, its size, potential destinations, history of the program, the results hoped to be achieved through incentive travel, and the budget, if you know it.

3. APPRAISE AND MAKE A FINAL DECISION

With bids tailored to your program in hand, it's time to follow up and determine exactly what services third parties will be able to offer your company and at what cost. Now is the time to iron out issues such as which party would be responsible for which incentive travel function; how the third party plans to internally manage your program—is it a team effort or will you deal with just one manager?—and exactly what fees are charged for each service rendered. If possible, many planners have found it beneficial to meet executives from the third party in person and see exactly how the company manages such programs. With specific information about how the outsourcing partner would handle your program, now is a good time to more fully check references. ■

SURVEY SAYS

Planners reveal how they are adapting to the economic crisis and its impact on managing travel programs.



CHOOSING A DESTINATION

Selecting the right destination is one of the most crucial tasks in constructing an effective incentive travel program. Good sites can make for magical experiences for incentive participants, and, conversely, troublesome destinations can create headaches for both travelers and planners.

Rather than relying exclusively on personal evaluations of favorite vacation spots, or the valuable, yet subjective opinions of well-traveled incentive participants, also consider the characteristics of the current market to make an informed destination selection, based on detailed research and analysis. This chapter describes a few of the major trends in incentive travel destinations. It also identifies key factors to consider in choosing destinations, and offers tips for making the big decision.

Trends in Incentive Destinations

Staying close to home was the general consensus in this year's *Incentive Travel Buyer's Handbook* survey. Traditionally popular domestic destinations like Florida, California, Arizona, Hawaii, and Nevada still rule, but some planners went the urban route with incentives to Washington, D.C., Chicago, New York City, and Philadelphia, or regional

points south and north like North Carolina, Virginia, Alabama, Kentucky, and Michigan.

The current recession has hurt the travel industry, creating a buyer's market in many destinations. Planners with

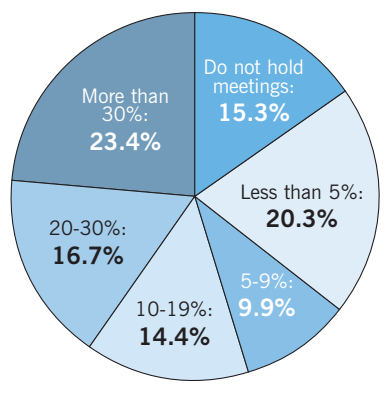
budgets and authority to spend are being courted with lower-than-average rates, "stimulus" packages, and attention that may have been lacking when times were good. Even luxury hotels are offering value-adds.

Global destinations did not fare as well as in previous years in the survey. But, here, too, there are incentives to traveling internationally. A stronger dollar, special group travel promotions, and the prospect of fewer crowds in popular cities such as London, Paris, and Rome. The Caribbean remains a favorite for its geographic proximity to much of the U.S. mainland, the beaches, all-inclusive properties, and tax breaks for qualifying groups. Mexico, an incentive perennial, took a hit this year not only because of the economy but drug violence and a swine flu outbreak. Still, its offerings are alluring, and the destination is likely to



SURVEY SAYS

Scheduling a business component in conjunction with a group incentive has gained in favor. Compared to 2008, fewer respondents said they hold no meetings at all, while the percentage spending more than 30 percent of time in meetings inched up almost 7 points.



benefit from future incentive travel: 35 percent of planners have Mexico on their lists.

Themed land- or cruise-based programs can also be an appealing option, involving the culinary arts, history, eco-adventures, or spectator sports and annual festivals. Take cues from the target audience and survey them for their preferences. For more on incorporating major sporting and entertainment events in your program, see "Big Tickets" on page 26.

Today's site selection process must also take into consideration the challenges of airlift. The airline industry's intrinsic problems have been exacerbated by global economic woes. Although fares dropped, airlines have eliminated some routes or curtailed them, especially for smaller cities. There are fewer seats available on some flights, and passengers

must pony up baggage fees, which vary among the carriers.

Things to Consider

Incentive destinations must fulfill several criteria. First of all, they must be safe. They must also be convenient and easy to reach. Once these basic criteria are satisfied, examine the various features of the destinations under consideration. The right sites will have enough variety to satisfy the diverse tastes of attendees, and they will lend themselves easily to creative themes that will be used for building itineraries and marketing campaigns.

Safety

Risk management is an important goal in any travel program, but safety is especially important for incentive groups, which usually represent the most valuable human capital possessed by sponsor

SURVEY SAYS

TOP 5 2009 Domestic Destinations

1. Florida
2. California
3. Arizona
4. Hawaii
5. Nevada

TOP 5 2009 International Destinations

1. Caribbean and Bermuda
2. Mexico
3. Western Europe
4. Canada
5. South America



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Motivation After the Meltdown

While the global financial crisis and the fallout from AIG have some corporate leaders worrying how others will perceive incentive travel, those who understand the motivational merits of properly structured programs aren't backing down from providing rewards for top performers. But, instead of the group trip to Hawaii, high achievers might be going to the destination of their dreams on their own.

After several clients began expressing interest in canceling big group trips, James Dittman, president of Dittman Incentive Marketing in New Brunswick, N.J., wanted to offer an appealing award alternative that would allow them to honor the significant contributions of their program participants.

Says Dittman: "We have a large number of financial services companies who run annual incentive, recognition, and rewards programs with a group travel experience in the spring. When the financial meltdown began it was already closing in on the end of the qualifying period. People had already been working for 10 or 11 months toward their awards and many had already earned it. Clients felt they had to cancel their big trip but what to do? Cash was the easy and obvious answer, but there is no recognition in cash, no tangible reward, no chance to relax and savor the accomplishment, no scrapbook of memories from a travel experience.

"Given that for many of the achievers, the group trip was going to be their only vacation for the year, an alternate award of individual travel became a natural solution, especially if we could maintain a level of white-glove service that an incentive winner has earned the right to expect."

Enter "Great Escapes," developed by Dittman Incentive Marketing. The turnkey solution features individual travel experiences that winners could choose from and have their arrangements handled by professional travel counselors accustomed to working with VIP incentive winners.

According to Dittman, individual incentive travel awards are an effective way to show appreciation for employees' efforts. "It is common in recessionary times to ask if it is proper to take salespeople away for 'lavish' trips while other people in the company are being laid off. It is understandable. And many times the answer has been to scale back the perceived level of luxury of the property and program," Dittman says. "If there are still concerns, we recommend individual travel done at a concierge level of personal service. No, you will not have the opportunity to heap praise, thanks, and recognition on winners in front of their loved ones or peers, but people will still be able to attribute a tangible, memorable trip with their loved ones to their own efforts."

organizations. Incentive planners must determine beyond a doubt that their itineraries are safe, and the best way to do this is by researching the issue from trustworthy sources.

Most incentive planners start by talking to suppliers. While asking vendors about the safety of a destination, ask for referrals to other incentive planners who have brought groups to the destination. Don't rely on the reputation of the destination for an indication of its safety level. Instead, ask specific questions of the people who are most familiar with it: vendors, tourist boards, and recent visitors.

Local governments, as well as the U.S. Department of State, periodically issue intelligence reports on destinations that have troublesome safety records. And some governments issue safety bulletins even when there are no acute risks, just to keep the public updated. It is important to note that while government bulletins might provide good background information on the risks associated with a destination, you can't rely on that information exclusively.

Accessibility

Incentive destinations should not only be accessible to groups, they should be as convenient as possible, and they should benefit from a robust travel mar-

ket that promotes quality service at reasonable prices. A cursory search of major Internet travel retailers should give a basic idea of the options available at a given destination.

The first consideration is transportation. If the group is traveling by ground, identify primary and secondary routes to the site. If incentive participants are traveling by air, check to make sure several carriers serve the destination, and create backup plans for getting participants home in case of an emergency. Convention and visitors bureaus, airports, and travel agencies are good places to look for indications of the quality and quantity of transportation available for specific destinations. In general, the higher the number of vendors serving the destination, the higher quality transportation you can expect.

Also consider the transportation infrastructure within the final award destination. Interview vendors and do research to ensure that unexpected transportation hassles will be avoided on site. Check the condition of local roads and make sure there are backup transportation options available. Ascertain the true distance between the airport and the hotel, and remember that weather has great influence on accessi-

bility and transportation: By talking to experienced suppliers, make sure incentive travel plans are not unduly threatened by disruptive weather patterns.

When it comes to arranging safe and smooth travel for incentive participants, the key is to plan for contingencies, especially with today's stressful airline problems. Identify backup flights and alternate airports. If a change in plans becomes necessary, incentive travelers will rely on those plans for a way home.

Destination Details

Research the general features of destinations, as well as the specific amenities offered by potential venues, to ensure you have a good fit with the diverse needs of the group. In a word, look for variety. There should be enough variety at the incentive destination that the trip will suit each particular incentive traveler.

FEATURES AND AMENITIES: Convention and visitors bureaus, destination management companies, incentive houses, and local suppliers will help educate you as to the most important features of the destinations you are considering.

Any destination that you're considering should have a well-developed travel infrastructure: a competitive selection of

air carriers, hotels, ground transportation companies, and other travel-related vendors. High-quality service is also key and best determined by a site visit and references from groups that have used the destination. Reputation—among incentive planners, winners, and the public at large—goes a long way toward getting travelers interested.

NATURAL ATTRACTIONS: Beautiful weather is something to look for, as are clean beaches, forests, or other ecological wonders that will pique the interest of the incentive group.

NIGHTLIFE: A world-class selection of restaurants, cafes, and bars always creates a buzz among participants. The popularity of food and travel shows, as well as celebrity chefs, has made many participants aware of trendy eateries around the world. Satisfying sophisticated palates is now on the incentive menu. Theater and musical performances are key for some groups as well.

HISTORICAL ATTRACTIONS: Landmarks, museums, and institutions, such as forts, castles, and historic sites might have special group tours, and event space.

SHOPPING: Make sure it's appropriate for the spending levels expected from attendees. Score a bonus if the kind of shopping is unique to the destination.

LOCAL CULTURE: Consider location-specific cuisines, traditional music, dancing or art, and special events like Mardi Gras in New Orleans, jazz festivals in the Caribbean, and New Year celebrations in Asia: All these things count as valuable cultural selling points.

SPORTS: Golf, tennis, skiing, diving, boating, and hiking are just a few of the sports participants favor for incentive trips. Discover the physical activities that attendees value most, and look for ways to not just satisfy but inspire them with potential destinations.

SPAS: They have become an absolute necessity on the amenity menu, appealing to both women and men. Ask for marketing materials and testimonials to find the right local spas.

GAMING: This is a selling point for many groups but a turn-off for a select few. Make sure there are entertainment

SURVEY SAYS

TOP 5

Criteria for evaluating a destination

1. Safety/security
2. Air transport
3. Dining scene
4. Ground transportation
5. Historical/cultural attractions

alternatives for group members who choose not to gamble.

Most destinations will not have every aspect outlined on this list—and that's okay as long as you stay focused on finding destinations that match the specific desires of your incentive groups. The best way to identify those desires is to ask participants directly. Surveys that allow respondents to indicate what they want out of the incentive trip are good for identifying must-have features. Or, if surveys aren't feasible, try interviewing several representatives of the incentive group, such as leading executives or top performers. Factors like the presence of spouses and children are important to note and will also influence the site-selection process. ■

Balancing Act

Mandatory meetings often instill a sense of drudgery among attendees. However, if the right approach is taken with content and organization, these group gatherings can actually be a positive experience for participants—even on incentive programs.

According to Kurt Paben, senior vice president of engagement and events for Carlson Marketing in Minneapolis, there are several reasons for incorporating meetings into the mix. "An incentive program traditionally always includes top performers, so it presents a unique opportunity to get the best people in a company together with senior executives to have a strategic business meeting," Paben says. "Depending on the destination of the meeting and incentive program, there might also be tax advantages. Finally, given the current economic climate and scrutiny that incentives are under, it adds a business element to the program."

A meetings component can actually be one of the highlights of an incentive program. Paben says that well over half of Carlson Marketing's clients include some type of business element. "We've seen traditional business meetings, executive updates, special guest speakers, and exclu-

sive product training," he says. "Sometimes the attendees participate in the content, sharing success stories of how they became top salespeople."

On a recent incentive program in Hawaii for top performing sales and service personnel of a telecom company, Carlson Marketing worked with the planners to include important company updates and motivational speakers for the worldwide sales audience. Post-program surveys showed positive feedback from participants saying the content was strong and valuable.

As to whether including a meeting takes away from the motivational aspect of an incentive program, Paben says it has the opposite effect. "If you structure it with participants getting information that is not available to other people in the organization, such as special training or new product information, you could use the meeting as an opportunity to create business content unique to your group of people. It makes them feel special because they get a sneak peek." Of course, there always needs to be relevancy. "The meeting has to be meaningful and not about ticking a box saying that you had a meeting," Paben says.

WORKING WITH CRUISE LINES

Cruising can provide a fresh travel perspective to incentive winners. From a variety of vessels—large cruise ships to chartered yachts—and amenities like suites, dedicated meeting rooms, luxurious spas, gourmet dining, and sports facilities, the most demanding incentive winners will be more than satisfied. Planners, too, will appreciate the pricing structure.

Group Options

Incentive travel buyers can take their qualifiers to sea in one of three ways: full-ship charter, half-ship charter, and as a group on board a regular sailing.

FULL-SHIP CHARTER: Customization options are virtually unlimited with a full-ship charter. An incentive buyer can take the notion of exclusivity to the extreme, from having the ship fly the company flag to selecting the itinerary, within certain limits. With so many different kinds of ships, an incentive buyer can charter a ship for a group of 50 to 1,000 or more people.

But stiff obligations come with the benefits of a full-ship charter. The incentive sponsor typically must supply an irrevocable letter of credit, and essentially there is no cancellation without paying the full fee (in the case of cancellation, the cruise company will try to resell the ship, but the logistics of doing so make it unlikely they'll succeed).

HALF-SHIP CHARTER: Half-ship charters are typically based on cabin category, allowing qualifiers to receive cabins not too disparate in quality. Incentive buyers can, however, charter by deck if they wish. As with a full-ship charter, incentive sponsors are often required to submit a letter of credit. But if the sponsor needs to cancel or has overestimated the number of cabins it needs, the cruise



company can more easily resell the cabins, since a half-ship charter is part of a commercially scheduled cruise.

Also on the plus side, incentive buyers booking half-ship charters can usually reserve a dining room or one seating exclusively for their groups. You can usually also reserve one of the larger lounges or the theater for awards ceremonies as long as you don't interfere with other passengers.

GROUPS: Unlike full- and half-ship charters, groups need no letter of credit. They simply pay a deposit of about \$50 to \$250 per person, with scheduled payments usually until about 60 days prior to departure. As with hotels, however, groups are subject to an attrition schedule. Incentive buyers can release a contractually set percentage of rooms at set intervals, usually up to 30 or 60 days prior to departure, without paying attrition fees. The fees kick in at that time and grow steeper as a percentage of cabin



price as the departure date draws nearer.

In the case of cancellation, the smaller the group is in proportion to the size of the ship, and the more advance the notice, the easier it is to resell the space. Some lines allow full refunds for group trips canceled a set number of days, 70 days for example, prior to departure. Although the group doesn't get the customization advantages of taking over a ship, a group cruise experience is similar to that of a hotel or resort incentive experience.

All-Inclusive Pricing

It may come as a surprise, but incentive travel buyers can often get more for their money on sea than on land, thanks

SURVEY SAYS

TOP 3

2009 Cruise Itineraries

1. Caribbean
2. Alaska
3. Mediterranean

Smooth Navigation

While the troubled waters of the global economy have some considering alternative ways to reward top performers, others are discovering the tremendous appeal of cruising. Earlier this summer, Oprah Winfrey made headlines when she treated her staff and their families to an all-expenses paid cruise of the Mediterranean. However, working for a media mogul isn't necessarily a requirement to experiencing a bon voyage.

According to Joyce Landry, CEO of Landry & Kling, a Coral Gables, Fla.-based company specializing in cruise group management and ship charters, now is ideal for those who never stepped foot on a cruise ship to come onboard. "We have never seen these prices since we started 27 years ago. It is an opportunity to get great value by choosing a cruise, especially if you are flexible with dates and timing," Landry says.

When compared to a stay at a resort, a cruise offers tremendous savings. Recently, one client of Landry & Kling realized the business benefits of staging a combination meeting and incentive on a passenger vessel. The multinational computer technology group comprised of professors and corporate sponsors selected a Bahamas cruise aboard the *Disney Wonder* as the setting for entertaining and educating its group of 348 participants on the latest on gaming solutions and technology. The amenities and the features of the ship, particularly the meeting space, production facilities, and state-of-the-art A/V equipment, contributed to the ease of program execution.

"There are no additional costs for any of the meeting



set-ups, AV equipment, and meeting rooms themselves. The line items in a budget to pay for production and meeting space does not come into play on a cruise ship," Landry says. "Other areas where companies can save are food and entertainment. Typically at a hotel, there are extra costs in sales, taxes, fees, and gratuities. On a ship, there are enormous cost savings when it comes to meals."

Ultimately, it comes down to the bottom line, and a cruise ship makes complete sense for cost-conscious companies that want to continue with their corporate events. "So much is included in a cruise with food, AV equipment, production, meeting rooms, and entertainment. The entire package can be a lot less expensive than on land, and with this economy even more so," Landry says.

to cruising's nearly all-inclusive pricing. Cruise prices include just about everything an incentive buyer needs to stage a successful program, with the possible exception of some of the "frills." High-

end cruise lines typically offer more as part of their standard package than mass-market lines—gratuities, champagne, daily pressing service, for example—with, of course, a correspondingly higher base price.

In addition to sleeping rooms, here's a list of what's typically included in the price of a cruise:

- Round-trip air transportation and ground transfers with air/sea packages
- All on-board meals, including snacks and room service
- On-board entertainment, including floor shows, live music, first-run movies, and lectures
- On-board recreation, including use of the fitness club
- Use of onboard meeting rooms and lounges for private events

Customizing a Cruise

Customization really comes into its own

on a full-ship charter. But an incentive buyer who takes a group to sea as part of a commercially scheduled cruise can also build a certain degree of exclusivity into the voyage. Some ideas require extra expenses, but many cost little or nothing. Here are just a few of the possibilities:

- Private events on board in smaller lounges, poolside, or in the small, specialty dining rooms on large ships
- Private tours, events, and on-shore transportation
- A private captain's reception
- Exclusive seating in portions of main dining rooms and lounges for shows
- An information desk exclusively for the group
- An exclusive daily newsletter or closed-circuit TV broadcast about the group's activities
- Cabin-door plaques with qualifiers' names ■

SURVEY SAYS

Where will future incentive programs be based? Planners share the most popular destinations under consideration.

1. Caribbean and Bermuda
2. United States
3. Europe
4. Asia
5. Cruises
6. Mexico
7. South America
8. Canada

NEGOTIATING WITH SUPPLIERS

A successful incentive program requires a top-notch experience, from the moment participants step onto their airplane to their arrival at the hotel and the service standards throughout the trip. While suppliers have been more flexible in some areas due to the economic downturn, planners still need to stay on their toes.

Negotiating with Hotels

Set the stage for an excellent incentive program during the negotiation sessions with the hotel. Once the contract is signed, both sides should feel they made wise concessions and received the best value proposition possible.

- Begin negotiations as soon as possible. Many hotels will only block a certain number of rooms for group business so don't make arrangements too late. Early negotiations can also ensure protection in the case of changes in market conditions; consult with your lawyer about the best way to incorporate protective clauses into your contracts.
- Communicate with the hotel. Tell the property about your group's best incentive program ever. Also tell them about any negative experiences. Give the hotel as much information as possible about what kinds of things work for your particular group.
- Let the hotel know what makes this incentive different from your past programs. Share your theme so they can help make it a reality and help with new ideas.
- Be sure all winners have the same type of room or have good reasons for putting participants in different categories.

Getting the Rate

- Evaluate both the hotel's highest published price, known as the rack rate, as well as the lowest price available on the Internet. Your group rates will likely fall in between.
- Be prepared to demonstrate your group's value to the hotel. In addition to room rates and planned food and beverage functions, additional revenue comes from group or individual spending in the spa, gift shop, casino, even from minibars.
- Comb through the contract for service charges, resort fees, and the like; they might be negotiable or even eliminated.
- The room rate should be less than 50

percent of the total program budget.

- For smaller budgets, it generally pays to buy the best experience available from a less expensive property than a minimal experience from an expensive property.
- Remember that hotels in high-demand markets can ask for and get high rates from other guests, if not your group. You'll lose some negotiating power in such instances.

Avoiding Penalties

In today's business climate, this has become increasingly important. With a closed-ended program, you should know your exact room block early in the game, but with an open-ended program, you might not know until the end of your qualification period. In either case, it's good business practice to minimize your exposure to damages. Here are some strategies to accomplish that in the hotel contract:

- When determining the room block and estimating what percentage will not show up, take the group's history into account. Does the group historically have a last-minute rush of winners? Have the number of winners fallen short of expectations in the past?
- If you're unsure of your group's numbers, consider asking to have the attrition clause eased or waived and sacrifice the complimentary welcome drink, VIP upgrades, or the like.
- In the cancellation clause, stipulate that the group will rebook an event of a similar size within a year.

Food and Beverage

After room rates, food and beverage will most likely be the next largest part of your hotel budget. This is no place to skimp, but negotiating is key.

- Tell the hotel your budget and then work with the chef to determine what can be done. Often they can come up with creative ideas and still contain costs.
- Design menus according to destination and the group's demographics. Take into account your other activities—will the group want a hearty breakfast before a day of diving?
- Research the specialty of the area and the chef. Requesting an unfamiliar dish or one that incorporates ingredients that

need to be flown in will drive up costs.

- Include the number of servers per person, servers' dress code, and other serving information in your contract.

Theme Events and Venues On Site

Not every food function needs to be a "special" or "theme" event. Still, this is one of the best ways to turn an incentive into a memorable experience.

- Hotels do special events all the time. Work closely with your catering manager to come up with ideas.
- Many hotels have low-cost sets or theme decor already available on site to tie into their location.
- Find out what else the hotel has on hand and can provide at little or no cost: linens, chairs, centerpieces, etc.
- Check if the property has a renowned chef or an exclusive arrangement with an entertainer.
- Use different spaces for meals and functions so that the events don't become boring.
- It is effective to have at least the first and last night events in the hotel. On the first night, attendees are often tired from traveling; on the last night, they might be concerned about early flights.

Negotiating Airfares

Most domestic incentive programs as well as trips from the United States to other countries most likely will require air transportation. For simplicity and consistency, stick with a single airline whenever possible. It will give you additional negotiating power. Plus, you then can include the airline information in all your marketing materials and sometimes partner with the airline for additional concessions or value-added. However, you might need to expand to more than one carrier if your group is very large or

SURVEY SAYS

TOP
5

Criteria for evaluating a hotel property

1. Service levels
2. Safety/security
3. Quality of food: restaurants and catering
4. Property reputation
5. Beach/pool facilities

coming from multiple destinations not served by one carrier, or if availability to the given destination is otherwise insufficient. Be sure to look into any guidelines and restrictions that airlines might have that could preclude their use, such as a minimum number of travelers required, blackouts during your time-frame, and so on.

For an international program, some destinations are serviced directly by U.S.-based carriers. In other cases, U.S. airlines will coordinate on your behalf with their international alliance partners to block required space and provide discounted group fares. If your incentive program is to be held at a foreign destination not served by a major U.S. carrier, also consider working directly with a foreign airline.

Because airline service must be determined several months, if not a

year or two in advance, early contracting is required. Some airlines recommend you block out a pre-determined number of seats as far in advance as possible to avoid availability issues—and then negotiate the specifics at a later date. Permitting each employee/traveler to separately book the air segment of the program can cause complications.

Pricing

In addition to flight routes, service, and preferred agreements, your choice of airline, of course, might be based on specific pricing levels. Of course, pricing varies by destination and is impacted by current market and competitive conditions, the number of connecting flights you need to move your travelers, and the size of the initial deposit you are willing to make. Airlines also have

been known to bid competitively for business against offerings from other airlines, so keep this in mind. Being aware of a few basic types of fares can be helpful.

- **Zone Fares**—Flat, published fares based on geographical distance that require advance purchase and may have restrictions, but airlines might be willing to negotiate this rate depending on the customer.

- **Group Rates**—Often these are branded by the airlines. They offer 5 or 10 percent discounts off full coach fares, depending on how far in advance they are booked. These fares will generally be more expensive than zone fares but offer more flexibility.

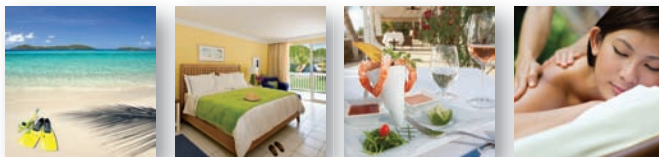
- **Corporate Negotiated Rates**—Rates that are based on discounts that have been negotiated by your company with a specific airline may not be applicable or

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Penalty Clauses

Airlines can be flexible with incentive planners but nonetheless generally include penalty clauses in contracts. For example, at 30 to 60 days out, they will usually confirm that you plan to use the entire block of seats they have set aside and will penalize you for unused seats. Some airlines may require only a percentage of seats be confirmed at that point, allowing a small number of seats to go unused without penalty. Make sure you know the exact deadline and precisely what is required of you by that point.

Foreign carriers may have longer lead times, with penalty clauses kicking in as far as 120 days out. If larger changes are required—shifting from an overseas trip to a domestic one, for example—carriers will work with you to make the appropriate shifts, if it is done far enough in advance.

Conversely, carriers may eliminate frequencies or routes, especially in today's

lean economic times, that could impact your program. Make sure this eventuality is addressed beforehand and develop a contingency plan.

On the Ground

While not as common, there are cases where motorcoach or other ground transportation is the preferred method for transporting attendees to their incentive destination.

Work with your agency, DMC, or a convention and visitors bureau to make arrangements and develop a “meet and greet” program for your incoming travelers, and to coordinate ground transportation, including airport transfers and other services while your employees are at the destination. DMCs also can keep a watchful eye on any changes to your manifest, and then relay those changes to ground transportation providers.

While a group will almost always need to be transported from the airport to the resort or hotel, in some cases, there's a fairly long trip involved and then the ground transportation becomes part of the travel experience as a whole.

For more local transfers, it's most common to work directly with your ground transportation provider, although you can work with a DMC or a travel bureau to aid in coordinating. In some cases, hotels have their own transportation or can help you work with a local vendor. Especially in a foreign destination, local DMCs can be key in arranging other ground transportation options and in fact may be closely affiliated with motorcoach operators. Unlike counterparts overseas, U.S. DMCs generally do not own ground transportation inventory and serve simply as a service contractor.

Getting Home

Transporting travelers back to the original departure point will mirror the outbound process on the same transportation provider. Because incentive trips may be “the trip of a lifetime,” your employees may seek to arrive early or depart late. You should make sure you work with the airlines to ensure a degree of flexibility. In such cases, be sure flights are available and tickets reserved well in advance. ■

Big Tickets

The positive impressions that the Olympics, World Cup, or a Rolling Stones concert leave on people last long after the closing ceremony, final song, and news broadcasts are over. Memorable moments like these not only go down in history but remain with the elite few who are fortunate enough to say, “I was there.” It is because of this exclusivity and excitement that these types of events are a natural fit for an inspiring incentive program.

“Sporting events and festivals are a tremendous draw. These are events that many people would spend their own hard earned dollar on and many of these events are once in a lifetime experiences,” says Robert Tuchman, president of Premiere Corporate Events and author of *100 Sporting Events You Must See Live*. “If you are looking to motivate people with an incentive, it needs to be something that one truly desires and nothing works better in travel than these types of events.”

Citrix Systems, an enterprise software company in Bethesda, Md., recently experienced success with an incentive program featuring a chance to attend the Super Bowl. The program themed around the most exciting night of football was developed by the New York City-based Premiere Corporate Events, and proved to be just the momentum the sales team needed to exceed their goals

during a somewhat challenging time. The group of 30 not only enjoyed the excitement of watching the Super Bowl unfold, but also participated in a private golf tournament with several NFL players.

“Attending an event like the Super Bowl is a motivator as an incentive. You need access to events like this to generate the buzz necessary to increase production or meet your goals. There are very few experiences that can offer this type of excitement for folks and that is why sports and entertainment incentives work so well,” Tuchman says. “The great thing is that these events are not just about the game anymore; they really have become events for all people to enjoy. Everybody wants to be part of the experience and tell people they were there.”

Planners need not worry that their group will get lost in the crowd. “We customize everything for a company, so the event is truly unique for them. Even at the game or event, we will have a luxury suite or specific section to hang out in just for the group,” Tuchman says. “We also come up with really creative marketing tactics, from a weekly e-mail teaser that ranks the incentive participants on a scoreboard much like you see at the Masters. The payout, of course, is for the people at the top of the scoreboard at the end of the day that get to actually attend the Masters.”