

Chapter 6

Incentive Travel

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6.1 Definition

Incentive travel is an increasingly popular way to reward staff for goals met such as long service, and to show recognition for a job well done. This is because the effects of this type of experience are felt before, during, and after, so it drives performance as well as maintaining it. Read on for some of the main reasons why travel incentives will motivate your staff



6.2 Reasons for Incentive Travel

1. Travel incentives are more attractive than, let's say, bonuses as it has been shown that cash rewards will usually be spent on necessities such as bills or household needs whereas travel provides a fun treat that will truly leave the staff member feeling appreciated and happier. A variety of research highlights that travel would come top on a list of desired rewards.

2. Most people prefer memorable experiences over things. The effects of an excursion last from the excitement leading up to the trip, to satisfaction long after it has occurred. This lasting result will keep the staff dedicated to the company and wanting to achieve the same reward in the future.

3. The possibility of a reward as exciting as travel provides a focus for staff, and giving them something to work for will encourage them to consider the best ways to hit targets or perform at their highest quality. It also increases morale within an office and the positive attitude will make the workplace a much happier place to be.



4. A holiday or special experience provides staff with rest and relaxation which is necessary for a good working attitude. As we all know, working too hard without a break can diminish our output so having some quality time off work increases motivation and productivity. They will return to work refreshed and ready to work.

5. Travel has universal appeal. It is incredibly unlikely that an employee would not appreciate a getaway of some sort, and with our Inspire TravelCard, recipients can use it towards a vast variety of products so there will be something to suit everyone.

6. Travel should not be considered a luxury or expensive way to reward your staff. It can be tailored to any budget from experience tickets, a 1 night spa break in the UK, a weekend away in Europe, or an extensive trip further afield.



7. This unique type of recognition can reduce staff turnover. People working for a company offering an incentive as in-demand and rare as travel will be less likely to want to move to a company that don't present this option. If they have made enjoyable, long-lasting memories during their trip they will associate it with the employer who made it happen.

8. You can choose the type of travel that your employees will participate in to suit specific industries or teams within the business. Therefore, the trip or experience can have a learning aspect or just be beneficial to the staff member's role, such as environmental or event research that they would never be able to get sat at a desk



6.3 Client profile



Any business that manufactures or sells anything can be a prospective client for the incentive programmes.

The manufacturer sells his or her products through the sales force to distributors; the distributor's salespersons re-sell the product to the retailers or dealers who finally sell them to the consumer. Thus, to increase sales and production the manufacturer has many opportunities to motivate. The manufacturer has his or her own personnel, salespersons, distribution staff, distributor's salespersons and finally the retailers.

All these people can be a target of the incentive travel schemes.

The distributor generally handles several lines of products and buys from different manufacturers. He or she will, therefore, need specific motivation programmes to promote his or her own line of salespersons and dealers. Distributors are numerous and can be found in almost every major town. Department stores and service companies such as banks, brokers and insurance companies can also be good markets for incentive travel schemes.

Incentive programmes may also be used by retailers as low cost advertising, e.g., for a special event or the opening of a new store. Incentive travel is not a buy-able commodity like an inclusive tour or a ticket. Which means that clients will not walk into an agency to buy a programme. Infact, it is the work of the travel agent to prospect clients and direct their energies towards companies that are interested in launching such motivation programmes.

As referred earlier, business houses are primary targets for incentive travel schemes. Many companies already have personnel or customer motivation programmes of some kind and they are usually interested in launching new kind of a motivational programmes. Apart from them, local chambers of commerce can also give a lot of information on the groups interested in having such programmes in their personnel department.

6.4 Selling Incentive Travel

Before selling incentive travel one must understand the size of the company and whether it is really interested in launching such a programme. In this respect information about the business size, organization, lines of product, methods of distribution, sales force etc.

have all got to be analysed. The next and the most important step is to determine the budget i.e. what funds are available and how these can be allocated. Given below is a sample of the budget plan that can be used by you to determine the approximate cost of the trip and whether it can be viable or not. 1. What increase in actual sales is the programme expected to produce?% =

Rs.....

2. What will be the company's profit on this increase?% =

Rs.....

3. How much of this profit can be budgeted to provide incentive trips?

Rs.....

4. How many salespersons are expected to qualify for the trip?

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5. Dividing 3 (i.e., expected funds for incentive trips) by 4 (expected number of winners) will provide the incentive trip budget per individual including promotion costs. Funds for the incentive programme may also be obtained from other sources such as the company's regular and special promotional budget.

Source: IATA

Best Practices & Trends In Incentive Travel

- Some providers are seeing an increase in the international market.
- Golfing and spas remain popular and are frequently requested by clients.
- There is a growing emphasis today on individual activity during trips, including more free time and more choices of entertainment and meal options.
- More providers are getting involved in business meeting events outside of incentive travel; however, during incentive trips, business is still kept to a minimum.
- Trip lengths are getting shorter.
- Providers are seeing a healthy market for incentive travel.
- End-users are looking at budget strategies to reduce overall spending.
- These strategies include “*raising the bar*” (increasing the level of performance that qualifies), cutting back on days, looking for better deals, etc.