



THE IMPACT OF DESTINATION CHOICE ON MOTIVATION



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The Impact of Destination Choice on Motivation

Now that the world is opening once again for travel, incentive travel award programs are ramping up. Many travel planners are arranging their programs for 2022 and 2023 with the idea of a world unlocked for travel experiences. The Incentive Research Foundation undertook this study of destination preferences to learn how North American participants feel about incentive travel awards post-pandemic and how destination preferences have changed, if at all. The study also looks at the aspects of how experiences are designed to determine the elements that provide maximum inspiration to earn the award. Finally, the study examines actual bookings and quote requests against participant preferences to determine whether the experiences planners are arranging align with the elements that participants find most motivating.

Key questions answered by the study include:

- Which destinations are the most motivating?
- What features about the award trip are most motivating and important to participants?
- What has changed since the pandemic?
- What features/benefits/activities are people seeking in their incentive travel programs?

The Study

The participant study was primarily US-based with 401 respondents. All but five respondents were from the United States (e.g., one each from Canada, Central America, Western Europe, Southeast Asia, and Northeast Asia).

The participants were recruited from an online panel company. Qualifications included:

- Being currently employed full-time in a sales role
- Having been eligible for an incentive travel award sometime within the past three years
- Being at least 18 years of age
- Cannot be self-employed, an independent contractor, or a temporary employee

In the second part of the study, booking data was provided by Cvent for incentive trips planned for the immediate future. 3D Cruise Partners provided similar data for cruise line incentive trips quoted through first quarter 2021. The data was compared to employee preferences to examine the degree of alignment between preferences and booking behavior.

Incentive Travel Is Still Highly Motivating

Overall, *group incentive travel* awards are considered ‘very’ or ‘extremely’ motivating by 80% of the respondents in the study. Only 2% reported no motivational value in group travel. *Individual incentive travel* awards also received high ratings for motivational appeal, with 84% saying individual travel awards are ‘very’ or ‘extremely’ motivating. Only 1% said individual travel opportunities do not motivate them at all. Over half of both men and women find individual travel experiences to be ‘extremely’ motivating.

Other key findings related to incentive group travel:

- While both genders find group incentive travel highly motivating, males are slightly more enthusiastic with 54% calling group incentive travel ‘extremely’ motivating compared to 42% of females.
- Those who are either married or living with a domestic partner find group incentive travel more motivating than those who are currently single.
- Similarly, those with children under the age of 18 living at home find group travel much more motivating than those without children living at home.



Changes Since the Pandemic

The data show some fairly large shifts in the type of incentive trips participants want coming out of the pandemic.

- Nearly two-thirds have **increased their interest** in...
 - an incentive trip where you stay in a private unit that is part of a larger resort
 - an incentive travel experience that closely follows COVID protocols
 - an individual travel experience where you stay in a private vacation residence with only your spouse/significant other
 - an incentive trip to the mountains or other remote area
 - an incentive trip where you stay at a luxury hotel
- Half the participants have **decreased their interest** in...
 - an incentive trip involving a cruise ship
 - an incentive travel experience involving mingling with large groups of people

In summary, participants want less interaction with participants outside their immediate traveling party, more open spaces, and more private residences. There is still reluctance to cruise, although cruise ships currently seem the best way to access popular destinations such as Alaska and Western Europe. Finally, there is a heightened interest in maintaining COVID protocols. While people are optimistic, there is still a sense of uneasiness coming out of the pandemic.

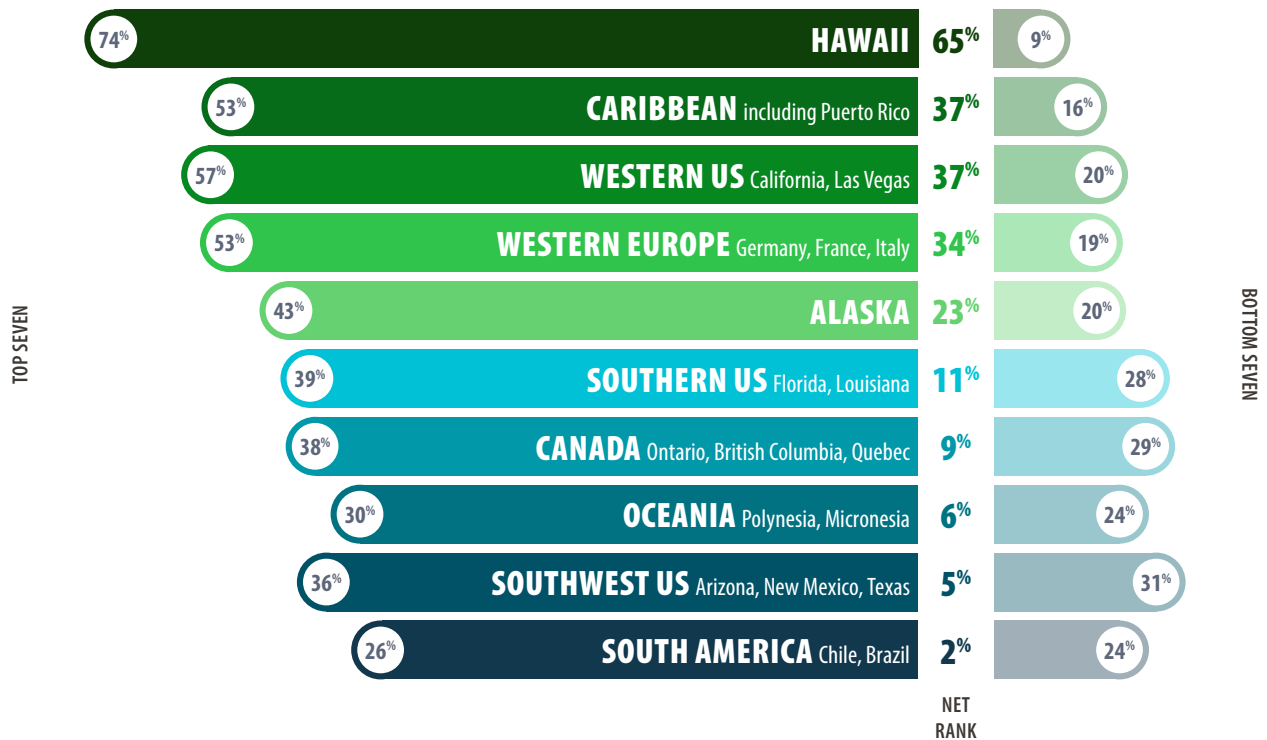
The Most (And Least) Motivating Destinations

To determine destination preferences, the study presented 23 regional options from which the participants were asked to choose their most and least preferred destinations. Each person in the study was first asked to identify their three most and least preferred destinations. Once selected, participants were then asked to choose their next most preferred and least preferred destinations. Overall, the top preferred destinations were Hawaii, the Caribbean, the Western United States (e.g., California), Western Europe, Alaska, and the Southern United States (e.g., Florida).

The study also looked at the percentages that ranked the various regions among their top choices and compared them to those that put the regions among their bottom choices. The six top destinations had a positive differential (e.g., Top 7 vs. Bottom 7) of 10% or greater. Only four other destinations (Canada, Oceania, the Southwest United States, and South America) had net positive differentials over 0%.

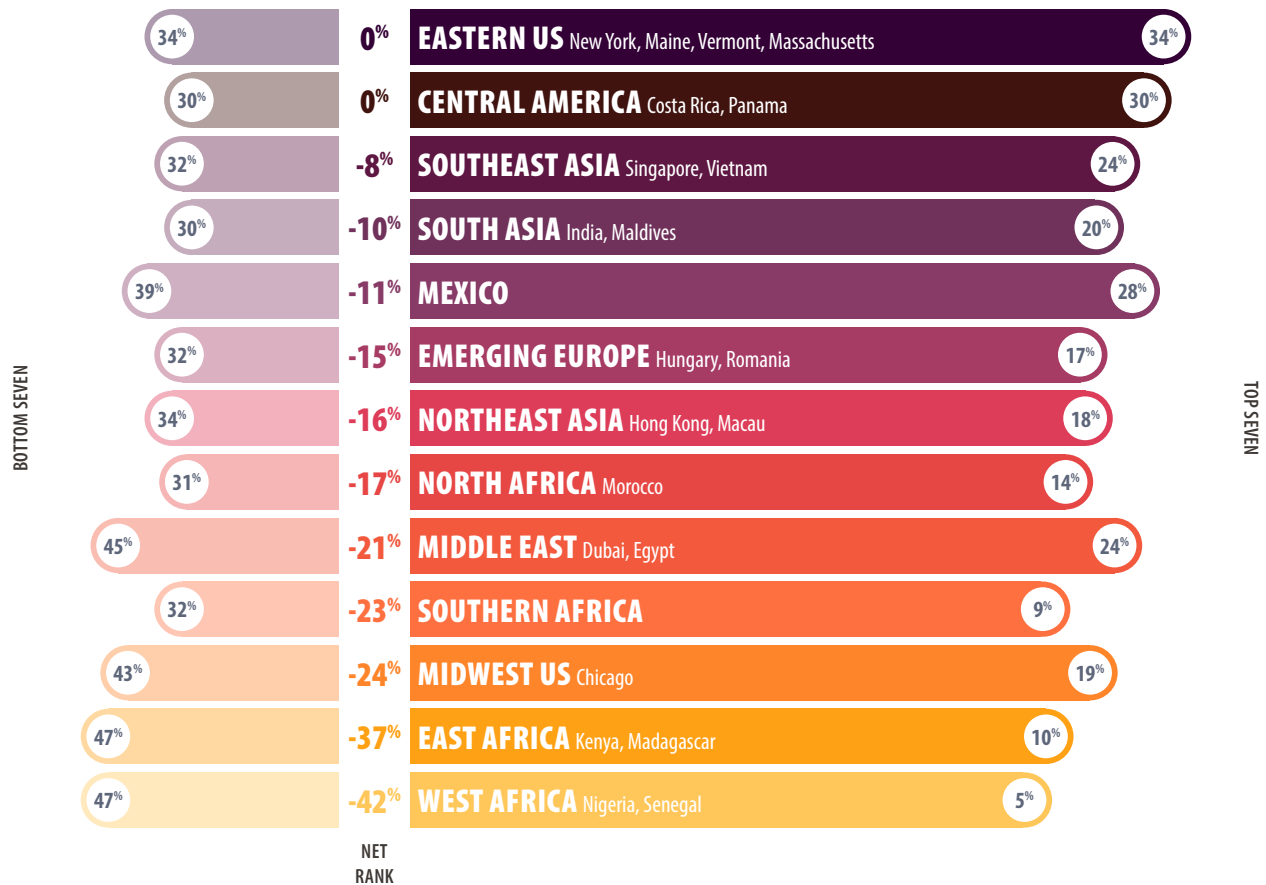
As the following table shows, the least popular destinations are West Africa, East Africa, the Midwest United States, Southern Africa, and the Middle East, all of which have negative Top 7/Bottom 7 differentials of -20% or greater.

Top Destination Preferences



Source: IRF Survey

Less Popular Destinations



Source: IRF Survey

Aligning Data With Preferences

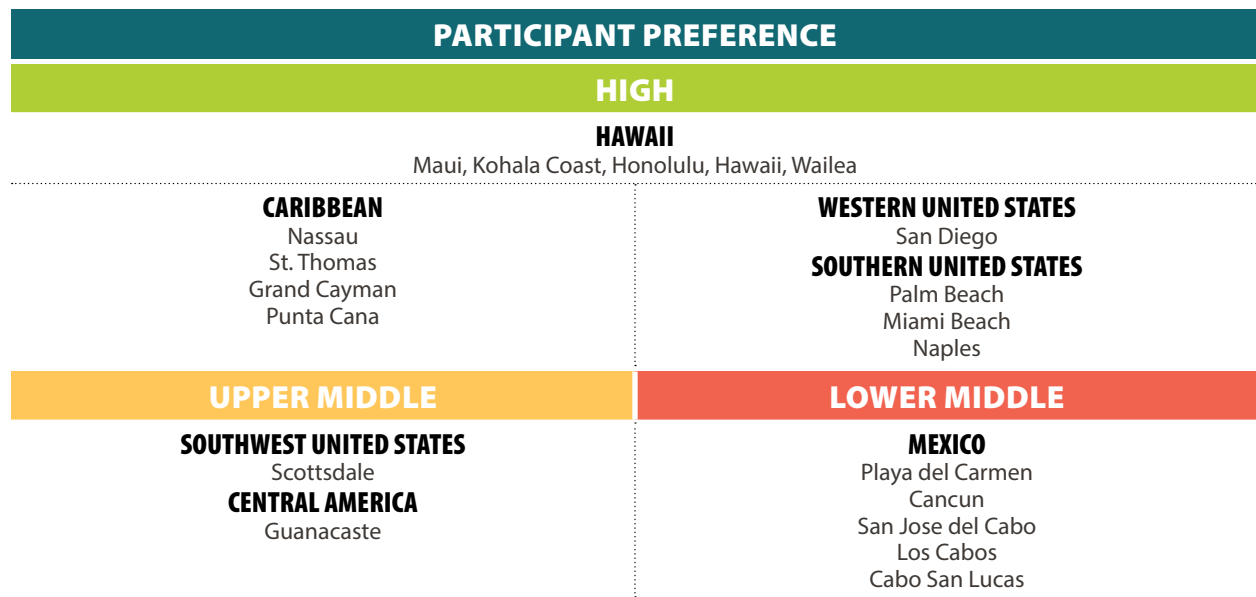
The Cvent data show that, for the most part, there is good alignment between destination demand and participant destination preferences. Hawaii, Florida, and California are all within the 'top' preferred regions and are also seeing enormous RFP activity.

The challenge is that, if you are interested in any of these top tier destinations, you will likely struggle to find any level of inventory at this point or else find costs to be very high. Many incentive travel planners already report this compression problem.

If this is the case, there may be destinations within the same general regions that do not experience as much demand yet are still reasonably desirable for participants. Examples include beautiful Canadian cities or warm locations in the Southwest United States such as Scottsdale.

The biggest ‘miss’ between preference and demand seems to be Mexico. While Mexico has limited motivational value to program earners, there is significant RFP activity by program owners. Mexico may be losing its motivational appeal due to factors such as overuse as an incentive award or some of the negative publicity it has received in recent years.

Top Booked Destinations



Source: Cvent

While sunny destinations are highly motivating and popular for cruise line bookings, the cruise data shows that European River and Mediterranean cruises account for 57% of requested quotes so far in 2021. So far, the proportional shift of cruises in 2021 seems to favor Europe over the Caribbean. Demand for Europe is increasing, which is great news given the high motivational appeal of Europe.

Requests for Cruise Line Quotes 2020-2021



**Number of Quotes
2020-21**

42%
32%
18%
6%
1%
1%

Caribbean
Europe (Mediterranean)
Europe (River)
Alaska
South Pacific
Hawaii



**Number of Quotes
2021 Only**

31%
44%
13%
8%
1%
3%

Source: 3D Cruise Partners

Priorities for Participants

Destination Experiences: The data reflects the post-pandemic shift in preferences from crowded spaces to more open areas. In terms of prioritization, the three top destination experiences are:

1. Beach / Sunshine
2. Adventure Travel
3. Mountains

The bottom three destination experiences are:

1. Cruise Lines
2. Wellness Spas
3. Large Metropolitan Areas

An important point is that the participant sample is U.S. based. In the most recent *Incentive Industry Travel Index*, published Fall 2020, the results showed a strong shift toward more wellness-based travel experience, which may reflect preferences among the broader international community. Another important point is that the respondents of the *Incentive Industry Travel Index* were incentive trip planners rather than participants. It seems natural to believe that, in the midst of a pandemic, incentive travel participants would have a major interest in health and wellness, but the U.S. data suggest participant interest in health/wellness activities may be over-estimated, or at least valued by a smaller niche of participants.

Trip Features: Based on the prioritization exercise, the three most important aspects for creating a highly motivating incentive trip are:

1. Being able to invite a spouse/significant other/friend along
2. Going to an appealing destination
3. Having additional expenses covered either by an all-inclusive package or additional spending money

A separate survey exercise asked participants to rate specific trip features on importance, using a five-point scale from 'not important at all' to 'extremely important.' The data showed similar results to the prioritization exercise. Being able to take your spouse/significant other/friend along was easily the most important feature for participants. Having expenses covered, going to a destination to which you have never been before, and having luxury accommodations were also ranked as highly important, mirroring the prioritization exercise.

Cvent data indicates the percentage who include luxury accommodations in their events has grown since last year, mirroring the high priority placed on this facet of the experience. In 2019, 75% of all incentive RFPs included at least one luxury hotel in the hotels to which it was sourced. In 2021 YTD, that number has increased to 87%.

The data show that over half (52%) would most prefer an incentive trip lasting between six to nine days, with only 27% preferring something less than six days in duration. While Cvent data on the duration of the experiences being booked are different than the categories used in the study, their data validates that trips are being planned for a greater durations than in the past, mirroring participant preferences.

Top 3 Elements of a Highly Motivating Incentive Trip



Bringing a Guest
(e.g., spouse, significant other, or friend)



Appealing Destination



Additional Expenses Covered
(e.g., all-inclusive package or additional spending money)

Summary

The study reveals quite a bit of opportunity for incentive travel planners. The good news is that the pandemic has not dampened enthusiasm toward travel experiences. There is an overwhelming majority who still find a lot of motivational value in incentive travel awards. However, at least for the short term, the design of the experiences may need to change.

As the world begins to re-open for travel, there is a quite a bit of residual impact from the pandemic. Crowded destinations do not look as desirable as they used to. This suggests that planners may still target popular regions but may do well to consider specific destinations that are more off-the-beaten paths. This would give some destinations a chance to develop more tourism, while solving the problem of over-tourism to certain areas that was becoming a challenge prior to the pandemic. This approach also addresses the challenge of compression where everyone is trying to pursue the same popular destinations during the same periods, driving down availability and driving up costs. The data also show that trips to Mexico may be getting a bit tired, so changing it up to something different may add extra motivation for participants.

A major goal of many incentive travel experiences is the opportunity for top performers to network with their peers and leaders. For the time being, this may need to be tamed a bit. Smaller trips that offer greater flexibility may replace large group experiences. Although participants still want luxury accommodations, they also want some distance from their fellow travelers in the form of private residences and bungalows within large resorts. In some cases, individual travel experiences may be more motivating than the more traditional group experience.

The psychological aspects of incentive travel cannot be minimized. The importance of spending time with one's significant other outside the home is strongly reflected in the data, especially for those who have been cooped up with children living in their households. Participants want longer trips, and trips seem to be getting longer in response to this demand.

The impact of choosing an appealing destination was a top reason why incentive trips are motivational. Like any strong motivational reward, understanding what your participants want and designing experiences accordingly becomes critical to driving your desired results. This study shows that incentive travel is still one of the strongest performance motivators, and it may be even more valuable due to the strong pent-up demand. Understanding how preferences have shifted and addressing those shifts becomes an important success factor in maximizing the investment in incentive travel awards.

Thank You

The following companies shared their booking data to support this study:

Cvent
3D Cruise Partners

The Impact of Destination Choice on Motivation was supported by Cvent

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