

INCENTIVE TRAVEL INDEX

2022 Survey Highlights

October 2022



In association with



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Foreword

This is the fourth year of the collaboration between FICP, IRF and the SITE Foundation on the Incentive Travel Index, formerly the Incentive Travel Industry Index. With research partner Oxford Economics, the organizations have again created an indispensable annual report on the state of incentive travel, providing data on current and future evolution.

The 2022 online survey, fielded globally from May to July 2022, was customized for five distinct incentive travel professional roles:

- Corporate end user
- Destination management company (DMC)
- Destination marketing organization (DMO)
- Destination supplier
- Third-party agency (incentive travel agency)

More than 1,400 incentive travel industry professionals, representing 19 industry verticals, and 74 countries, participated in the survey.

For the latest on the Incentive Travel Index, see incentiveindex.com.

Champion Level



Prime Level



Principal Level



1 Executive Summary

EXECUTIVE SUMMARY

INCENTIVE TRAVEL INDEX – 2022 SURVEY HIGHLIGHTS



Incentive
Travel Index

Strategic Role of Incentive Travel

Organizations today are striving to retain talent and rebuild relationships across teams and functions. Incentive travel brings powerful solutions and is gaining importance in organizational strategy.



91%

Agree that, with a dispersed workforce, incentive travel will have an even more important role building engagement and company culture



66%

Of buyers expect soft power benefits, such as focus on company culture, engagement and relationships, to be more important in future programs



67%

Of respondents report the greater importance of retaining talent is contributing to the increasing importance of incentive travel

Survey Respondents

**1,417
Respondents**

Balanced response base, with 49% buyers (incentive travel agencies and incentive travel end-users) and 51% sellers (suppliers such as hotel companies, destination management companies, and destination marketing organizations). Online survey fielded May to July 2022.



49%
Buyers

51%
Sellers



63%
North America

37%
Rest of World

Charting the Recovery

67%
of North American buyers

Report their teams' international incentive travel has already resumed

50%
of rest of world buyers

Future challenges facing incentive travel professionals

80% Rising costs / inflation

66% Attracting talent

64% New expectations on contract management

EXECUTIVE SUMMARY

INCENTIVE TRAVEL INDEX – 2022 SURVEY HIGHLIGHTS



Incentive
Travel Index

Program Design and Destination Selection

Program design continues to evolve, with shifting preferences impacting program inclusions as a more diverse workforce become qualifiers



35%
Of respondents now rank wellness activities as important for a successful program



44%
Of rest of world respondents rate corporate social responsibility (CSR) as important for a successful program, compared to 29% of North America respondents



72%
Of respondents find that relationship-building still reigns, receiving the highest rank for importance to a successful program

Changing Destination Types

Share of North America buyers expecting increasing use in the future



66%
New destinations

51%
All-inclusive resorts

49%
Shorter distance

Destinations

North American buyers are looking closer to home and traditional destinations stand to benefit

Share of North America buyers expecting to use each destination more in the future:



53%
**U.S.
(contiguous)**



51%
Caribbean



47%
Mexico



43%
Hawaii

2 Introduction

A survey to understand incentive travel as it evolves

Introduction

Buyers

- Incentive travel end-users
- Incentive travel agencies

Sellers

- Destination management companies (DMCs)
- Suppliers (hotels, cruise lines, venues)
- Destination marketing organizations (DMOs)

Terms

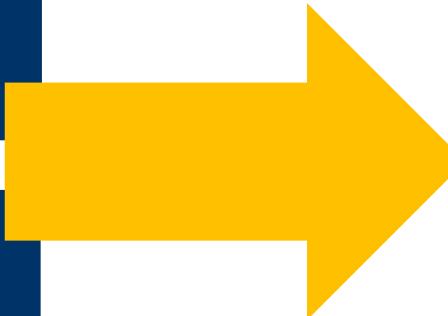
Incentive travel end-user (e.g., corporate buyer)

Incentive travel agency (e.g., incentive house, third party planner, independent planner or other intermediary)

Destination management company (e.g., DMC coordinating local implementation)

Supplier to the incentive market (e.g., hotels, cruise lines, venues, transportation companies, AV companies, décor companies)

Destination marketing organizations (e.g., DMO or convention & visitors bureau)



1,417

total survey respondents



807

complete survey responses



704

buyers across 19 industries



74

countries represented by survey respondents



May to July 2022

online survey period

The survey reflects incentive travel buyers and sellers

Introduction

A balanced, 360-degree view of incentive travel

Incentive travel comes to life through an extensive, collaborative network. The ITI is based on a balanced view of buyers (49%) and sellers (51%).

Buyers include:

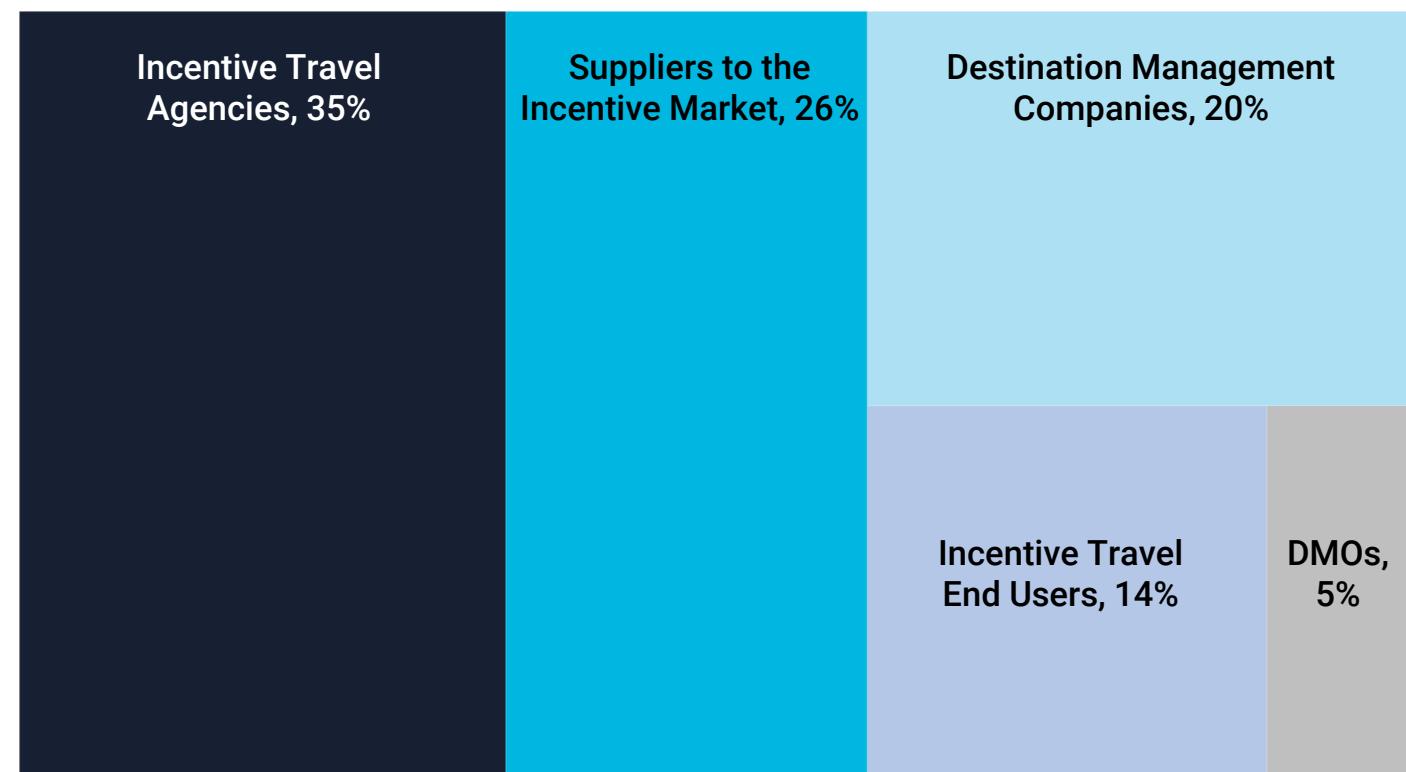
- Incentive travel agencies organizing events on behalf of client organizations
- Incentive travel end users sponsoring events on behalf of their organization

Sellers include:

- Suppliers to the incentive travel market (e.g., hotels, cruise lines, venues, transportation companies)
- Destination management companies (e.g., DMC coordinating local on-site implementation)
- Destination marketing organization (e.g., DMO, convention and visitors bureau, national tourism office)

Respondent roles

(Share of respondents by role)



I1. Please select the role that best describes your involvement in incentive travel

Response base: n = 1,417 respondents

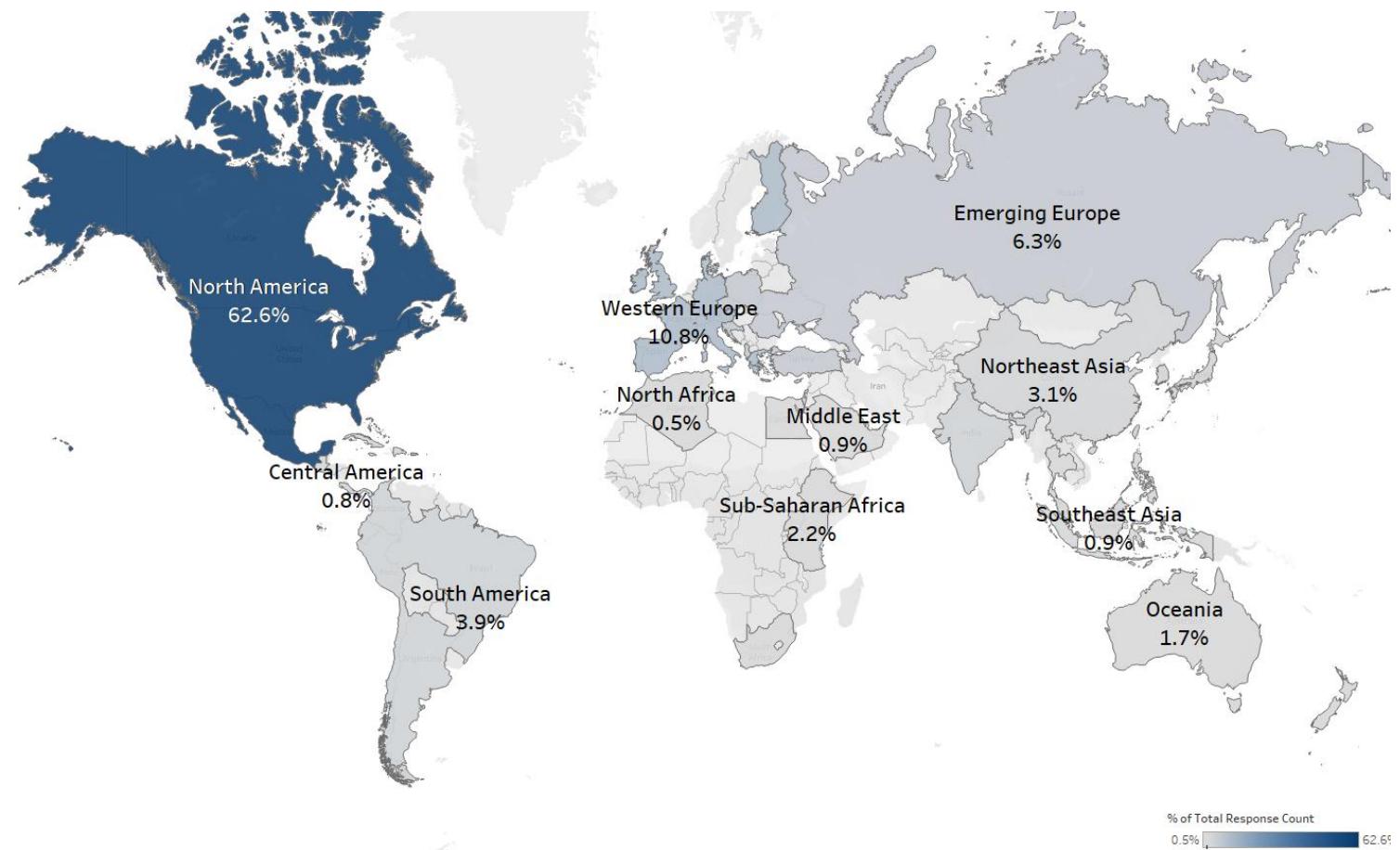
Balanced respondent base provides global perspective

Introduction

Global response base with strong representation of North America

In total, 62.6% of respondents are based in North America. The remaining 37.4% represent the Rest of the World.

Location
(Share of respondents)



M1. Where is the organization for which you work based?

Response base: n = 1,021 respondents

Finance, insurance and tech top the industries served

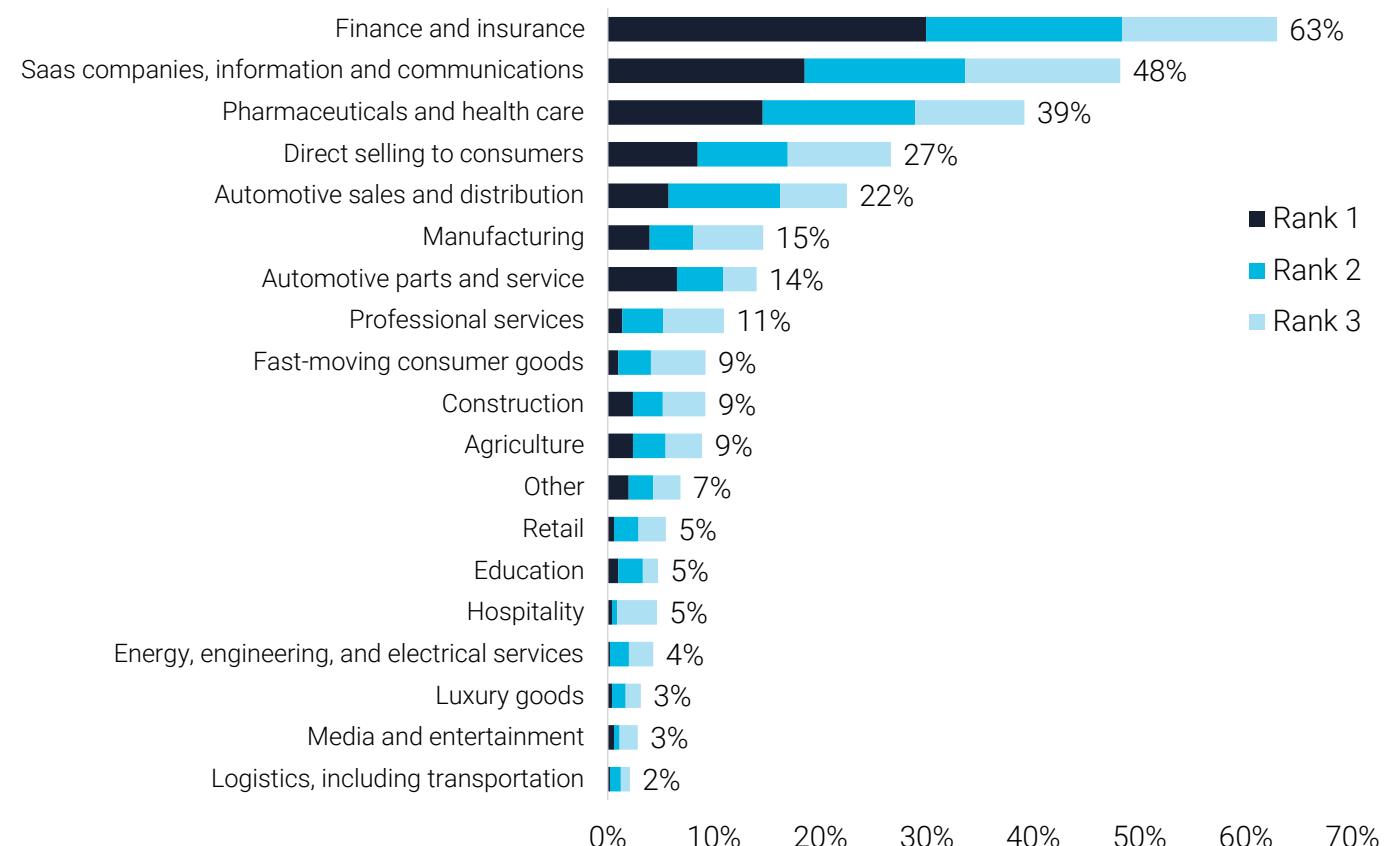
Introduction

Finance and insurance is a primary industry for incentive travel programs

Finance and insurance is the most important industry (rank 1) for 30% of buyers and 63% of buyers rank the industry in their top 3 client sectors.

Customer industries

(Share of buyers indicating a top three rank)



M5. For which of the following industry(ies) does your team primarily organize incentive travel programs?

Rank 1 is most important; label is % of all buyers choosing sector in top three

Response base (Buyers): n = 508 respondents

3 Strategic Role of Incentive Travel

Incentive travel is building on its strategic importance

Strategic role of incentive travel

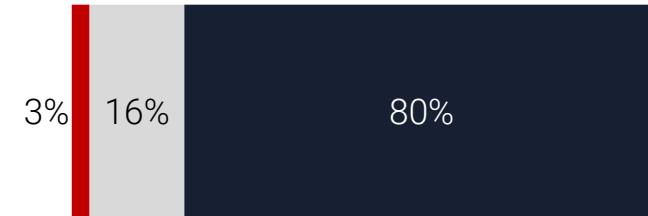
Most agree that incentive travel is gaining strategic importance

Most respondents (80%) agree that incentive travel is gaining strategic importance. The increasing importance of meeting professionals to have a 'seat at the table' is important to 69% of all respondents.

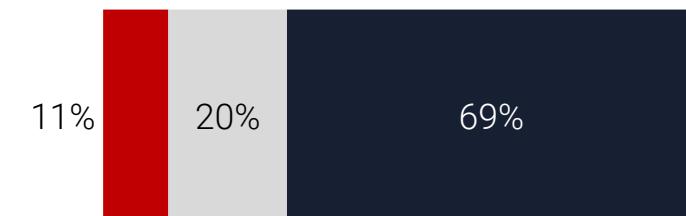
Strategic future of incentive travel

(Share of respondents)

Incentive travel is gaining strategic importance



Meeting professionals today increasingly have been an important 'seat at the table'



■ Disagree ■ Unsure ■ Agree

S4. Do you agree with the following statements?

Response base: n = 1,075 respondents

Helping retain and engage talent

Strategic role of incentive travel

Organizations are striving to retain talent and rebuild relationships with the help of incentive travel

Retention of employees (67%) is the most commonly-cited reason why incentive travel is gaining strategic importance, followed by the need to bring together a more dispersed workforce (49%). Also, as travel is becoming more valued as a reward, it is driving the importance of incentive travel (40%).

91%

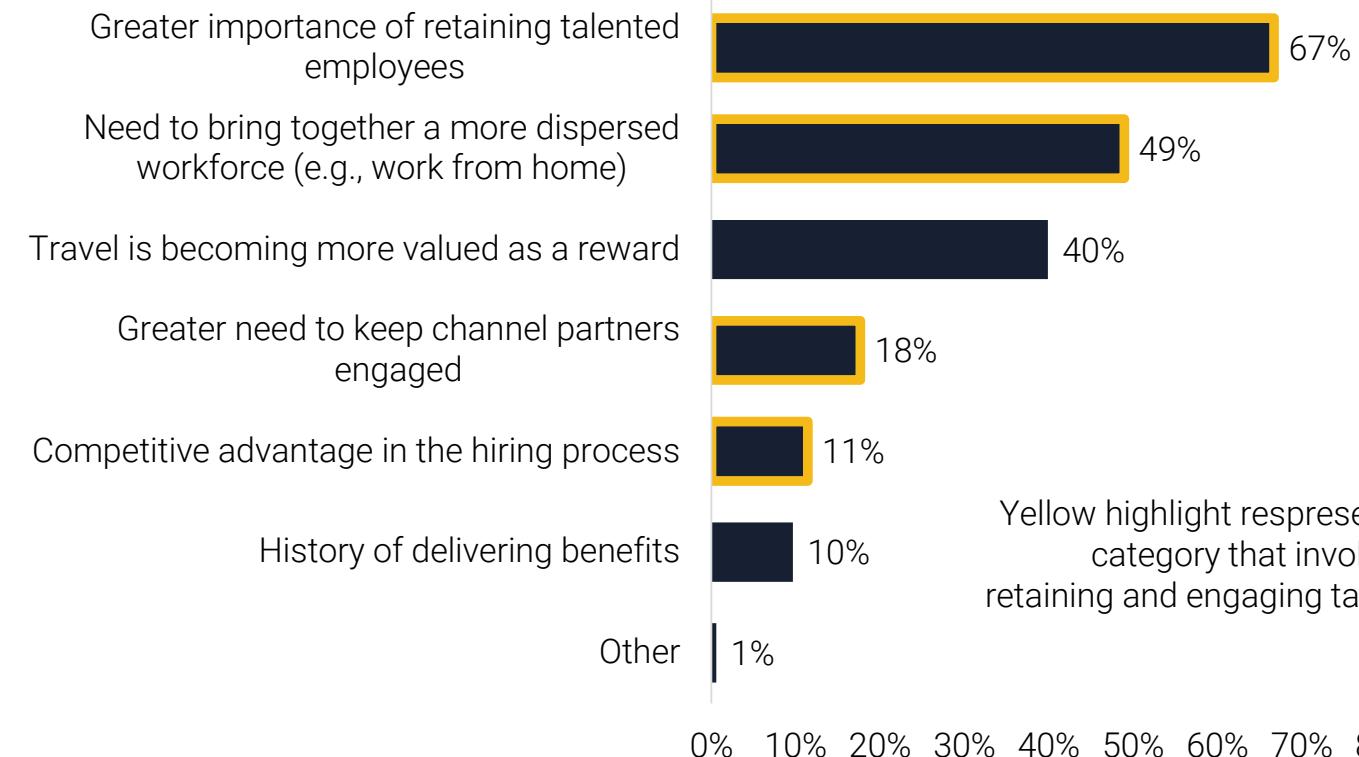
Agree that, with a dispersed workforce, incentive travel will have an even more important role building engagement and company culture.

S4. Do you agree with the following statements.

Response base: n=1,075 respondents

Drivers of incentive travel strategic importance

(Share of respondents)



S4b. Why is incentive travel gaining strategic importance?

Respondents who answered that incentive travel is gaining strategic importance in question S4.

Each respondent asked to select the most important factors (up to two).

Response base: n = 850 respondents

Culture and engagement benefits are front and center

Strategic role of incentive travel

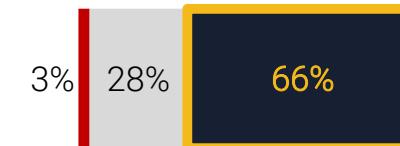
Buyers are shifting programs toward a greater focus on soft power benefits

While hard power benefits, such as increased sales remain key, two-third of buyers report they are shifting future programs toward a greater focus on soft power benefits, such as company culture and engagement.

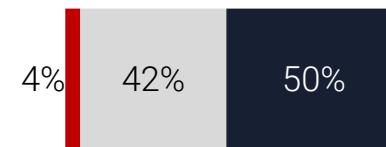
Changing benefits reported by buyers

(Share of buyers)

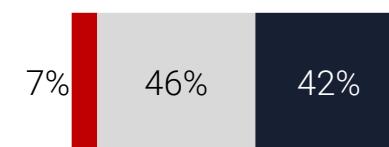
Soft power benefits, such as focus on company culture, engagement and relationships



Hard power benefits, such as financial ROI, increased sales and market share



Knowledge transfer benefits, such as training and brand compliance



■ Less important ■ About the same ■ More important

P1. In your future programs, how are the most important benefits changing?
Response base (Buyers): n = 563 respondents

Senior management views incentive travel as a profit driver

Strategic role of incentive travel

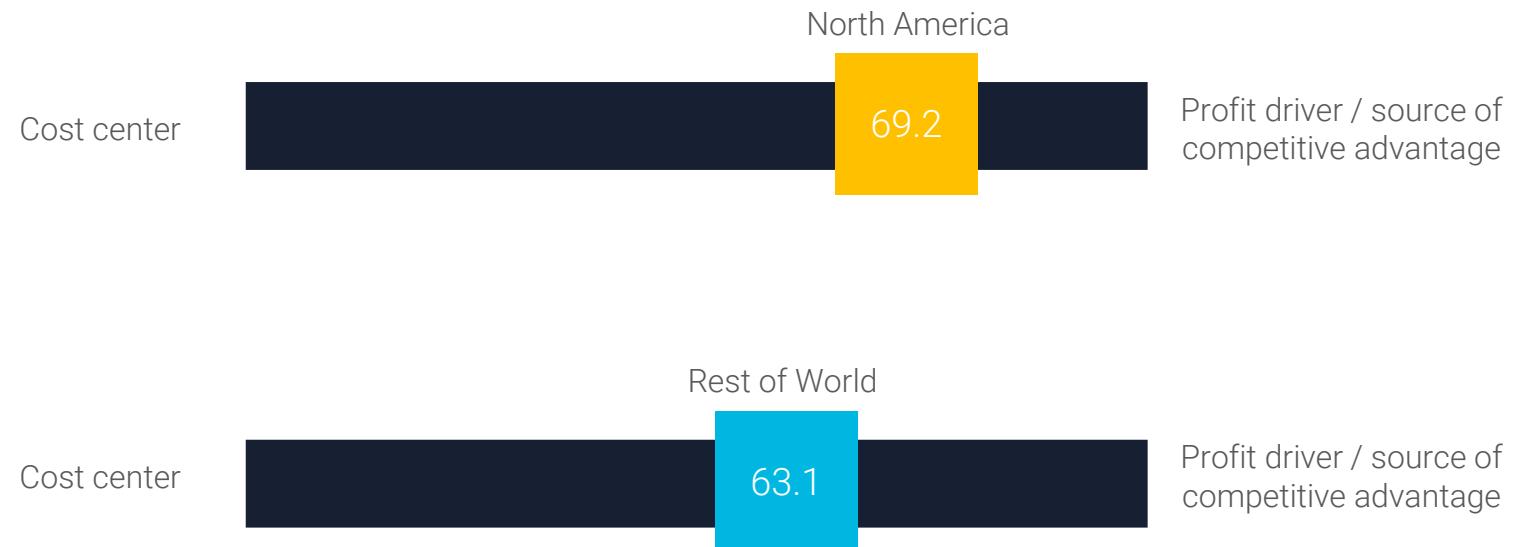
But there is still room to improve perceptions

Respondents report that senior management generally perceives incentive travel programs as a profit driver or source of competitive advantage in their organization, rather than merely a cost center, but there's still room for improvement.

When asked to rate senior management perceptions of incentive travel on a scale of 1 to 100, in which 0 would indicate a view of it as a cost center, and 100 would indicate a view of it as a profit driver or source of competitive advantage, the average response was 69.2 for North America respondents and 63.1 for Rest of World.

Senior management perception of incentive travel

(Average on scale of 0-100)



S1. How is incentive travel viewed by senior management in your organization?

Respondents asked to select the point on the scale that most closely aligns with the perspective of senior management
Response base (Buyers): n = Rest of World: 145; North America: 337 respondents

4 Charting the Recovery

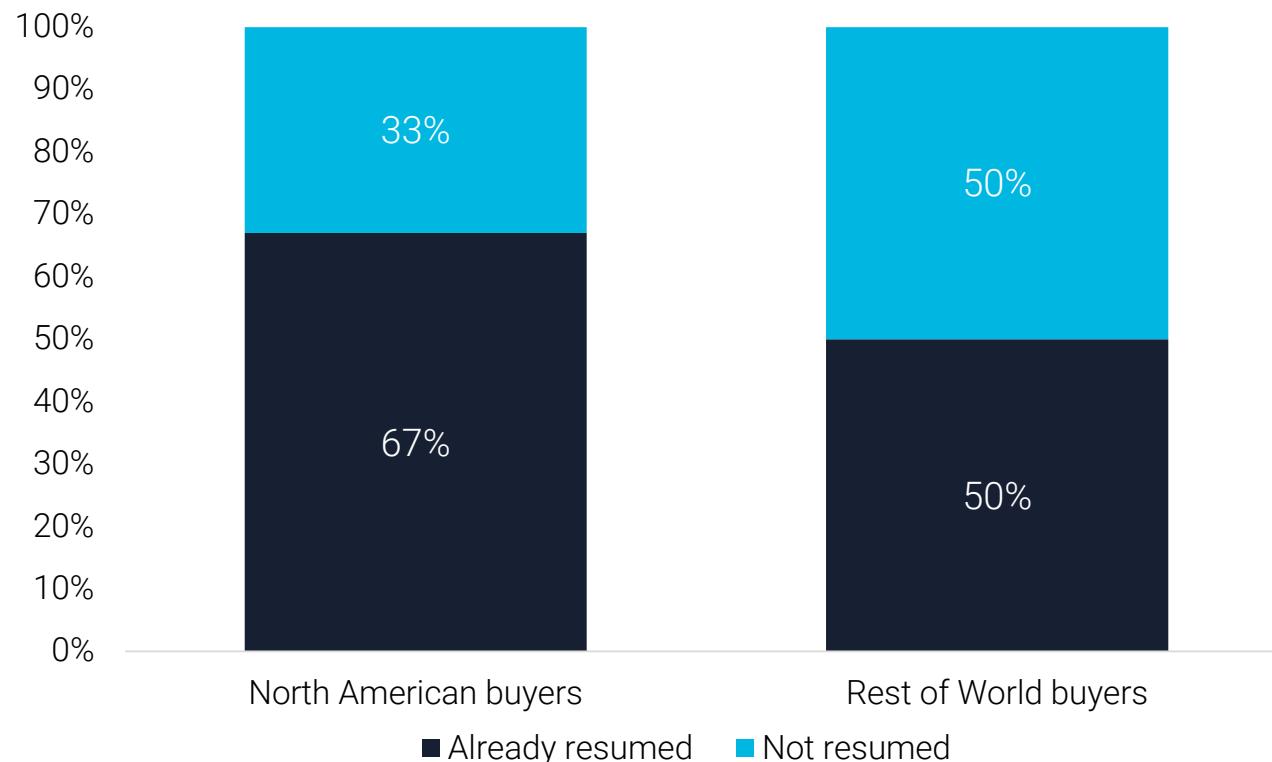
Many teams have resumed international incentive travel

Charting the recovery

Most North American buyers (67%) have already resumed incentive travel programs in international locations

Rest of World buyers are somewhat more cautious, with only 50% reporting they have resumed international programs.

Resumption of incentive travel to international destinations
(Share of buyers)



G3. When do you anticipate your team will resume incentive travel programs to international locations
(by planned date of the event)?
Response base (Buyers): n = 585 respondents

Looking forward to 2024 for recovery of program activity

Charting the recovery

Incentive travel activity will recover 2019 levels, but it will take time

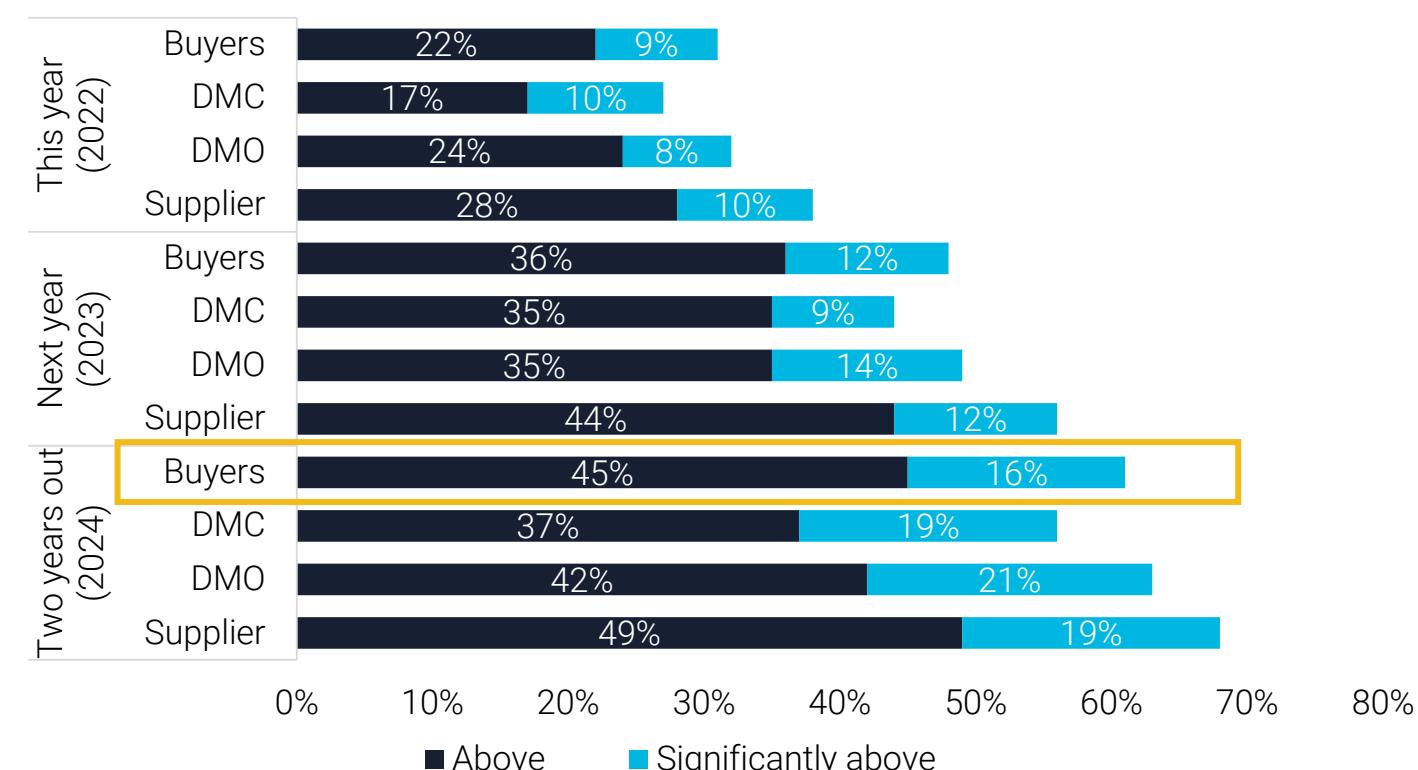
Suppliers (e.g., hotels, cruise lines, venues, transportation companies, AV companies) are most confident about improving incentive travel activity.

61%

Buyers that expect incentive travel activity will recover above, or significantly above, 2019 levels by 2024.

Expectations of incentive travel activity

(Number of people relative to 2019)



G1. Level of incentive travel activity compared to 2019, in terms of the number of people (qualifiers, guests and other participants)?
Response base: n = 1,161 respondents

Spending per person expected to rebuild over time

Charting the recovery

Expectations of price growth are stronger than expectations on volume

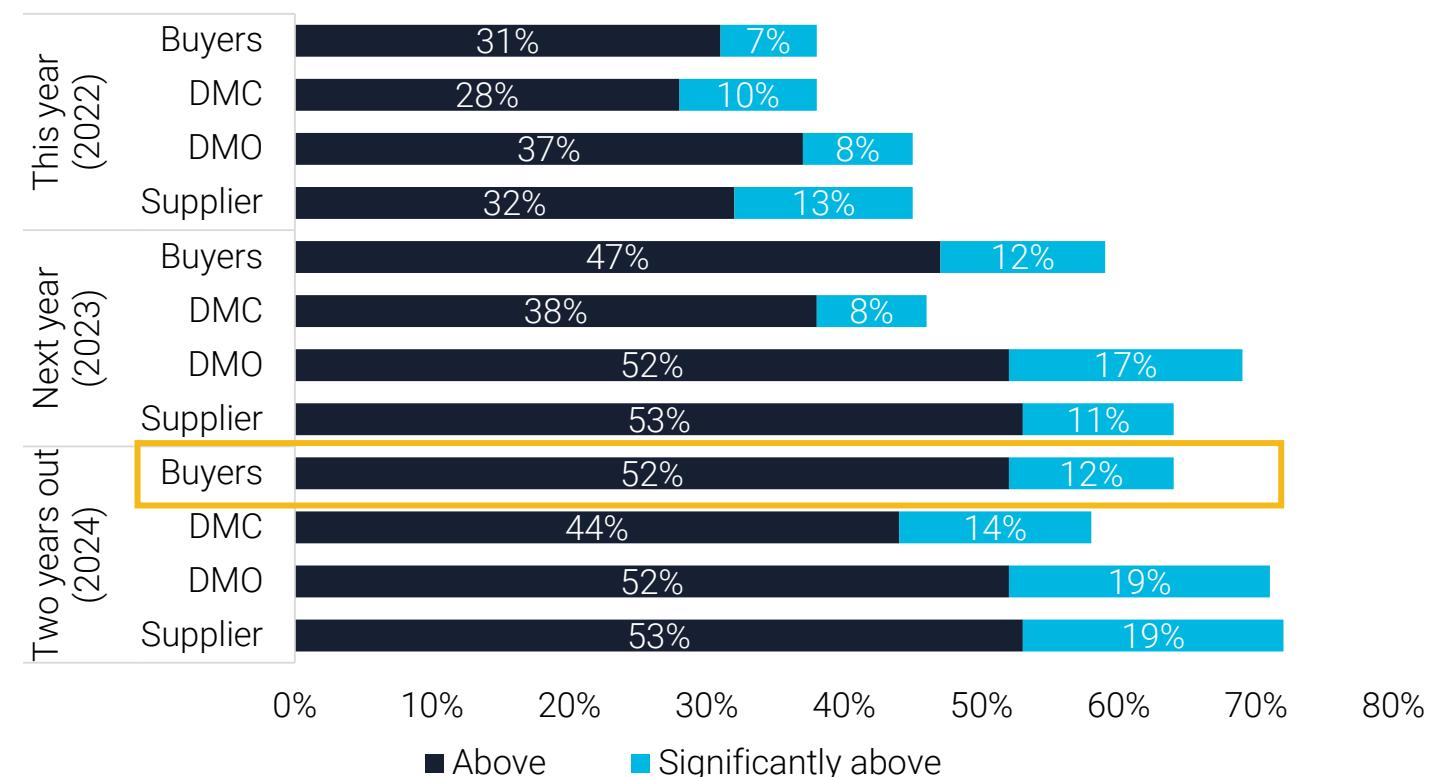
General trends on expectations for recovery in spending per person are similar to the level of travel activity. However, a greater share of respondents expect prices to rise above 2019 levels.

64%

Buyers that expect spending per person will recover above, or significantly above, 2019 levels by 2024.

Expectations of spending per person

(Spending per person relative to 2019)



G2. What level of spending per person do you expect in incentive travel programs relative to 2019?

Response base: n = 1,161 respondents

North American buyers expect quicker recovery

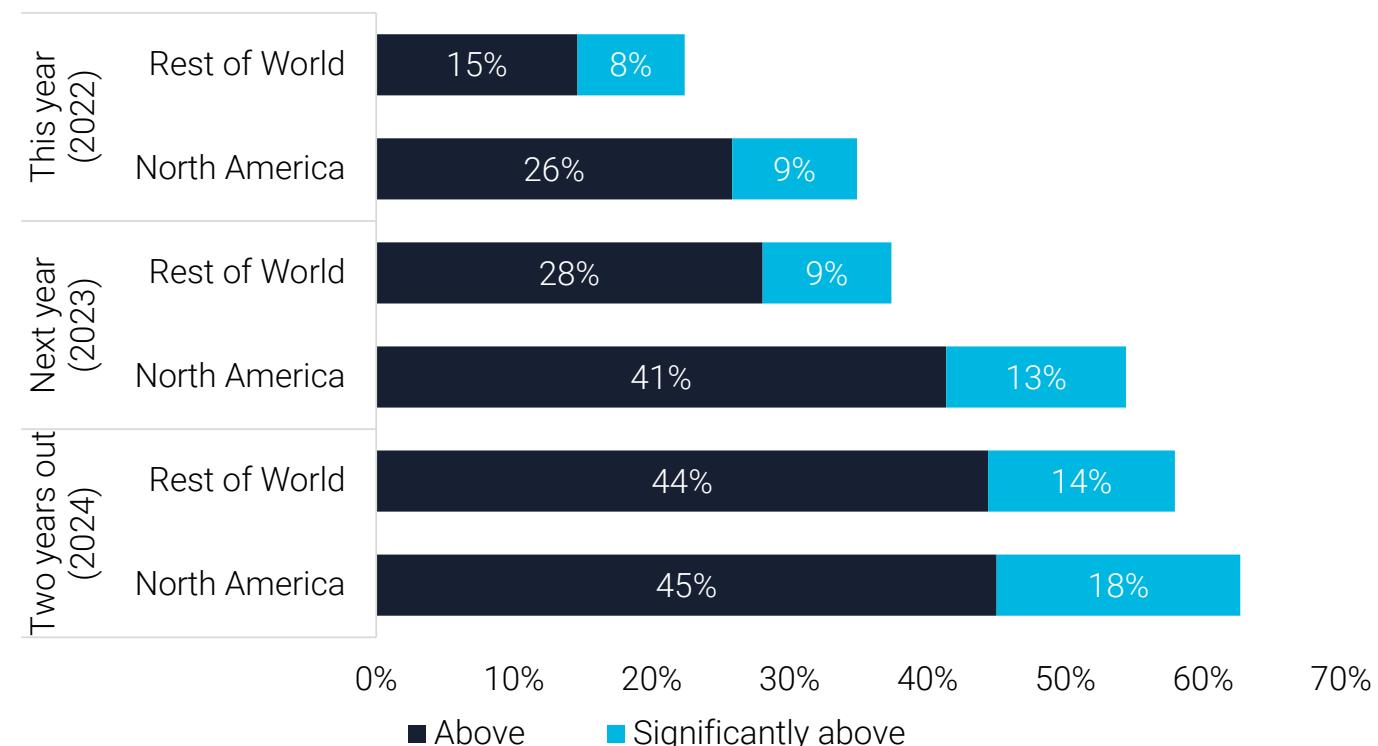
Charting the recovery

Over 50% of North American buyers expect incentive travel activity to recover by 2023

Rest of World buyers are more cautious, and only 37% expect a recovery to 2019 activity by 2023.

Expectations of incentive travel activity by buyers

(Number of people relative to 2019)



G1. Level of incentive travel activity compared to 2019, in terms of the number of people (qualifiers, guests and other participants)?
Response base: n = 1,161 respondents

Inflation, talent and contract complexity loom as challenges

Charting the recovery

Inflation is a widespread future challenge

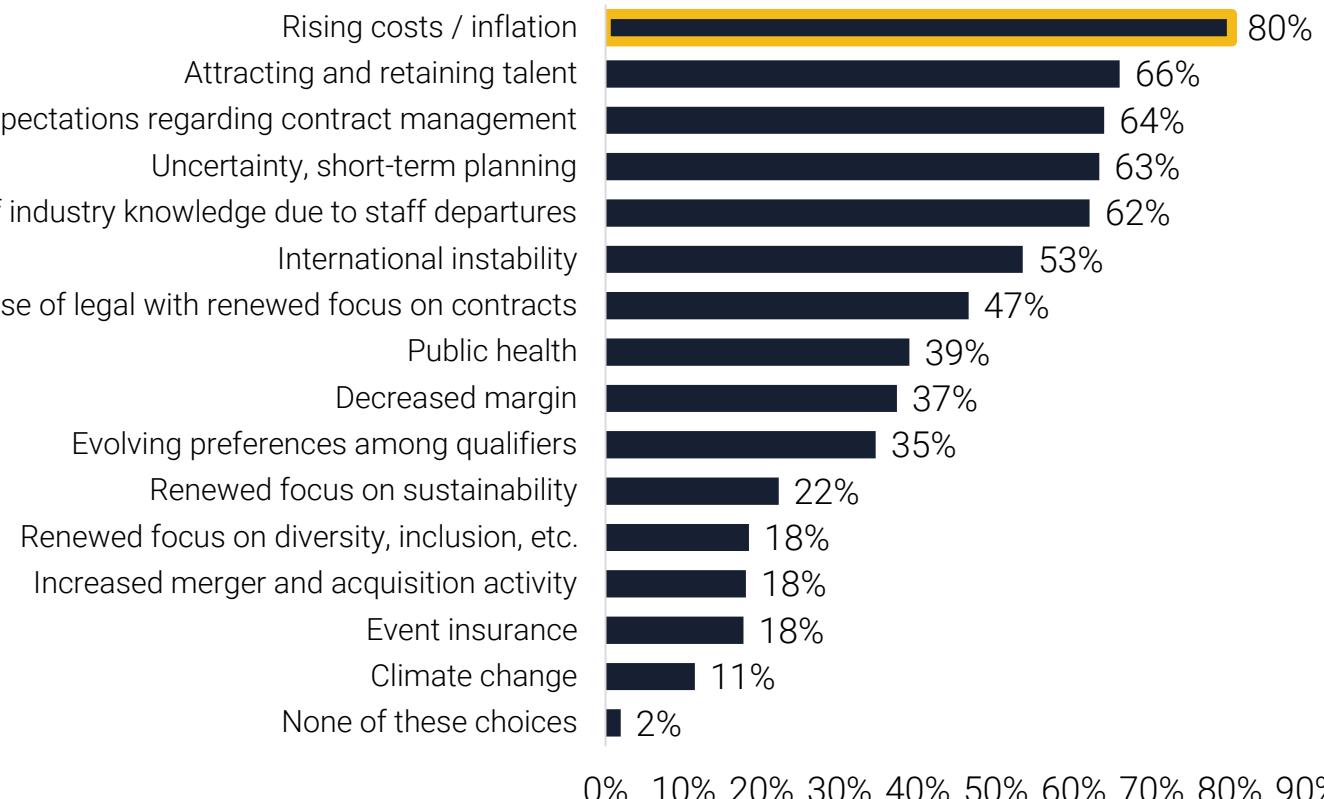
Other widespread future challenges include attracting and retaining talent (66%), new expectations regarding contract management, postponements and cancellations (64%), uncertainty regarding short-term planning (63%), loss of industry knowledge due to staff departures (62%) and international instability (53%).

80%

Of respondents cite rising costs/inflation as a future challenge facing incentive travel professionals

Future challenges facing incentive travel professionals

(Share of respondents)



S2. What important future challenges face incentive travel professionals?

Response base: n = 1,079 respondents

5 Program Design and Destination Selection

North American buyers are looking closer to home

Program design and destination selection

Buyers in North America expect to increase incentive travel to destinations that are in closer proximity

Large shares of North American buyers plan to increase their use of destinations in the United States (53%), Caribbean (51%), Mexico (47%) and Hawaii (43%).

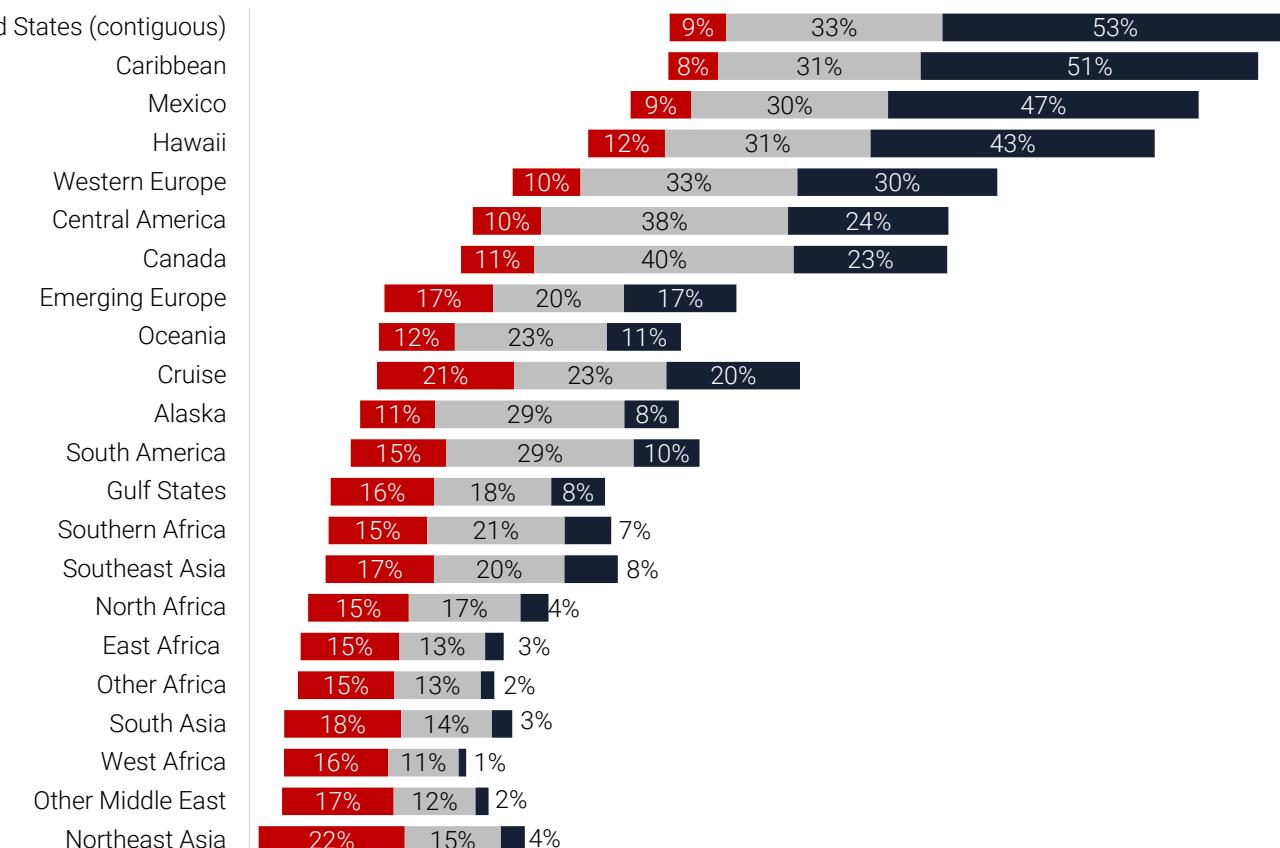
D1. How do you expect your planned use of the following destinations for incentive travel will change as you plan future events relative to 2019 and earlier?

Respondents "not using" a destination excluded from chart

Response base (Buyers in North America): n = using: 360 respondents

Destination use planned by buyers in North America

(Share of buyers in North America)



Percentage of respondents planning to use each destination

■ Less than in 2019 ■ Same amount as in 2019 ■ More than in 2019

Rest of World buyers plan increased use of Western Europe

Program design and destination selection

Buyers in Rest of the World plan to shift toward Europe and Gulf States

Rest of World buyers plan increased use of Western and Emerging Europe destinations, as well as Gulf States.

At the same time, buyers plan to use Alaska, Northeast Asia, West Africa and Hawaii notably less than in 2019.

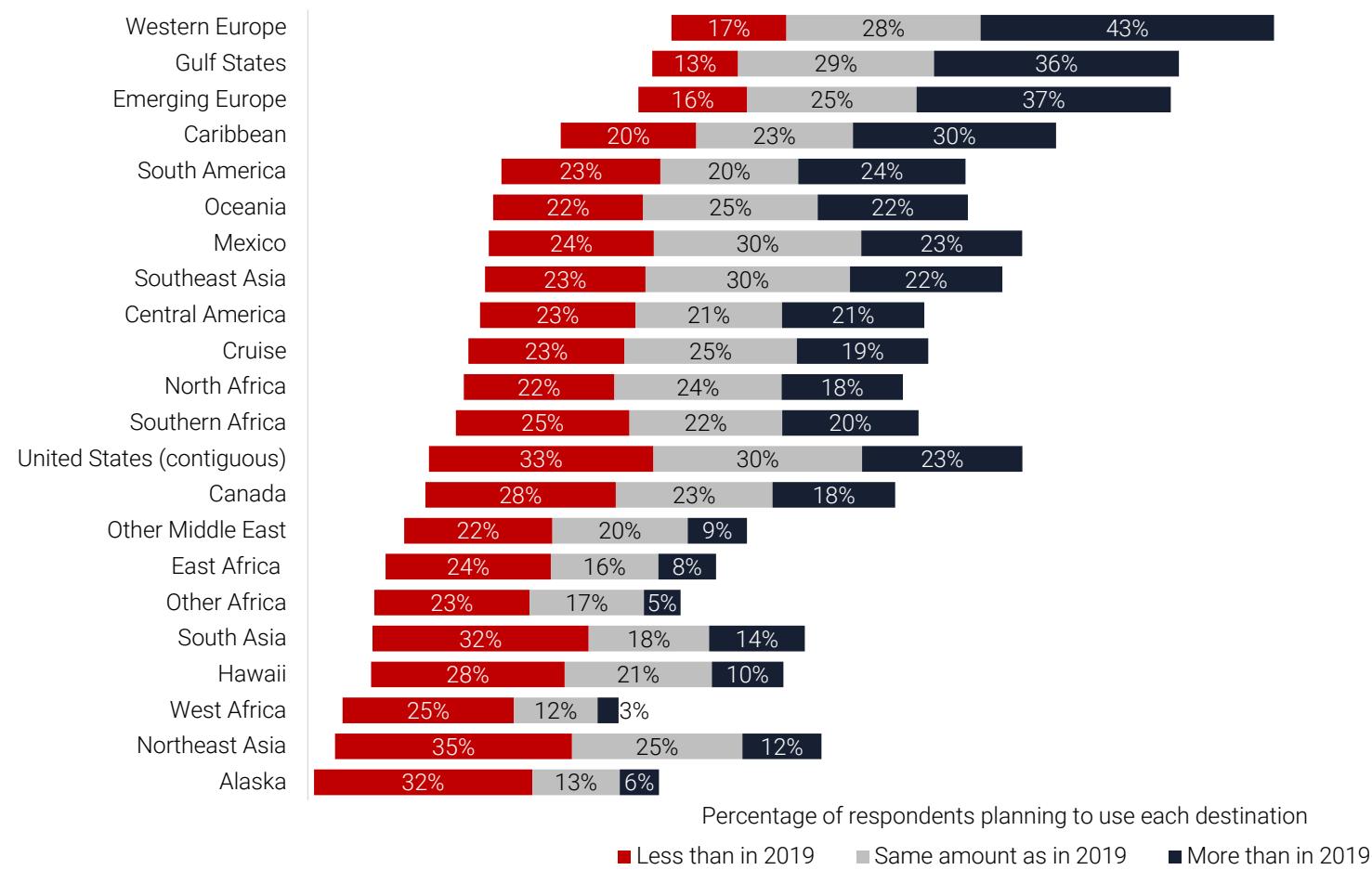
D1. How do you expect your planned use of the following destinations for incentive travel will change as you plan future events relative to 2019 and earlier?

Respondents "not using" a destination excluded from chart

Response base (Buyers in Rest of World): n = using: 172 respondents

Destination use planned by buyers in Rest of World

(Share of buyers in Rest of the World)



Many buyers are open to considering new destinations

Program design and destination selection

Many North American buyers report they aren't using Oceania, Alaska and South America, but that they are open to considering them

For example, one-third of North American buyers say they aren't using Oceania for incentive programs, but that they would be willing to consider.

Alaska, East Africa and Hawaii stand out as destinations that have a sizable portion of Rest of World buyers who are not current users, but who would be willing to consider the destinations.

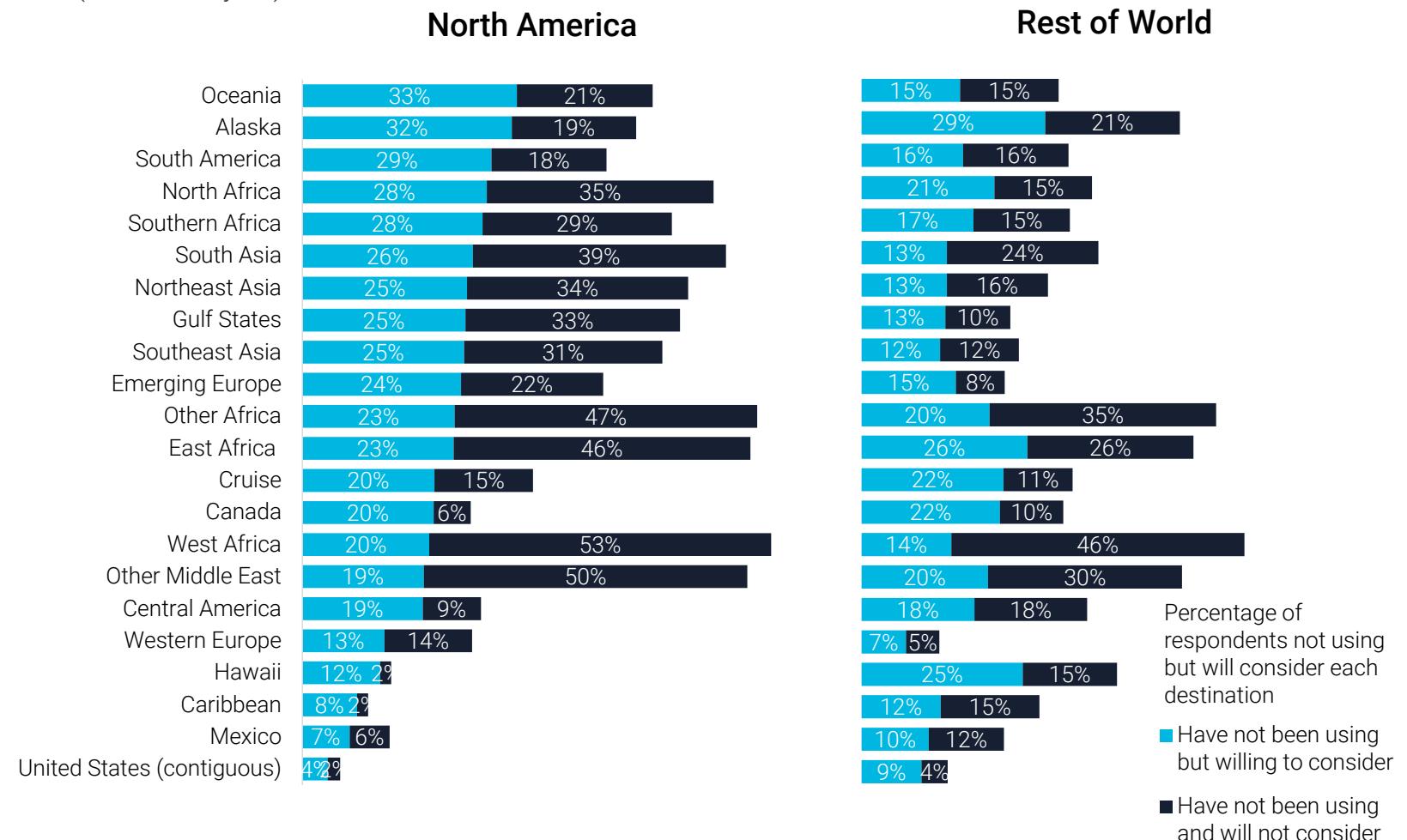
D1. How do you expect your planned use of the following destinations for incentive travel will change as you plan future events relative to 2019 and earlier?

Respondents "not using" a destination excluded from chart

Response base (Buyers): n = using: North America: 360; Rest of World: 172 respondents

Destinations not used but under consideration by buyers

(Share of buyers)



Buyers actively seek new destinations not used before

Program design and destination selection

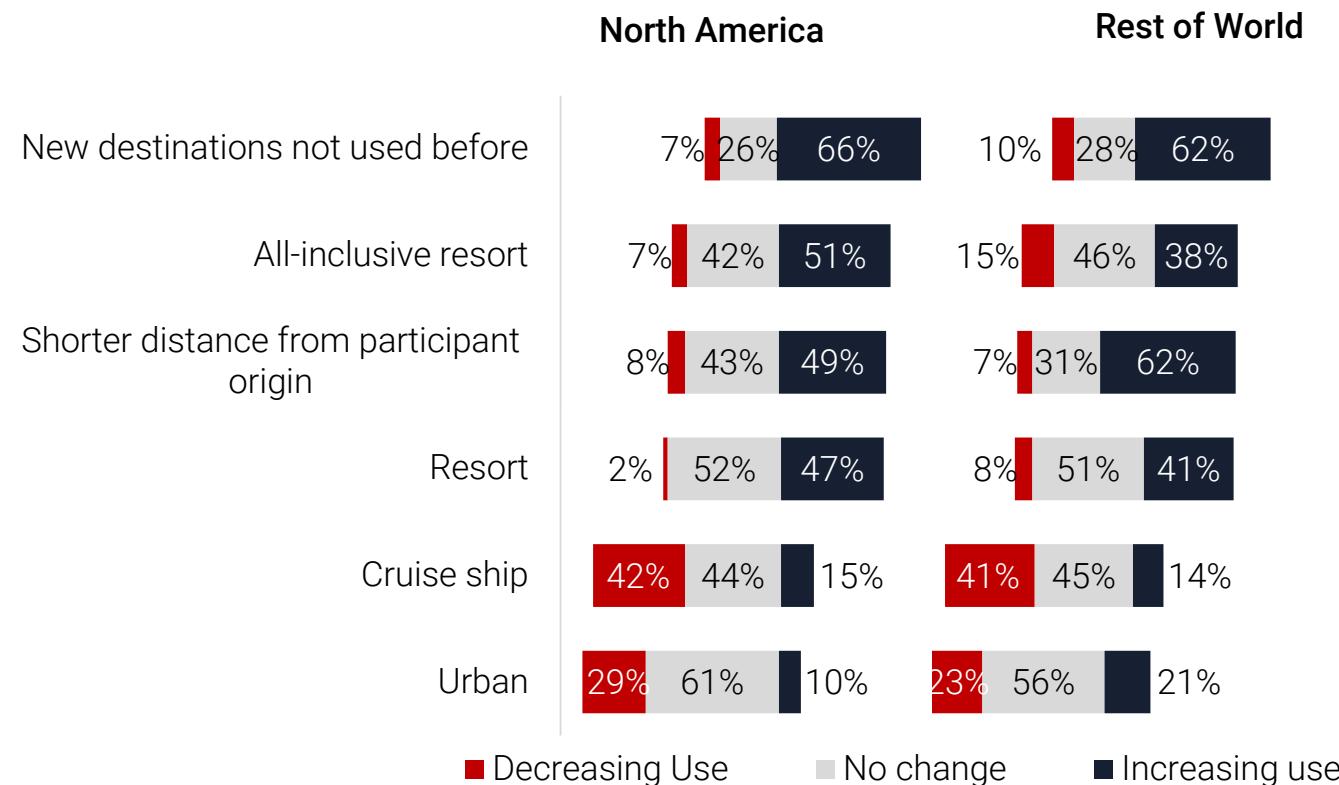
While decreasing distance to travel and increasing resort use, buyers are still looking for new destinations they haven't used before

Buyers are increasingly focused on destinations that aren't too far and are favoring resort destinations at the expense of urban destinations. But they are still looking for something new and seeking destinations they haven't used before (66% North America, 62% Rest of World).

For the short term at least, interest has shifted away from cruise ships.

Changing destination types

(Share of buyers)



D2a. Do you see destination types changing?

Response base (Buyers): n = 533 respondents

Program success is based on deepening connections

Program design and destination selection

Relationship building is the most appreciated activity in an incentive travel program

Group cultural or sightseeing experiences (66%), luxury travel experiences (58%) and group dining (57%) were also considered important by most respondents.

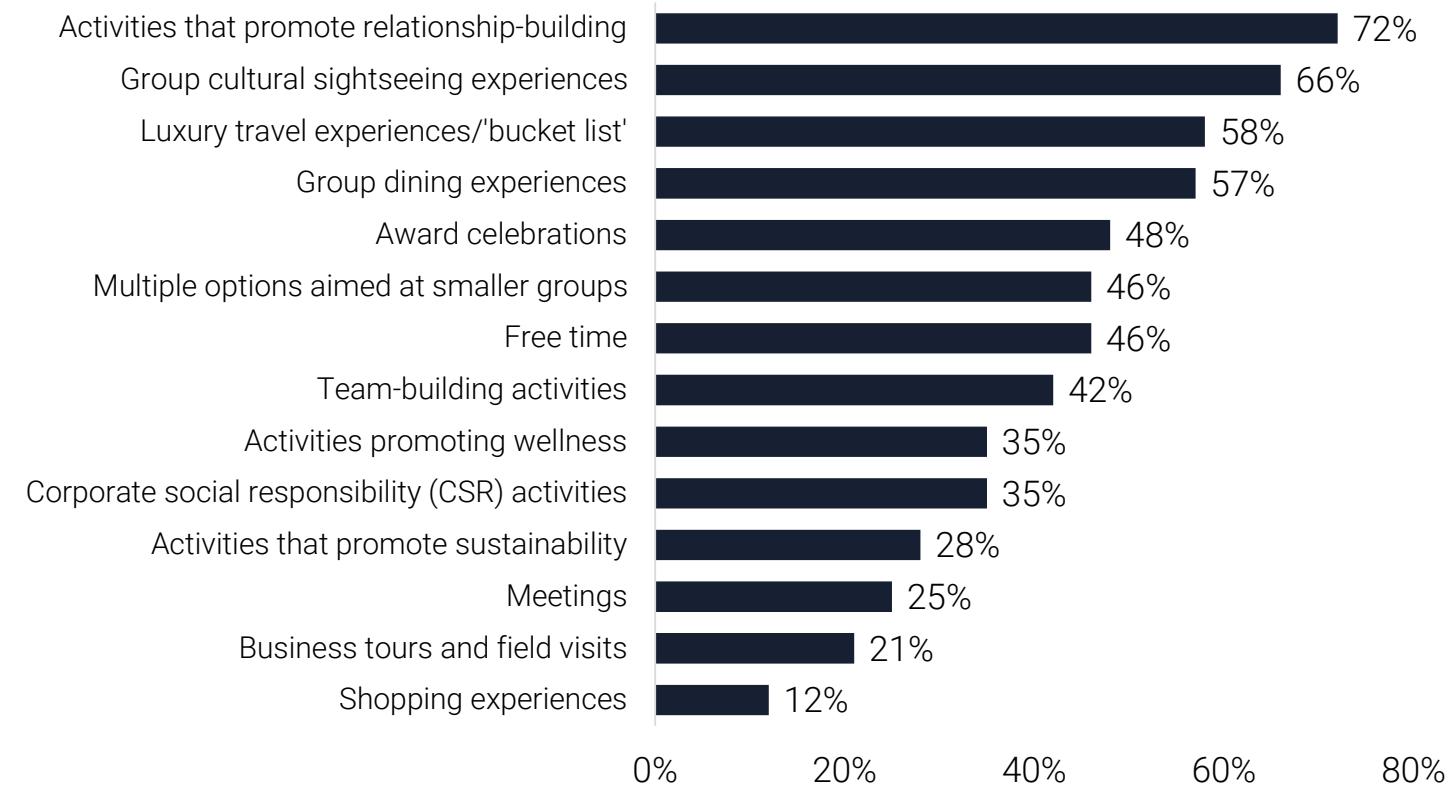
Corporate social responsibility (CSR) and sustainability opportunities were considered more important by industry professionals outside of North America (44% and 36% for rest of world respondents, respectively, as compared to 29% and 32% for North America).

72%

Of respondents cite activities that promote relationship-building as important to a successful program

Activities key to a successful program

(Share of respondents)



P2. Which of the following program activities do you consider most important for a successful incentive travel program?

Response base: n = 1,148 respondents

Looking to motivational events to build new relationships

Program design and destination selection

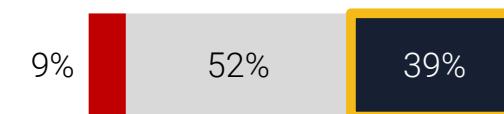
With increased responsibility for organization culture, buyers are favoring motivational events that cross functions

In addition to greater use of motivational events, buyers plan to emphasize more on-site meals and activities and shift moderately toward programs with fewer nights.

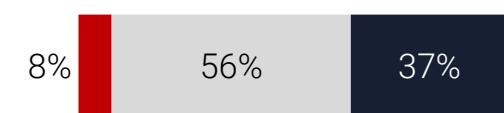
If it works, why change it? Even with these types of adjustments, fully 91% of buyers see use of traditional, qualification-based incentives continuing or increasing.

Changing program characteristics (Share of buyers)

Motivational events that cross functions



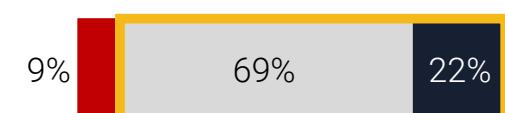
Programs with more on-site meals and activities



Programs with fewer nights



Traditional, qualification-based incentives



91%

Of buyers see use of traditional, qualification-based incentives continuing or increasing

■ Decreasing use ■ No change ■ Increasing use

D2b. Do you see program characteristics changing?
Response base (Buyers): n = 527 respondents

Health and safety reign for program development

Program design and destination selection

Health and safety gain importance

Half of respondents see presence of a good DMC as an increasingly important part of a program plan.

Fostering lower carbon footprints and supporting more minority business are increasing in importance, but still trail in the shadow of health and safety.

Changing program considerations

(Share of buyers)

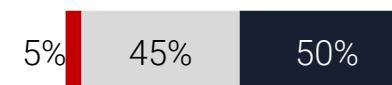
Perceived as safe from health perspective



Overall participant safety



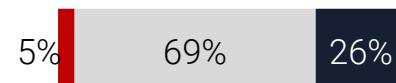
Presence of a good DMC



Lower carbon footprint



Greater minority business



■ Decreasing importance ■ No change ■ Increasing importance

D2c. Do you see program considerations changing?

Response base (Buyers): n = 533 respondents

Perceived value drives destination selection

Program design and destination selection

Value for money and safety are the most important criteria for selecting a destination

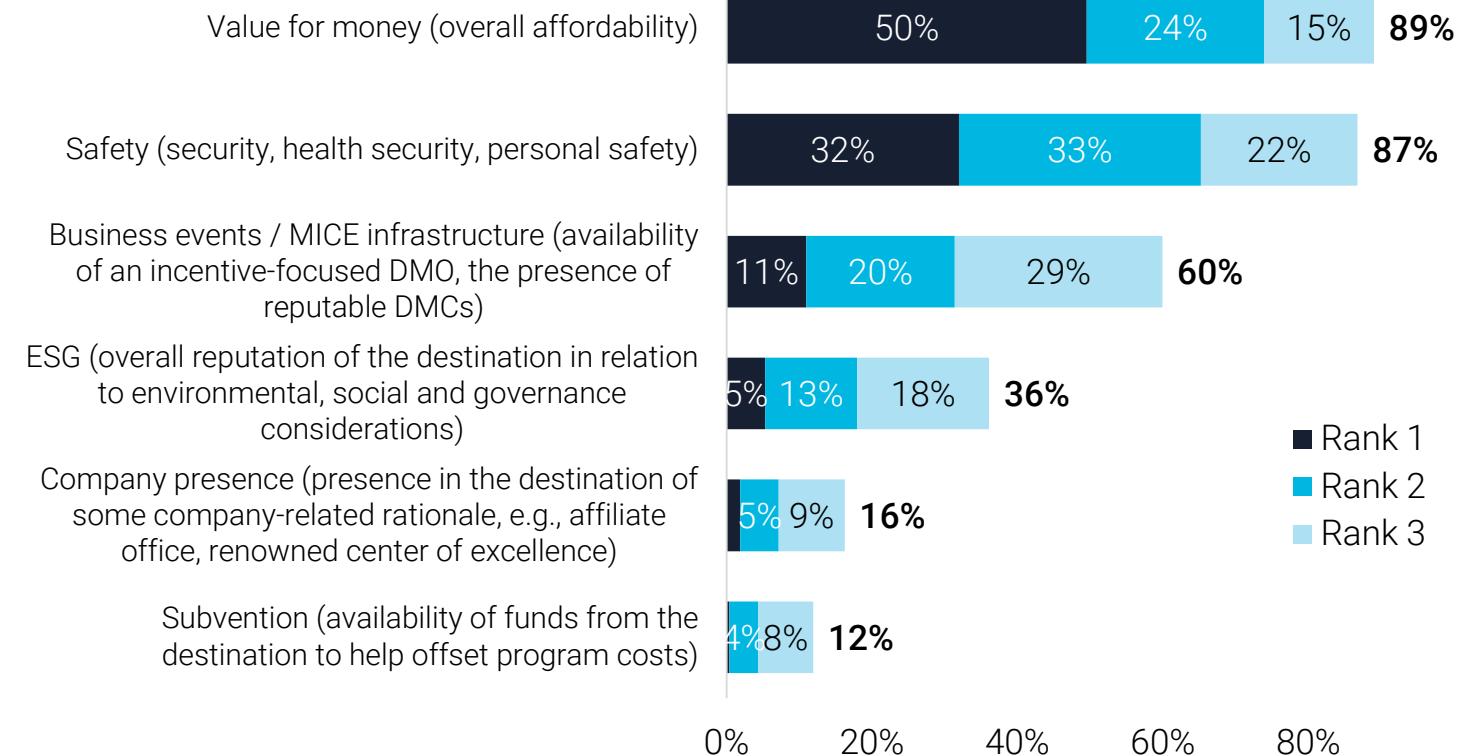
After access, infrastructure and destination appeal, 89% of buyers rank value for money among their top three selection criteria.

Safety closely follows with 87% of buyers ranking it in their top three.

Few buyers see subvention (availability of funds from the destination to help offset program costs) as a top tier selection factor on its own. But subvention may still have a role impacting value for money.

Criteria for selecting destinations

(Share of buyers indicating a top three rank)



D3. After access, infrastructure and destination appeal, please rank the importance of the following criteria when selecting a destination for incentive travel.

*Rank is 1 the most important; bolded label is % of all buyers choosing sector in top three
Response base (Buyers): n = 529 respondents*

ESG considerations for selecting destinations

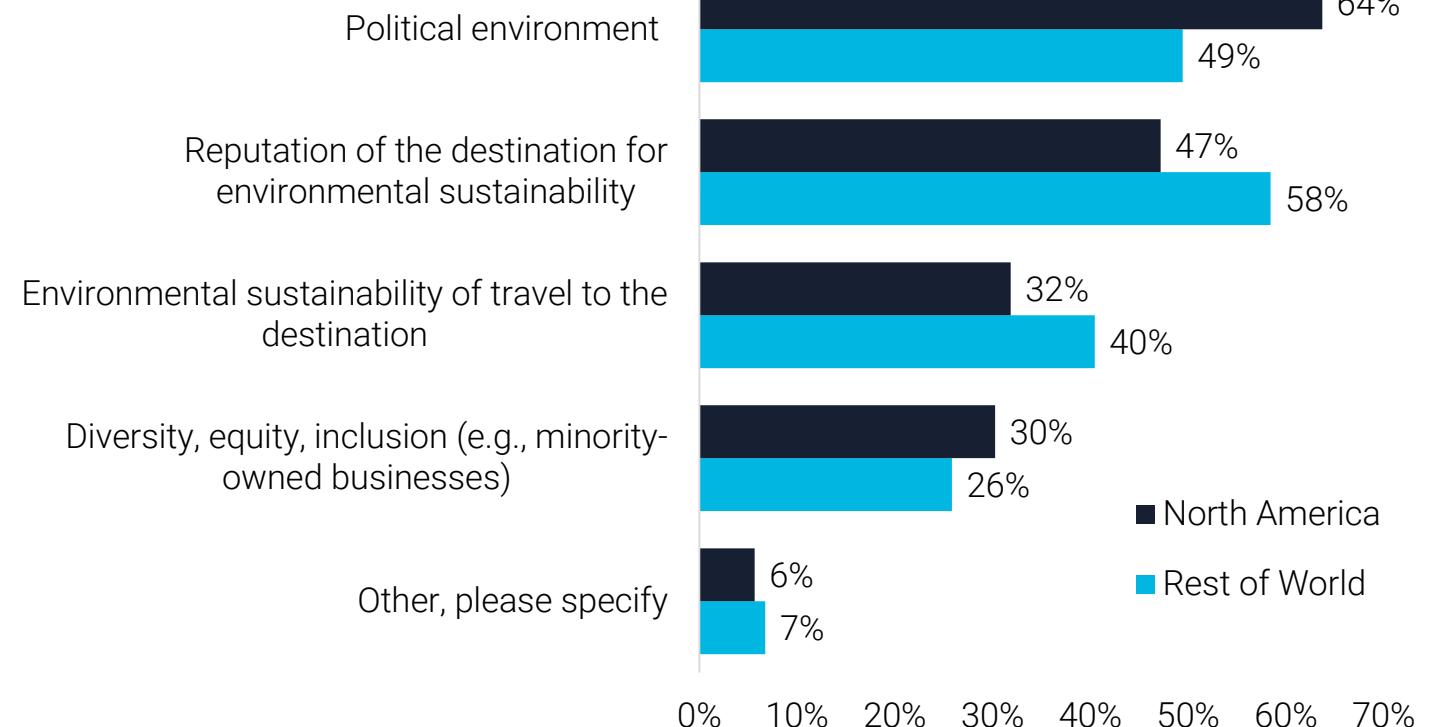
Program design and destination selection

Political environment and reputation of the destination for environmental sustainability were highlighted by buyers who consider ESG a top factor

A follow-up question was asked of buyers who ranked ESG as important when selecting a destination. Among these buyers, political environment was rated as a top factor, by both North American buyers (64%) and Rest of World buyers (49%).

Diversity, equity, and inclusion (e.g., minority-owned businesses) was also highlighted.

ESG considerations for selecting destinations (Share of buyers)



D4. What aspects of ESG are the most important consideration(s) when selecting a destination for incentive travel?
Respondents permitted to select up to two responses. Question asked of respondents that ranked ESG as important when selecting a destination (ranked among top four)
Response base (Buyers): n = 339 respondents

The background of the slide features a large, modern building with a curved glass facade and a grid pattern on the roof. The building is set against a clear blue sky with a few wispy clouds. The overall aesthetic is clean and professional.

6 Sellers

Incentive travel generates high value per person

Sellers

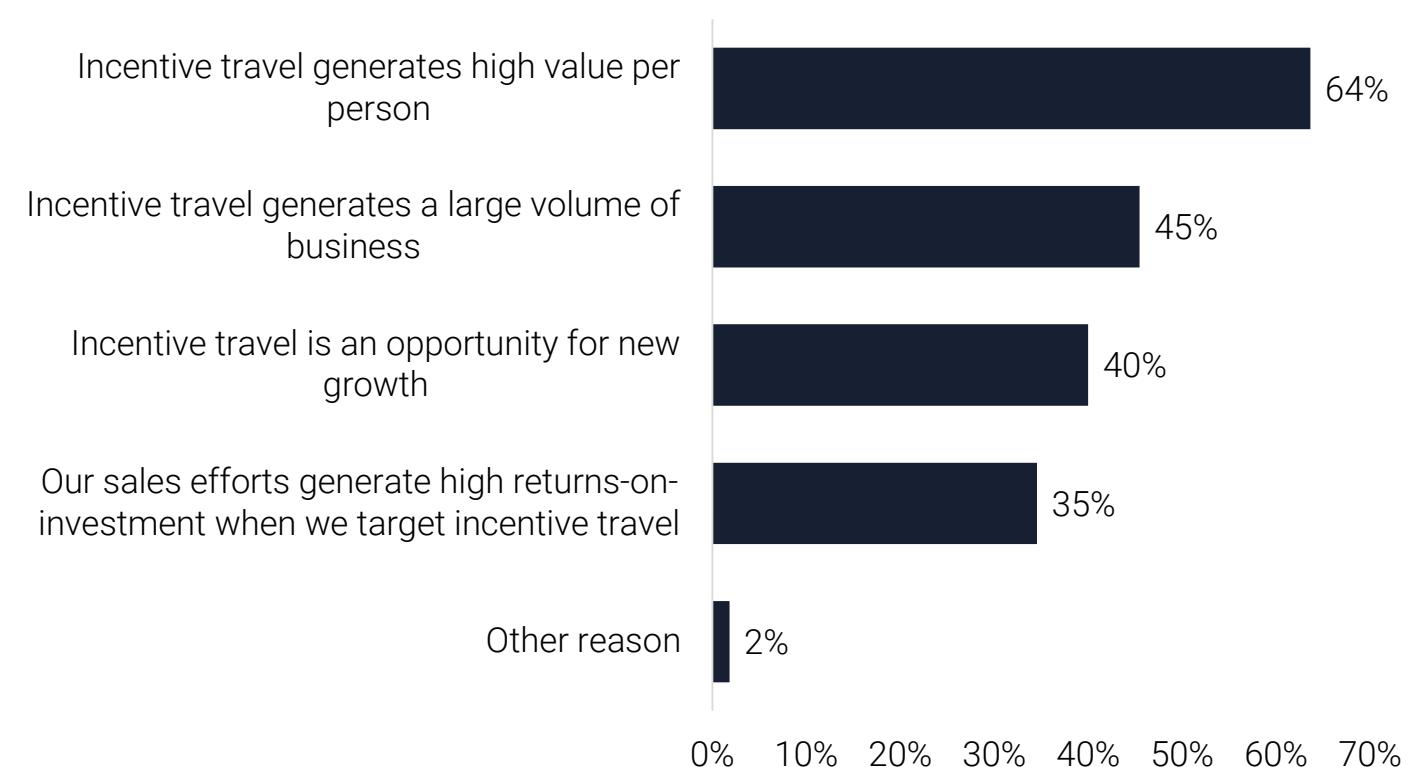
DMOs considered the high value per person generated by incentive travel as the top reason for its strategic importance

To better understand the role of incentive travel in destinations' business event strategies, a follow-up question was asked of DMO respondents who indicated that incentive travel is an important segment for their destination.

Two-thirds of these respondents cited high value per person as the reason for strategic importance. Many also see incentive travel as an opportunity for new growth (40%), even though they already consider it an important segment for their destination.

Reasons for strategic importance of incentive travel reported by DMOs

(Share of DMOs that indicated incentive travel is important)



15. Why is incentive travel important for your destination's business events strategy?

Response base (DMOs that indicated incentive travel is an important segment for their destination): n = 55 respondents

Buyers give virtual inspections a mixed score

Sellers

Buyers see opportunity in virtual inspections, but find some fall short in practice

Only about 1-in-10 buyers report virtual inspections are "highly effective" without caveat.

However, almost half of buyers report such inspections can be highly effective if done correctly, even if not all are.

Efficacy of virtual inspections offered by destination specialists

(Share of respondents indicating agreement)

They can be highly effective if done correctly, but not all are

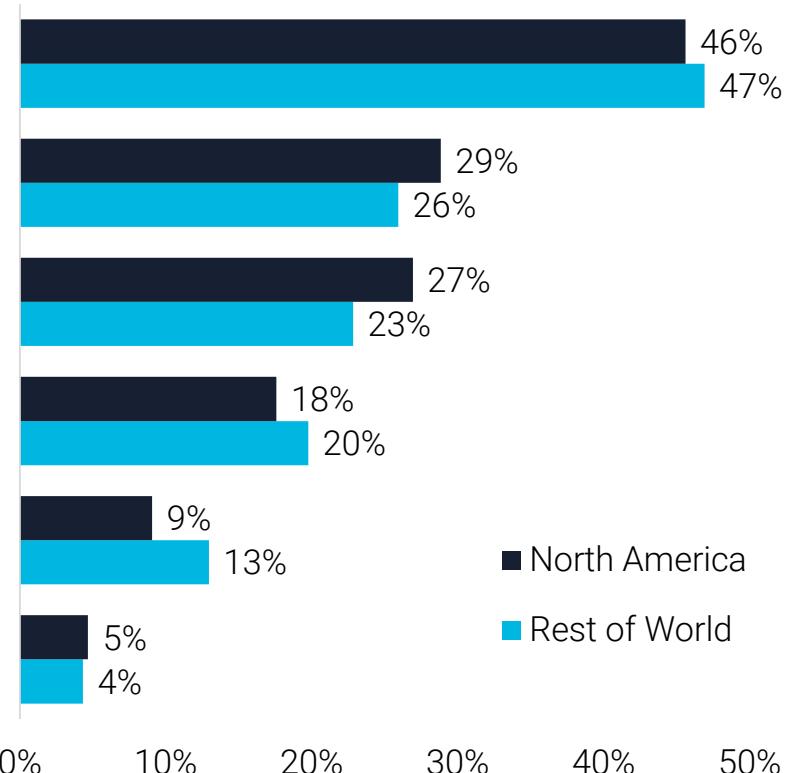
They are getting better, and I think more destination specialists should use them

I haven't used them enough to have an opinion

I haven't found them useful

They are highly effective

None



D5. What is your experience with virtual site inspections offered by destination specialists such as DMCs, DMOs and hotels? (select statements with which you agree)
Response base (Buyers): n = 526 respondents

Incentive travel is a portion of the broader group market

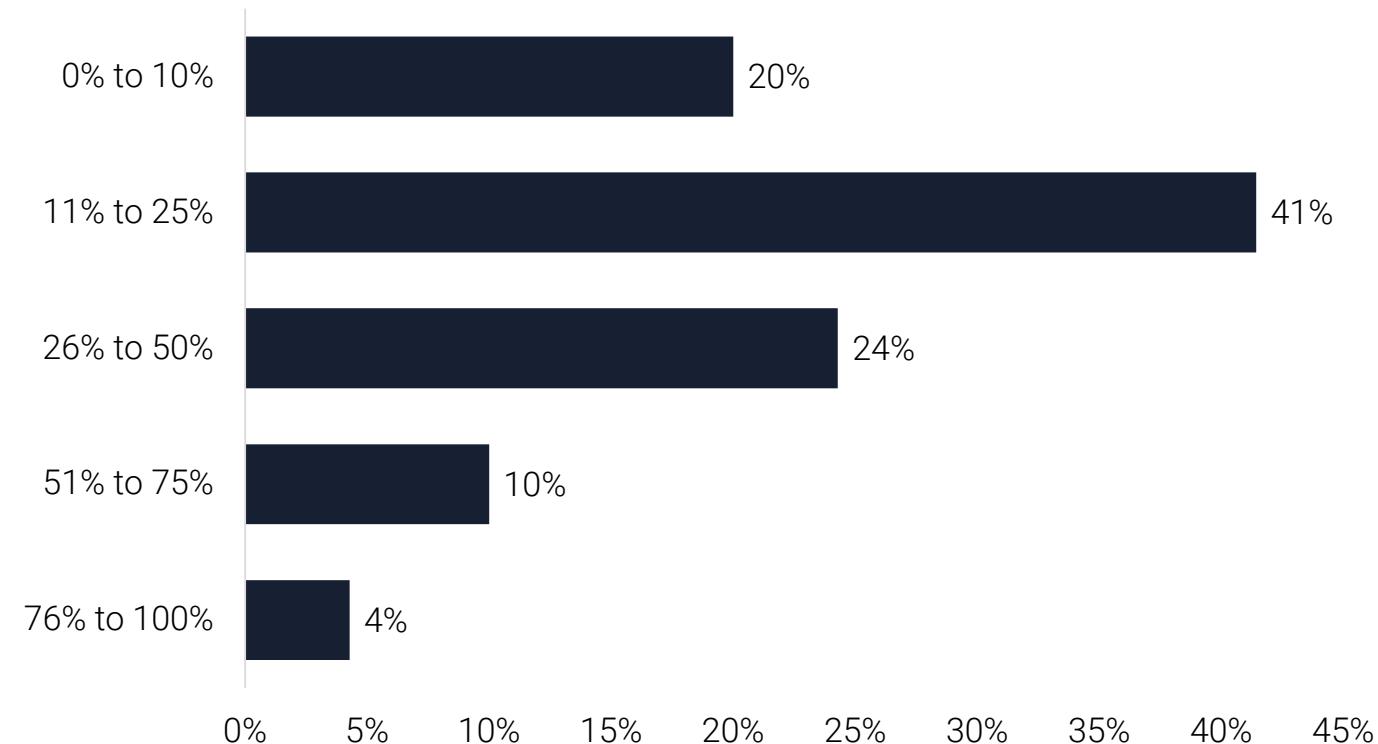
Sellers

Incentive travel is considered an important segment by many DMOs, but still represents only a portion of the broader group market

Based on a follow-up question to DMO respondents that consider incentive travel an important segment for their destination, the segment typically accounts for less than 25% of the overall group demand market.

Incentive share of bookings reported by DMOs

(Share of DMOs that indicated incentive travel is important)



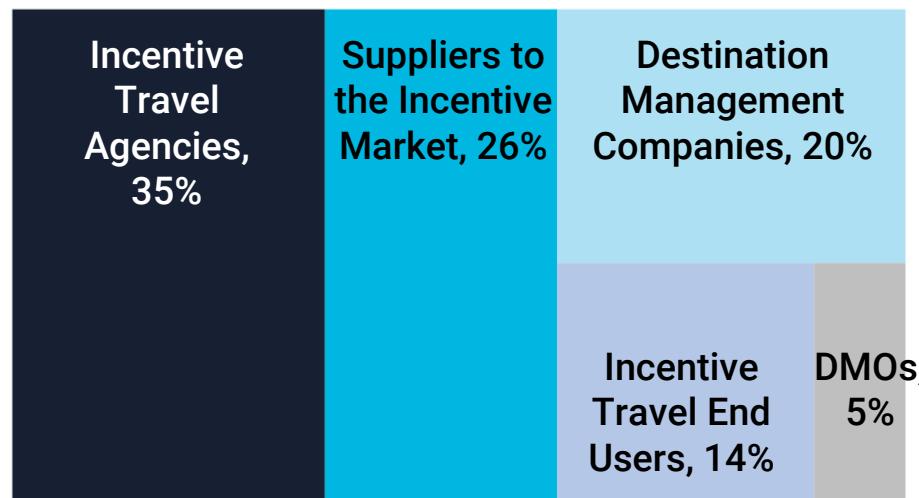
I4. What is your best estimate of the incentive travel share of group hotel bookings in your destination in a typical year?
Response base (DMOs that indicated incentive travel is an important segment for their destination): n = 56 respondents

7 Appendix

Demographic detail (1 of 3)

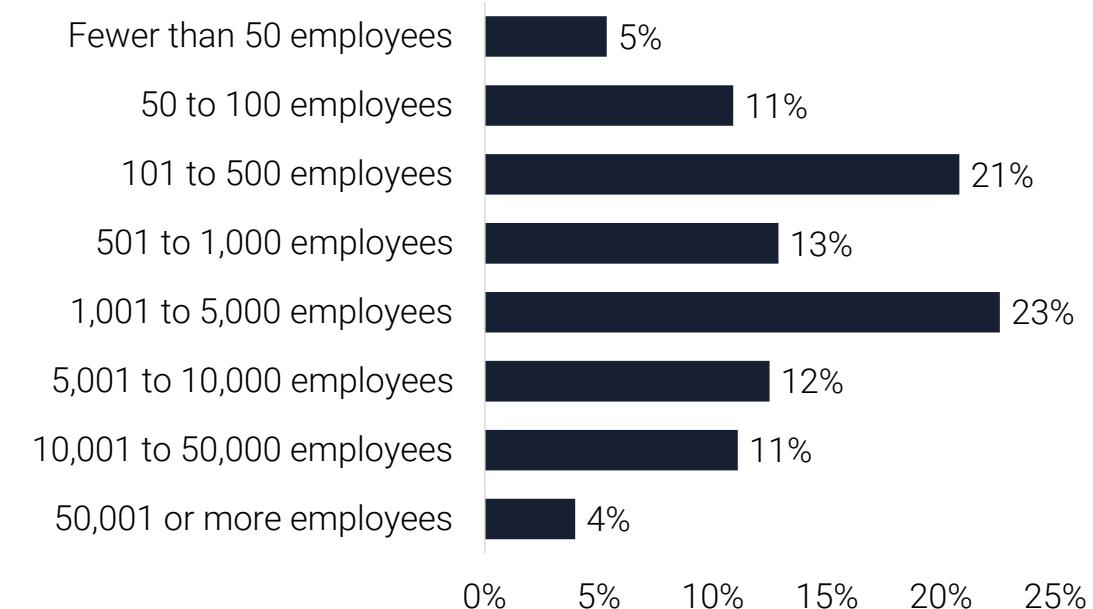
Respondent roles

(Share of respondents by role)



Participant company size

(Share of buyers)



I1. Please select the role that best describes your involvement in incentive travel

Response base: n = 1,417 respondents

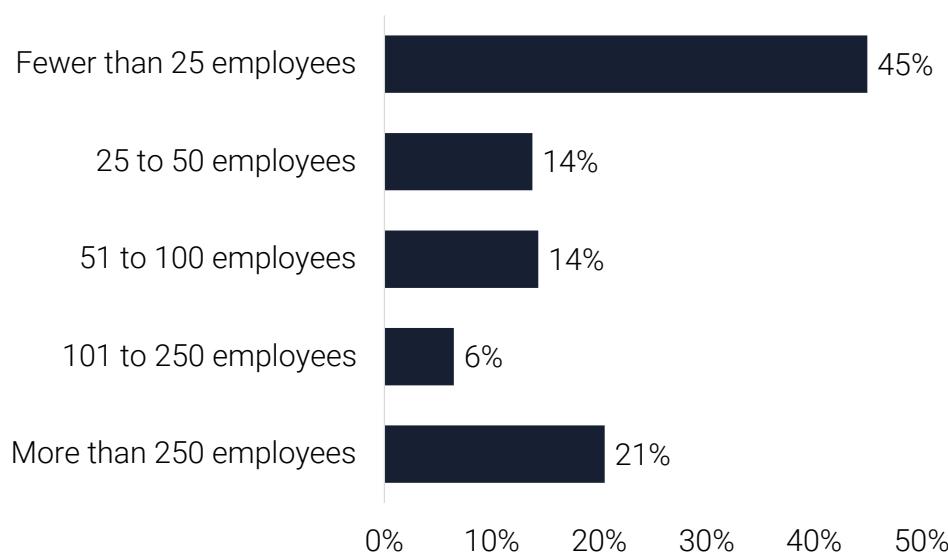
M3. Which of the following best describes the size of the company(ies) for which your team is primarily organizing incentive travel programs?

Response base (Buyers): n = 505 respondents

Demographic detail (2 of 3)

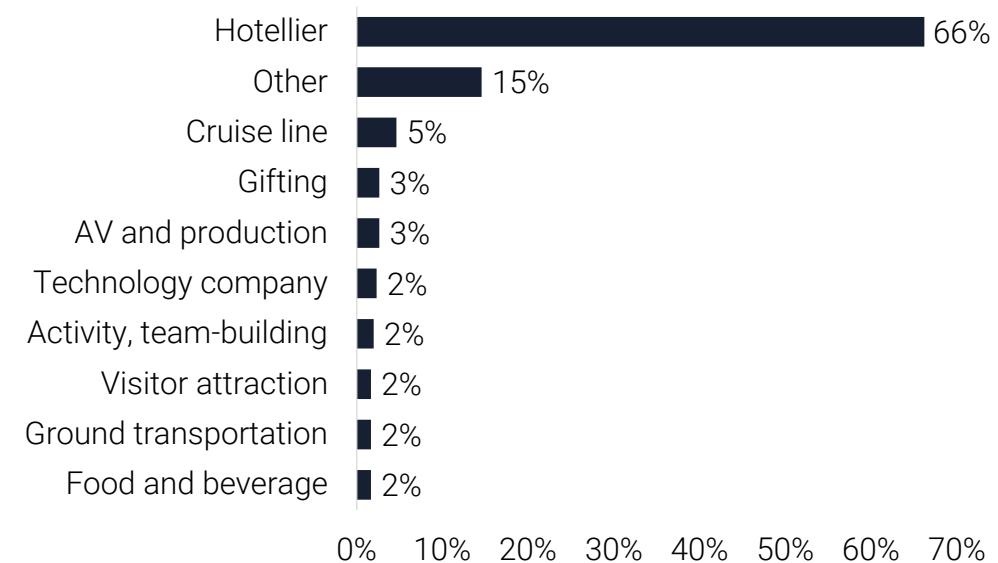
Incentive agency size

(Share of incentive houses)



Sellers by category

(Share of sellers)



M4. Which of the following best describes the size of your company?

Response base (Incentive Houses): n = 356 respondents

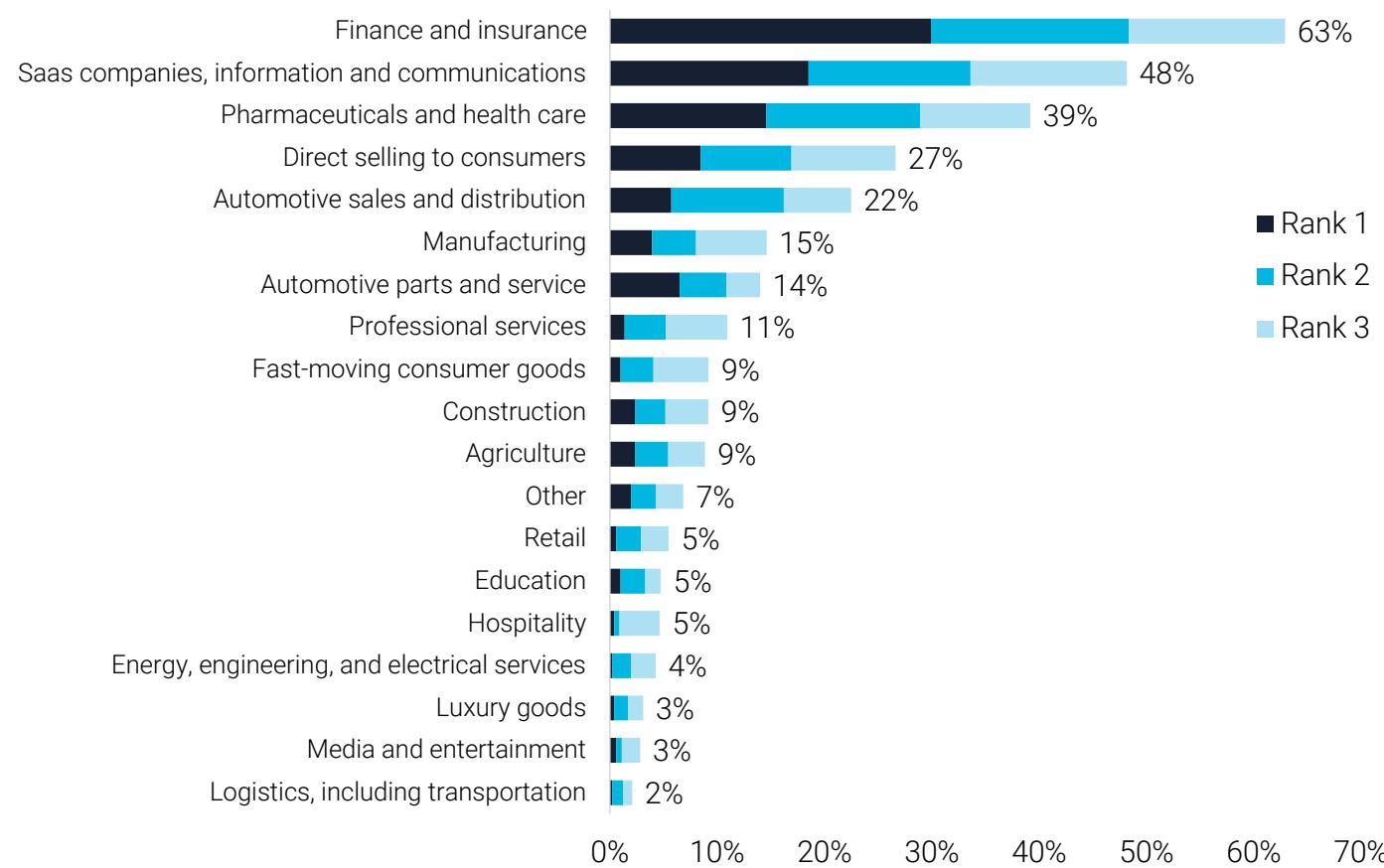
M8. Which of the following best describes the company for which you work?

Response base (Sellers): n = 286 respondents

Demographic detail (3 of 3)

Customer industries

(Share of buyers indicating a top three rank)



M5. For which of the following industry(ies) does your team primarily organize incentive travel programs?

Rank 1 is most important; label is % of all buyers choosing sector in top three

Response base (Buyers): n = 508 respondents

About Oxford Economics



Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

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