



Inspired Incentives

3 Reasons Why Group Incentive Travel Is Right for You

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Back in 2010, the Incentive Research Foundation (IRF) released a white paper entitled “Anatomy of a Successful Incentive Travel Program,” which detailed what an effective incentive group trip might look like. Based on this research, the IRF concluded that there are 5 key ingredients necessary for incentive travel to be successful. These ingredients are as follows:

- Earning and selection of rewards are tied to business objectives
- Clear and consistent communication about the program and participants’ progress to goal
- Enticing program design
- Participation (as hosts) of executive leadership on the trip
- Detailed reporting and record-keeping of participants’ productivity and results

Generally speaking, these ingredients make up the “what” of successful incentive group travel. But of course, this is putting the cart before the horse, because before you start to consider what your group trip might or might not include, you’re first going to have to decide whether or not an incentive travel reward is right for your business. In other words, why should you choose to motivate your salespeople, customers, or channel partners with an incentive trip? What value would this kind of offering bring to your organization?

Reason 1: Engagement

First and foremost, providing incentive group travel to your employees can help to positively influence your corporate culture. While this might not seem like the most quantifiable, data-driven factor, it is still qualitatively important. An organization that promotes healthy competition *and* recognizes and rewards for success is better suited to naturally foster an environment where achievement and success are actively cultivated.

This type of environment benefits employers because it keeps employees or salespeople engaged, not just during the trip, but throughout the entirety of the program. As a Harvard Business Review study pointed out, the most important driver of employee engagement is recognizing high performers, a function that group incentive travel is expressly designed to accomplish.

Reason 2: Loyalty

Additionally, while a group trip dedicated to your salespeople can certainly produce the ancillary benefit of improved customer retention, an incentive travel program designed expressly for your customers alternatively provides a great opportunity to reward your most loyal customers for their commitment to your business.

For example, an article published in The Electrical Distributor (tED), an electrical distribution industry publication, spoke of the benefits of building relationships with customers through group travel experiences. It highlighted an HMI case study in which an electrical distributor saw a 22% overall increase in sales among participants after offering a group trip to London, with more than 300 participants earning secondary trips.

This is just one example, but if your goal is to motivate your customers to remain loyal to you (as opposed to switching over to your competitors), incentive group travel has proven to be a powerful driver of this behavior.

Reason 3: ROI

Finally, from a dollar-and-cents standpoint, incentive group travel is simply unmatched in terms of its ROI capabilities. In fact, according to SITE International Foundation, businesses can achieve on average \$12.50 in revenue and \$3.80 in new profits for every dollar spent on incentive travel.

This study is backed up by research done by the IRF, which found that “properly designed and executed incentive travel programs can increase sales productivity by 18% and produce an ROI of 112%.” These factors, when combined with the other “soft benefits” that incentive travel can provide, help explain why incentive group travel continues to be one of the most comprehensively effective forms of motivation.

To learn more about how incentive programs can make the difference for your company, contact TIMBR - HMI!