

INCENTIVE TRAVEL & GOYANG

GOYANG
Convention & Visitors Bureau



**GOYANG
DESTINATION
WEEK 2019**
2019 고양 데스티네이션 위크

Thank you!



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DESTINATION
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2019 고양 데스티네이션 위크

초대 해주셔서 감사 해요. 나는 여기에있어서 기쁘다. 이것은 당신의 사랑스러운 나라를 처음 방문한 것입니다.

오늘은 내 경험으로 말할 것입니다. 언제든지 문의하십시오. 우리는 아이디어를 공유하기 위해 여기에 있습니다.

Thank you for inviting me. I am delighted to be here. This is my first visit to your lovely country.

Today, I will speak from my experiences. Please ask any questions anytime you want. We are here to share ideas.

WHO AM I ?



Rajeev Kohli, CIS, CITP, DMCP

- **Joint Managing Director, Creative Travel** - 25 years in the inbound travel industry with one of India's most awarded DMCs
- **Vice President of Euromic**, a Global DMC Alliance
- **President 2016 & 2017 of SITE** - Society for Incentive Travel Excellence
- **25 Most Influential People** in the Incentive Travel Industry for 2017
- **Winner of 7 SITE Crystal Awards**

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WHAT IS MICE ?

Also called
'Business
Events'

- Meetings
- Incentives
- Conferences & Conventions
- Exhibitions & Events

What is MICE Travel?

M

Meeting Travel - Any number of people coming together in one place for a particular activity, which can be a one-time event or recur regularly

I

Incentive Travel - Typically given to employees as a reward. A non-business vacation with the aim of continued motivation for performance.

C

Conference Travel - Have specific objectives and exchanges of information. Organizing itineraries, meetings, and events for people from the same profession or field.

E

Exhibition Travel - Products or services are displayed, and are the primary focus of the event.



MICE vs LEISURE

- Min 3 - 4 times more spend per head
- Choice Factor – MICE visitor doesn't select the destination
- Destination experience is the “end” for leisure visitor but only the “means to an end” for MICE (even though incentive travel may “appear” to be all about the destination)
- Most MICE visitors do not pay their own bills (exception may be conference delegates but often these are “expensed”)
- Very diverse sector: association, corporate, exhibitions, incentive travel



JOIN SITE !

site

Society for
Incentive
Travel
Excellence

*A Global Community of
Incentive Professionals
Who Work and Learn Together*



The Society for Incentive Travel Excellence (SITE) is the only Business Events association dedicated exclusively to the global incentive travel industry.



SITE provides insights and connections that inspire the utilization of this powerful tool across diverse industries, regions and cultures.



SITE serves as a source of knowledge and best practices where members can make personal connections that sustain professional growth.

2400+ members across 89 countries
www.siteglobal.com



**WHAT
MOTIVATES
YOU ?**

**Everyone is
motivated by
something
different...**

WHAT MOTIVATES YOU ?





- We like to belong
- We live together
- We accept hierarchy
- We follow
- We lead
- We dream
- We believe

**WE
ARE
TRIBAL**

*“the human species is the
only species with the ability
to see what doesn’t yet exist”*

F.W. De Klerk



DEFINITION OF INCENTIVE TRAVEL

*“Incentive travel is a global management tool that uses an **exceptional travel experience** to **motivate** and/or recognize participants for **increased levels of performance** in support of organizational goals”.*



The Fundamental Law of Incentive Travel:

“the best deserve the best; a winner is treasured and pampered in the best way possible”

THE FUNDAMENTAL LAW

- Self funding
- Marketing Activity
- Unique Travel Experiences
- Reward exceptional business performance



Two very different things

You Earn the incentive; you do not win it (it is not a lottery ticket)

Being the best of the best and joining the elite group

*Sense of achievement
Bragging rights*

REWARD

VS

RECOGNITION



**THE
INCENTIVE
TRAVEL
AUDIENCE**

Well Travelled

*Seeking Experiences that they
can brag about!*

Typically Top Performers

*They have worked for at least
a year to qualify*



“a great incentive trip
offers experiences
that can’t be
replicated on a
personal vacation”

**A GREAT
INCENTIVE
TRIP**



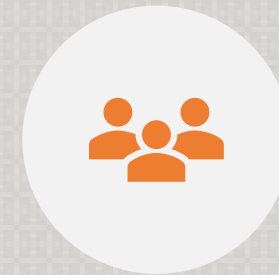
BUSINESS GOALS OF INCENTIVE TRAVEL



**INCREASE SALES
AND
PROFITABILITY**



**CREATE LOYALTY
FROM
CUSTOMERS AND
EMPLOYEES**



**IMPROVE
MORALE AND
ORGANIZATIONAL
CULTURE**



**GAIN MARKET
SHARE**



DOES INCENTIVE TRAVEL WORK ?

Cash Rewards

29% - The percentage of employees that spent a cash incentive from their company on bills

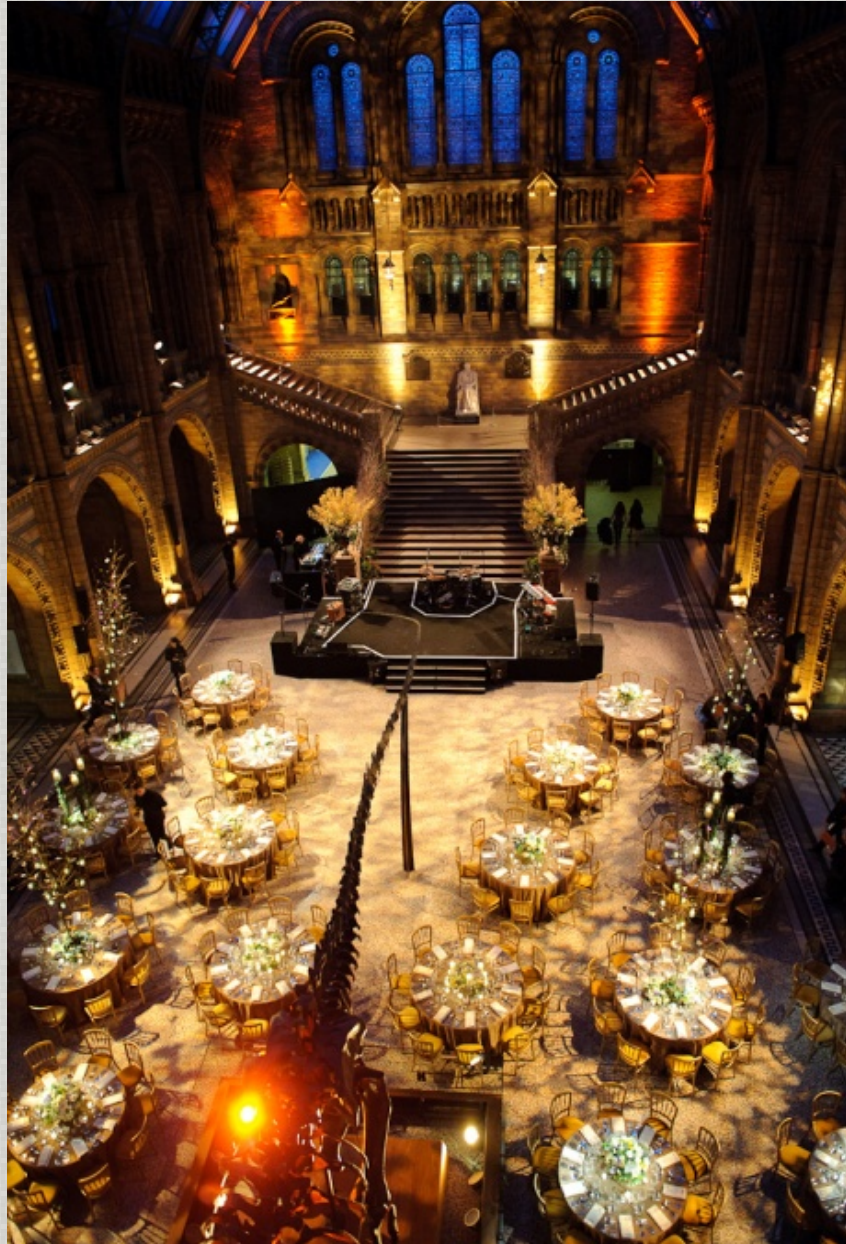
18% - do not remember what they spent the reward on

11% - spent it on savings and

11% - on gifts

Merchandise

TV's, Phones, iPads - All of us have stuff! How much more can we have? We but it anyway!



Incentive travel programs increase performance of an individual by **22%** and of a team by **44%**

Travel Experiences will continue to generate the greatest engagement and loyalty over all other options



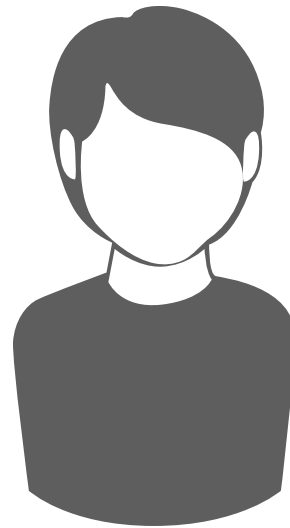
INCENTIVE TRAVEL INDUSTRY INDEX

Powered by SITE Index, IRF Outlook and FICP
In Association with Oxford Economics

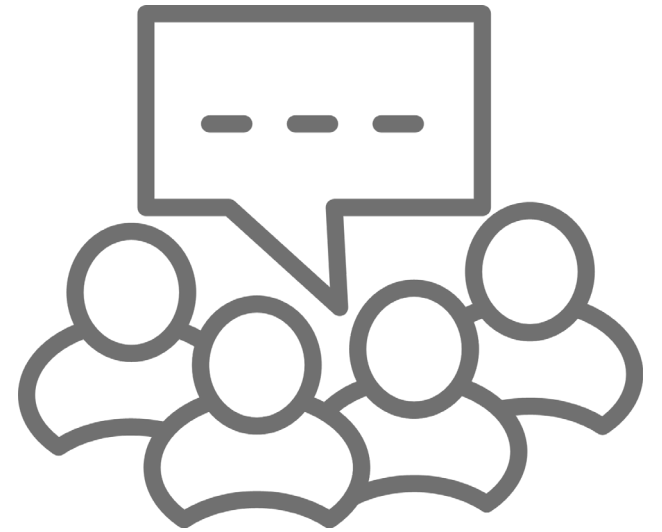




80+ countries



18 years
in industry



1016
responses



INCENTIVE TRAVEL

is in
RUDE HEALTH



Budget

MORE QUALIFIERS THAN EVER

- Globally 65% of all buyers are increasing the number of qualifiers (58% in US, 67% in EU and 73% in Asia)
- Incentive Houses are seeing significant increases – in 2017 54% reported an increase in qualifiers, in 2018 this is 71%

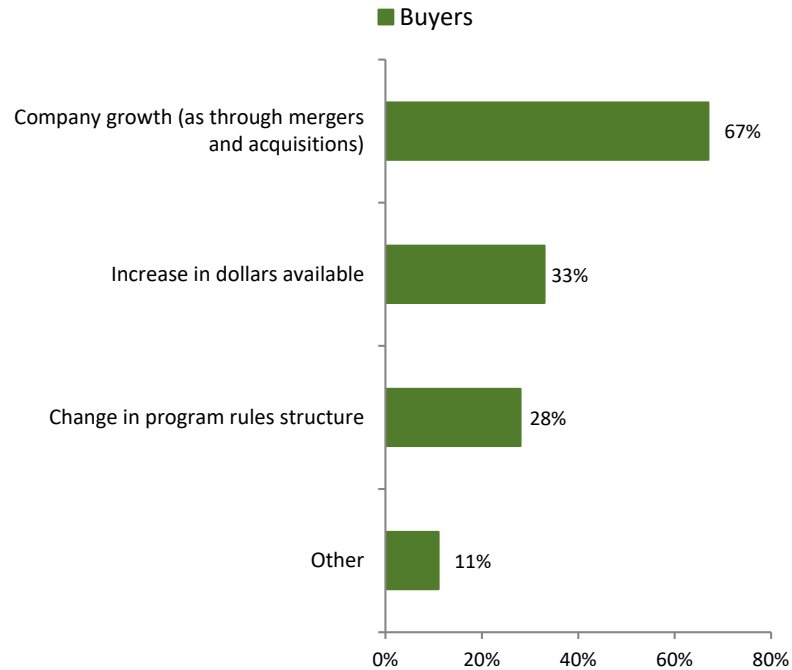




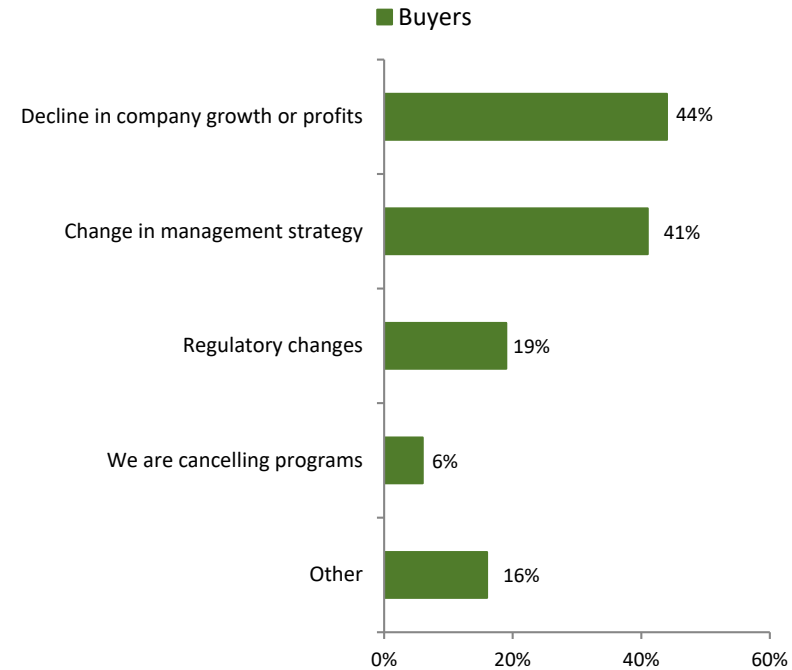
Reasons to Increase/Decrease Travel Eligibility- Buyers

- Company growth or decline in company growth or profit is the top reason to increase or decrease travel eligibility

**Reasons to increase travel eligibility
(2018)**



**Reasons to decrease travel eligibility
(2018)**



BB1A. If there will be an increase, what are the reasons for your answer? Mark all that apply.

BB1B. If there will be a decrease, what are the reasons for your answer? Mark all that apply.

* Small Sample 30 ≤ N < 100



BUDGETS ARE UP ...

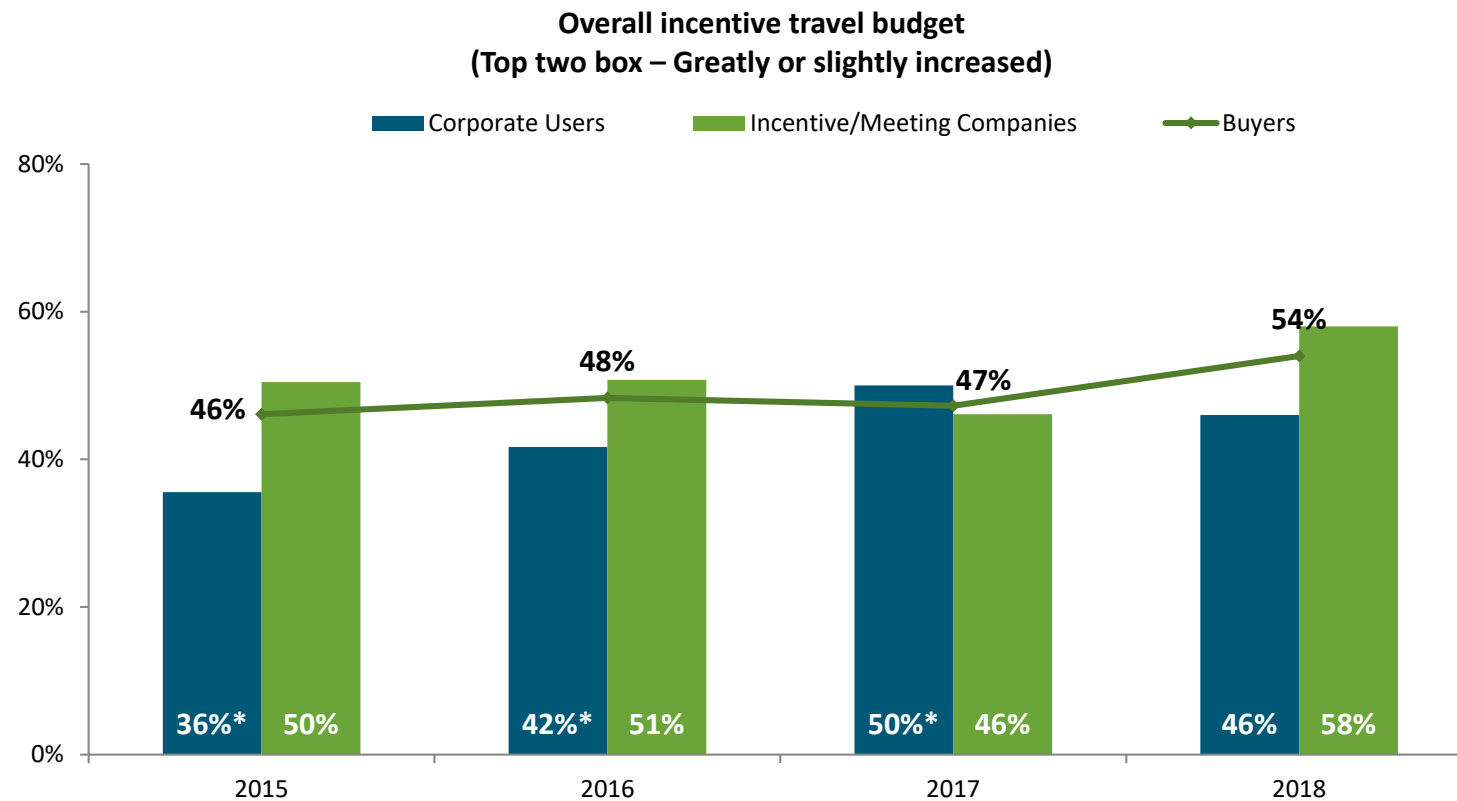
- 54% of all buyers report increase in budgets
- Per person median is \$4,000 – same as last year but \$1,000 more than 2016 figure
- Per person average for corporate buyers is \$8,151
- Per person average for agencies is \$5,193
- Wide range per person spend on incentives with some in the region of \$50,000





Incentive Travel Budget - Buyers

- About one in two Buyers say the overall incentive travel budget has increased
- There is a significant increase among Incentive/Meeting Companies (58% vs. 46% in 2017)



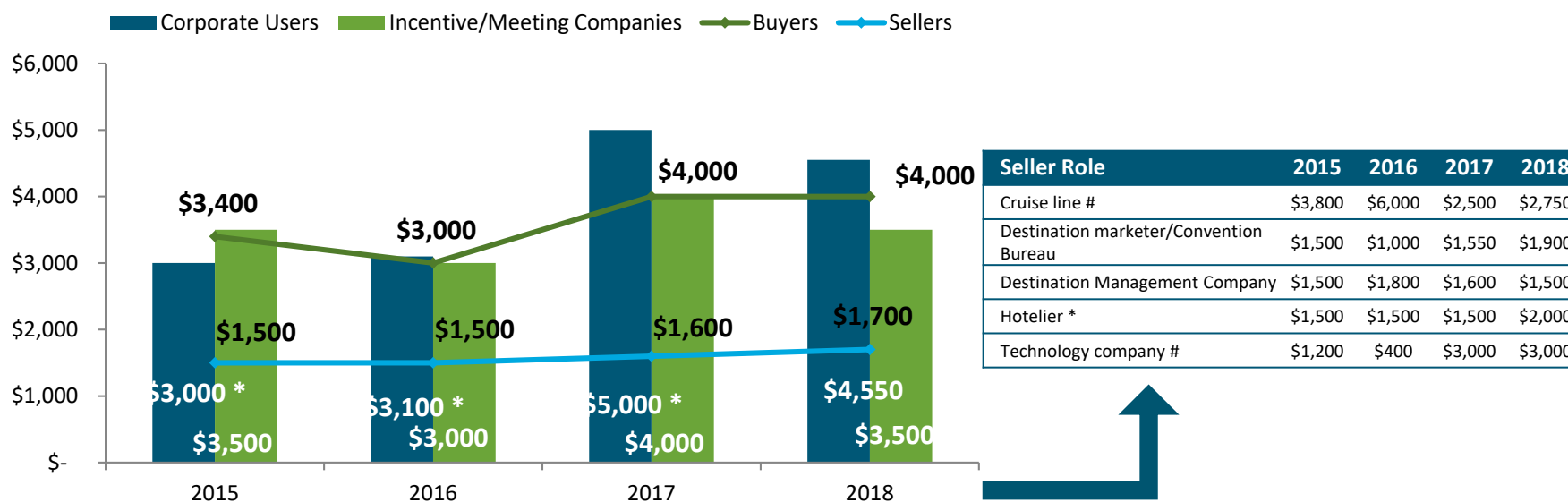
BB4. Compared to last year, has your or your client(s)' overall incentive travel budget...?

* Small Sample 30 ≤ N < 100; # Insufficient sample N < 30

Median Spending on Travel Programs - Buyers/Sellers

- The median spending per person reported by Buyers remains unchanged in 2018 (\$4,000)
- Corporate Users median spend decrease, however Incentive/Meeting Companies median spend increase
- Sellers also see a higher spending per person year over year (\$1,700 vs. \$1,600 in 2017)
- Destination Management Companies see a spending decrease down to \$1,500 from \$1,600 in 2017
- **Buyers say 25% of the spending is allocated to air transportation** (23% Corporate Users and 25% Incentive/Meeting Companies)

Median spending per person for the incentive travel programs



BB3. Approximately, what is the average spend (including air transportation) in US dollars per person for the incentive travel programs you or your client(s) manage?

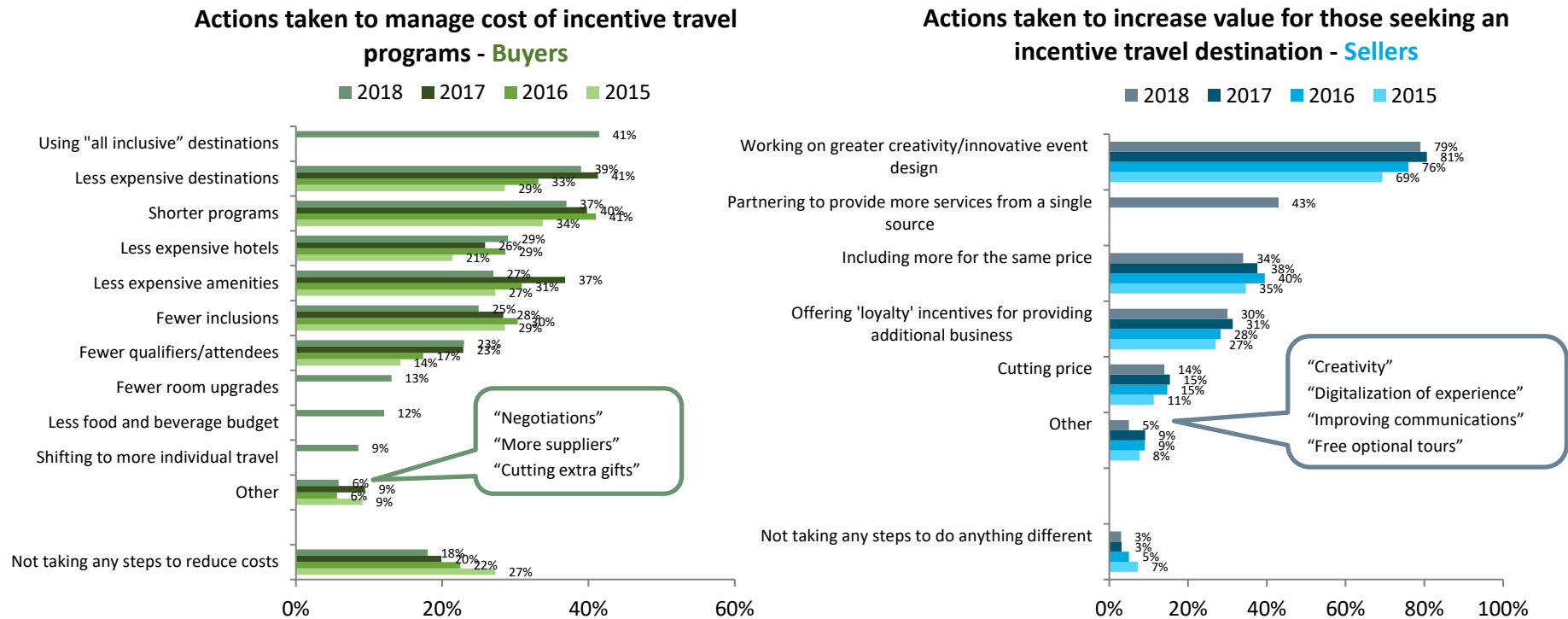
BB3A. What percentage of this average spending per person is allocated to air transportation?

SB3. Approximately, what is the average spending in U.S. dollars per person for the incentive travel programs with which you are involved?

* Small Sample 30 ≤ N < 100; # Insufficient sample N < 30

Managing Cost of Travel Programs - Buyers/Sellers

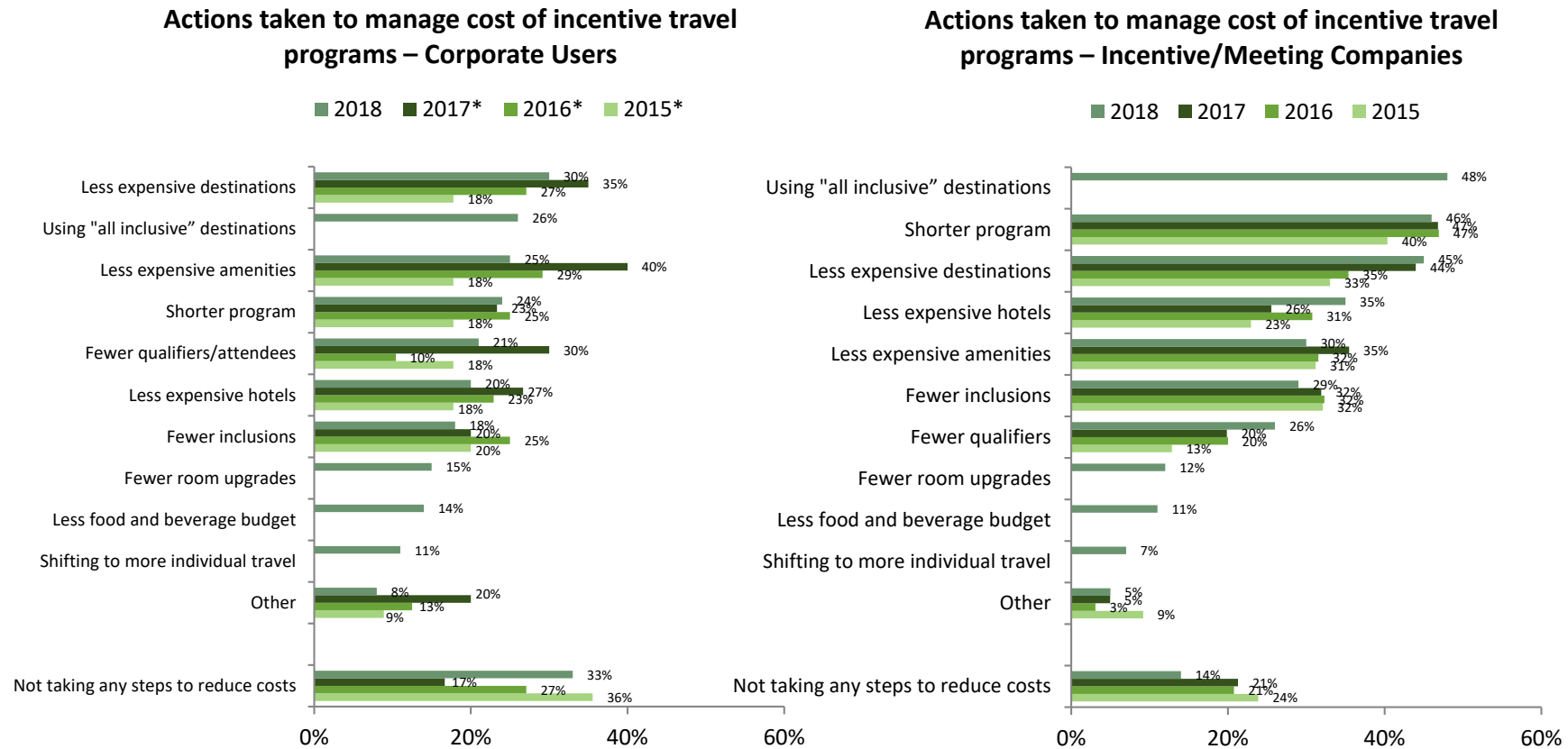
- The number of Buyers taking steps to reduce costs has been increasing every year, moving from 73% in 2015 to 78% in 2016, 80% in 2017 and 82% in 2018
- “All inclusive” and less expensive destinations top the Buyers’ actions taken to manage costs**
- On the Sellers side, “Working on greater creativity/innovative event design” is the most frequent action taken also in 2018.** However, fewer Seller Include more for the same price or are cutting price



BB2. What action(s) are you or your client(s) taking to manage the cost of incentive travel programs? Mark all that apply.
 SB2. What action(s) are you taking to increase value for those seeking an incentive travel destination? Mark all that apply.

Managing Cost of Travel Programs - Buyers

- In 2018, Incentive/Meetings Companies use shorter programs, fewer inclusions, less expensive destinations and less expensive hotels to manage costs significantly more than Corporate Users
- In 2018, fewer Corporate Users are taking actions to reduce costs. However, more Incentive/Meeting Companies are attentive to costs with only 14% not taking any steps to reduce costs



BB2. What action(s) are you or your client(s) taking to manage the cost of incentive travel programs? Mark all that apply.

* Small Sample 30 ≤ N < 100

What “Loyalty” Incentives are Provided - Sellers

“Better credit conditions, free places, commission ”

“Value added concessions, multi-year additional concessions ”

“Rebates for awarding multiple programs ”

“Discounted pricing, flexibility in refunds / credits ”

“Multi year offers with another hotels from the same company ”

“Offer multi year deal ”

“Redemption of gift vouchers at our partners stores ”

“Sweepstakes ”

How Are You Exercising Creativity or Innovation - Sellers

“By creating new programs and also using of **technology** ”

“We are using Social Media - primarily **Instagram** to fuel thought ”

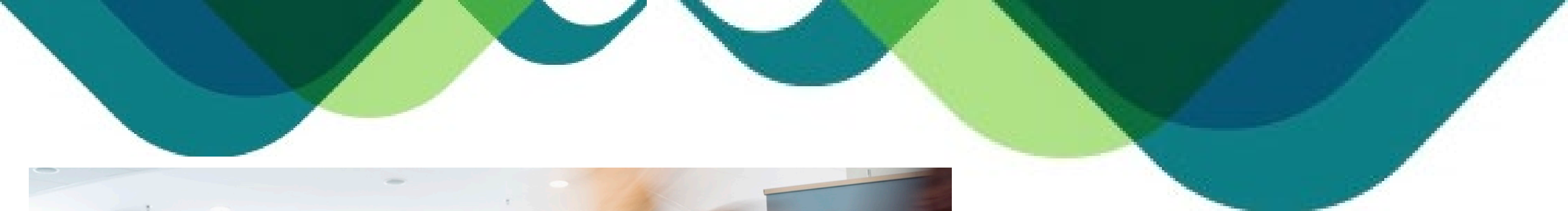
“Offering **spaces** that are **usually not designed for events**”

“Working with **better international suppliers**”

“Utilizing **technology** ”

“We have **hired creative designers** to develop new and exciting decor and theme options for our clients. ”

SB2_1. What things are you including for the same price?

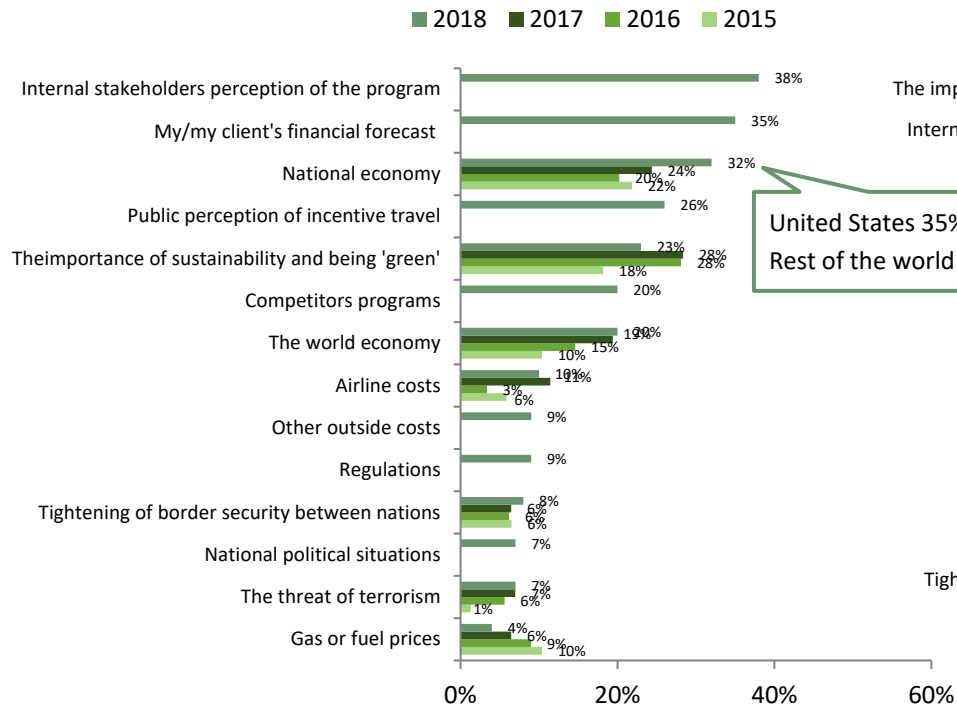


Business Impact

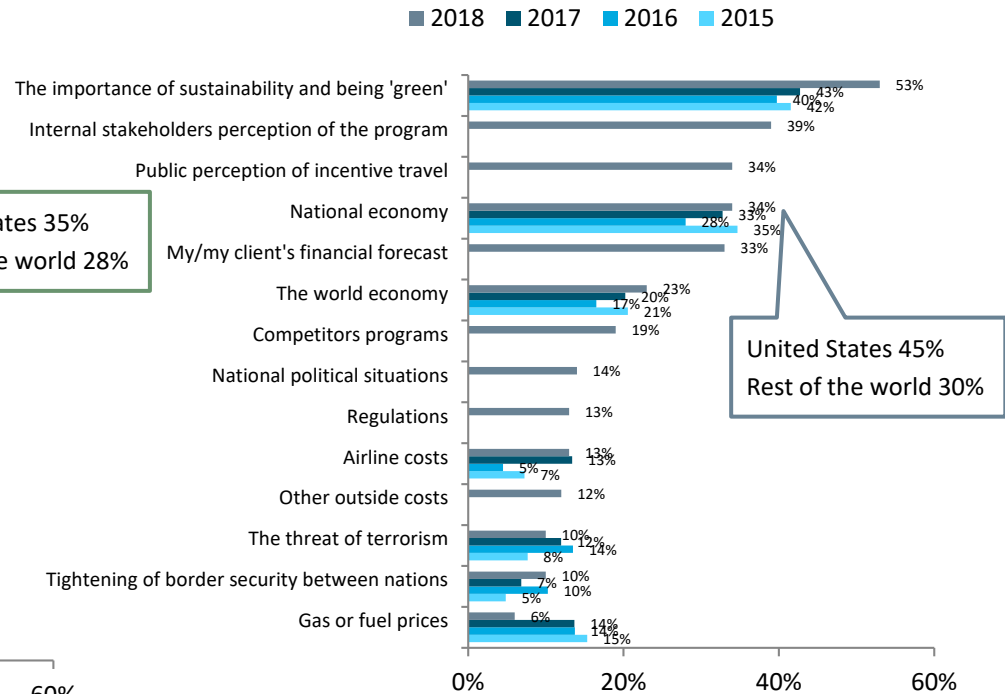
Events with the Most Positive Impact - Buyers/Sellers

- Sustainability and being “green” is the top condition with a positive impact on incentive travel programs for Sellers, however it ranks lower for Buyers
- In 2018, optimism about the world and national economy keeps on growing. Optimism about the national economy is more pronounced among U.S. Buyers
- Gas or fuel prices positive impact keeps on trending down

Events with the most positive impact – **Buyers**
(Top two box - Strong or slight positive impact)



Events with the most positive impact – **Sellers**
(Top two box - Strong or slight positive impact)



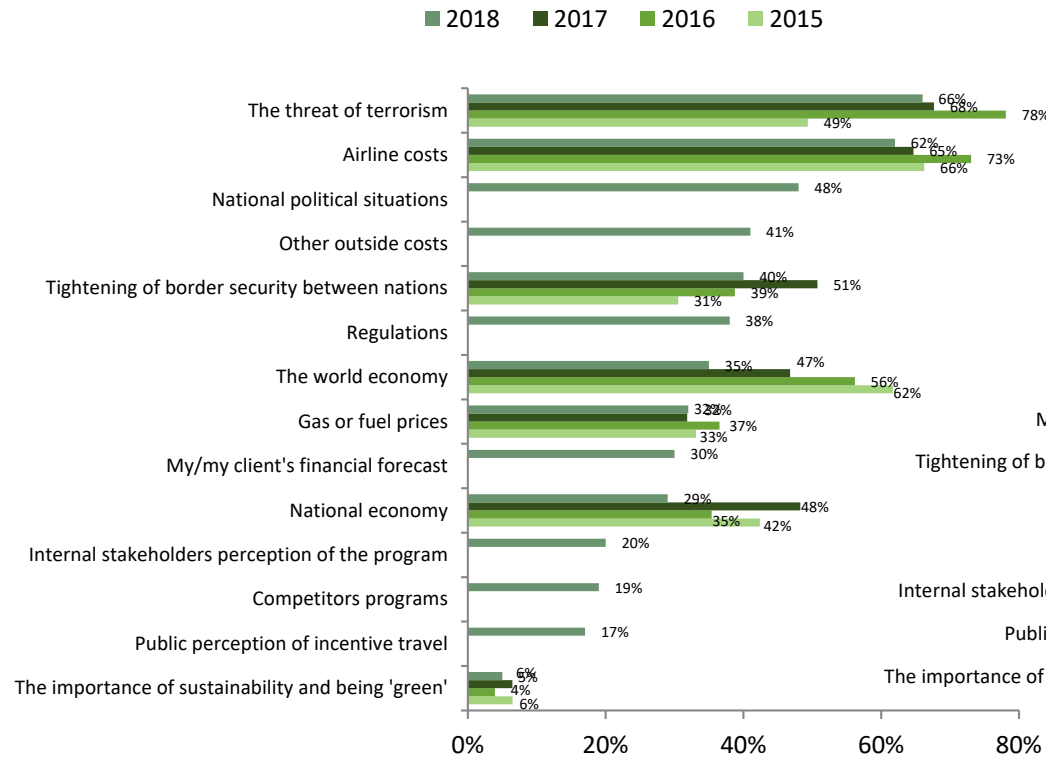
BBI1. With regard to each of the following events, how has each impacted your current ability to plan and implement incentive travel programs?

SBI1. With regard to each of the following events, how has each impacted the travel programs with which you are familiar?

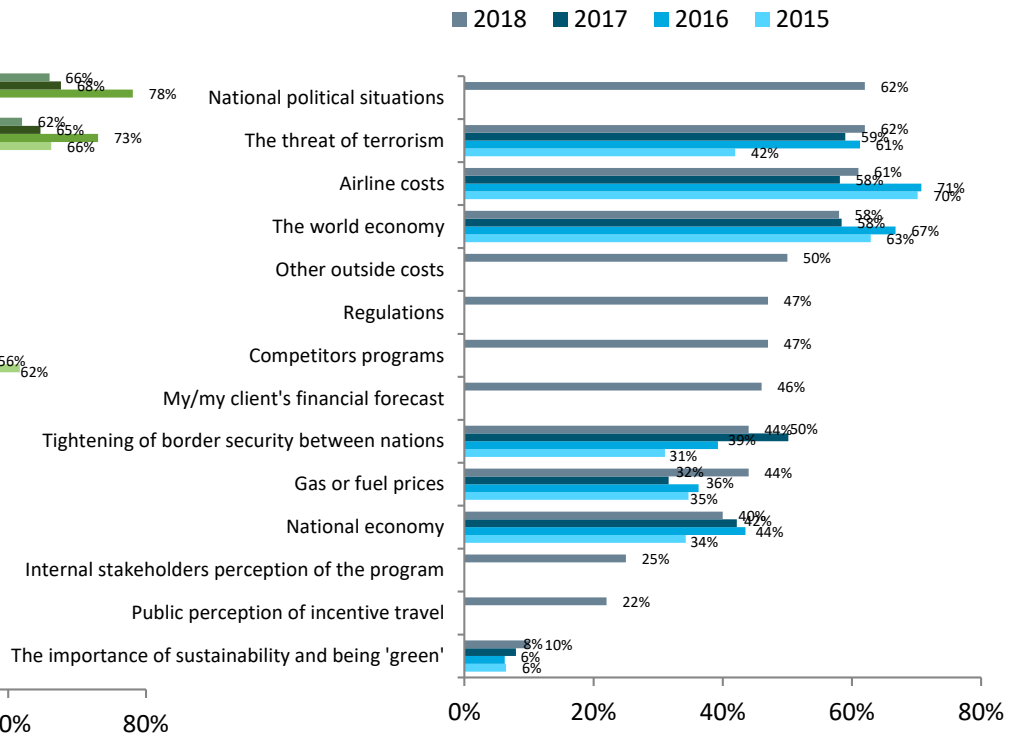
Events with the Most Negative Impact - Buyer/Sellers

- The threat of terror groups, national political situations and airline costs are the top reasons of concern in the industry
- In 2018, reasons for concern in the industry tend to diminish with the exception of gas or fuel prices

Events with the most negative impact – **Buyers**
(Bottom two box - Strong or slight negative impact)



Events with the most negative impact – **Sellers**
(Bottom two box - Strong or slight negative impact)



BBI1. With regard to each of the following events, how has each impacted your current ability to plan and implement incentive travel programs?

SBI1. With regard to each of the following events, how has each impacted the travel programs with which you are familiar?

INCENTIVES AS A BUILDER OF WORKPLACE CULTURE

- Sales and profitability are still the top reasons
- “Better relationship building between employees and management” was the 5th most important objective for incentives in 2017 but it’s now the 2nd
- Also ranking in Top 5 – “improved employee engagement and morale” and “Better relationship building between employees”



Most Important Objectives - Buyers

- In 2018, Attention to sales and/or profitability for incentive travel programs remains the most important objective
- Better relationship building between employees and management moved from ranking fifth in 2017 to being the second most important objective in 2018

Order of importance associated with incentive travel programs – Buyers
(1 being most important and 10 being least important)



BBI2. Please rank the following objectives in order of importance with '1' being the most important objective associated with your incentive travel program and '10' being least important objective, what are the objectives you most and least want to drive as a result of your incentive travel award program?

Other Objectives Buyers Want to Achieve through Incentive Travel Programs - Buyers

“Alignment around **company culture** ”

“Use the time to **learn best practices** from the top of the leader ladder ”

“**Reward** for hard work ”

“General **recognition** and **appreciation** for good work ”

“**Recognition** and generate a **sense of purpose**”

“**Bonding** between vendors and employers and executives and employees .”

“Give Partners a **reward**, a break to **re-energize** ”

BBI3. Are there any other objectives you or your client(s) want to achieve through incentive travel programs other than those specifically named above?

Objectives People Trying to Reach through Incentive Travel Programs - Sellers

“Bring a **unique experience** back home ”

“Doing something new, making it a **true experience**, memories which can only be generated by an incentive travel trip ”

“**Bucket list experiences**. Local Cultural experience. WOW affect ”

“**Reward** for achievement of goals ”

“A **memorable experience**”

“**Motivation** reward employee retention ”

“**Drive sales performance** ”

“Education. **Networking**. Impressions”

SBI2. What are the objectives you see people primarily trying to reach through incentive travel programs?



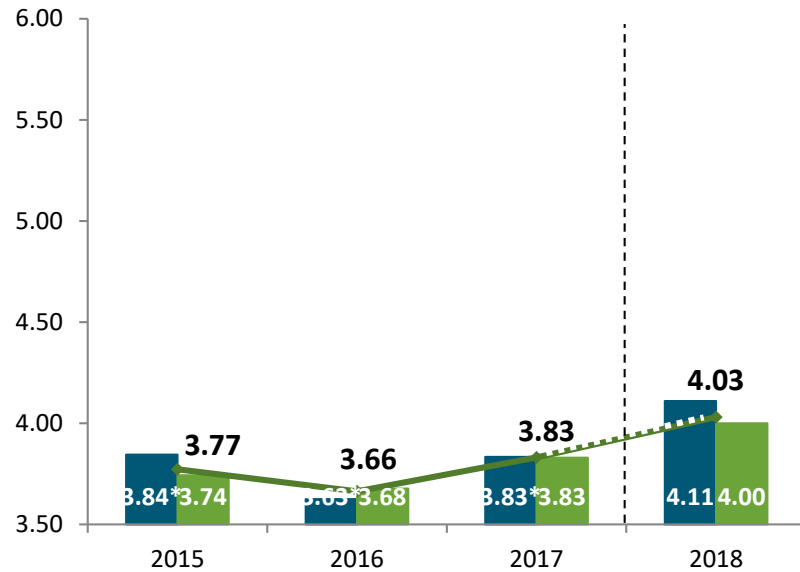
Logistics

Length of Stay - Buyers/Sellers

- Buyers say the average length of stay for travel that require less than four hours is around four days and the average length of stay for a trip that require more than four hours is around five days
- The usual length of stay for any trips according to Sellers is four and a half days

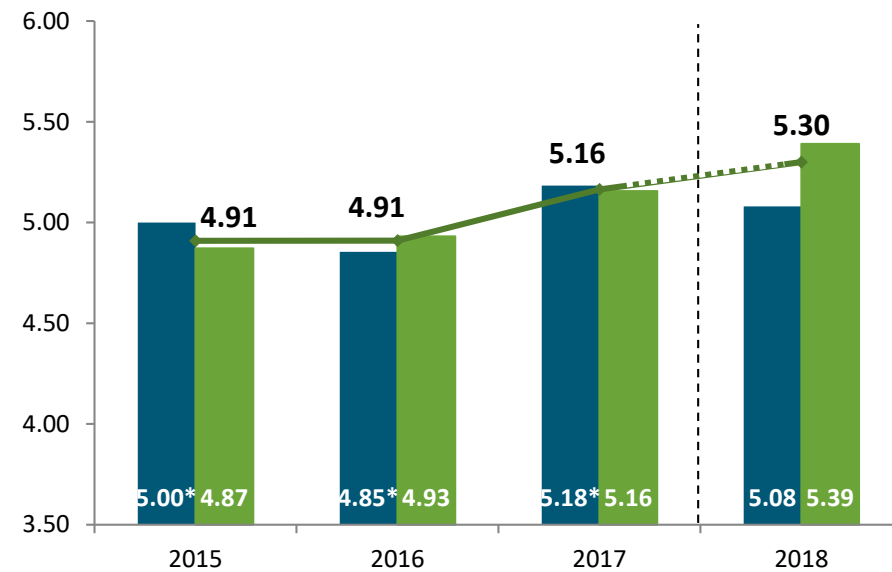
Usual length of stay for an incentive program (days)
(Less than four hours travel time 2018)
(Less than three hours travel time 2015 to 2017)

Corporate Users Incentive/Meetings Companies Buyers



Usual length of stay for an incentive program (days)
(Requiring more than four hours travel time 2018)
(Requiring more than three hours travel time 2015 to 2017)

Corporate Users Incentive/Meetings Companies Buyers



BL2. In days, what is the usual length of stay for an incentive program that requires 4 hours or less in travel time? (Note: in 2015 to 2017 it was asked for 3 hours or less travel time)

BL3. Also, in days, what is the usual length of stay for an incentive program that requires more than 4 hours in travel time? (Note: in 2015 to 2017 it was asked for 3 hours or less travel time)

SL1. In days, what is the usual length of stay for an incentive program?

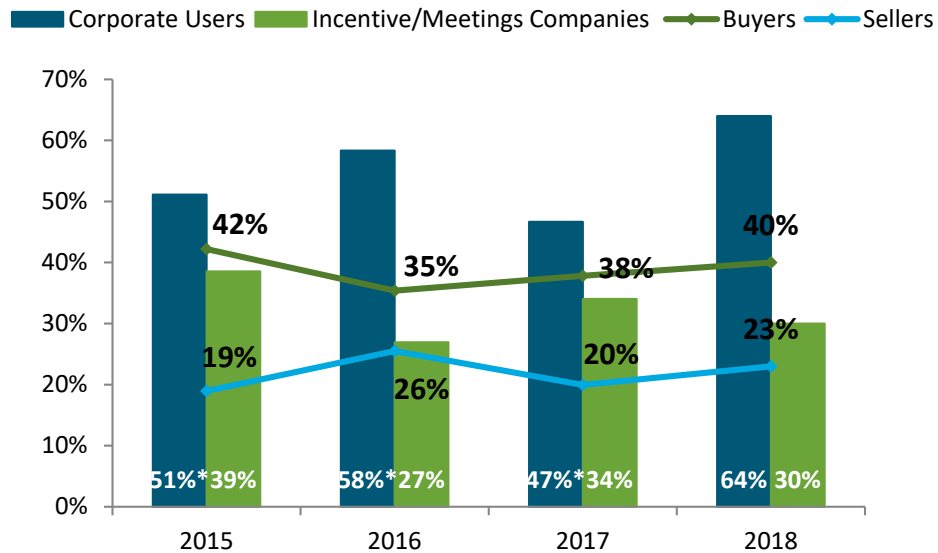
* Small Sample 30 ≤ N < 100



Travel Programs Including Meeting Component - Buyers/Sellers

- In 2018, about the same number of Buyers say incentive travel programs always include a meeting component (40% vs. 38% in 2017). However, Corporate Users (64% vs. 47% in 2017) and Incentive/Meeting Companies' (30% vs. 34% in 2017) opinions shift in different directions
- About one in four Sellers (23%) think incentive travel programs always include a meeting component
- Business driven reasons are the top reasons to include a meeting component both among Buyers followed by strategic reasons and Financially driven reasons increasing to 59% from 55% in 2017

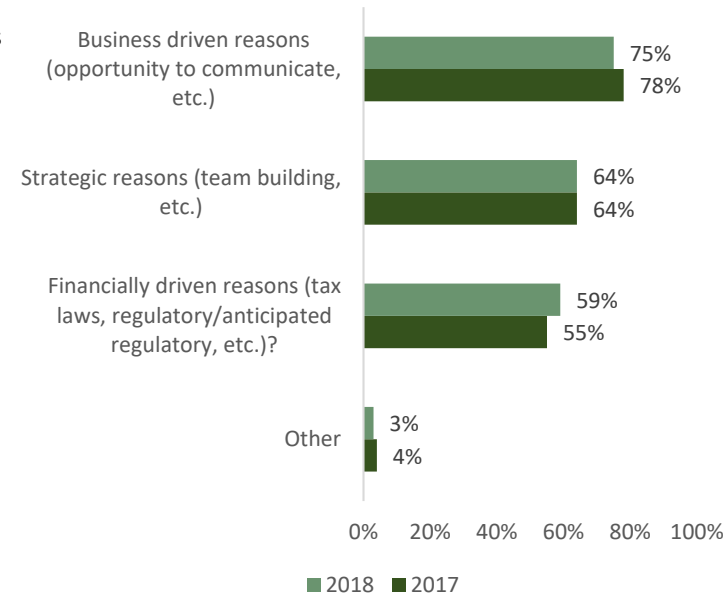
How often incentive travel programs include a meeting component (Top Box - Always)



BL4. How often do the incentive travel programs in which you are involved include a meeting component?
 SL2. How often do the incentive travel programs in which you are involved include a meeting component?
 BL4_A Why do you or your client(s) include a meeting component? Mark all that apply

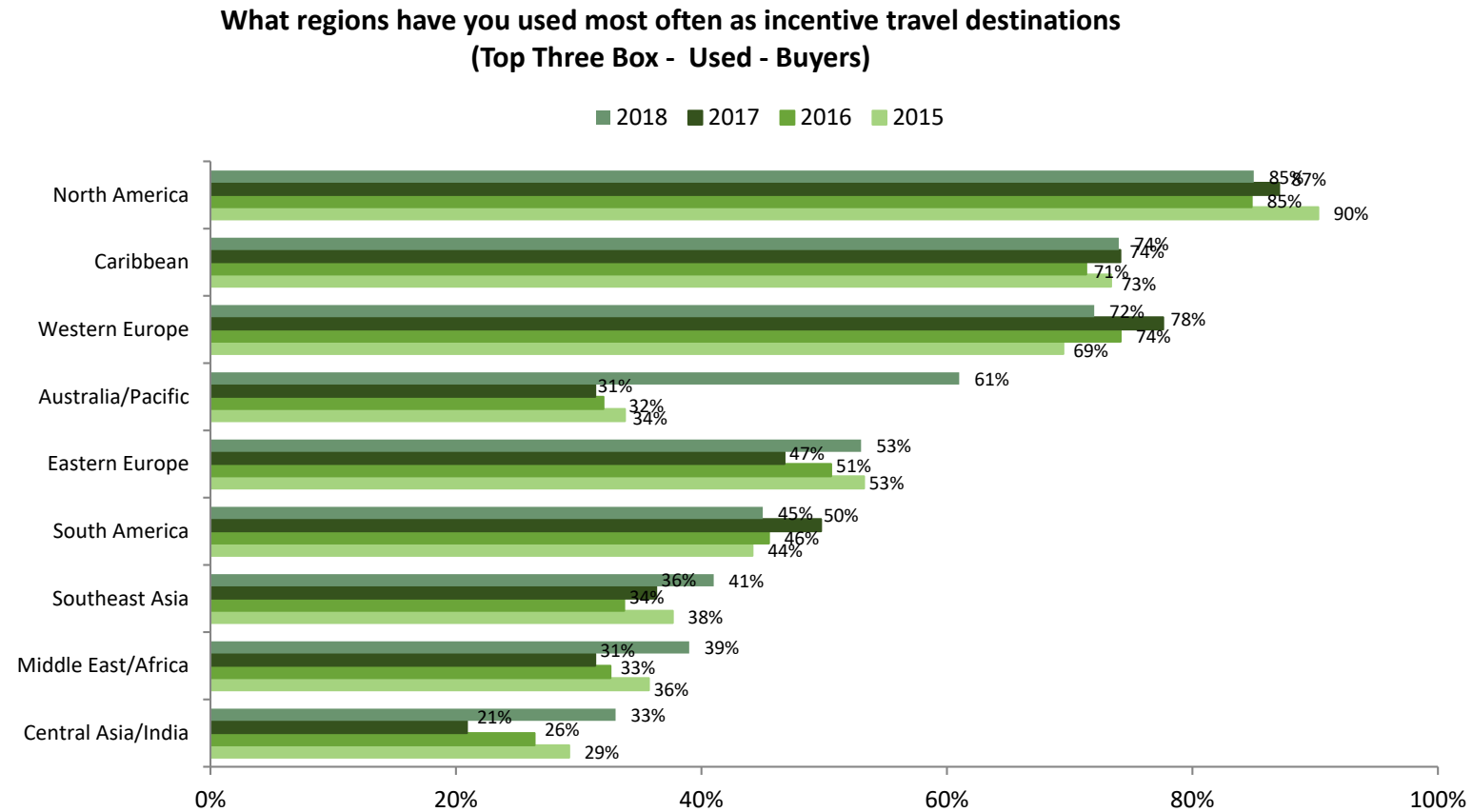
* Small Sample 30<N<100

Reasons to include a meeting component (Buyers)



Regions Most Often Used - Buyers

- North America, Caribbean, and Western Europe are the most used regions in 2018



BL6. In the past year, what regions have you or your client(s) used most often as incentive travel destinations and did you or your client(s) use them more or less than in prior years?

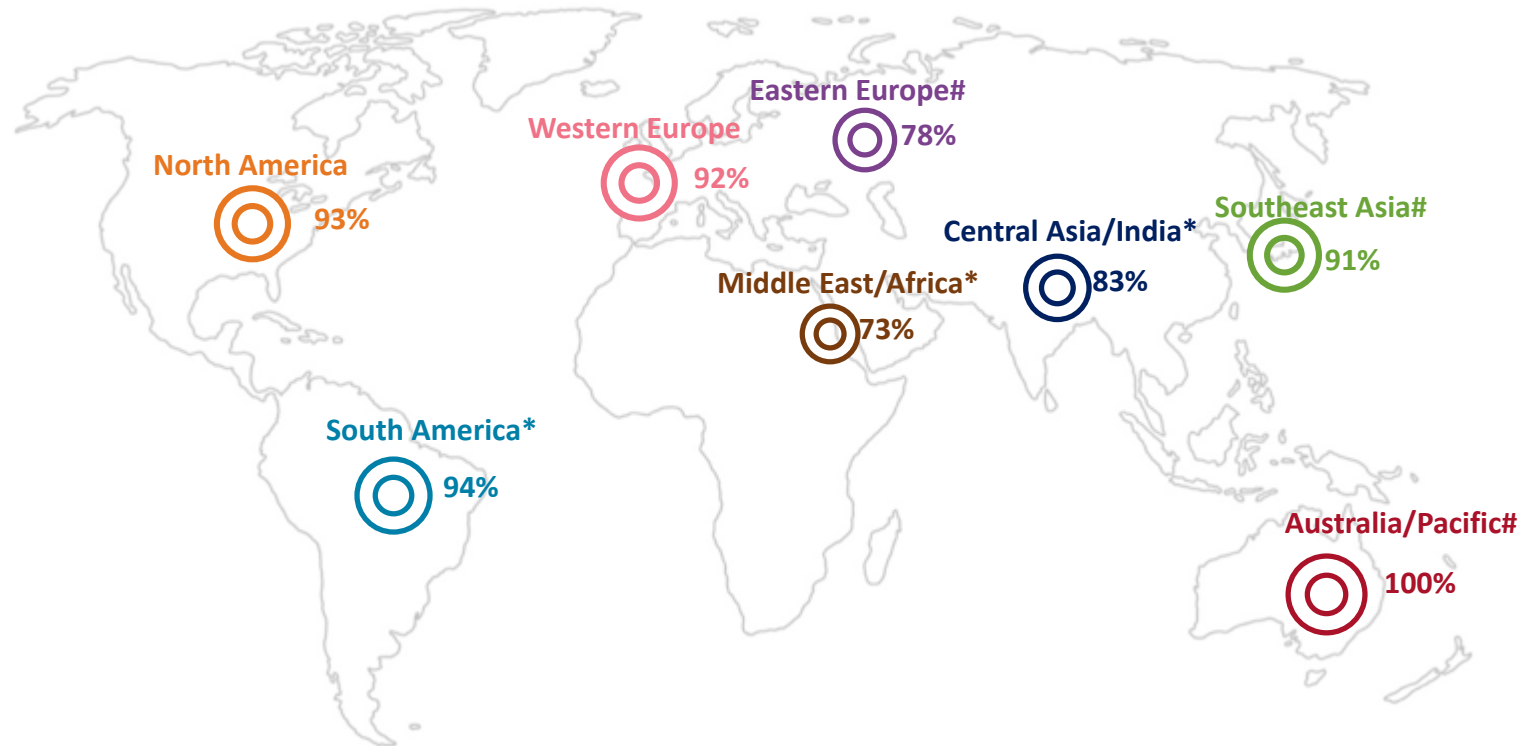
Note: Australia Pacific response in 2018 was rephrased from "Australia/Pacific" to "Australia Pacific including Hawaii". The data point is not directly comparable to 2017.

Note: Shifts in sample composition in 2018 from the U.S. to the rest of the world impact trends as most Buyers use destinations within their region

Regional Travel - Buyers

- Australia/Pacific (100%), South America (94%) and North America (93%) have the highest incidence of Buyers who say they used destinations within their Region

What regions have you used most often as incentive travel destinations
(Top Three Box - Used – 2015, 2016, 2017 and 2018 combined)



D4. In what country are you based for work?

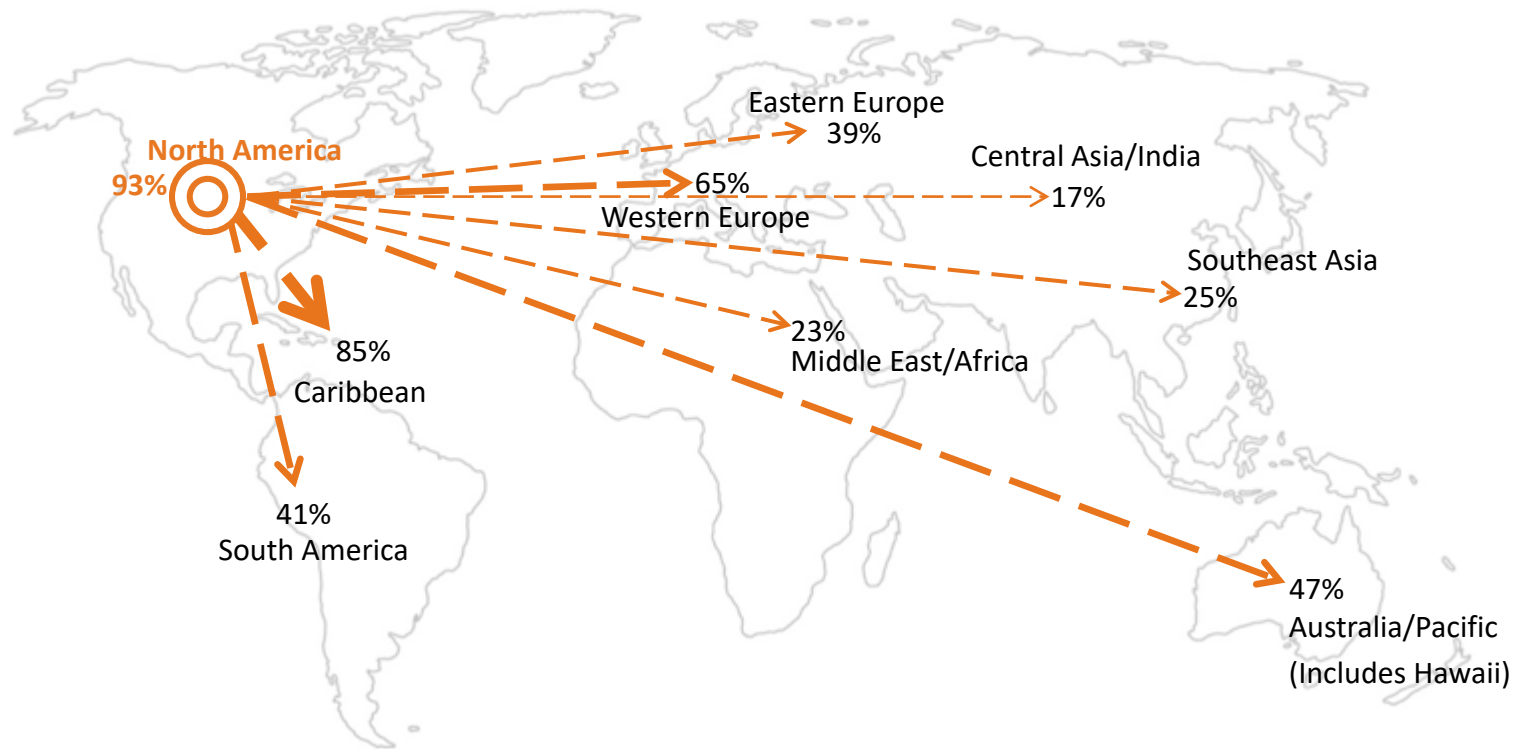
BL6. In the past year, what regions have you or your client(s) used most often as incentive travel destinations and did you or your client(s) use them more or less than in prior years?

* Small Sample 30 ≤ N < 100; # Insufficient sample N < 30

Regional Travel—North America - Buyers

- Among North American Buyers, the most used destinations outside their Region are the Caribbean (85%) and Western Europe (65%)

What regions have you used most often as incentive travel destinations
(Top Three Box - Used – 2015, 2016, 2017 and 2018 combined)

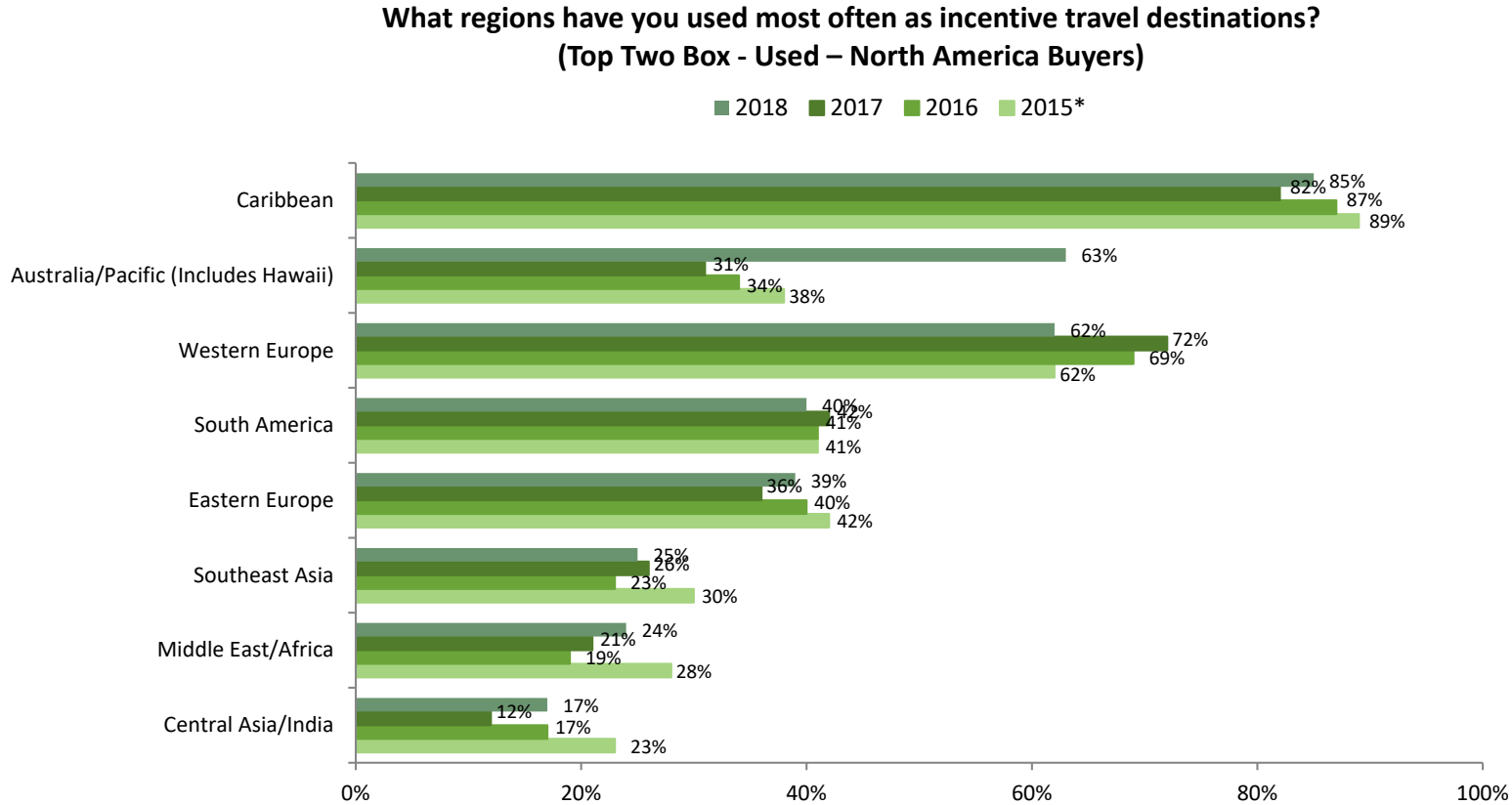


D4. In what country are you based for work?

BL6. In the past year, what regions have you or your client(s) used most often as incentive travel destinations and did you or your client(s) use them more or less than in prior years?

Regional Travel—North America - Buyers

- Among North American Buyers, the Caribbean is the most used region
- In 2018, Western Europe decreases



D4. In what country are you based for work?

BL6. In the past year, what regions have you or your client(s) used most often as incentive travel destinations and did you or your client(s) use them more or less than in prior years?

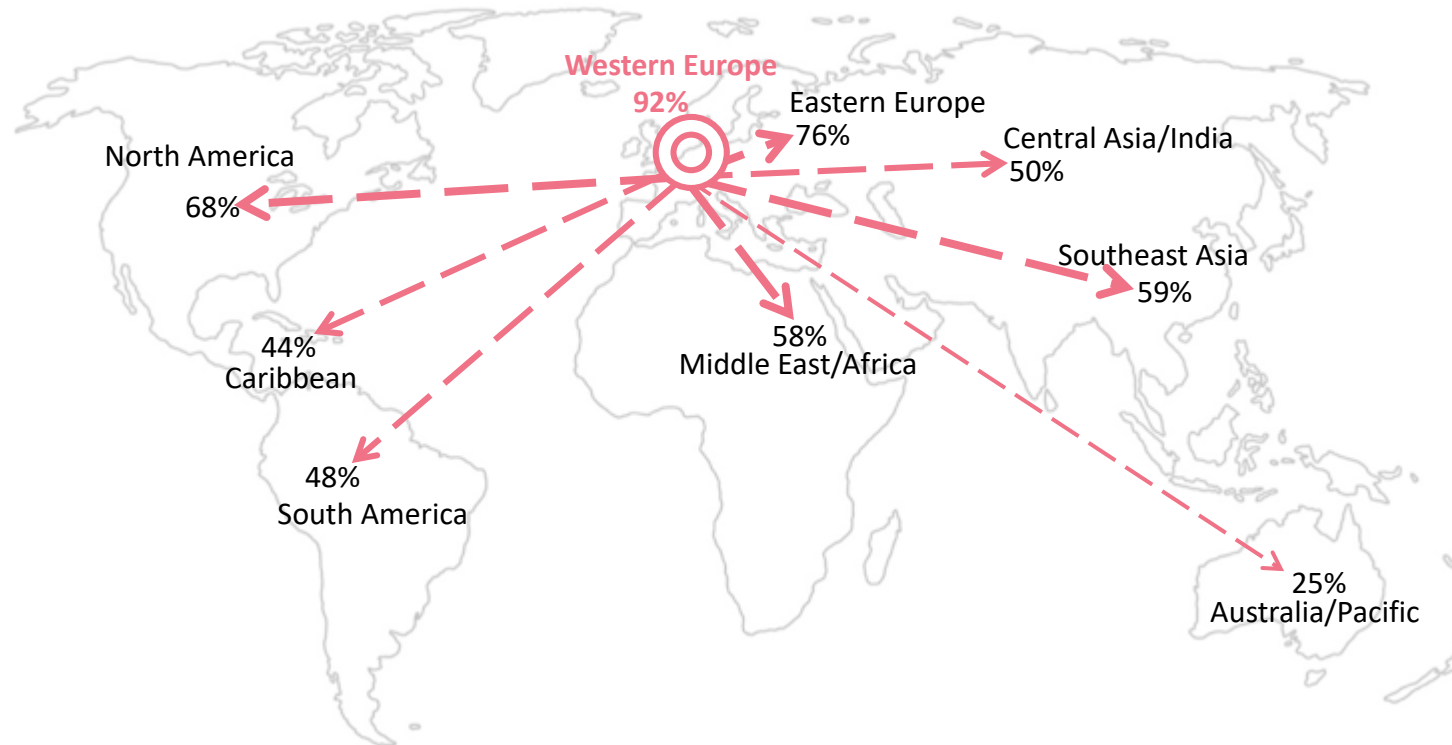
Note: Australia Pacific response in 2018 was rephrased from "Australia/Pacific" to "Australia Pacific including Hawaii". The data point is not directly comparable to 2017

* Small Sample 30<N<100

Regional Travel—Western Europe - Buyers

- Among Western European Buyers, the most used destinations outside their Region are Eastern Europe (76%) and North America (68%)

What regions have you used most often as incentive travel destinations
(Top Three Box - Used – 2015, 2016, 2017 and 2018 combined)



D4. In what country are you based for work?

BL6. In the past year, what regions have you or your client(s) used most often as incentive travel destinations and did you or your client(s) use them more or less than in prior years?

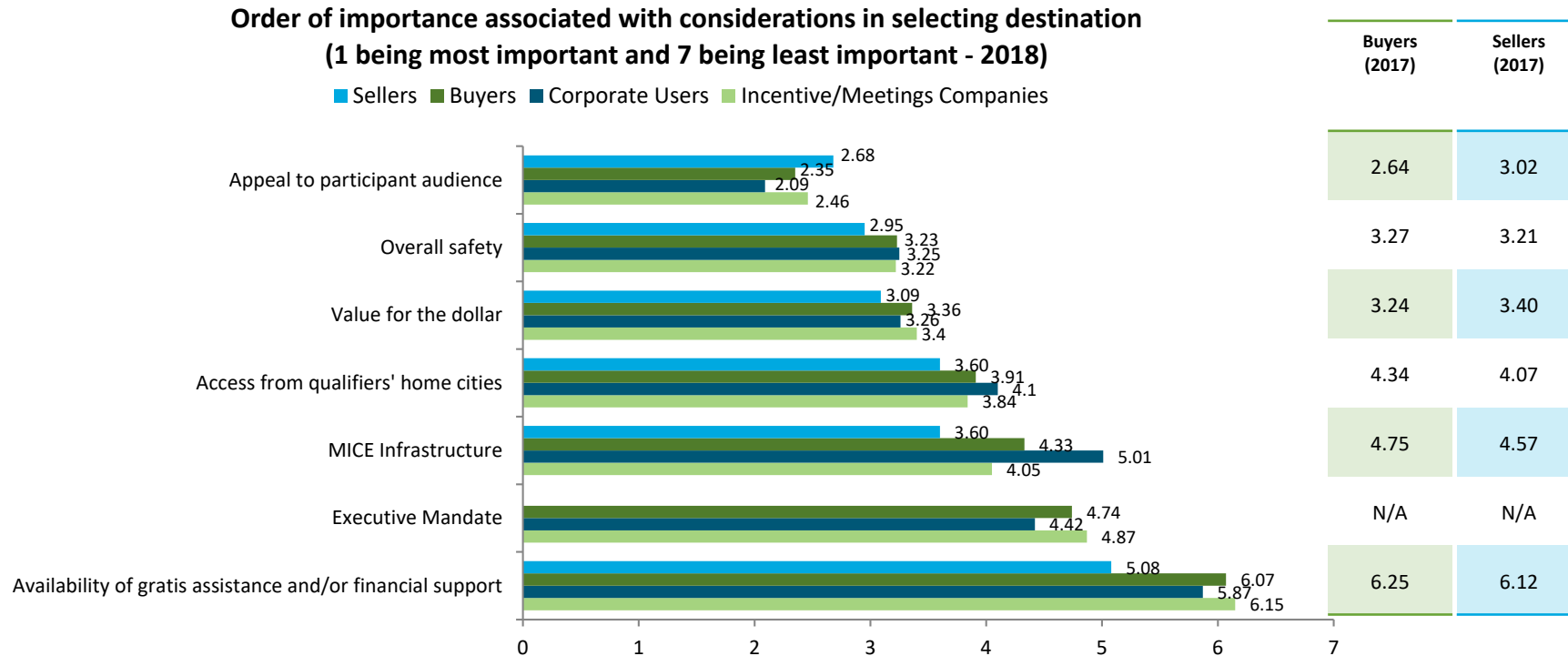
* Small Sample 30≤N<100



Destination Selection

Considerations in Selecting Destination - Buyers/Sellers

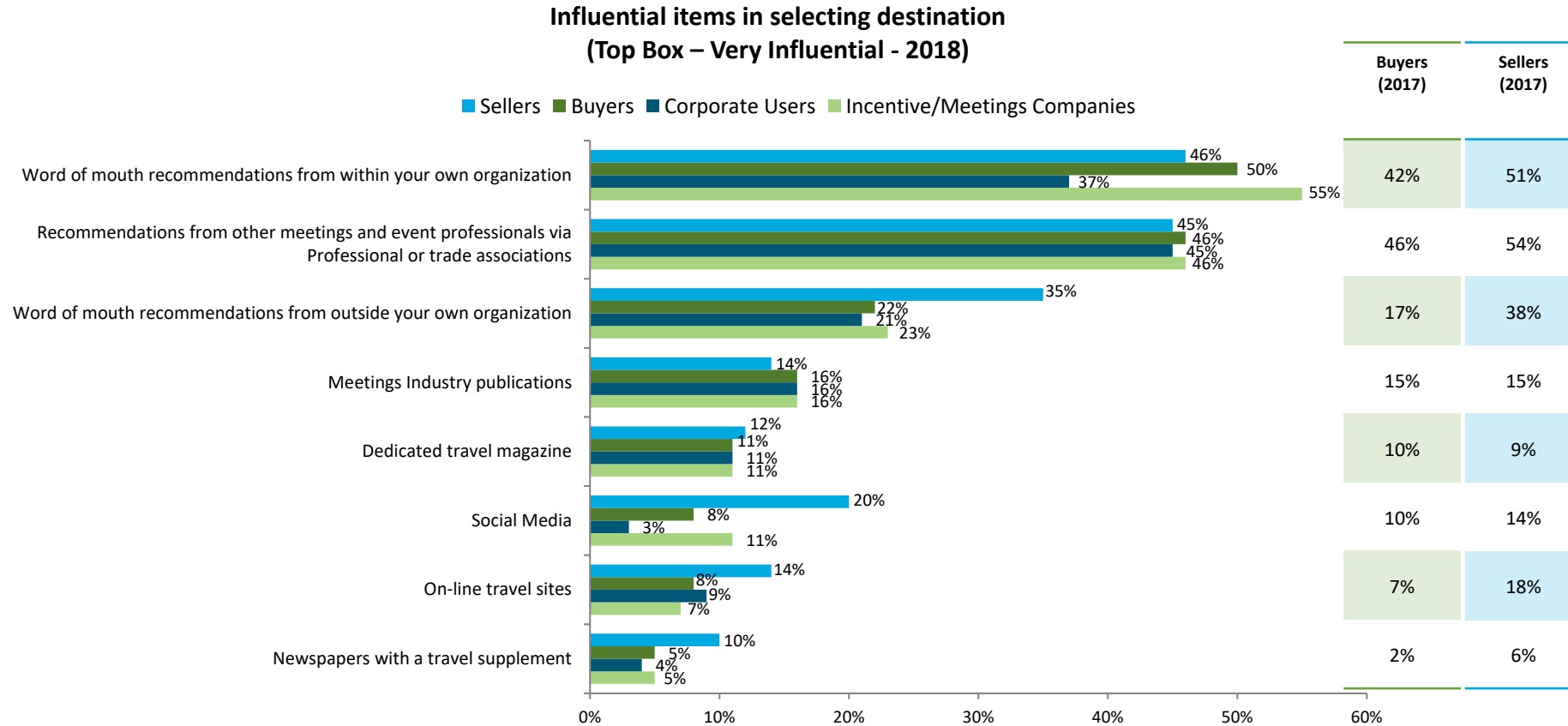
- In 2018, the top three considerations for choosing a destination remain the appeal to participant audience, the overall safety and the value for the dollar
- In 2018, appeal to participant audience, MICE infrastructure and access from qualifier home cities become more important
- Buyers give more importance to appeal to participant audience rather than Sellers



BDS1. Please rank the importance of the following considerations in selecting a destination for incentive travel programs. Rank them from 1 to 7 with 1 being the most important.
 SDS1. Please rank the importance of the following considerations in selecting a destination for incentive travel programs. Rank them from 1 to 7 with 1 being the most important.
 * Small Sample 30≤N<100

Influential Items in Selecting Destination - Buyers/Sellers

- The top three influential items in choosing a destination are word of mouth from within the organization, recommendations from trade associations, and word of mouth from outside the organization
- Word of mouth within the organization posts the largest increase (+8 pts vs. 2017) among Buyers



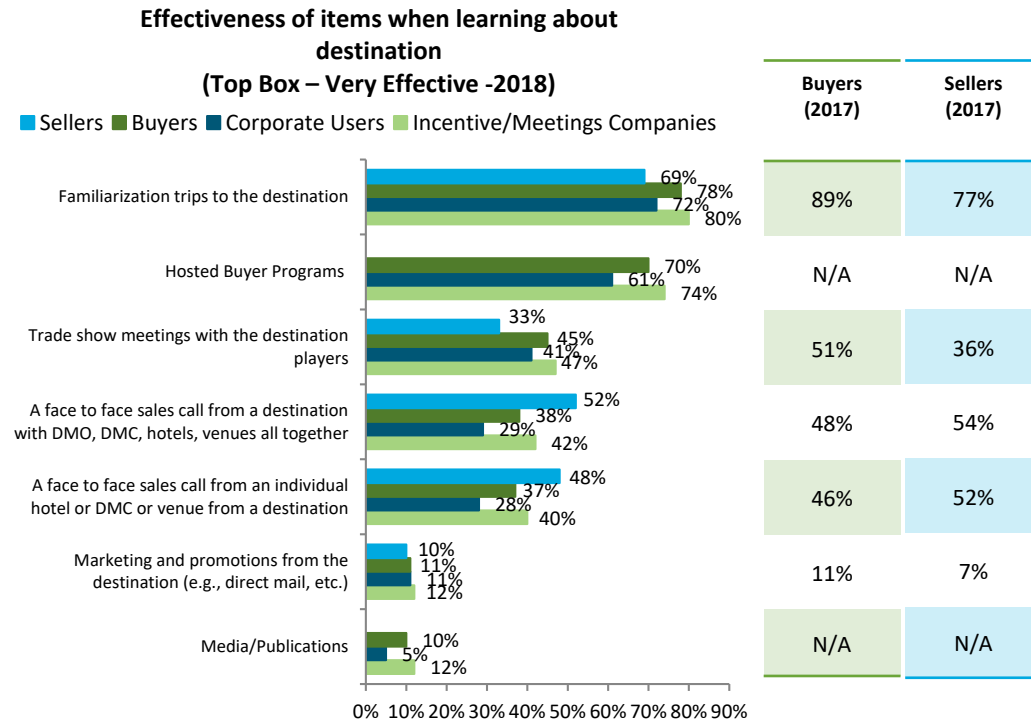
BDS2. When selecting a new destination for an incentive travel experience, how influential would you say are the following items?

SDS2. When selecting a new destination for an incentive travel experience, how influential would you say are the following items?

* Small Sample 30 ≤ N < 100

Effectiveness of Items when Learning about Destination - Buyers/Sellers

- Familiarization trips to the destination remains the most effective way to learn about a destination though fewer Buyers and Sellers say it is very effective compared to 2017
- Incentive/Meeting Companies generally rate effectiveness of items higher than Corporate Users
- In 2018, cultural/sightseeing experiences followed by dining and team building remain the most important activities for a good incentive programs



BDS3. When learning about new destinations for incentive travel experiences, how effective would you say are the following items?

SDS3. When learning about new destinations for incentive travel experiences, how effective would you say are the following items?

SDS4. Rank the activities you would consider important for a good incentive program from 1 to 6, with 1 being the most important

* Small Sample 30 ≤ N < 100



INCREASE IN USE OF “ALL-INCLUSIVE” DESTINATIONS

- The number of Buyers taking steps to reduce costs has been increasing every year, moving from 73% in 2015 to 78% in 2016, 80% in 2017 and 82% in 2018
- Use of all inclusive destinations much more pronounced amongst Incentive Houses (48% are doing it) than corporate end users (26% are doing it)





WELLNESS IS THE NEW GOLF

- When asked about “inclusions” in incentive travel programs, 86% of buyers highlighted Wellness (Yoga, Healthy meals etc.)
- Wellness (86%) trumps CSR (74%)
- CSR falling out of favor particularly with Corporate Buyers (down from 94% in 2017 to 73% in 2018)



KEY TAKEAWAYS ...

The 5 key take-aways are:

1. Budgets for 2018 are up
2. More qualifiers than ever
3. Incentive as builder of workplace culture
4. Increase in use of All Inclusive Destinations
5. Wellness is the new golf





INCENTIVE TRAVEL : KEY TAKEWAYS

- High yield segment
 - average of US\$ 2,000 for delegate
 - average US\$ 5,000 – US\$ 8,000 for incentive
- The Exceptional Deserve (and expect) the Unforgettable
- Does not require massive infrastructure but a WOW factor
- Everyone in the destination must understand the difference between Incentive Travel, Group Travel and FIT travel
- Requires different competencies, with different certifications: CMP, CMM, CIS, CIS, CITP, CEM



GOYANG & MICE

GOYANG
Convention & Visitors Bureau



**GOYANG
DESTINATION
WEEK 2019**
2019 고양 데스티네이션 위크



UNIQUE & MEMORABLE

- A Private Reception at the Louvre.
- Breakfast overlooking the Taj Mahal.
- Cocktails in the Cabinet War Rooms, with Churchill!
- A Cocktail Party on the Great Wall.
- Exclusive takeover of the USS Missouri (the ship on which the USA accepted the Japanese surrender).
- Home Cooked Dinners in Local Homes.
- Farm to Table meals



WHAT MAKES A GREAT INCENTIVE TRAVEL DESTINATION ?

- ✓ WOW Factor
- ✓ Easy Air Access
- ✓ Incentive Quality Hotels
- ✓ Unique experiences
- ✓ Strong DMC's
- ✓ A wide variety of offerings
- ✓ Understanding of the unique features of Incentive Travel



GOYANG: NEXT STEPS....

- Emerging destinations need to adopt best practices from around the world.
- Explore your Positioning as a destination
- Create and share powerful material
- Get all local stakeholders on the same page
- Market is competitive
- Understand that different markets require different messages – adapt your communication
- Fam trips and events are very effective ways to showcase a destination.
- Attend global events like IMEX and IBTM World – be visible
- Stakeholder training is also essential.



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