

THE REWARDS OF INCENTIVE TRAVEL

Why give top performers cash when a memorable adventure away can deliver twice the benefit for half the cost? Little wonder corporate experiential travel is on the rise, writes Joanna Tovia.

Rewarding top-performing employees with a cash bonus is an expensive way to do business, with the latest research revealing that it's not nearly as effective as a non-monetary reward such as a great getaway. An unforgettable trip that delivers a novel or meaningful experience is where it really pays off, for both the team participating and the company footing the bill.

Director of Travel & Sports Australia, Paul Ramsay, says incentive travel is increasing year on year as companies seek to take staff away from their normal day-to-day environment to a destination that rewards their performance.

"They are focused on doing more experiential activities on trips because they tend to get more value out of them; they find people are more engaged," Ramsay explains. "It's not just taking a heap of people away and getting on the booze anymore."

Travel & Sports Australia focuses on end-to-end experiential sporting events

and sets up an online registration and social platform for participants six months ahead of departure. Sporting events are as popular as ever, but other activities are now being woven in. A trip to the Australian Open doesn't just involve watching the tennis, for example, but also activities before and during the event ranging from cooking lessons to handball competitions. "Tennis Australia now has a great precinct around the stadium so it's a destination that's not just about the tennis," Ramsay explains.

Corporate cruising is less in demand than it was, Ramsay says, but "personal development travel" is on the rise. "We're seeing companies focus more on the individual, in that they want to see them grow as people and they're more conscious of their wellbeing."

Companies are also seeking to give valuable employees once-in-a-lifetime experiences that encourage ongoing loyalty. Corporate trips to the Singapore Formula One Grand Prix are "through the roof", Ramsay says, but recent trips have also included taking a group to Paris and then Monte Carlo to play golf and taking 180 people to Barcelona to watch a soccer game before flying to New York to experience the baseball.



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01 The popular F1 Grand Prix
02 An all-American baseball game
03 A festive football match in Spain
04 Who doesn't love watching Federer?

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STEPS TO A SUCCESSFUL INCENTIVE TRAVEL TRIP

1.

Tie the earning and selection criteria for the reward to business objectives.

2.

Be clear and consistent in communications about the program and the progress participants are making toward goals.

3.

Build up a sense of anticipation about the trip throughout the year to keep employees motivated to achieve their objectives.

4.

Design the program to include a desirable destination, interactive sessions and leisure time, to add to the overall excitement.

5.

Have executives and key managers act as hosts to reinforce the company's commitment to the reward program.

6.

Keep detailed records that prove the productivity of the earners and their contributions to the company's financial performance.

7.

Incorporate networking opportunities for top performers on the trip to build relationships with other top performers and key management.

8.

Encourage top performers and management to collaborate on the trip about best practices and ideas.

9.

Ensure the trip motivates earners to continue to perform well into the future.

Source: Incentive Research Foundation

"When you're watching a premium game, such as an English Premier League game or an NBL game in America, or if you go to the AFL Grand Final, everything disappears and you're pretty equal to the person sitting next to you. You could be a storeperson sitting next to the CEO of the company; all the barriers are broken down. Companies really like that."

As for costs, Ramsay says a budget of \$3000 - \$5000 per person will fund a corporate getaway within Australia. Expect to pay \$4000-\$6000 per person for a trip to Singapore, Vietnam or New Zealand, or \$6000-\$8000 to the UK and USA. "Around \$8000-\$12,000 per person will get you the bucketlist stuff like Wimbledon Tennis and the Super Bowl, with accommodation minus the flights."

As well as rewarding top performers, Ramsay says incentive travel gives the stakeholders of that company the opportunity to educate and reinforce the company's values, and to plan future goals together.

Business benefits

According to research by the Incentive Research Foundation, cash is the most expensive way to reward employees and travel is the most economical, with non-cash rewards delivering three times the revenue boost as cash. The research also found that well-designed and executed incentive travel programs can increase productivity by 18 per cent, and deliver a return on investment of 112 per cent.

Corporate incentive travel is following the wider trend of travellers preferring engaging experiences over sightseeing. As a result, companies are spending more on incentive travel, looking further afield for unforgettable experiences and planning further in advance.

Says Trasformativa Travel president Alison Frey, "Gen Xers and Millennials are now in the mix and they want an experiential trip, immersing themselves into the culture of a destination."

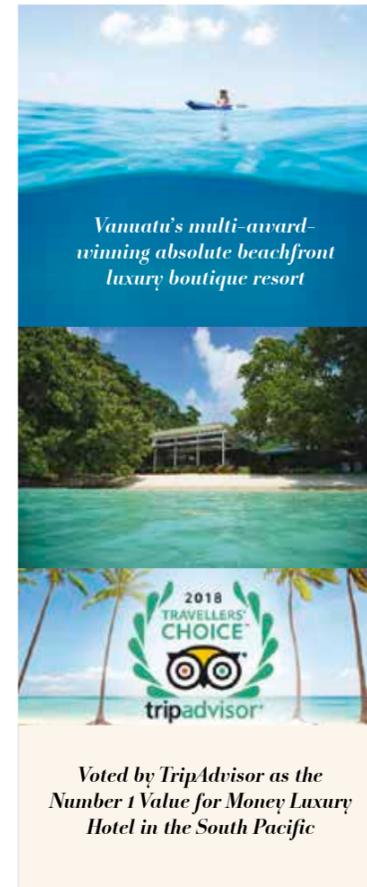
Whether your goal is to boost morale and reduce employee turnover, increase sales and profitability, or encourage consistently exceptional work, Frey says travel incentives can be more cost effective and offer greater value in terms of benefits to staff and the business itself. "Providing desirable and memorable

travel incentives is a great way to motivate and inspire employees," she says. "Shared experiences develop team dynamics, allow management and colleagues to build stronger relationships, and offer a relaxed atmosphere for honest discussion about the company. Even a short break can do wonders for the soul - and your business by extension."

Positive memories last well beyond the experience itself and are eternally linked to the company that made them happen. The rise of social media enables staff to promote a company's brand when they're away, and it pays to consider this when planning a trip.

The Incentive Research Foundation says at least 60 per cent of incentive travel participants use social media to communicate before, during or after their trip and there's a drive toward social, wearable, predictive and view-altering technologies as a result. What does this mean for companies? Provide access to drones, give employees GoPros, invest in virtual reality and let employees know which tags and hashtags to use when they post about their adventure on social media. ♦

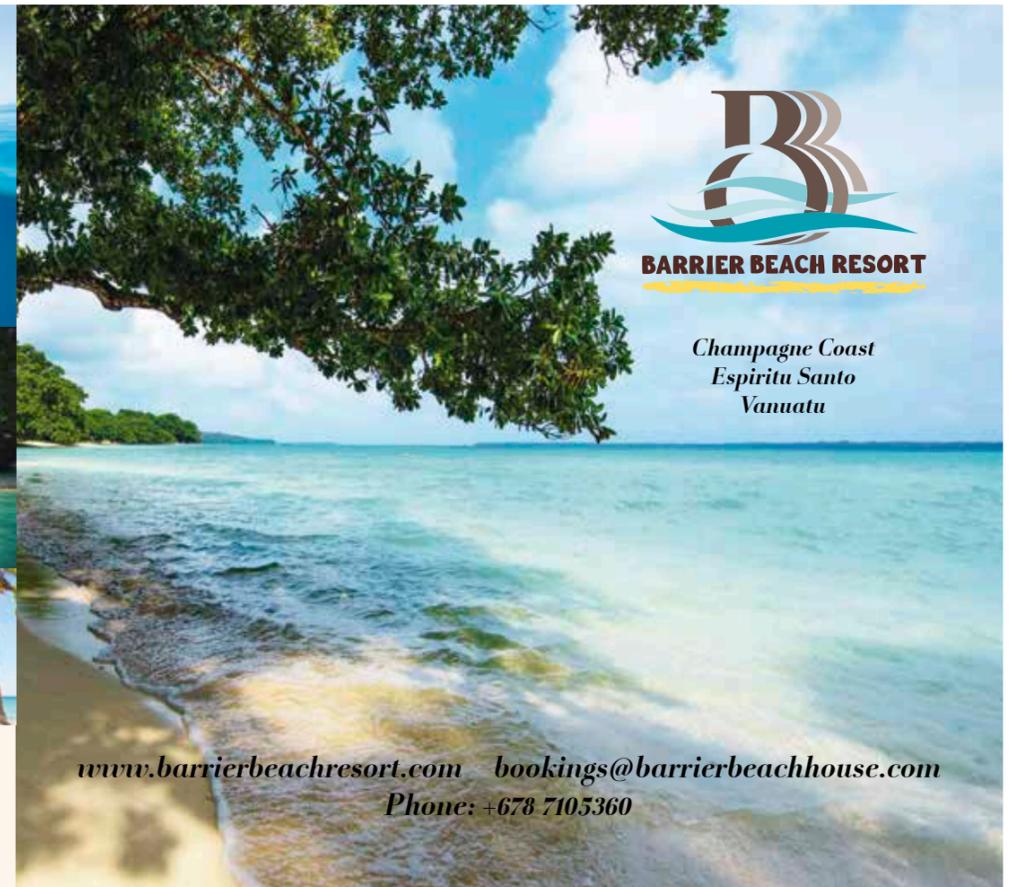
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