INCENTIVE TRAVEL INDEX

2024 Survey Highlights

October 2024

Incentive Research Foundation

site

In association with

OXFORD ECONOMICS

Incentive Travel Index

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Foreword

This is the seventh year of the collaboration between 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 2024 online survey, fielded globally from May to July 2024, 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)

Over 2,800 incentive travel industry professionals, representing 19 industry verticals, and 85 countries, participated in the survey.

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

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1 Executive Summary

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INCENTIVE TRAVEL INDEX – 2024 SURVEY HIGHLIGHTS

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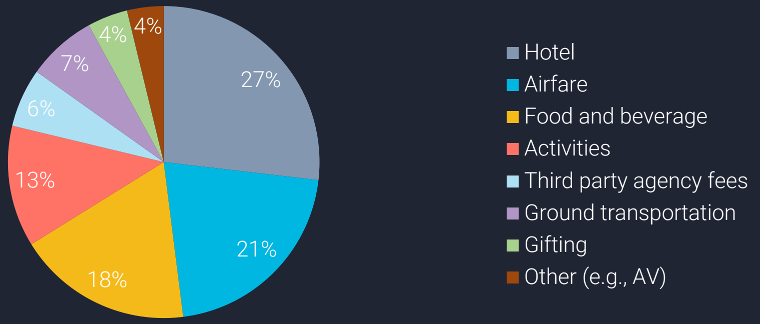
Growth, Budgets, and Spending

Average share of program budget allocation in 2025



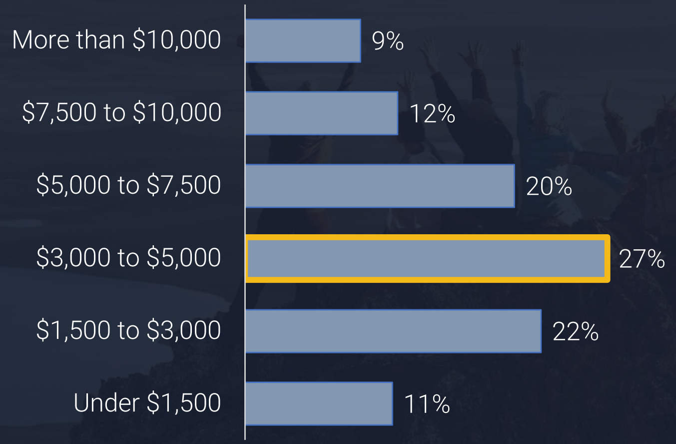
Top areas driving program cost increases
(Share of buyers who see an increase or large increase)

1 **50%** **Hotel**

2 **47%** **Airfare**

3 **45%** **Food & Beverage**

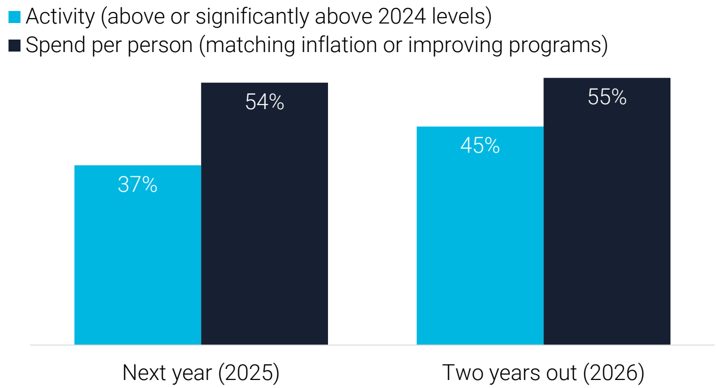
Incentive travel spend per person for buyers
(Spend per person range)



$4,900
Average incentive program cost per person

27%
Share of incentive travel activity at $3,000 to $5,000 (the most frequently cited range)

Expectations of activity and spend per person
(Share of buyers expecting activity and spend per person above 2024 levels)



By 2026, 45% of buyers expect incentive travel activity to be above or significantly above 2024 levels, with 55% expecting spending increases to match inflation or improve programs.

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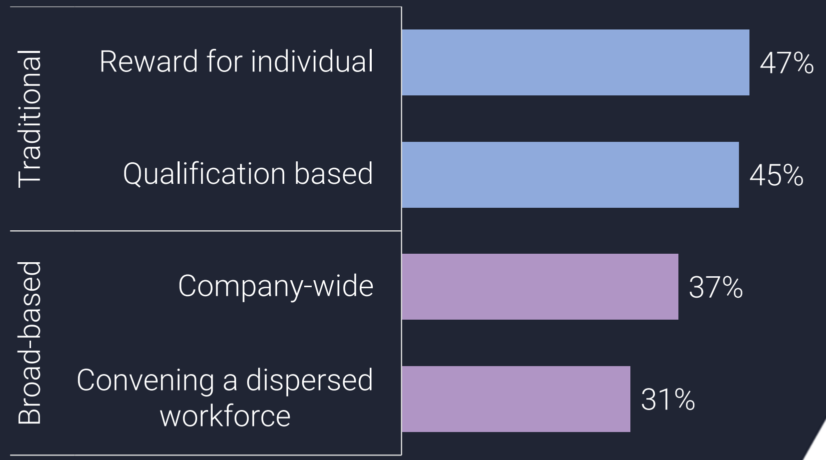
Program Inclusion and Design

Traditional forms of program qualification will continue to be the most frequently used, although company-wide programs are increasing in relevance.

54%
Buyers agree there will be more use of tiers within incentive travel programs

Changing program qualifications
(Share of buyers that agree to more use)



Changing program considerations

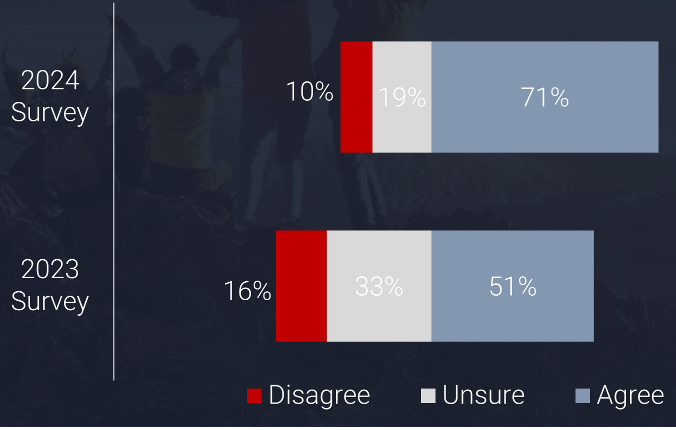
Share of buyers seeing increased importance in program consideration:

73%
Perceived as safe from a personal safety perspective

72%
Cost of incentive program

71%
Perceived as safe from a geopolitical risk perspective

Political considerations will override other considerations



Main activities key to a successful program

Share of respondents by region:

	Free time	Group dining experiences	Group cultural/ sightseeing experiences
North America	**65%**	43%	47%
Western Europe	38%	**60%**	49%
APAC	19%	53%	**57%**
Rest of World	28%	**55%**	**55%**

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Evolving Purpose of Incentive Travel

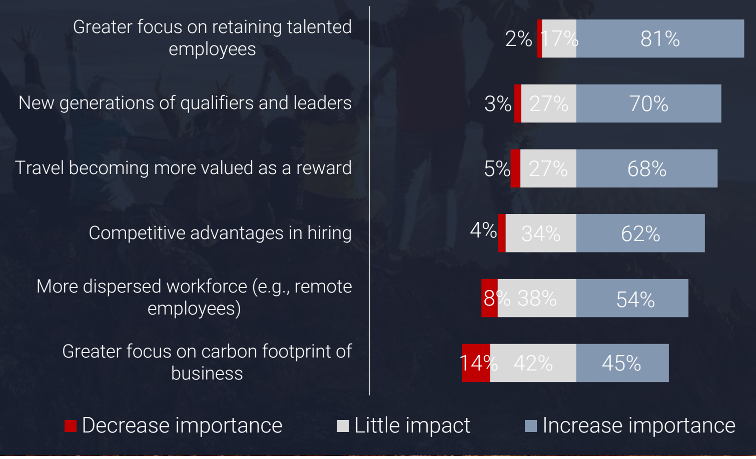
Senior leadership wants incentive travel to do more, meaning that both soft-power and hard-power themes are being emphasized.

58%
Senior managers seeing incentive travel playing a more distinct role in motivation and culture building

40%
Senior managers managing incentive travel programs more for financial ROI

The strategic importance of incentive travel is being bolstered by key workplace trends. Retaining talented employees (81%) and competitive advantages in hiring (62%) are cited often as increasing in importance, as well as more recent trends such as new generations of qualifiers and leaders (70%) and a more dispersed workforce (54%).

Strategic importance of incentive travel
(Share of respondents)



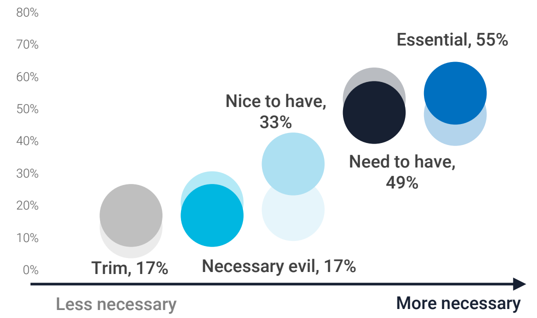
Many rewards now feel "deserved"

41%
Senior managers agree that many rewards today are perceived as "deserved" and therefore lack the motivation and culture building that's possible through incentive travel

Senior Management Opinions

Many end-user companies have senior leadership that now view incentive travel as 'essential' (55%) and are focused on both ROI and company culture (43%).

Senior management view on incentive travel
(Share of end-users, previous year survey in lighter shade)



Senior management approach to incentive travel
(Share of buyers, multiple answers allowed)

43% **Focused on maximizing ROI**

43% **Want more company culture and engagement benefits**

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Future of Incentive Travel

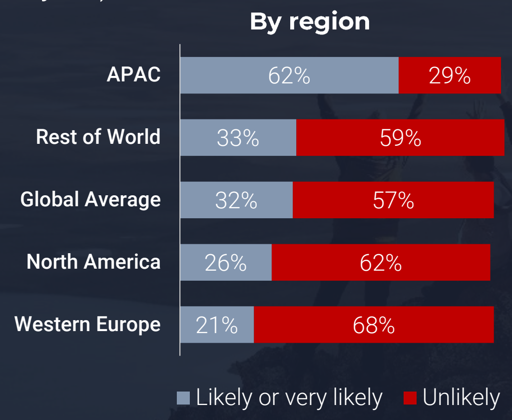
Most respondents believe AI will be used effectively within incentive travel

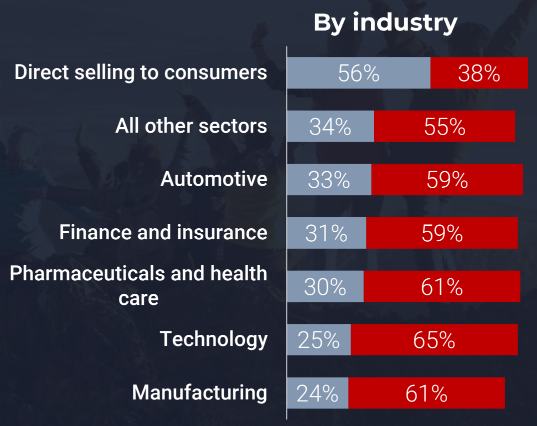
63%
AI will soon be used (or is already being used) effectively within incentive travel

How AI will be used
(Share of respondents believing AI will be effectively used)

What is preventing AI use
(Share of respondents believing AI will not be effectively used)

View on travel participants arranging their own travel in the future
(Share of buyers)





Participants are unlikely to arrange their own travel in the future

Change is coming, and it may upend tradition.

67%
Agree that younger generations of qualifiers will cause a powerful “retool” of incentive travel

1-in-10
Believe that museums, old churches, and ancient buildings have no place in modern incentive travel planning

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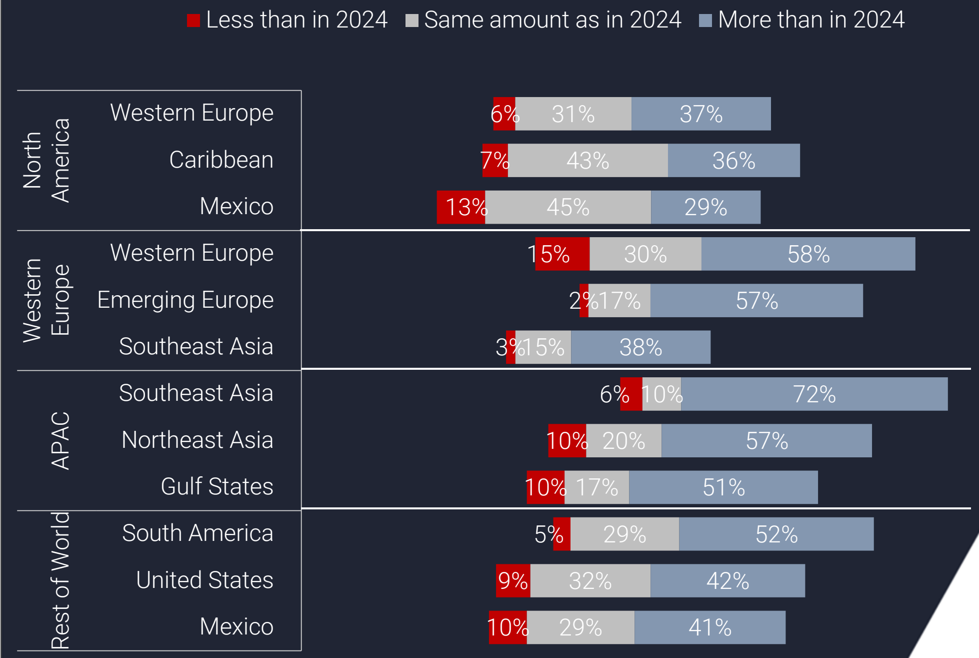
Destination Selection

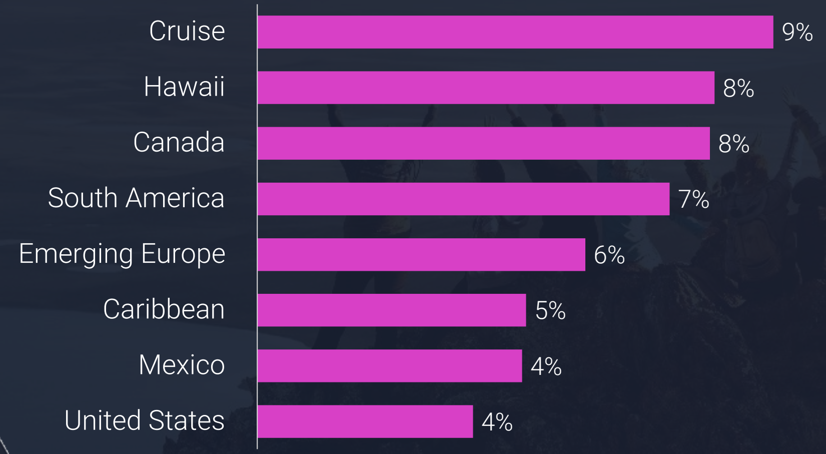
Across regions, buyers expect to increase incentive travel to destinations that are within closer proximity, while considering destinations not used before.

Top planned destination use across regions
(Share of buyers for top three increase usage areas)



Percentage of respondents planning to use each destination

Change in willingness to consider new destinations
(Share of buyers willing to consider minus the share not willing to consider)



Top reasons for selecting a cruise:

Multiple ports of call

Budget

Changing Destination Types

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

Share of buyers expecting increasing use in the future

70% New destinations

42% All-inclusive resorts

40% Shorter distance

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Challenges and Channel Dynamics

Incentive travel professionals face short- and long-run challenges, with inflation cited the most. Some challenges that are less prevalent in the short-run are expected to grow in the future, such as climate change and an increased focus on sustainability.

Future challenges

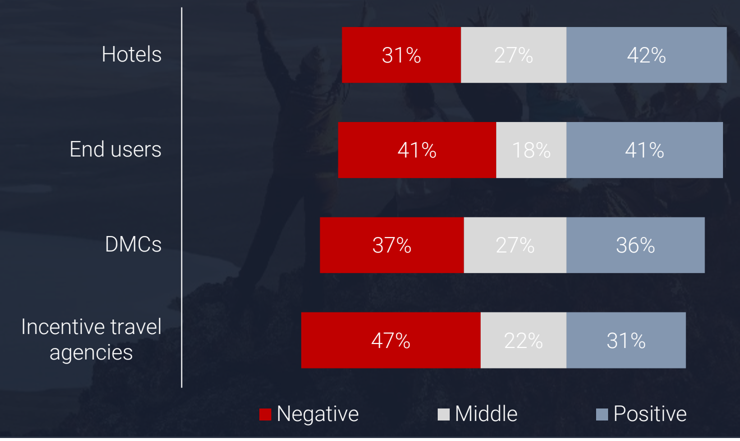
(Share of respondents)

	Short-run	Long-run
Rising costs / inflation	38%	37%
Attracting and retaining talent	30%	37%
International instability	18%	23%
How to effectively leverage AI	18%	24%
Increased focus on sustainability	13%	23%
Climate change	7%	22%

Agencies see challenges, as suppliers such as hotels, are more positive.

Relationship between buyers and suppliers, by role

(Share of respondents)



48%
View the relationship between buyers and suppliers as complex

Future risks to incentive travel

41%
Agree that incentive travel design is lagging in an era of generational change

18%
Agree that in a few years, long-haul incentives will no longer be justifiable in the context of climate change

Support from DMOs

45%
Say that assistance with venues and DMCs is the most useful support from DMOs

40%
Say that destination expertise is the most useful support from DMOs

2 Introduction

A global survey to understand incentive travel

Buyers

- Incentive travel end-users
- Incentive travel agencies

Sellers

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

2,852
total survey respondents

1,298
complete survey responses

1,189
buyers across 19 industries

85
countries represented by survey respondents

May to July 2024
online survey period

Terms

- Incentive travel corporate program owner (e.g., end-user)
- Incentive travel agency (e.g., incentive house, third party planner, independent planner or other intermediary)
- Destination management company (e.g., DMC coordinating local on-site 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)

The survey reflects incentive travel buyers and sellers

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 sellers (58%) and buyers (42%).

Buyers include:

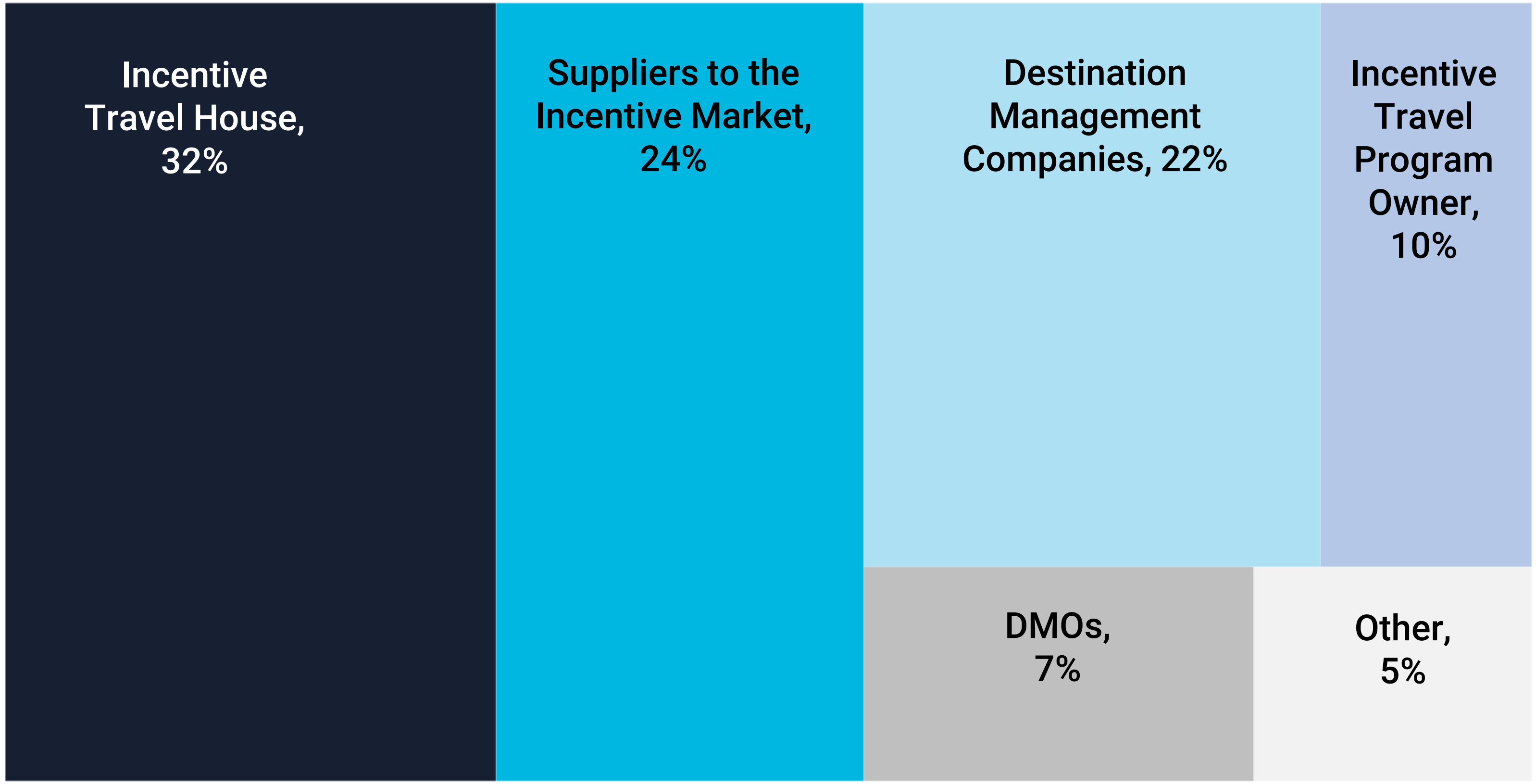
- **Incentive travel house** organizing events on behalf of client organizations
- **Incentive travel program owner** sponsoring events on behalf of their organization

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 = 2,852 respondents

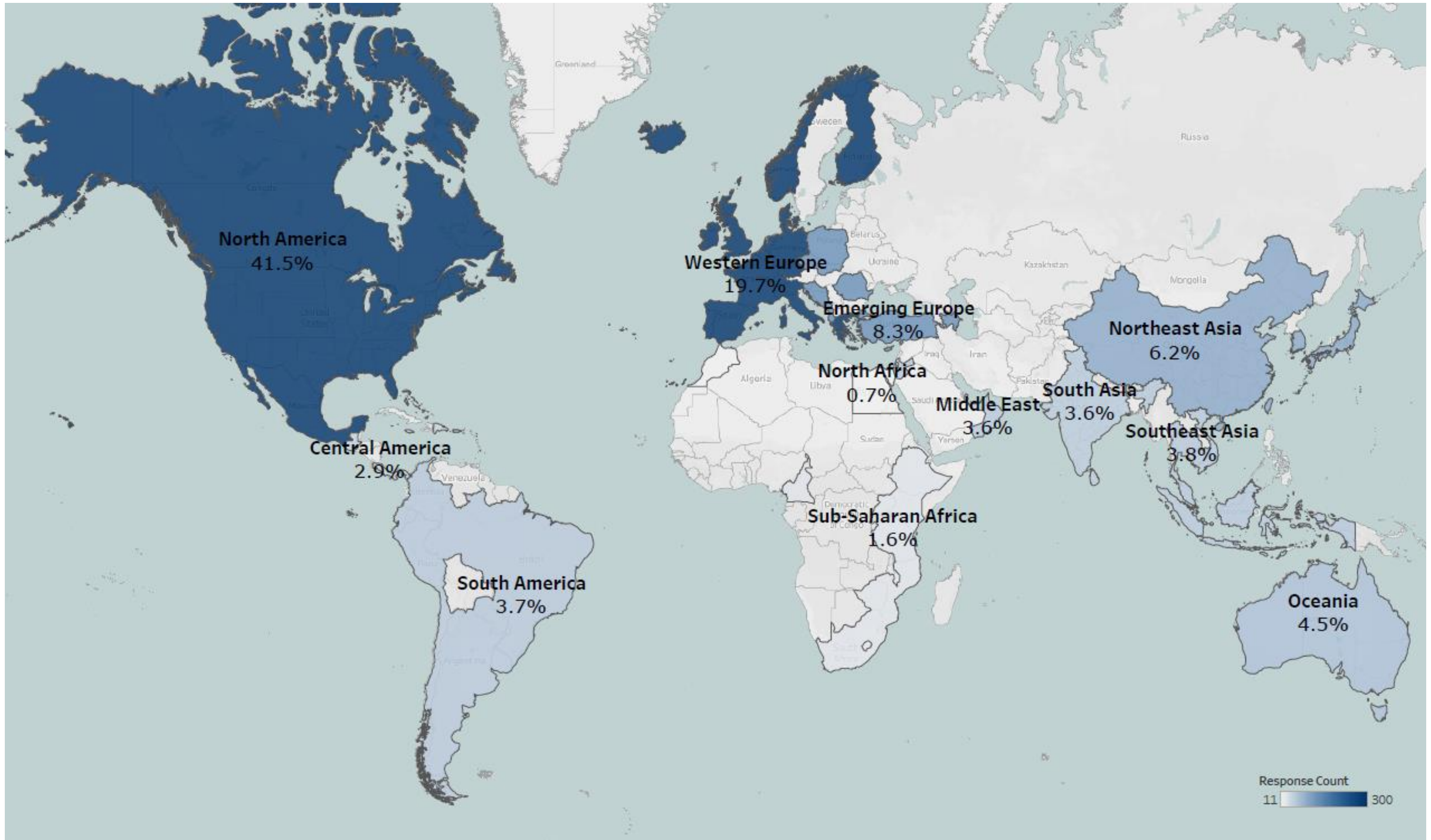
Balanced respondent base provides global perspective

Global response base with strong representation of North America

In total, 42% of respondents are based in North America. The share of respondents from Western Europe is 20%, with 18% from Asia-Pacific (APAC). The Rest of the World made up the remainder of respondents (20%).

Location

(Share of respondents)



M1. Where is the organization for which you work based?
Response base: n = 1,595 respondents

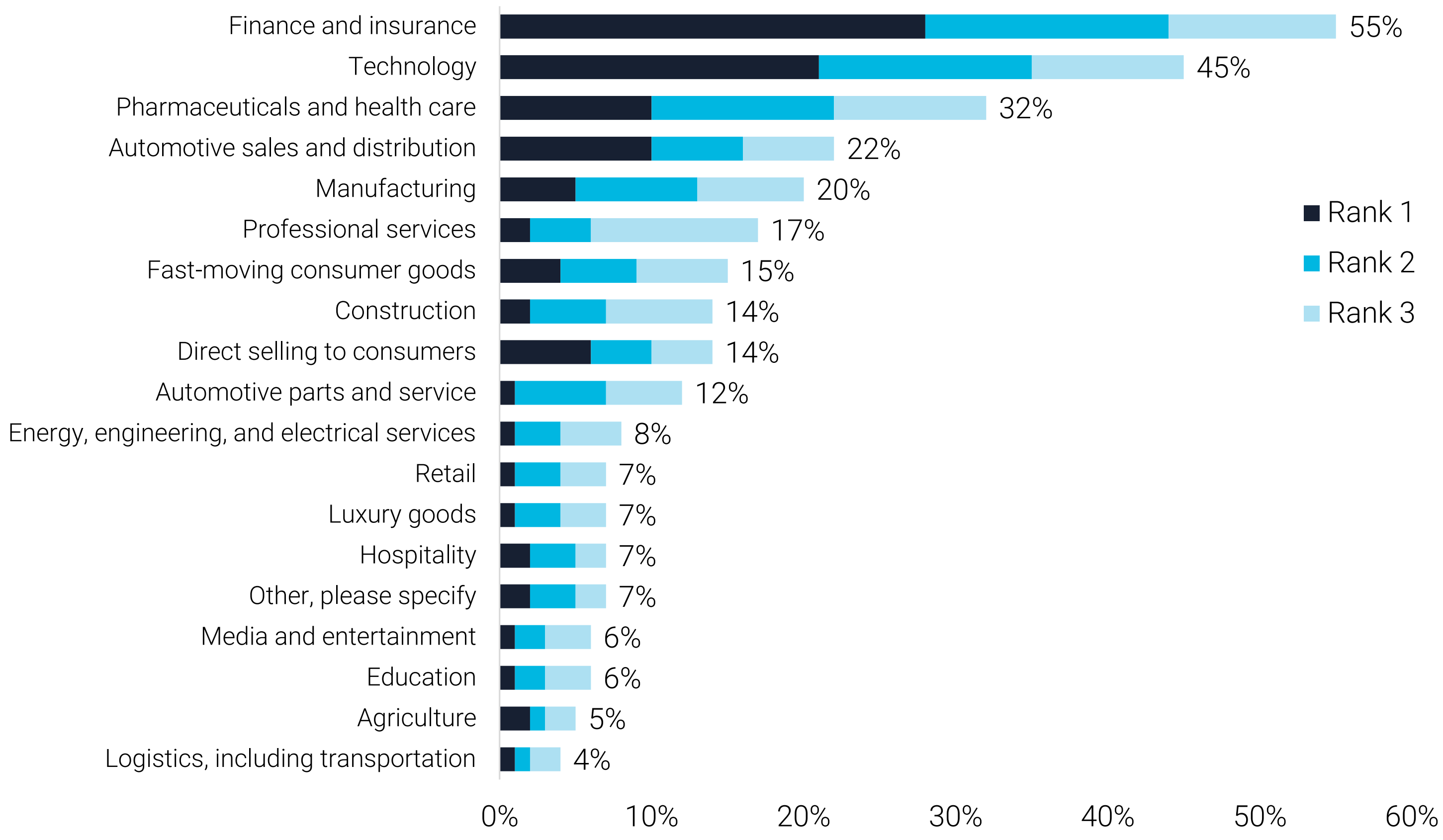
Finance, insurance, and tech top the industries served

Finance and insurance is a primary industry for incentive travel programs

Finance and insurance is the most important industry (rank 1) for 28% of buyers and 55% of buyers rank the industry in their top three 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 = 521 respondents

3 Growth, Budgets, and Spending

Hotel and airfare account for nearly half of program budget

Hotel, airfare and F&B top incentive budgets

The largest expense expected in 2025 for incentive travel programs is on hotels, which should represent 27% of total budget allocation (up from 25% in 2024). Airfare will comprise 22%, followed by food and beverage spending (18%), and activities (13%).

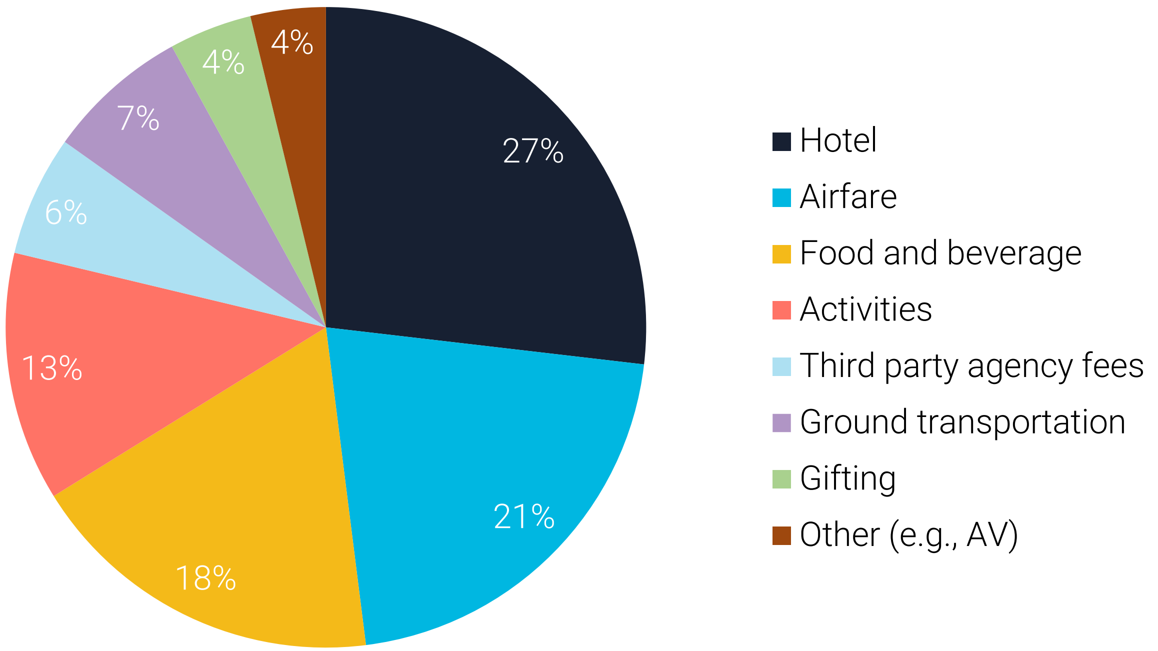
Meanwhile, third party agency fees should see its share decline by three percentage points to 6% (from 9% in 2024) – the largest percentage point decline by category from the prior survey.

48%

Share of budget spent on hotel accommodation and airfare

Average program budget allocation in 2025

(Spending category share of total budget allocation)



G4. What is the average program budget allocation of programs next year (2025)?
Response base (buyers): n = 596 respondents

Hotel plus airfare share highest for APAC buyers

Budget allocation slightly differs by region

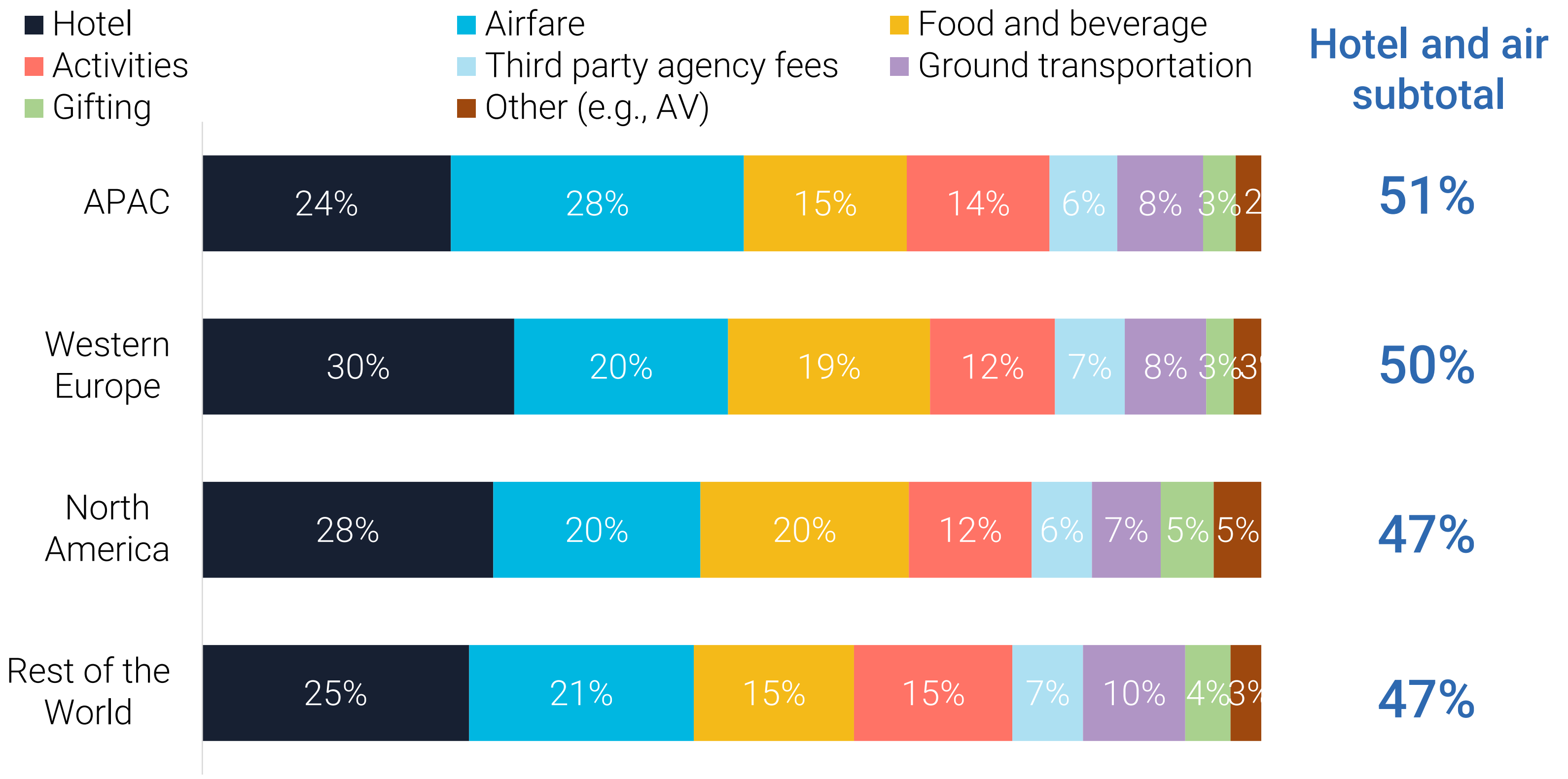
While buyers in North America, Western Europe, and Rest of World see the highest budget allocation in hotels, APAC (Asia-Pacific) witnesses the greatest allocation in airfare costs.

Spending share on hotels is highest in Western Europe at 30% of the total 2025 budget (versus 27% in 2024), while spending share on airfare is highest for APAC at 28% (versus 25% in 2024).

For these top two spending categories, APAC respondents see the largest contribution among regions at 51%.

Average program budget allocation in 2025, by region

(Spending category share of total budget allocation)



G4. What is the average program budget allocation of programs next year (2025)?
Response base (buyers): n = 596 respondents

Hotel price increases in 2025 are expected by half of all buyers

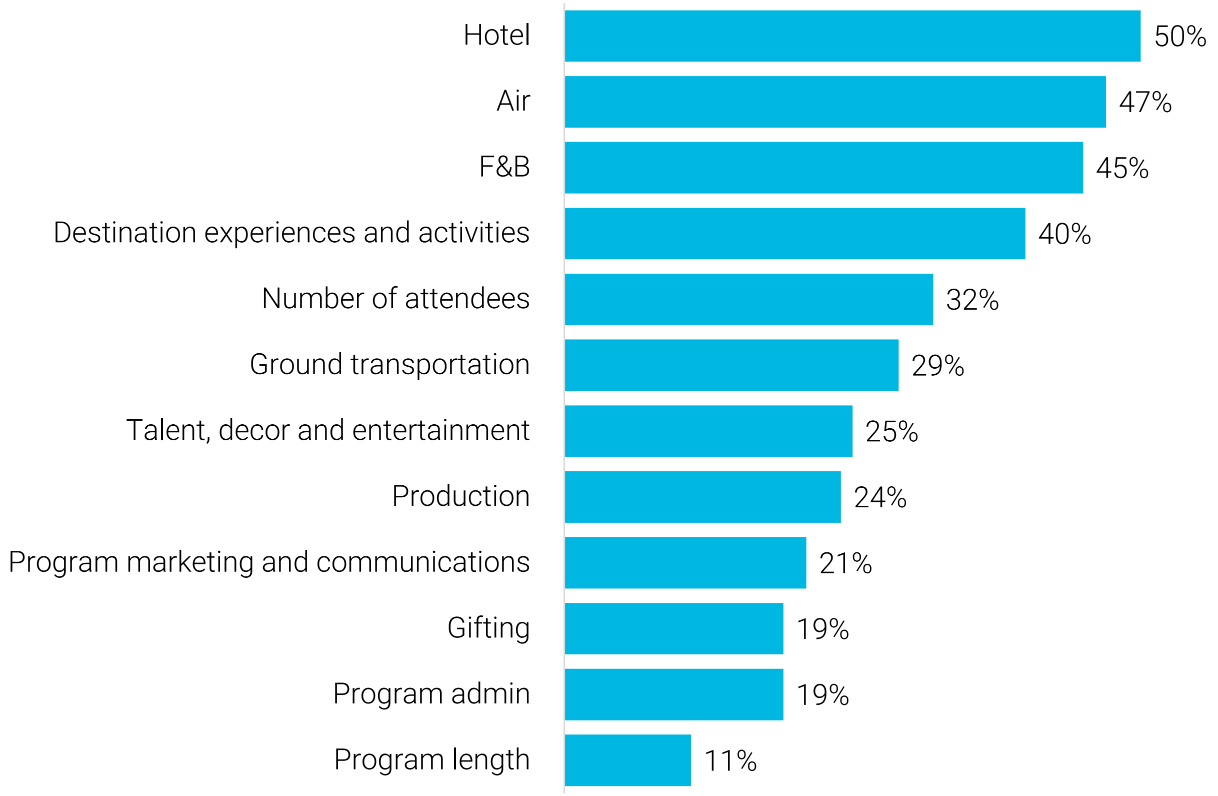
Increases expected in key budget drivers

Half of all buyers expect spending on hotels to increase by 2025; followed by increases to air, food and beverages, and then activities.

An increase in the number of attendees in 2025 is expected to drive budget changes among 32% of buyers.

Changes in key budget drivers

(Share of buyers who see an increase or large increase)



G5.How will key budget drivers change next year (2025)?
Response base (buyers): n = 713 respondents

Many buyers expect growth in activity and per person spend

Many buyers anticipate growth in incentive travel activity and per person spend over the next two years

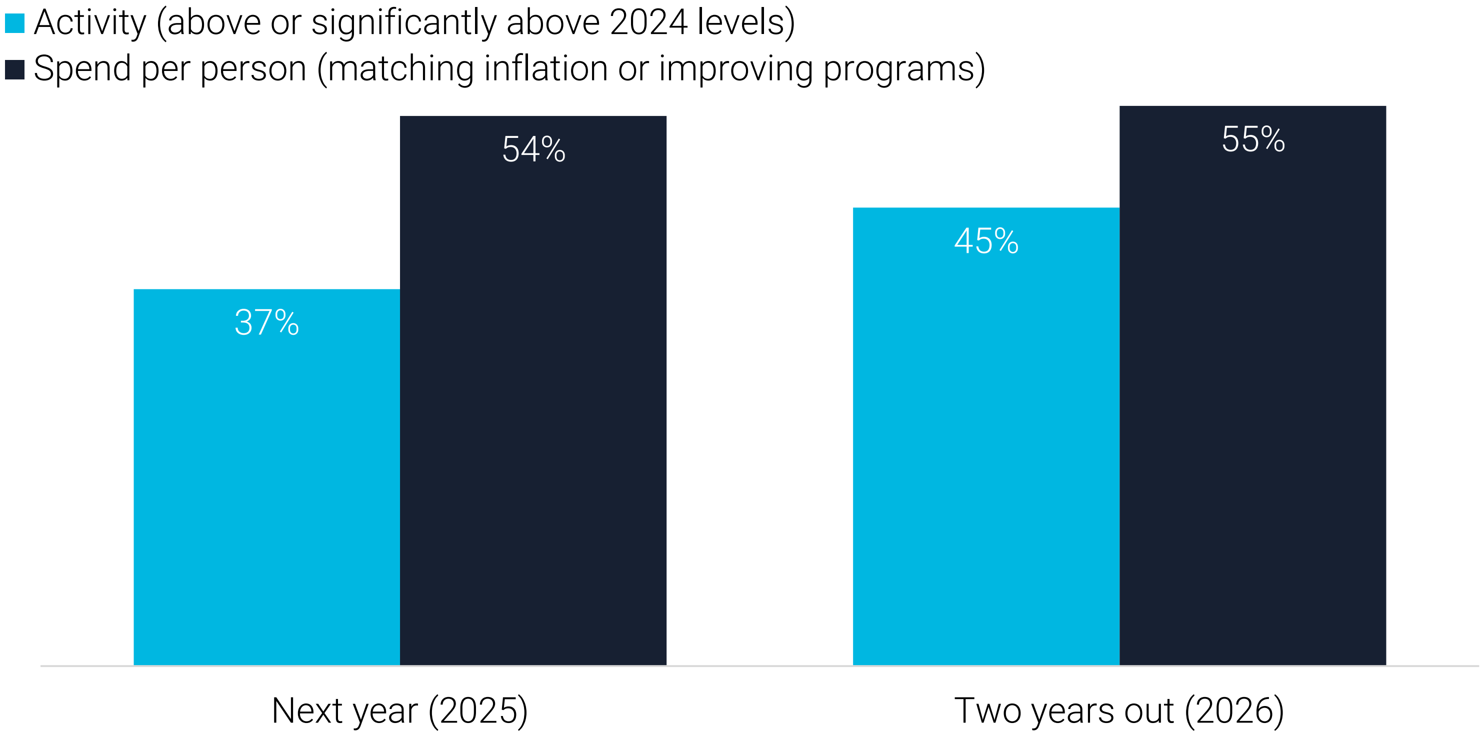
The incentive travel industry is expected to expand further in the coming years, as many buyers expect activity and per person spending above 2024 levels over the next two years.

By 2026, 45% of buyers expect incentive travel activity to be above or significantly above 2024 levels, with 55% expecting spending increases to match inflation or improve programs.

G1a. Level of incentive travel activity compared to 2024, in terms of the number of people (qualifiers, guests, and other participants)?
Response base (buyers): n = 1,045 respondents

G9a. Level of spending per person compared to 2024?
Response base (buyers): n = 839 respondents

Expectations of activity and spend per person
(Share of buyers expecting activity and spend per person above 2024 levels)



Number of participants: Suppliers more optimistic than buyers

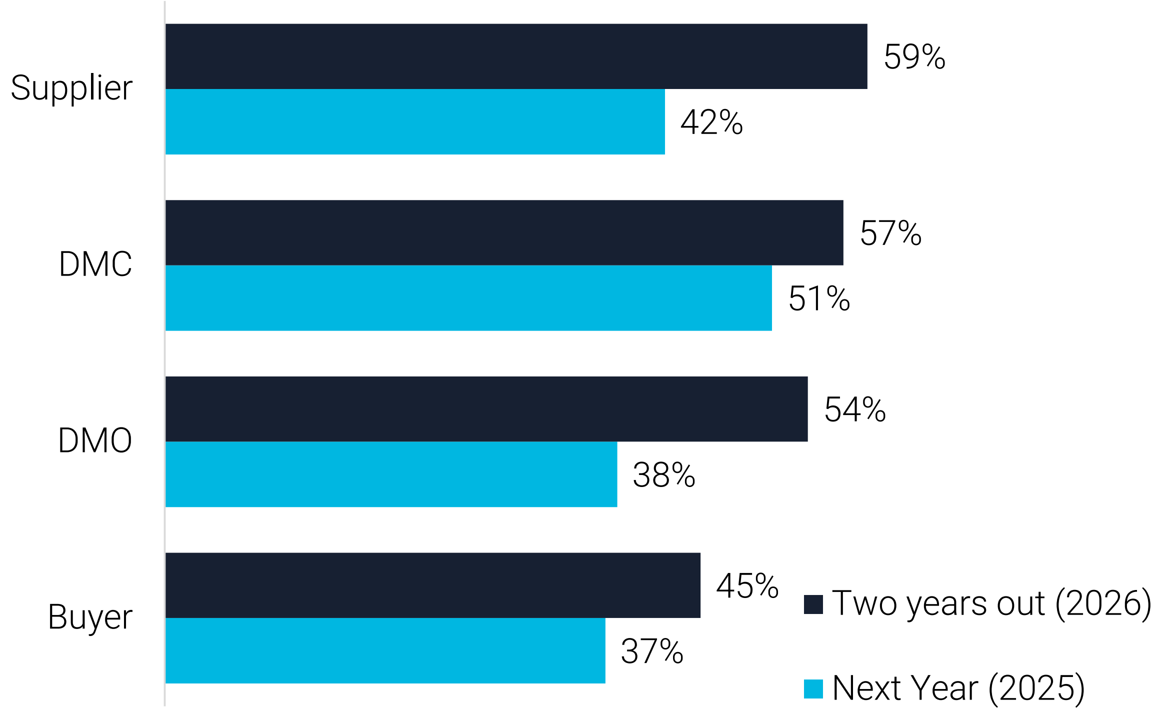
Optimism is strongest among suppliers

Across roles, many respondents expect incentive travel activity to be higher than 2024 levels by 2025, with a larger share expecting higher levels by 2026.

The majority of suppliers, DMCs, and DMOs anticipate greater incentive travel activity levels than 2024 in 2026.

Expectations of incentive travel activity, by role

(Share of respondents reporting activity above or significantly above 2024 levels)



G1. Level of incentive travel activity compared to 2024, in terms of the number of people?
Response base: n = 2,361 respondents

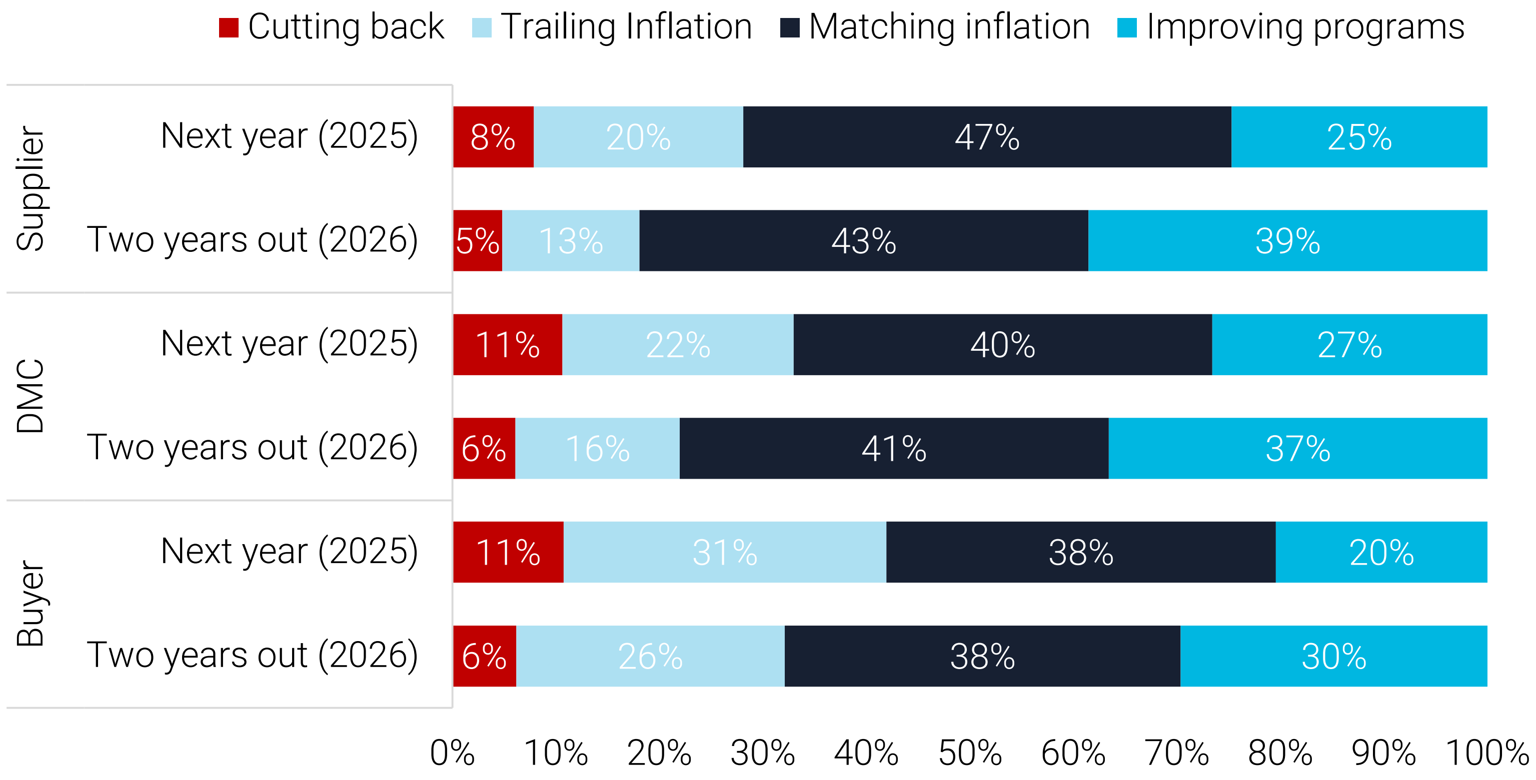
Many expect per-person spending to match or trail inflation

Fewer respondents in 2026 expect spending increases will be trailing or matching inflation than in 2025

Compared to 2025, the share of respondents expecting spending increases to trail or match inflation in 2026 falls as more expect increases due to improving programs.

Expectations of spend per person, by role

(Share of respondents)



G9. Level of spending per person compared to 2024? (excluding 'unsure')

Response base: n = 1,889 respondents

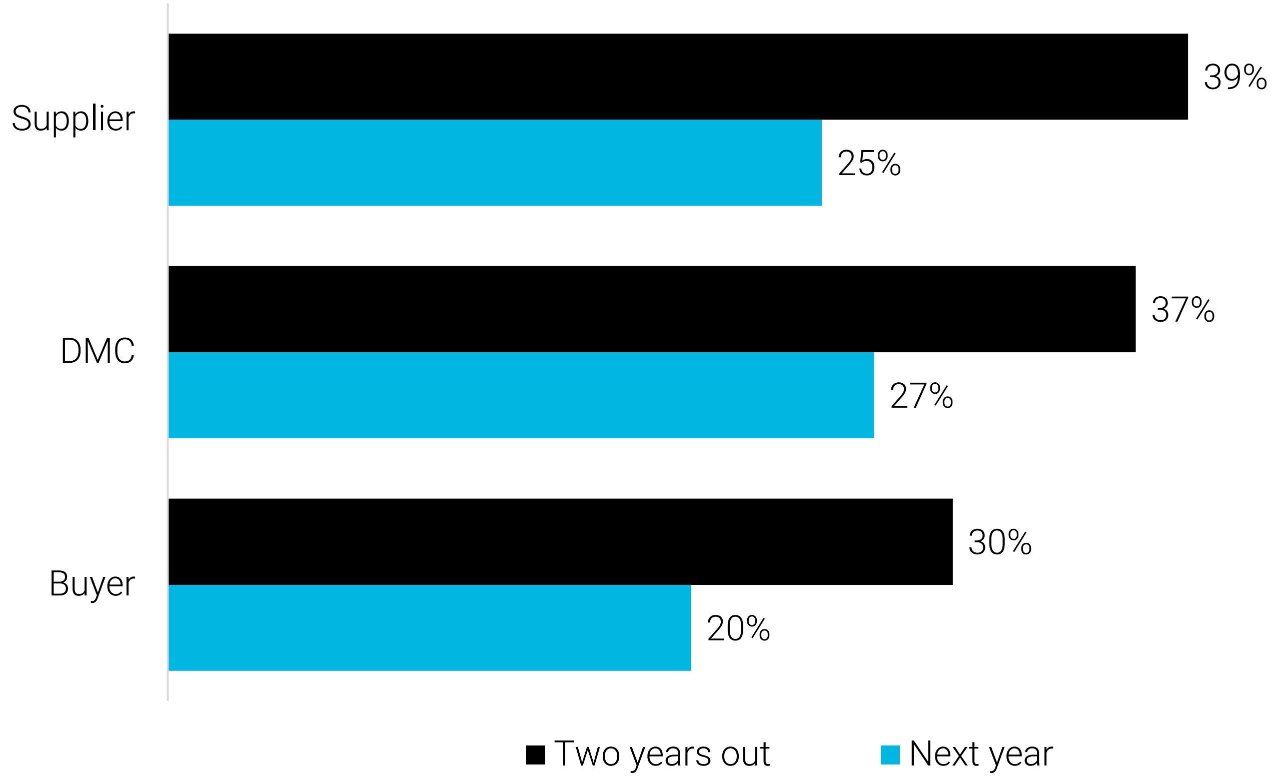
Spend per person: Program improvements to raise costs

Many respondents expect program improvements will increase the level of spend per person

Over the next two years, program improvements are anticipated to play a greater part in per person spending growth.

By role in incentive travel, more suppliers believe program improvements will be the main contributor to per person spending growth by 2026.

Expectations of spend per person increasing due to improving programs, by role
(Share of respondents choosing 'improving programs')



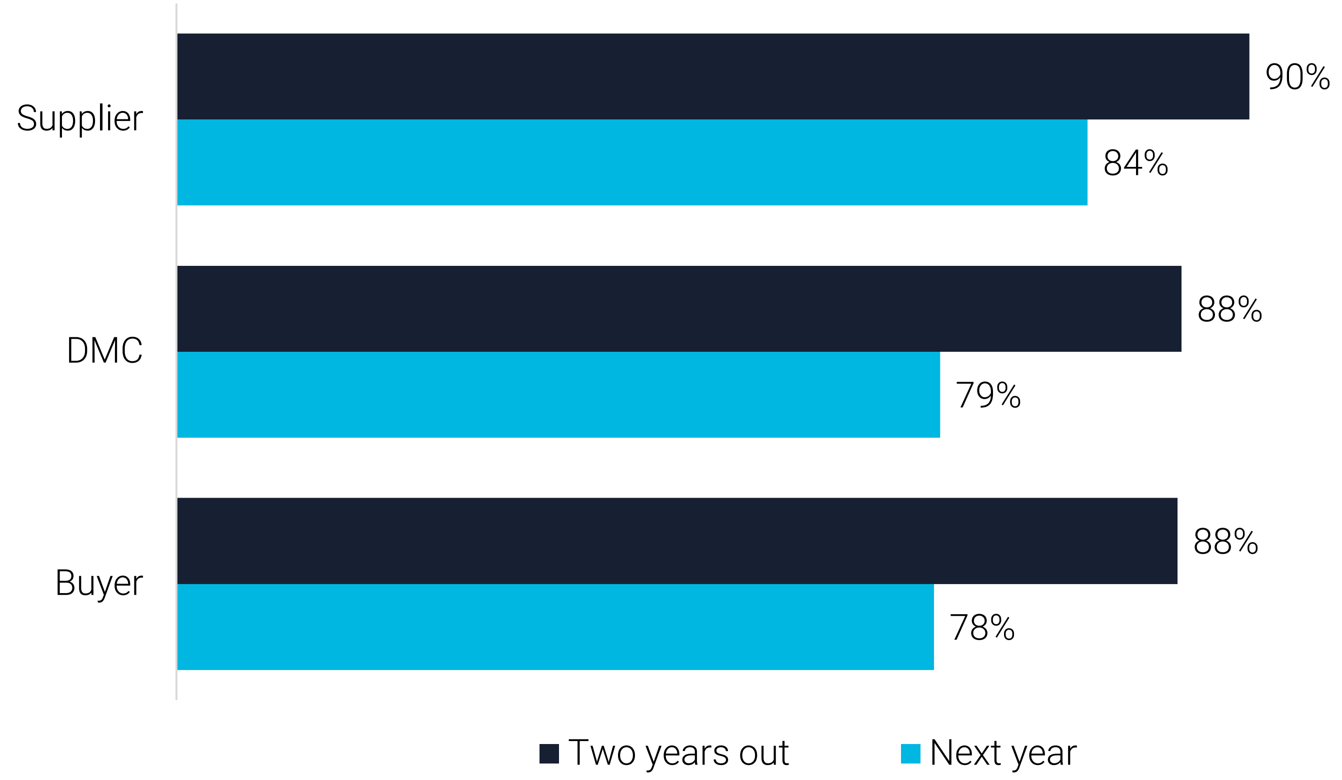
G9. Level of spending per person compared to 2024?
Response base: n = 1,889 respondents

Most expect a net increase in spend per person

Suppliers are most optimistic of an increase in spending per person

The share of respondents expecting a net spending increase will rise in 2026.

Net expectations of spend per person, by role
(Share of respondents reporting a net increase in spend per person expectations above 2024 levels)



G9. Level of spending per person compared to 2024? (excluding 'unsure')
Response base: n = 1,889 respondents

Note: Net increase is the share of respondents expecting an increase over 2024 levels due to inflation or improving perograms, minus the share expecting a decline due to cutting back.

Incentive Travel Index

Number of participants: Direct sellers most optimistic

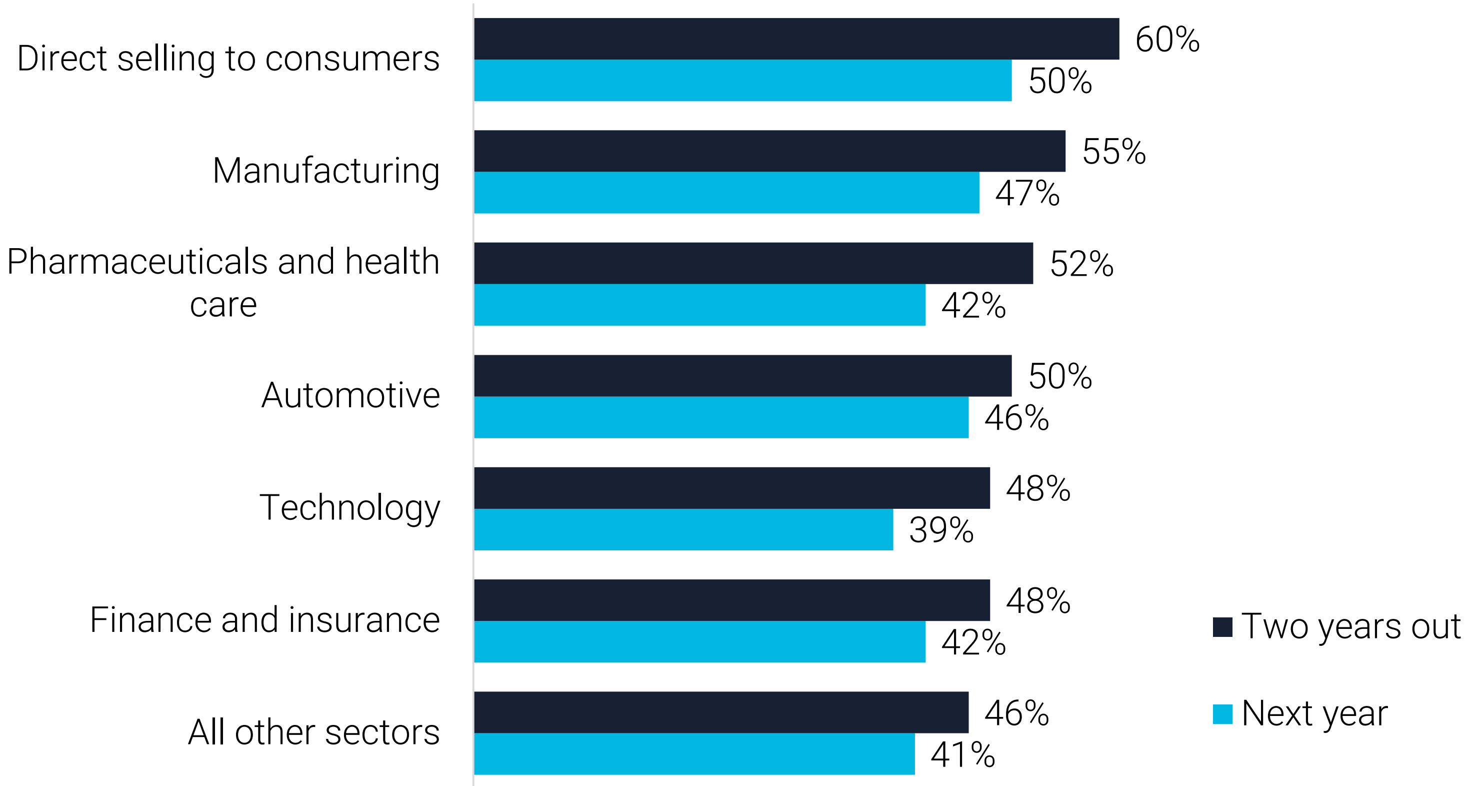
Direct sellers are most expectant of a rise in incentive travel activity versus 2024

The direct selling to consumers sector is the only industry where most buyers (more than 50%) expect an increase in incentive travel activity in 2025, compared to 2024. Meanwhile, fewer respondents in the technology sector (39%), expect an increase by 2025.

By 2026, the majority of buyers in direct selling to consumers, manufacturing, pharmaceuticals and health care, and automotive industries expect incentive travel activity to increase relative to 2024.

Expectations of incentive travel activity for buyers, by industry

(Share of buyers reporting activity above or significantly above 2024 levels)



G1a. Level of incentive travel activity compared to 2024, in terms of the number of people (qualifiers, guests, and other participants)?

Response base (buyers): n = 1,045 respondents

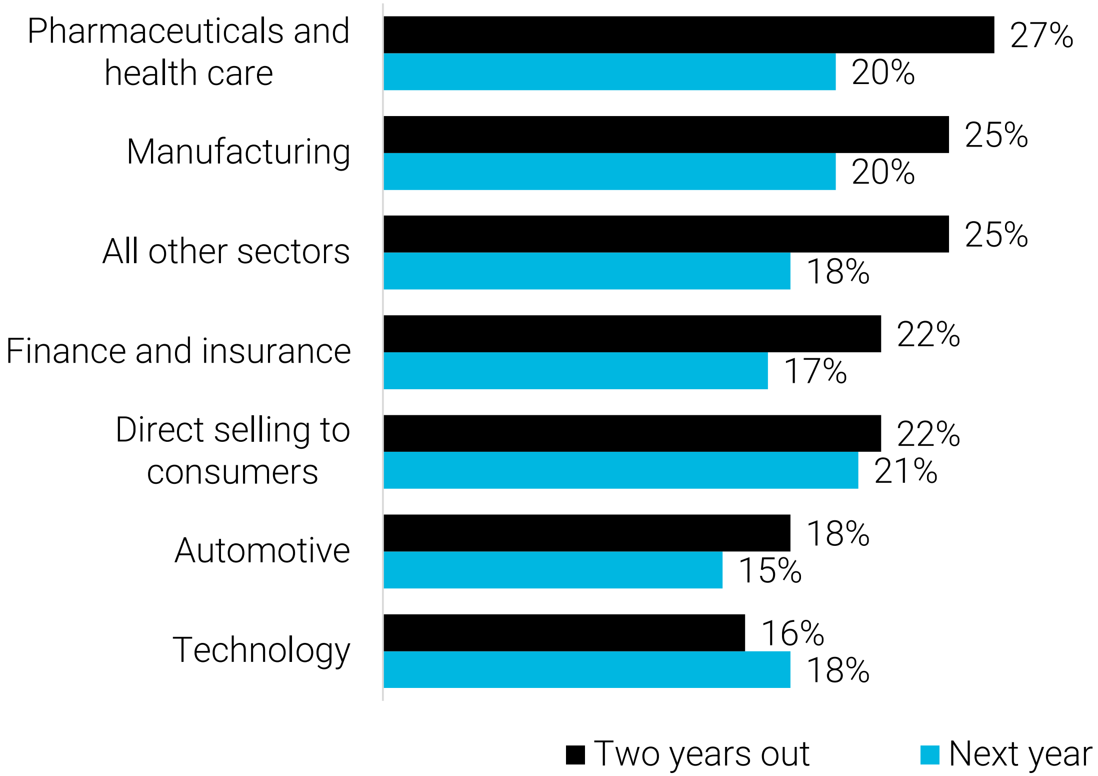
Spend per person: Pharma buyers expect program improvements to cause spending increases

Buyers from the pharmaceuticals and health care are most expectant of an increase in spend in person by 2026 due to improving programs

The share of buyers expecting spend per person to increase due to improving programs, is greater for 2026 in most industries, led by pharmaceuticals and health care. Only in the technology sector do fewer buyers two years out anticipate an increase due to improving programs, than next year.

Expectations of spend per person increasing due to improving programs, by industry

(Share of respondents choosing 'improving programs')



G9a. Level of spending per person compared to 2024?
Response base (buyers): n = 839 respondents

Number of participants: APAC buyers most optimistic

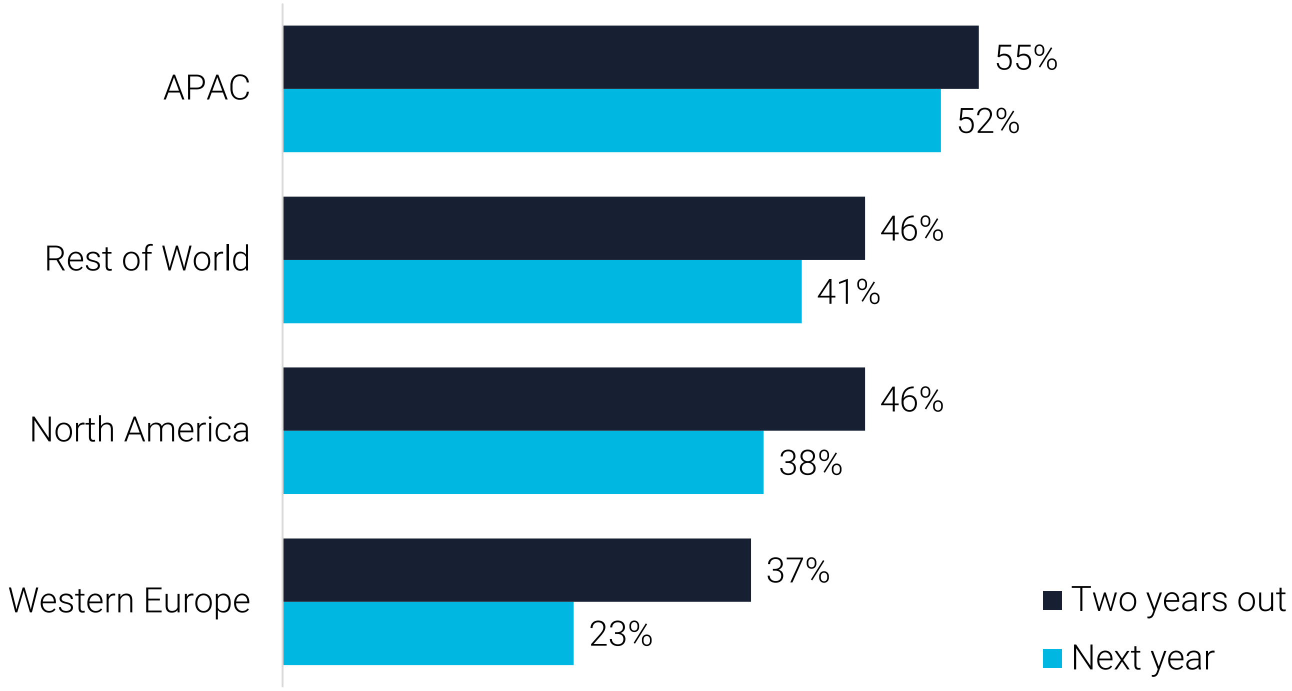
The APAC region (Asia-Pacific) is most expectant of a rise in incentive travel activity versus 2024

APAC is the only region where most buyers (more than 50%) expect an increase in incentive travel activity in 2025 and 2026, compared to 2024.

Meanwhile, fewer respondents in Western Europe, expect an increase over the next two years.

Expectations of incentive travel activity for buyers, by region

(Share of buyers reporting activity above or significantly above 2024 levels)



G1a. Level of incentive travel activity compared to 2024, in terms of the number of people (qualifiers, guests, and other participants)?

Response base (buyers): n = 1,045 respondents

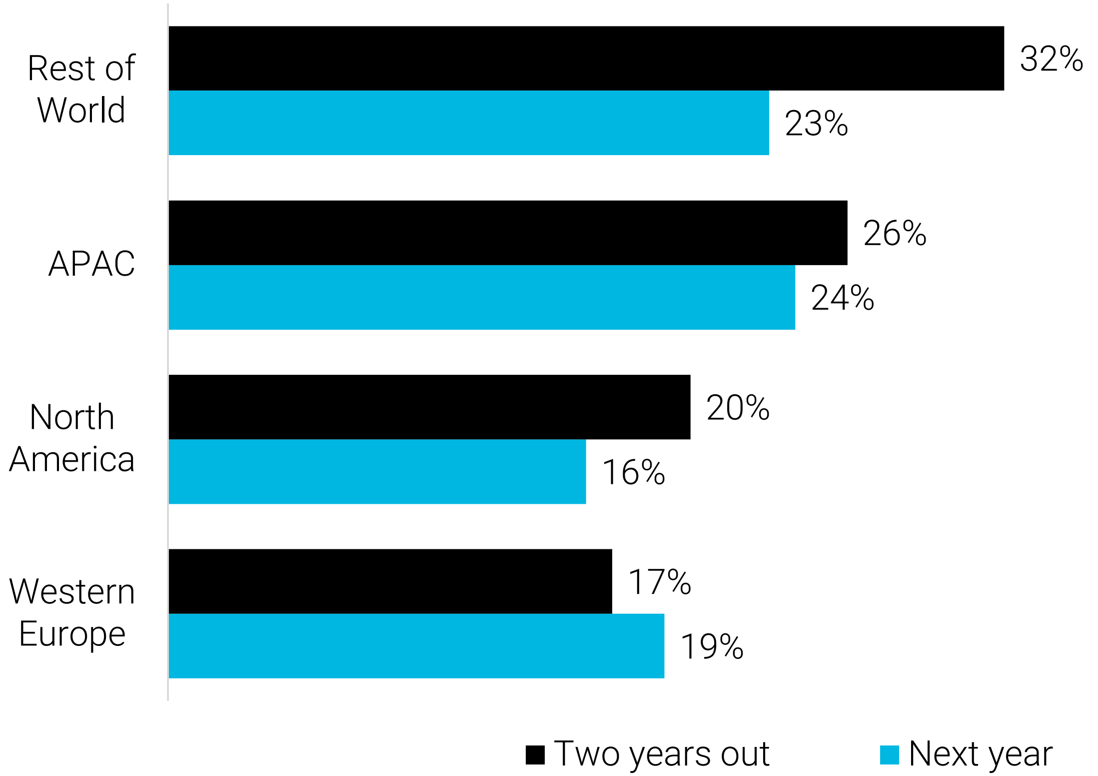
Spend per person: Rest of World sees rises from improvements

Rest of World buyers are most expectant of an increase in spend in person by 2026 due to improving programs

The share of buyers in Rest of World, APAC, and North America expecting spend per person to increase due to improving programs, is greater for 2026. In Western Europe, fewer buyers anticipate an increase due to improving programs.

Expectations of spend per person increasing due to improving programs, by region

(Share of respondents choosing 'improving programs')



G9a. Level of spending per person compared to 2024?
Response base (buyers): n = 839 respondents

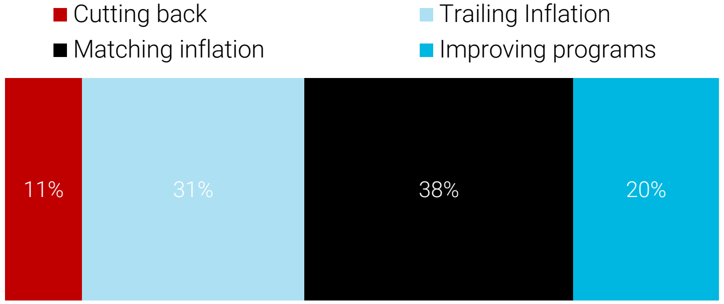
Numerous reasons for “cutting back” on per person budget

The share of buyers expecting to cut back on program budget spending per person in 2025 is 11%

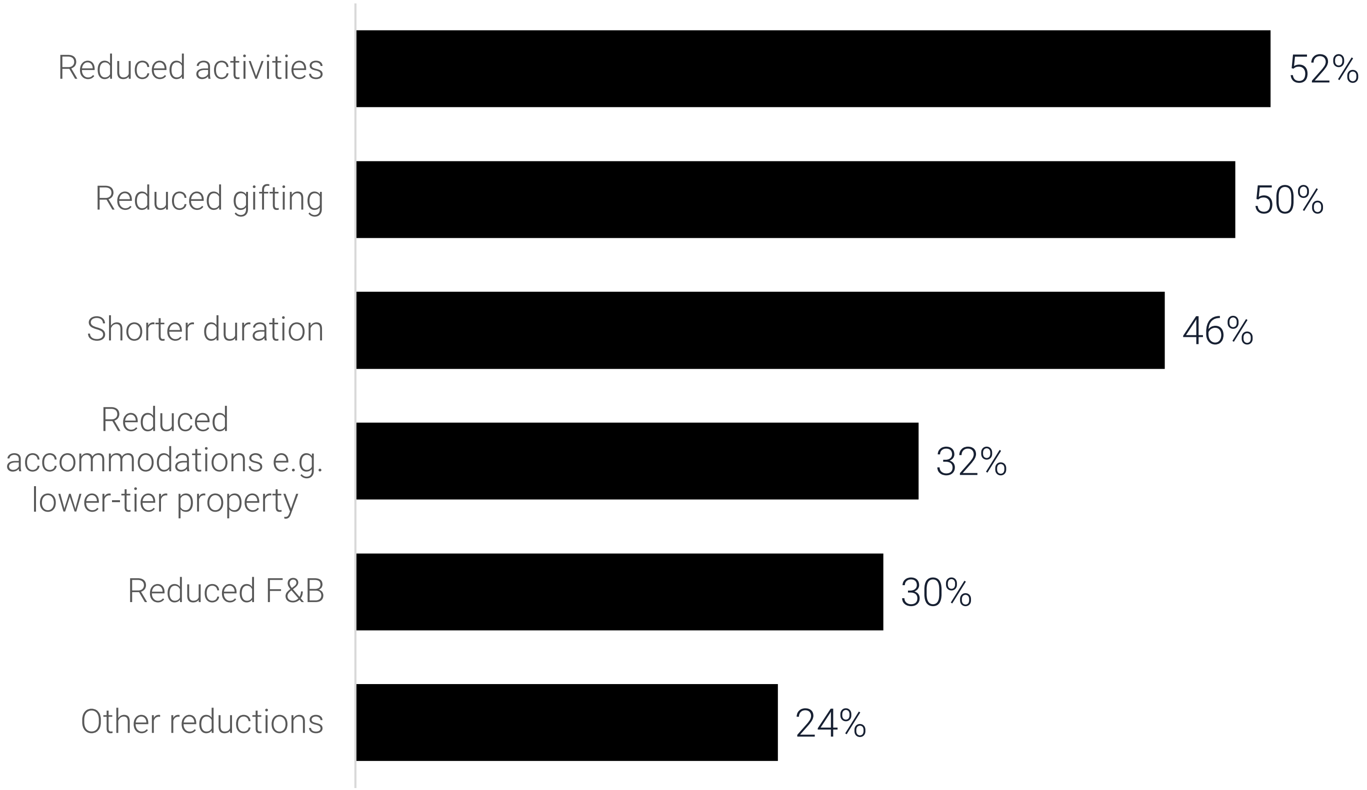
Despite expectations for budget increases, 11% of buyers expect to cut back on per person spending.

The most cited way of cutting back is by reducing activities (52%), followed by less gifting (50%). Shorter-duration trips are also being used as a means of “cutting back” by 46% of buyers.

Expectations of spend per person by buyers (G9a)
(Share of respondents)



Ways of cutting back on spend per person in 2025
(Share of buyers reporting they are “cutting back” on program spend per person in 2025)



G11. How buyers are cutting back on per person spending
Response base (buyers): n = 82 respondents

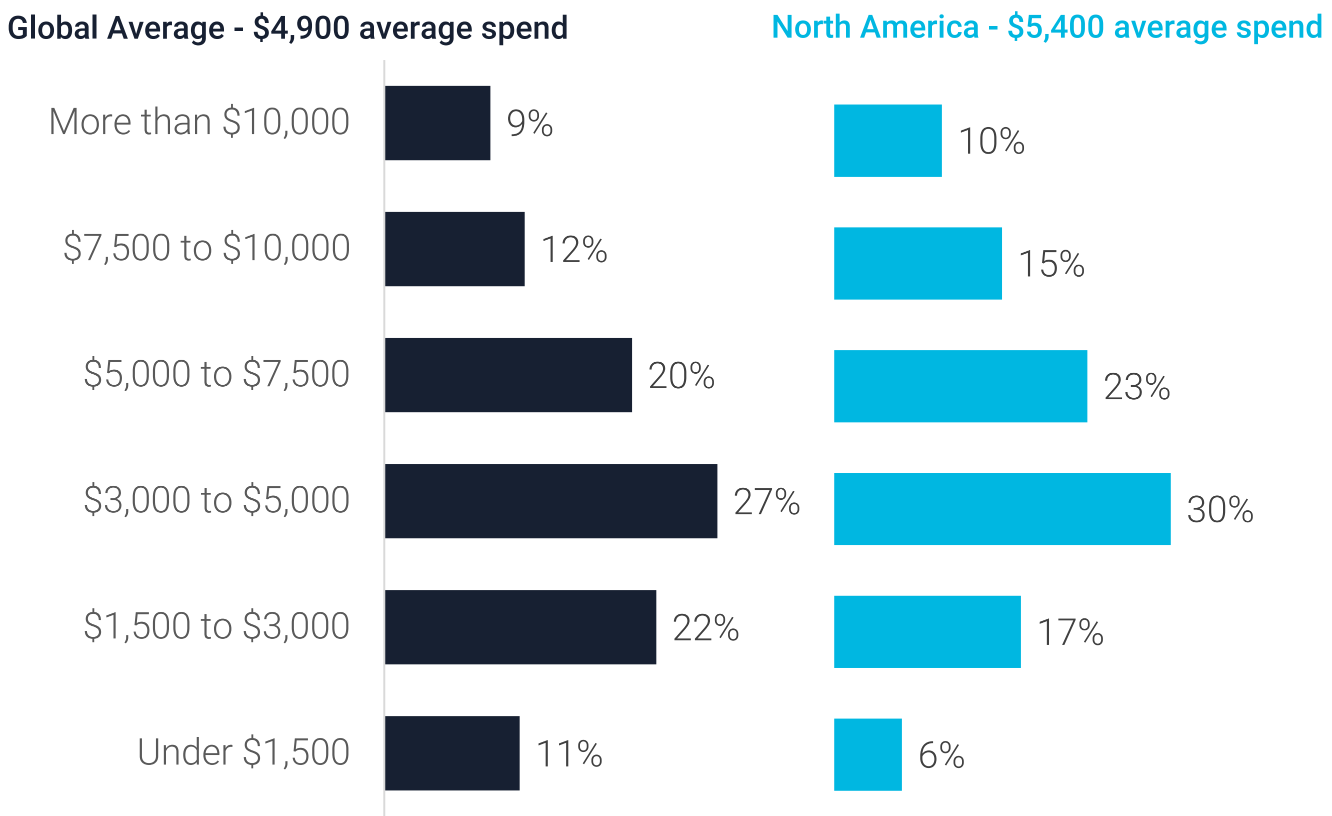
Average spend per person varies across buyers

Programs demonstrate a wide range of spending levels

Buyers reported program spending ranging from less than $1,500 to more than $10,000 per person. The greatest level of activity was reported occurring in the range of $3,000 to $5,000 per person.

Almost half of the program activity reported by North American buyers was above $5,000 per person (48%), which was greater than the global average (41%).

Incentive travel spend per person for buyers, by region
(Spend per person range)



G10. Distribution of incentive travel programs in 2024 by spending per person
Response base (buyers): n = 771 respondents

An average incentive program costs $4,900 per person

North American buyers expect the highest spend per person

The average spend per person for incentive travel programs is $4,900. North American buyers reported the highest spend per person, at $5,400, and is the only region above the average.*

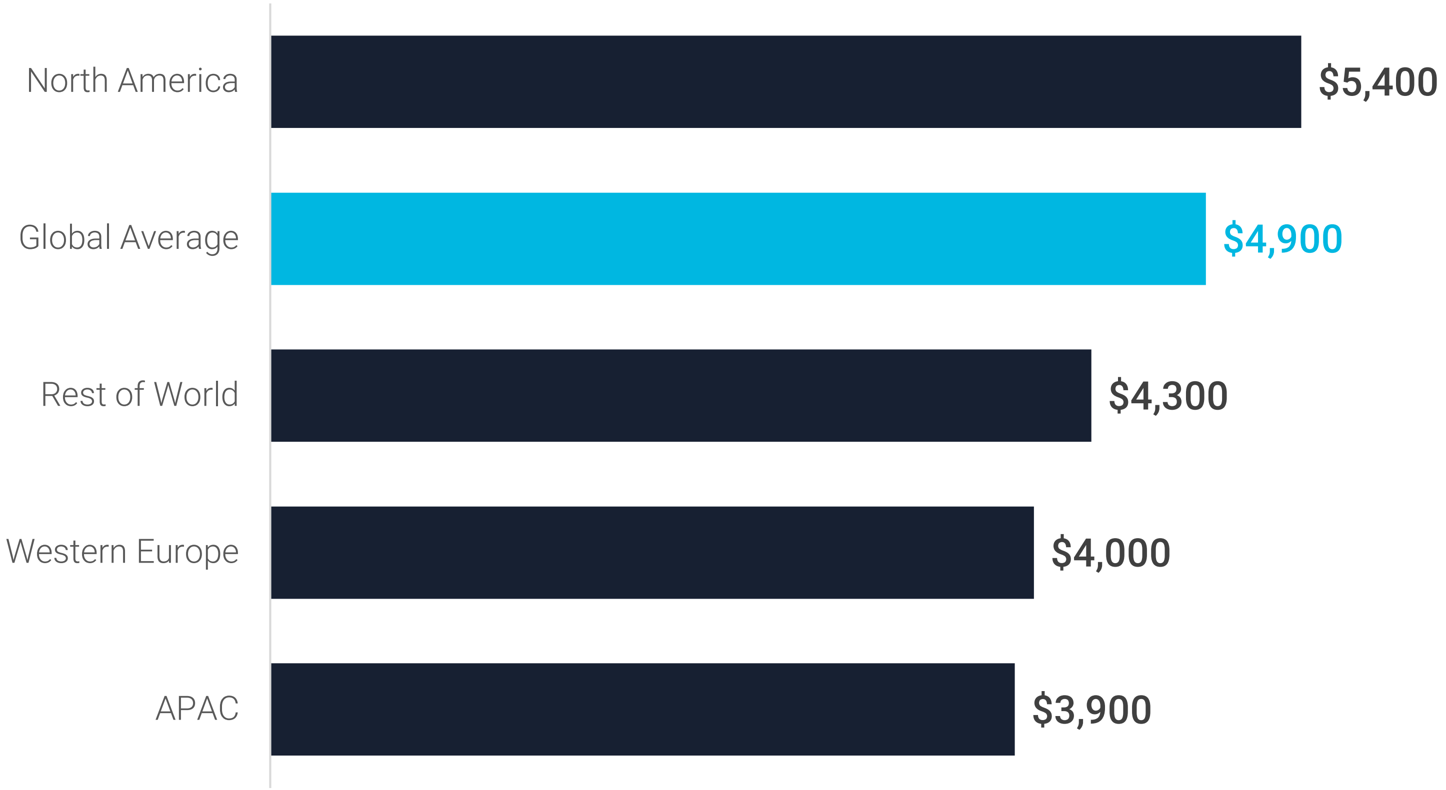
Spending on incentive travel as reported by Rest of World averages $4,300, followed by Western Europe at $4,000, and APAC at $3,900.

27%

Share of worldwide buyers reporting spend per person at $3,000 to $5,000 (the most frequently cited range)

*North America has a strong weighting on the average as its share of the respondent base is 65%.

Incentive travel spend per person for buyers, by region
(Average spend per person)



G10. Distribution of incentive travel programs in 2024 by spending per person
Response base (buyers): n = 771 respondents

The technology sector sees the highest average spend per person

Spend per person for technology, finance and insurance, and automotive industries are higher than the overall average

Buyers in the technology sector report an average per person spend of $5,200, followed by finance and insurance, as well as automotive, at $5,000.

Incentive travel spend per person for buyers, by industry
(Average spend per person)

G10. Distribution of incentive travel programs in 2024 by spending per person
Response base (buyers): n = 771 respondents

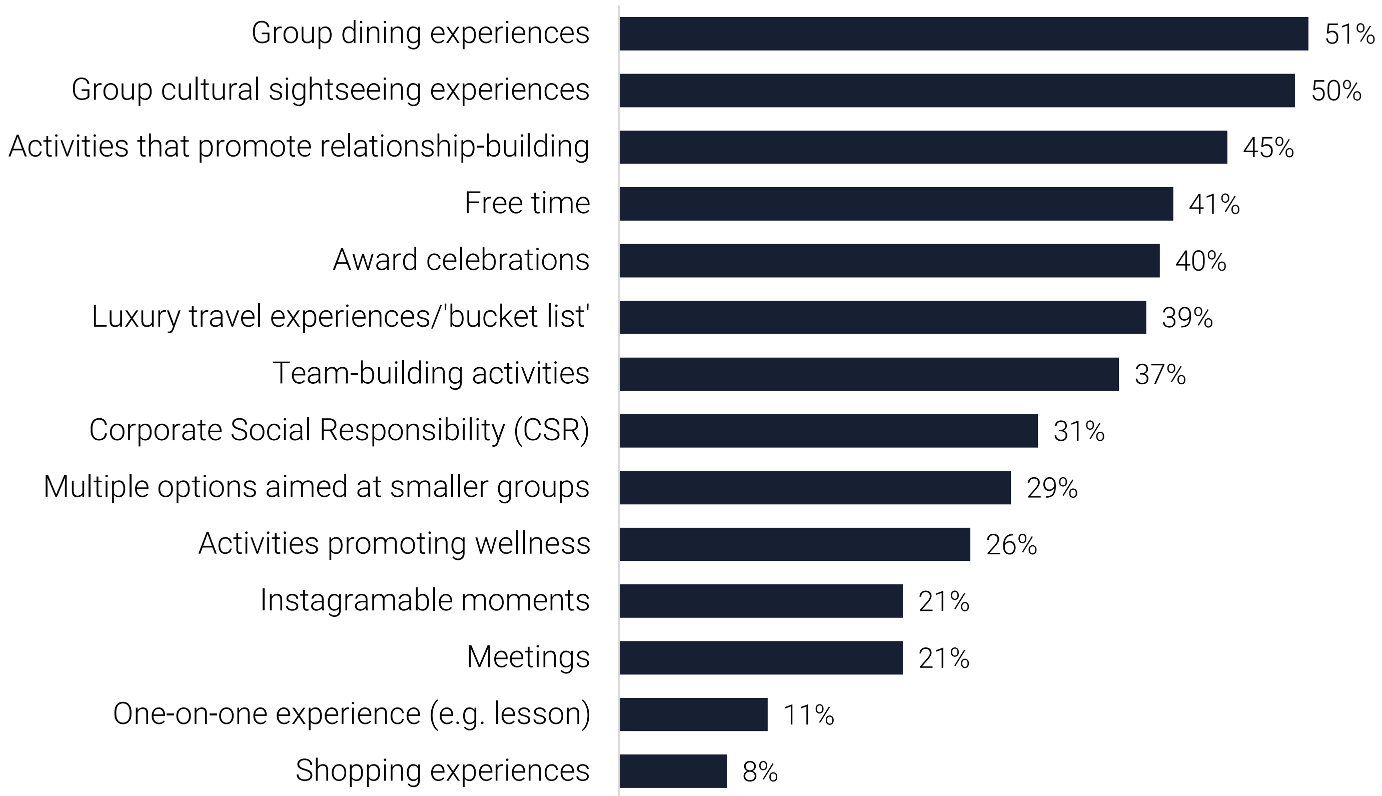
4 Program Inclusions and Design

Group experiences and relationship-building are key to success

Group dining is the most appreciated activity in an incentive travel program

Group cultural experiences (50%), relationship building (45%), and free time (41%) were also considered important by most respondents.

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 (all except DMOs): n = 1,791 respondents (multiple responses allowed)

Free time has risen in importance

Free time has risen the most in rank relative to the past survey (from 8th to 4th)

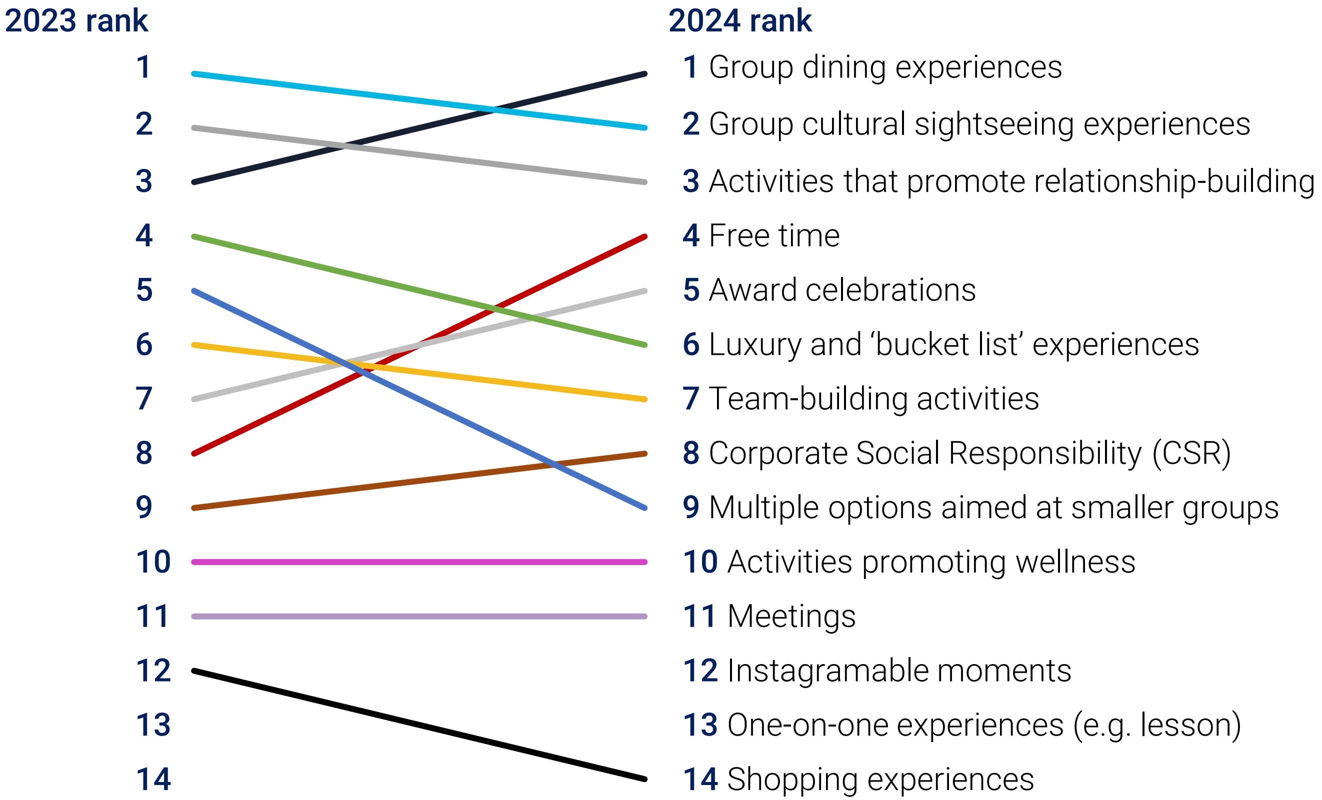
Group dining activities increased two places to become the most appreciated activity in an incentive travel program.

The biggest improvement in importance is in free time, jumping four places to fourth.

Meanwhile, multiple options aimed at smaller groups has become less important in measuring a program's success.

Activities key to a successful program

(Change in rank between 2023 and 2024 surveys)



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

Response base (all except DMOs): n = 1,791 respondents (multiple responses allowed)

Free time is more important in North America

Other global regions value group experiences

In North America, free time has risen to the feature most frequently cited as important to a successful incentive travel program, while group activities are relatively more important elsewhere. Activities that promote relationship building are also more important for North Americans than reported in other regions.

By industry, free time is most important for technology (67%), manufacturing (65%), finance and insurance (59%), and automotive (57%) industries.

Activities key to a successful program (global top seven), by region

(Share of respondents)

	World	APAC	North America	Rest of World	Western Europe
Group dining experiences	51%	53%	43%	55%	60%
Group cultural sightseeing experiences	50%	57%	47%	55%	49%
Activities that promote relationship-building	45%	43%	53%	39%	44%
Free time	41%	19%	65%	28%	38%
Award celebrations	40%	45%	45%	36%	36%
Luxury travel experiences/'bucket list'	39%	30%	46%	36%	36%
Team-building activities	37%	43%	24%	47%	40%

P2. Which of the following program activities do you consider most important for a successful incentive travel program?
Response base (all except DMOs): n = 1,791 respondents (multiple responses allowed)

Traditional incentive programs remain popular

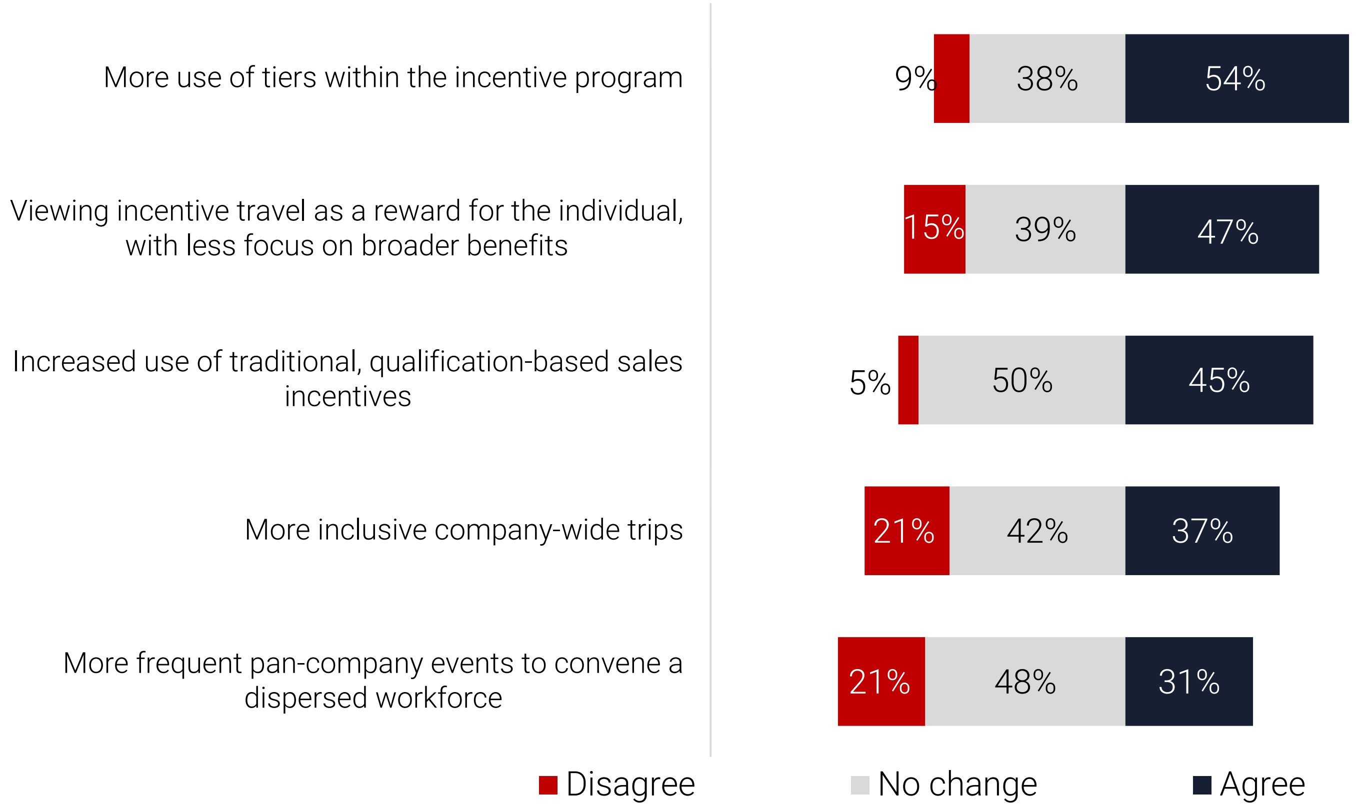
Traditional incentive travel is alive and well, even as some buyers see increased interest in broader company-wide events

The popularity of traditional incentive programs is demonstrated by buyers seeing increased use of traditional qualification-based sales incentives (45%) and the view of incentive travel as a reward for the individual (47%).

But at the same time, buyers see some organizations increasingly turning toward company-wide trips (37%) and events that bring together dispersed colleagues (31%), showing that the incentive travel ecosystem is also broadening beyond its traditional base.

Changing incentive programs

(Share of buyers)



D7. How do you see incentive travel programs overall changing as you plan future events?

Response base (buyers): n = 613 respondents

Safety considerations are increasing in importance

Buyers are seeing an increase in the importance of safety from crime/threat as well as cost

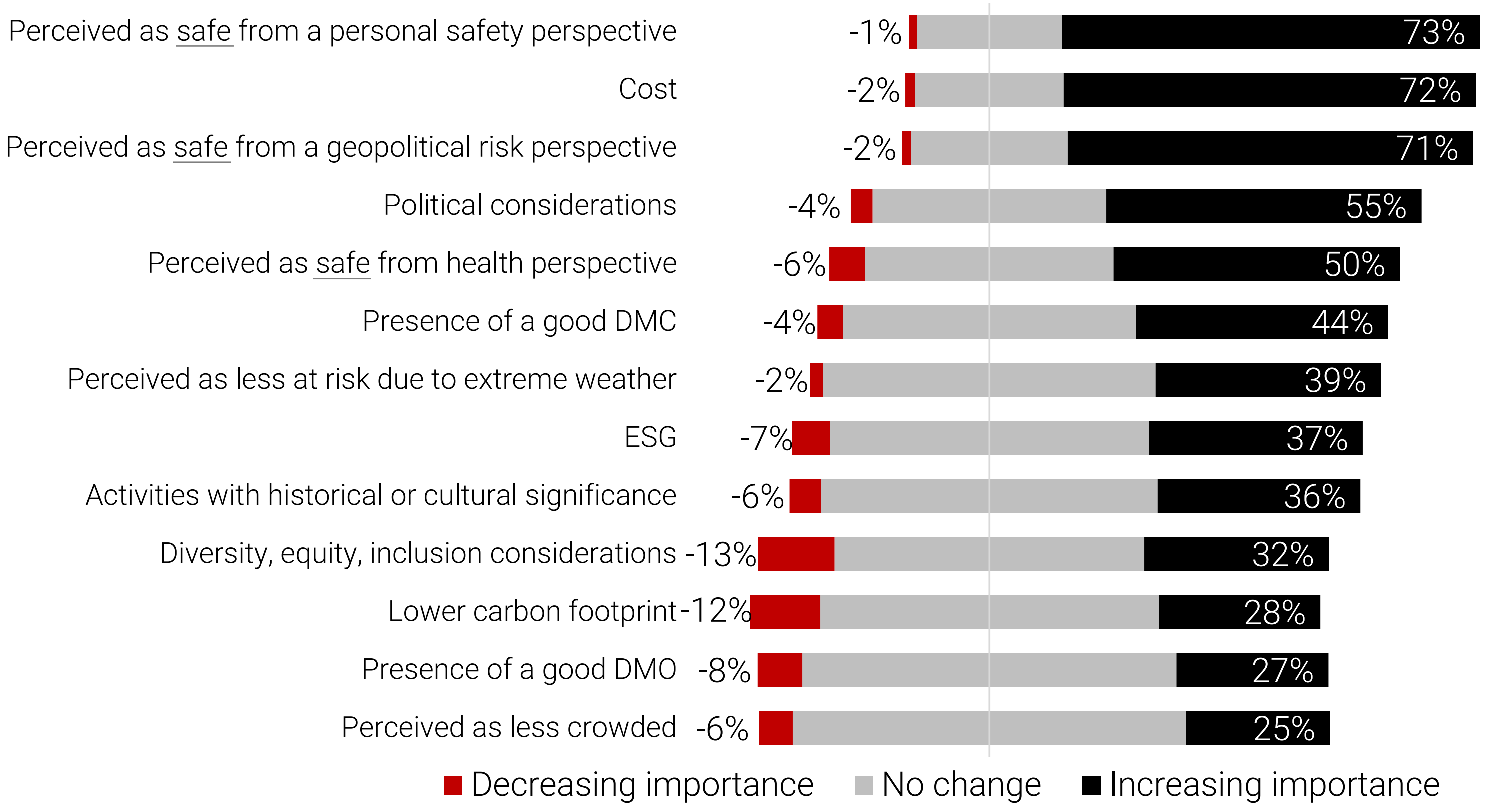
The most commonly cited program consideration that is increasing in importance is that the destination is perceived as safe from a crime/threat perspective (73%). Cost considerations are also prominent with 72% of buyers expecting it to increase in importance.

The share of buyers citing geopolitical risks as increasing in importance was 71%.

The presence of a good DMC is increasing in importance among 44% of all buyers surveyed.

Changing program considerations

(Share of buyers)



D8. Do you see program considerations changing?

Response base (buyers): n = 596 respondents

Political considerations are increasingly relevant

More respondents agree political considerations will override other destination considerations

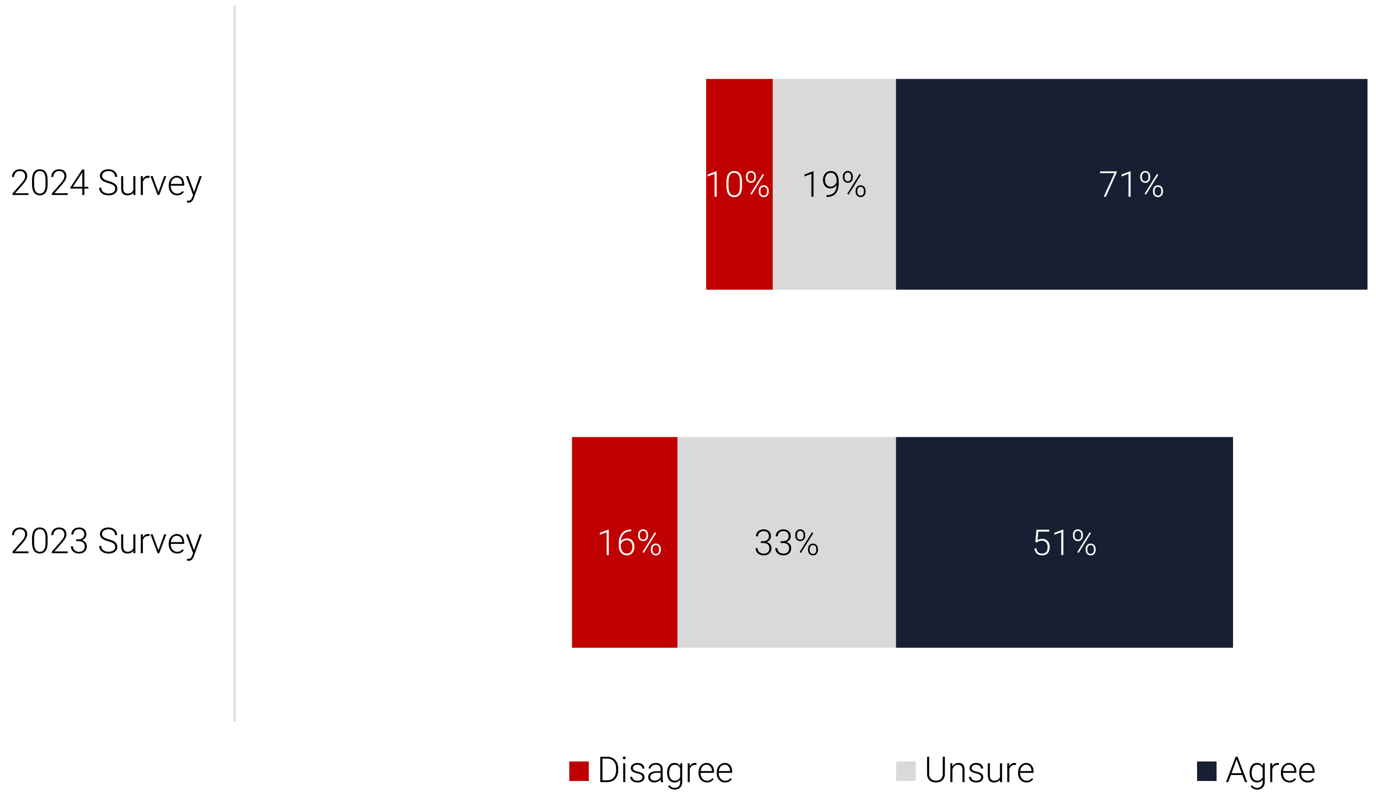
Political considerations, such as how selection of destination will be perceived internally and externally, are increasingly important.

In the 2024 survey, 71% of respondents agree political considerations will override other destination considerations compared to 51% in 2023.

By region, the highest share of respondents that agree on the importance of political considerations are in APAC.

Political considerations over other destination considerations

(Share of respondents feeling political consideration overrides other destination considerations)



S5. Do you feel political considerations will override other destination considerations (e.g., company choice not to consider a destination due to its public policies or political climate)?
Response base: n = 1,641 respondents

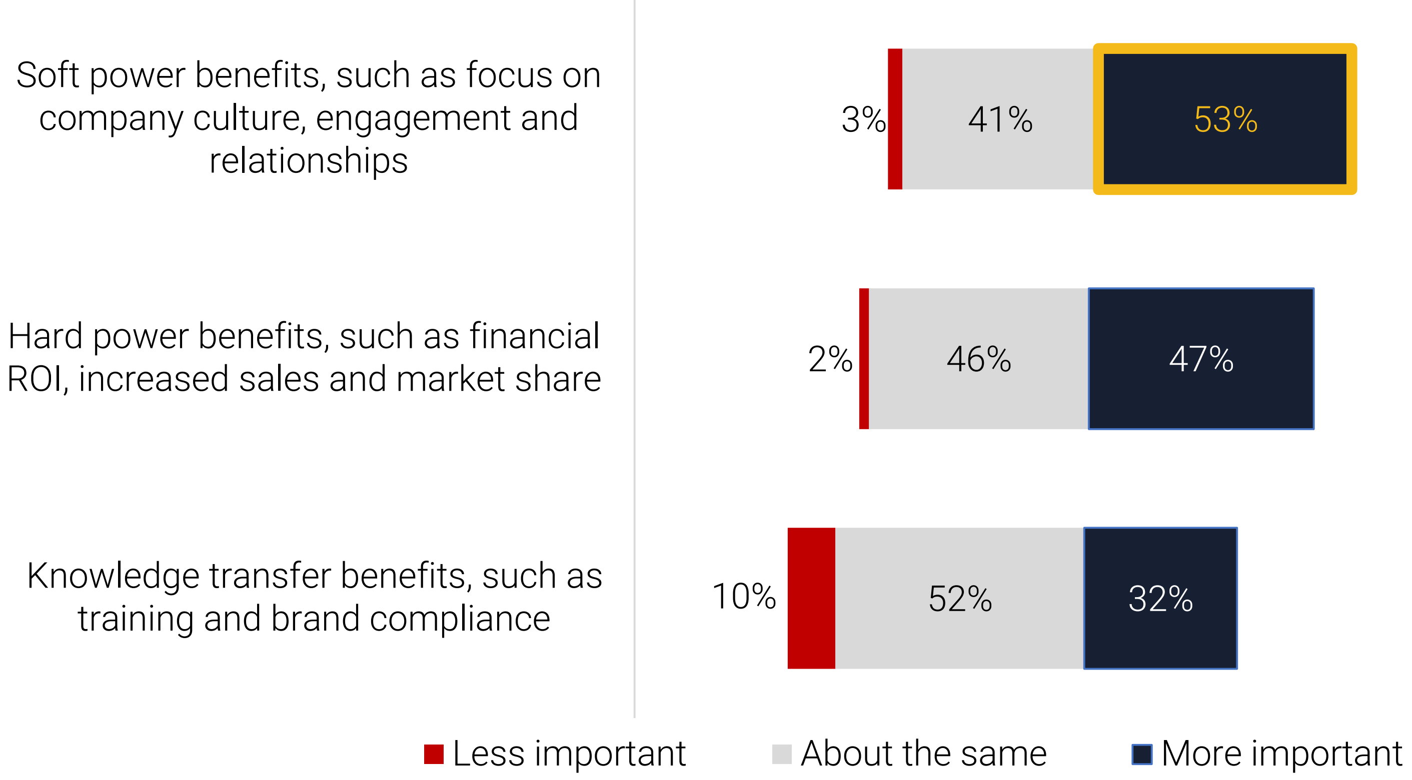
5 Evolving Purpose of Incentive Travel

The importance of soft power benefits is growing

Buyers are shifting future program focus towards soft power benefits but hard power remains important

While hard power benefits, such as increased sales, remain key, more than half 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)



P1. In your future programs, how are the most important benefits changing?
Response base (buyers): n = 700 respondents

Shift in primary benefit of incentive travel differs by region

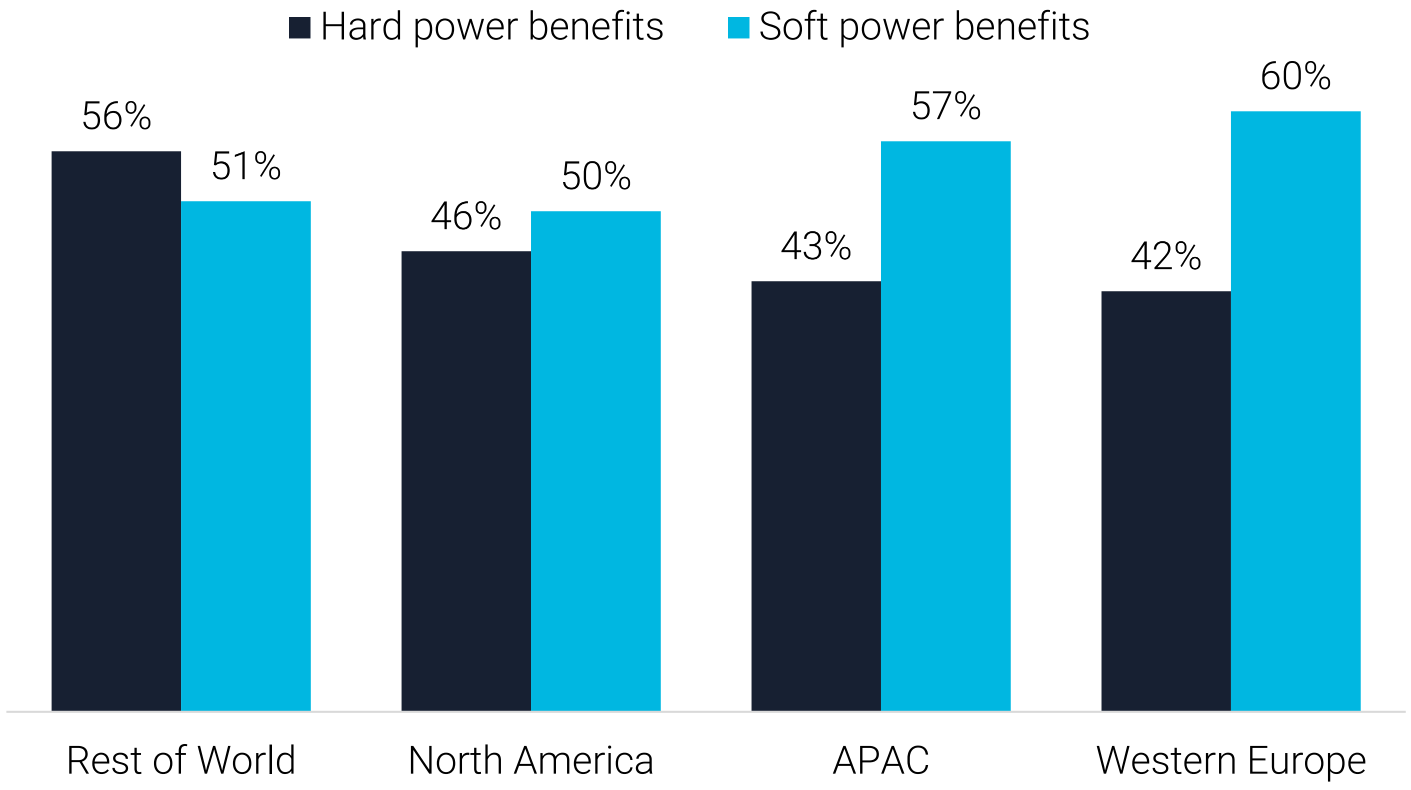
Western Europe, APAC, and North America are shifting to soft power benefits, while Rest of World respondents are seeing hard power as becoming more important

For Western Europe (60%), APAC (57%), and North America (50%), soft power benefits is cited the most by buyers as a benefit that is becoming more important.

Hard power is the most cited benefit that is becoming more important in Rest of World (56%).

Primary future benefits reported, by region

(Share of buyers indicating each type of benefit is becoming more important)



P1. In your future programs, how are the most important benefits changing?
Response base (buyers): n = 700 respondents

Many rewards now feel “deserved”, lacking benefits that can be achieved through incentive travel

Could incentive travel become just another reward?

Almost a quarter of buyers (24%) report senior management views incentive travel as “just another component” of total rewards, not particularly different from a cash bonus, or wellness benefit.

However, that’s still a minority view. Many respondents (41%) report senior management can see that many rewards lack the motivation and culture building that’s possible through incentive travel.

Feeling about incentive travel as a reward

(Share of respondents)

41%

Agree that many rewards today are perceived as “deserved” and therefore lack the motivation and culture building that’s possible through incentive travel

S14. Do you agree with the following statements?
Response base: n = 1,626 respondents

24%

Senior managers believe incentive travel is “just another component” of total rewards, not particularly different from a cash bonus, or wellness benefit

S10. Are you seeing shifts in how senior leadership views incentive travel?
Response base (buyers): n = 560 respondents

Incentive travel is viewed as a strategic differentiator

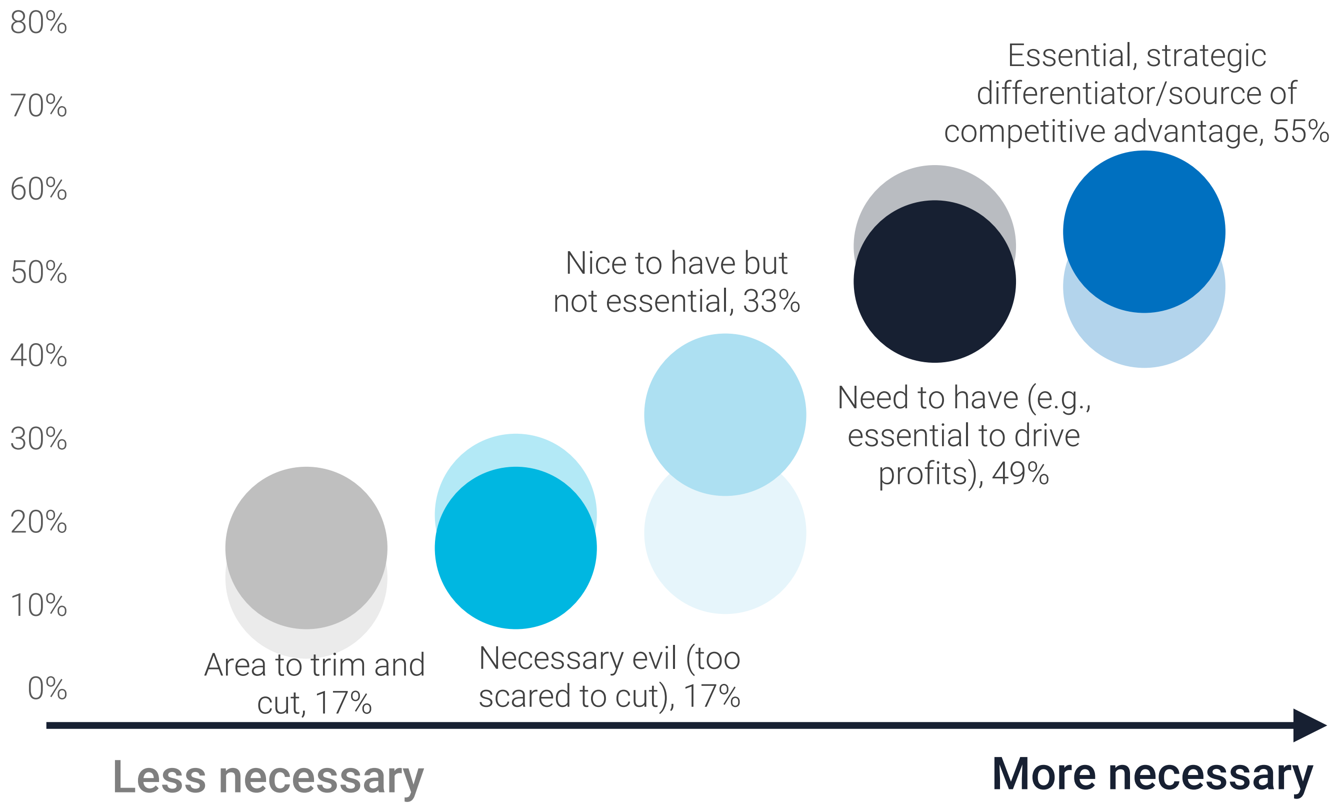
The role of incentive travel as a strategic differentiator edged ahead of its role as a "need to have" profit driver

Among end-users, 55% report senior leadership views incentive travel as an essential strategic differentiator or source of competitive advantage. Incentive travel is also viewed as a 'need to have' from the perspective of driving profits among 48% of respondents.

In the previous year's survey, more respondents cited incentive travel as essential from a profit stand-point (53%), than as a source of competitive advantage (48%).

Senior management view on incentive travel

(Share of end-users, previous year survey in lighter shade)



S1. How does senior leadership view incentive travel? (excluding 'not sure')
Response base (end-users): n = 126 respondents (multiple responses allowed)

Senior leadership remains keen on hard and soft power benefits

Senior managers are focused on ROI and culture/engagement as twin roles of incentive travel

Senior managers are seen as focused on maximizing ROI (hard power) as well as seeking more cultural and engagement benefits (soft power).

Nearly one-in-three buyers view senior leadership as increasingly positive in their approach to incentive travel planning.

Senior management approach to incentive travel
(Share of end-users)

S2. How is senior leadership approaching incentive travel planning?
Response base (buyers): n = 125 respondents (multiple responses allowed)

Senior leadership views on incentive travel are evolving

Senior leadership wants incentive travel to do more, meaning that both soft-power and hard-power themes are being emphasized

For example, most buyers report senior leadership sees incentive travel as playing more of a distinct role in motivation and culture building (58%).

But at the same time, some buyers see senior leadership as becoming more focused on managing programs for financial ROI (40%).

Shifts in senior leadership views on incentive travel
(Share of buyers)

58%

Seeing incentive travel playing a <u>more distinct role</u> in motivation and culture building

40%

Managing incentive travel programs <u>more for financial ROI</u>

S10. Are you seeing shifts in how senior leadership views incentive travel?
Response base (buyers): n = 560 respondents

Incentive travel's strategic importance is bolstered by key trends

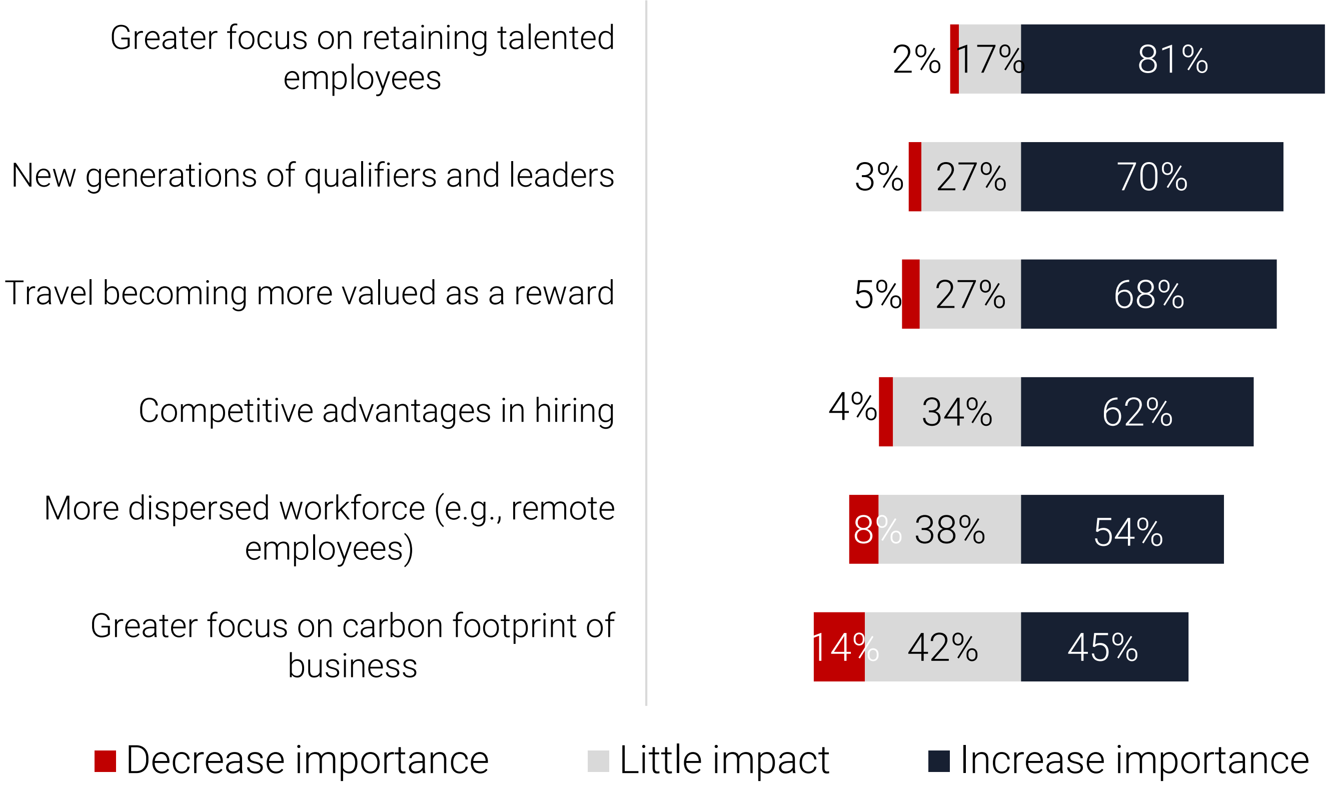
The strategic importance of incentive travel is being bolstered by key workplace trends

A greater focus on retaining talented employees (81%) and competitive advantages in hiring (62%) were cited by many respondents as factors that would likely impact the strategic importance of incentive travel.

More specific recent trends, such as new generations of qualifiers and leaders (70%) and a more dispersed workforce (54%), were also highlighted as likely increasing the importance of incentive travel.

Many respondents indicated the greater focus on the carbon footprint of business will likely be strategically important.

Strategic importance of incentive travel
(Share of respondents)



S15. How will the following factors likely impact the strategic importance of incentive travel?
Response base: n = 1,602 respondents

6 Future of Incentive Travel

A “retool” of the industry will be caused by younger generations

Change is coming, and it may upend tradition

Most respondents agree that younger generations of qualifiers will cause a powerful “retool” of incentive travel (67%).

There is even a portion of the sector, more than 1-in-10 respondents (13%), that believes that museums, old churches, and ancient buildings have no place in modern incentive travel planning.

Future of incentive travel

(Share of respondents)

67%

Agree that younger generations of qualifiers will cause a powerful “retool” of incentive travel

1-in-10

Believe that museums, old churches, and ancient buildings have no place in modern incentive travel planning

S14. Do you agree with the following statements?
Response base: n = 1,626 respondents

Participants are unlikely to arrange their own travel in the future

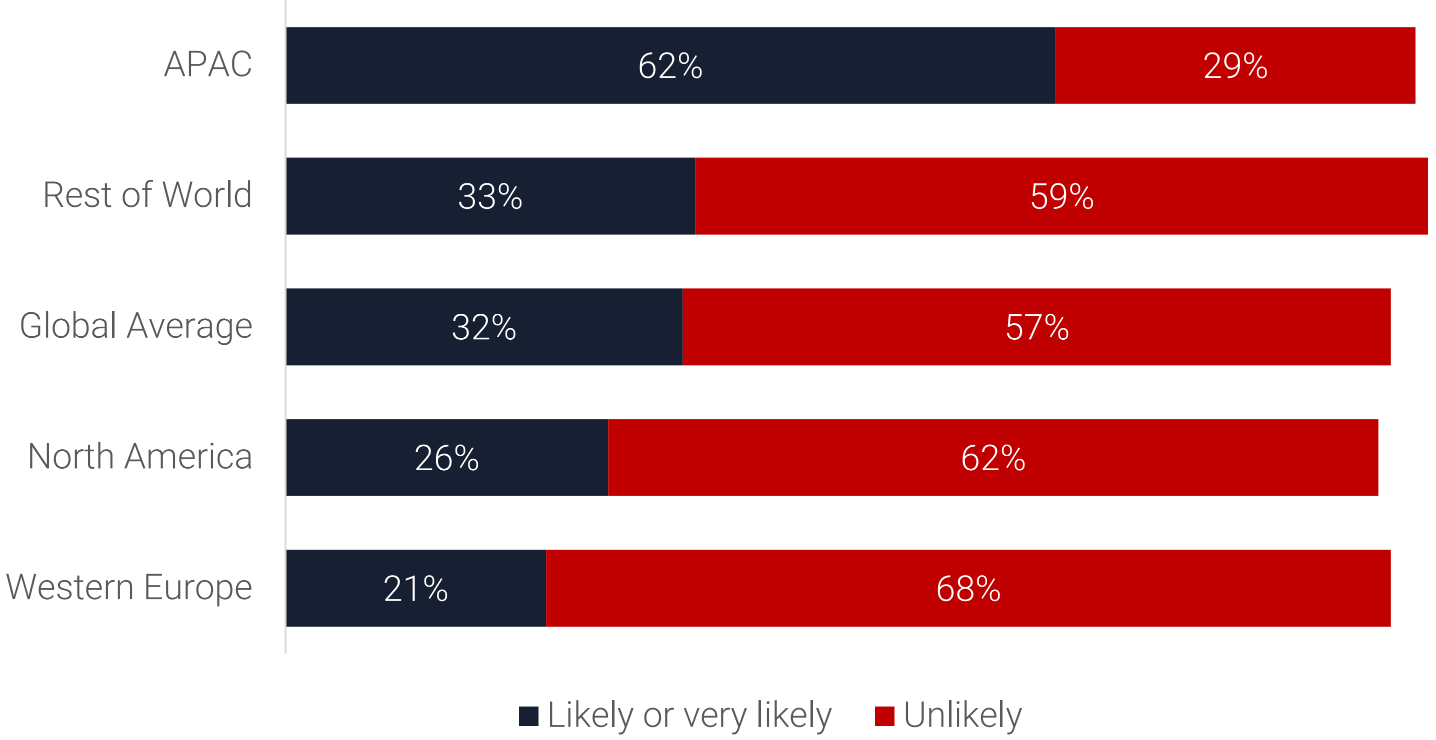
Only in APAC do most buyers expect participants to arrange their own travel in the future

On average, the majority of buyers (57%) expect participants to be unlikely to arrange their own travel in the future.

By region, the highest share of buyers that believe participants are unlikely to arrange their own travel is in Western Europe (68%).

The only region where most buyers think it is likely that participants will arrange their own travel is APAC (62%).

View on travel participants arranging their own travel in the future, by region
(Share of buyers)



D6. What is your view on the following statement: Within a few years, incentive travel participants will be responsible for arranging their own air travel with the incentive program deemed to commence upon arrival at the destination. (excluding 'not sure')
Response base (buyers): n = 591 respondents

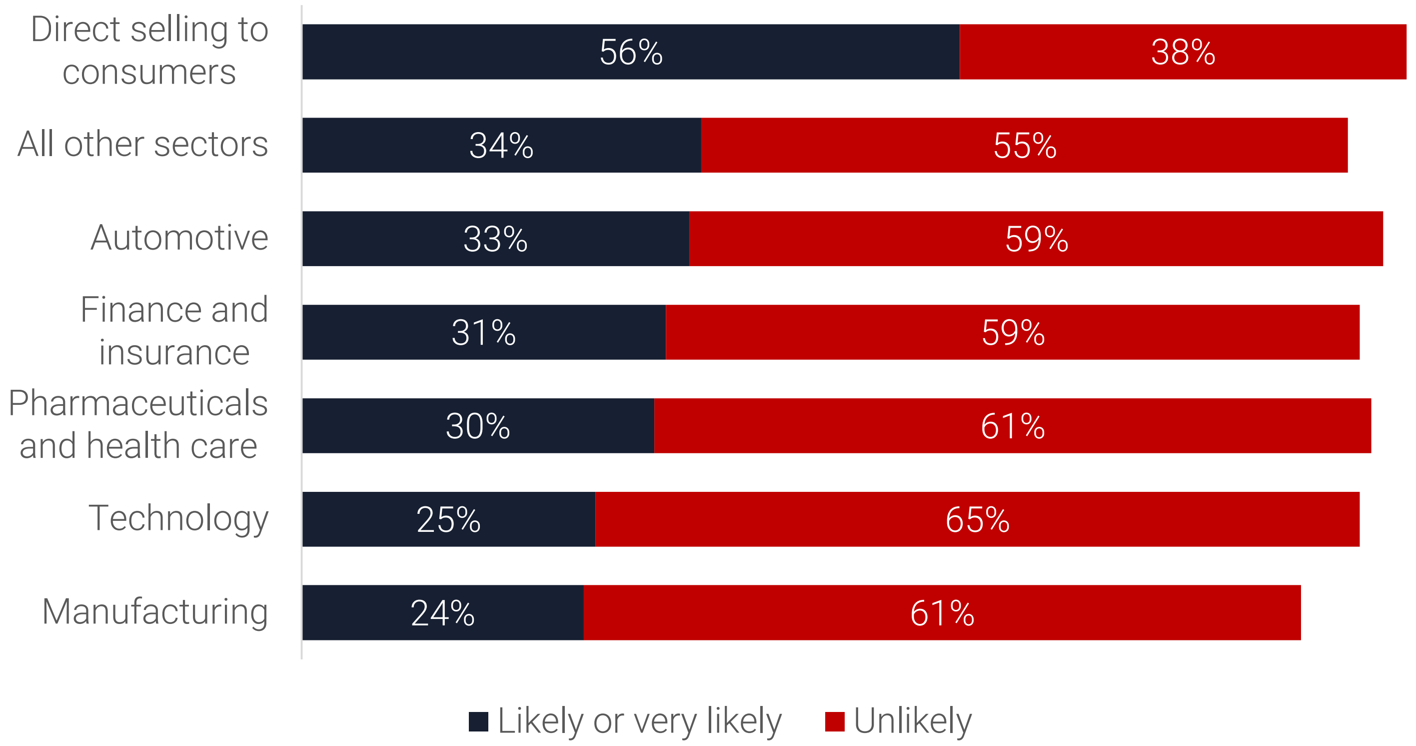
Participants in direct selling are most likely to arrange future travel

Participants in manufacturing and technology are least likely to arrange their own travel in the future

Only in the industry of direct selling to consumers do most buyers (56%) believe participants will be responsible for arranging their own air travel in the future.

Most buyers from the other industries think its unlikely that the incentive travel will only commence upon arrival at the destination.

View on travel participants arranging their own travel in the future, by industry
(Share of buyers)



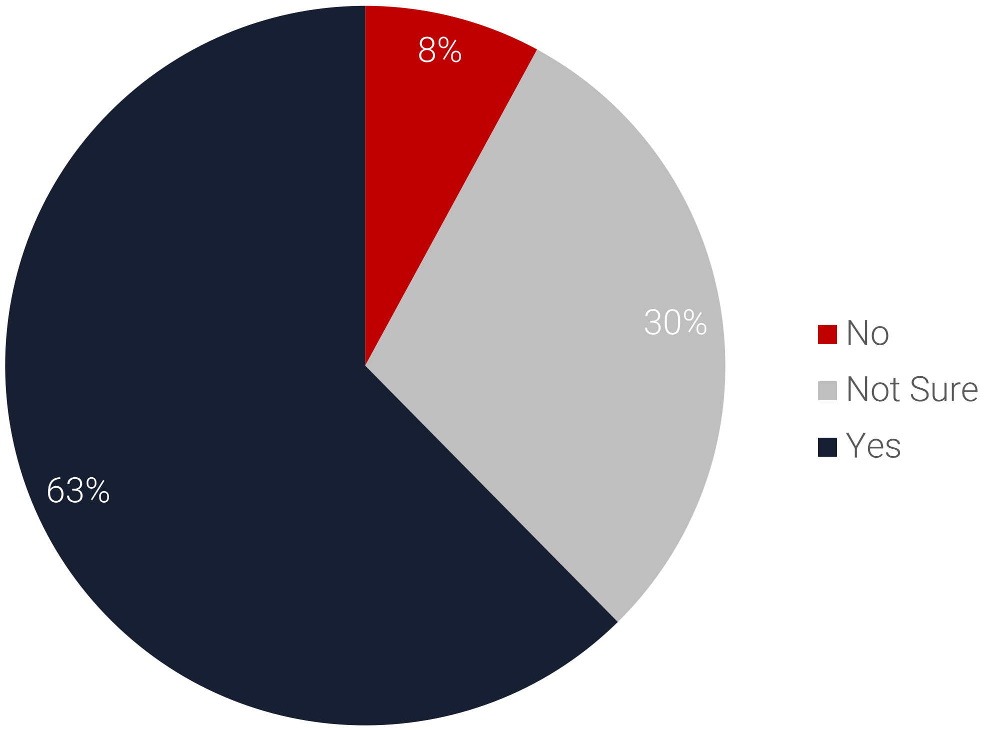
D6. What is your view on the following statement: Within a few years, incentive travel participants will be responsible for arranging their own air travel with the incentive program deemed to commence upon arrival at the destination. (excluding 'not sure')
Response base (buyers): n = 591 respondents

Many see AI used effectively in incentive travel's future

Most believe AI will be used effectively within incentive travel in the future

Nearly two-thirds of respondents believe generative AI will soon be used (or already is being used) effectively within incentive travel. Only 8% believe it will not.

View on AI being used within incentive travel in the future
(Share of respondents)



S17. Will generative AI, such as ChatGPT, soon be used (or already is being used) effectively within incentive travel?
Response base: n = 1,689 respondents

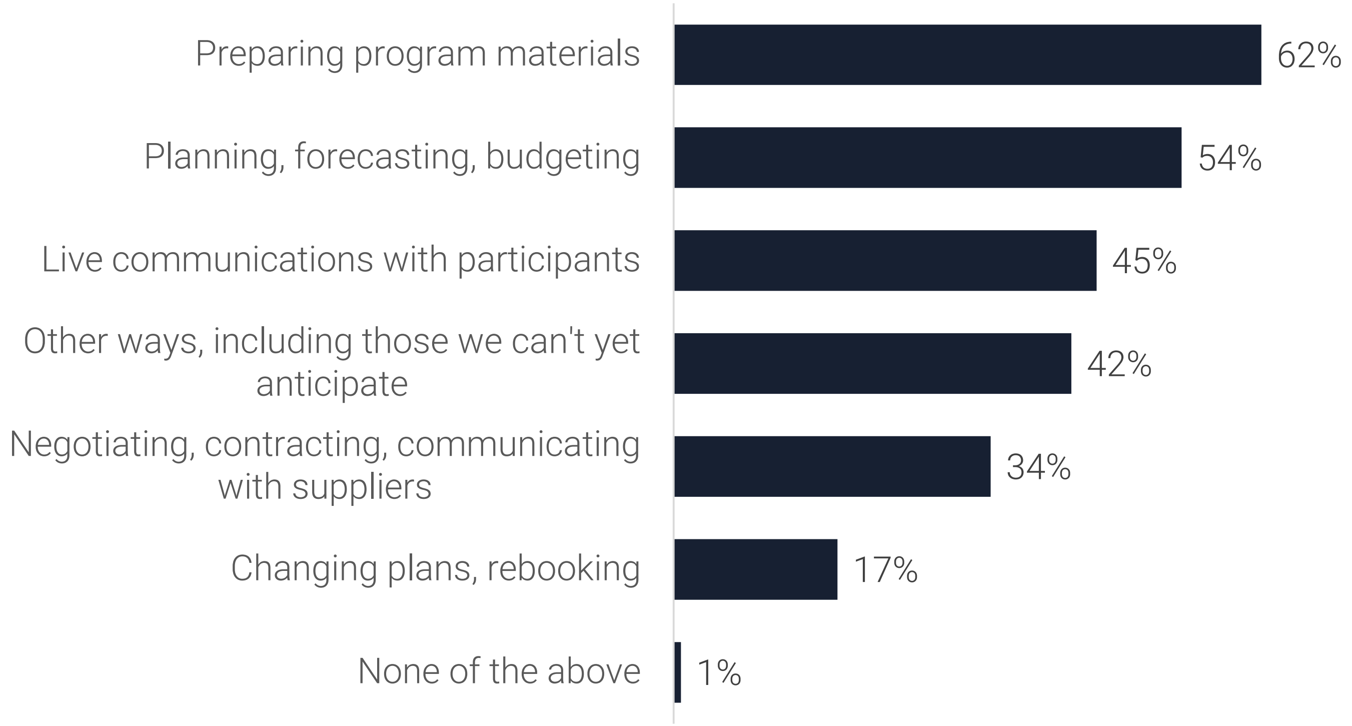
Incentive travel has many uses for AI

Among those that anticipate AI will be used in incentive travel, most expect uses such as for preparing program materials and planning, forecasting, and budgeting

AI will transform the way people do things, particularly in incentive travel. Most respondents expect AI will be used (or is currently being used) to prepare program materials (62%), as well as in planning, forecasting, and budgeting (54%).

How AI will be used

(Share of respondents that view AI will be effectively used within future incentive travel programs)



S17Yes. Of those who answered “yes” to S17: What uses are or will be most important?
Response base: n = 1,052 respondents (multiple responses allowed)

Incentive travel may require personalization AI can't achieve

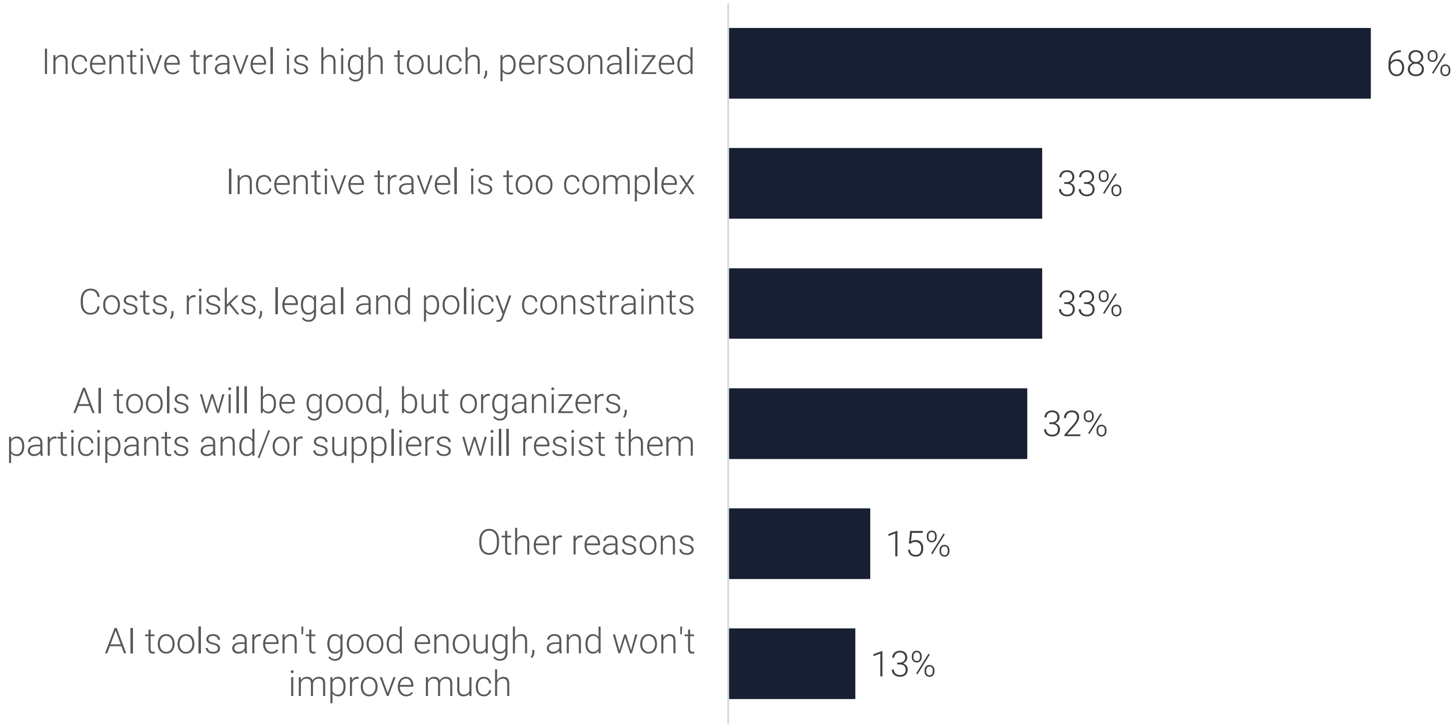
Among those that don't expect AI will be used effectively, the reasons cited included the high touch, personalized nature of incentive travel

Among those who don't believe AI can be used effectively within incentive travel, 68% are of the view that incentive travel is too high touch and personalized for AI use.

AI use is also being prevented by incentive travel being too complex, as well as costs, risk, and policy constraints according to one-in-three respondents.

What is preventing AI use

(Share of respondents that view AI will not be effectively used within future incentive travel programs)



S17No. Of those who answered "no" to S17: What uses are or will be most important?

Response base: n = 126 respondents (multiple responses allowed)

7 Destination Selection

Buyers actively seek new destinations not used before

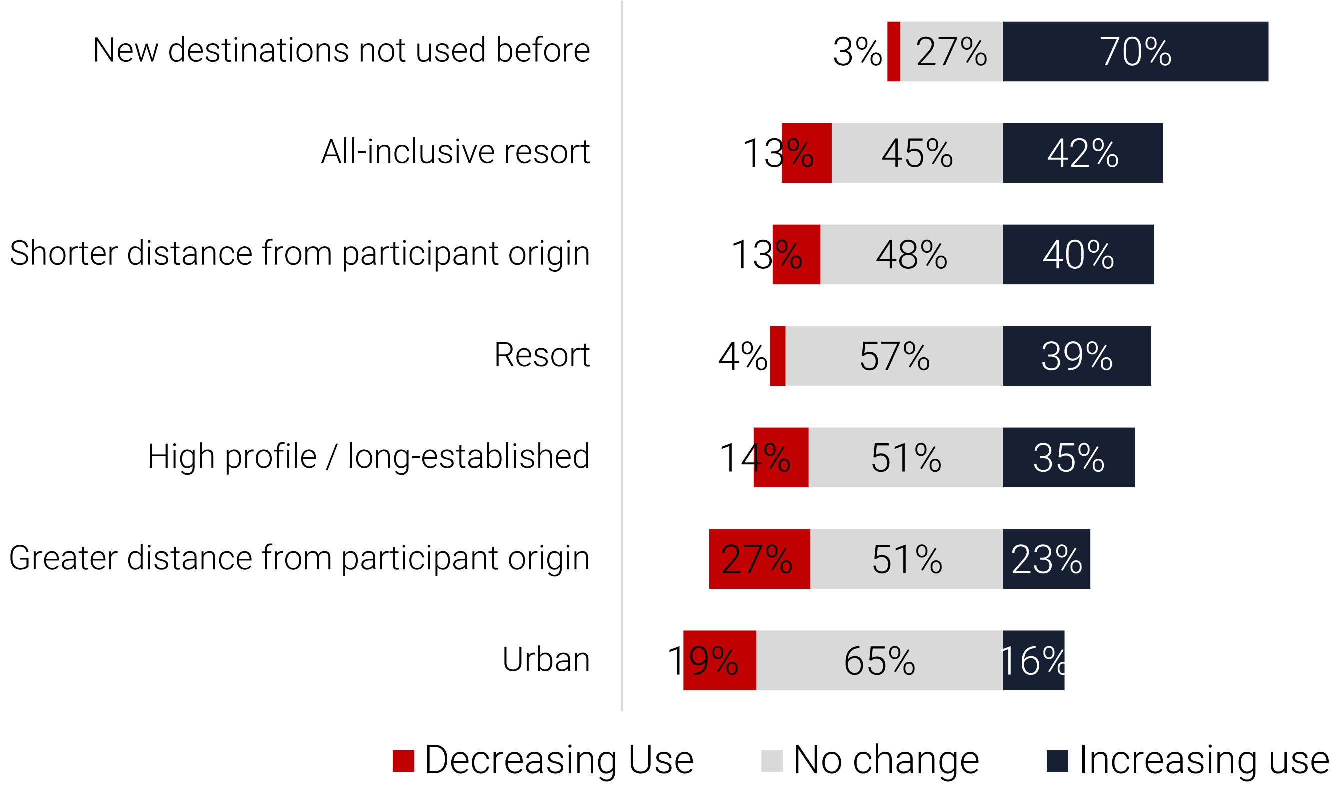
More buyers are looking for new destinations they haven’t used before

Buyers are increasingly looking for something new and seeking destinations they haven’t used before (70%). Resorts – both all-inclusive and regular – have gained popularity (42%), while destinations within shorter distances from participant origin should see increased use (40%).

Urban locations and places that are a greater distance from participant origin see more decreasing use than increasing use.

Changing destination types

(Share of buyers)



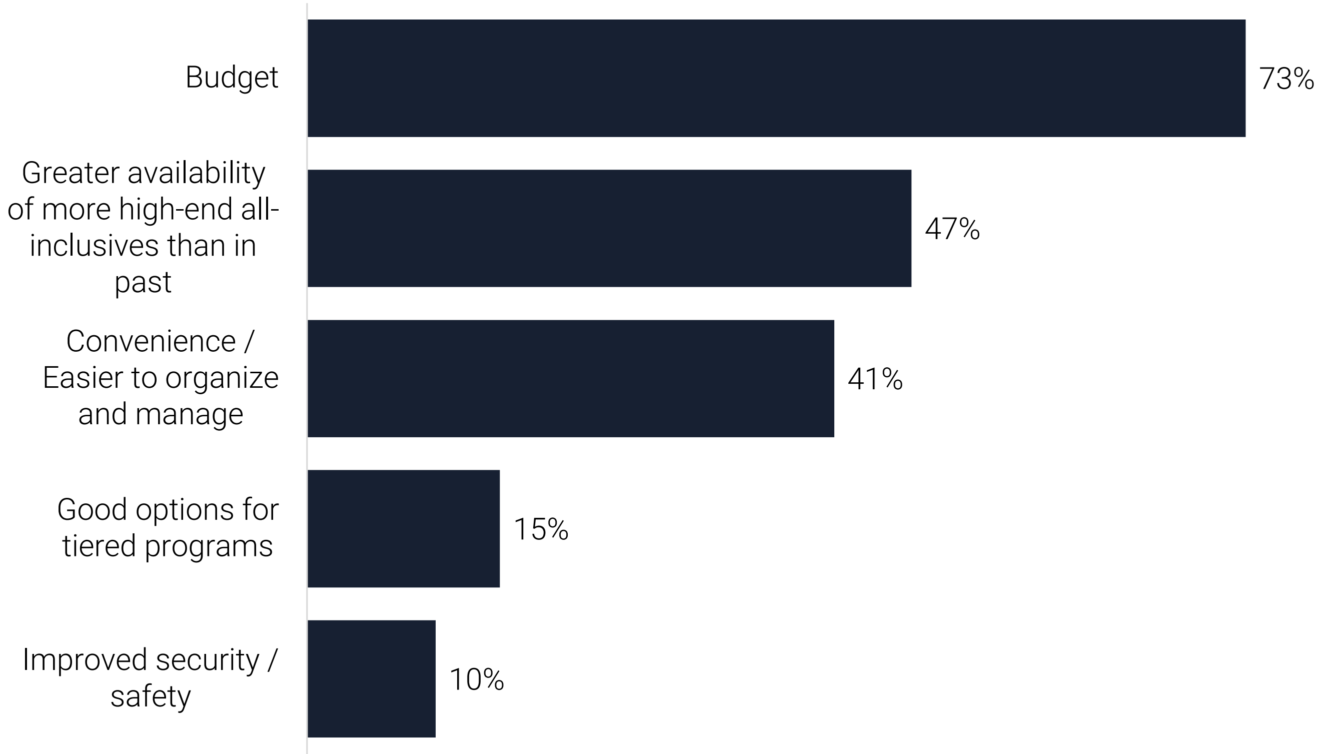
D3a. Do you see destination types changing?
Response base (buyers): n = 633 respondents

All-inclusive resorts are beneficial from a budget perspective

Among buyers who plan to increase use of all-inclusive resorts, key reasons include budget and greater availability than in the past

A follow-up question was asked of the 42% of buyers who expect to use all-inclusive resorts more in the future. The results help show why these buyers plan to increase their use of all-inclusive resorts, citing budget (73%), followed by a greater availability of more high-end resorts than in the past (47%), and convenience (41%).

Reasons for increasing all-inclusive resort use
(Share of buyers increasing all-inclusive resort use)



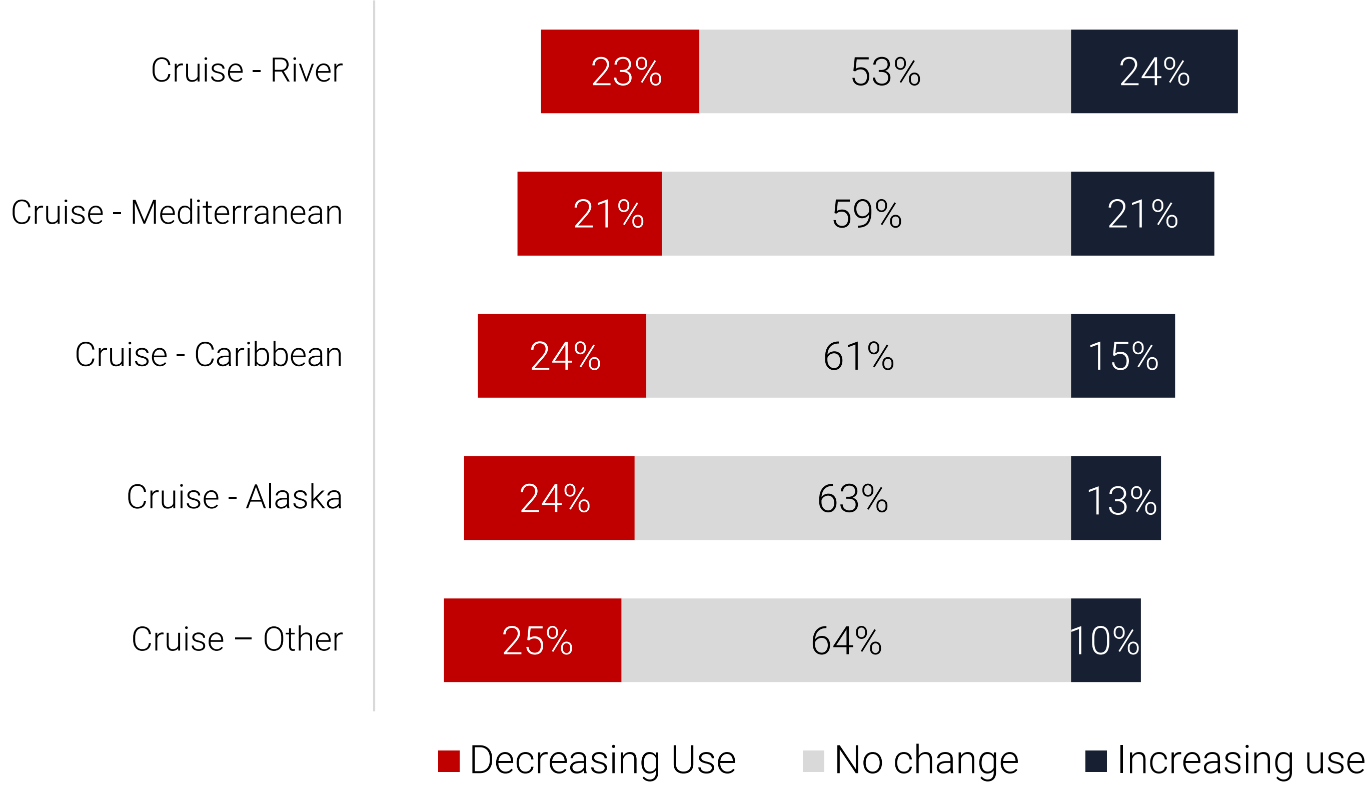
D3b. Why are you increasing use of all-inclusive resorts?
Response base (buyers): n = 253 respondents (multiple responses allowed)

Cruise trends appear mixed

While some buyers expect to see increased use of cruises, others expect decreased use

Only for river cruises are more buyers expecting an increase (24%) over those anticipating a decline (23%).

Changing destination types (cruises)
(Share of buyers)



D3c-f. Do you see destination types changing (cruises)?
Response base (buyers): n = 633 respondents

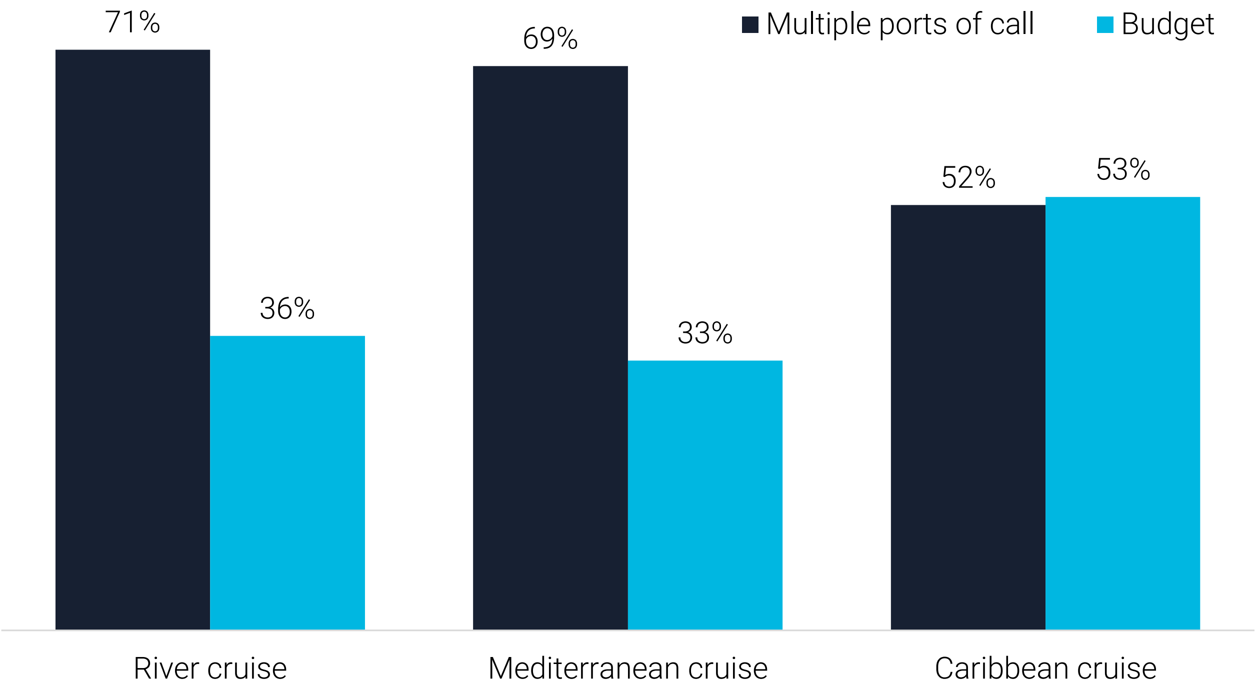
Cruises present benefits to buyers

Among buyers expecting increased use of cruises, multiple ports of call and budget are cited as the main reasons

Most buyers who are increasing use of river and Mediterranean cruises cite multiple ports of entry as the top reason. Budget is also an important consideration and is slightly ahead of the reason of multiple ports of call when choosing Caribbean cruises.

Reasons for increasing cruise use

(Share of buyers increasing cruise use for top two choices)



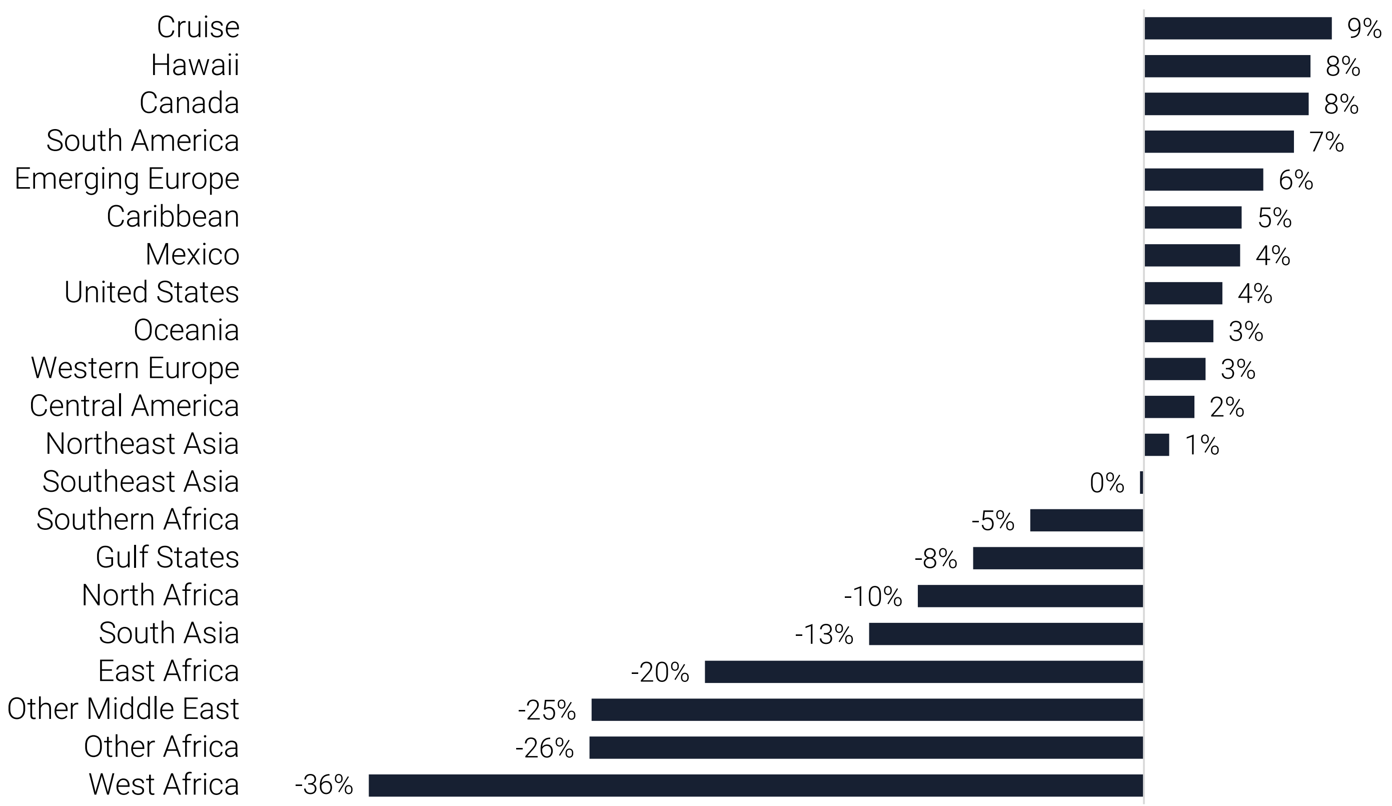
D3c-f. Why are you increasing use of cruises?
Response base (buyers): n = 136 respondents (multiple responses allowed)

Cruise and Hawaii continue to rank highly as places many would consider as new destinations

The destinations that receive the greatest level of consideration as new destinations, net of those not willing to consider, are cruises (9%), Hawaii (8%), and Canada (8%).

Change in willingness to consider new destinations

(Share of buyers willing to consider minus the share not willing to consider)



D1. How do you expect your planned use of the following destinations for incentive travel will change as you plan future events relative to 2024?

Respondents "using" a destination excluded from chart

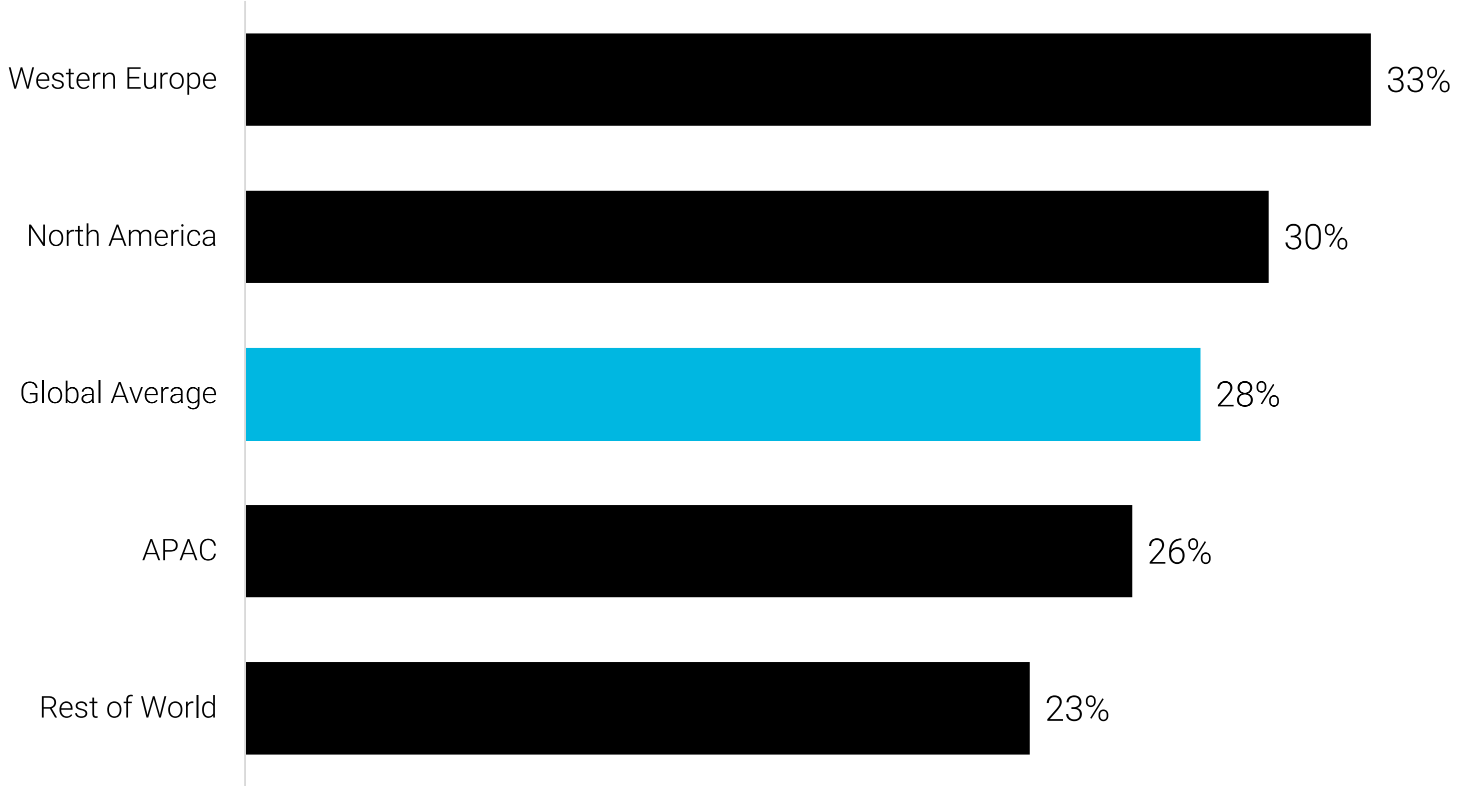
Response base (Buyers): n = 654 respondents

Willingness to consider cruises exists globally

Buyers in Western Europe are most willing to consider cruises

Globally, buyers not currently using cruises are expressing a willingness to consider them in the future (28%).

Willingness to consider cruises among buyers not using, by regions
(Share of buyers by region that are willing to consider and not currently using)



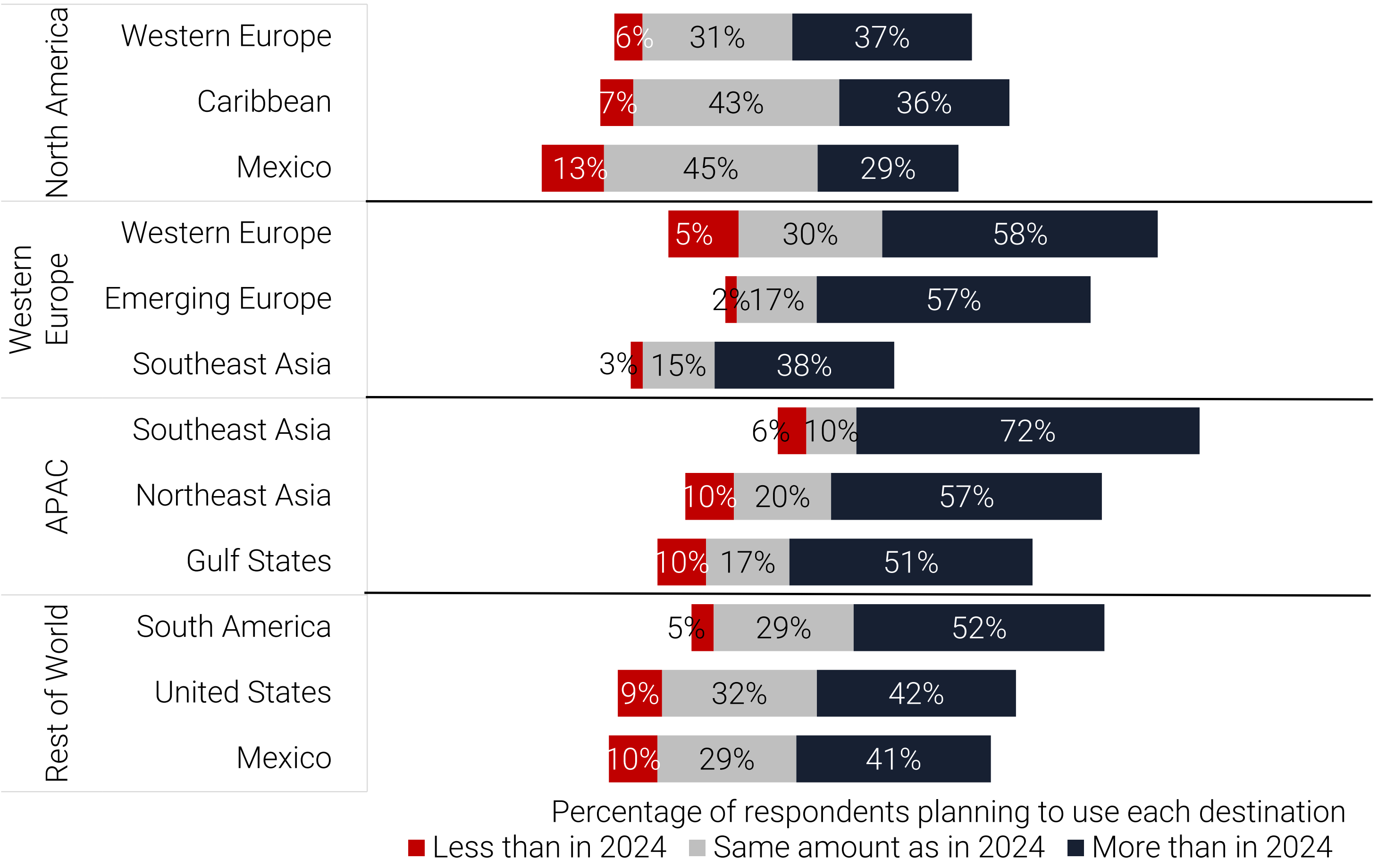
D1. How do you expect your planned use of the following destinations for incentive travel will change as you plan future events relative to 2024?
Response base (buyers): n = using: 654 respondents

Many buyers tend to look closer to home for areas to increase usage

For example, North American buyers tend to focus on areas such as Western Europe, Caribbean and Mexico rather than further abroad.

Destination use planned by buyers across regions

(Share of buyers by region for top three increase usage areas)



D1. How do you expect your planned use of the following destinations for incentive travel will change as you plan future events relative to 2024?

Respondents "not using" a destination excluded from chart

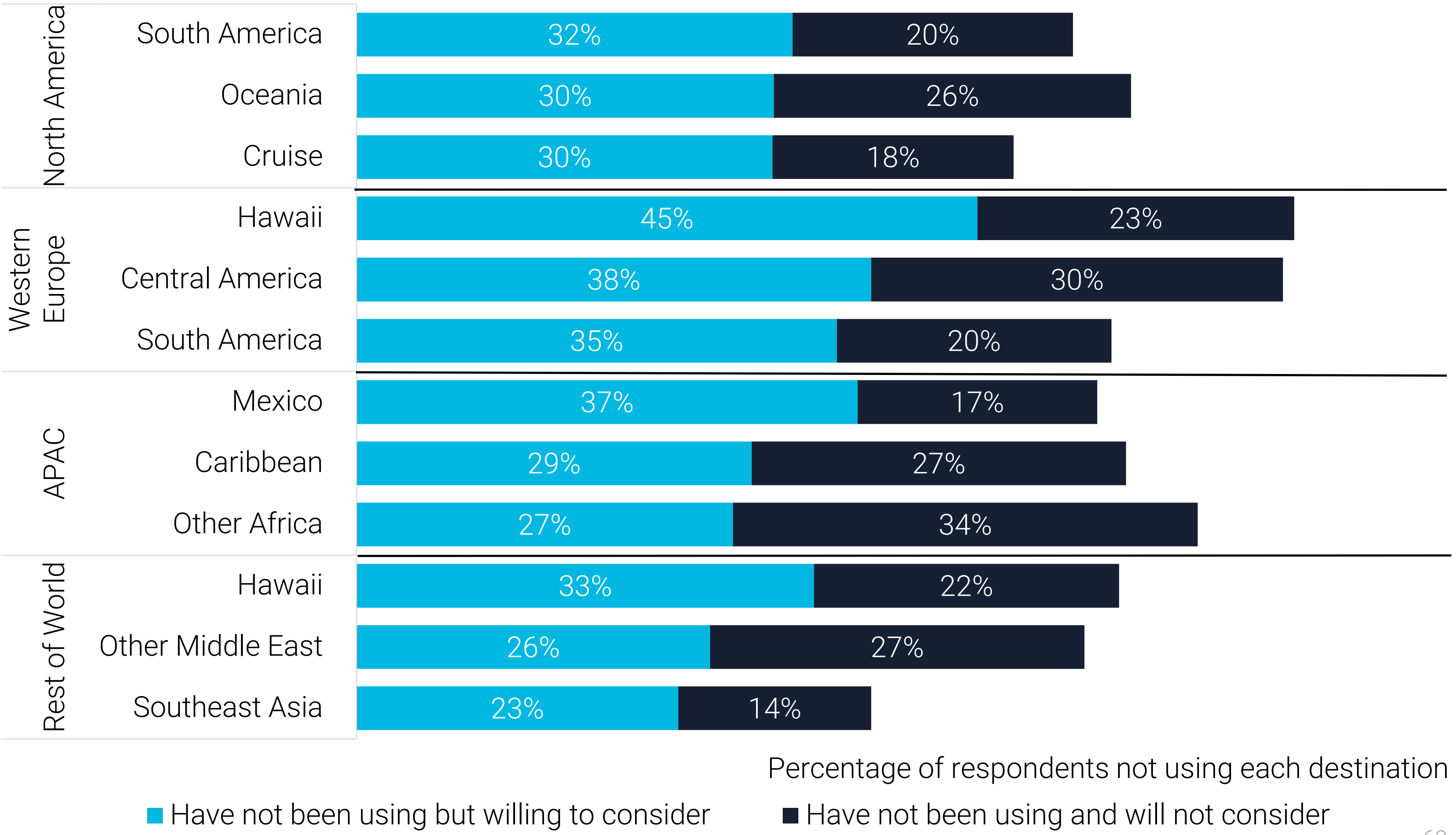
Response base (buyers): n = using: 654 respondents

Many buyers are open to considering new destinations

Many North American buyers report they aren't using but are willing to consider: South America (32%), Oceania (30%), or Cruises (30%)

Western Europe stands out as a region from which buyers would be most willing to consider new destinations; for example, with 45% willing to consider Hawaii.

Destinations not used but under consideration by buyers
(Share of buyers by region for top three areas under consideration)



D1. How do you expect your planned use of the following destinations for incentive travel will change as you plan future events relative to 2024?
Respondents "using" a destination excluded from chart
Response base (Buyers): n = 654 respondents

8 Challenges and Channel Dynamics

Raising costs are the top challenge

Incentive travel professionals face short- and long-run challenges

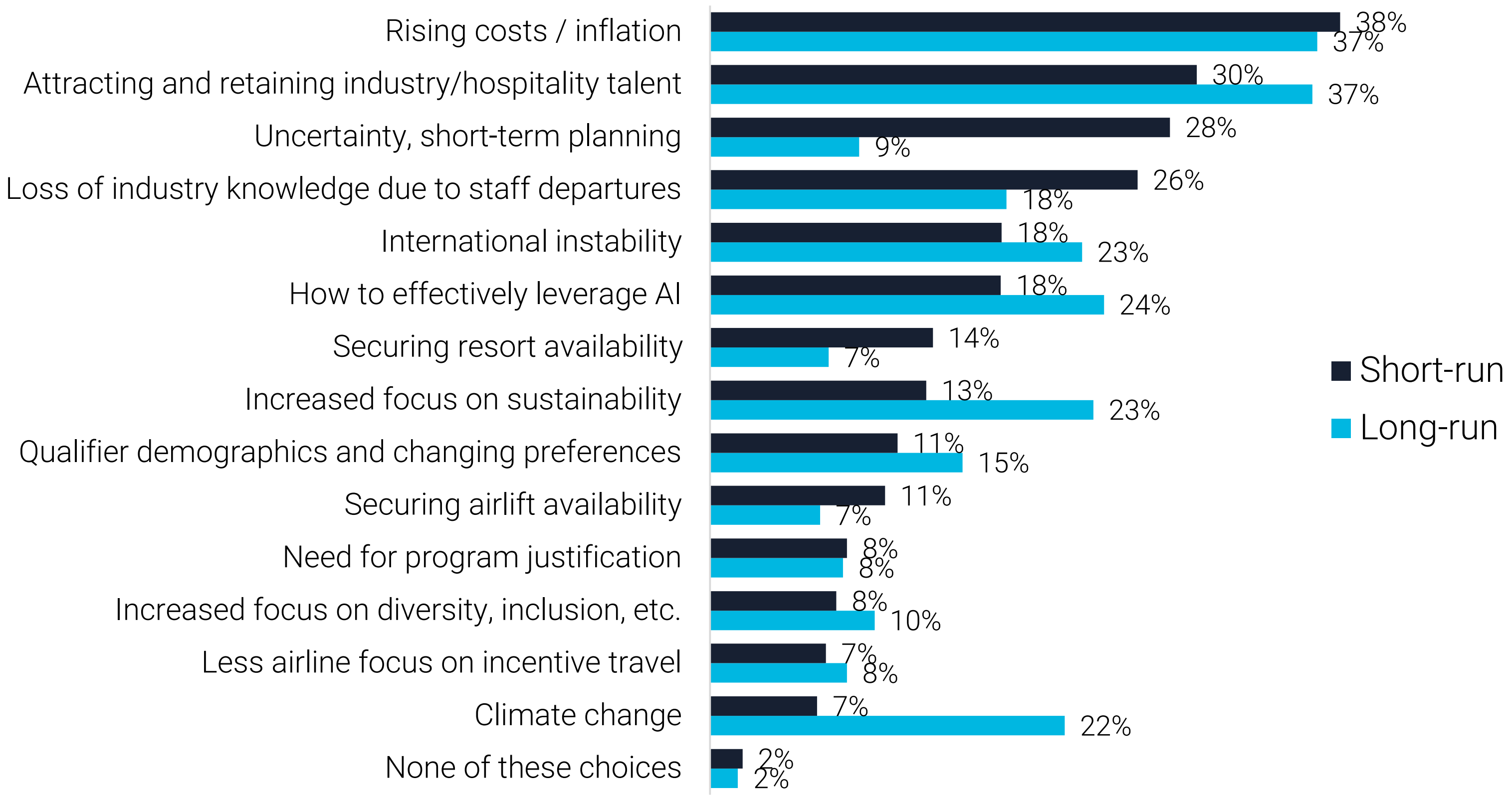
In the short-run, the most cited challenge faced by incentive travel professionals is rising costs / inflation (38%), followed by attracting and retaining talent (30%). These are also expected to be the top challenges in the long-run, according to respondents.

Some challenges that are less prevalent in the short-run are expected to grow in the future. The biggest increases in relevance from short- to long-run are challenges related to climate change (22% in the long-run versus 7% in the short-run) and an increased focus on sustainability (23% versus 13%).

How to effectively leverage AI is also a growing long-term challenge (24% versus 18%).

Future challenges facing incentive travel professionals

(Share of respondents)



S3. What important future challenges face incentive travel professionals?
Response base: n = 1,716 respondents (multiple responses allowed)

Attracting talent is a growing long-run challenge in North America

Between the short- and long-run, regions expect shifts in major challenges

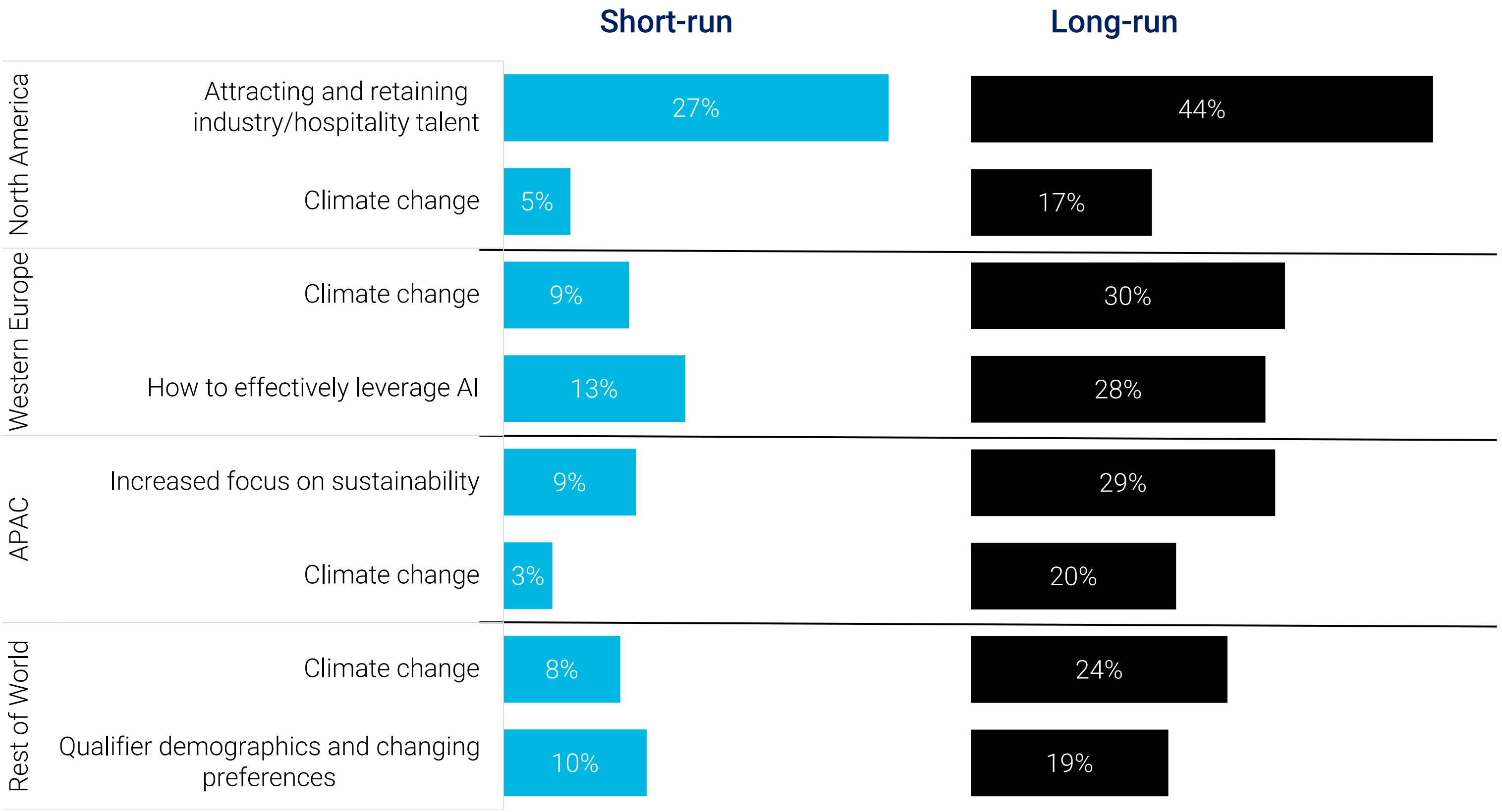
The biggest challenge shift for North America is attracting and retaining talent (17% increase of long-term versus short term respondents). This is followed by climate change – which is also a major focus for other regions.

Also growing significantly in Western Europe is the challenge of effectively leveraging AI (15% net change).

In Rest of World, qualifier demographics and changing preferences is a challenge that will grow over time.

Future challenges facing incentive travel professionals, by region

(Share of respondents, top 2)



S3. What important future challenges face incentive travel professionals?
Response base: n = 1,716 respondents (multiple responses allowed)

Many see risks in a time of generational change

Many believe incentive travel design is lagging in the era of generational change

Some respondents agree (18%) "in a few years, long-haul incentives will no longer be justifiable in the context of climate change", while 41% of respondents agree that "incentive travel design is lagging in an era of generational change".

Future of incentive travel

(Share of buyers)

41%

Agree that incentive travel design is lagging in an era of generational change

18%

Agree that in a few years, long-haul incentives will no longer be justifiable in the context of climate change

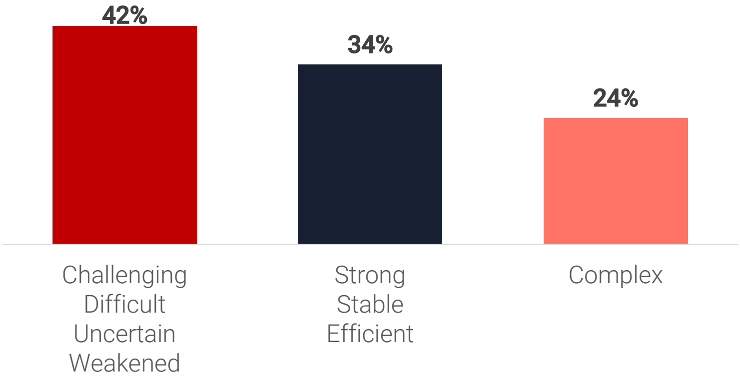
S5. Do you agree with the following statements about the future of incentive travel?
Response base (All): n = 1,641 respondents

Relationship between buyers and sellers are strained

Many (48%) view the relationship between buyers and suppliers as complex

Survey results confirm relationships among buyers and sellers continue to be tested. Many indicated relationships are challenging, difficult, uncertain, or weakened, even as some of their colleagues referred to relationships as strong, stable, or efficient.

Aggregated responses to Question S9



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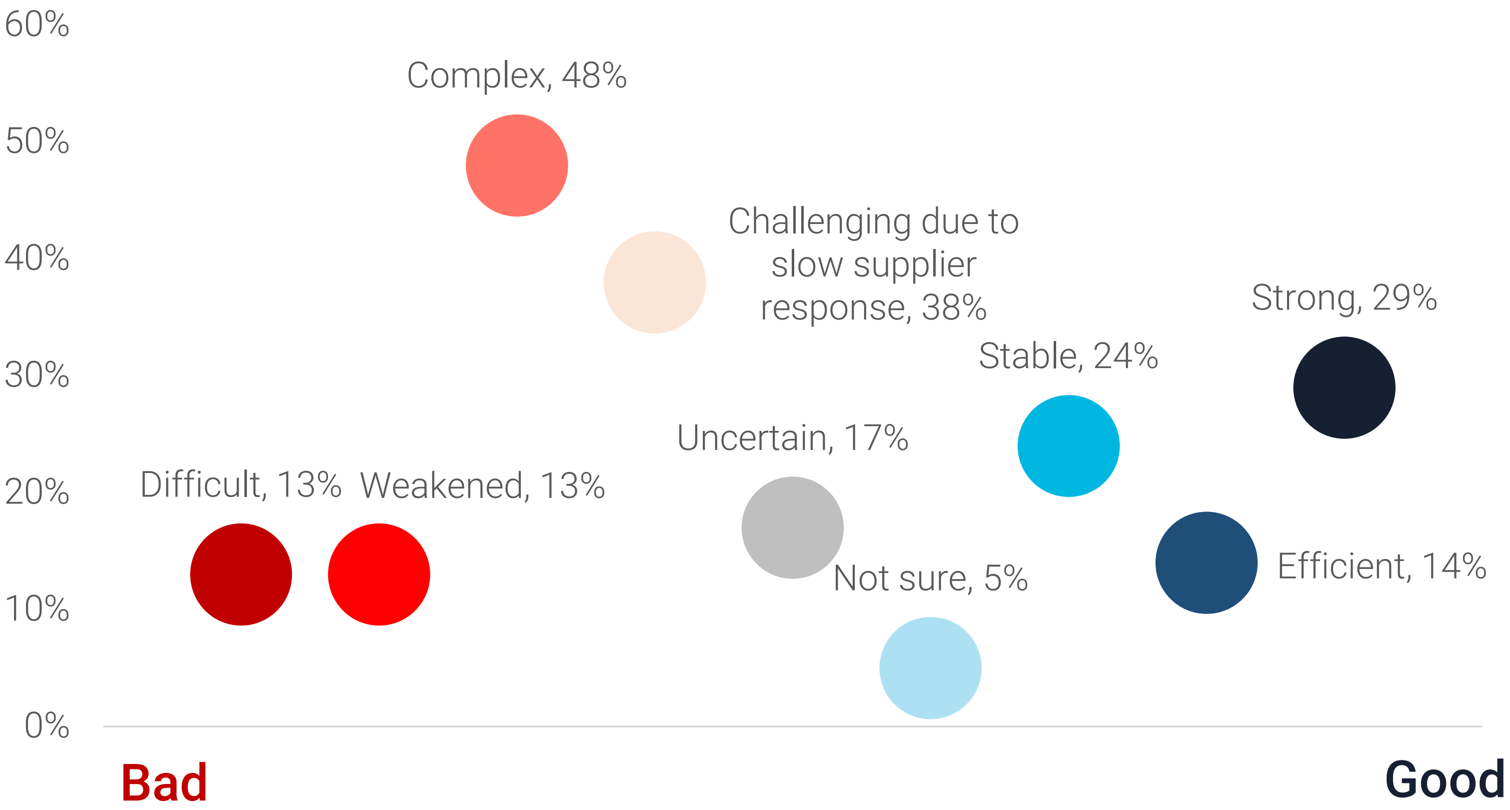
Relationship between buyers and suppliers

(Share of respondents)



S9. Relationships between incentive travel buyers and suppliers are currently?
Response base: n = 1,658 respondents

Agencies see challenges, hotels less so

Incentive travel agencies are more negative on channel relationships (47% cite terms that are generally negative) than positive (31%).

On the other end are suppliers, such as hotels, who are more positive (42%) than negative (31%).

Groupings of response categories:

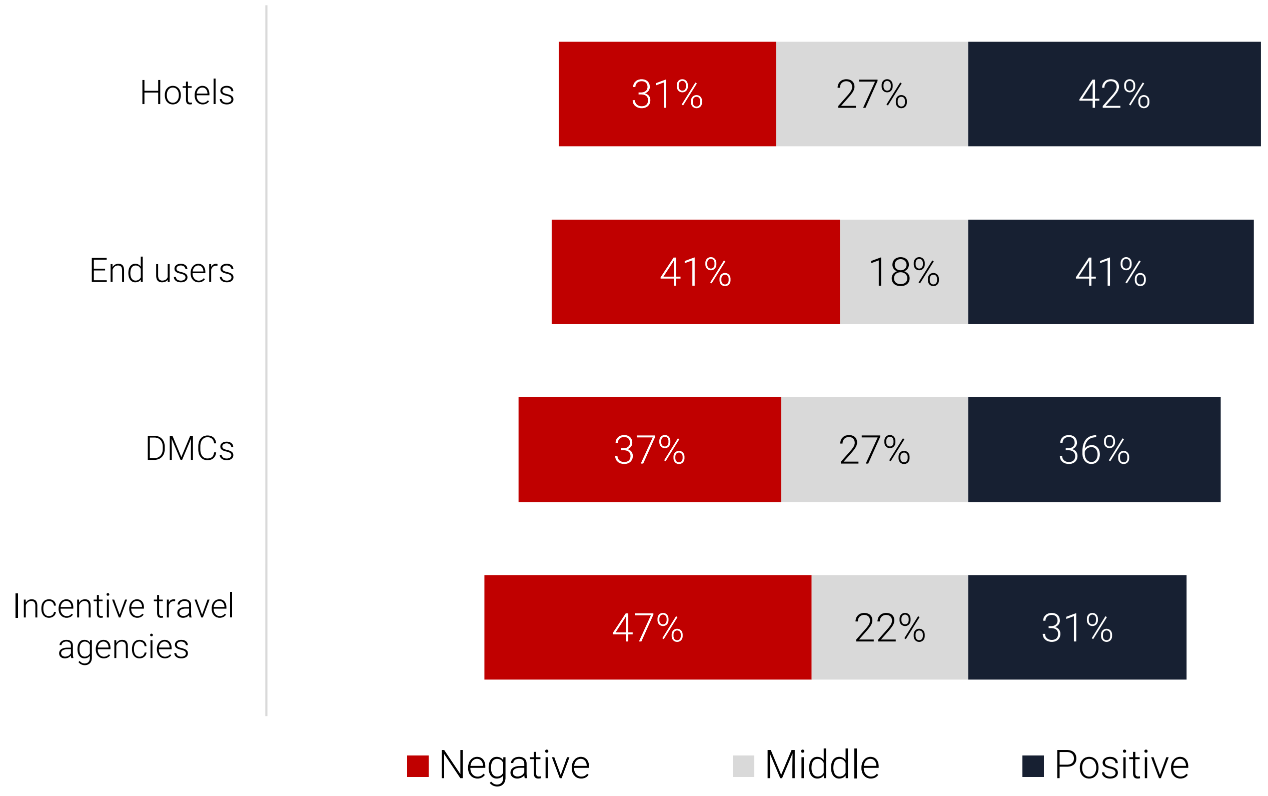
Negative – Challenging, uncertain, weakened, difficult

Middle – Complex

Positive – Strong, stable, efficient

Relationship between buyers and suppliers by role

(Share of respondents)



S9. Relationships between incentive travel buyers and suppliers are currently?
Response base: n = 1,658 respondents (excludig not sure)

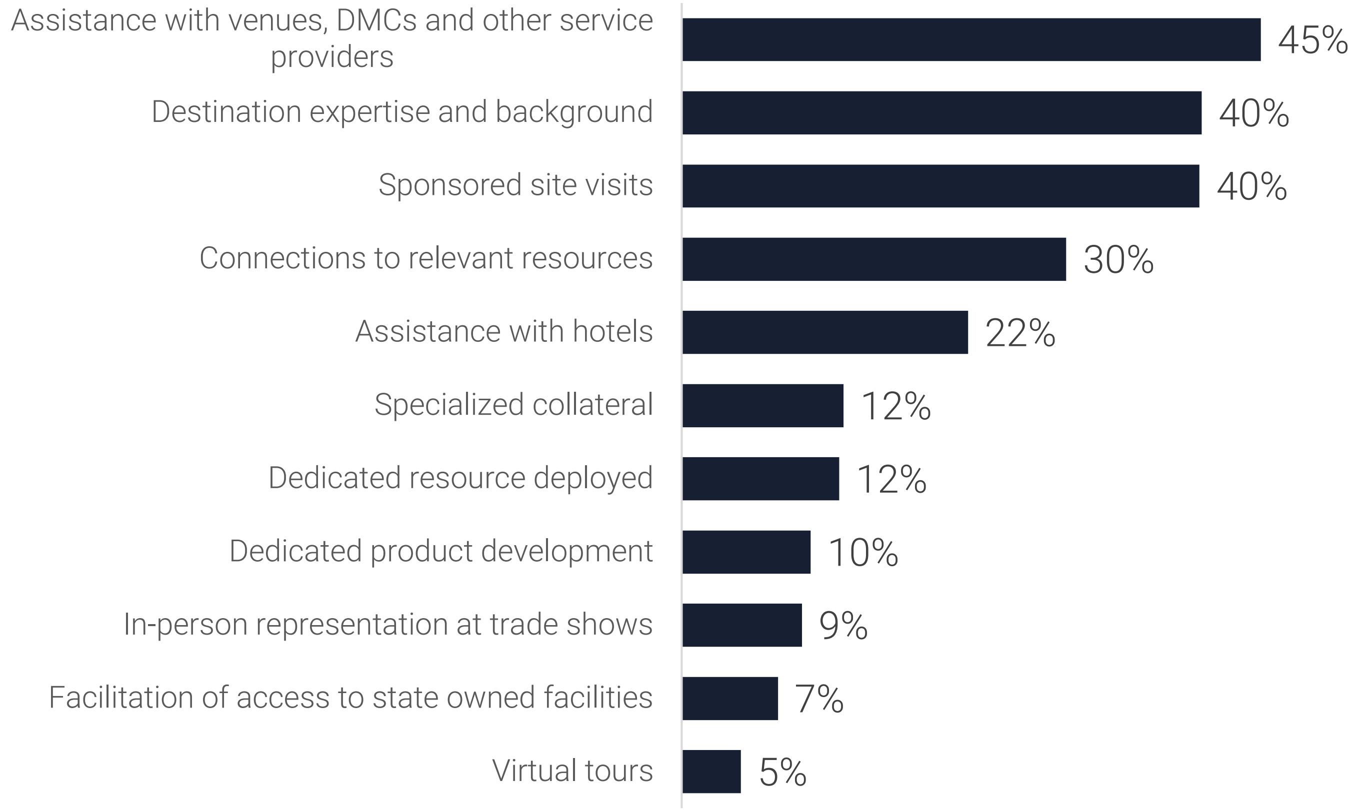
DMO provide valuable support in local destinations

Buyers rely on DMOs for local support

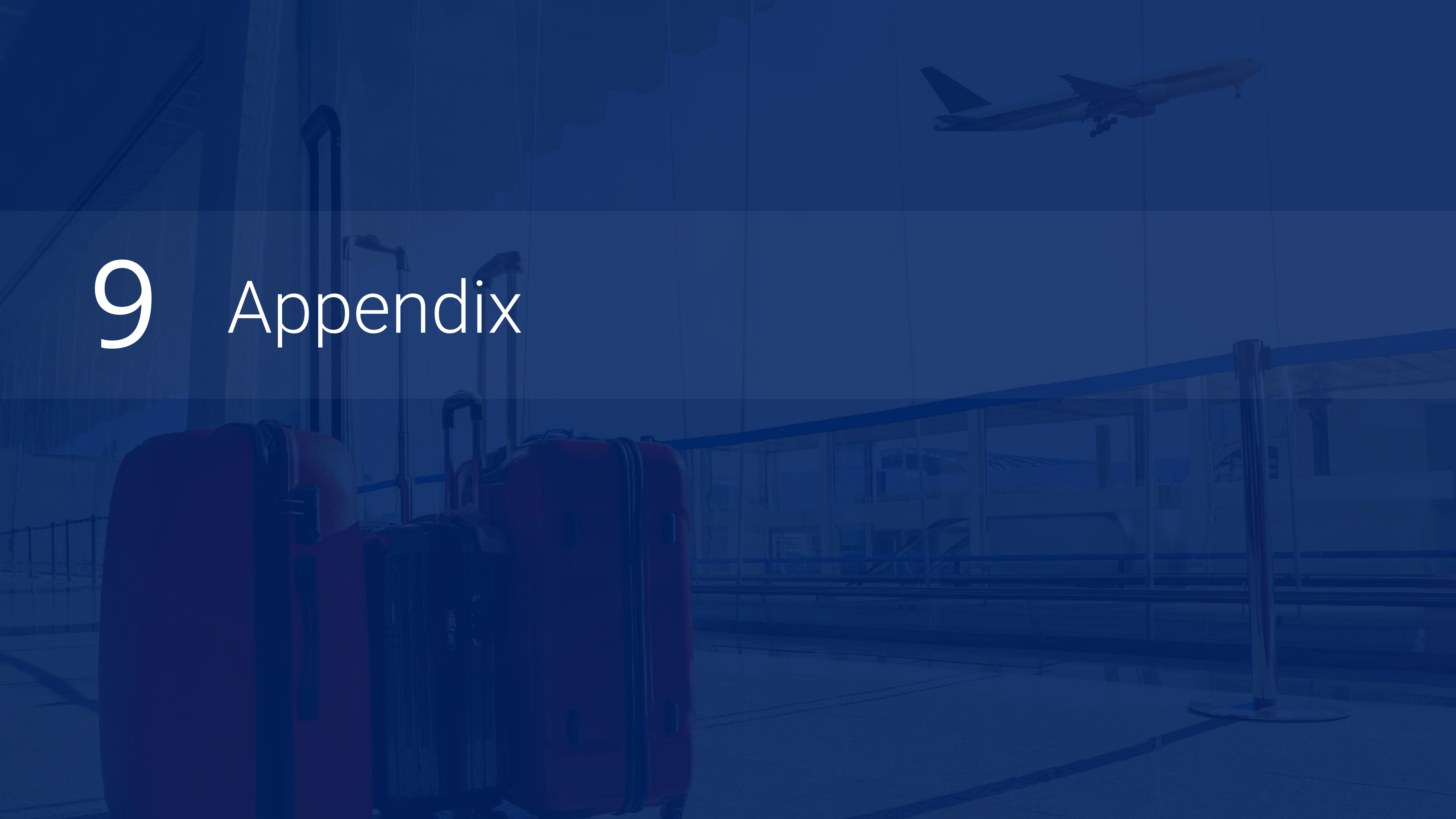
Assistance with venues, DMCs, and other service providers is most cited as the most useful support received from DMOs (45%), followed by destination expertise and background and sponsored site visits (both 40%).

Support from DMOs

(Share of buyers)



D4. What has been the most useful support you receive from DMOs? (excluding ‘other’ and ‘not applicable’)
Response base (buyers): n = 594 respondents (multiple responses allowed)

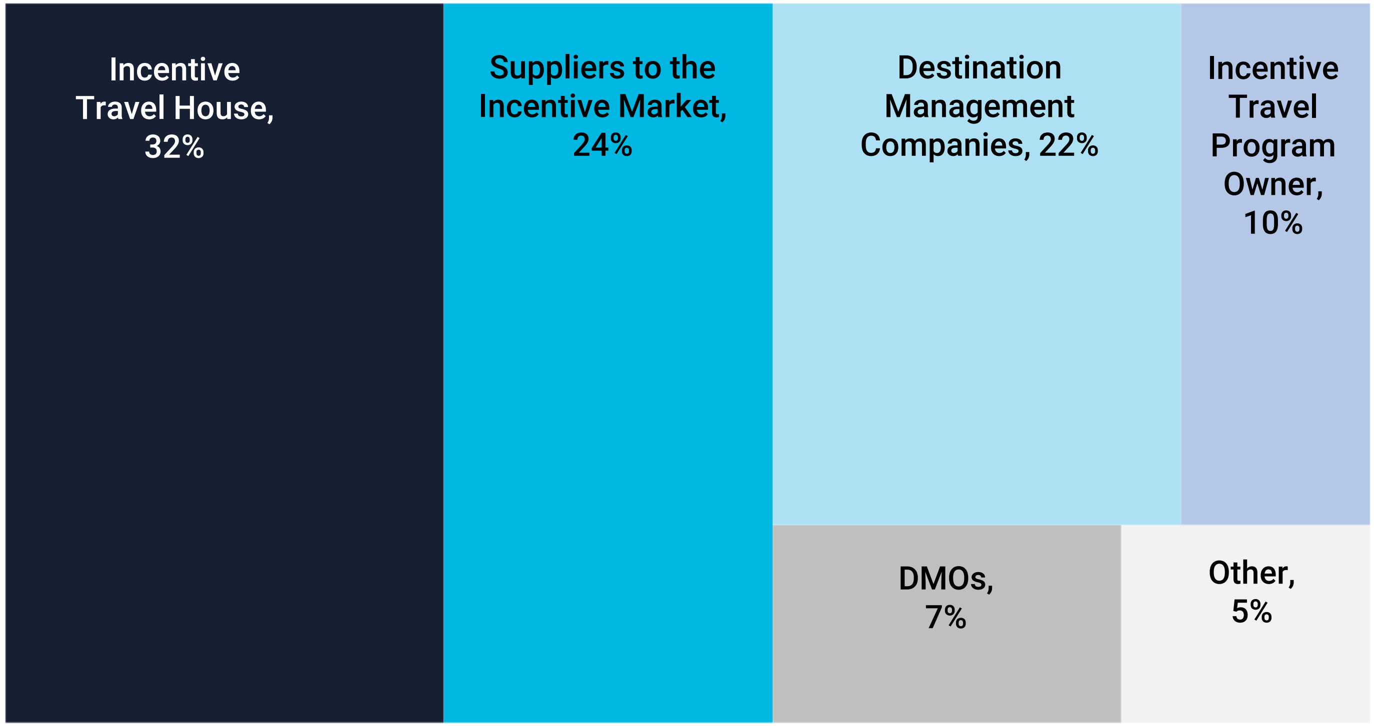


9 Appendix

Demographic detail (1 of 5)

Respondent roles

(Share of respondents by role)

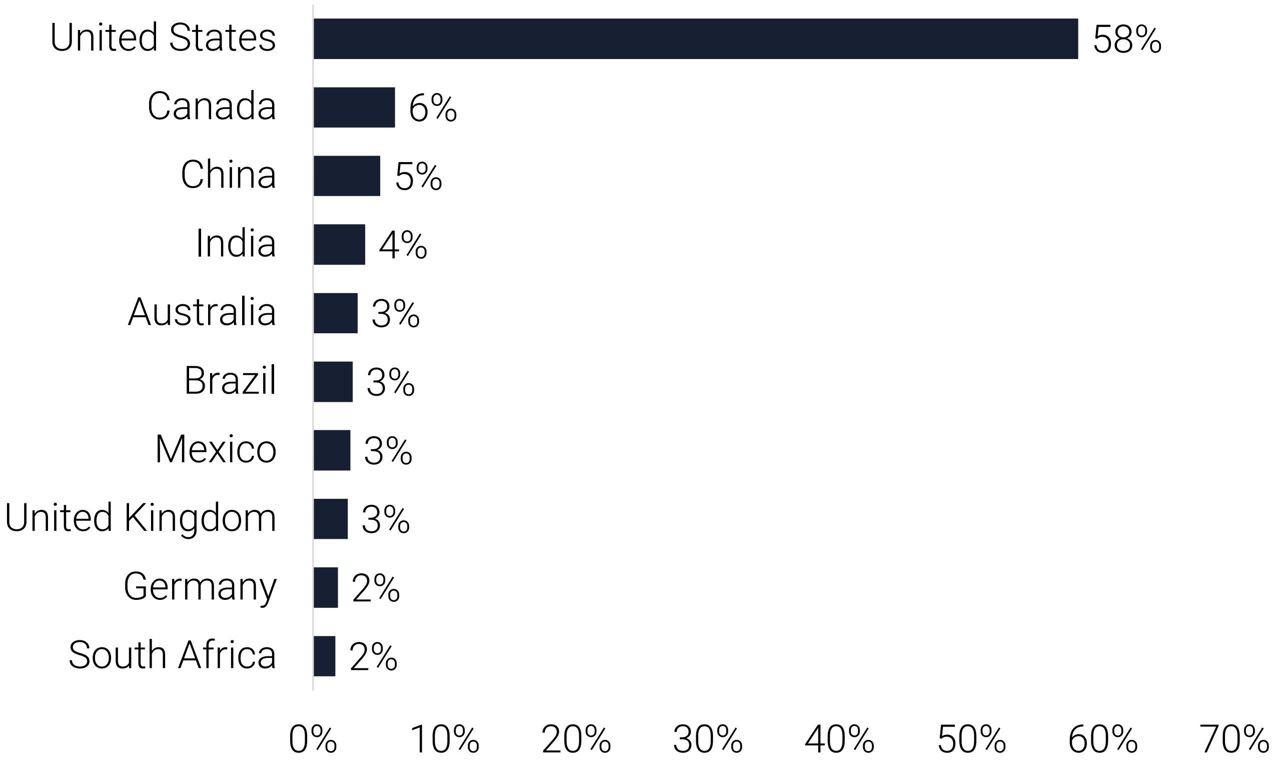


I1. Please select the role that best describes your involvement in incentive travel

Response base: n = 2,852 respondents

Demographic detail (2 of 5)

Origin of incentive travel qualifiers (top ten locations)
(Share of buyers)

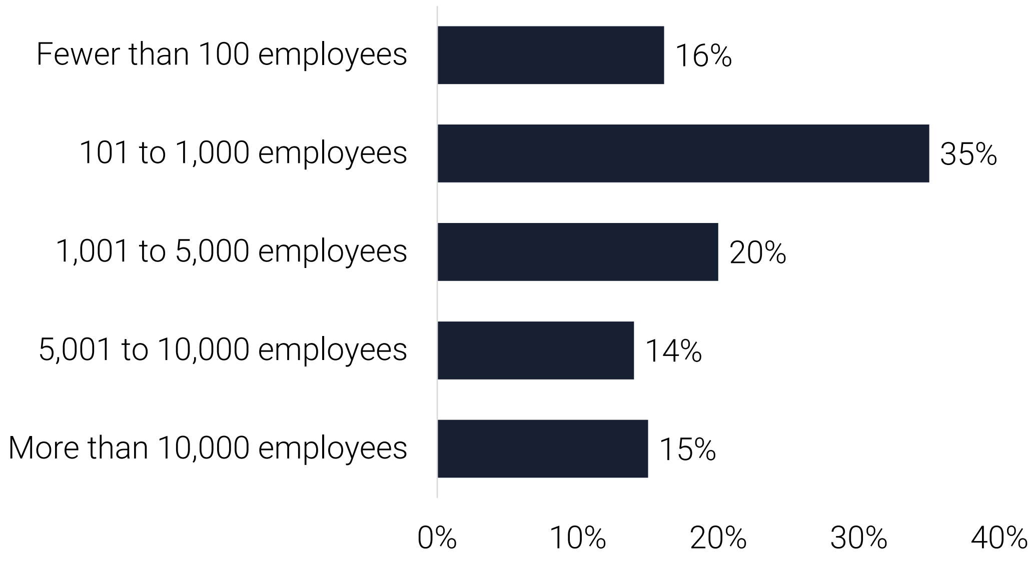


M2. What is the primary origin of qualifiers in your team's incentive travel programs?
Response base (buyers): n = 530 respondents

Demographic detail (3 of 5)

Participant company size

(Share of buyers)



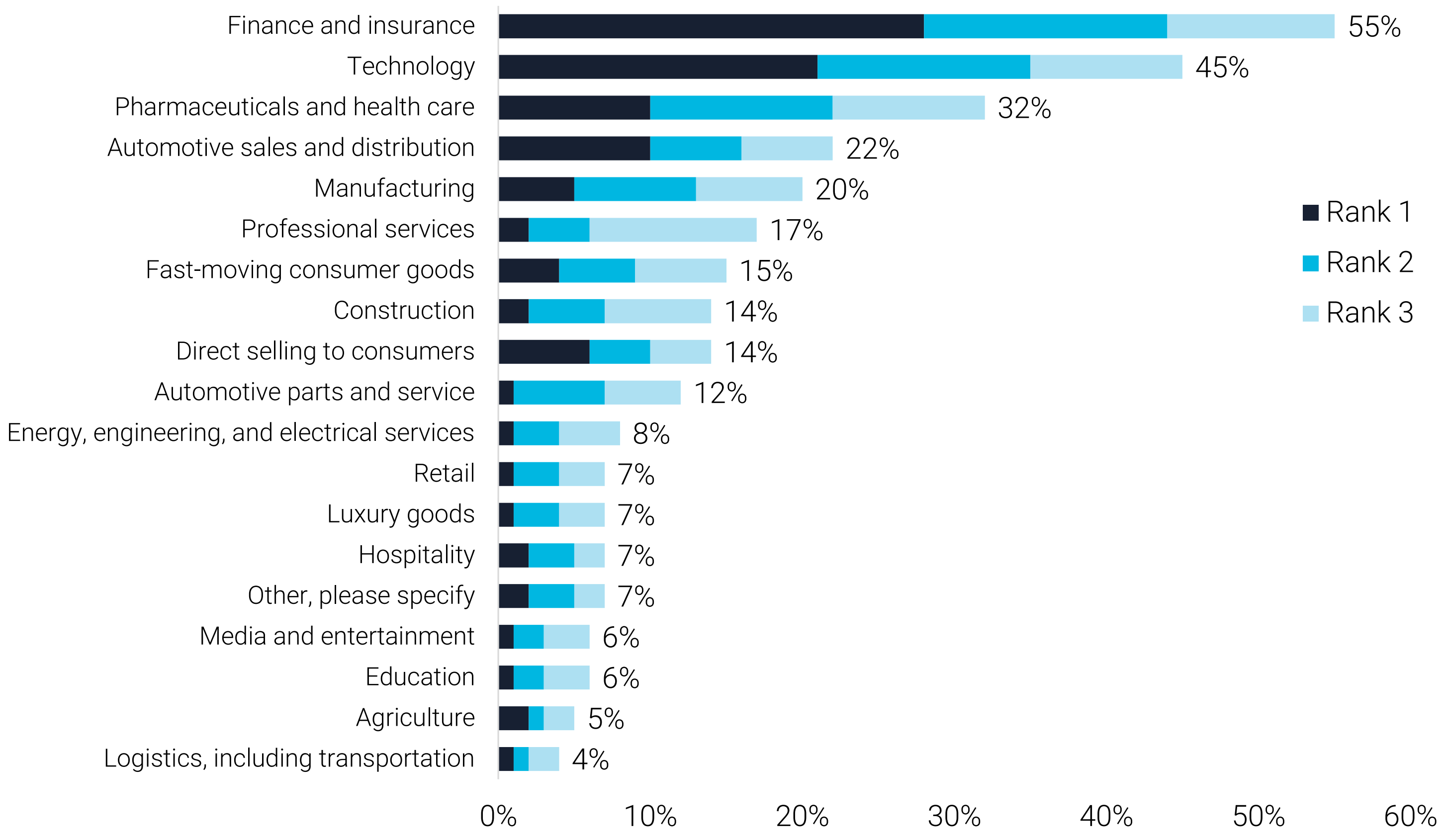
M3. Which of the following best describes the size of the company(ies) for which your team is primarily organizing incentive travel programs?

Response base (buyers): n = 531 respondents

Demographic detail (4 of 5)

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?

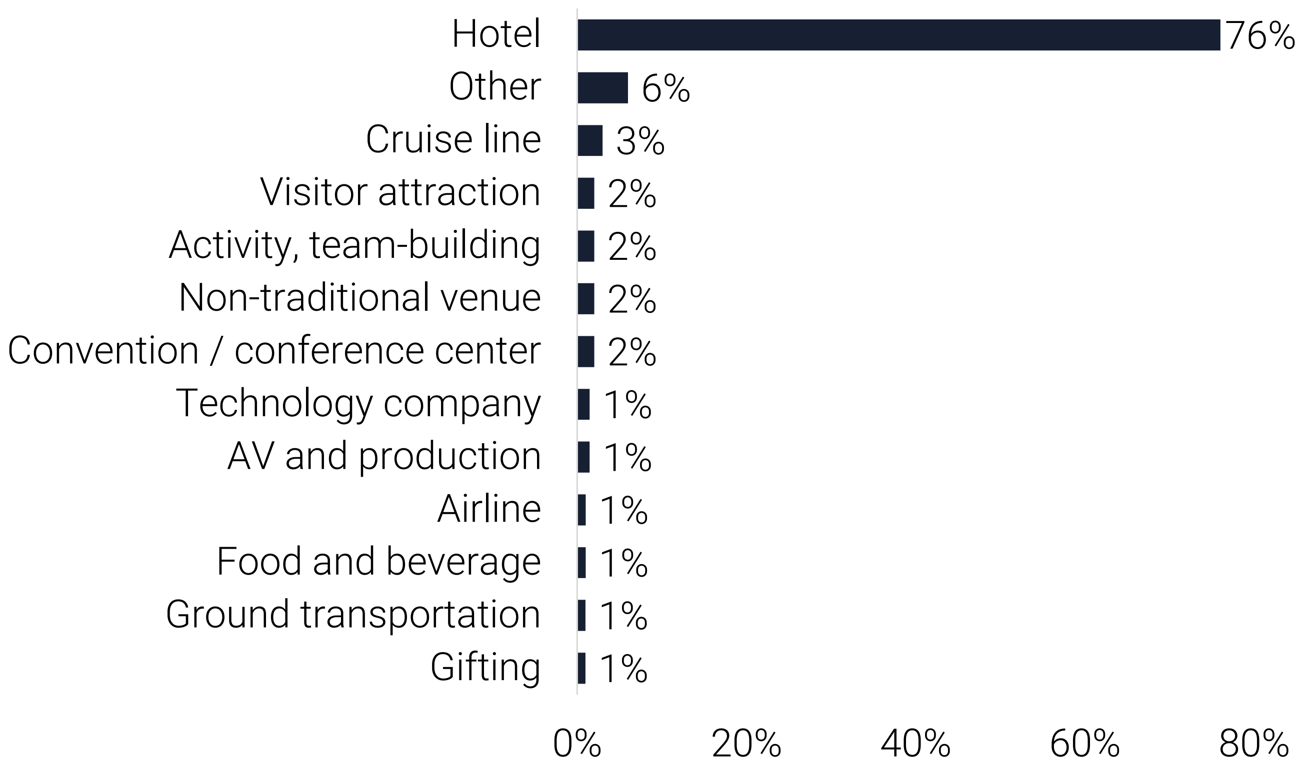
Rank 1 is most important; label is % of all buyers choosing sector in top three

Response base (buyers): n = 521 respondents

Demographic detail (5 of 5)

Sellers by category

(Share of sellers)



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

Response base (sellers): n = 441 respondents

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