








# A World Of Incentives... And A World Of Challenges

**EVER** since the now infamous AIG incentive trip was brought into the public eye incentive travel has changed drastically. According to the latest Incentive Research Federation's Pulse Survey, (to determine current trends in the incentive industry) 65% of the respondents said they consider the current political climate to be unfavorable for the incentive industry.

Exactly what does this mean? According to a survey by The National Business Travel Association (NBTA) conducted in March of 09 close to half or 47% of respondents said they had seen decreases in incentive travel, 20% saw no decreases and a third said the question about increases and decreases in incentive travel was not applicable.

While all this sounds so negative there really exists some great opportunities for those companies who understand the importance of sales incentives to their bottom lines. Part of the "reward for results" philosophy is that the most memorable rewards are all travel related. The more exotic the experience the greater the impact on the individual who earned the trip and hopefully this experience will help reinforce that the effort was well worth it and will bode well for future sales incentives. Opportunity for cost savings in all world destinations and in particular the Caribbean and Latin America has never been greater. There are more air seats available then ever before with a plethora of business and first class seats available. This means the astute planner could probably negotiate upgrades on a decent bloc of seats on one or several flights. Likewise with the deluxe hotels that not only have dropped their rates but also are offering lots of flexibility with attrition, food and beverage costs, room upgrades and free rooms with minimum night stays as well. Plus you can lock in guaranteed exchange rates that have always been a problem for budgets with worldwide travel. And local DMC's (Destination Management Companies) have come to understand that budgets are strict and are willing to work with planners on new and innovative ways to save money as well as work on tighter margins.

Here are some examples of the flexibility that destinations and hotels are offering. The Ritz Carlton properties in Grand Cayman, St. Thomas and San Juan are offering



a special events package with a \$100 daily resort credit per room, similarly AMResorts resorts has implemented a zero attrition policy at its Dreams and Secrets resorts. Wyndham Hotels in Puerto Rico, the Bahamas and St. Thomas are allowing incentive planners to customize their own concessions, for example the more nights booked the more of an incentive (such as discounts, free nights, free cocktail parties, etc.) is allowed to the incentive planner. Hilton Hotels in the Caribbean and Latin America offers a “book now and save promotion which allows up to 25% attrition and double Hilton HHonors points for attendees.

Aruba is taking a different tack by motivating incentive planners by tripling its educational trips and increasing its advertising budget to pre-sell groups. With the added

convenience of being a tax-deductible destination for meetings and incentives it also offers US Customs at the Aruba airport saving travelers time and stress.

Bermuda has recently implemented a promotion whereby a \$200 credit per person is issued for groups of 15 or more staying at least 3 nights. The credit can be used against the hotel master account or credited to an individual’s hotel account.

The Island of St. Martin is also in the game with some incredible savings packages for incentive and meeting planners. For groups, The Sonesta is offering one free guest for each all inclusive guest, 20% off at its spa, a group cocktail party, complimentary meeting space and one comp room for every 30 booked. And the Radisson St Martin is offering

great low rates and bonuses for certain value dates. The Westin on Dawn Beach in St. Martin is offering rates from \$149.

Last December The U.S. Virgin Islands Department of Tourism launched a group rewards program consisting of up to \$100 per room for incentive planners who booked a block of 20 rooms or more during 2009. Plus they would be entered into a sweepstakes to win \$5,000.

And so as you can see from the above there is urgency on the part of travel industry suppliers to help meet the current needs and challenges of incentive buyers and planners. Make no mistake, the “World of Incentives” as we have known in the past will take on a whole new perspective in the future.

Have a Rewarding Day!