



The Benefits of Incentive Travel

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Introduction

Products in business-to-business (B2B) industries are often regulated by government or industry standards. Major R&D breakthroughs are uncommon and can't be counted on. Therefore, the success of a B2B brand often comes from strong channel partner relationships, effective sales strategies, and engaging channel marketing. When you think about it that way, it's not so surprising that **B2B buyers are more emotionally invested in the brands they purchase from** than business-to-consumer (B2C) customers. The most successful B2B brands recognize that it pays off to invest in these emotional connections.

One of the best ways to create stronger emotional connections with channel partners is through incentive rewards. When you reward channel partners for their performance or loyalty, you can create personal value associated with your brand. Incentive rewards have uses and effects as varying as rewards themselves. This guide will focus on what's often known as the ultimate reward: incentive travel. What makes it so great? How do you plan incentive travel effectively? Read on to find out!



Channel Incentive Basics

Before diving into incentive travel, let's define **channel incentive programs** and how they're used. Channel incentive programs motivate channel partners to change their behaviors or elevate their performance in exchange for rewards. A supplier might reward channel partners for hitting sales goals, improving product knowledge, or submitting customer data. Because incentives can be used to motivate any behavior, they can boost any sales and marketing strategy.

Brands can use any reward they want to motivate their channel partners. Of course, a reward's effectiveness depends on the participant audience, the reward's appeal, and whether the reward is worth the action required to earn it. In the chart below, you'll find a **break-down of common incentive rewards** and situations where they work best.



The Reward

In **merchandise** or **points-based rewards** programs, you offer participants digital points that they can redeem for merchandise in an online rewards catalog with merchandise such as electronics, home goods, sporting equipment, etc.

Debit card rewards can be rewarded to participants in multiple forms. They can be traditional, **plastic debit cards** with **reloadable** or **one-time funds**. They can also be issued as **digital e-codes** with funds that can be automatically added to e-wallet accounts.

When to use

- Because points can be saved up over time, points programs are great for **long-term customer loyalty** and **employee engagement** goals.
- The vast amount of rewards available in a reward catalog makes points program a good fit for **large and diverse reward audiences**.
- The [20/60/20](#) rule says that 20% of your performers are top-tier, 20% are bottom-tier, and the 60% majority are average. The wide range of reward value in a points-based program makes it easier for **average performers to earn rewards**, motivating your largest group to move closer to the top 20%.
- Debit card rewards are perfect for **short-term goals** such as sales promotions. The turn-around time for redemption is quick since debit cards are so versatile.
- Reloadable debit cards can be branded with your corporate logo or imagery, reinforcing brand mindshare every time participants use their cards. This makes debit card rewards a great option when you want to **increase brand loyalty**.
- Debit cards come in virtual form, meaning that you can offer e-codes to participants. International participants can then spend their debit card funds in local online stores, bypassing inconvenient shipping wait times. This makes debit cards a great reward for a **global participant audience**.

The Reward

Gift card rewards allow participants to treat themselves to items from popular stores and brands.

Incentive travel consists of group trips to reward channel partners for their performance or loyalty. Along with qualifying participants, trips usually include corporate executives and managers.

When to use

- Gift cards are easy to use and need no explanation. Participants tend to redeem gift card rewards quickly, making them a great option for **short-term goals**, much like debit cards.
- Participants often spend debit card rewards on necessities like groceries. A gift card reward can be an opportunity to encourage participants to redeem their rewards for something fun, so the reward is more **closely associated with positivity, and more effective** as a result!
- Incentive travel rewards are ideal for **securing or rewarding long-term loyalty** from your most important customers. This could be the top three distributors whose business your brand lives and dies by, for example.
- Incentive travel is one of the best ways to **reward your top-performing salespeople** and earn their loyalty to your company. Overachieving sales reps often tire of the same old incentives year in and year out. Incentive trips shake things up and leave an impression!

Technically, there's no Greatest of All Time (GOAT) reward. Rewards all have their own strengths, and their effectiveness depends on how and when you use them. But incentive travel is special because, although it requires a bigger up-front investment, **the return on investment (ROI) is the highest of any reward**. Think of it this way: incentive travel is the best way to reward those in your business you want to invest in most.

In the following chapters, we'll discuss the biggest benefits of incentive travel and the trip management best practices that maximize those benefits.

Incentive travel investments yield an average ROI of

4:1

(Source: Oxford Economics)

The Benefits of Incentive Travel

We've established that incentive travel achieves the best results of any other incentive reward, with an average ROI of 4:1. Let's look more closely at the major incentive travel benefits that make that ROI possible.

Long-term Memories

Most merchandise rewards have associated memories with a short shelf life. For example, a dinner out with the family is typically memorable for a short amount of time, and electronics yield a strong memory association initially, but can be forgotten with upgrades to newer, better products. The same can't be said of a group incentive trip. There's the excitement leading up to the trip, which includes competing for qualification, the anticipation of the winners being announced, invitations sent, destination reveal, etc. Then there's the trip itself, which should be full of **once-in-a-lifetime moments** and delightful experiences.

Incentive trips don't just create lifelong memories for attendees, but between attendees. You should always offer a memorable channel partner experience, but nothing compares to pulling in a 1,200lb Marlin off the coast of the Baja Peninsula with your sales employees or whipping through a road rally race on Italy's streets with channel partners!

Relationship-Building

Exotic locations, exciting experiences, and relaxation are key ingredients to a successful incentive program. That's because they contribute to the most important goal of any incentive trip: **building relationships.**

When the Society of Incentive & Travel Executives (SITE) Global [surveyed](#) companies on the activities they considered most important for a successful incentive trip, the top three answers all involved group interaction:

- Group cultural or sightseeing experiences (52%)
- Group dining experiences (50%)
- Team-building activities (42%)

Incentive trips present the rare opportunity for channel partners or colleagues to get to know each other on a more personal and meaningful level. When attendees share great times together, it breaks down barriers and elevates relationships beyond the transactional. Better relationships increase company or brand loyalty, and improve collaboration—resulting in business success for everyone involved!

Networking with Leaders

Particularly for sales reps, group incentive trips are a chance to get some face time with executives or C-suite leaders. Trip attendees see their value to your company and have a clearer vision of their role within your organization when they can put faces to names, receive one-on-one mentorship, and be heard by top decision-makers. Leadership should also take advantage of the chance to learn more about those most important to their company's success, which can inform future growth strategies and opportunities.

Desirability

One of the biggest benefits of incentive travel is one of the simplest: people love it! Because travel is so desirable, incentive trips are one of the most exciting and motivating rewards you can offer participants. At Extu, we offer reward programs of all types and we consistently see that people show the [most interest in travel rewards](#), whether they're group incentive trips or individual travel options in our online rewards catalog.

Exclusivity & Novelty

If you're rewarding top performers, it's likely that they're well acquainted with success. Since success comes with experience, they've probably been at this for quite a while. They've probably earned just about every type of incentive reward you can offer. This includes earning rewards from your competition's incentive programs, if you work with indirect sales reps. Most customers and salespeople participate in multiple reward programs that include merchandise, rebates, and debit or gift cards. When other rewards may seem old-hat to top performers, **incentive travel rewards can turn their heads.**



Brand Values in Action

In B2B industries where you have limited direct contact with customers or sell to partners in crowded distribution channels, it's often hard for your buyers to connect with your brand on a deep, meaningful level. That doesn't mean that your brand values and corporate culture aren't important to those that do business with you.

42%

B2B BUYERS base buying decisions on personal values (ex. career advancement, social, emotional, self-image benefits).

21%

B2B BUYERS base buying decisions on business values (ex. functional benefits, business outcomes).

(Source: [Think with Google/CEB Global](#))

In SITE's incentive travel study cited earlier, activities that promoted **wellness (64%)** and **sustainability or corporate social responsibility (61%)** were two of the most popular for future incentive trip planning. Actions speak louder than words, and incentive trips allow you to **show who your brand is** through actions.

Engaged Learning

Incentive trips can help you increase sales performance and product knowledge among attendees. How? By providing a stimulating group environment. A Vanderbilt University [study](#) reported that **cooperative learning results in higher achievements** than both competitive learning and individualistic learning. Learning with others in a novel, engaging environment will help attendees retain knowledge, which results in improved performance and increased revenue.

If there's one phrase to sum up all the above benefits, it's this: **incentive travel makes your brand memorable.**

Attendees develop positive memories and associations with your brand, while becoming more emotionally and personally invested in it. In B2B industries, brands often struggle to stand out because of indirect consumer relationships, infrequent purchasing, or regulations and standardizations that limit product differentiation. Incentive travel is one of the best ways to overcome this struggle by forging deep, long-lasting connections with channel partners.

The Benefits of Strategic Incentive Trip Planning

An incentive trip is an opportunity to connect with attendees on a more meaningful, personal level. It's meant to be much different from day-to-day work operations and interactions. It's also not the same as a typical group vacation, as it should reach specific corporate goals and represent your brand well. Managing people on an incentive trip demands a much different skill set than managing people in sales and work environments. When you plan an incentive travel event strategically, you enhance the experience and maximize the benefits. Let's explore incentive trip planning best practices.

Specify trip goals.

Do you want to increase channel partner loyalty or retention? Boost sales? Ensure all incentive travel stakeholders are aware of this goal, including any outside incentive or travel agencies you partner with.

When all stakeholders are aware of your trip goals, everyone is on the same page about what "success" means. You can determine clearly whether or not the trip was successful. A well-defined goal helps you determine which aspects of the trip most contributed to that goal, so you can plan an even more successful trip next time!



Develop a stellar marketing & communication plan.

A great incentive trip should be supported by a great marketing and communication plan. Attendees will need to receive many messages, including exciting trip teasers and answers to Frequently Asked Questions. An effective incentive trip marketing and communication plan includes:

Trip Qualification Promotion

If you're running a sales incentive contest to select your trip attendees, you need a promotion campaign to clearly explain how and when winners will be chosen and the details of the trip. You should also track performance with a public leaderboard to stir up friendly competition and periodically give salespeople a boost of fun and motivation. Last but not least, make it a monumental celebration when it's time to announce winners!

Important Trip Details

Attendees will need to know important information such as how much time they need to update their passports, when and where they can access their plane tickets, where to find terminals and baggage claims, where to access ground transportation, directions to the hotel or event space, and all other details specific to the trip. These crucial messages should be clear and distinctly marked as important.

Engagement Tracking

Just like any other marketing campaign, you should track how participants engage with your messaging. Did open and clicks rates for your non-essential emails start dropping? Did you field questions about important details

even after sending out the information? Use marketing software to track message performance so you can gradually improve communications as you go, anticipate ROI, and perfect marketing plans for future incentive trips.

Post-Trip Campaign

When the trip is over, the marketing and communication work isn't done! Keep the fun going with photos and videos on social media. Who doesn't love to look back on a great time?

At this stage, you should also gather feedback about the trip while it's still fresh on participants' minds. This helps you assess the trip's success while ensuring the participants' know their thoughts are important to you and the trip was designed to celebrate their success or loyalty.

Partner with an incentive travel company to select destination and accommodations.

An incentive travel provider has the resources to find a destination that works with your budget, saving you the time and stress of finding the perfect location and lodgings. Their familiarity with destinations and accommodations helps you find the option that will maximize enjoyment and benefits. They might advise against Costa Rica in May or June, for example, because the rainy season could spoil your fun.

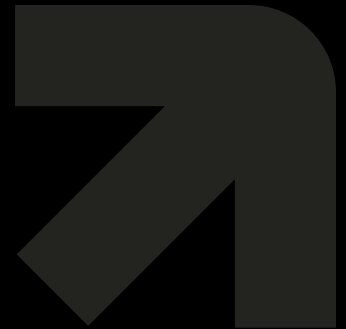
Incentive travel companies have networks of suppliers, partners, and vendors in cities across the world. Since they do business with the vendors more frequently, incentive travel companies often get priority placement, bulk discounts, and preferred rates.

As part of their incentive travel services, Extu offers free site selection. That's many hours of searching and booking already taken off your plate!



Incentive travel companies like Extu have trusted suppliers and trusted partners. They've been vetted. We know they have insurance and good judgment. They won't just call the 'Uber' of London and expect the black cars to be at the airport when they get there, for example. It's important to work with a vendor who can deliver on what they promise.

— Amy Green, Travel Account
Manager at Extu



Choose an all-inclusive resort or hotel.

Most all-inclusive resorts are in Mexico and the Caribbean. This makes them a great option for trips departing from the U.S., being a short flight from most major U.S. cities. Keeping travel to a minimum helps make the most of your trip budget and participants' time.

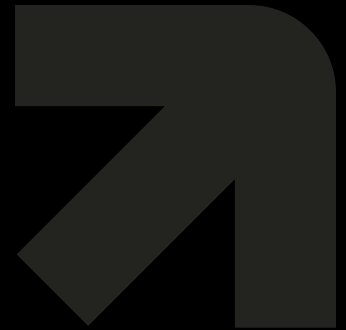
All-inclusive resorts benefit trip participants by relieving much of need for money. Participants have more fun and are more engaged in trip activities when they don't have to worry about costs.

Lastly, planning an all-inclusive incentive trip helps with cost visibility and ROI measurement. Up-front, per-person pricing helps guarantee a return, determine budget and, for channel partner or sales incentive trips, identify the sales threshold participants need to meet to qualify.



When you want to get the best bang for your buck, all-inclusive is the way to go. 'All expenses paid' is phrase you want to hear when you think of your dream trip. Mexico is where a lot of four and five-star high-end, all-inclusive resorts are located. You don't want to overlook these. Participants can put their wallets in the safe and enjoy themselves without worrying about money. It's the best way to maximize trip enjoyment.

— Deven Crane, Director of
Incentive Travel at Extu.



Leverage incentive travel experts for contract negotiation.

When approached correctly, contracts are where you have the most bargaining power in your incentive trip. Working with an incentive travel provider can help ensure your trip is insured by the best possible contract, avoiding undue risks and unexpected fees. Some of the contract issues that incentive travel companies can help you contend with:

- **Cancellation fees and clauses** protect establishments from losing money should you cancel your trip. These clauses are usually unavoidable, but incentive travel experts can help with registration and attendee management so you incur minimal loss.
- **Attrition clauses**, similar to cancellation, compensate establishments for rooms removed from the market when you reserve them. These clauses are negotiable. Establishments may be open to removing an attrition clause if they are dealing with a trusted, repeat client such as an incentive travel company. If you do pay attrition, incentive travel experts can help you make compromises such as paying it on a cumulative basis,

rather than per-night.

- **A force majeure** (“great force”) clause absolves both parties of liabilities in the event of an emergency such as weather, government regulations, and disease threats. Incentive travel planners can help you establish policies such as “partial force majeure” to help you avoid paying extra attrition fees if a force majeure disrupts your trip.
- **Indemnification clauses** protect one or both parties from financial loss, and place damage or neglect liabilities on the party most capable of preventing it. Incentive travel planners can often help you negotiate this clause. For example, you can specify whether the hotel will be indemnified for negligence or gross negligence. You may be able to challenge strict indemnification clauses since you can't completely control attendees' actions.

Incentive travel companies are intimately familiar with group trip contracts, so they can help you negotiate the best possible agreements when it comes to these clauses and others that could blindsides you.

Hire on-site incentive trip managers.

On-site trip management is often part of an incentive travel company's services and could include:

- **Registration:** Incentive travel experts can manage trip registration with software that easily tracks attendance, RSVPs, check-ins, lead retrievals, program agendas, and anything else you need to both manage attendees and itineraries, as well as trip ROI.
- **Logistics:** Leave it up to incentive travel managers to take care of attendees' dietary requirements, accessibility, room keys, transportation, and all other logistics that keep the trip running smoothly.
- **Communication:** With multichannel communications, incentive trip managers make sure attendees have all the information and reminders they need to prep for the trip and enjoy themselves with then arrive.
- **Event staffing:** On-site staff can help with food and beverage planning, theming, set-up, audio/visual tech, as well as getting everyone to and from the event.



The bottom line for
incentive trip planning:
don't do it alone

Incentive travel is a unique blend of marketing, relationship-building, and leisure. You have to make sure everyone is having a good time while reinforcing brand values and meeting trip ROI goals. Incentive trips are no easy feat and are best executed by those with experience and connections. Leave the heavy lifting to experts so you and your attendees can sit back and enjoy the ride, making the most of the ultimate reward!

Conclusion

Incentive travel is one of the most rewarding and exciting ways to spend time with important members of your sales channel. Not only can you get to know each other in way that builds trust and improves collaboration, everyone can enjoy the much-needed refresher that travel providers!

The key to successful incentive travel is **preparation**. By investing time into your goals and ROI measurement, while leaving more complex duties to incentive travel experts, you can host a trip that attendees won't soon forget.

For more information on planning an incentive trip for your channel partners, customers, or sales reps, Extu is here for you. Call us, we're nice!





We are known for providing the heavy lifting that relieves channel complexity through smart tech and expert service.

We offer the best blend of robust tech, programs and human-powered service in the world. Our clients get a dedicated partnership that simplifies the complicated and transforms what is possible through the channel. And we deliver data-driven insights and seamless integrations that give our clients proven outcomes on how to best maximize their channel growth.