

Who are the Incentive Federation's members?

The Incentive Federation is the only organization whose membership and leadership includes all the industry's national trade associations, as well as individual industry companies. It is under The Incentive Federation umbrella that the collective interests of the Incentive Marketing Association (IMA), the Promotional Products Association International (PPAI), The Incentive Research Foundation (IRF), the Recognition Professionals International (RPI) and Society for Incentive Travel Excellence (SITE) are advanced.

Research Perspective

U.S. businesses using non-cash rewards

1996 – 26%

2016 – 84%

\$\$ Spent in Incentive Marketplace

1996 - \$27 billion

2016 - \$90 billion

IRF, SITE and FICP Release Second Study on the Global Incentive Travel Industry

The Society for Incentive Travel Excellence (SITE), the Incentive Research Foundation (IRF), and the Financial and Insurance Conference Professionals (FICP) along with research partner Oxford Economics are proud to announce the release of the second joint study of the global incentive travel industry. **Incentive Travel Industry Index Powered by SITE Index, IRF Outlook and FICP** is the largest-ever survey undertaken into the incentive travel industry, achieving an unprecedented number of submissions from five categories of incentive travel professionals.

“Following last year’s hugely successful inaugural joint study, we wanted to increase responses, both numerically and geographically, so as to ensure deep penetration into the universe of incentive travel. We received a total of 2,600 submissions from over 100 destinations around the world, almost triple the number received in 2018,” said SITE CEO Didier Scaillet, CIS, CITP.

Conducted in association with Oxford Economics, well known to global incentive travel professionals for its extensive work with the Events Industry Council (EIC), US Travel Association and Meetings Mean Business coalition, the study is a wide-ranging inquiry into the state of the incentive travel nation, at once an historical snapshot of where the industry has come from and a predictive hypothesis of where it’s going.

“Almost half of all responses came from corporate end-user and agency buyers, representing 15 distinct industries or sectors that typically use incentive travel as a performance-enhancement tool. Financial services and insurance, pharma/healthcare and information and communications technology were the top three sectors represented, with automotive a close fourth,” said Steve Bova, CAE, FICP executive director.

The survey findings show further increases over 2018 in per-person investment with hotel spend and not airline costs – the outlier in 2018 – now capturing the majority of the spend. Destination infrastructure – i.e. hotels – is also the top consideration in destination selection, relegating destination appeal into third position, after safety.

“Beyond the hard dollar outcomes, we’re finding soft-power objectives like engagement, relationship building and company culture emerging stronger, continuing the trend identified in 2018,”

added IRF VP of Content, Andy Schwarz. “And the primacy of the human touch within the world of incentive travel is carried across many other areas of inquiry, with reputation being the leading factor influencing supplier choice – significantly more important than financial stability and value.”

Key Insights Include:

- Incentive travel is about going to a new place, crossing a barrier together, experiencing a new culture.
- North American buyers showed favorable interest in Oceania, Southeast Asia, and Central America, with a net increase of approximately 9-12% more buyers expected to make increased use of those destinations over the next two years.
- A stronger focus on soft power is boosting the role of incentive travel as a builder of corporate culture and engagement.
- Senior management values program effects on participants and return on objectives, in addition to measures of ROI.
- The importance of impacts to workplace relations and company culture stands out.
- Cost factors are the most important drivers of increases in spending per person.
- Sponsors reporting hotel costs as a factor increasing costs outnumbered those citing hotel costs as a factor decreasing costs by 45 percentage points.
- Discretionary choices, such as selecting higher cost destinations, are also contributing to increases.
- In competing for incentive travel business, suppliers recognize the importance of compelling experiences, delivered with seamless service quality.
- DMC’s anticipate buyers will increasingly contract directly with suppliers, bypassing DMC’s as intermediaries.
- Sector participants referenced the focus on company culture and sustainability as key positive factors impacting programs planned for 2020 and 2021.
- Challenges around safety, security and marketplace uncertainty were the most important negative factors.
- Experiencing the destination and building relationships through meals remain top rated items for successful incentive travel programs.
- Wellness, sustainability and flexible activities will gain prevalence.
- Golf and other competitive sports will recede further.
- Mandated events and team-building events will become slightly less common.
- Western Europe and Central America are the top long-haul destinations used by North American buyers.

The full study was released at IMEX America on September 9, 2019, and can be accessed on the IRF website [here](#). A panel discussion at IMEX detailed the preliminary findings and the session is available on the SITE Facebook page [here](#).

Things to Know and Think About

The following are interesting pieces of marketing and market information that you might find useful in your businesses:

DIY Recognition Applications Increase and Gain Traction

Here is a link to the top employee recognition software companies as noted by Capterra, with a list of 123 software applications that claim to offer:

- Manager-to-peer recognition
- Peer-to-Peer Recognition

- Rewards Points

These Do-It-Yourself software applications seem to be pointed to the small to mid-market businesses that may believe they cannot afford a professionally developed solution. Time will tell if they are effective and successful, but the incentive ad recognition solution providers should take note.

<https://www.capterra.com/employee-recognition-software/>

B2B Marketing Stats and Tips

<https://www.themarketingblender.com/statistics-every-b2b-company-know-boost-sales/>

What to Know about the Younger Generation and Their Buying Preferences

<https://www.therobinreport.com/millennial-brand-preferences-a-2018-update/>

Economic Value From Employing Standards

The IFI has embarked on the challenge to develop Incentives, Recognition and Rewards Standards, and the following may be useful in clarifying how using standards may benefit clients.

<https://www.bsigroup.com/en-GB/standards/benefits-of-using-standards/research-reports/>

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If you have questions, advice for the Board, or want to raise issues for the Board to think about, please contact Steve Slagle at steves3309@gmail.com or 864-710-6739.