

WHITE PAPER EDITION 3



CORPORATE *INsites*

*THE CHANGING FACE
OF INCENTIVE TRAVEL*

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NOTE FROM KEVIN REGAN, PRESIDENT, SITE FOUNDATION



Kevin Regan, CIS
President, SITE Foundation

SITE Foundation was established by SITE to raise funds and support research, education and advocacy projects on behalf of the incentive travel industry.

Monies raised by SITE Foundation enable us to make the business case for incentive travel and highlight the transformational potential of travel experiences for individuals, enterprises and communities.

Since 2017, SITE Foundation has invested over \$1.5 million to drive the business case for incentive travel and support professional development within the industry.

Recent projects include:

- Development of certification for mid-manager level incentive travel professionals (CITP)
- Annual publication of the Incentive Travel Industry Index (ITII) with our partners, the Incentive Research Foundation (IRF) and Financial & Insurance Conference Professionals (FICP)
- Creation and distribution of “Motivate,” an online content repository for incentive travel professionals
- Creation of the inSITEs series, incorporating Corporate inSITEs, Leadership inSITEs and Participant inSITEs
- Funding and running the David Riddell Memorial Scholarship
- Ongoing disbursement of grants to individuals, chapters or companies in the incentive industry

SITE Foundation is a registered charity holding a 501(c)(3) nonprofit organization status.

#beinSITE

NOTE FROM SELINA SINCLAIR, VP, RESEARCH & CONTENT, SITE FOUNDATION



**Selina Sinclair, CITP,
CMP, SMMC**
CEO, Realm

In 2021, SITE Foundation developed the inSITES series, an iterative research project focused on key stakeholders across the incentive travel spectrum. This includes corporate professionals who plan and execute incentive travel programs (Corporate inSITES), their C-suite leaders (Leadership inSITES) and the qualifiers who attend their programs (Participant inSITES)

Corporate inSITES, the first of our research projects, targets professionals in corporations whose remits include the approval, oversight, design, planning, execution or delivery of incentive travel programs.

SITE Foundation created a panel of 100 US corporations that use incentive travel as a key element of their reward and recognition programs and surveyed them three times — in April 2021, August 2021 and March 2022.

The responses provide us with a valuable record of the pandemic's impact on incentive travel, particularly in relation to changes that may be permanent such as the focus on safety and duty of care.

This White Paper calls out five emerging themes that form Edition 3 of Corporate inSITES. We have also provided a series of tables that show the evolution in responses over the three editions of the project.

INTRODUCTION

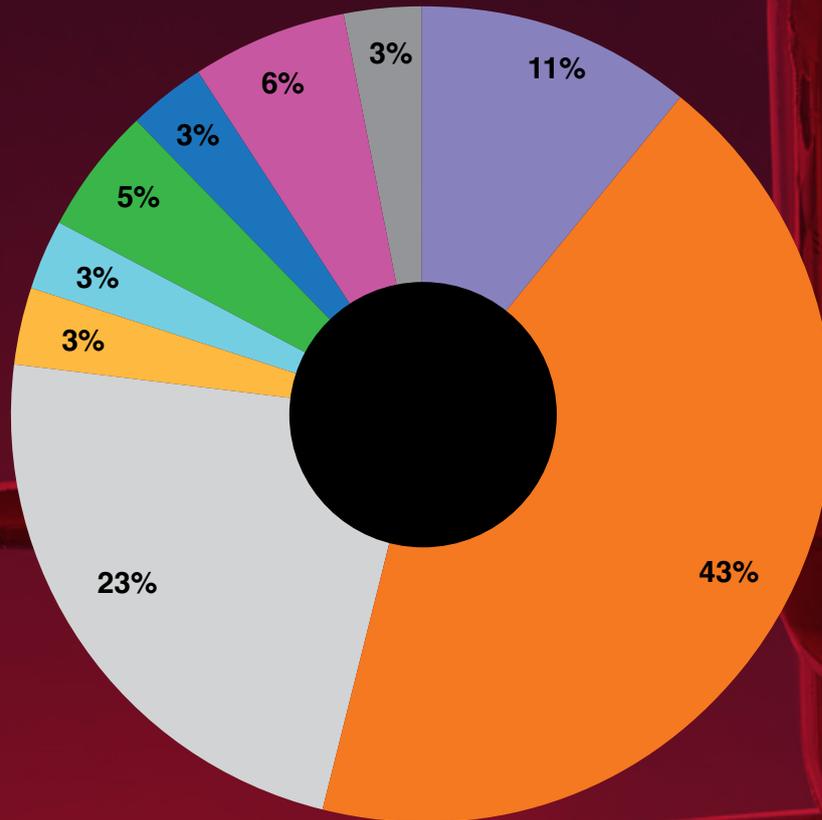
EDITION 3

Following editions 1 and 2, we now bring you the third and final edition of Corporate inSITEs. Edition 1 reflected survey results from April 2021, edition 2 drew on surveys from August 2021, and finally, edition 3 utilizes survey results from March 2022. This provides us with three moments in time, spanning almost a year of the highs and lows for the incentive travel industry.

For edition 3, 35 companies responded to the survey — on par with edition 2 in August 2021, which had 34 responses, but less than the 50 companies that responded to edition 1. Once again finance and insurance was by far the most represented industry segment in the survey.



DEMOGRAPHICS



- Direct selling to customers
- Finance and insurance
- Information and communication technology
- Logistics, including transportation
- Manufacturing
- Pharmaceuticals and health care
- Professional services
- Agriculture
- Other (please specify)

Figure 1: Demographics

KEY THEMES

1. CORPORATE AMERICA STILL LOVES INCENTIVE TRAVEL, AND ITS USE IS ALREADY UNDERWAY

In April 2021, 94% of respondents stated they were fully supported by their C-suite leadership. This reduced in August to 53%, with another 29% stating that the commitment was still there but reliant on the safety of qualifiers.

In March 2022, over 91% of survey respondents shared they had 100% support from senior management within their company, with 38% having already started planning in 2021 and another 53% resuming planning and programs for 2022.

Not only does Corporate America still love incentive travel, it is well underway to delivering unforgettable incentive travel programs at pre-pandemic levels. Positive sentiment may have weakened in August/September 2021, but it's back to April 2021 levels now as incentive travel programs resume.

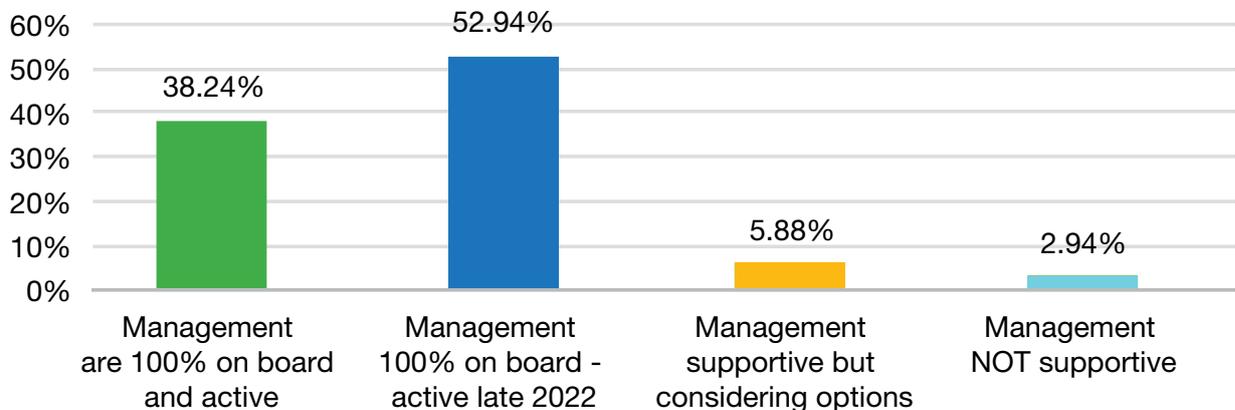


Figure 2: Senior Management

2. RECOVERY AND RESUMPTION IS UNDERWAY — BUT WATCH FOR BURNOUT

While edition 1 of Corporate InSITes revealed an extremely positive and optimistic industry predicting a sooner-than-expected recovery in 2021, edition 2 forecasted greater pessimistic sentiment and resumption and recovery curtailed until late 2022 and beyond.

March 2022 reveals more realism, somewhere between what was predicted in April 2021 and August 2021: a middle-of-the-line approach.

As predicted by the Incentive Travel Industry Index (ITII) in 2020, domestic meetings and incentives have been the

first to recover, with 43% of respondents operating a domestic meeting in Q1 2022 and 26% of respondents staging a domestic incentive travel program.

International meetings and incentives were predicted to resume in Q2 2022, with 43% of respondents hosting an international meeting in Q2 and 46% hosting an international incentive program.

One issue, highlighted in edition 2 of corporate InSITes as a potential challenge, has indeed come to the forefront. 2022, particularly Q2, has become an extremely congested year,



with postponed 2021 and 2022 programs now all taking place at the one time. This has led to an extremely busy year.

Great talent was lost to our industry during the pandemic, and the current speed of recovery and the demands this places on workforces could send us into a tailspin and precipitate an industry-specific “great resignation.”

As business bounces back and recovery gathers momentum, our industry must navigate a tricky course in 2022 through program congestion and resource shortages to establish a solid platform for growth in 2023 and beyond.

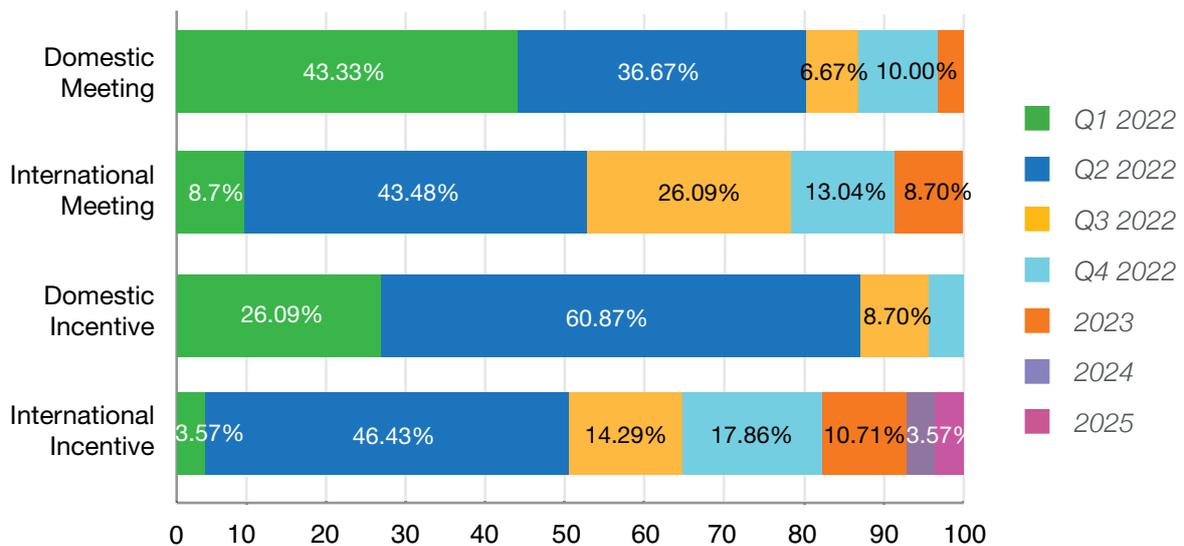


Figure 3: Resumption of Events

3. FACE-TO-FACE IS BACK, AND ZOOM FATIGUE IS REAL

The incentive travel industry depends on the power of connections, the power of collaboration, and the power of face-to-face. While “hybrid” and “virtual” may have been the buzzwords for 2020 and 2021, the good news for incentive professionals is that face-to-face is back!

Accordingly, 37% and 31% of respondents predicted a decrease in the use of virtual and hybrid for incentives respectively. Now that business is beginning to flow again, the use and need for virtual and hybrid platforms is decreasing sharply.

An interesting emerging insight for edition

3 is the predicted increase (31%) in incentives with a business component/meeting element attached.

This could be, in part, due to the increased incidence of a hybrid or #WFH policy; as more companies adopt a hybrid or WFH policy, less time becomes available for face-to-face business meetings in an office environment. By incorporating a business meeting into an incentive program, these all important face-to-face meetings can also take place, albeit in a much more inspiring and stimulating venue than an office boardroom.

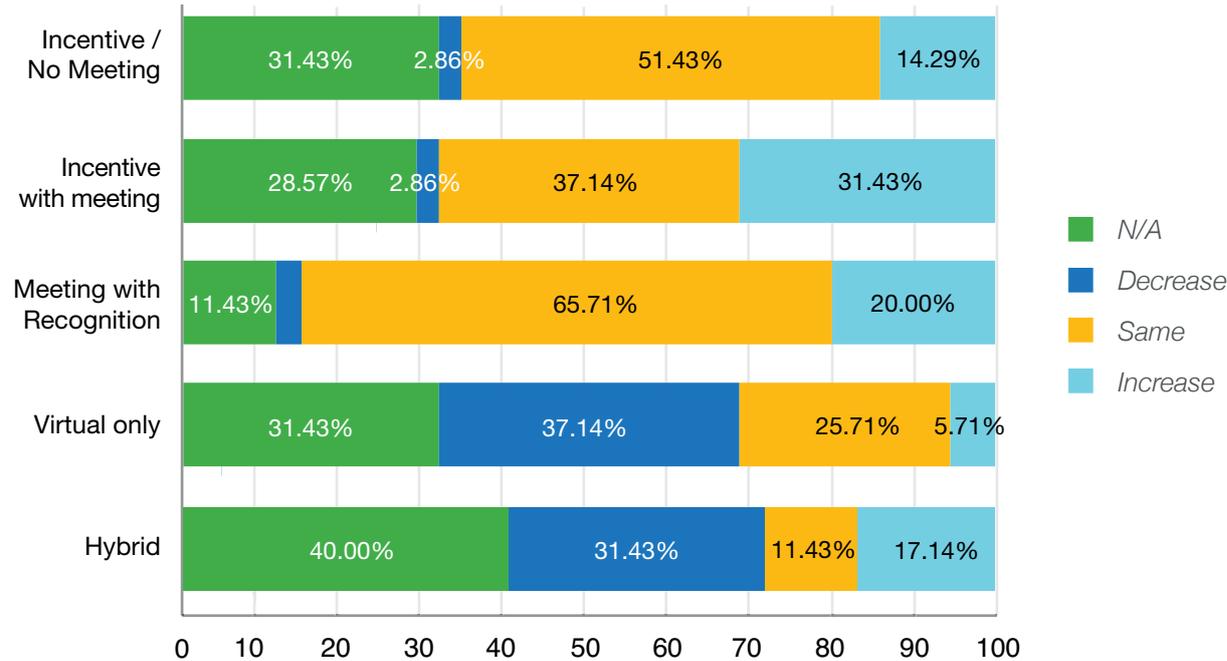


Figure 4: Types of events

4. SELECTION CRITERIA FOR DESTINATIONS RETURN TO THE PREDICTABLE

Traditionally when selecting a destination for an incentive travel experience, access, infrastructure and destination appeal have always been the top three priorities.

This changed for edition 2, when safety rose in the rankings to second position — understandably in the context of the prevailing circumstances at that time.

For edition 3, we are seeing a return to more “normal” circumstances, with safety ranking fourth behind access and infrastructure.

Two additional criteria were added to edition 3’s list — “close to home” and sustainability. While neither consideration ranked higher than the more traditional criteria, it is still apparent that destination selection is influenced by how close a destination is to where qualifiers normally reside and by concerns around sustainability.

Of course, the potential intersectionality of these factors is also important to consider. Destinations that can combine strengths and show how factors

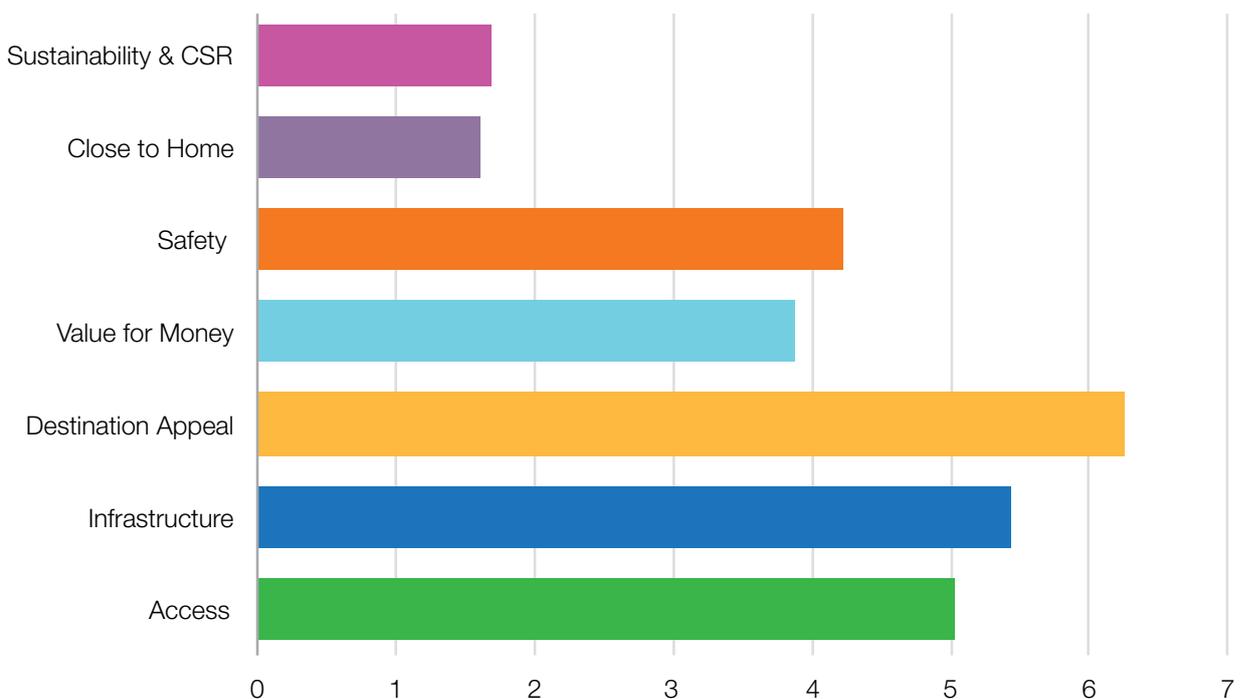


Figure 5: Destination selection criteria

complement one another — for example, increasing accessibility by promoting more sustainable means of transport such as rail or electric vehicle transfers — will continue to stand out for discerning incentive planners.

Differences in selection criteria can also vary regionally, with North American planners surveyed here likely to weight factors differently at times than their EMEA or APAC counterparts. The “classic” destination selection factors will likely always rank high, but understanding the needs of planners in different regional markets plays a role in any successful destination marketing strategy.



5. SAFETY IS HERE TO STAY

COVID-19 has altered the ways we plan and organize our programs. Certain safety procedures and considerations that, pre-COVID, were not ever considered, are now central to how programs are operated. Many of these new factors revolve around health, safety and duty of care toward delegates.

The most impactful change is the requirement for advance vaccine certificates — not only for travel, but for inclusion on any incentive travel program. Corporations are now mandating vaccines as a requirement, with 43% of respondents highlighting it as the most impactful consideration.

Interestingly though, another 23% of respondents actually said this consideration had no impact on their incentive travel program. This demonstrates the different ways companies are dealing with COVID: some companies require vaccines to work at the office, while others do not have the same requirements.

Corporate travel policies are also playing a major role in how incentive travel programs are being run. Some companies have been traveling and working from their offices for months, while others are still working from home. This is having a

major impact on incentive travel design. Qualifiers themselves, however, want to travel, with ambivalent qualifier sentiment around travel having little to no impact.

The requirement for an advance negative PCR or antigen test is also impacting incentive travel design, with some destinations mandating a negative PCR or antigen test to enter or leave a country. This makes it harder for planners to organize, as final numbers may change on the day. It also exposes a company to risk, as there is a possibility a qualifier could contract COVID while on an incentive program and then be required to quarantine in the destination until they recover.

Thus, safe onsite program logistics and protocols around social distancing and mask-wearing are vital. Planners need to follow each destination's COVID rules and regulations and ensure that qualifiers do, too!

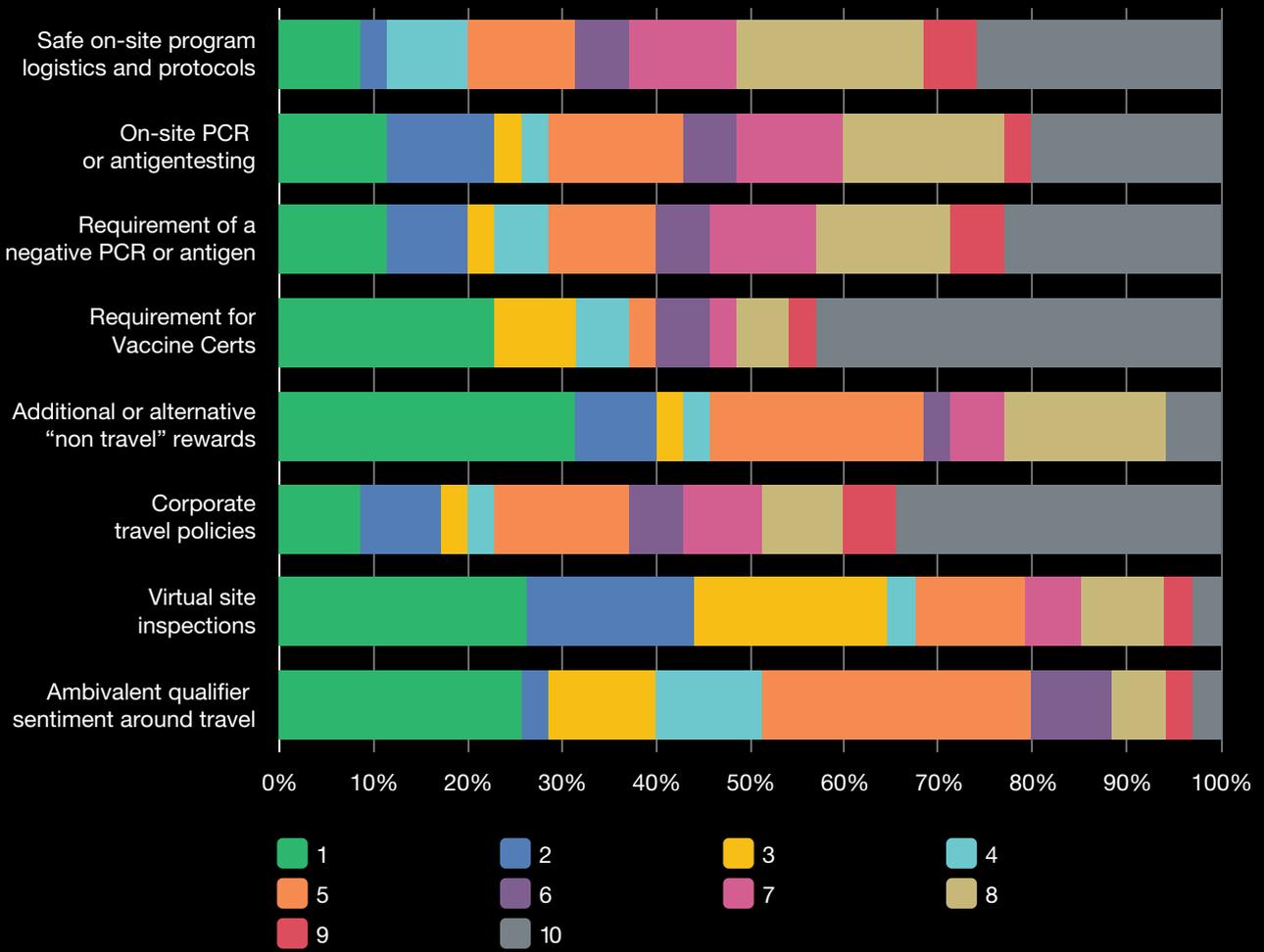


Figure 6: Impacts of post covid implications

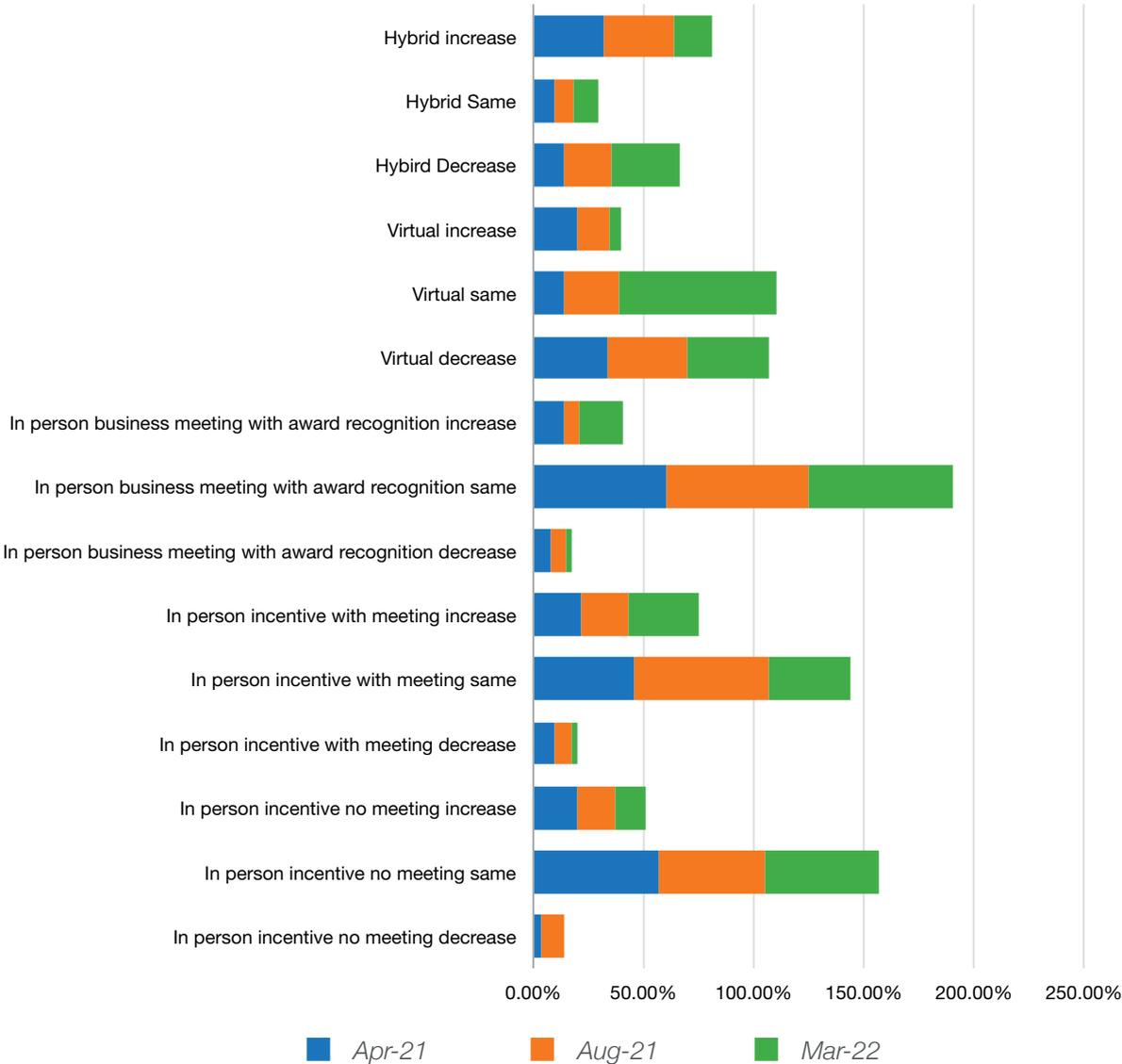
Final inSITEs

Change is a constant in our world, though the pace of change seems to be faster and more furious than ever before, in many ways.

These changes, as we've detailed throughout this White Paper and in our previous two editions of Corporate inSITEs, demand that we adapt and adjust how we design and run incentive programs so we can meet the needs of all stakeholders.

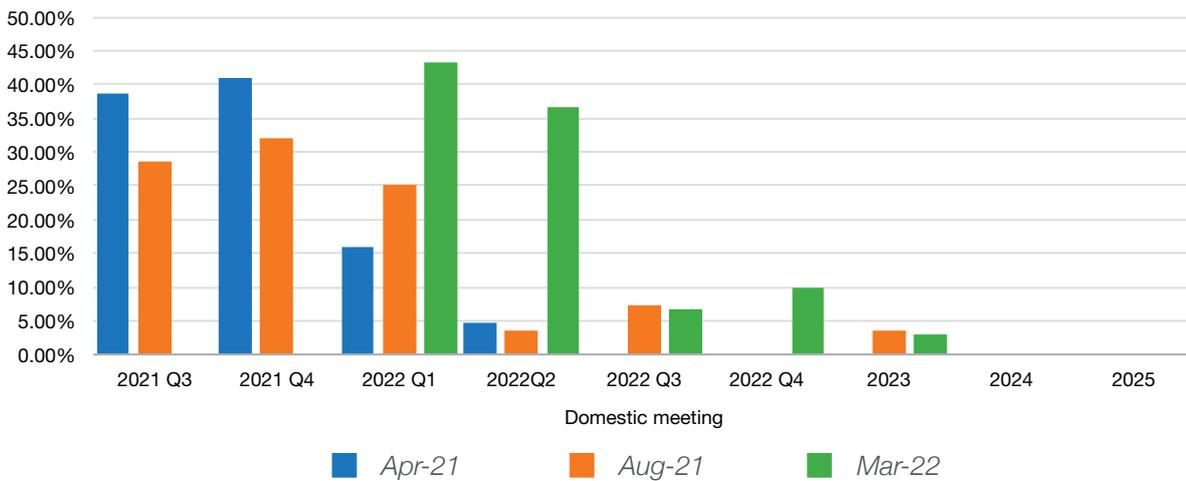
We've presented a cross-section of our Corporate inSITEs data across all three editions, to show how much has changed in less than a year.

With regard to the following types of incentive, for each that applies to your company, please indicate whether it will increase or decrease in frequency over the next 3 years



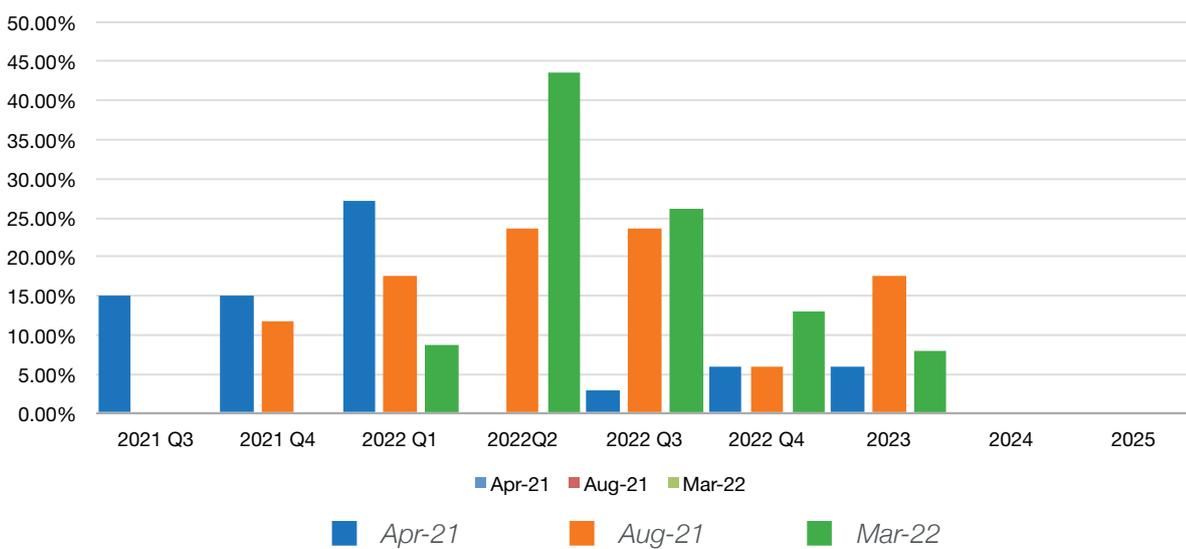
Graph 1: Types of incentives – April 2021, August 2021 and March 2022

When will you operate your 1st domestic meeting?



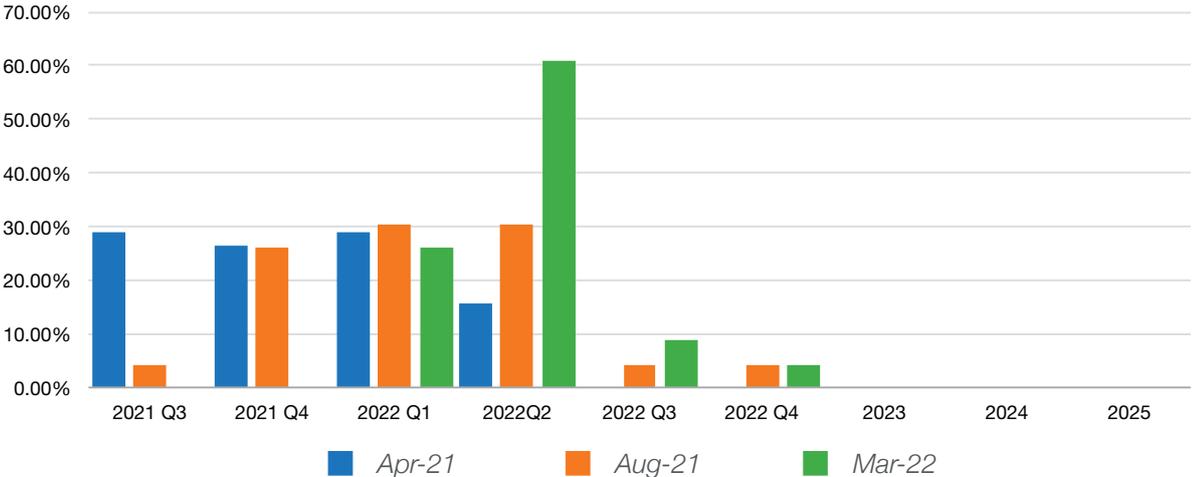
Graph 2: Domestic Meeting – April 2021, August 2021 and March 2022

When will you operate your 1st international meeting?



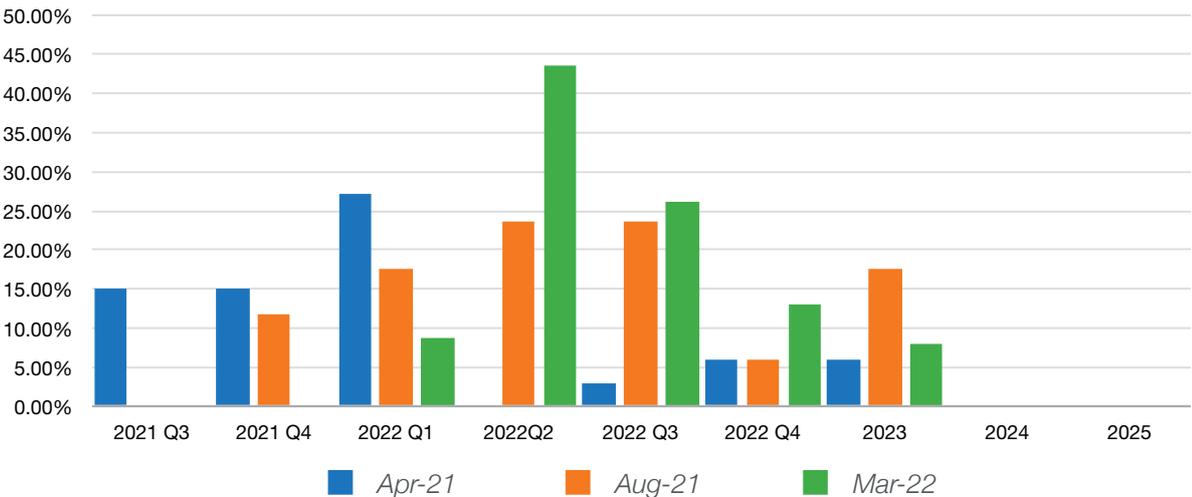
Graph 3: International meeting – April 2021, August 2021 and March 2022

When will you operate your 1st domestic incentive?



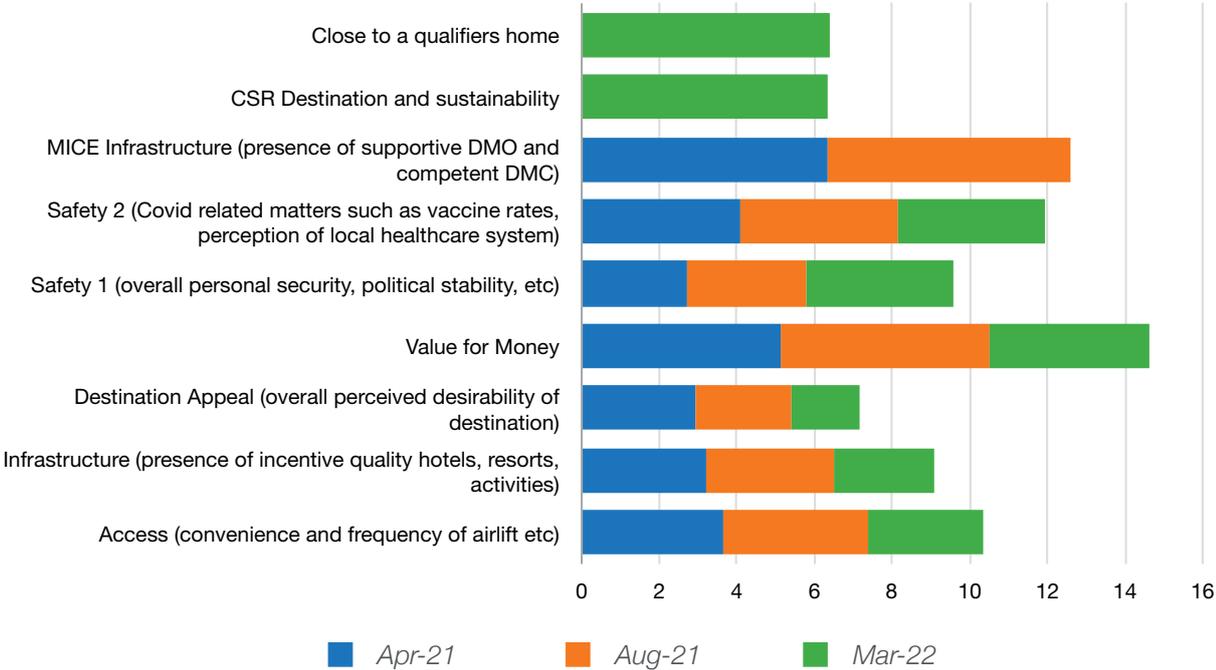
Graph 4: Domestic incentive – April 2021, August 2021 and March 2022

When will you operate your 1st international incentive?



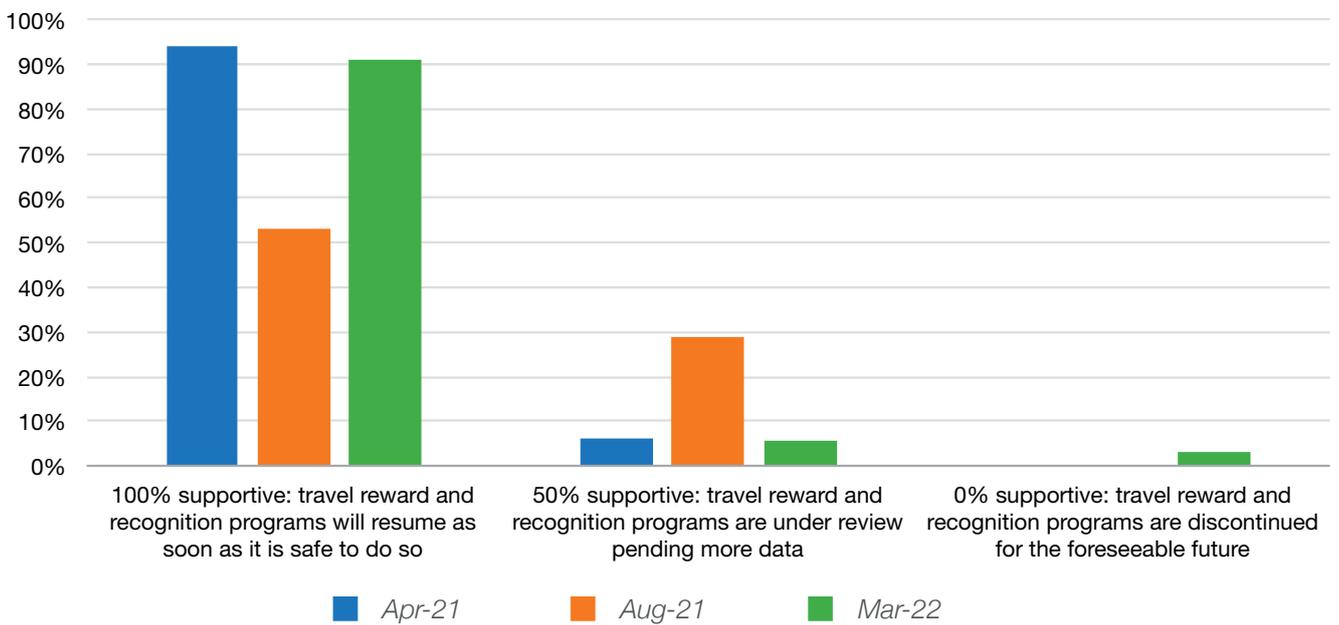
Graph 5: International incentive – April 2021, August 2021 and March 2022

When selecting a destination for a future incentive travel experience, please rank the following considerations and criteria by dragging and dropping the statements into place (1 = most important, 7 = least important):



Graph 6: Destination selection criteria: April 2021, August 2021 and March 2022

Which of the following statements best describes the views toward resuming incentive travel programs in a post-COVID future among senior management at the corporation where you work?



Graph 7: Important factors in the future of incentive travel: April 2021, August 2021 and March 2022

