INCENTIVE TRAVEL MANAGEMENT: THEORITICAL PERSPECTIVES

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Annotation: The business events or MICE(meetings, incentives, conferences and exhibitions) industry is a vital part of the events sector globally. The business event sector involves meetings, conventions, incentives and exhibitions. According to Judith Mair (2015), global figures for the MICE industry are challenging task to find, but there are estimations for individual countries. Some aspects of the business events are widely recognized and researched by scientists, for example, the conference and convention sector is better understood, whereas the incentive sector remains under researched with only few articles and books published in some scientific sources. This article defines the managerial role of incentive travel in the tourism industry and the main factors of implementing companies' mission and vision.

Key words: SMART goals, leisure travelers, VIP clients, employee engagement, adrenaline incentive travel, rural incentive travel.

A vast variety of organizations decide to use rewards and recognition programs to motivate their employees achieve the goals. Incentive travel is one of three important segments of business-related travel. The incentive travel is a hybrid segment including pleasure travel which is financed by top management for business concerns. The individuals on incentive trip are leisure travelers and buyers are businesses. Because that is all expenses paid trip: organizations can decide to organize the travel perk to their employees, departments, partners or VIP clients. It is considered as both motivational and management tool to attain business objectives through individual and group targets. Generally, companies set individual or group targets at different levels so as to each employee/contributor has a chance of meeting

or hopefully exceeding the targets successfully. It is important aspect of incentive travel that the targets must be clearly discussed in order to provide clear understanding and commitment. Each level must be announced with its own reward in this process.

The Society of Incentive Travel executives (SITE) identifies more than 40 business objectives. The following are the most important parts of business life:

- Increasing overall sales volume;
- Increasing sales of special products;
- Increasing sales of a high-profit products;
- Creating, designing and launching new products.

Companies should allocate the incentive money to the most crucial business objectives to be attained.

It is also good opportunity to the top management to gain productivity and excellent performance amongst mid-level achievers who have the potential to be top achievers through working hard. The Incentive Research Foundation cites that the potential performance is achieved by middle 80 % of employees, in comparison to the only 10 % of performers are top achievers. If companies can achieve to shift those middle performers towards higher, the productivity increases which delivers ROI.

In the past, commonly the top management tiered incentive travel offerings, such as a top achiever would go on a long destination to experience a once-in a lifetime trip, while lower earners would go on a short-haul travel. Recently, organizations are offering individual incentive travel opportunities, in which the earners can opt for the pre-arranged trip or travel voucher to experience a customized trip.

Benefits of incentive travel

For the worker:

1.Encouragement

Motivation in the workplace can be referred as “the set of forces that initiates, directs, and makes people persist in their efforts to accomplish a goal” (Williams & Mc Williams,2014)

2.unique and exciting experience

3.a feeling of integral part of a team

Sheldon (1995) confirmed that incentive travel is popular within large companies, because it can be seen as a tool to foster a strong feeling of corporate culture among employees.

4.relieved stress

For the company:

1. Increased loyalty
2. The Productivity of employees
3. Improvement of company brand in the eyes of VIP clients and suppliers

Types of incentive travel

•Cultural visits-leisure travelers experience the enriched culture of a particular destination: for example, visiting museums, art galleries, historical monuments and ancient buildings. In order to create an absolute cultural atmosphere, incentive managers normally choose historical magic cities or countries like Samarkand, Bukhara or Egypt.

•Sightseeing-in these trips, visitors spend their valuable time connecting with nature: a destination can be a real paradise with coasts, mountains and amazing waterfalls such as Morocco.

•Adrenaline trips-including extreme sport activities: for example, parachute jumping, taking a hot air balloon ride, windsurfing and etc.

•Village tourism-according to the personal demographics of the performers, suitable destination must be selected by incentive managers. If the majority of earners are near the retirement, in this case, relaxing environment in the middle of nature of villages is the most appropriate option for them.

Every details of incentive travel must be planned and gone hand in hand with corporate culture of the organization in advance, if not properly planned and arranged, the incentive reward can have zero potential benefit.

Incentive Market Association cites that incentive trip must be developed consisting of several stages:

1. Set goals and objectives

The goals and objectives need to be identified to accomplish them such as improving attendance of employees, increasing sales volume. The goals must be SMART: specific, measurable, attainable, realistic and time bound, following being briefly stated amongst the participants.

2. Identify the target audience

All the staff or customers may not become the target for the arranged trip. The individuals who can help to attain the pre-set goals need to be selected as the participants.

3. Inviting input from the target audience

The right input from the representatives of the participants are likely to be a tool to design the entire program according to the taste and desires of the participant audience.

4. Organize program structure and budget

The methodology needs to be chosen carefully to strengthen the foundation of the incentive trip program. Two types of program design can be used by the managers: open-ended design and close ended one. The financial source of open-ended program is gained by incremental sales or other income; a close-ended program can usually cover the larger audience to reward, it is easier to budget using some clear methods.

5. The selection of rewards

Rewards need to fit the audience’s likes and desires and also these should be select considering the budget parameters of the company.

If the company has a set of branches globally, technological possibilities can give opportunity to fulfill the program online: earners can get their digital rewards easily.

6. Evaluation and measurement

In this stage, all the internal and external factors contributed to the success of the incentive travel program, the level of employee engagement, the attained objectives

and the potential benefits to ensure future greater success are analyzed by the program evaluators.

7. Celebration

The employee rewards and results are communicated with the participants in the recognition event. Top management and distant team achievers should be involved in such a celebratory party.

COVID-19 changed our attitude towards the reward related programs and the strategies have completely shifted considering safety and strict regulations set by governments. People started to focus on new experiences at safe locations with shorter flights. Incentive travel program owners decided to cancel pre-arranged trips, instead they altered travel programs into merchandize points or gift cards. The pandemic has drastically harmed the global incentive travel market as well as GDP of countries which hosted incentive travelers. The global incentive travel market size was estimated at $42 billion in 2021, and it is projected to reach $216.8 billion by 2031.

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