

Executive Summary

This first annual Site Index survey was designed to both compile data that can be of immediate use to the motivational events industry and to serve as a baseline for future comparison of industry performance and trends. It studied a variety of forecasts and trends in the motivational events industry.

In comparing their personal belief of the **efficacy of various extrinsic motivational tools** respondents state that travel is impressively more effective than cash, gift cards and merchandise.

Looking back, three-quarters of respondents believe that the **power of external motivators** has stayed the same or increased over the last three years during this time of economic downturn. Only 25% saw a decrease in their effectiveness.

Of major importance to incentive planners is the fact that 87% of respondents agree that the **effectiveness of various motivational tools** varies depending on the generation of those to be motivated. This is a call for designers to offer an array of options in motivational programs.

A majority (62%) of respondents expect the **use of motivational travel** to increase in the next six to twelve months with a much greater plurality (84%) predicting major improvement in the one-to-three-year span. This is a definite sign of an improving marketplace.

The results of earlier **Site Index** research were repeated when respondents stated that the **requirement for measurement of Return on Investment/Return on Objectives** is expected to grow even in the short term. Fully 73% of respondents forecast growth in the next six months with an even greater increase in the next few years.

The trends toward **green incentives** and the **inclusion of business meetings** in motivational travel programs are both expected to rise consistently over the next three years. Respondents also see increased **use of international destinations** in the next few years, mainly at the expense of local and regional programs.

An unexpected assessment of **Destination Marketing Approaches**, showed fully 83% of respondents rating *Email Newsletters* and *Telephone Calls* as the most effective tools. *Familiarization (fam) trips* placed second with *Internet Destination Websites* rated as the least effective.

Historic Power of External Motivators

In your opinion, how has the power of external motivators like motivational events, merchandise, changed over the last three years?



Generational Effect on Motivational Tools

The effectiveness of each motivational tool varies based on the generation being motivated (Note: Motivational Tool is defined here as the medium of reward (e.g. travel, merchandise, etc.)



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Observations

- Senior management will become even more involved in the decisions regarding motivational travel and they will expect justification for their programs through ROO and ROI measurement. *For firms that provide motivational travel events, this means they must be certain they have a viable method for measuring ROO and ROI and can demonstrate these metrics for programs.*

- There is a strong belief among respondents that cash, gift cards and merchandise incentives pale when compared to the power of motivational travel. When asked to compare their individual beliefs to those of their clients there is a significant drop-off in the idea that travel incentives are more powerful. *The implication for travel incentive providers is to gain greater insight into their clients' perspectives of motivation or award offerings to optimize their program efficacy.*

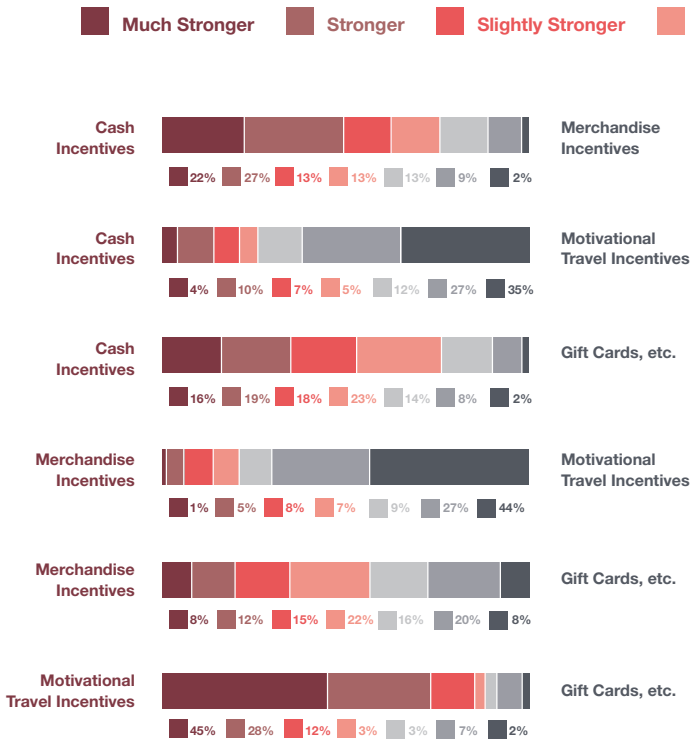
With respect to gift cards, it appears that clients see their value as greater than do respondents. In essence, clients may want gift cards to be more motivating than they actually are. *Creating a true evaluation of the efficacy of gift cards may be within the realm of full service incentive providers.*

It is clear that a strong belief exists that there is still a place in employee compensation for all extrinsic incentives.

- Generational concerns impact the design of incentive programs. This underscores the need for more options in programs so that participants from different generations will find the right reward/activity for themselves. This is consistent with the "cafeteria style" benefits programs that have become more popular. It suggests that choice should accompany motivational tools (options for merchandise, etc. and a list of possible activities for motivational travel events). *It is incumbent on planners to provide a choice for individuals as to how they want to be motivated.*

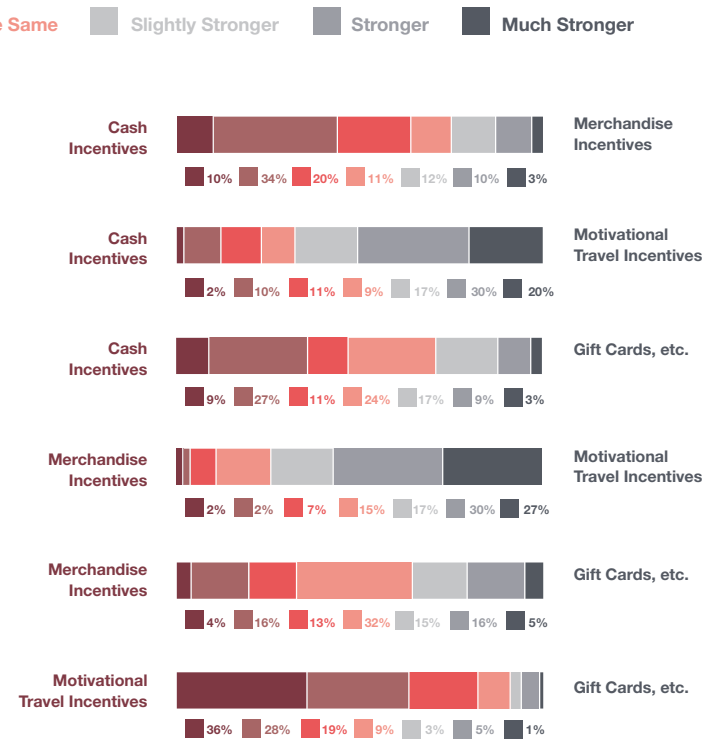
Personal Evaluation of Extrinsic Motivators

Please indicate your personal views about the relative strength of the two types of rewards in motivating employees and delivering measurable business results.



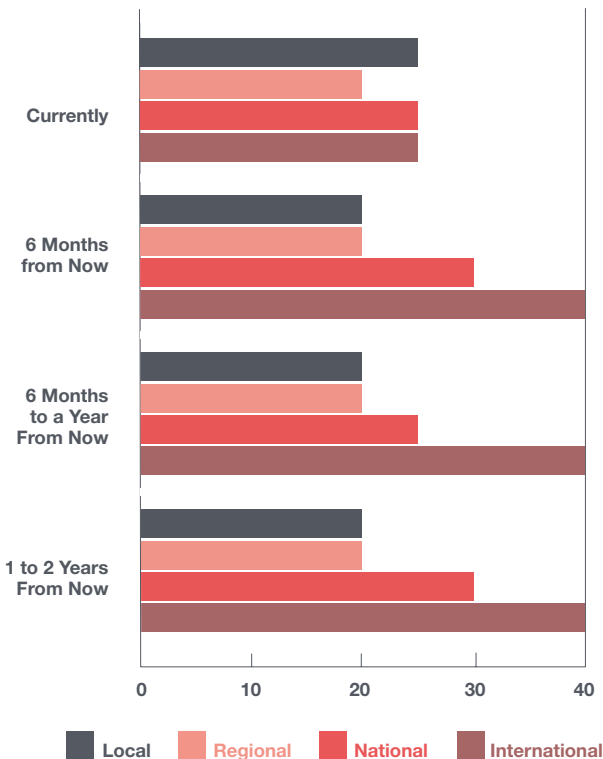
Client Evaluation of Extrinsic Motivators

Please indicate what the majority of your clients believe (if you are a user of incentives, please enter what you feel your corporate management believes).



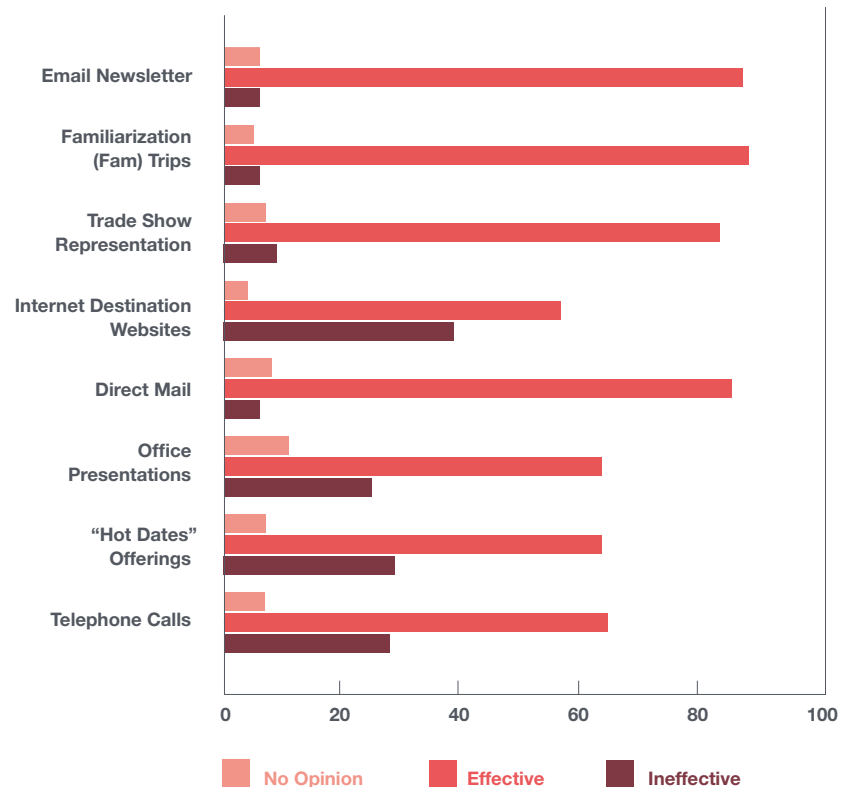
Destination Forecasts

Please indicate the percentage that each of the following destinations represents in your overall usage of motivational events.



Destination Marketing Approaches

Please evaluate the effectiveness of each of the following for destination marketing.

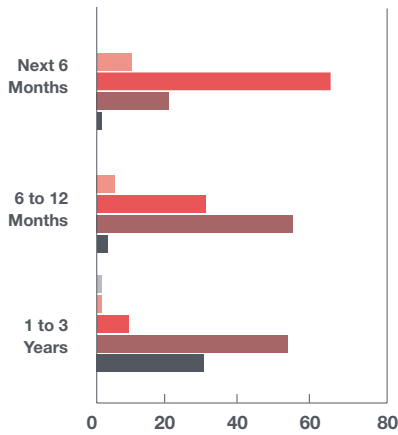


Program Design Forecast

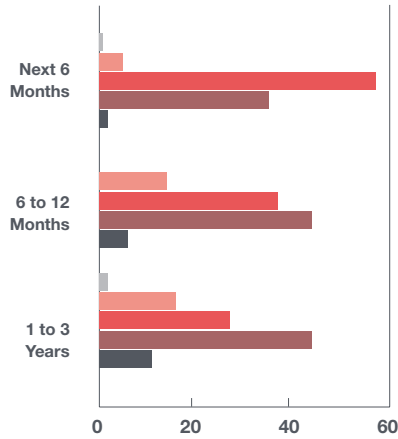
In the time periods listed, what do you believe will happen to the following?



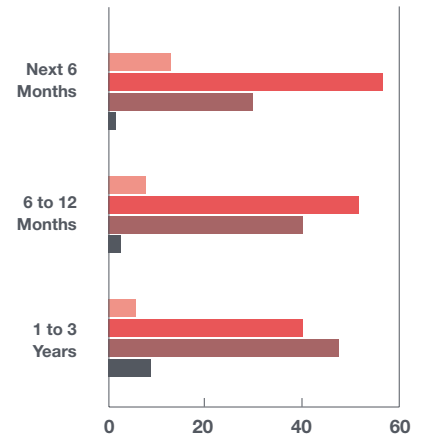
The overall use of motivational travel experiences.



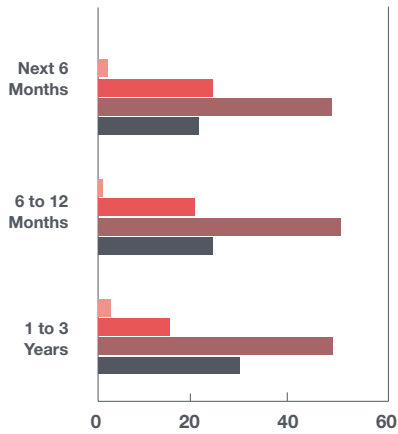
The use of all-inclusive hotels.



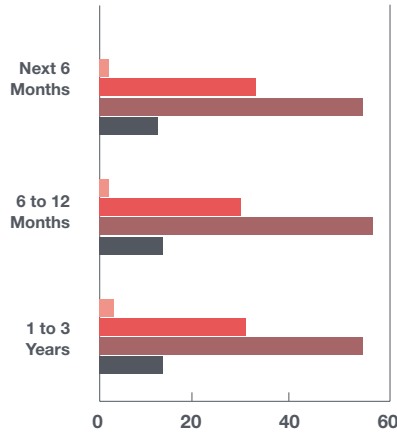
The use of cruise products.



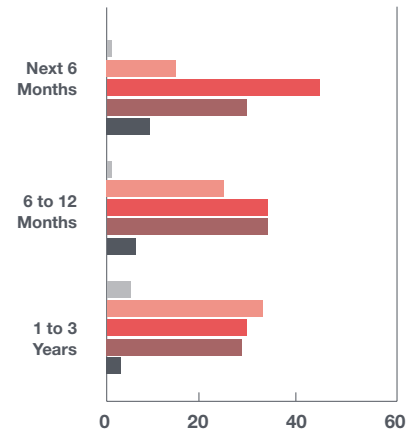
The Requirement to measure ROI and/or ROO.



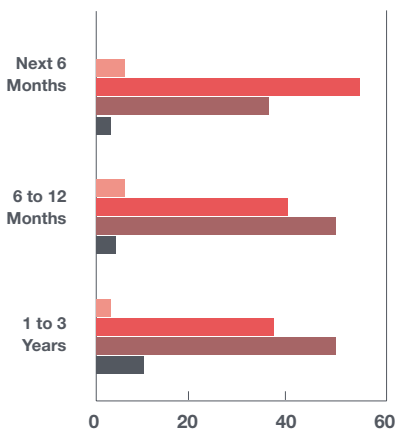
The level of involvement of top management in the decision making process for motivational events.



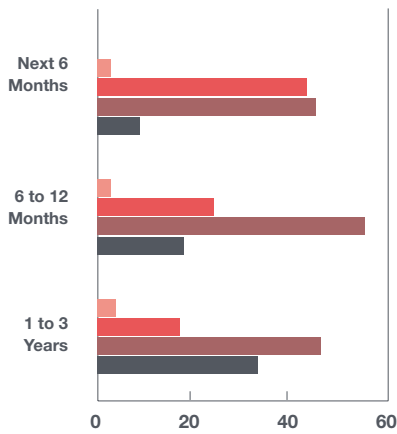
The flexibility of cancellation terms (e.g. from destinations, hotels and incentive houses).



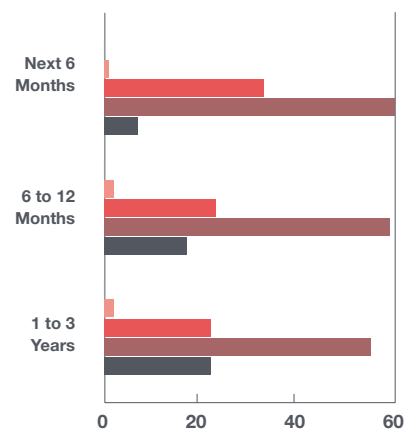
The overall use of external motivational tool.



The use of "green initiatives" in the motivational events industry.



The inclusion of business meetings and other similar components in motivational events.





The Site Index

The Site International Foundation maintains an ongoing research project that serves as an analysis and forecast for the motivational events industry. **The Site Index** is composed of an annual survey and interim reports.

Data for **The Site Index** are derived from the collective experiences and perspectives of a global group of highly qualified incentive travel and motivational event users and providers. Research examines both internal and external challenges to our business and how these factors impact the stability and growth of our market. It addresses behaviors of buyers and supplier partners, providing leading indicators for future trends.

All data—including the list of participants—are maintained on a strictly confidential basis by the researchers and are never available to the Site International Foundation or Site.

There is an opportunity for you as a user or provider of motivational events to promote our industry and have access to information that will increase your proficiency. As an industry, cooperation—coupled with the guarantee of confidentiality—can create the strongest database of information ever available to our industry.

We urge you to become part of this project at <http://siteindex.monmouth.edu>.

You can make a difference!

Methodology and Researchers

All registrants in **The Site Index** database were invited to participate in this survey with 131 responding from 12 countries. This was a 23% response rate.

The survey was supervised by Scott A. Jeffrey, Ph.D., Monmouth University, and Marion Joppe, Ph.D., University of Guelph.

Our Thanks

This **Site Index** report was made possible by partner donations from the Canadian Tourism Commission, InterContinental Hotels Group and Mexico Tourism. If your organization would like to say yes to supporting **The Site Index** and the Site International Foundation, please contact site@siteglobal.com.

The Site International Foundation

The mission of the Site International Foundation is simple—to enhance the awareness and effectiveness of motivational experiences and incentive travel, thereby increasing usage globally. The Site International Foundation has served Site members by providing research and educational programs that assist business executives, practitioners and partners who operate in our community since 2006.

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Site

Site has grown since its inception 35 years ago to more than 2,200 members in 87 countries with 36 local and regional chapters. It is the only global authority connecting motivational experiences with business results. The community of Site professionals brings best-in-class solutions, insights and global connections to maximize the business impact of motivational experiences regardless of industry, region or culture. Site serves as the source of expertise, knowledge and personal connections that will catapult and sustain professional growth and help build the value of extraordinary, motivational experiences worldwide.

