

The Effects of Incentive Travel: the value for the parties involved

Irina Kononenko

Thesis

Degree Programme in Tourism

May 2014



Degree programme

Author or authors Irina Kononenko	Group or year of entry TOBBA10
Title of report Incentive travel – the value for the parties involved	Number of report pages and attachment pages 39+9
Teacher(s) or supervisor(s) Kati Huovelin Alexandre Kostov	
<p>This thesis explores incentive travel and its effects and benefits for all the parties included: destination management companies (DMC), service providers and the client companies. The thesis is commissioned by Lifestyle DMC and written by Irina Kononenko, a student of Bachelor Degree Programme in Tourism.</p> <p>The main objectives of the thesis were to find out whether incentive travel really motivates employees to perform better and what kind of trips are the most successful. Based on the data collected, suggestions for further business development were given to Lifestyle DMC.</p> <p>The thesis includes an introduction of the project background and its aims and objectives. The theoretical part defines business travel and tourism, incentive travel and employee motivation. It is then followed by description of the research methods and target group. The empirical part describes and analyzes the findings from the questionnaires and presents suggestions for further development of Lifestyle DMC's services.</p> <p>The main conclusion of the study is that companies do organise incentive trips in order to motivate their employees and do see short and long term improvements in work performance. The trips are normally few days long and include fun activities for the whole team. The respondents affirmed that they will organise incentive trips in the future, as well.</p> <p>By critically analysing the received data, the results of the study are both valid and reliable. They fulfil the expectations of the commissioner and provide useful information about organisation and implementation of successful incentive trips. Therefore the objectives of the study are met and can be used by Lifestyle DMC for their business purposes.</p>	
Keywords Business travel and tourism, incentive travel, employee motivation, Destination Management Company(DMC)	

Table of contents

1	Introduction	1
1.1	Background	2
1.2	Research aims and problems	3
2	Incentive travel as a form of business travel	6
2.1	Definition of business travel and tourism.....	6
2.2	Definition of incentive travel.....	8
2.3	History of incentive travel.....	12
2.4	Incentive travel as an employee motivation tool	13
3	Methods.....	17
3.1	Quantitative and qualitative research methods	17
3.2	Planning and survey	18
3.3	Data collection.....	19
3.4	Data analysis.....	19
3.5	Reliability and validity	20
4	Results.....	23
4.1	Survey to service providers and client companies	23
4.2	Analyses of the questionnaire for the service providers	24
4.3	Analysis of the questionnaire for the client companies	28
5	Conclusion	33
5.1	Suggestions for further development	35
	References	37
	Attachments.....	39

1 Introduction

Incentive travel has been used as an employee motivation tool for many years and employers around the world believe that it really works. However, it is still the first money saving aspect in down economy. Thus, the question is: what are the real effects and benefits of incentive trips and should the companies keep spending money on them?

This study aims to find out the answer to the question mentioned above. It focuses not only on the benefits for the client companies but also for the Destination Management Companies (DMCs) and service providers. Cooperation between these three parties is highly important in order to please final consumers' needs.

A lot of attention is given to the future of DMCs and their service development, since they are responsible for organising the memorable experiences that would motivate employees to perform better. It has been estimated in 1997 that, in Europe, only one of five companies handles all incentive trip arrangements in-house (Davidson & Cope 2003, 164), so it can be assumed that the services of DMCs will be needed in the future, as well.

The aim is to research the objectives of incentive trips that the companies set and provide DMCs with relevant knowledge in order to help them to face the challenges of the corporate travel industry. If DMCs understand the expectations of the client companies and service providers, they can plan and provide the most memorable and effective experiences.

The research studies how do all the parties, client companies, DMCs and service providers, depend on each other and how they can improve their cooperation in order to produce the most meaningful incentive trips.

The thesis is commissioned by Lifestyle DMC, one of the incentive travel organisers in Barcelona, Spain. There is a lot of competition between the DMCs in Barcelona and

therefor it is extremely important to understand the clients' needs and provide them the best services. This is why Lifestyle DMC decided to explore the goals and expectations of its potential clients.

There are number of studies made to investigate the benefits of incentive travel, yet not many of them study the relationship between smooth and efficient planning process and successful outcome of the trip. Well-organised travel arrangements are crucial when thinking of value-added travel. Thus, it is important to study how the collaboration between the parties included in the planning process can be improved.

1.1 Background

The commissionaire of the study is Lifestyle Experiences Group which consists of Lifestyle DMC, Lifestyle Barcelona and Lifestyle Seville. Lifestyle Barcelona and Lifestyle Seville focus on individuals and small groups and provide them with once in a lifetime and unique experiences. Lifestyle DMC offers their clients the full service at the destination and ensures that everything goes smoothly during the trip. (Lifestyle Barcelona 2013.)

The Lifestyle Experience Group is continuously searching for new ways to be a stronger and diverse player in the Experience field. The vision of Lifestyle DMC is to be the number one Destination Management Company and experience provider for corporates and individuals who visit Barcelona (Lifestyle DMC 2013). This is why it was decided to take time to research incentive travel and find out what the client companies are really looking for when booking the trip.

Destination Management Companies, DMCs, are commonly known as intermediaries based at the destination where the event is to be held. They are responsible for organising the accommodation, excursion, transfer and any other services requested by the client company. With their knowledge of the destination DMCs can suggest various services for various budgets. They have all the information about new activities and trends and due to the great amount of partners they can ensure the most memorable experiences. (Davidson & Cope 2003, 276.)

The idea of the study came out of a discussion with Lifestyle DMC representative, Tony Anagor, about the ways to understand the client companies better and improving the services in order to provide the most beneficial and unforgettable experiences. Often, incentive travellers are well-travelled and demanding people. They expect something extraordinary that they have never experienced and wouldn't experience on their free time vacations. Consequently, DMCs can fulfil clients' expectations only if they know what the goals and objectives of the incentive trips are.

An interview with Tony Anagor (Attachment 1) was conducted at the beginning of the study and all the gaps that should be filled in by the research were covered. Anagor presented the challenges that DMCs face in general and discussed his personal objectives of the thesis. The interview set the base for the study and the questionnaires were designed based on the information gained from the interview.

Researching the effects and benefits of incentive travel will help Lifestyle DMC to plan, implement and promote their services in more efficient ways. This will meet the requirements of the client companies, as well. The planning process will become smoother and negotiations will be done faster. In ideal scenario the results of the study will help Lifestyle DMC to attract more clients and ensure development of its business.

1.2 Research aims and problems

In particular, the studies about incentive travel focus on researching sales and market share increases after the trips. Companies have only little data about the intangible effects of incentive travel, such as improved customer service or gained employee loyalty. Not to mention whether they have been efficient as motivators to work harder.

It is widely accepted that incentive travel is a great motivational tool that improves employees' work performance. However, motivational issues are very complex and extremely hard to evaluate. Probably, this is why incentive trips are still the first money saving aspect in down economy (SITE 2011). Thus, the raised question is: does incentive travel really help to motivate employees to work harder and bring income to the

company, or is it just a way to cheer up the team? In order to really see the benefits, tangible and intangible, of incentive trips and understand their importance, companies should plan and measure incentive programs properly.

This theses aims to find out whether the client companies have been measuring the benefits of incentive trips and if the effects have been visible for them. The study focuses on researching specific aspects that could have been improved after the incentive trip. The aspects are listed as follows:

- Increased sales
- Gained employee loyalty
- Employee motivation
- Improved team work
- Improved customer service

Another aspect that needs to be evaluated in the study is the short and long term benefits of incentive travel, as well as the most successful trips and activities. The trips are pricy and take a lot of time to organise, so it is important to know if there are long term benefits. According to the data collected from the questionnaire, it will be possible to piece together the areas that can be affected by incentive trips. Short term benefits are defined to be up to three months long and long term benefits up to three years long.

This thesis intends to collect the data needed for the study from various sources in order to get greater and more diverse picture of the whole incentive travel industry and the parties affected by it. The parties are the service providers, client companies that have been participating in incentive travel programs and Destination Management Companies. Deeper presentation of the target group is presented later in the study.

The research aims to bring valuable data for the Lifestyle DMC and therefore, the findings of the study and suggestions for further development in organisation of successful incentive trips will be given to them.

Incentive travel is very complex and diverse segment of travel and tourism, yet it is the least researched. Following new trends and exceeding clients' expectations is critical in order to survive in the business. Thus, Lifestyle DMC wanted to put their effort on researching the subject. The research aims can be listed as follows:

- clarifying the goals of incentive trips
- finding out the short and long term benefits of incentive trips
- exploring incentive travel as an efficient motivation tool

In this context, the perspectives of incentive travel for DMCs are examined and potential future changes discussed. It should help the commissionaire of the study to learn more about their clients and their expectations. Thus, the ultimate aim of the study can be presented as:

- contributing to the suggestions for service improvements for Lifestyle DMC

The methods used in the study are a personal interview and two separate questionnaires. The questionnaires provide quantitative and qualitative data and are designed to study what incentive travel means to both the service providers and the clients. The research methods, as well as the data analyses, are introduced in more precise way in the Chapter 3.

2 Incentive travel as a form of business travel

Previous chapter presented the background and research aims of the thesis. This chapter covers the theoretical part of it and provides scholar point of view on the study. It explores business travel and tourism, its difference compared to leisure travel and the definition of incentive travel. The history of incentives and their usage as a motivation tool are also discussed in the chapter. The theoretical part of the research is collected from various books, articles, previous studies and online sources.

2.1 Definition of business travel and tourism

Business travel and tourism is a diverse and complex part of travel and tourism field. It includes all of the work-related travel no matter how far and how long the trips are. The trip is paid by the employer or an organisation and they also decide the destination, length and the purpose of the trip. While leisure trips are normally done during the summer months and long holidays, business tourism happens around the year, from Monday to Friday. Another difference between leisure and business tourism is that the travel for the second may be booked at a very short notice and itinerary normally includes large cities in industrialized countries. (Swarbrooke & Horner 2001, 11.)

Terms business travel and business tourism are often used as the same thing but there are differences in the interpretation of them. One of the most common definitions of business tourism is by Rob Davidson (1994) as follows:

“Business tourism is concerned with people travelling for purposes which are related to their work. As such it represents one of the oldest forms of tourism, man having travelled for this purpose of trade since very early times.” (Davidson & Cope 2003, 158.)

In other words, business tourism consists of all the experiences of a business traveller, a tourist, who stays away from home for at least one night. Business travel, on the oth-

er hand, focuses on the movement from “A” to “B” and also includes those who make day trips for business purpose. (Swarbrooke & Horner 2001, 3.)

Business travel and tourism is a major economic phenomenon around the world. Its main areas are meetings, conferences, conventions, exhibitions, training courses, product launches and incentive travel (Swarbrooke & Horner 2001, 10). It has been mentioned that there is a strong link between business and leisure tourism when it comes to spending free time. Visitor attractions are interesting for both groups of travellers because after working day people travelling for business become leisure travellers and enjoy the same activities.

Business and leisure travellers use the same services, such as transportation, entertainment and restaurants but the first group of travellers often requires additional services, such as exhibition venues, convention centres and secretarial services. Usually, people travelling for business are also willing to pay more for their accommodation and transportation because they demand higher quality. (Swarbrooke & Horner 2001, 37.)

The supply side of business travel and tourism can be split into compulsory, sectorial and optional supplies. Compulsory supplies are transportation and accommodation; sectorial supplies are specific to particular business sector, for example exhibition venues. Optional supplies are free-time activities such as bars and entertainment. Having all these various supplies ensures that the destination is suitable for business travel. (Swarbrooke & Horner 2001, 37.)

When thinking of the biggest differences between business and leisure tourism one of the most noticeable is that the customer is not the same as the consumer when it comes to business trips. Employer, organisation or sponsor is a customer who pays for employees who actually travel and act as consumers. Due to this fact, the business trips are less flexible with timetable, activities and the budget. (Swarbrooke & Horner 2001, 35.)

There are several broad factors that influence amount of business travel and tourism into a specific destination. Currency exchange rates, the industrial structure and governmental policies are just a few of them. They vary a lot and either attract or reject potential travellers. The good thing is that the sector is not affected by seasonality a lot since the trips are done all year around. Only big holidays, such as Christmas and Easter seem to be the quite periods. (Swarbrooke & Horner 2001, 27.)

In this research the terms business travel and business tourism are used together in order to cover both of the business sectors. There is no need to separate them since they are both relevant to the study, incentive travel as a whole and Lifestyle DMC.

2.2 Definition of incentive travel

Incentive travel has existed for more than 100 years but it is still one of the least recognized and most poorly measured segments of the business travel market. Definition, and mostly classification, of incentive travel has led to numerous discussions. Scientists and field professionals are arguing whether it belongs to leisure or business travel sector. It is mostly due to the difficulties to answer the question of what exactly constitutes an incentive trip; it is hard to classify corporate events as incentive trips, conferences or meetings (Davidson & Cope 2003, 158–160). For example, you may go for a three-day trip to visit company's factory in another country and join a meeting with its managers. The trip involves a lot of incentive elements but may still be described as a seminar. It is paid by the employer and therefor can be ranked as business travel but in fact it includes only little business. Thus, the subject is pretty complex and requires further consideration.

The notion of incentive travel often includes key words such as motivation, reward, and unique travel experience. The concept is well analysed and published. Incentive travel is seen as inside marketing that aims to get employees excited about their work. One of the most common definitions is the one of SITE (The Society of Incentive & Travel Executives):

“Incentive travel is a global management tool that uses an exceptional travel experience to motivate and/or recognize participants for increased levels of performance in support of organizational goals”. (Lassila 2002, 13.)

CEN (the European Committee for Standardization) presents incentive travel as a managerial tool, as well, and adds that it should motivate people and give them recognition for their great achievements at work (Verhelä 2000, 23). The Dictionary of sociology (1998) defines the trips in a bit different way and sees them as a productivity improvement tool for individuals and groups (Lassila 2002, 15).

These three definitions have a lot in common. To put it together, they all include the idea of incentive travel as a memorable and fun experience that is given to the employees for their great performance at work by their employer. The trips have an aim of motivating employees to reach various business objectives and continue personal growth. They should give recognition to the ones who get to travel and motivate the rest to work harder in order to win the reward next time.

Gee, Makens & Choy (1997) introduce incentive travel as followed:

“Incentive trip is a pleasure trip that is sponsored by the company... it is given to chosen employees as a bonus. ...an individual deserves the trip by achieving certain criteria set by the company.” (Lassila 2002, 29.)

This definition clearly puts incentive travel into a segment of business travel and tourism because of the facts that the trip is paid by the employer and is deserved by great performance at work. SITE not only presents incentive travel as a part of business travel, but also highlights the differences between the segments as follows:

- The trip is paid by the company or organisation
- The employee has won the trip by his/her performance at work
- The trip is carefully planned
- The traveller does not choose the destination

- The trip is an unique experience
- The traveller is considered to be a VIP client

(SITE Global 2013.)

Pauli Verhelä sees the differences between leisure and incentive travel by the level of experience. Incentive trips are individually planned for the client companies and all the amenities are more high-level and exotic. The trips are not taken off the shelf and have to be something that an individual would not experience by him/herself. The activities included are often new and exciting for the travellers. (Verhelä 2000, 23.)

There are a lot of explanations that see incentive travel as a tool to gain recognition, respect and greater status at work and leisure time. It may be assumed that successful employees have satisfied their basic needs (psychological, safety and love) and are seeking for satisfaction from elsewhere. The needs connected to the incentive trips are achievement, status, recognition, education, novelty and adventure. (Ricci & Holland 1992, 188–196.)

The trip is believed to be better motivation than money or other tangible goods. For example, almost anyone can buy a TV what makes it an ordinary thing. On the other hand, a fantasy trip is always individually planned and experienced. TV lasts for many years but the memories from the incentive trip are so unique that they cannot be stored or re-experienced (Ricci & Holland 1992, 188–196). The definition by Ricci & Holland reminds that incentive trips are more about the emotional experiences and satisfaction than financial benefits.

Incentive programmes normally have goals that are set right at the beginning. Rarely leisure trips have objectives, especially work-related ones. This, too, connects incentive travel to the sector of business travel and tourism. Typical objectives of incentive programmes are to facilitate communication and networking opportunities, to foster corporate culture and loyalty and to generate enthusiasm towards the work. Employees, the winners of the programme, normally gain recognition, experience other cultures,

meet new people and simply enjoy the rest. Other common objectives are to increase sales, customer satisfaction and loyalty. (Davidson & Cope 2003, 160.)

The incentive programmes last from few months to several years depending on the objectives and the size of the reward. In America, typical incentive programmes are few years long but in Europe they tend to be shorter. The length and destinations of the trips vary, as well. American companies prefer to travel outside their own continent for 5-10 days long breaks when European companies stay for few days in neighbour countries. (Lassila 2002, 12.)

Davidson compares European and US incentive markets when travelling to Europe and lists the characteristics as seen in the Table 1.

Table 1. European and US incentives in Europe

European market	US market
Several smaller trips a year	One or two big trips
Higher work input	Mainly leisure experience
More adventurous destinations	Capitals known to Americans
Average four nights	Average seven nights
DMCs play a limited role	DMCs play a fuller role

(Davidson & Cope 2003, 173.)

The incentive trips not only have cultural differences but they also vary by types. Typically, they are designed to motivate sales departments because their work is easy to measure in profits, but there are also trips that are organised for the whole office when specific target is achieved. One more type of incentive travel is the trips provided to the retailers. They aim to strengthen relationship with manufacturers and/or importers. (Lassila 2002, 77.)

The biggest buyers of incentive travel remain, as they have always been: automotive, financial services, pharmaceutical and electronics. All of the businesses are highly competitive and incentive programmes work well in these sectors. It is also easy to measure the sales and profits in these business sectors compared to service oriented companies. (Ricci & Holland 1992, 188–196.)

As it has been described above incentive travel is strongly linked with lavish fun and resembles leisure travel in many ways. Nevertheless, it has a lot of similarity with holidays and short breaks that individuals take during their free time, incentive travel has definite work-related purpose and, in general, symbolise active hard-workers and great achievements at the office. It can be said that incentive travel uses leisure tourism to reward employees for good performance at work. Due to these aspects incentive trips can be well classified to the category of business travel and tourism.

2.3 History of incentive travel

In 1906, the US company National Cash Registers of Dayton awarded 70 salespeople diamond-studded pins and a free trip to company headquarters. Few years later the winners got a free trip to New York. This is where the origins of incentive travel as a modern motivation tool come from. (Kenneth 2002, 1.)

To understand the concept of incentive travel and how it all began it is important to look at how the working conditions have been improving over time. In earlier times companies followed strict rulebooks and built tall hierarchies to manage employees. Later, the workers joined unions to protect themselves from low salaries and other conflict situations at work. As more time passed, they began to pay attention to their emotional wellbeing at work and tangible benefits started to lose their power. (Kenneth 2002, 3.)

With growing competition and the need of greater speed and production, companies moved to value added world where rulebooks were forgotten and employees were able to innovate in order to satisfy customers' needs. This left the hierarchies behind and

led to partnership between the employers and workers. Now employees had to feel the passion for what they do and experience fulfilment from it. (Kenneth 2002, 4.)

When work became something more than just a way to earn money, people needed stronger motivation to perform well. The rewards that were used before to motivate employees were mostly tangible benefits such as cash, bonuses, commissions etc. Nowadays, motivational issues are more complex and demanding, they are more about emotions and experiences.

Kenneth W. Thomsan puts the present situation of motivation at work this way:

“The new work role is more psychologically demanding in terms of its complexity and judgement, and requires a much deeper level of commitment.” (Kenneth 2002, 5.)

Thus, it means that motivation comes directly from the work done, from for example sense of achievement or helpfulness. This is when the incentive travel that provides unique experiences really comes into play. (Kenneth 2002, 6.)

2.4 Incentive travel as an employee motivation tool

An incentive, in general, stands for an irritant at work that may influence the employees' behaviour. It may be everything from a coffee machine and comfortable chair to a bus ticket and fitness card. An employee feels comfortable at work only if s/he can satisfy his/her own needs. Working environment should improve employee's performance and efficiency at work. (Ruohotie & Honka 1999, 23.)

Incentive aims to motivate an employee and maintain his/her performance. *A reward*, on the other hand, is something that comes after the work done and aims to fulfil existing needs. (Ruohotie & Honka 1999, 22.) Consequently, incentive travel may occur as either one, an incentive or a reward, depending on the company's objectives.

Work motivation means the desire to work. It is highly important for both the employer and the employee. Work motivation is a combination of three factors (Table 2), such

as personality of an employee, the work itself, and working environment. The real interest towards the work is probably the most important factor in work motivation. (Ruohotie & Honka 1999, 17.)

Table 2. Work motivation

Personality	Characteristics of work	Working environment
1. Own interest and hobbies	1. Content of work, variety, meaningfulness -responsibility -feedback	1. Economic and physical environment -salary, bonuses -safety at work, organisation
2. Attitude towards work and yourself	2. Achievements	2. Social factors -management team -teamwork -atmosphere
3. Need of livelihood and personal growth		

(Ruohotie & Honka 1999, 17.)

It has been already said that incentive travel should motivate employees and lead to greater performance. But why people think that employees will do better work if they are promised an incentive trip? For example, the majority of U.S. corporations use incentive programmes to motivate employees but it is the rarely examined belief that they do make employees to perform better (Kerr 1997, 15).

However, in another American research it has been proved that only financial rewards are not seen as a sufficient motivation tool and may even have negative effect if they are not seen to be big enough. The trip is remembered and its effect is more long-term. (Lassila 2002, 7.)

A survey of Incentive Federation (1999) confirms the same results as the majority of the respondents agree with the statements below:

Table 3. How many of respondents agree with the statements mentioned below?

Cash reward is experienced as a bonus, not an incentive	56%
A trip is more memorable than a piece of good	69%
A trip is more exciting and unforgettable than cash bonus	65%

The Society of Incentive & Travel Executives (SITE) describes travel incentives as a business tool that aims to change behaviour, improve profit, cash flow, employee and customer engagement and various other business objectives. It is underlined that they must be properly designed and delivered in order to create a measurable and verifiable return on investment. The most typical objectives of travel incentives are increased sales, boosted productivity, retained customers, remained top talents, and increased company loyalty and teamwork. SITE also states that non-cash rewards are two to three times more effective than cash rewards. The statement is proved by presented results of a survey which affirms that for every dollar spend in travel, business benefits are 12,50\$ in increased revenue and 3,80\$ in new profits. (SITE Global 2013.)

Davidson & Cope confirm that incentive travel is widely recognised useful management tool that is considered to be rewarding and motivating for the employees. However, he states that the effectiveness of the programmes is mostly explained by the popularity of the trips among the winners. (Davidson & Cope 2003, 159.)

The fact that incentive trips are popular and remembered longer can be simply explained by high-class entertainment, food, theatre and other fun activities that they include. Additionally, a chance of taking a partner on the trip strengthens post-trip memories even more. (Davidson & Cope 2003, 167.)

Based on the statements above, it can be suggested that in order to organise a successful incentive trip the destination has to be inspirational and different from previous trips, the amenities have to be high-class, the activities unique and travel companions pleasant.

All these arguments may definitely affect employees work performance and raise competition. Relying on these factors, incentive trips can be seen as a great motivation tool that has unique features – it is hard to get and impossible to repeat, not like money or bonus.

3 Methods

This chapter covers the methodology and data collection of the research. It presents the two questionnaires and data collecting tools. The reliability and validity of the study are covered in this part, as well.

3.1 Quantitative and qualitative research methods

A research can be designed in two ways to provide two types of data, quantitative and qualitative. The differences between these two methods are that *quantitative* asks facts such as what, where, how much and how often. It is mostly impersonal and controlled. *Qualitative* on the other hand describes respondents' opinion in several ways. The results are more personal. (Brace 2008, 45-59.)

In this study one of the questionnaires is done for the service providers and another for the client companies. The questionnaire for the service providers focuses on providing qualitative analysis that highlights the challenges of incentive travel and its difference compared to leisure travel. The questionnaire for the client companies provides quantitative analysis about the objectives and results of incentive programmes.

It was decided to use structured questionnaire with only few open ended questions because it is easy to analyse and there is a possibility to repeat the study in upcoming years. With quantitative questions the aim was, for example to see how important various objectives of incentive trips are and how many of the respondents have seen the improvements. With qualitative questions the aim was, for example to study whether there are differences in behaviour of travellers from various cultures and age groups. The questionnaires also included general questions, such as "How often does your company organise an incentive trip?" and "How many employees are normally participating in the trips?" Each questionnaire lasted approximately from three to five minutes depending on the respondents.

3.2 Planning and survey

The research started by discussing the objectives with the representative of Lifestyle DMC, Tony Anagor (Attachment 1). It was important to understand what the main problems to be discussed in the study are and what should be achieved after completing it. When the objectives were set, the online questionnaires were designed using Webropol online questionnaire tool. The Webropol tool was also used to analyse the data.

Webropol is a tool that is generally used for various studies in HAAGA-HELIA University of Applied Sciences. It is well-known and trusted tool used by more than 40 000 users from 2 500 organisations worldwide (Webropol 2013). The tool allows its users to design questionnaires, feedback forms and invitations. It helps to analyse the responses by using data mining or quantitative data analysis.

As mentioned before, two separate questionnaires are used in the study (Attachment 2 & Attachment 3). The questionnaire for the service providers is in Spanish due to the fact that they, partners of Lifestyle DMC, operate in Barcelona. The questionnaire for the client companies is in English because 90% of Lifestyle DMC's clients come from outside Spain and the companies operating in Finland have good level of English. These practicalities ensure that the respondents understand the questions and provide relevant answers.

The empirical part of the research consists of the analyses of two separate questionnaires, summary of the results and suggestions for further development for Lifestyle DMC.

The findings from the questionnaires show how the service providers perceive incentive travel and what it means for them. They also highlight the effects of incentive travel on the client companies. Further, all the information is put together and analysed as a whole in order to provide greater understanding on how all these parties affect each other. Relying on the findings, suggestions for their better collaboration and future development of the services are provided.

3.3 Data collection

The target group of the research is companies that have been organising incentive trips and service providers, partners of Lifestyle DMC. These parties are involved in the planning and implementation process of incentive trips and they are both affected by this business tourism form. By achieving full understanding between these parties and middle hands, DMCs and travel agencies, it is possible to easier the planning process and improve the final product. Thus, it was decided to study their experiences of incentive travel.

The questionnaires for the client companies were sent to the companies of various sizes and business sectors in Spain and Finland. The companies were chosen randomly from the clients of Lifestyle DMC and the Internet. Only few of the companies have been working with Lifestyle DMC but all of them have been organising incentive trips in- or outside their own countries. The contact information of the companies was found on the Internet and the questionnaires were sent via emails. However, some of the companies were contacted personally and asked to fill in the questionnaire right away. This was done in order to collect more responses and be able to provide relevant data.

The questionnaire for the service providers were sent only to the Spanish partners of Lifestyle DMC. The companies provide all kind of services – cooking classes, action activities and wellness treatments. All of these can be organised as group activities and adjust according to the clients' specifications. Some of the providers have a lot of corporate clients but some only little. This fact is not taken into account in the study because, in this case, it does not play a crucial role. All the data and feedback about incentive travel is interesting and evenly important.

3.4 Data analysis

Data analysis is a part of a study when the data collected is reviewed, cleaned and modelled in a way that only the valuable information for a particular research is left. This

process separates useful data that provides beneficial findings from insignificant information. Relying on the outcome, research conclusions can be made and suggestions for future development can be given. The data may be analysed by various techniques and approaches that are chosen according to the needs of a study and researchers' interests. (Levine 1996, 1.)

In this research, the data is collected by two various questionnaires and analysed using the Webropol tool. The information is modelled according to the purpose of the study and supports finding solutions to the research problems. The data is analysed by the amount of responses and data mining technique that analysis the data from various perspectives and patterns. For example, data mining technique can clarify what activities are done when incentive trips are from two to three days long. It gives much more knowledge about the investigated subject than simple data analysis itself.

The results of the online questionnaires are gathered together and analysed from the point of views mentioned in Chapter 1.2. All the data collected from the participating parties presents the real meaning and effectiveness of incentive travel. This enables DMCs, service providers and client companies to see how all of them affect each other and how can they improve their cooperation to fulfil everyone's expectations.

3.5 Reliability and validity

The quality of a research is often measured by its reliability and validity. *Reliability* refers to a degree of consistency of a measurement. It means that a test produces the same results every time it is taken, which is an important component of any study. The results are reliable if they are consistent and dependable. (About 2104.)

Validity refers to the degree of how well the study really measures what was claimed to measure. Research design, methods and tools used, all have to help the researcher to investigate the concept or a phenomena considered in the study (About 2014). So, for the results to be sufficient, the study has to be both reliable and valid.

Defining reliability and validity of a study is often quite challenging, especially if the research is seeking for the future knowledge. This is clearly due to the fact that future is hard to predict and the assumptions are subjective. This thesis aims to find out whether companies see incentive travel as an effective motivational tool and what they are looking for when going on the trip. Another aspect to be discussed in the study is the perspectives of incentive travel for the DMCs. Therefore, reliability of the study is relatively low, since motivational issues are as hard to explore as the future trends and preferences. There are several factors that may affect the changes in the results: respondents and their personal experience, trends, economic situation, company policies etc.

Most likely it will not be possible to reach the same respondents in the future and the amount of them would vary. The answers may change a lot depending on the employees: the time they have been working in the company, their attitude towards the company and their personal preferences. The size of the companies, their origin and participation in incentive programs would also change in the next similar studies.

The main focus of this study should be on studying the big picture of the field of incentive travel and the relationship between all the parties included in it, not in getting exactly the same results from the individual respondents. It is rather unlikely that the general attitude towards incentive travel and its benefits will change dramatically. One of the aspect of the study is to find out whether the companies set goals for their incentive programs and really see them being achieved. Taking that into account, it can be stated that this research is reliable when paying attention to the main gaps of the study.

When it comes to the validity of this thesis, the questionnaires and target group play a big role. The study focuses on the partners of Lifestyle DMC and their past and potential clients. The questionnaires were designed for each group separately and in different languages in order to prevent misunderstandings. They were short, simple and did not take a lot of time to respond. To avoid misunderstandings of “short and long term benefits” concept, the exact time definitions were given. Thus, it can be assumed that

the questionnaires were experienced and understood in the same way among the respondents.

When looking at the objectives of the study, which were to find out how visible the benefits of incentive trips are and evaluate the short and long term benefits, it can be stated that the data collected from the questionnaires gives the answers to the questions. This means that the results are reliable and beneficial for the commissionaire and confirm the validity of the study.

This is the first time when Lifestyle DMC takes the time and effort to research the subject of the benefits of incentive trips. It collects the information about its partners and clients and investigates their needs and likes. The outcome of the study helps Lifestyle DMC to understand its partners and clients better and to develop its services to be able to achieve their expectations.

In addition to reliability and validity, there are other aspects affecting the quality of a study. One of them is the language skills of a writer. In this thesis questionnaires were designed in English and Spanish, neither of which are the mother tongues of the researcher. Another issue may be the writer's own perception and experience of the subject covered, so that it affects the interpretation of the answers. This, however, does not have a significant impact on the outcome of the study and its reliability and validity.

4 Results

The methods of the study are presented in previous chapter. Data collecting and data analysing tools that helped to clarify the data are discussed and the choices explained. This chapter covers the results of the research and its outcome. The two questionnaires are analysed separately and the final conclusion is given later in the thesis.

4.1 Survey to service providers and client companies

The research covers all the parties, DMCs, service providers and the client companies, participating in planning and implementation of incentive trips. It shows the connection between these parties and provides suggestions for further development of their services and collaboration.

The questionnaire for the service providers was sent to 63 partners of Lifestyle DMC in Barcelona, Spain. The goal was to get responses from at least 20-30 companies what would mean response rate of 12,6% - 18,9%. On this basis, the analyses would be reliable enough to present the challenges and benefits of incentive travel for the service providers. This would help DMCs to understand what they can do in order to facilitate the services of both parties.

The questionnaire includes several open ended questions what enables to collect various opinions and points of view. Thus, they provide a lot of data to be analysed and evaluated.

Collecting responses from the client companies was more challenging because due to the privacy policies, Lifestyle DMC was not able to give the contact information of its clients. This meant that the potential respondents had to be found online or from personal contacts. Business people are normally very busy and most likely would not want to take their time off to answer the questionnaire. Keeping this in mind, Lifestyle DMC, did not set high expectations on the amount of responses from the client companies. The size and origin of the companies did not matter, as well. It does not affect

the reliability since any company may one day decide to organise an incentive trip to Barcelona.

The questionnaire for the client companies focuses on quantitative research and this is why more responses were needed. When there are questions with several optional answers, each option has to be clearly defined as the most popular or the less popular one. Only then the data can be proficient and valid.

The data collected from the service providers is highly useful for Lifestyle DMC. It shows what incentive trips mean for them and what kind of challenges they face providing the activities. It may help to develop better partnership between these two parties and in ideal scenario improve the services of both.

The data collected from the client companies is somehow useful but unfortunately does not show the big picture. The questionnaires were sent to Finnish and Spanish companies, so the analyses do not cover global concern. On top of that, Lifestyle DMC has clients from all over the world and there are cultural differences in the attitude towards incentive trips. For example, in Scandinavia the elitism implied by incentive travel goes against the work ethos. Consequently, when the trip is offered as an incentive, the award tends to be offered to practically everybody in the company (Davidson 2003, 164). These differences are not covered in the research.

4.2 Analyses of the questionnaire for the service providers

The questionnaire for the service providers got 19 responses out of 63 questionnaires send. Thus, the response rate is 30% which is higher than expected 13% - 19%. This means that the data collected provides valid and beneficial information for Lifestyle DMC to analyse and react.

The survey shows that out of all service providers' clients, the amount of corporate clients varies from 10% up to 90%, however average being 37,6%. This huge difference is most likely due to the activities provided, since they can be anything from banana boat ride to luxury car driving experience. Even though the amount of corporate

clients is normally significantly lower than the amount of individuals, they still bring more income to the providers. The respondents point out that companies are more willing to pay higher prices and often even ask for additional services what, as well, raises revenues. The same fact occurred in the theory part what proves that corporate clients are definitely more generous.

French and German companies appear to be the biggest clients, followed by British, Spanish and American companies. Exact percentage of each market can be seen in the Figure 1. It is mentioned in the theory part, the European companies prefer 2-3 days trips to the countries next by when American tend to take longer trips to the well-known cities in Europe. So, this study proves the statement of Davidson & Cope (2003) and shows that the cultural likes remain the same.

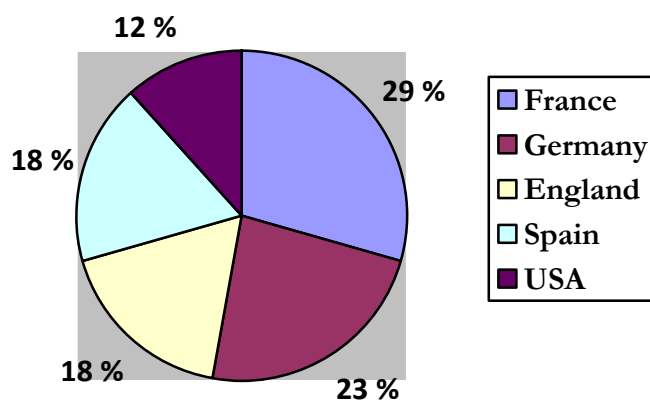


Figure 1. What are the biggest incentive travel markets in Barcelona?

When asking how the service providers capture their clients, the mixture of direct contacts and through DMCs emerged to be the most popular option whit 13 answers, 68%. This suggests that all the tools to capture potential clients are important in the travel and tourism industry. The clients contact the providers through various channels, such as web pages, telephones, travel agencies, DMCs and others.

The service providers try to get to know their corporate clients more than the individuals. They wish to know several factors, such as the nationality, age, physical condition and motivation of the travellers. This result shows that the service providers aim to

prepare and adjust their activities according to the clients' wishes and preferences. It can be linked with the fact that the corporate clients are willing to pay higher prices for the services, so it is in the providers' interests to please the business travellers and provide personalized services.

The providers listed the challenges with the corporate clients as followed:

- lack of excitement
- wrong attitude
- the need to personalize the activity
- slow communication through middle hands (DMS and travel agencies)

The fact that not all of the travellers are equally excited about the activities is actually natural due to the size of the groups and different personalities. Usually, business people are well-travelled and very demanding, so it is highly important for the employer or organizer of the trip to know what kind of people are travelling and what they like to do. This knowledge would then ensure the choice of the most preferred activities for majority of the group, if not everyone.

Another reason for the bad attitude may be that the employees were forced to travel. As it is explained in the theory part, not all of the incentive trips are rewards. Sometimes they aim to build team spirit and motivate the personnel to perform better. In this case, it may be expected that some of the employees would rather stay home and do what they like to do than travel for business purpose. They may not get along very well with their co-workers or just don't want to spend extra time with them.

Providers are concerned with the middle hands because it slows down the planning process and might lead to losing some details. Especially, in case of the cancellation or delay of the activity it is highly important to pass the information to the clients in a short time. Often, service providers do not have the phone numbers of the travellers, so they cannot reach them very quickly.

Clients' attitude is highlighted in the question about the most successful incentives, as well. Other components of the success, in the eyes of the service providers, are the activity itself and the aspect of a surprise. This, once again, underlines the importance of knowing the employees that are travelling. The incentive trip becomes successful only if the organisers are able to attract the travellers' interest and exceed their expectations.

Question number 8 searches for the cultural differences in the perception of the incentive activities. The service providers see the biggest differences concerning the price and preferences. There are cultures that do a lot of searching, comparison and bargaining before actually booking the activity, while other cultures know exactly what they want and are ready to pay any price asked.

Various cultural trends and preferences can be seen in the chosen activities, too. It can be explained by the fact that European business travellers are usually familiar with the city of Barcelona. They choose relaxing or action activities, something they have not experienced before. Americans, on the other hand, would like to do sightseeing in order to get to know the city and Spanish culture.

To summarise the results of the questionnaire for the service providers, it can be said that they are motivated to provide high quality services for the corporate clients. Business travellers are willing to participate in more expensive and lavish activities and ask for additional services what all together leads to higher income.

According to the responses of service providers, despite the high standards of the activities planned for the trip, the only way to please the business travellers is to surprise them and exceed their expectations. The key to successful incentive trip is to get to know the employees beforehand: learn their preferences, personalities and previous experiences. Only then, it will be possible to design the kind of activities that please them the most and lead to desired results.

The cooperation between the service providers and DMCs is important even nowadays when everything can be found online. A large number of travellers is still using the services of travel agencies and DMCs. Especially, corporate clients prefer to plan their trips with the help of professional trip organisers and local companies. This means that capturing business travellers through direct contacts is quite challenging, so having strong and reliable relationship with the middle hands, travel agencies and DMCs, is highly recommended for the service providers.

4.3 Analysis of the questionnaire for the client companies

The questionnaire for the client companies got 13 responses out of 41 questionnaires send what means the response rate is 32%. Even though the response rate is very good, the amount of questionnaires collected is disappointingly low. However, Life-style DMC has never before researched their past and potential clients, their experience and improvements after incentive trips, so the data collected is still reliable and can give ideas for further service development.

The low amount of the questionnaires send can be explained by the fact that the writer of the thesis decided to reach the companies and their representatives that have been organising incentive trips and would be willing to respond to the questionnaire. Preliminary work was done before sending the emails and only the companies that could really reply to the questionnaire were reached.

Unfortunately, only every third company filled in the questionnaire what was explained by the down economy and bad financial situation in several companies. The respondents did not feel comfortable talking about incentives when people are being laid off and found it even unmoral. Thus, the companies that replied are truly the ones that are considering organising incentives trips in the near future and act as potential clients for DMCs.

Most of respondents, 46%, are organising incentive trips twice a year and only 8% have more than four incentive trips a year. This means that majority of the companies organise incentive trips on a regular basis and prefer to reward their employees through

the year. That way the motivation to work stays high all the time and the rewards feel more achievable. This, of course, leads to the situation where the incentive trips have lower budgets and are not that lavish. Employees may also get used to be rewarded and see incentives more like self-evident aspects of their work and not something special. In this case finding the perfect balance is the key to successful incentive travel programme.

The amount of employees participating in the trips varies from 1 to 30 employees in 38% of the companies and from 31 to 60 employees in 46% of the companies. Only 8% of the respondents take more than 100 employees on the trips. These results (Figure 2) show that the incentive trips are available not only for the managers, when the number of participants would be lower, but for the most of companies' workers. It can be concluded that the amount of participants varies depending on the size of the company, destination and duration of the trip, as well as the importance of the achievement.

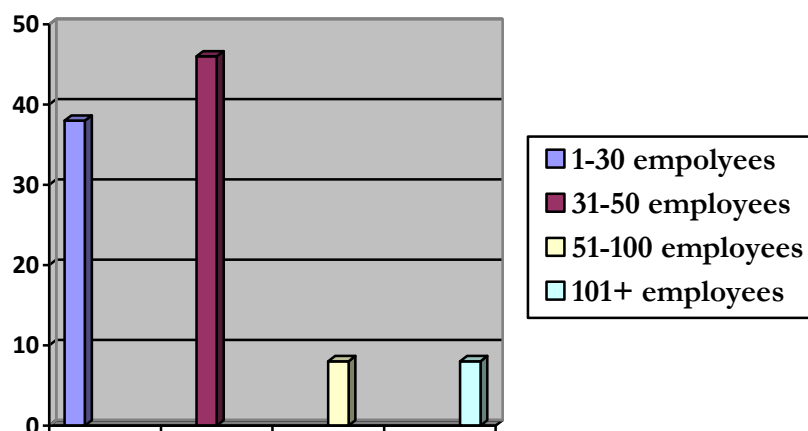


Figure 2. How many employees participate in the incentive trips?

The question number 3 proves the statement above and reveals that the most of the companies, 85%, organise incentive trips for the whole team. The rest of the companies provide the trips for sales or marketing departments only. It can be concluded that for the companies it is important to reward everyone's input to the achievements and

stimulate the whole team at the same time. Often, it is also difficult to fairly say who worked harder and who did not, so it is easier to set common goals.

The survey reveals that the incentive trips are normally 1-2 day trips abroad or to the other cities within own country. Mostly, they include fun and relaxing activities in order to rise the team spirit and get to know the co-workers better. Restaurants, games and theatres are all possible entertainment activities for the travellers. Naturally, if the trip is outside own city it includes sightseeing. This suggests that the incentive trips include only little, if any, work-related activities and mainly focus on having a good time.

Most of the respondents, 62%, use in-house services for planning the incentive trips. 31% uses mix of both DMCs and in-house services and only 8% of companies rely completely on DMCs' services. This result can be explained by the fact that most of the respondents are from Finland where companies are used to take care of their travel arrangements by themselves and use DMC only on a rare occasions. Another reason for using in-house services is that it saves companies' money which is especially important in current down economy situation. It has been found out that the respondents of this survey travel for few days to the cities next by, so using DMC for this kind of trips may not even be necessarily.

When asking about the most important components of the incentive trips (Figure 3) on a scale from 1, being not important at all, to 5, being very important, employee motivation and team building ranked above the others. Having fun together and rewarding the employees were the third and fourth most important components. Increasing market share and improving customer service were not seen as important components of incentive trips. Thus, it can be stated that incentive trips are used as a motivational tool and team building activity and do not have financial targets. They simply aim to cheer up the employees and stimulate their work performance.

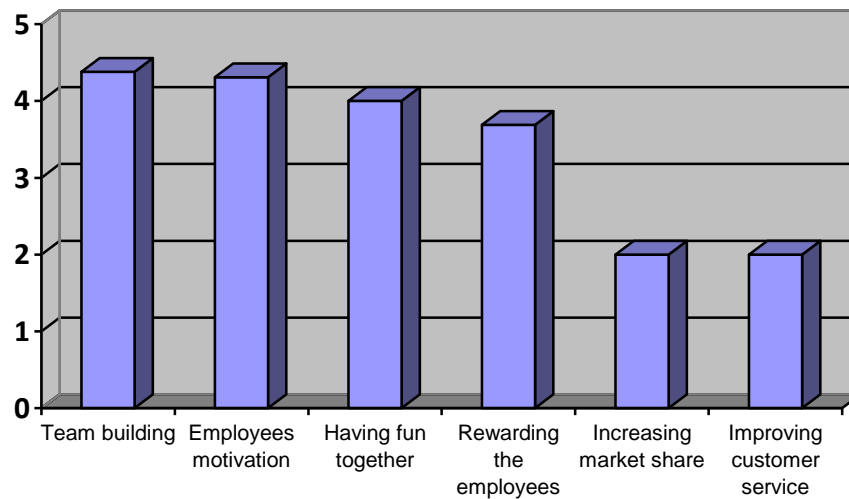


Figure 3. How important are following aspect when organising an incentive trip?

One of the most surprising results of the questionnaire may be the fact that only 15% of the companies measure the Return on Investment (ROI) of the incentive trips. A lot of expectations are being put into the incentive travel and its effects but companies are not ready to put the resources on proper planning, implementation and measuring of the incentive programmes. This, of course, may be due to the fact that only small companies were reached by the survey and they do not have the capacity to measure the ROI of incentives and investigate them properly. The conclusion whether the incentive trips are beneficial or not are only based on the general feeling and observation.

When asking about the most noticeable short term, up to three months, benefits the companies have seen after conducting the incentive trips, employee motivation and team work turn out to be the most improved components. Figure 4 shows how many percentages of respondents have noticed the improvements and believe that the trips lead to them. The second and the third most developed components are gained employee loyalty and improved customer service. These four were mentioned to be the most important objectives when organising incentive trips and the results show that the goals are achieved.

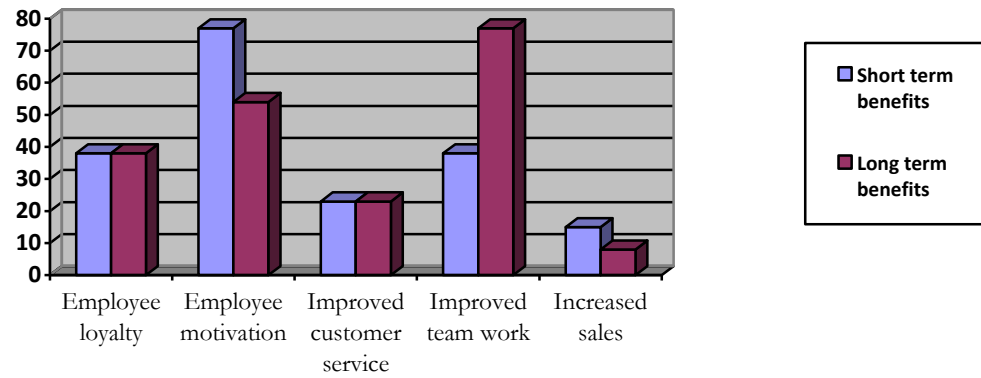


Figure 4. The most noticeable short and long term benefits of incentive trips

Employee motivation and improved team work are also pointed out as the long term benefits, up to 3 years, and are displayed in Figure 4 among the short term benefits. Employee loyalty and better customer service were emphasized, as well. It means that there are no huge differences between the long and the short term benefits of incentive trips. They have an impact on the actual goals set before the trips and their affect remain the same regardless of time. The results just prove that incentive trips are great way to motivate employees and build strong team spirit that would help the employees to perform better. They also affect employees' loyalty and attitude towards their employer. The trips do not have straight impact on sales and growing market share but they sure make the employees to feel good about their workplace and therefore push them to do their job in the best possible way.

As the respondents were assured of the improvements of employee motivation and team work after the incentive trips it is not surprise they were unanimous when answering whether they believe in incentive trips as an employee motivation tool. The majority, 92%, of the respondents is planning on organising incentives in the future, as well.

5 Conclusion

The aims of the study were to clarify the goals of incentive trips, find out the short and long term benefits of incentive trips and explore incentive travel as an efficient motivation tool. After collecting and analysing the information gathered, suggestions for future business developments for the commissionaire of the study, Lifestyle DMC, had to be presented.

To answer the questions of the study and investigate the usefulness and benefits of incentive travel, two separate questionnaires were designed. The first questionnaire explored service providers' perception of incentive trips and their overall attitude towards this type of business travel. The second questionnaire focused on the companies that have been organising incentive trips and their experience. It can be said that the data gathered provides answers to all the questions set at the beginning of the study. Reliable and directional results were collected and are all beneficial for Lifestyle DMC.

In research method, *limitations* refer to the aspects that are not within the writer's control. *Delimitations*, on the other hand, refer to the boundaries that researcher sets him/herself. These two aspects have to be reviewed in order to cover the challenges of the research and understand what can be done differently in the future studies.

One of the major limitations of the study is the lack of respondents for both questionnaires. Lifestyle DMC was not able to share the contact information of the companies that have been using their services due to the data protection agreement. It is extremely hard to contact companies and awake their interest towards the research when they do not know you.

The questionnaires were sent to more than 43 companies and only 13 replied. Several respondents blamed the current economic situation and thought it is inappropriate to talk about incentives when people are being laid off and losing their jobs. There were also participants that were not able to answer the questions due to the company policies. On top of that, in Finland in general, incentive travel is rarely used motivational

tool and finding companies that have been organising incentive trips is highly challenging.

Another limitation is the cultural differences between the wide ranges of Lifestyle DMC's client. This thesis is not able to research the client companies separately and covers only general perception of incentive travel. Thus, the results gathered cannot be applied to every client. This, however, is pretty self-evident in service industry.

Delimitation of the study is the number of contacted service providers. It was decided to investigate only the view of Lifestyle DMC's partners because they work together and their opinion is the most relevant. However, the partners of Lifestyle DMC are a limited group that does not cover the wide range of service providers and therefore does not great number of responses.

The questionnaire for the service providers were sent to 63 companies and 19 responses were gathered. The response rate is 30% which is quite good for a research. The commissioner was positively surprised that almost every third partner answered. This means that the relationship between them is strong and loyal and that the service providers are also willing to improve their services. The outcome of the study helps to see providers' point of view on incentive travel and strengthen relationship with them by being more flexible and understandable.

One of the truest facts about all the incentive trips is that they are worth implementing, and the most of the respondents agreed on that. Visible improvements of team work and employee motivation were seen in all the companies participating in the research.

Majority of the respondents did not measure the results of incentive trips. Their notes were based on overall atmosphere and appearance. Where work motivation can be noticed by the eye of the manager, growth of sales or market share is impossible to see, not to mention decreased customer complaints or improved customer service. Due to that it is hard to say whether the last-mentioned aspects have been affected by incentive trips. The lack of proper measurements can be explained by the fact that the par-

ticipants of the research are mostly small companies with 10-100 employees and they do not have the resources for preparing and implementing proper incentive programmes.

The results highlight the objectives of incentive trips in general and one of the most common goals is just to have fun and become a better team. Taking that into account it can be said that increasing financial factors directly by organising the trips is just a secondary element. What comes to the goals the companies do set, they are certainly achieved.

The survey clarifies that the short and long term benefits of incentive trips are the same, which means that the time does not lower the results of the trips. However, it can be suggested to organise the trips on a regular basis, so that the interest and loyalty to the company and work itself stay stable.

The information collected from the service providers gives a lot of thinking for Lifestyle DMC since improving communication and working more efficiently seemed to be the main concern of its partners. Business travellers and incentive programmes make a big part of the service providers' clients, so they are highly interested in providing the best service possible. Incentive travellers are also more willing to pay more for specialized service and this cannot be forgotten when planning activities for them. More lavish and unexpected activities can be suggested and implementing, since the surprise factor was mentioned as one of the keys to successful incentive trips.

5.1 Suggestions for further development

The research clarifies that the service providers are interested in improving their services and attracting more corporate clients. They are willing to strengthen the relationship with Lifestyle DMC in order to serve their both business development. One of the main concerns of service providers was inefficient communication in case of delay or cancelation. They blamed the fact that normally they are not able to contact the clients directly and the clients cannot reach them. This slows down the information flow and may cause misunderstandings. Consequently, Lifestyle DMC could provide

The service providers highlighted the fact of knowing the clients in order to organise the most suitable and special activities for them. This means that Lifestyle DMC has to do proper background research when negotiating with the clients and focusing on their previous experiences, origin, age and gender. These factors are the most relevant for the service providers when planning the activities.

The survey shows that the most of the incentive travellers come from the neighbouring countries, such as France, Germany and UK. These means that Lifestyle DMC could try to attract clients from other countries close to Spain with good traffic connections, for example Portugal, Switzerland and Austria.

The results show that most of the companies organise incentive trips on a regular basis few times a year. No indication of always changing the destination has been revealed what means that the clients may be coming back after one trip. It is in Lifestyle DMCs interest to stay in touch with the clients and inform them of new activities and developments. Sending newsletters, contacting them by phone or email can establish Lifestyle as responsible trustworthy partner that keeps care of its clients.

The future research may go deeper into studying the differences between various countries and business sectors in the perception of incentive travel. It can also study the trips in more precise way; the length, destinations, activities and the budgets of them.

This research showed that knowing the employees and their preferences is one of the most important aspects of successful incentive trips, so studying how much impact the travellers themselves have on the trips and how they would design them could be another research idea.

This study covered the view of the service providers and the client companies but not the travellers themselves. Thus, researching their experiences and opinions would give another perspective to the big picture of business travel and tourism.

References

About. What is reliability? URL:

<http://psychology.about.com/od/researchmethods/f/reliabilitydef.htm> Accessed: 22 Mar 2014.

Boeije, H. 2010. Analysis in Qualitative Research. Sage publications. Germany.

Brace, I. 2008. Questionnaire Design: How to Plan, Structure and Write Survey Material for Effective Market Research. Kogan Page. USA.

Davidson, R. & Cope, B. 2003. Business Travel – Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel. Person Education Limited. England.

Fincitive House. URL: <http://www.fincitivehouse.fi/> Accessed: 7 Nov 2013.

Incentive. URL: <http://www.incentivemag.com/Resources/Sponsored-White-Papers/> Accessed: 2 Oct 2013.

Kenneth, W. 2002. Intrinsic Motivation at Work – Building Energy and Commitment. Berret – Koehler Publishers. San Fransisco.

Kerr, S. 1997. Ultimate Rewards – What Really Motivates People to Achieve. Harvard Business Review Book. USA.

Kokko, L. 1999. Kannustematkat ja matkakannusteet motivointikeinoina yleistyvät. Yritystalous, Feb 1999, pp. 5–9.

Lassila, H. 2002. Elämyksillä tuloksiin. Pohjois-Savon ammattikorkeakoulu, Matkailu- ja ravitsemusala. Kuopio.

Levine, H. 1996. Introduction to Data Analysis: The Rules of Evidence. URL: <http://www.dartmouth.edu/~mss/data%20analysis/Volume%20I%20pdf%20/006%20Intro%20%28What%20is%20the%20weal.pdf> Accessed: 22 Mar 2014

Lifestyle Barcelona. URL: www.lifestylebarcelona.com Accessed 16 Oct 2013.

Lifestyle DMC. URL: www.lifestyledmc.com/en Accessed: 16 Oct 2013.

Lifestyle DMC. URL: blog.lifestyledmc.com Accessed: 20 Oct 2013.

Myllymäki, J. & Rissanen, L. 2001. Incentive-matkailu käsite Suomessa. Bachelor's thesis. Helsingin liiketalouden ammattikorkeakoulu Helia. Helsinki.

Ricci, P. & Holland, S. 1992. Incentive Travel: recreation as a motivational medium. *Tourism Management*, 13, 3, pp. 188-196.

Ruohotie, P. & Honka, J. 1999. Palkitseva ja kannustava johtaminen. Oy Edita Ab. Helsinki.

SITE 2013. Incentive Travel: The Smart Business Proposition. URL: <http://www.siteglobal.com/p/bl/et/blogid=6&blogaid=146> Accessed: 30 Oct 2013.

SITE 2011. Measuring Result of Incentive Programs and Meetings in a Down Economy. URL: <http://www.uniquedestination.co.za/wp-content/uploads/2011/01/MeasuringResults.pdf> Accessed 29 Oct 2013.

Swarbrooke, J. & Horner, S. 2001. Business Travel and Tourism. Butterworth-Heinemann.

Verhelä, P. 2000. Liikematkailu. Oy Edita Ab. Helsinki.

Webropol. URL: <http://www.webropol.fi/miksi-webropol-2/> Accessed: 2 Dec 2013.

Attachments

Attachment 1. Interview with Tony Anagor, co-founder and CEO of Lifestyle Experiences Group. Conducted: 26 Aug 2013.

1. In your own words, describe an incentive trip

It has to have two main elements: surprise and team interaction. From my experience, the incentive trips that had these two components were the most successful. If the activities are something that the team wouldn't normally do, it adds value to the outcome.

2. Discuss the challenges you face when planning an incentive trip

The first challenge is to get the full brief of the client. Often, clients don't know what they want. I have to be like a doctor, when someone comes to me and says I'm sick and I want to feel better, I have to ask the right questions to get the information I need. Clients think we are the experts, we should know what to do. There are also companies that know exactly what they want but it's a challenge, as well, because we have to fulfill their expectations.

The second challenge is time. Sometimes, people don't have the time to answer to our questions but it is quite rare. The main issue is to fill in the blank page of what the client wants. It is easier when we can speak to the client directly but usually we are dealing with the representatives of the client, like travel agencies in their own countries. So, we get only their understanding of what the client wants.

3. What information you wish to have when planning an incentive trip?

I would like to have as much as possible. Once again, if you go to the doctors and he wants to help you, the more information he has the better it is. It is your medical history, the medical history of your family, your diet, how active you are, habits (smoking,

drinking) etc. No information is irrelevant. Normally I would ask what went well and what went wrong in their last incentive, what they liked, what didn't. The thing is that when we are dealing with the agents from other countries, they may work with the client for the first time themselves.

4. Describe the factors that make a successful incentive trip

70% of our clients want to do something new. We want to offer an event after which people would go "Wow, it was cool!" Normally, the clients are pleased with the service but not ours, their home company's service. I like to use the example of a pilot: if I am a pilot of British Airlines and I fly you from "A" to "B" smoothly and with a perfect landing, you don't remember the pilot, just British Airlines. For me, that is ok. But if there is turbulence, you suddenly remember that there is a pilot. And thank God there is! This is how we see our role in event industry.

5. In your opinion, why incentives are important?

They are "must" for companies. Especially, if before you had 1000 people doing the job and now you have 500 people doing the same job. Nowadays people have more tasks and they have to be more productive. Often, companies don't have the chance to go around with huge salaries, so they have to show they care in other ways. Today, the most successful companies are the ones who treat their employees well. For me work and play are very close. If you can marry these two together, you can get much more productivity from your team.

Companies have to measure the trips and their outcomes because they may end up running a trap when every year things have to be better and better. It is important for the company to put the effort into employee motivation and to do it properly they have to know the team. We see events when the people don't even want to be with each other, they would rather be at home with their real friends. Often, before an incentive trip, the team needs some team bonding and learning each other.

6. Have you noticed that some incentives have better results than the others?

Yes, of course. When putting the event together, I can right away say if it will be good or not just by talking to the person I am dealing with. The person either knows the team and tells me what the team likes and wants, or can tell me nothing. It is always pleasure to work with the people who care enough and if they want to make it good, you want to make it good.

The activities that lead to good results are when people get out of their comfortable zone. When in Barcelona, they already are, and doing something they wouldn't do feels natural. Good combination of physical activity, some learning, competition and food is always working well. Unfortunately, the person that is leading the event from our side, the provider, can ruin the event sometimes. This may happen if you have 100 people in a room and s/he is shy and not comfortable. You need a person who is used to deal with international groups and can get people active.

7. From the clients' feedback, what kind of benefits can you mention?

We send feedback forms to all our clients but only 25-30% replies but 95% of them are very positive. People like to notice a good interaction with laughs and talks. Most of the companies judge the immediate result by looking how many people are standing next to the wall doing nothing and how many are fully encouraged to participate in the activity.

I like to keep in touch with my clients but, unfortunately, in our industry you get to hear the feedback only when something went wrong. It would be great if we could measure the level of communication before and after the activity. There is no secret formula what works and what does not but we would definitely want to find it.

8. In your opinion, how can incentive trips improve team work and motivate employees?

It can be done by increasing communication. You get to see what the team likes to do outside the office and you get to talk to them. So, when you go back home you have something in common which is the whole trip to Barcelona, not only eight hours at work. The best incentives are when the managers go and participate in the activities. When I go to see an event and I cannot tell who the director is because everyone is doing the same thing, it is admirable. They are definitely a part of the team and I think this style works. If you look and see your boss having a drink, you go ahead and have a few drinks, as well. You can definitely have fun with your team and then go back to office and do business.

I know a company that does something every year but they do not tell their employees what is coming. They just say for example, take some winter close and let's meet at the airport. That is pretty cool! But, once again, you need to know your team to do that. Some people may not like it at all.

9. How do you see the prospects of incentives for Destination Management Companies?

It has become a "must" for the companies. When you deal with people, you need to motivate them not only with material staff, salary etc. To get rid of incentives, you have to make everyone's work automatic but it will never happen.

We have to remain creative. I see that in the future we will co-operate more with the client companies, be like partners. We do have few companies we have been working with for 3-4 years and we know the staff, we know what they like to do, and what they did in future. When we get new activities, we have the clients in mind and can suggest them these things. Doing the same things is boring even for me. We have huge portfolio of individual activities and we can adjust them to corporate. We also know our

partners and don't have to look for them. These are the reasons why we can put something really unique together.

I think we will see more incentives that combine on and off side activities. The companies will understand more the problems they have and will want to solve them. This would lead to deeper relationships with the companies and their suppliers, travel agencies and DMCs.

10. How does the attitude of incentive travel vary from country to country?

We are in international market and we are dealing with international companies so they have branches everywhere and their attitude is more about the philosophy of the whole company. If you deal with, for example Nike, they have the same philosophy and you do notice it when planning the events. I do see individual differences when I deal one on one with the person responsible for the trip. I see cultural differences, not the attitudes.

The agencies are different, as well. American and Australian agencies require much more information beforehand and are ready to answer to our questions. They appreciate our engagement. Nordic countries seem to know what they want. They have done the research and they come to you saying exactly these things. Indian and Egyptian companies may ask the same question from several agencies, they shop around a lot comparing prices and services.

11. Tell about your personal experience of being a part of an incentive program

I didn't like my first experiences because I didn't like the people. I just did my job and went home after eight hours. I never went to the trips with them. My second company was great. We did regional incentives, area incentives and incentives on country basis. We had offices around the country and every three months visited them. I felt the company cared for me. Once they even organized a competition for their sales de-

partment with the prize of a trip anywhere in the world with 1000£. I worked hard and won it. I decided to go to Hawaii and they paid everything!

12. Describe the ways how you motivate your employees?

I try to get to know my team and what they like to do individually. I could never work in a company where I don't know the people. I think by getting to know the team you can get an idea what incentives them. It is important for the team members to see that I care for them all. When new people come, they look how we interact and from there they know how to behave. I try really hard to create the environment where everyone feels comfortable to work. We are a small company, so I am balancing between making the company profitable and making sure that we can incentives people and keep them motivated. With a lot of soft skills we can do it.

13. How do you keep up with the changes in incentive industry?

I read magazines, newspaper, online forums, speak to my competitors, clients. My business partner, on the other hand, keeps track on things that change locally. We also relay on the feedback from our clients and their wishes.

Attachment 2. Questionnaire for the client companies

Incentive travel - the real effects and benefits

1. How often does Your company organise incentive trips? *

- ☐ Once a year
☐ Twice a year
☐ 3-4 times a year
☐ More than 4 times a year

2. In Your company, how many employees participate in incentive trips? *

- ☐ 1-30
☐ 31-60
☐ 61-100
☐ More than 100

3. In Your company, who participates in incentive trips? *

- ☐ Sales staff
☐ Marketing staff
☐ Customer service staff
☐ Managerial staff
☐ The whole team

4. What type of incentive trips does Your company organises?(Length, location, type of activities)

--

5. When designing an incentive trip abroad, does Your company use a DMC or in-house services? *

- ☐ DMC services
☐ In-house services
☐ A mixture of the two

6. How important are the objectives mentioned below for Your company when organising an incentive trip? 1 being "not important at all" and 5 being "very important" *

	1	2	3	4	5
Improving customer service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rewarding employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Team building	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Motivating employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Just to have a good time together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing market share	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Do You measure the ROI of the incentive trips? *

- ☐ Yes
☐ No

8. What measurements do you use to measure the benefits of incentive trip? *

- ☐ Customer and employee satisfaction
☐ Reduced customer complains
☐ Gained employee loyalty
☐ Employee feedback
☐ Key Performance Indicators (KPI)
☐ Other _____

9. What kind of short term (up to 3 months) benefits have You noticed after conducting the incentive trip? *

- ☐ Gained employee loyalty
- ☐ Employee motivation
- ☐ Improved customer service
- ☐ Improved team work
- ☐ Increased sales
- ☐ Other _____

10. What kind of long term (up to 3 years) benefits have You noticed after conducting the incentive trip? *

- ☐ Gained employee loyalty
- ☐ Employee motivation
- ☐ Improved customer service
- ☐ Improved team work
- ☐ Increased sales
- ☐ Other _____

11. Do You believe that incentive trips are a good way to motivate employees? *

- ☐ Yes
- ☐ No

12. Do You believe that incentive trips are an important business component? *

- ☐ Yes
- ☐ No

13. Are You planning to organise incentive trips in the future? *

- ☐ Yes
- ☐ No

Attachment 3. Questionnaire for the service providers.

Incentive travel – the real effects and benefits for service providers

1. What are the percentage of B2C and B2B clients? *

B2C

B2B

2. What are the top 3 countries your clients come from?

3. How do you capture Your clients? *

☐ Through DMCs

☐ Direct contact

☐ Mix of both

4. What are the different factors You take into account when providing the activity for a group of friends (10 people) or a team of corporate clients (10 people)?

5. What are the challenges You face providing an activity if it is booked as an incentive?

6. Is there any specific additional information You would like to have when the activity is booked as an incentive? What?

7. From Your experience, what are the top 3 factors that make an incentive activity a success? Name at least 3 factors.

8. From Your experience, what are the cultural differences in a way the corporate clients receive the activity?