IRF ‘Pulse’ Survey Confirms Sustained Recovery and Upward Trend in Incentive Industry

The rejuvenated economy is having a positive effect on both travel incentives and merchandise/noncash reward programs

St. Louis — October 21, 2014 — The latest data from the Incentive Research Foundation (IRF) confirms that the industry’s recovery is not only sustaining but also accelerating, as it examined core areas of impact such as budgets/purchasing, the national economy, destinations/accommodations and program elements.

In its bi-annual Pulse surveys, the IRF asks motivation industry professionals about trends in incentive programs, with its latest findings indicating that things have stabilized compared to prior survey periods, establishing a strong positive upward trend for each of the core elements beginning in July 2009 and continuing through May 2014.

Notable highlights:

THE ECONOMY

- 67% of incentive travel program owners and 48% of merchandise/gift card program owners in the latest Pulse survey indicate they continue to be optimistic and feel the economy is having more of a positive impact on their ability to plan programs.

BUDGETS/PURCHASING

- 47% of respondents anticipate budgets for incentive travel programs will “moderately increase” this coming year; 37% indicate that travel program budgets will remain unchanged.
- For merchandise/noncash programs, 49% expect budgets will remain unchanged, while 46% say budgets will increase to some degree.
- A majority of respondents (52%) say the involvement of Procurement and Purchasing in travel incentive program decision-making will remain unchanged, but 32% indicate that this involvement will “moderately increase” and 12% say it will “significantly increase” in the coming year.

DESTINATIONS & ACCOMMODATIONS

- Many respondents (46%) anticipate no change with respect to destinations for incentive travel programs in the coming year, but 15% say there will be a shift from domestic programs to more international programs.
- The top destination for incentive travel programs is the Caribbean (47%), followed by North America (43%) and Europe (34%).
- 26% of respondents say there will be no change to “all inclusive” pricing options for the accommodations portion of incentive travel programs in the coming year, while 14% anticipate some change to this policy.
PROGRAM ELEMENTS

- The most popular types of merchandise for incentive programs are electronics (43%), open loop cards (40%) and jewelry/watches (34%).
- Nearly three-quarters of respondents (74%) indicate they use a points-based system for their merchandise/noncash incentive programs.
- Just under half of respondents (46%) indicate they use social media tool/techniques to enhance their incentive programs.
- 37% indicate they integrate corporate social responsibility (CSR) and gaming elements into their programs.

The survey was conducted July 21 through August 6 with participants falling into three basic categories:

- Corporate (Buyers, Planners, Sales, HR)
- Supplier (Hotels, Airlines, DMCs, Merchandise)
- Third Party (Incentive Company, Travel Agency, Consultant)

Read more at http://theirf.org/.6124977.html

About the IRF:
The Incentive Research Foundation (www.TheIRF.org) funds and promotes research to advance the science and enhance the awareness and appropriate application of motivation and incentives in business and industry globally. The goal is to increase the understanding, effective use, and resultant benefits of incentives to businesses that currently use incentives and others interested in improved performance.