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# 5 REASONS INCENTIVE TRAVEL OUTPERFORMS

## Cash or Merchandise







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No matter what industry you're in or how big your business is, the success of your organization depends on the performance of its employees. After all, without their hard work, dedication and effort, where would you be? In exchange for all that hard work and commitment, you compensate your employees with an annual salary or hourly wage commensurate with their experience, ability and prevailing market rates.

### in·cen·tive [in-sen-tiv], *noun*

1. something that incites or tends to incite to action or greater effort.
2. a reward offered for improved productivity or performance.

This system works perfectly well when it comes to maintaining the quality and consistency of output that keeps your company running on a day-to-day basis. However, as any good business owner or manager knows, improving that output and enhancing the level of service or production your company provides requires the kind of innovative managerial approaches that inspire your workforce to go above and beyond. With that in mind, the most

effective method of motivating your employees to excellence and improving performance is the implementation of a strategic incentive program.

An incentive program is a planned individual or group activity designed to motivate people to achieve predetermined organizational goals or objectives. It is a plan of action that encourages your employees to perform at a higher level by offering a tangible, results-based reward structure. By recognizing and compensating your workers for their individual or group accomplishments, you not only increase employee loyalty, you create the kind of stimulating work environment that inspires healthy competition and continuous improvement on behalf of your business.

The benefits of such an atmosphere are virtually limitless but, for starters, a well-designed and properly leveraged incentive program helps you:

- Recognize and retain employees
- Boost morale
- Pump up productivity
- Foster competitive spirit
- Increase market share
- Maintain sales during a down period
- Increase sales and win new customers
- Promote specific products or services
- Maintain strong business to business relationships







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Of course, the key to successfully motivating your employees through an incentive program is offering them the most desirable incentives possible. Traditionally, many businesses have used cash or merchandise as an incentive program reward. However, a recent study commissioned by the Incentive Federation and performed by the Center for Concept Development discovered some intriguing results. Of the 540 questionnaires completed by businesses across a variety of industries, the vast majority of respondents indicated that travel incentives were a far more compelling motivator for their employees than cash or merchandise. Here are the top five reasons why:

**1. Memorable** – The majority of respondents agreed that travel awards are remembered much longer than merchandise or cash awards. The study went on to indicate that cash awards are most likely to be considered part of an employee's total remuneration package. That means they are perceived as something owed or earned rather than won or awarded. How memorable is an incentive that goes toward paying for bills or investments? Even if that cash award goes toward the purchase of a truly memorable and much desired item or object, chances are that the new owner will not readily connect that item to his or her workplace performance.



In the case of merchandise awards, there is a good chance that the winner(s) might use their award once or twice before storing it on a shelf somewhere in the closet, garage or basement. After all, even the most desirable and expensive high-tech

electronics have a limited shelf life. In the space of a year or two they are likely to be obsolete, replaced by the next best thing. Travel, on the other hand, offers a long-lasting memory that winners will always associate with the company that provided them with the opportunity.

**2. Experiential** – Incentive travel is the ultimate form of recognition because it offers an experience that money can't (or won't) buy. If offered the cash equivalent of a relaxing getaway or exotic adventure, chances are that most responsible adults would spend that money on something much more "practical."

Ownership of even the most sought after merchandise will never equal the feeling of stepping outside of one's daily routines and into a fabulous destination full of new sights and sensations.

An escape from the mundane offers your employees the chance to return to their work refreshed and invigorated by the kinds of activities and events that they probably could not duplicate on their own.



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**3. Unique** – The most inspiring and motivational incentives are one-of-a-kind, something that no one else in the world (or at least only a select few) can claim as their own.

Cash is the exact same color in anyone's pocket. Similarly, if your top performers are all awarded the same state of the art cappuccino machine, they might feel a sense of accomplishment but it will be by no means exclusive.

With incentive travel, even if you're sending a large group to the same destination, you can guarantee that each individual will have a different experience. By offering your employees the promise of possibility, you create an incentive that is limited only by their imaginations.

**4. Envable** – Let's face it: Incentive programs are only effective if they instill a little bit of healthy competition in the workplace. Individuals are competing against individuals, teams are competing against teams or maybe your salespeople are competing against their own past benchmarks.

Whatever the case may be, every incentive comes with one additional perk: bragging rights! That's why creating a truly enviable incentive award is so important. Cash and merchandise fall short in this department because they are both so easily attainable by means other than improved performance.

No matter what industry you're in, nothing is more likely to create the kind of professional jealousy that drives performance than an all-expenses paid vacation on the company's tab.

**5. Team Building** – Group incentive travel creates the sort of healthy competition that inspires everyone on your team to work smarter and harder together. What's more, it also provides an unparalleled team building opportunity between qualifiers.

Not only does a group travel experience offer your best performers the chance to rub shoulders with top executives and do some networking in a relaxed out-of-office setting, it's also an excellent opportunity to take part in the sort of group activities that bring your team members closer together.

This sort of positive experience allows attendees to celebrate their accomplishments with their peers and executives while establishing a level of relationship that carries over and improves office dynamics upon their return.

**For help designing and implementing the sort of customized incentive travel program that outperforms cash or merchandise and inspires your employees to reach new heights, email [br@ppsmeetings.com](mailto:br@ppsmeetings.com) or call 888.788.9078 to speak with a Peak Pro.**

