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Solving a business
problem with an incentive
travel solution



The problems that businesses face..

Everyday business leaders face challenges ranging from low employee morale to high employee turnover, from sales or revenue decline to team cohesion and customer retention.

Incentive travel programs not only tackle these behavioural or revenue challenges but also offer innovative solutions that unleash a range of positive, unintended consequences.

Besides sales uplift or bottom line benefits, these programs motivate, enhance performance, and foster deeper engagement, leaving a lasting positive impact on both employees and the organization.

But how does it all work?

How would a company go about implementing an incentive travel program as the solution to a business problem?

5 Business problems that can be solved with an Incentive Travel Program



Low employee morale & motivation

When employees feel disengaged or unmotivated, overall productivity and job satisfaction decrease. Incentive travel provides a powerful motivator by offering employees the opportunity to earn an exciting reward, boosting morale and driving performance. The prospect of a memorable trip can rekindle enthusiasm and commitment.



High employee turnover

Retaining top talent is essential for a company's success, but high turnover rates can disrupt operations and increase costs. An incentive travel program enhances employee loyalty and engagement by showing appreciation for their hard work. The exclusive nature of travel rewards can strengthen employees' emotional connection to the company, encouraging them to stay longer.



Sales or revenue decline

When sales targets aren't being met, it can impact a company's profitability. By tying incentive travel to sales performance, companies can motivate their sales teams to surpass goals. Offering a desirable, experience-based reward like a vacation trip can push employees to go above and beyond to increase revenue.



Lack of team cohesion or collaboration

A fragmented team can hinder progress and innovation. Group incentive travel can solve this by creating opportunities for team bonding in a new environment. Shared experiences during travel foster better communication, trust, and collaboration, improving overall team dynamics back at the office.



Customer retention challenges

Companies struggling to retain key clients can use incentive travel programs to reward account managers or sales representatives for maintaining strong client relationships. This drives employees to focus on providing excellent customer service and building long-lasting relationships, which leads to higher client satisfaction and retention.

Case Study: Solving a sales problem with an incentive travel program

Glocom Devices, a global corporation, specializes in manufacturing and selling Android-based computers, offering three distinct models: the GD-B, GD-S, and GD-G. Notably, the GD-G model retails at nearly twice the price of the GD-B.

Historically, annual sales are distributed with 40% of units sold being the GD-B, 50% the GD-S, and 10% the GD-G. In January 2023, the senior leadership team devised an ambitious strategy aimed at elevating Glocom Devices to a premium, upscale brand.

A key component of this strategy involved discontinuing the lower-priced GD-B model while continuing to offer the GD-S and GD-G, all without sacrificing market share. The chart below provides a high-level financial snapshot of the challenge: the leadership's goal is a 26% revenue increase, achieved by each sales representative selling an additional 80 GD-S models and 240 GD-G models.

Unit / Revenue Sales GloCom Devices / 740 sales people	GD - B Model	GD - S Model	GD - G Model	Total	%
Unit Sales 2022	240,000	300000	60000	600,000	
Revenue Sales 2022	\$108,000,000	\$180,000,000	\$54,000,000	\$324,000,000	
Average Unit Sales per Sales Person	\$320	\$400	\$80	\$800	
Average Revenue per Sales Person	\$144,000	\$240,000	\$72,000	\$456,000	
Projected Unit Sales	0	360,000	240,000	600,000	
Projected Revenue Sales 2023	\$ -	\$216,000,000	\$216,000,000	\$432,000,000	
Average Unit Sales per Sales Person		480	320	800	
Average Revenue per Sales Person		\$288,000	\$288,000	\$576,000	
Incremental Unit Sales 2023	-240,000	60000	180000	0	
Incremental Revenue Sales 2023	\$ (108,000,000)	\$36,000,000	\$162,000,000	\$90,000,000	
Incremental Unit Sales / Sales Person 2023		80	240		
Incremental Revenue Sales 2023 / Sales Person 2023		\$48,000	\$216,000	\$120,000	26%

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With one eye on the hard dollar prize – up to USD\$90m – and another on the magnitude of the challenge – 26% uplift in revenue – the senior leadership team consulted with AimHigh Incentives, a reward and recognition agency, specializing in incentive travel.

Based on both the demographics and value-graphics of the salespeople at GloCom Devices, AimHigh Incentives advised the senior leadership team to set aside around 5% of the incremental revenue for a reward campaign with a travel experience to an exotic long-haul destination as the ultimate reward for the top performers.

Thus the budget allocation for GloCom's incentive program was set at USD5m, based on a 17:1 ROI.

Based on their professional knowledge of how incentives work, Highlight Incentives set out a rationale regarding the deployment of the budget as follows:

- Top 10% or 75 members of sales team qualify for top tier program, a 7 night trip to New Zealand
- Next 20% or 150 members of the sales team qualify for 2nd tier program, a 3 night trip to Napa Valley
- Remaining 70% or 525 qualify for share of merchandise program



Overall Budget Allocation	100%	\$5,000,000	
Agency Fee	15%	\$750,000	
Marketing & Promotion	10%	\$500,000	
Administration	7.5%	\$375,000	
HQ Costs	7.5%	\$375,000	
Total Costs		\$2,000,000	
Balance for Reward Program		\$3,000,000	
Top Tier	75	\$1,500,000	\$20,000
Next Tier	225	\$1,000,000	\$4,444
Other Non Cash Rewards	525	\$500,000	\$952

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Thus the **75 top qualifiers** (and their guest or significant other) would enjoy a 7 night program in New Zealand valued at USD\$20,000 per couple.

The next **225 qualifiers** (and guest) would enjoy a 3 night long weekend in Napa Valley valued at around USD4,444 per couple.

Finally 525 salespeople who didn't reach the quota for either incentive travel experience would qualify a share of USD\$500,000 in non-cash rewards – ie, premium rewards, merchandise, gift cards etc.

Assuming that all numbers are reached, this incentive campaign would generate USD\$85m in sales for GloCom Devices for a USD\$5m investment, a return of 17:1.



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