 [Click to Print](#)

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Incentives Go Undercover

Sep 1, 2009 12:00 PM, By Jeanne O'Brien Coffey

Highlights

Companies seek to avoid poisonous publicity while continuing to reward top performers.



President's Club. Winner's Circle. Sky-High Stars. Despite all the negative news coverage of incentives in recent months, these groups are still turning up at luxury properties. They've just gone undercover.

As companies seek to reward top performers while keeping programs off the radar of a disapproving public or squeamish shareholders, corporate logos and welcome banners are out. Directional signs using the program's theme are in, along with a whole host of other ways to keep these programs on the Q.T.

◆ In response to this whole ◆AIG effect, ◆ people have gotten much more conservative and clearly have shied away from publicizing any of the details of their events, ◆ says Michael J. Lyons, DMCP, president and CEO of GEP Philly, a Philadelphia-based destination management company.

◆ Companies don't want signage at the airport, don't want to be listed on the hotel board. We even have one corporation coming in the fall that has asked us to list them under a completely different name. ◆

Nothing New, Really

Incentive programs have been toning things down for years. Since 9/11, corporate security concerns greatly reduced promotions like emblazoning buses with the company logo or writing the company's name in fireworks in the sky. But when word got out that AIG, on the heels of having received billions in government bailout money, had dropped nearly half a million dollars last fall for a sales incentive at the St. Regis Monarch Beach Resort, the public demanded a scapegoat. Incentives were it, and now public backlash has made practically everyone planning trips wary.

Over the past few years, many of our customers have been slowly shifting away from dramatic displays and ostentatious spending, says Dave Sonricker, senior vice president, MICE U.S. and Mexico, for BCD Meetings & Incentives, Chicago. They're still celebrating and rewarding top performers and customers, but they are doing so in a responsible manner. There is much more scrutiny now on every aspect of a program budget.

Scott Siewert, divisional vice president, sales, at USMotivation in Atlanta, agrees. Flying to Europe or the Far East is out, he reports, adding that clients who had taken programs to Cabo San Lucas, Mexico, or Maui in the past are now headed to Florida or Huntington Beach, Calif. He calls it *right-destinating* like *right-sizing*. It's selecting the destination that is appropriate for the times.

He suggests that perhaps incentives were due for an adjustment anyway.

Two years ago, the only way to compete for mindshare was to be over the top, he says. Now with top achievers perhaps unable to afford as many personal perks any more, they are happy to be treated well by their companies.

Surprising Beneficiaries

While the Maus of the world are suffering, some cities are benefiting from incentives gone undercover.

People are bringing more incentive meetings to Atlanta because it's not as glamorous, says Susan Henderson, CMP, DMCP, president and CEO of Atlanta Arrangements, a DMC. You can have a great incentive meeting here, but it's not on the tip of your tongue as a destination.

Philadelphia has seen a similar uptick, says GEP Philly's Lyons, who has had clients admit that they were considering a glitzy destination but ultimately chose Philadelphia because of its low profile. While not perceived as glamorous, there are a lot of terrific options in history, culture, and dining.

You're not going to get fired for booking your meeting in Philadelphia, Lyons quips. To capitalize on this, the Philadelphia CVB has come up with a new marketing slogan: Serious value for serious times.

Yet, even in the City of Brotherly Love, groups are fearful of poisonous press. One client recently canceled a gala dinner, instead opting to give attendees cash to go out and dine on their own cutting costs while avoiding unwanted attention.

It's completely changed from a wonderful evening that we had planned to a kind of potluck, says Lyons. They'll have a nice time, but it will be a very different experience.

For groups looking to be a little fish in a big pond, DMC Karen Shackman of Shackman Associates, New York, suggests Manhattan. The sheer size of New York City offers incentive meeting attendees relative anonymity, she says. We have been able to schedule low-profile events that offer a unique experience to incentive audiences while avoiding unfair scrutiny and criticism.

Not to mention that the deals in Manhattan right now are unprecedented, Shackman says. Not only are hoteliers renegotiating room rates for incentive travel groups, restaurants and downtime attractions are more accessible and affordable than ever.

For example, she says several notable French restaurants that would be wildly cost-prohibitive in the past are now offering special event options for mid-week groups. Shopping tours at high-end boutiques closed to the general public are featuring more designer and store discounts. Even museums are willing to further negotiate group admissions.

Skip the Resort

Incentive planners also may not be able to lean on the cachet of a luxury hotel to avoid accusations of undue expense. Some properties are even dropping the word resort from their names, in order to seem like a more serious business destination. BCD's Sonricker says one client actually canceled a contract because the property had the word in its name. And USMotivation's Siewert has a client that took matters into its own hands: In incentive promotions, the JW Marriott Guanacaste Resort & Spa in Costa Rica has become simply the JW Marriott.

While Christie Hicks, senior vice president of global sales for Starwood Hotels & Resorts, White Plains, N.Y., says that none of her properties has taken the drastic step of dropping the words *resort* or *spa* from their names, her company saw a rash of cancellations in February and March around the time bad publicity surrounded Wells Fargo's planned Las Vegas trips at the company's luxury brands, which include St. Regis, W Hotels, and Le Meridien.

She has also noted the emergence of smaller incentive programs and individual incentives. When you don't have to move a group of 1,000, it attracts less attention, she notes. Starwood properties are also crafting a variety of on-site group recreation and function options that are just as enticing as going off site, because customers want to avoid the expense of traveling off site.

That's also the case with cruises, says Joyce Landry, CEO of Landry & Kling, Miami. We have seen more use of the ship activities,

[which are] included in the cost, rather than customized shore events, an added cost, she says. We've made creative use of teambuilding activities that already exist on the ship, like rock climbing and deck sports, rather than costlier shore events.

Keep the Face Time


As Shackman points out, an undercover incentive trip doesn't need to skimp on the one thing most qualifiers value above all else time spent with top executives. Her company recently organized an after-hours bowling party hosted by senior executives that ended up being quite popular.

A quieter celebration can still be highly effective, agrees BCD's Sonricker. The key is to offer ample opportunity for executives to connect with attendees and their guests. That personal recognition carries tremendous value.

Next Page: Retool the Promo

Find this article at:

<http://www.meetingsnet.com/incentives/motivation/0801-luxury-groups-turnout/index.html>

 [Click to Print](#)

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)



Check the box to include the list of links referenced in the article.