



All abroad?

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There were several things for which we will remember 2006 - maybe the winking Portuguese winger during the world cup or Madonna causing controversy by adopting a new child.

For others it will be the year that we finally woke up to the reality of global warming and how soon it will change our lives.

The effects of global warming will influence us in many ways including how we travel and where we choose to go.

For example, by 2030 global sea levels could be 7.2cm higher. Every millimetre rise

in sea levels translates into a 1.5 metre retreat of the shoreline. This means by 2030 shorelines could be expected to have retreated by at least 108m. This will wipe out beaches across the globe.

This was brought even further into the public domain with the release of the Stern report in October. Although Chancellor Brown didn't seem to share the same view in his latest budget, aviation is now a well known contributor to the damaging CO2 emissions released and it's expected to grow its contribution three-fold by 2050.

For these and other reasons the trend in travel and holidays is likely to change. But will the offerings that appeal to consumers in promotions and staff in motivation programs evolve as well?

Changing with the climate?

The traditional migration of holiday makers to hotter climates is likely to decline with Mediterranean beach resorts losing out to UK holidays engaging in health, cultural, sports and 'beauty' tourism. Some areas in the Mediterranean could become too hot for travellers in the summer months so winter holidays abroad and summer months spent in the UK may be more popular.

However, trying to predict the change in trend for travel incentives is different. One of the major benefits of a travel incentive is the

lasting memory somebody has of an experience that they may not have had otherwise. It's about selling a dream, a luxury item and this is where overseas travel is so important. A flight to New York for example has high perceived value, and for most will create lifelong memories associated with the brand that provided it.

Although the travel industry may come up against some environmental issues over the next few years, the ways in which incentive travel is becoming easier far outweigh the factors that that may prove to be difficult. For example, the competitive market of the short haul flights gives brands the ability to offer European holidays on a real budget - great for a younger audience who want to experience city life in other cultures.

TLC Marketing is experienced in incentive travel and predicts that we're likely to continue to see an upturn in travel overseas. Sharon Gold, Sales Director at TLC says "A leading research company's recent report stated that in 2005 the 'UK was responsible for 65.3 million trips abroad' and that by 2020 trips taken abroad from the world's leading 15 outbound markets (which includes the UK) is set to double!

"Together holidays and travel insurance spending for Britain - exceeded only by house purchases and alterations, life assurance and food - now account for around



a third of 'considered expenditure' with spends increasing some 19% between 1995 and 2005 to reach almost £47.5 billion. Travel incentives tap into the British public's desire to travel and sell the dream".

Flexible offerings

Sodexo's Incentives and Motivation Director Alexandre Meerson agrees that the market is set to continue to rise. "Research estimates the travel incentives market in the UK is worth about £2bn annually and is set to rise even further. Travel will continue to be an essential component of promotional campaigns and corporate reward and motivation programmes. But as peoples' expectations and personal travel experiences change, travel incentives will also have to evolve with even more inventive and flexible travel ideas. That's why we introduced the SayShopping Travel Club in partnership with Cresta Holidays, to give our clients the widest choice of holidays and short breaks."

A bespoke offering is also used more by TLC as Sharon explains "As well as the growth in popularity of flight vouchers, the other key change that we have noted at TLC is the move away from off-the-shelf to bespoke travel incentives. Five years ago the split between generic and bespoke travel incentive offers was approximately 50/50. Today 90% plus of all sales are for bespoke offers. Now, more than ever, companies are looking to achieve synergy with the incentive and the brand and/or target audience."

In the short term it looks as though the overseas travel incentive market is expected to grow despite environmental issues. However any long term plans should certainly take into consideration the way in which the public will wish to travel, the destinations they chose and any legislation that could come into place, affecting aviation in particular.

Top Ten Travel Tips

From Graham Howarth,
Head of Sales Promotion
at P&MM



1. Always use a fully licensed supplier who is ABTA, ATOL and IATA registered. This will give the client and consumer full protection and peace of mind.
2. Consider using Fixed Fee. This will give promoters and agencies the opportunity to offer bigger and better promotions to consumer and trade customers while also giving them total reassurance by removing the uncertainty of redemption levels.
3. Introduce and use inspirational incentive travel products that will engage your audience and consider tailor-made products and travel incentives. Know your target audience and offer a holiday that will exceed their expectations. If you have a big promotional budget and are aiming at consumers with a large disposable income then offer a luxury holiday to match.
4. Expectations need to be fully managed. There is no such thing as a free lunch and what the consumer has to do or spend to participate in the promotional offer, competition etc has to be weighed against what is on offer.
5. Put a communication plan in place that is prepared in conjunction with the supplier. The winner's experience should begin from the first point of contact and that means having one main person that will look after the winner from start to finish. Confirm all details, however small they are.
6. Appoint a supplier who has the capacity to handle all the administration and will look after winners for you carefully and thoroughly throughout the trip until they return. Booking and finalising travel arrangements can be very time consuming. People may request changes be made to the original booking and these all need to be factored in.
7. Be aware of seasonal variances when considering long haul destinations. Ensure that the travel period is for a reasonable amount of time and offer as much flexibility as possibility. A short trip to a distant country may result in too much time travelling and not enough time spent at the actual destination.
8. Don't forget to include extra 'add-on' items such as insurance and spending money. There is little point in giving away a prize if the winner can't afford to go away or enjoy himself or her fully once there because of the extra money needed. Cover all reasonable costs where possible.
9. Don't rule out the UK. There are some tremendous hotels and destinations in the UK to visit and they shouldn't be forgotten!
10. Don't underestimate the "chat factor" and the longevity that travel gives. Countless and lasting memories will be created from a trip abroad and consumers will talk about this endlessly with family and friends. This is especially true when compared with winning a merchandise gift such as a DVD player or an ipod.



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