

***Cruise Lines International Association:
Master Cruise Counsellor Certification Program***

CASE STUDY 9

THE INCENTIVE PITCH

You just got off the phone with Alvin Jackson, a 34-year-old sales dynamo with PAN Entertainment, one of the world's largest consumer electronics firms. Alvin also happens to be one of your best friends from college, and when he can, he tries to pitch you business.

Alvin has been working with the Senior V.P. of Sales at PAN to prepare for the annual sales and marketing "Outstanding Achievement Awards." Every year, PAN sends its top 100 sales people on a 1-week, all-expenses-paid trip. In the past, the company has spent generously on the awards vacation, and has selected quality hotels with abundant entertainment. Of course, PAN also takes advantage of the vacation forum to present motivational and sales skills improvement seminars.

Plans for the upcoming awards journey, which is scheduled for March (almost seven months away) have hit several snags. Foremost is money. The current year's sales are off significantly. While the company still wants to reward the best performers, it will be necessary to reduce the per person cost of the trip, which was around \$1,700 last year (including airfare, hotel, meals, drinks and entertainment).

An even bigger problem is the trip's organizer. A meeting planner was hired to design the vacation around a movie theme. Tentatively set for Los Angeles, it would incorporate excursions to Hollywood and motion picture studios. The professional planner, though claiming to have extensive celebrity contacts and access to the studios, has been unable to guarantee promised "exclusive" studio tours or celebrity appearances. In addition, the planner has changed hotels twice: generally he doesn't seem to be on top of the project.

PAN's senior management has become impatient with the changes and inconsistencies. Alvin thinks the L.A. idea may be scrapped, and that the time is right for an organized, aggressive travel counselor to make a pitch for the awards vacation business.

You schedule a meeting with Alvin to talk more about goals, objectives and the group's demographics. Most of the attendees, he explained, will be young – between the ages of 35 and 45. About one-third are single, and most will want to bring boyfriends or girlfriends – PAN's policy is to include spouses or chosen friends in the all-inclusive package.

He adds that the group usually gets pretty wild: Planned activities and games, group sports, dancing and partying are constant. Previous trips had been held at large beach resorts in tropical areas, where attendees could also take advantage of the sun, surf and sand.

The primary objectives of the trip – Alvin calls them the “2 R’s” – are reward and release. It’s a chance to reward valued employees and to let them release a little steam. The vacation should be fun, but should also promote a team spirit and camaraderie.

“What about the best vacation award available – a cruise?” you ask. Alvin appears interested, but skeptical. “I don’t know,” he begins. “I’ve cruised before, and though I loved it for myself, I wonder whether a cruise ship will have the right facilities? And what about the other passengers?”

“Today’s cruise industry is diverse,” you assure him. “I’m sure there’s a ship sailing right now that would be perfectly suited for the PAN sales force. Plus, we may not have to abandon the movie theme,” you add with a smile.

It’s ironic you should bring up the idea of a cruise,” Alvin says. “We do have another group of PAN Entertainment people who’ve been considering a cruise for their annual meeting: the 35 executives who comprise our board of directors and senior planning committee. Their activities are just a tad more subdued,” a grinning Alvin explains. “For example, intimate cocktail parties and dinners instead of the sales force’s beach volleyball games, or strategy sessions in place of raucous pep rallies.”

Alvin continues. “The directors’ meetings are usually held over a 2-week period, and families are included. I’d say that roughly half of the directors bring their kids each year. Last year they held the meeting at an exclusive hotel in the Caribbean. I should add that the company goes top of the line for the directors’ trip.”

Again you have several excellent ideas for a directors’ cruise. “Well it looks like we may be receiving a double pitch from your agency,” Alvin says. “I’m anxious to see what you put together – the ball’s in your court...”

In your essay, answer the following questions based on the scenario described above:

- How would you pitch PAN Entertainment for the sales incentive group business? What elements would you include in the pitch?
- What cruise line would you recommend for the larger, incentive event? Why? What would be your second choice? Why?
- Would you recommend a larger or smaller ship, and what ship facilities require the most consideration? Please explain your answer.
- What special arrangements would you make for the group prior to departure?
- What would you present differently in your pitch for the directors’ cruise? Why?
- What cruise line would you recommend for the directors’ cruise? Why? What would be your second choice? Why?
- What would be your facilities considerations for the directors’ cruise?