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Incentive Managing Marketing Motivation

Q and A: James Dittman, Dittman Incentive Marketing

Incentive recently had a conversation with industry veteran James Dittman, president of Dittman Incentive Marketing Corp., based in New Brunswick, NJ, seeking his insights into where incentives are and what the industry has to do to move forward.

How is the current economic crisis different than upheavals in the past?

Primarily in the suddenness and the severity. But also in the fact that the potential meltdown of our entire financial system was a very real risk. Except for the Depression, all the other recessions were simply the cyclical ebb and flow of our normal economic system. Sure, they each had an event or a situation as a cause, but the complete collapse of our economic engine was never an issue as it was this time. People were questioning whether capitalism was going to survive. And that created a tsunami of fear, helplessness, and hopelessness.

In the fall of 2008 when things were really beginning to unravel, I was saying that this is the worst I've seen since 1981-1982. Within a few short months, that statement was replaced with this is the worst I've seen in my lifetime. While the recession may have technically started in December 2007, it didn't really hit full stride until the last quarter of last year. Its lightning speed caught everyone off-guard and made it impossible to plan and difficult to adapt and adjust.

The real game-changer, in terms of difference from the past, of course, was the intense government involvement in the banking and automotive industries. There have been isolated bailouts and takeovers in our history, but nothing of this magnitude and reach. And whether you believe it was necessary or not, once the government owns a business, the government will call the shots, oftentimes without really understanding the workings of business.

And the difference-maker was the three letters: AIG. Sensational, one-sided, uninformed reporting of its California incentive program has cost some good people their businesses and tens of thousands of people their jobs.

How do you summarize the current state of the industry?

Unfortunately, I think the most apt term is post-traumatic stress syndrome. We've lost our footing, and we're waiting for things to happen, somewhat still expecting the worst. Particularly hard hit are the people under the age of 50, who have never experienced anything like this economic crisis. Equally bruised and shocked are the people in the incentive travel business, who have always taken great pride in hosting and rewarding the world's overachievers, as they now watch their profession painted as an obscenity, a symbol of excess, greed, and waste.

The recession and the attacks on our business provide a benefit, a lesson to be learned and acted upon. We continue to be almost as unknown and certainly as misunderstood as we were 20 years ago. We are more than toasters and trips, yet that's all we ever hear about.

What does the industry have to do to get out of it?

Focus all of our media relations on performance improvement and recognition, not the rewards. The press continues to focus on the junkets for executives as if they were luxurious, frivolous, unearned perks for a collection of overpriced elites. We need to balance that kind of reporting with reality by disseminating a continuing stream of stories about corporations that are recognizing and rewarding people up and down their organizations. Our industry helps clients say thank you to their people. We give people reasons to exceed themselves. And we help our clients exceed their own expectations. We make people's lives fuller, richer, and more satisfying, and I am damn proud of our contribution to the greater good of business and of this country. What gets buried in this kind of inaccurate reporting is that many programs are constructed to reward people well down the organizational chart. On many of our banking programs, tellers and back-office people were the qualifiers who did something exceptional and then got jilted out of their only vacation for the year.

The joint industry effort did the best job yet of combating negative perceptions, as I think an audience with the president can attest to. And they did a good job of making the case for travel as an enormous industry with millions of jobs at stake. We need to use that as a springboard to make the case that our clients are the good guys. They're the ones who are investing in their people, giving them a chance to earn something well beyond a paycheck. And I wonder if we aren't thinking too small. It may well be that we have to concentrate on raising major capital from wherever we can, to fund a publicity effort that could run into the tens of millions of dollars. Because the best way to communicate that our clients are the good guys is to expose local communities to the recognition and rewards (including trips) that they make available to their people. And that would be in addition to the national business media efforts that would also have to take place.

What do you feel the future holds for the industry?

I feel that we can't afford to let the future hold anything for us. We have to shape it. We can't control it, but we have to concentrate on influencing it. On a macro level, the communications outreach program suggested in the answer above is the major step. Individually, we all can, and must, take our own steps. We need to concentrate on being more accountable. We must be results-oriented and be willing to be measured. We must provide empirical data that the program we created worked, and worked well enough that it created more for our clients than it cost them. The days of anecdotal proof are waning. We know that what we do works. We must be prepared to prove it.

The incentive travel segment of our business, as battered as it is now, will survive and, ultimately, thrive

again. Incentive travel moves minds and drives people to achieve. It is still an incredibly powerful motivator, and it has survived the bombings of the Rome and Vienna airports, the TWA hijacking in Greece, the Pan Am Lockerbie terrorism, 9/11, SARS, and much more. The human desire to discover and explore can overcome some pretty significant obstacles.

There will be an increasing and accelerating emphasis on recognition and rewards enterprise-wide, with individual programs run on an integrated platform because more and more enlightened C-level executives will clearly grasp that the engagement and loyalty of their people is the one competitive edge that competitors can't take away.

Interview conducted by Contributing Editor Andrea Doyle