



Why Your Hotel Needs a Direct Booking Solution for Meetings Today



Introduction

You're pouring over the numbers, rereading customer feedback, spending days in conversations with staff - and you're still missing a huge hole in your strategy that, when addressed, will not only increase revenues but improve the hotel experience for customers and staff alike.

'Book Direct' is the mantra of hoteliers this year, but it is one that must move beyond single room reservations and be applied to every meeting space and business customer you touch.

Hotels have the opportunity now to deliver real-time, online meeting bookings to their customers before third-party intermediaries take the lead. As we explore in this white paper, quickly shifting customer demands, industry expectations, and wavering bottom lines will demand this technology.

Don't be left behind. Don't wait for third-party booking systems to capture those 15- to 25-percent commissions and customer relationships. Learn why a direct booking solution for meetings is necessary today and how you can implement one immediately.

Major Trends Impacting Meeting Bookings

1. Meetings are becoming smaller with no change in spend.

According to the 2017 Global Meetings and Events Forecast from American Express, meeting spend is forecast to grow only about 1% while the number of days allotted to each meeting remains stable. While this is largely due to security and political concerns, it suggests that meeting planners will be tightly managing budgets. The easier it is for them to see all information in real-time through an online booking platform, the more quickly they can gain approval and make a booking.

As one European expert explained, “Companies are trying to plan meetings that are smaller and more precise with fewer attendees focusing on one topic or objective for a meeting.”

2. Meeting professionals want to speed up the booking process.

Planners are asked to plan more meetings with shorter lead times and smaller budgets. They no longer have 100+ hours to visit sites – they are more comfortable researching spaces online. Planners are also increasingly younger and more digitally adept, valuing instant results over human interaction.

According to Social Tables, more than 50% of meeting planners say web is their primary channel to discover venues. Hotels can capture bookings and this category of group revenue by being more transparent on pricing and availability.

3. Hotel consolidation is driving industry norms.

Hotel consolidation is a global trend resulting in several massive chains being able to better invest in technology that shifts consumer expectations. Meeting planners today are already relying on online meeting booking provided by large chains such as Marriott and Hilton. They no longer see the point in sending RFPs and evaluating responses for small meetings. Without a tool to book small meetings online, you could lose business to the neighboring brand.

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Why the lack of direct booking solutions for meetings?

Inefficient platforms and a cultural hesitation to transition small meeting bookings to an automated transaction has slowed adoption for online direct booking.

Technology now exists however that allows hoteliers to offer direct bookings with low costs, zero commission rates and real-time access to information. But with third-party booking platforms emerging, the industry is at a critical crossroads.

Hotels have an opportunity to set a norm of direct bookings for meetings. The industry missed this opportunity in the early 90s when they listed guest rooms on OTAs before their own channels. By first investing in a direct booking platform and later listing on OTAs, hotels have the time and space to encourage existing customers to book direct and capture their data for the future. Once loyal customers are set up, hotels can then list on OTAs to reach new customers and secure top-up bookings.

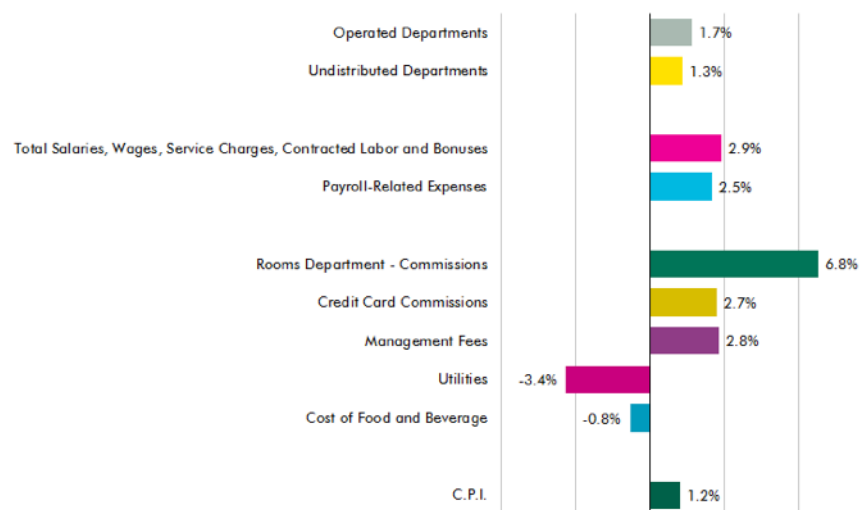


Why is this important?

Commission payments made to travel agents, OTAs and other intermediaries increased by 6.8 percent between 2015 and 2016, according to the CBRE Hotels' Americas Research 2017 edition of Trends in the Hotel Industry.

2017 TRENDS® IN THE U.S. HOTEL INDUSTRY

Select Expenses - Annual Change 2015 to 2016



The data suggests that intermediaries are perhaps charging higher commission rates, as summarized by Skift. Hotels must offer direct bookings for small meetings to their customers before OTAs take the lead.



Long-Term Benefits of Direct Booking

Small meetings demand a faster planning process. Hotels that react to that demand by making the meeting booking process intuitive and fluid will be rewarded with loyal customers who repeat direct bookings leading to increased revenue and reduced labor costs and commission rates.

The benefits of a direct booking platform for customers are immediate, but hotels are rewarded with long-term sustainable financial and cultural advantages:

More Holistic Booking Ecosystem

The booking ecosystem for meetings can be much healthier than the one for guest rooms in which intermediaries now account for an overwhelming 50 percent of bookings.

Direct and third-party channels can and should exist side by side as different customers prefer to book through different digital channels. Loyal customers want to book direct while other customers prefer to shop around or use a third-party platform to overcome language barriers.

A more holistic booking ecosystem relies on hotels first launching their own direct booking platform - enabling existing customers to book direct - before listing on intermediaries. Hoteliers will then have a situation whereby loyal customers book direct and new business comes through third-party listings.

Improved Booking Experience for Customers

A direct booking channel disposes of long RFP processes and back-and-forth correspondence. Planners can search, view and pay for meetings online as well as make changes to bookings. Room and catering prices can be viewed in one place to drive informed and timely decisions. This creates a smoother experience and more satisfied customers who are more likely to return.

A smart perspective shared in American Express' 2017 Meeting Events Forecast highlights the desire for direct booking systems to make costs as transparent and available as possible:

“The budget is at the center of the planning process. Meeting planners point out that budgets must be central in discussions to ensure the success of the meeting planning process and the meeting itself.”

Increased Revenue

A direct booking solution provides customers with all the information they need to book immediately. Efficiency is incredibly important especially as meeting bookers become more digitally adept and planners are expected to handle the process from end-to-end.

Technology like Meetings Maker facilitates this, enabling planners to book meetings directly on a hotels website in real-time, specify catering and AV equipment options and make a secure payment – all within a single booking session.

A simple booking process results in an increased likelihood to book. Providing booking history and the ability to rebook a similar meeting can reduce the likelihood of the customer going elsewhere to book a meeting.

Efficient Sales Teams

The automation of a direct booking channel allows staff to focus on more valuable opportunities.

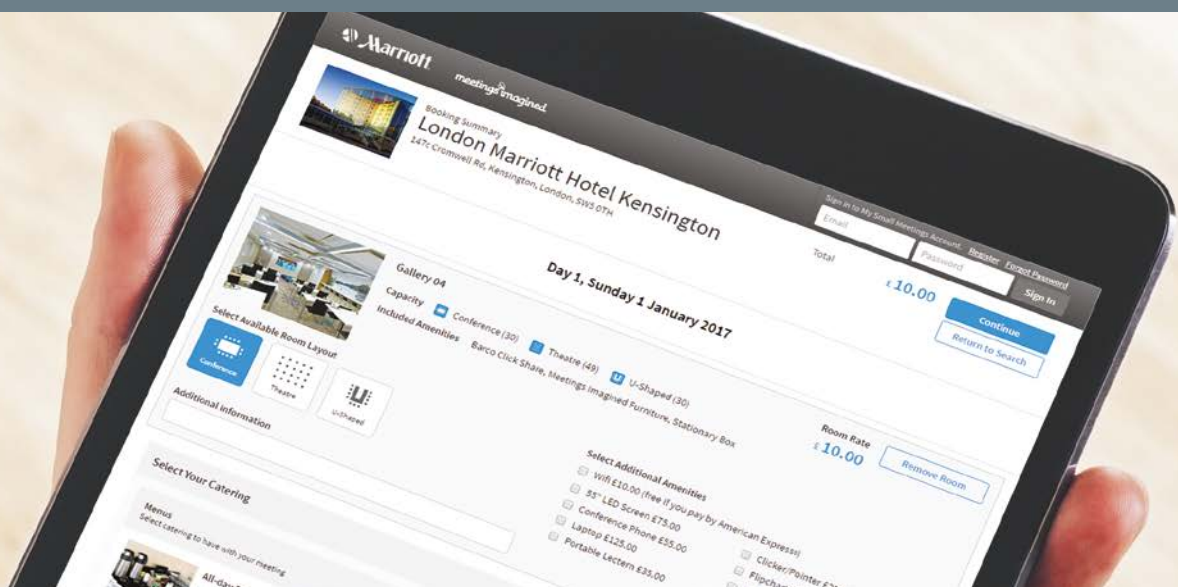
This is especially important as sales staff are asked to develop more strategic contacts and hit high revenues. Automation involved with a direct booking platform also takes care of paperwork such as automatically producing and emailing tax invoices to customers.

Small meetings represent low-cost contracts but big revenue for hotels. Let your staff focus on more strategic sales.

Automated Backend

Data is the base of an improving business structure and direct booking solutions can offer automated data and reporting to inform your top decision-makers. It can also automate calculations such as price yield management with pre-set rules or track agent business and produce a month-end statement of fees due to each agent.

This again saves valuable time for your staff while ensuring that each of the intricate elements of offering, organizing and reporting on meeting reservations is complete.



Conclusion

Momentum is building.

Larger hotel chains, such as Hilton and Marriott, are investing in small meeting booking portals and have set aggressive revenue targets for group sales booked online. More software companies are exploring group booking as part of their existing solutions and new startups are appearing to shake up this business model and it is working.

Now is the time to invest in a direct booking solution for small meetings and improve your bottom line, increase bookings, and enhance the customer experience.

To learn more about Meetings Maker by Groups360 and what it can do for your business, please contact:
Info@groups360.com

United States
1901 21st Avenue South
Nashville, TN 37212
T 615.900.4360

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