



*Preferred*SM
HOTELS & RESORTS

2021 Preferred
Hotels & Resorts
Corporate Client
Survey



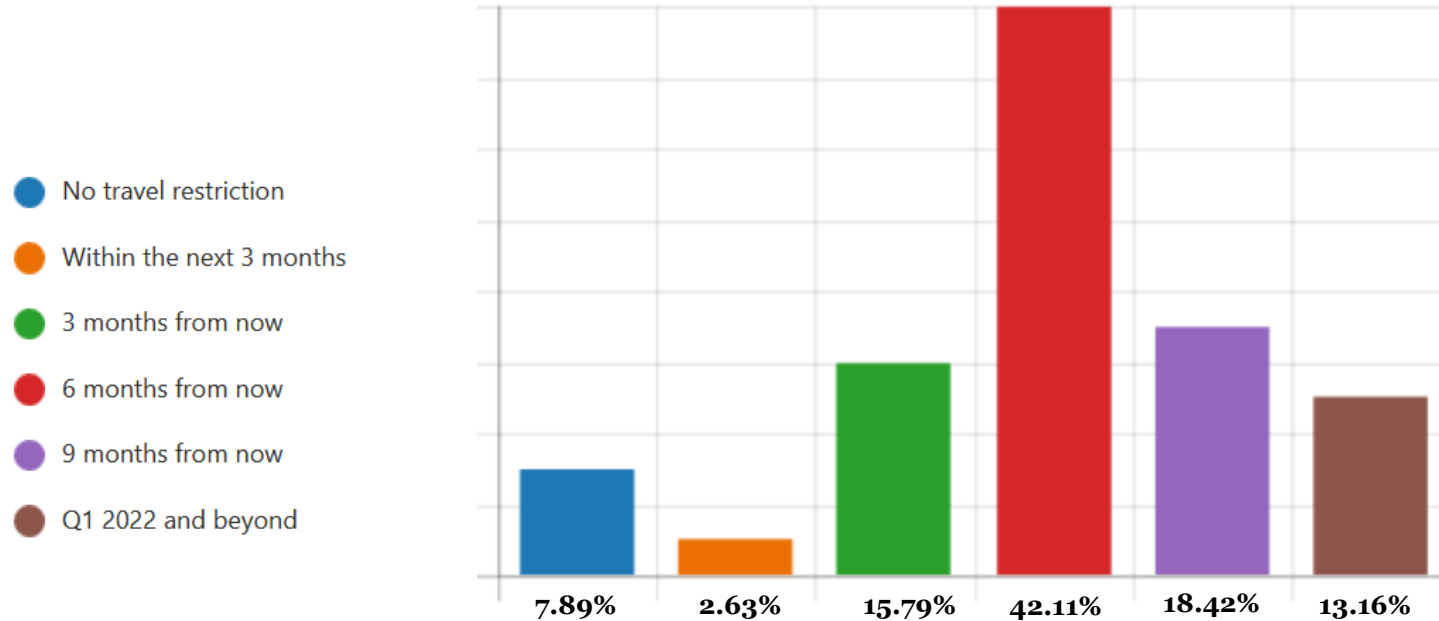
Summary Of Findings

Preferred Hotels & Resorts Global Sales team surveyed more than 540 Global Travel Buyers in March 2021 to inquire of their 2022 RFP Season expectations. Below are the key response findings:

- Majority of the Travel Buyers indicate travel restrictions will be lifted in 6 months
- The top 3 goals for their 2021/2022 RFP program are:
 1. Price / Cost / Rates
 2. Health & Safety
 3. Sustainability/CSR (*nearly 80% of responses indicated that Sustainability is important or very important*)
- Nearly 40% of the Buyers anticipate launching a 2022 RFP bid in either September or October (*typical peak season*)

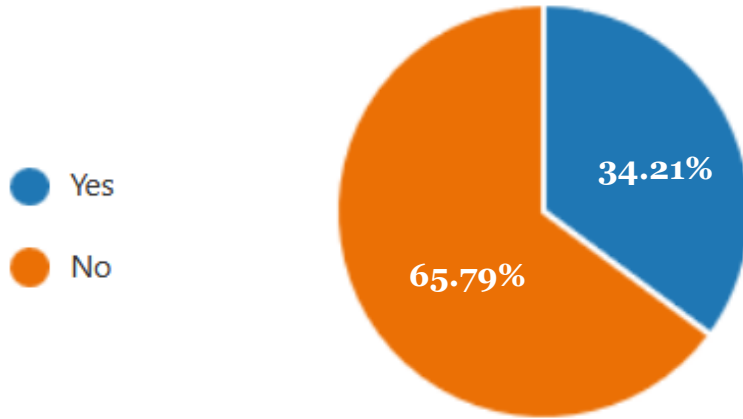
Question 1:

When do you think travel restrictions will be lifted?



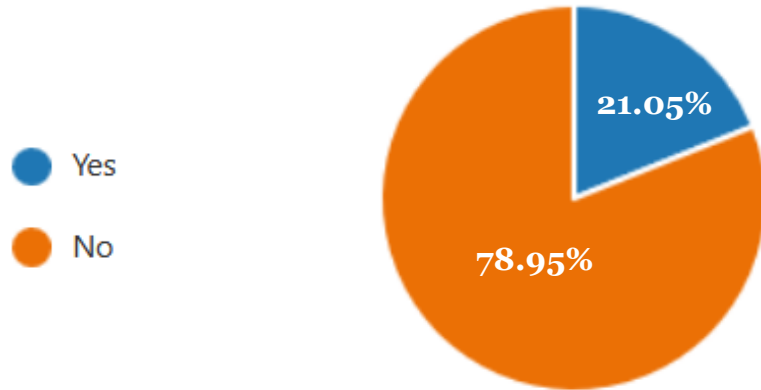
Question 2:

Is a return to the office a prerequisite for return to business travel within your organization?



Question 3:

Do you anticipate any markets or cities with increased volume due to office relocations, new projects etc.?



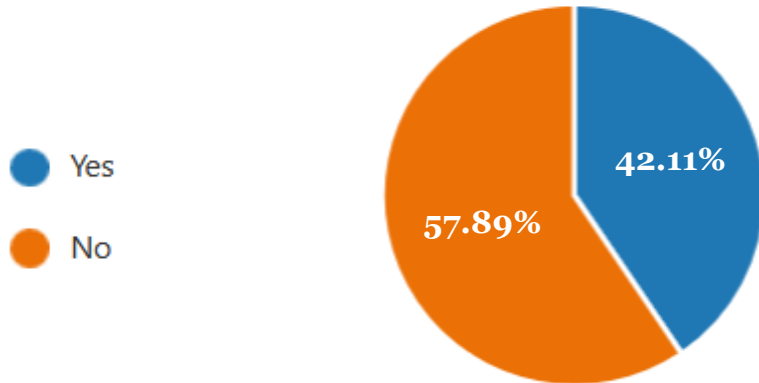
Question 4:

If yes to previous question, please list the markets/cities:

1. South America/Mexico – fewer travel restrictions in place
2. San Antonio, TX
3. Columbus, OH
4. Richardson, TX
5. Thailand, India, China, Australia, New Zealand, Belgium, France, Germany, UK, US
6. Various China destinations

Question 5:

Have any market or city volumes decreased or become obsolete due to office closures, new projects halting etc.?



Question 6:

If yes to previous question, please list the markets/cities:

Locations mentioned:

1. San Francisco
2. Chicago
3. India
4. Seattle
5. New York
6. Baltimore
7. All destinations are 25-50% in 2022 vs 2019 highs

Question 7:

What are your top 3 goals for your 2021 or 2022 Hotel Program?

Top responses, in order were:

1. Price / Cost / Rates
2. Health & Safety
3. Sustainability/CSR
4. Supplier Relationship/Strategic Partnership
5. Hotel Consolidation
6. Traveler Experience

Question 8:

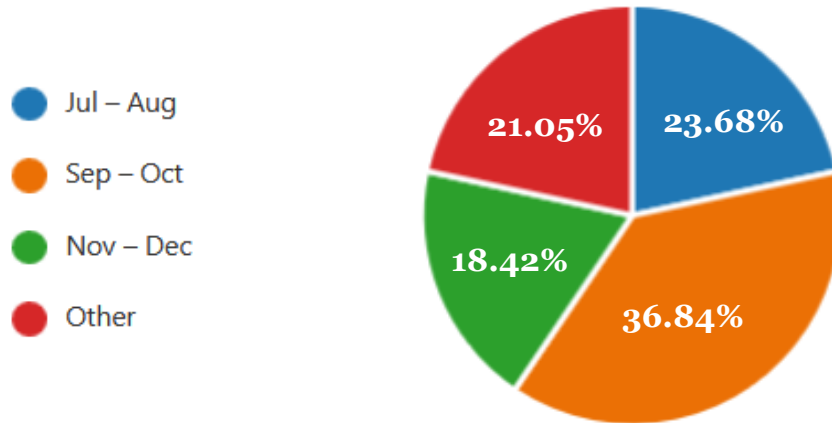
What are the top 5 services and features that you're looking for from hotels that are included in your program today?

Top responses, in order were:

1. Cleaning & Sanitizing
2. Complimentary Wi-Fi
3. Complimentary Breakfast
4. Flexible / Same-day Cancellation
5. Contactless/Mobile Check-in/check-out
6. Safety & Security
7. Service
8. Complimentary Parking
9. Touchless Room Keys

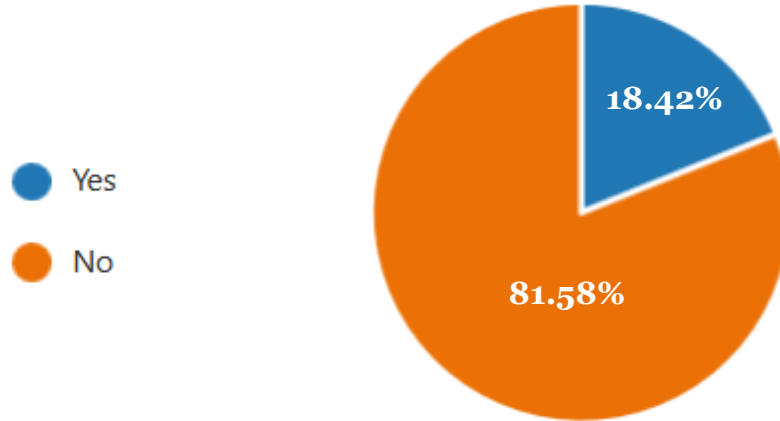
Question 9:

When do you anticipate to launch a 2022 RFP?



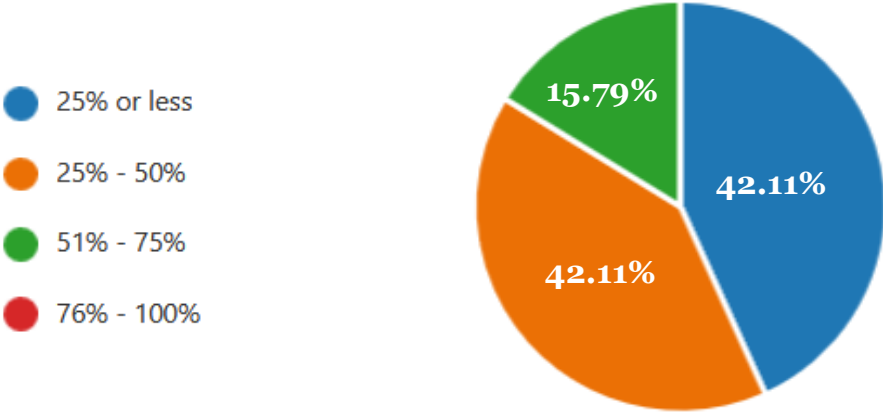
Question 10:

Will you require a 2-year agreement in your 2022 RFP?



Question 11:

Should business travel resume in Q3 2021, what percentage of travel volume do you anticipate returning within the first 3-6 months (in comparison to 2019 figures)?



Question 12:

What measures are you or your company taking to instill confidence with your road warrior to safely return to business travel?



- RFP custom questions to ensure we are selecting hotels that are at market norm or above for our travelers
- Booking with agency rather than online tools to ensure counseling about COVID-19 restrictions/requirements
- Provide COVID testing options pre & post travel
- Providing them with updated real time vendor information around Covid protocols
- Providing PPE kits. Set up a dedicated pre-travel desk with my TMC for employees to contact when they have questions about travel/country restrictions/quarantine/visas, etc.
- Transparency and providing as much information in our Hotel Directory and OBT on steps the hotel has taken to win back business.
- Utilizing our Duty of Care dashboard which shows levels in destinations, continuing to pay for covid testing, and encouraging vaccinations.

Question 13:

Has the pandemic inspired any temporary or permanent changes to your sourcing process? If so, please share how these changes have affected hotel sourcing and how hotels can effectively compete for your business in the upcoming RFP season.



- Negotiating dynamic pricing with current preferred rates as ceiling
- Flexible cancellation (12-24 hrs.); No additional fees
- Only sending RFP to hotels with greater than 500 room nights
- We effectively downsized the number of preferred properties globally, to match the appropriate level of demands.
- More focus on greener hotels and incorporation of more apartment-based accommodation from the chains
- We have tiered down to select service hotels where available to provide more cost savings
- ...took the opportunity to ask some Diversity, Inclusion and Culture questions as well as CSR.
- ...rationalized amenities, to ensure that we are paying for what we would use.
- We are now asking hotels to let us know if they have formalized plan around Pandemic Protocols for their Staff.

Question 14:

What is your main message to hotels that are in your program?

- Honor LRA commitments and increase discounts off BAR.
- Slow and steady wins the race. Be patient. Be a partner. Think of the marathon and not the sprint.
- Let's work together to ensure we have a partnership that benefits both of us. Keep communication open and thriving with new information we can pass along to each other.
- Flexibility, cleanliness and welcoming hospitality will be the key to travelers WANTING to travel.
- Relationships are key. Our travelers will have questions as they begin to return to travel. We need to know we have the support of our hotel partners to assist us.
- Try to keep your rates flat from 2021, ensure your hotels have at least one sustainability certificate and try to give your best and lowest offer in the first round.
- Volume game is no longer appropriate at this point - consistent engagement and relationship building is key to building presence and value opportunities to be in our program
- Continue to be competitive and price according to our city caps. Loyalty is key and so take advantage of Preferred's loyalty program, which in turn needs to be introduced to customers. Consider what value you can bring to the relationship by way of promotions and finally think green: we want to work with more sustainable hotels.
- Keep rates steady. Keep availability as promised. Communicate any changes so there are no surprises. Maintain safe and clean COVID protocols. Do not undersell negotiated rates with promotional or leisure rates.

Question 15:

How important is sustainability for your company moving forward? What are you looking for from hotels with this initiative?



****Note – nearly 80% of responses indicated that Sustainability is important or very important**

- "Green" hotels are marked especially in our booking tools.
- There is a major push for staff to stay in "green hotels". We are looking for hotels to meet at least one of the well-known sustainability certifications. A list of certifications will be provided on the RFP.
- For all hotels, I would like to see a continued recycling program, elimination of any unnecessary use.. i.e. straws, plastic. A guest option for linen/towel change. Clear, in room placard of what is being done by the hotel.
- We are looking for hotels that show creativity in obtaining sustainability goals either through actual reduction of carbon output or cancelling efforts.
- As part of our procurement strategy, we want to see a minimum of 75% of our vendors also have Science-Based Targets. Therefore, from a lodging perspective, we will be focusing on bringing greener hotels to our program, working with chains on measures to reduce our carbon footprint, reduce on-property services, such as linen changes, removal of plastic bottles, focusing on water waste and food waste.
- We will begin looking for hotels to report on sustainability data using industry standard metrics (e.g. Hotel Carbon Measurement Initiative or HCMI, which can be calculated at no-cost).
- Looking for hotels to provide incentivized opportunities to our travelers that will reduce our carbon footprint.