

**Preferred Hotels & Resorts
Corporate Client Roundtable & Luncheon
March 2022, New York City
Roundtable Discussion Notes**

Negotiated Rates:

- **Company:**
 - Are dynamic rates here to stay?
 - Are you seeing increasing needs for extended stay rates?
 - Are OTA rates allowed if they're lower?

- **Hotel:**
 - What is hotel's perspective on dynamic rate offers?
 - How are you managing rate parity to ensure preferred accounts are receiving the best available rates?

Key Takeaways:

- Dynamic rates are not here to stay for many companies. Static rates are more helpful for budgeting, reporting, rate caps projection and forecasting. Dual rate loading though is helpful for companies and will continue to be requested.

- Extended stay is defined differently by cities, e.g. for NY it is 13 nights and more, and in London it is 7 nights etc. Therefore, it is hard to gauge unless comparing same cities. For most companies, any length of stay for less than 30 nights can be included in RFP; beyond that is managed by HR/relocation.

- OTA rates are not in compliance according to most companies' travel policies and TMCs are made aware of these policies to ensure compliance. The biggest concerns for travel managers in regarding non-negotiated rates are the lack of clarity in cancellation policy, as well as non-refundable rates. TMCs occasionally would check OTA rates for comparison to ensure that the negotiated rates or consortia rates are on parity.

- Hotels are overall happy to extend dual rate loading. Hotel sales teams work closely with their revenue management teams to ensure rate parity and dual rate offer ensures that companies receive the lowest available rates. Hotels also ensure that consortia rates are on parity since many TMCs are booking consortia rates when negotiated rates are not available. Even before the pandemic when companies were not aware of the capability of hotels to load dual rates, PH&R had always encouraged member hotels to load dual rates to ensure that corporate clients will always receive the lowest available rates.

Technology:

➤ **Company:**

- Have you or your TMC adopted any new technologies for sourcing, rate auditing, benchmarking, analytics, travel planning, booking etc?
- Are hotel operational technologies such as keyless check-in, robot delivery valuable? Any other technologies you / travelers are expecting from hotels?

➤ **Hotel:**

- What are some of the new technologies that hotels are implementing to improve overall guest experience?

Key Takeaways:

- Virtual Payments – Companies are in need of finding the balance between efficiency and security.
- Some companies find that Online Booking Tool such as Concur is not up to par in comparison to TripBam and Tripkicks when it comes to certain add-ons such as LEED certification designation, carbon footprint measurement etc. Therefore, a participating TMC is working on creating proprietary online booking tool to highlight sustainability / technology, etc. A participating company had also created a proprietary sustainability tool/dashboard for travelers to measure their carbon footprint as they plan their trips.
- Companies have some concerns in regarding services provided by new hotel team members due to mass resignation. Some hotels are using technology to ease staff shortage issues and are trying to strike balance between personal and tech savvy services.

Travelers Behaviors & Expectations / Loyalty Program:

➤ **Company:**

- Have travelers' expectations or behaviors towards hotel stays changed over the past year? If yes, how?
- Are you anticipating trips to be longer either to maximize the ROI for the business trip, or for "bleisure"/"workation"?
- Does loyalty programs have an impact on your booking policies?
- Is loyalty program still relevant for hotel program?
- What benefits are the travelers looking for from loyalty program? Enhanced points? F&B Discounts?

➤ **Hotel:**

- Have hotels noticed any changes in guests' expectations and behaviors over the past year? If yes, how are hotels adjusting to these changes and meeting new expectations?
- What are some of the hotels' efforts in increasing guest engagement through loyalty program?

Key Takeaways:

- For some companies, wellness programs were established well before the pandemic although now they are being brought to the forefront due to the pandemic. Things have not changes, travelers still require customized programs and expect hotels to "know me, and take care of me". Personalization is here to stay, for business travelers as well (not just leisure).
- Compliance is still an issue for larger organizations; compliance is less of an issue for smaller companies. Loyalty program affects compliance; travelers go towards programs that they're loyal to rather than hotels in the program.
- Sustainability / Corporate responsibility – is now expectations of travelers. Simple things such as recycling etc. are travelers' minimum expectation.
- If hotels do offer wellness programs and healthy F&B choices, be sure to communicate to travel managers. Communication is key so that travel managers can communicate to the travelers internally and promote since there are not many options to communicate special programs through the RFP process. Also, very important for hotels to communicate directly to travelers at the hotel such as upon check-in.

Sustainability / Diversity, Equity & Inclusion (DEI):

➤ **Company:**

- What are the companies' initiatives and objectives (if any)?
- Do you or your TMC utilize "Eco-friendly labels" in Online Booking Tools?
- What are your / travelers expectations for hotels?

➤ **Hotel:**

- What are your initiatives? Are they measurable? How are they communicated to guests?

Key Takeaways:

Sustainability

- Many companies now have sustainability goals, e.g. zero carbon footprint by certain year and various positions such as Chief Green Officers are appointed. It is definitely an important focus.
- Travel Managers are looking into ways to assist and educate travelers to track their carbon footprint; travelers are encouraged to take longer trips rather than more trips to reduce the number of flights.
- Common question for hoteliers: How are the hotels tracking and reporting? The consensus was: It's difficult to track and report due to lack of resources and standards.
- There are simple steps that hotels can take to be more environmentally friendly:
 - Use pitchers of water vs. bottled water / consider all things that are reusable vs. single-usage;
 - limit the waste of discarding entire note pads for meetings;
 - offering bonus points for loyalty program if guests choose not to change sheets / linens on a daily basis;
 - use BAR codes for menus / business cards etc.

Hotels can balance the perception of "luxury" vs. "frugal". It is all about educating and communicating guests.

- Some companies use Tripkicks (an add-on to business travel programs that provides the tools to influence traveler behavior) to label hotels that meet sustainability standards by with a "green leaf"; travelers can easily click on the green leaf to find out more about what the hotels are offering in terms of sustainability. Companies want to give their travelers the tools in order for them to make better choices. Overall though, technology is still not there yet even though companies are working with their OBT and program such as Tripkicks; for example, some OBT's Co2 data is inaccurate and is better to turn it off.
- A participating company's technology team developed a dashboard where travelers can go in and measure their carbon footprint so they understand individually their responsibility. It's available on travel portal. The company is collecting additional fee for all air travel to offset carbon footprint.

Diversity, Equity & Inclusion (DEI)

- RFP process doesn't quite call out ownership / mentorship program / leadership. More questions need to be taken into consideration, e.g. how are companies implementing succession plans and hiring to ensure DEI? Are all employees given equal opportunity to grow?
- Washington, DC had passed a law 30 years ago called First Source Law, which has been one of the driving forces in the District's strategy to reduce unemployment by ensuring that DC residents (80% are black) receive priority consideration for new jobs created by local government-assisted projects or contracts¹. (See does.dc.gov website for [more information](#))
- Companies should adopt more open conversations rather than asking restrictive questions when speaking about DEI. Notice the cultural differences and be sensitive. For example, some of the questions in corporate RFP are western-centric, and may be offensive to some eastern culture. RFP process fails as most questions are limited to Yes and No, without the opportunity for hotels to provide further comments and explanations.
- Companies agree that it is impossible to measure hotels for DEI; they can however request for hotels/hotel chains to provide statements on what they do in this regards.

Overall

- The biggest challenge for both Sustainability and DEI in the hotel industry is the lack of standardized methodology, tracking and reporting.
- With increased interest in Sustainability and DEI and concerns for equity and climate change, all parties are hopeful that standards will be established. Should the industry look to GBTA to establish quality standards? We all need to do our parts in advocating and continue the conversation to move the industry forward together.
- As some companies are developing strong Sustainability & DEI policies, they begin to look at their 2nd and 3rd tier suppliers. For example, a company is working with Preferred Hotel Group since PHG's goals are aligned with the company's; are the member hotels of PHG sourcing and procuring from companies that are aligned with the company's goals as well?
- Buyers can ask a chain for high-level data, but not from hotels; chains and hotels may not be aligned in efforts; and buyers can find themselves in a difficult position when travelers are not seeing what the chains are telling them that they'd do.
- A participating company's travel team had started to put plans in place for sustainability 12 – 15 years ago, but did not get management's buy-in then. Today, they're buying SAF (sustainable aviation fuel), even though it took 8 months for the management to understand the importance of it, and to agree to buying.

¹ <https://does.dc.gov/page/office-of-first-source-employment-program#:~:text=First%20Source%20Law&text=For%20more%20than%2030%20years,government%2Dassisted%20projects%20or%20contracts>.