



United States-Market **Update- Q2 2022**

America Midwest/East -Market Update – Q2 2022

CORPORATE UPDATES

Battle Cree, MI / Chicago, IL

Kellogg – Kellogg brands is planning to separate into three independent public companies, sectioning off its iconic brands into distinct snacking, cereal and plant-based businesses. The two smaller businesses will remain based in Battle Creek, Mich., the company said. The larger global snacking operation will maintain its corporate headquarters in Chicago. Names for the new companies haven't yet been decided, and proposed management teams for the two spinoffs will be announced by the first quarter of next year.

Chicago, IL

Blue Cross Blue Shield - The Blue Cross Blue Shield Association, which has headquarters in Chicago, plans to move its offices to the nearby Aon Center. With the move, the parent company of Blue Cross & Blue Shield of Illinois has signed the largest new suburban office lease since the start of the COVID-19 pandemic.

Citadel Investments - Citadel, the \$51 billion hedge fund founded by billionaire investor Ken Griffin, is moving its global headquarters to Miami from Chicago, becoming the latest investment firm to shift offices to Florida in the wake of the pandemic. Griffin is the wealthiest resident in Illinois with an estimated net worth of \$25 billion.

Caterpillar – Caterpillar is moving headquarters from its longtime base in Illinois to the Dallas-Fort Worth area in Texas, following in the footsteps of other major manufacturers that have relocated over the past year or plan to do so. The maker of the iconic yellow construction and mining equipment said Tuesday that its existing office in Irving, Texas, a suburb of Dallas, would serve as its new global headquarters, and that it would begin the transition this year.

Contact for this market is Casey Burks based in Dallas, TX
cburks@preferredhotels.com

Overall, since late February / early March, Amex GBT, Reed & Mackay, World Travel, Ovation Travel and Corporate Travel Management had indicated that their volumes had picked up significantly, and they have had needs to increase staffing, which has been challenging. Similarly, most of my corporate accounts (JPMC, KPMG, UBS, Citi, Credit Suisse, EY etc) are seeing volume continue to pick up from April – June; July and August are to be determined as historically the summer months are slower for corporate travel.

Key highlights from GBTA June 2022 polling¹:

- North America Travel Buyers cite current issues impacting their company's travel program:
 - 42% - Government policies and restrictions
 - 30% - COVID infection rates and variants
 - 32% - Staffing shortages
 - 27% - Supply chain bottlenecks
 - 31% - Inflation
 - 26% - Oil prices
 - 20% - Strength of economy / Risk of recession
 - 10% - Sustainability
 - 10% - Crisis in Ukraine
 - 9% - Increased wage demands
- 2022 North America Business Travel Spend will be likely allocated to:
 - 30% - Sales/account management meetings with current or prospective customers
 - 10% - Service trips with current customers
 - 8% - Supplier meetings
 - 17% - Internal company meetings with colleagues
 - 22% - Conferences, trade shows and industry events
 - 10% - Employee training or development

Contact for this market is Wen Yong based in New York City
wyong@preferredhotels.com

America West -Market Update – Q2 2022

CORPORATE UPDATES

Amazon: Amazon switched TMC's from HRS to CWT this year for the RFP.

MGM Studios: New Managed account and signed the PHGCORP chain agreement. MGM Studios was purchased by Amazon in 2021 in an \$8 billion deal, however, MGM will continue to manage its travel program separately. Top cities are LA, New York and London.

AT&T/Warner Media: AT&T finalized its sale of Warner Media to Discovery Communications. AT&T will now run its own RFP and Discovery has rebranded to Warner Bros. Discovery, which will have a separate RFP. AT&T will be managed by Casey Burks and Warner Bros. Discovery will be managed by Michelle Streeter.

New Chain Agreements Signed in Q1 and Q2 2022 from America West & Midwest markets:

- AbbVie - PHGCORP
- Autodesk - PHGCORP
- MGM Studios – PHGCORP
- Usana Health Sciences - PHGCORP

If you have any additional questions relative to the US West Coast corporate and entertainment markets, please contact Michelle Streeter at mstreeter@preferredhotels.com.

Contact for this market is Michelle Streeter based in Newport Beach CA, USA
mstreeter@preferredhotels.com

U.S. ENTERTAINMENT MARKET UPDATES

Upcoming Entertainment Travel Shows:

October 2022 – Tour Connection – Nashville – October 16-17, 2022

Registration for events is open to members of Tour Connection. Event sponsorship opportunities are also available. Book direct with TC: <https://www.tourconnectionnashville.com/>

November 2022 – SET (Specialists in Entertainment Travel) – New Orleans – November 2-4, 2022

This show is invite only and participants are subject to application approval. More information is available on the website: <https://www.settheshow.com/>

If you have any additional questions relative to the US entertainment market, please contact Michelle Streeter at mstreeter@preferredhotels.com.

Contact for this market is Michelle Streeter based in Newport Beach CA, USA
mstreeter@preferredhotels.com

AMERICA EAST MARKET UPDATE - Q2 2022

Miami

Rick, Wendie and I just completed the 2022 LE Miami Conference in Miami Beach. It was a four day event consisting of 20 minute one on one appointments with travel advisors throughout the world across all luxury consortias (Virtuoso, FHR, Signature, Ensemble, SELECT, etc.) and entertainment agencies. Please see the list of hotels that were located in the dedicated Preferred Hotels & Resorts section (there were a few hotels that attended in other sections separated by geographic location, etc.). I have included a few photos of the hotels conducting their meetings. In addition we hosted all of the hotels attending LE Miami, to our cocktail party at Esme Hotel on Wednesday, June 17th from 6:00-8:00 p.m.

Account Name	First Name	Last Name	Job Title
L'oscar London	Sarah	Buchanan	Director of Sales
The Lowry Hotel	Tom	Ansbro	Sales Manager
Hotel Californian	Mia	Thomas	Director of Sales & Marketing
SKT PETRI Hotel	Charlotte	Yde	Director of Sales
MIDDLE EIGHT	Eva Maria	Varela	Director of Sales & Marketing
The Alpina Gstaad	Mariano	Tribelhorn	Director of Sales
The Mark	Bruno	Bignozzi	Sales Manager
Royalton Park Avenue	Joshua	Sims	Complex Director of Entertainment & Leisure Sales
The Hollywood Roosevelt	Juan	Pineda	Director of Entertainment Sales
The Maritime Hotel	Nancy	Hackett	Director of Sales

Monument Hotel Barcelona	Marta	Sauri	Sales Manager
XV Beacon	Kara	Smith	Director of Sales & Marketing
Carneros Resort and Spa	Leigh	Sharkey	Leisure Sales Manager
Edgewood Tahoe	Tim	Cartwright	Director of Leisure Sales
Toscana Resort Castelfalfi	Dario	Iaquinto	Director of Sales
Hotel Casa del Mar	Sarah	Leishman	Director of Sales
Pendry West Hollywood	Karen	Dailey	Director of Sales & Marketing
NoMo SoHo	Brittany	Favorito	Sales Manager
Ultima Collection	Gilles Tarek	Repond	Director of Sales
NIZUC Resort & Spa	Darrick	Eman	Global Director of Sales & Marketing
Palmaia - The House of AIA	Lisa	Hollenberg	Director of Sales - America
Hôtel de Paris Saint- Tropez	Justine	David	Sales Manager
Pendry Manhattan West	Ricky	Grunden	Director of Sales, Leisure & Corporate
EAST, Miami	Brad	Sundock	Strategic Director Sales and Revenue
Sagamore Pendry Baltimore	Tamara	Shelton	Travel Industry Sales Manager
The Londoner	Declan	Lott	EVP Sales
The Dupont Circle	Joel	Freyberg	Managing Director VP of Doyle Collection
Park Lane New York	Kelly	Merryfield	Director of Sales & Marketing
Smyth Tribeca	Shannon	Sheppard	Director of Sales and Marketing

In addition we had three Beyond Green partners that attended:

WILDERNESS SAFARIS

ISLAS SECAS

THE BRANDO

CARNEROS RESORT AND SPA

All of the advisors that we met with are busier than 2019. European bookings are very last minute since the testing restrictions were lifted a week ago and guests are staying longer. People are also looking for something new/different. Many of the advisors were taking this time to visit with hotels they have never used as well as new destinations.

Contact for this market is Jamie Brown based in South Florida USA
jbrown@preferredhotels.com

New York

JPMorgan acquisition of **Frosch** was completed in May. "We saw an opportunity during the pandemic to own our own destiny in travel," JPMorgan Chase co-CEO of Consumer & Community Banking Marianne Lake said. Along with this acquisition they are starting their own lodging program called **Luxury Hotel + Resort Collection**. Only Chase premium cardholders are eligible to receive the LHRC program benefits. The amenities are on par with American Express Fine Hotels + Resorts. They are rolling the program out in phases as far as onboarding properties, we are working closely with the team as they roll out RFP's to Preferred Hotels. Their current Ultimate Rewards program is a white label of Signature Travel Network hotel program and Signature properties will still be visible to card members even if they are not in the LHRC program. They are looking to go live with LHRC in Q4.

Wellington Management is leasing new space, 71,00 square feet, 4 full floors, at 799 Broadway in Greenwich Village. This is their first New York office.

Internova Travel Partner Town Hall update from Lindsey Graff:

Top two booked hotels in June 2022:

- Boston and Kona on the Big Island of Hawaii

Top Air Destinations booked through June 2022:

- Domestic: NYC, LA, Miami, Washington DC and Chicago
- International: London, Paris, Tel Aviv, Dubai and Rome

Future Hotel Bookings (June 2022 – May 2023)

- 42% Europe, 38% USA/Canada and 14% LAC

They are starting a new website which will have B2B AND B2C option for booking

Internova Overall (6,000 agencies)....they have had 52 acquisitions in 3 years. This is how they break their organization down:

- Global Travel Collection (Premium corporate and leisure)

- TLN (Network, Host Agency and Vacation)
- ALTOUR (corporate and Entertainment)

They are hosting an Open House in NYC on August 11th for those suppliers that do not live nearby and want access to advisors.

Boston

Delta Airlines adds 5 new non-stop destinations from Boston: Tel Aviv, Athens, Baltimore, Denver and San Diego.

Ovation Travel in Boston is hiring new advisors as their corporate business starts to come back quickly, mostly in the Financial and Law segments.

Contact for this market is Kathleen Robb based in Boston MA, USA
krobb@preferredhotels.com

Overall Leisure Travel Advisor message:

There has been an enormous amount of movement during Covid. Advisors have moved to different agencies, agencies have acquired others agencies, advisors have moved to different locations, but stayed with their same agency. So what a hotel might be seeing on a report, is not necessarily a true statement. For example, an advisor associated with Protravel Beverly Hills, does not necessarily live in BH. In fact, I have multiple advisors that are associated with Protravel BH, but live in SF and are not associated with the Protravel SF office. Why this is important is because the hotels keep wanting to visit the major cities (LA and NY mainly) because they see this production coming from that agency. But the reality is, those advisors are located all over the country....sometimes world. So it's not always relevant to visit that city to see that office/advisors. They need to be tracking where the advisor is BASED, not the office they are associated with.

Upcoming Leisure Events:

- Virtuoso Travel Week: August 13-19th in Las Vegas. Preferred will host an event on Wednesday, August 17th for all Virtuoso member hotels (registration can be found on the events page in preferrednet), along with a dedicated "Meet and Greet your Preferred Global Sales Team" event on Sunday, August 14th which is complimentary for member hotels.

Contact for this market is Lindsey Graff based in Napa, CA, USA
lgraff@preferredhotels.com