



## **United States-Market Update- Q4 2023**

### **America Midwest/East -Market Update – Q4 2023**

#### **CORPORATE UPDATES**

- Recovery in business travel remains slow but steady. Many corporations are reaching about 75% - 85% of 2019 volume. There is no sign of slowing down based on conversations with major corporations' travel buyers.
- Hotel negotiated rates are increasing although moderate compared to 2023. Travel buyers are looking for better deals and are under pressure to demonstrate that they are controlling costs.
- Small Medium Enterprises (SMEs) continue to increase business travel in faster pace than global accounts.
- Professional and Financial Services shows a strong recovery throughout 2023; while government travel has slowed down. Entertainment and media industry are booming.
- Supply continues to lag demand in many destinations, with forecasts indicating that development will be slow for some time to come.
- Corporate Booking Tools using AI are gaining popularity as they offer efficiency in booking, groups & meetings organizing, and expenses, and remove many pain points throughout the journey.
- Sustainability will be even more of a focus in 2024 and beyond; with EU's CSRD coming to effect (companies will need to report on 2024 results in early 2025; will affect ALL US companies operating in Europe. US's SEC's Climate Directives will likely follow suit.

**Contact for this market is Wen Yong based in New York City**  
[wyong@preferredhotels.com](mailto:wyong@preferredhotels.com)

3M is spinning off its health care business into a separate standalone company called Solventum. The process has already started, and takes place in two phases, the first will be November 1<sup>st</sup> and the second in March. The November date will see employees in the first 22 countries separated from 3M and will be booking travel with the new Concur booking tool. Both companies will be using the same global travel agency, BCD, and the same booking tool, Concur, however as separate companies. For 2024 they only conducted one hotel RFP. This may change for the next RFP cycle and will be determined later.

**Contact for this market is Casey Burks based in Dallas, TX**  
[cburks@preferredhotels.com](mailto:cburks@preferredhotels.com)

## **U.S. Entertainment -Market Update – Q4 2023**

The Writers Guild and Screen Actors Guild strikes concluded in November after many months of negotiations and halted production. Studios have a major backlog of content to create in 2024. We anticipate film and tv production requests to increase significantly. Hotels in states or countries that offer significant tax incentives for productions, such as Georgia, New Mexico, or most recently announced, the country of India, have a greater opportunity of capturing this business. It is important to note that hotels that offer the greatest flexibility with discounted entertainment rates, cancellation, deposit terms, and shortened entertainment friendly contracts will separate themselves from their competition.

In addition, press events to promote new releases were not attended by actors in many cases during the strike to show solidarity with the union. Now that the strikes have concluded, we anticipate press junkets and publicity requests to also resume more normal operations in 2024.

Music touring had a banner year in 2023 with big name artists and bands such as Taylor Swift, Beyonce, Madonna, and Coldplay on tour. Since 2023 was the busiest year on record for touring, we anticipate that there might be a slight slowdown in 2024, but not by much. There is still a strong appetite from consumers for live music, even with rising ticket prices. Consumers will even travel to specific destinations to follow their favorite artist on tour. Taylor Swift's Eras tour made headlines this year highlighting the economic boost her concerts brought into different cities by drawing in so many of her fans. Entertainers make most of their income these days through merchandise sales on tour, which incentivizes them to tour regularly, or possibly extend tours to additional cities.

The entertainment team at Preferred Hotels & Resorts have relationships with key decision makers at the studios, TMC's that support the corporate entertainment & media accounts, as well as travel agencies such as GTC, Altour, and TAG, among others, which have the largest footprint with the music touring space. For any additional questions on how to further penetrate this market, or to discuss if this market segment would be a good fit for your hotel, please do not hesitate to contact us.

**Contact for this market is Michelle Streeter based in Newport Beach CA, USA**  
[mstreeter@preferredhotels.com](mailto:mstreeter@preferredhotels.com)

## **America East-Market Update – Q4 2023**

### **New York/Boston**

Putnam Investments is being sold to Franklin Templeton and should happen by the first of the year. Empower will stay separate and the global travel team will remain with Empower. Franklin Templeton is headquartered out of San Mateo, CA and they believe the Travel Manager is based there however they did not have a name to share.

**Contact for this market is Kathleen Robb based in Boston, MA, USA**  
[krobb@preferredhotels.com](mailto:krobb@preferredhotels.com)

## **America West -Market Update – Q4 2023**

From Cadence Travel: the value of face-to-face connection has never been more important. So please attend showcases, events, etc. so we have the chance to connect with you!

From Montecito Village Travel: In 2023, a new set of challenges emerged. Escalating fuel expenses, labor shortages, and supply chain issues led to widespread price hikes. Consequently, the increased costs affected our customers as well. Balancing profitability and affordability for travelers became increasingly difficult during this period.

**Contact for this market is Lindsey Graff based in Napa, CA, USA**  
**[lgraff@preferredhotels.com](mailto:lgraff@preferredhotels.com)**