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10 Trends Affecting Hospitality in 2017

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5 Trends
2 Perspectives

1. Brand Influence (and Confusion)
2. The Sharing Economy
3. Customer Loyalty
4. Technology Expectations
5. Buying Dynamics

Q&A
Consumer confidence 97.7 in May 2017 – close to a 13-year high

US disposable income reached an all time high of $14,428.50 billion in March 2017

More money is spent in the US on entertainment (fees & admissions, supplies, equipment & services, hobbies, toys & pets) than is spent on healthcare

US households expect to spend $1,200 per person on vacations per year – around 7% of household income

Sources:
• US Department of Labor
• University of Michigan
• CNN Money
• US Travel Association
The Meeting Buyer

• “Shifting Sentiment” Continued growth and global expansion, balanced by political and economic uncertainty.

• The budget is at the center of the planning process.
  - 50% of planners report no change in their budgets from 2015
  - 32% report a decreases from 2015
  - 19% report an increases from 2015

• 90% of meeting planners start their sourcing process on the computer

• NUMBER ONES
  - #1 Resource that influences sourcing is Peer Recommendations
  - #1 Driver to help decide who gets your business is Location in the city
  - #1 Reason planners switch venues is Professionalism / Responsiveness of hotel sales staff.

• Planners are looking for timely and effective communication, flexibility within the venue space, and that extra touch that shows planners and attendees that the venue cares about guests’ experiences.

Sources:
Cvent - The 2016 Planner Sourcing Report
American Express 2017 Global Meetings and Events Forecast
Brand Influence

DO?

FEEL?

Authenticity
Boutique, lifestyle, and soft-brand hotels have reported high occupancy, revenue growth, and profit margins over the last few years.

100 largest Metropolitan Areas, as defined by population size, have 63,000 boutique hotel rooms.

- Over half are in 4 markets (NY, LA, Miami, San Francisco)

Boutique hotels are often shining examples of 5 hotel marketing trends that define a successful hospitality business today.

- Great locations, unique experiences, exciting design/décor, high-tech entertainment, and service

Sources:
- Hotel News Now
Sharing Economy
Sharing Economy

- Consumers value the ability to share experiences, have their travel curated, and rely heavily on referrals
- Travel as a pre-determined, highly planned activity is diminishing
Customer Loyalty

88% want to engage with brands
74% want brands to provide a higher level of customer service.
56% feel more loyal to brands who “get me”
89% are loyal to brands that share their values.

Loyalty marketers that implemented an influencer marketing program in 2016 received $11.69 in earned media value for every $1.00 of spend, on average, which is a 4.4% YoY increase.

When customers are unhappy, they’re much quicker to act!
½ Stop doing business
¼ Take to social media
54% started engaging with other companies

Sources:
• Wunderman
• Accenture
Customer Loyalty

Consumers see loyalty, engagement, and data as a value exchange.

- Pressure on planner points from compliance
- Attendees want consumer-grade experiences
- Traditional points systems being re-thought

Where loyalty rate is high

- Digital technology: 35%
- Retail: 17%
- Beverages: 9%
- Automotive: 8%
- Cosmetics: 8%
- Financial: 6%
- Restaurants: 6%
- Travel: 4%
Technology Expectations

- How we learn
- 53%
- Personalization

Sources:
- McCann Worldgroup
Technology Expectations

• 53% of Millennials would rather lose their sense of smell than their technology

• Planners expect bandwidth, integrated experiences
Buying Dynamics

- Digital purchasing is changing our behavior
- We are buying experiences, NOT products

Sources:
- Eventbrite
Meeting Buying Dynamics

- Mid-tier & non-hotel properties
- Rates rising
- Budgets flat
In Conclusion...

• Be mindful of the personal experience, not just the overall event objective.
• Leverage the attendee and planner to be your champion.
• Make sure there is a place to have a conversation with stakeholders before, during and after the event.
• Technology is not a cost. It is an investment.
• Pay attention to B to C trends as that will drive future expectations and requirements in our industry.
Thank You

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Don’t forget to take the session survey!