



The Ultimate Group Sales Playbook

New Edition

Introduction

Meetings are getting bigger — 22.7% bigger, to be exact [1]. That means every four people at a meeting having been joined by a fifth new peer — quite the spike in yearly meeting attendees since just 2009.

Knowing this, a betting sales director might be quick to expect similar growth in the total number of meetings. That director might want to keep their chips in their pocket.

Since 2009, the number of total meetings has grown only 5.4%. Attendees are outgrowing total meetings four to one, and of those meetings, only 4% require over 500 room nights — but make up 39% of the entirety of group revenue in the industry [2].

The point? The lead pool isn't growing, the big fish are few, and it's more vital than ever for hotels not only to attract the best possible leads but also to maximize the revenue from each. As a result, striking long-lasting, partnerships that foster repeat business needs to be a priority — and it all starts by looking at planners as partners, not just leads.

Our Group Sales Playbook for the year brings hotels a proven mix of strategies to accomplish both, as the industry pushes into the year ahead.

Yours in Hospitality,
Social Tables



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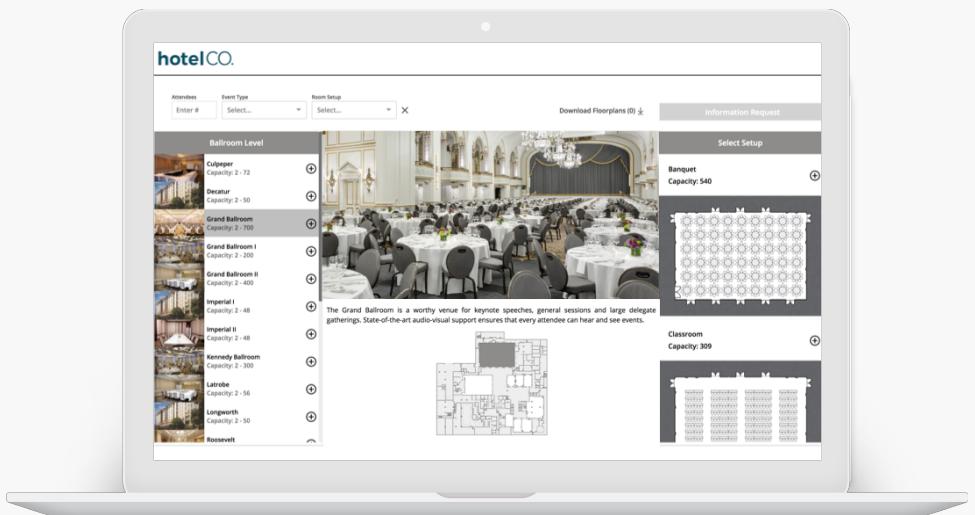


\$ Event Sales

Event sales software that increases qualified leads and drives direct revenue.

👤 Event Services

Collaborative event management software that drives both profits and loyalty.



[Get Started](#)

Chapter 1:

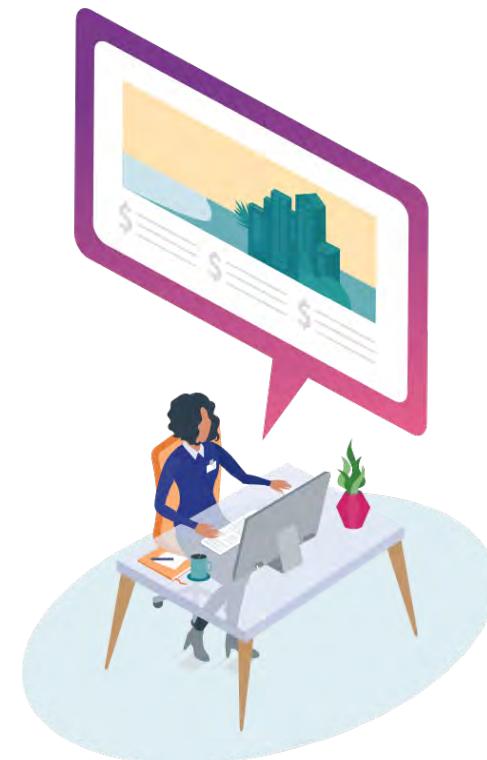
The Industry As it Stands

In May, hotels posted the 99th consecutive month (more than eight years) of RevPAR growth [3] — a staggering figure to say the least. But, underneath that statistic, there's a different story.

Hotel top-lines are under attack, thanks, in large part, to franchising fees and intermediary commissions. They've also taken a big hit from rising hotel operating costs.

The fact that hotel owners are more financially sophisticated than ever before means they've been paying close attention... and what's a worse margin-killer than commission on group business?

These top line costs especially hurt property owners at hotel chains, because a majority are operating on a franchise model. Franchises are responsible for operating costs, and franchise fees are paid as a percentage of total revenue. So when



operating costs go up, it doesn't factor into fees. Instead, it just eats away at the portion of profits left over for owners.

High Commissions Are Hurting Larger Chains

Since larger chains generally have ample meeting space on site, they bank on group business to grow revenue. The problem there becomes that 40-60% of that business involves intermediaries at the point of sourcing. Last year, commissions to third-parties were \$1.3 billion on \$30 billion in group revenue in the U.S. alone.* [2]

Add to this the fact that hotels are paying for products, services, and technologies on a per-room basis, and you can see how the fees start to rack up for hotels and chains that are large enough to attract and accommodate the lion's share of group business. Since these types of costs are fixed — and much higher for larger hotels — gross margins get squeezed more and more when commissions are high. But it's not just services and intermediaries that are costing properties.

*[Based on 43% of group rooms revenue being intermediated at a commission.] 3

Group Acquisition Costs are Rising Across the Board

On average, larger hotels also pay more in total acquisition costs as a percentage of their group business. Still, regardless of size, the cost of customer acquisition has risen dramatically over the last five years. Hotels are now paying 15-35% for many pieces of group business — a percentage that equates to between \$3.4 to \$4B in costs annually across the U.S. hotel industry once technology, room block processing, and other similar expenses are factored in.



They're also paying 15-25% of guest-paid revenue in total customer acquisition (~\$25B for both transient and group business). That number is forecast to increase to 20-30% of guest-paid revenue by 2022, with groups and meetings representing a growing share of the total. [2]

Cost As a % of Group Room Revenue	
Independant (200 Rooms)	7.8%
Medium/Small Chain (300 Rooms)	8.8%
Big Brand (500 Rooms)	16%

Source: Kalibri Labs

Chains Have a Choice to Make

Taking all of this into account, chains will have to decide what makes sense for them. While giants like Marriott, Hilton, and IHG have all decided to cut third-party commissions from 10% down to 7%, other brands like Preferred Hotels and Denihan Hospitality went so far as to raise commissions for a period directly after the initial cuts. [4] For their business models, the current commission structure makes sense, as does a continued commitment to third-party sourcing.

Hotels Are Committed To Group Sales As a Key Revenue Driver

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“Group sales are 20% higher than expected within our organization, and the industry is doing very well.”

Elaine Macy, EVP of Global Group Sales, Preferred Hotels

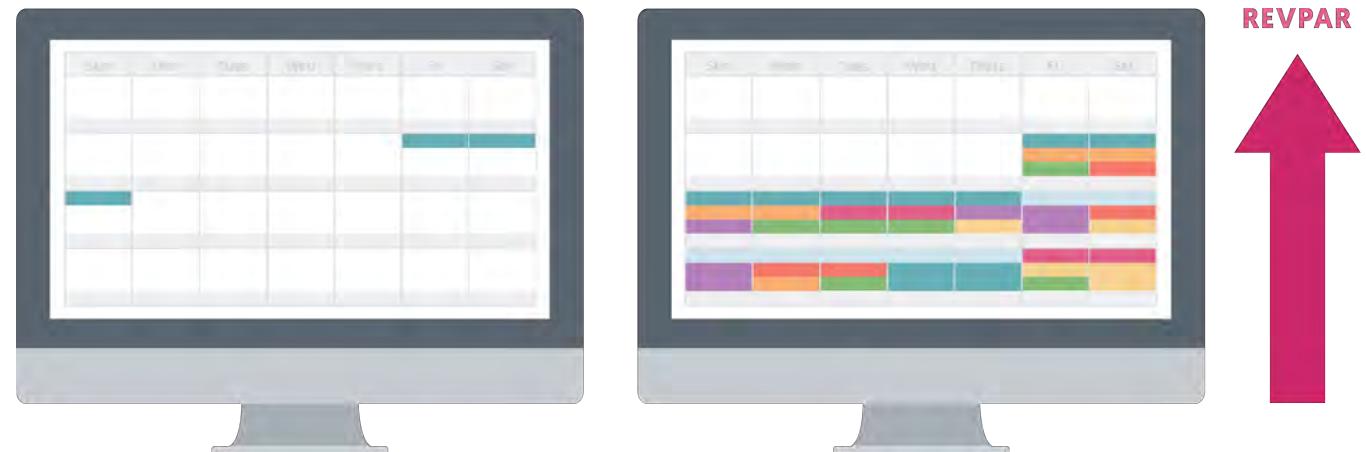


While direct spend for meetings has grown 19% since 2012 (Economic Significance of Meetings), direct spend for accommodations has increased 23% and now totals nearly \$50 billion annually.

However, the \$30 billion in group revenue that was generated industry-wide in 2017 is just a small piece of the spending pie. For that \$30 billion, the industry saw another \$110 billion in ancillary spend (F&B, AV, etc.) [2] and a whopping \$325 billion in total meeting expenditure. 29% of that total was spent on F&B alone. [1]

The Next Frontier in RevPAR Growth

Groups will stimulate RevPAR growth by giving hotels a seven-day business base. As more group business is booked throughout the week, the demand will create higher occupancy levels, thus driving higher ADR for transient and business travel.



Chapter 2:

More Bookings, Less Cost

1. Growing Your Direct Group Booking Channel

As the focus turns to cost-effective group acquisition, properties are racing to identify and optimize the marketing channels that will prove most effective. A large part of the conversation here is direct booking channels. Leading chains are investing in creating these channels for planners to book meeting and event spaces without intermediary sourcing — including IHG, who just launched their own group sourcing and booking platform powered by Social Tables technology.

Investing in these direct group marketing channels opens up an alternative strategy to reduce reliance on third-parties, using technology to bring the meeting product directly to planners. This type of move is great for large chains especially because it allows them to capitalize on their direct planner traffic and build up their own network of planners. They can create more value by streamlining the process for the growing majority of planners who are researching venues online (>50%), all the while bringing in more profit for owners. [5]

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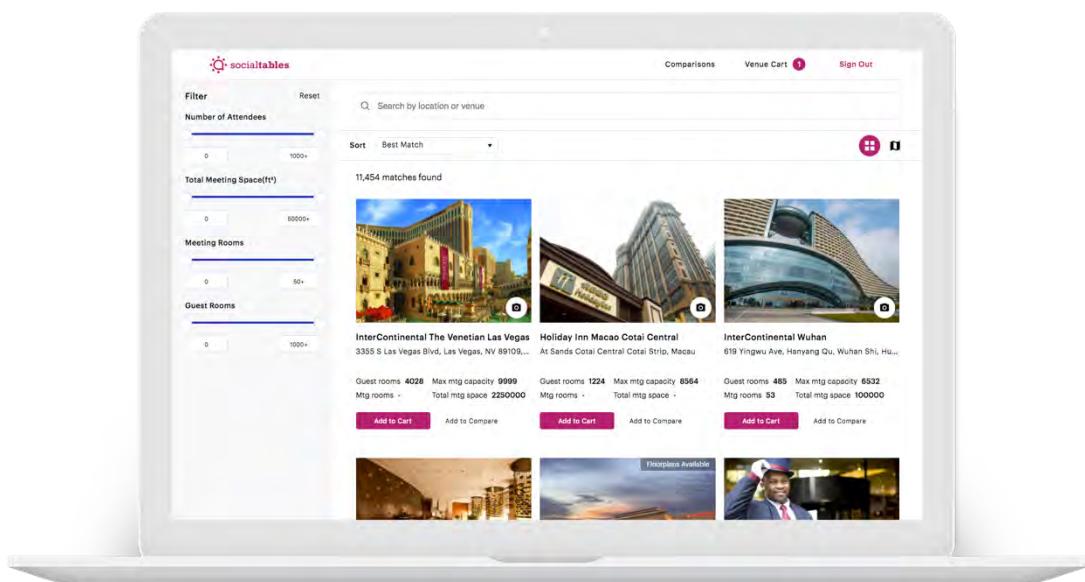
“Whether or not chains cut commissions, investing in these direct group marketing channels opens up an alternative strategy to reduce reliance on third-parties, using technology to bring the meeting product directly to planners.”

Dan Berger, Founder & CEO,
Social Tables



2. Improve Visibility by Being a Part of Meetings Marketplaces

With more than half of event planners saying the web is their primary source for finding and researching potential venues, it's high time that hotels meet planners where they are. Venue sourcing platforms (think of them as venue search engines) increase a hotel's visibility to planners while sidestepping OTA fees, and in some cases, reducing sourcing fees. Platforms like Meetingsbooker.com and Social Tables Search all offer technology that allows venues to create rich profiles and collect requests for proposals.



Keys to an Effective Venue Search Profile

Showcase the space visually.

1. Accurate floor plans - not every sourcing platform has space for floor plans, but planners find them to be immensely helpful.
2. Quality photos - Photos that show the possibilities inherent in the space, such as photos of event setups, are key to helping planners visualize their event at your hotel.
3. Video - In our survey of planners, 40% said that a video is the most helpful way to digitally visualize a space (50% more than any other answer). [6]

Set your space apart.

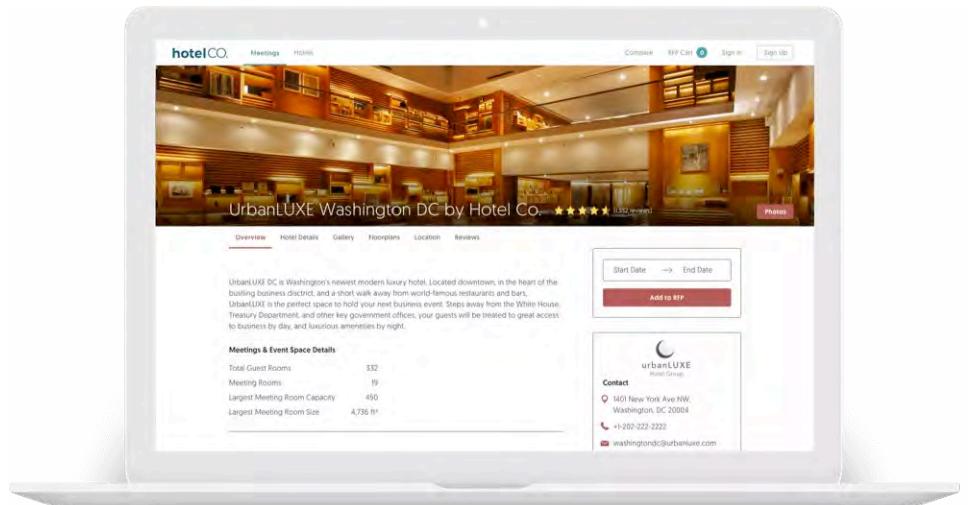
What are the differentiating details or unique elements that set your space apart? And more importantly, how can your space help meet the unique objectives of various meeting types.

Use social proof.

By leveraging the success of past events, hotels prove the success of future events in their meeting spaces. Hotels can create a grab bag of testimonials to use in marketing by encouraging planners to give feedback (both from themselves and attendee surveys) after the event.

Drive more RFPs today.

Create a free listing for your property on the Social Tables venue sourcing platform.



Learn More

3. Partner with CVBs

Convention and Visitors Bureaus (CVBs) are local non-profits that are generally funded by a portion of hotel room occupancy taxes. They match planners with hotels and venues based on the specific needs of the event, which means any RFPs that come from CVBs are generally more qualified than leads that may come through other sources.

CVBs also attract planners looking to create authentic local experiences — one of the fastest-growing concern of a generation of attendees known for their attraction to “bleisure.” Good CVBs are generally very in tune with the local knowledge economies of their respective cities. Hotels can leverage this knowledge to strike up partnerships with local suppliers and align themselves with knowledge assets in the city.

As planners evaluate destinations, they'll reach out to CVBs to figure out their options and make the necessary connections to execute their event. A CVB's goal is to ensure that planners successfully execute events at the destination. That's why it's up to your property to prove value for CVBs in order to build trust.

How to Stay Top of Mind With a CVB

- Share data and feedback with your CVB
- Guide clients to your CVB if you can't accommodate the event at your property.
- Help CVBs understand how your hotel is uniquely equipped for specific types of meeting objectives

4. Start Marketing Around Planner Successes

Helping planners source and create a successful event doesn't just benefit the planner, it also pays off in substantial ways for hotels. After all, the more a venue is tailored to the nuances and goals of a given event, and the better-equipped planners are, the more chance an event has of successfully meeting its objectives. And when it's all said and done, successful events are a hotel's best friend for new and repeat business.



Marriott's Meetings Imagined

While it's not new on the scene, Marriott's Meetings Imagined initiative is an incredible example of success-focused marketing in action. The website offers inspiration for a variety of events and is centered on resources that help planners identify and execute their unique meeting purpose. It pays off for the brand by translating those pieces back to ways in which the Marriott portfolio can be a partner in bringing an event's unique purpose to life.

In doing so, the chain builds positive associations and increases the chances of planners staying within the brand family. These sorts of confirmations that a chain or property can indeed help create a successful event drives more qualified leads while instilling loyalty up front (a great way to reduce the likelihood of RFPs being sent elsewhere).

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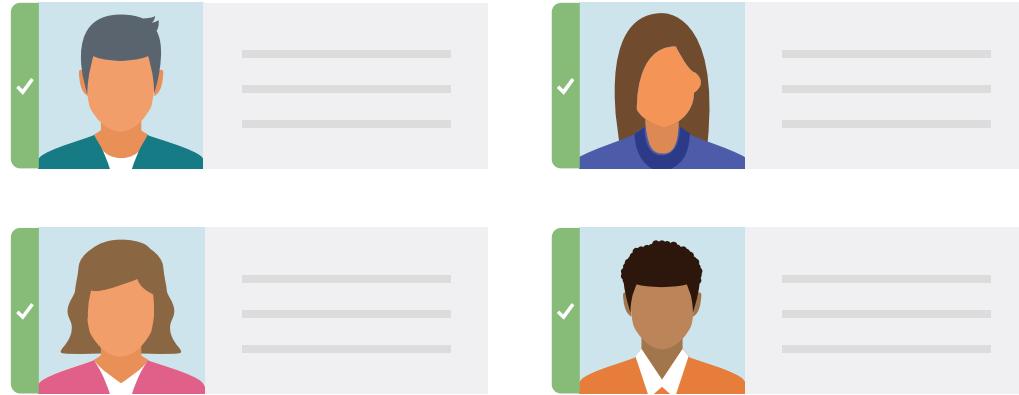
It's an overall strategy about how we approach meetings. We need to understand a meeting's purpose, and tie in elements that help accomplish that purpose."

Doreen Burse, VP of Global Sales
North America, Marriott International



Chapter 3:

In the Weeds With Too Many Leads?



While technology has made the lives of hoteliers easier, it's also created somewhat of a conundrum when it comes to RFPs. In fact, in just the past five years, hotels have seen a 300% increase in RFP leads from meeting planners. [7] This is in large part because new meetings marketplaces have made it simple for planners to submit multiple RFPs at a time.

Couple that with seemingly ever-growing group demand across markets and the industry now finds itself in a situation where hotels are floating in a sea of RFPs, with sales teams rushing to qualify and respond to leads as quickly as possible. After all, over 75% of proposals are won by the first five properties to respond. [8]

As a result of all of this, hotels that want to succeed have to:

1. Respond to RFPs faster
2. Prioritize the right RFPs
3. Attract the right leads

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“Now once we know what a meeting wants to achieve, we can easily send it to 10 or 20 hotels.”

Betsy Bondurant, Bondurant Consulting





Responding to RFPs Faster

While technology is catalyzing the RFP submission process, new technologies are also rising to the occasion and helping teams respond to inquiries faster than ever before. In fact, a recent study from Cendyn shows RFP technologies can reduce response times from 2+ weeks to within the first 24 hours (which is now the brand standard for some hotels).

Being amongst the first few responders (ideally the first) communicates some important messages to planners, beginning with the notion that their event is desirable to a property — so desirable that it merited an exceptionally quick response. It shows planners that the property in question cares about their business. Plus, for planners, faster response times correlate to a strong chance of better overall communication throughout the event process.

First impressions are everything. Wait too long, and you may not get to make one.



RFPs and the Third-Party Problem

In 2017, 43% of group revenue was intermediated by a third party [2] — that's expected to climb to 60% by 2022. What does that have to do with bringing in the right RFPs? For one, intermediaries aren't incentivized by the success of the event. They're paid between 7-11% commission to source a venue, regardless of whether the meeting or event in question achieves its goals.

To make a long story short: They're worried about putting the event in any place, not necessarily the best or the right place. They have little to gain from being selective or matching a property's profile to an event's profile, and it ultimately results in RFP spam.

While there are plenty of groups and meetings marketplaces, not all of those marketplaces profile the character of a given venue well — nor do they all provide the same types of reviews that customers enjoy on the transient side. At the end of the day, the industry at large lacks great ways to match planners with properties.

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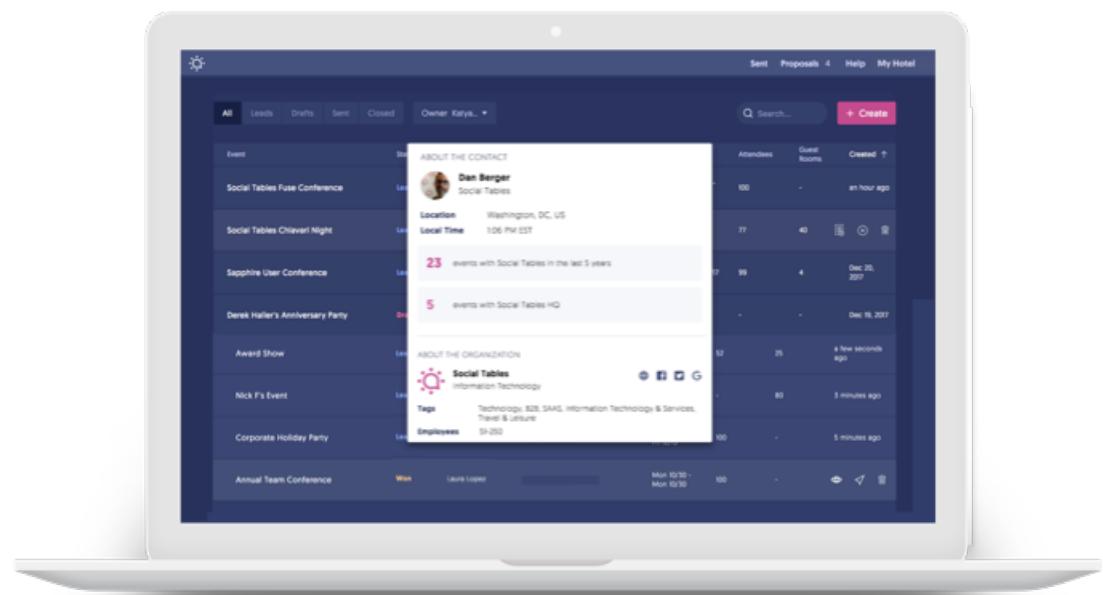


First impressions are everything. Wait too long, and you may not get to make one.

Intelligent Lead Scoring

In response to the seemingly exponential increase in RFPs, a lot of hotels have developed their own internal processes to triage them and determine which to respond to. Hotels know an influx of RFPs means an influx of opportunity, but without smarter systems for scoring leads, that opportunity goes by the wayside.

Luckily, new technologies are coming to the rescue here as well, scoring leads automatically as they role in. For sales teams, this switches the focus from lead scoring to crafting the response that will win the lead — exactly where their talents should be applied. Some tools even enrich lead data by searching for and automatically populating useful information about the planner.



As these technologies evolve, the CRM of the future will intelligently and proactively provide hotels with leads that fit well, so that sales professionals won't need to prospect blindly. But for now, today's technologies are only as good as the ways in which we tell them to qualify the leads coming in. To do so, hotels have to define intelligent frameworks and set smart parameters, or they risk reliance on a broken system.

The Room Block Isn't Everything

According to an HSMAI survey conducted in 2015, a majority of revenue managers (52%) and sales teams (36%) at properties look to RevPAR index or room revenue as their primary performance indicators. The problem there becomes that the bias toward room blocks disregards the potential for high-margin revenue from other elements of group business.

With so much ancillary spend on the table (as mentioned, \$100 billion last year), disregarding proposals without room blocks doesn't just become a bad idea, it's dangerous to a hotel's bottom line.

There's also transient business to think about. Throwing out blockless proposals not only eliminates revenue from ancillary spend — it disregards the higher rates at which transient business books. Hotels, especially those with high levels of transient bookings, should think about the potential revenue chopped off the top for group room blocks.

Identifying High-Opportunity Group Personas

Not all groups are created equal, and that's no secret to sales teams, most of whom have access to historical data that can help them segment group types into performance buckets.

By using this data, properties can identify client segments with higher levels of ancillary spend — especially F&B spend, where there've been significant gains in margins in the past decade. (F&B profit margin increased from 24.9% to 29.5% between 2010 and 2016.)

This segmentation exercise can start by scoring according to the high-level tendencies that most sales representatives are already familiar with:

Corporate:

Higher average rates, but generally less lead time

Associations:

Rarely book guest rooms, are less likely to host a catered event, and book farther in advance (meaning hotels risk missing out on higher-margin bookings)

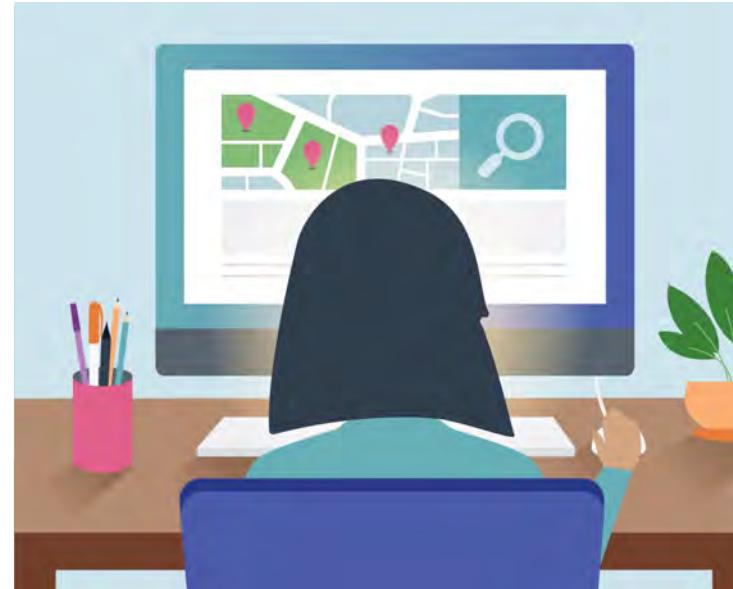
Government:

Travel is funded by per diem which leaves less room for upsells

Community Events:

Fill space without a room block, but F&B levels can vary drastically

From here, hotels can narrow down each bucket further by adding additional layers of segmentation.



Chapter 4:

A Plea for Better Proposals

While identifying the right leads and responding faster is essential in today's climate, hotels won't get anywhere if their proposals don't get the job done. To make it happen, hotels need to evolve the conversation from a bidding war and focus on showing the value they can add. This happens when sales managers tap into what motivates today's meeting planner and do everything in their power to help planners visualize their event in the space.



Showcase the Space Visually

By helping planners visualize the space, they're able to imagine their event at the hotel. This is powerful because planners are already visualizing events long before they send RFPs. 90% of info transmitted to the brain is visual and proposals that don't cater to this risk missing out on the most direct pathway to a planner's understanding and decision-making.

With today's technology, properties can easily create templates for meeting and event spaces, updating those templates according to the specific nuances of a potential event for each client. This allows hotels to easily create a variety of different layout options on the fly, communicating potential upsells more visually.

The Watergate Hotel Booked 17,000 Sqft. During a Renovation

The latest chapter for the infamous Watergate Hotel started when renovations of the entire property began in 2009. Part of the Watergate complex, the legendary hotel opened in March of 2016 after a \$125 million renovation that included the addition of 100 rooms, bringing the total to 373, and 17,000 square feet of meeting space.

Seven years away from clients is a challenging landscape to walk into, but more challenging is selling a property that was considered a construction zone, requiring all site visits to be done with hardhats, with views of the skeleton of a promised modern, supremely chic property. Outside of capacity charts and graphics imagining the future of the space, the sales team had the unfavorable task of selling the property's meeting space to prospective clients.

That all changed when they found Social Tables. Senior Sales Manager, Caitlin Nicolson, could virtually walk a client through The Watergate Hotel via Social Tables, where she showed them everything from the room set of each breakout to the flow of the attendees. After seeing the space in Social Tables, they signed a \$250,000 contract, site-unseen... and unwalked. In total, the hotel booked nearly 114 events for a total of over \$117 million in pre-sold space, just by helping clients visualize the space.

Featured

“Three months prior to doors open, and with the ballroom’s drywall still setting, 95% of all available dates for 2016 had already sold out in the pre-build phase... every prospect [was] sent a 2D and 3D diagram of their proposed event beginning in the proposal stage. Social Tables made it easy to share layouts with customers before we could physically walk them through the space.”

Caitlin Nicolson, Senior Sales Manager,
Watergate Hotel



Floor Plans: Your Secret Weapon

A hotel can win or lose deals based on the quality and level of detail of their floor plans alone. In the earliest stages of the sales process, the most important thing you can do is earn trust. That trust comes from giving planners the reassurance they need; not only that your venue is a good fit but also that you have their goals in mind.

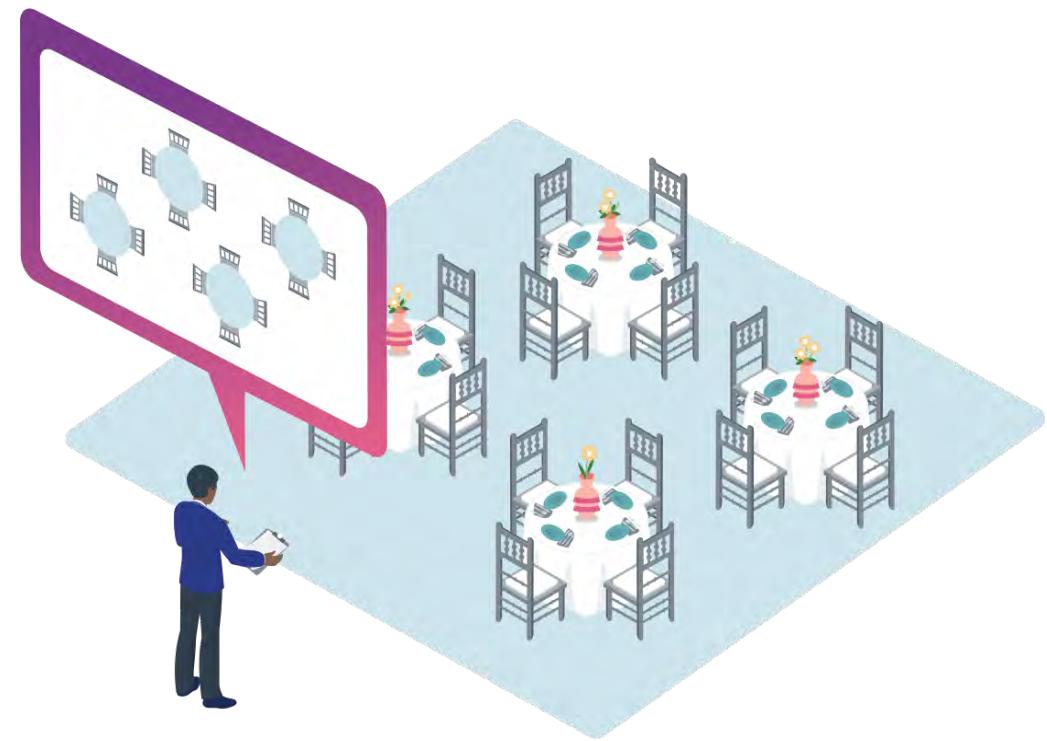
The best way to earn trust is by being completely transparent. Lay your cards out on the table, by walking clients through accurate floor plans of your event spaces. Planners need to be able to visualize their event in your space. Interactive floor plans make it possible to work alongside prospects and draft a version of their event, long before it's going to happen.

Make Collaboration Easier

Anytime event managers at the property are working with a team of event coordinators (who are also working with invested stakeholders) you're faced with a major communication challenge. As more people get involved in the planning process, keeping everyone on the same page is exponentially more difficult. Room-set layout and design arguably requires the most back-and-forth. Every change and update means passing a document through another round of approvals.

Today, tools like Social Tables make it possible for everyone involved to make changes and collaborate online in real-time, on the same interactive canvas. Hotels can work with clients to drag and drop layouts or individual pieces of furniture onto an interactive floor plan that's designed at scale. Plus, every document and communication is stored in one place, planners can upload and manage their own guest lists, and stakeholders can easily comment their approvals or feedback.

Collaborating isn't easy, and anything that helps cut down on friction between communication is a major difference maker for planners. It's a true value-add, not just a tangential perk.



The Sheraton Commander: Collaboration that Saves Time

Built in 1926, and home to 5,500 square feet of meeting and event space, the Cambridge, Massachusetts hotel is the community's go-to venue for everything from weddings to non-profit events. In total, the Commander hosts over 1,500 events per year.

Today, once the Sales team has created a diagram, they will invite their clients to collaborate with them on seating by uploading the guest list on their own. Once guests are seated in the software, the team distributes the list to a local seating card vendor, adding special attention to detail to the event.

Featured

"We're able to save ourselves time by sharing that responsibility with our clients. They love being empowered to seat their guests in the manner that they want, and we love the fact that they are invested in the event."

Judy Brilhart, Director of Catering
and Events, Sheraton Commander



Event Sales Solution

\$ Drive More RFPs

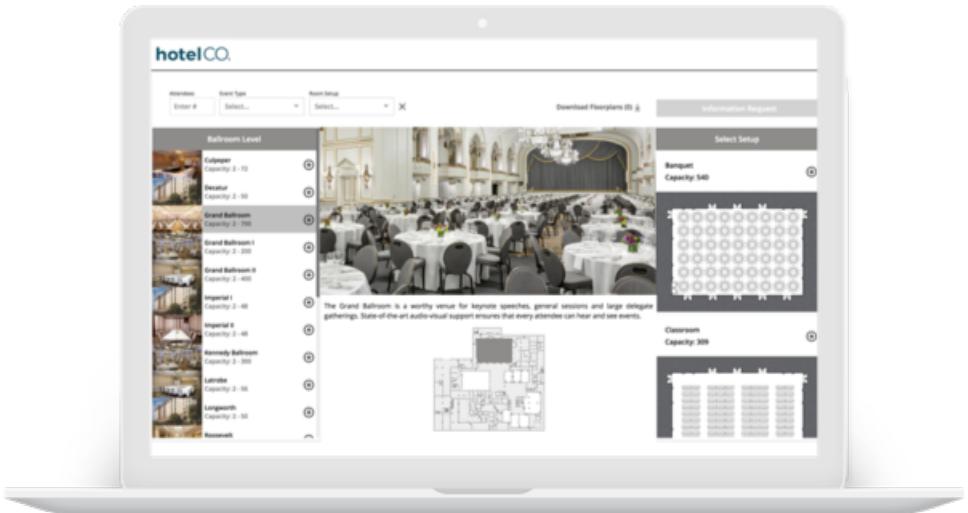
Create interactive content that drives leads.

👤 Qualify Leads Quickly

Pinpoint your best opportunities automatically.

🕒 Respond in Record Time

Create custom templates for quick responses.



Learn More

Tap Into the Purpose of Meetings

Today's meeting planner is driven to plan "purposeful meetings" — a push that started in large part thanks to Janet Sperstad's much-celebrated white-paper, Purposeful Meetings: How to Plan With Deeper Meaning, Insight & Innovation in Mind. Now, planners are expected to turn events into personalized experiences centered around holistic themes that tap into behavioral science, well-being, mindfulness, sustainability, and beyond.

As a result, properties need to show they can cater to that personalization in their proposals or risk planners going elsewhere. This starts with digging into the purpose of a meeting and inquiring up front. From there, every piece of the proposal should map back to that purpose.

Think Outside of the Ballroom

Today, everything is a meeting venue, and we mean EVERYTHING: museums, nightclubs, concert venues, repurposed warehouses, and even corporate offices. And as demand for these types of spaces continues to increase thanks to the emphasis on "authentic experiences," so too does the supply. Meanwhile, the hotel infrastructure of a given city becomes less and less important.

The spike in demand for non-traditional venues isn't going away anytime soon according to the AMEX Global Meetings Forecast, which expects it to jump by 3.8% this year alone. [1] To keep potential business from leaving for other venues, hotels need to think about how they can use their own non-traditional spaces to attract planners. This means working rooftops, outdoor spaces, and partnerships with other venues into the mix in the RFP response, matching the hotel space to the event purpose as a means of potential upsell.



Networking events

Get the group out of the ballroom and upsell more social/communal areas such as rooftops and lobbies.

Team-building events

Extend the event to outdoor spaces that can accommodate more activity.

Large events with breakout rooms

Offer to transform greenhouses or gardens into spaces where attendees can "unplug".

Turn the Site Visit into a Test Drive

Every event hinges on a successful hotel site visit. After all, it's a hotel's chance to deliver the pitch in person. It's a make or break moment in the sales process and it's becoming increasingly important to millennial buyers. In a thriving sellers market, the site visit is also a time for sales reps to invite the possibility of upsells.

The best way to prove the value of your space during a site visit is by offering a custom walkthrough. In a recent Social Tables survey, we learned that when properties offer a customized site inspection, close rates jump by more than 10%. Hotels can use the ten ideas below to customize the site visit and keep a planner from walking out your doors without signing. If they do, there's more than a 50% chance that they're not coming back. [5]

1. Psst... "Can I See Your Notes?"

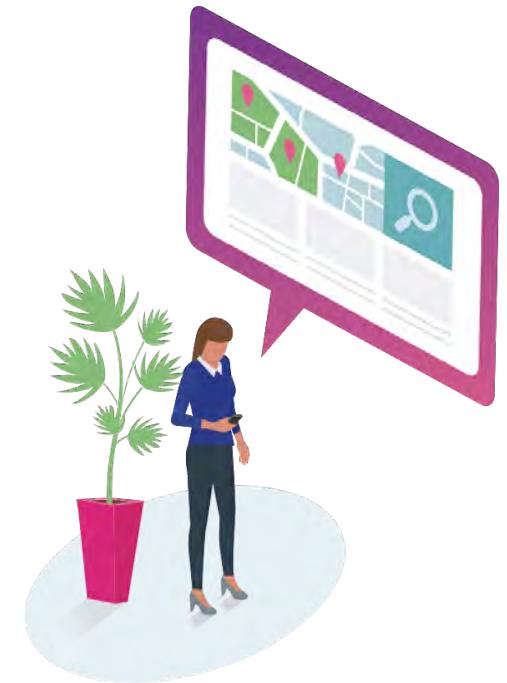
Odds are, planners are toiling away with ideas and diagrams for their event long before the site visit. Hotels should ask for whatever diagrams, drawings or even napkin-sketches they have and start preparing the space just how they imagined it.

2. Accurate Floor Plan Layouts

Planners have dozens of ideas for what their room-sets could look like, long before they've decided on a venue. If properties can provide floor plans that are 100% to scale, planners will naturally start thinking about how their event will fit.

3. Be Flexible

Hotels should offer multiple dates and meeting times for the site visit. Ask if the client prefers to see the space empty, or as another event is taking place. Even if you can't always make specific times work, offer a video tour, or let planners sit in on a similar event.



4. Presets Spark Partnerships

Most planners aren't expecting the property to pre-set the room just for them. If hotels have the event diagram — or have enough background knowledge of the event — they can anticipate the desired layout and surprise planners at the site visit.

5. Bring it to Life in 3D

If hotels can't physically change the space — how can they show planners what the event might look like? These days, you don't need to be a designer build 3D diagrams. Software like Social Tables makes building 3D walk-throughs as easy as drag and drop.



6. Have the Agenda on the Agenda

At this stage, some planners have the event agenda locked down. If that's not the case, there's always the agenda from last year. If a sales team isn't fully in the loop — they might not realize exactly which parts of the venue they should be showcasing. Hotels should ask for the program agenda and use it to help customize the site visit agenda.

7. Know the Competition

There's no problem with openly asking planners about other venues they're looking at. Getting a sense for the competition will only empower a hotel's team to better communicate what sets your venue apart.

8. Discuss Past Successes & Failures

Asking planners what's made them successful before can help hotels show them a space can help achieve the same successes. Conversely, knowing past hiccups can help a sales team show planners that it won't happen at their venue.

9. Train the Onsite Team

In a recent Social Tables survey meeting planners indicated that they're not always dealing with the most knowledgeable people. [11] Planners are tired of hearing "Let me get back to you..." Make sure your entire staff knows the ins and outs of your event space.

10. Make Room for "Wow" Moments

Every site visit can include a high-impact "wow" moment. This can be achieved on any budget. It could be as simple as a bite of food and beverage at the end of a long site visit, or as glamorous as a helicopter ride back to the airport. The goal should be to leave prospects with a memory that sticks.

Look for F&B Opportunities that Tie Into the Agenda & Purpose

As part of the more holistic focus that's taken over the world of events, F&B is more important than ever. In fact, when a group of 180+ meeting planners was recently asked to rate the statement "food and beverage is a key part of the meeting design and experience" on a scale from 1-10 (1=strongly disagree, 10=strongly agree), the statement received an average rating of 8.4. [11]

Planners are seeing the effect that healthy food and beverage can have on attendee energy and how the F&B offering can help events reach their purpose. Meanwhile, attendees expect personalization in the F&B offering and are more intrigued and excited than ever by the prospect of local, authentic cuisine. Within these statements lie exciting strategies hotels can use to maximize F&B revenue, thanks to the inherent opportunities offered by the agenda and purpose.

Are sustainability or well-being big pieces of the theme?

Hotels should showcase a healthy menu and local, sustainably-sourced food.

Is the event speaker-heavy?

Offer a networking happy hour on the rooftop or even the lobby as an added chance for attendees to connect.

Is a certain type of produce or dish in-season locally?

Make it the centerpiece of the menu to emphasize locality and save on shipping,



A Majority of Event Planners Agree That:

1. The topic, theme, or tone should influence menu planning.
2. F&B should correspond with seasonality and the geographic location of the venue.
3. It's beneficial to offer continuous refreshment break service throughout the day instead of set dining times.

Source: IACC Meeting Room of the Future

Don't Be Afraid to Embrace Local Suppliers

Today's leisure and business travelers are craving one thing regardless of the destination: authenticity. To them, the hotel experience in a sleeping room or event space doesn't change depending on the destination. So planners are starting their location search at local hotspots like restaurants and bars before traditional spaces.

That leaves hoteliers with two options:

1. After planners book a restaurant event, let them decide if they want to book guest rooms at a local hotel, or test the waters with Airbnb.
2. Proactively reach out to local restaurants and pubs and set up a preferred pricing referral agreement. That way hotels can satisfy clients that are looking for something different without risking any guest-rooms to Airbnb.

This is where properties can reach out to partners in their destinations to grow group-sales opportunities and drive new business to partners. After all, all the best partnerships are worth more than the sum of their parts. Plus, restaurants are far from the only opportunity to leverage local partnerships.

Featured

"When groups come to our hotels [in different cities], we're helping support those communities. We want people to experience the location and visit venues that are unique to the city."

**Steve Enselein, VP of Catering & CS,
Hyatt Hotels Corporation**



Coworking Spaces

A preferred partnership with a flexible coworking space gives hotels the same opportunity to accommodate lower value clients, without losing potential sleeping room revenue. Additionally, they can hold on to full-featured function spaces and focus prospecting on clients that close at a higher rate.

Parks & Public Spaces

This isn't to say that hotels should claim 1,000 square feet of a local park in the name of their property. Public space is, well... public. But that doesn't mean that hotels can't include the parks and open spaces in their cities as part of a group package.

Parks make a great location for team-building or networking. Hotels should get to the heart of what planners are trying to accomplish and pitch an event that makes use of the best combination of function space, parks, and, sleeping rooms.

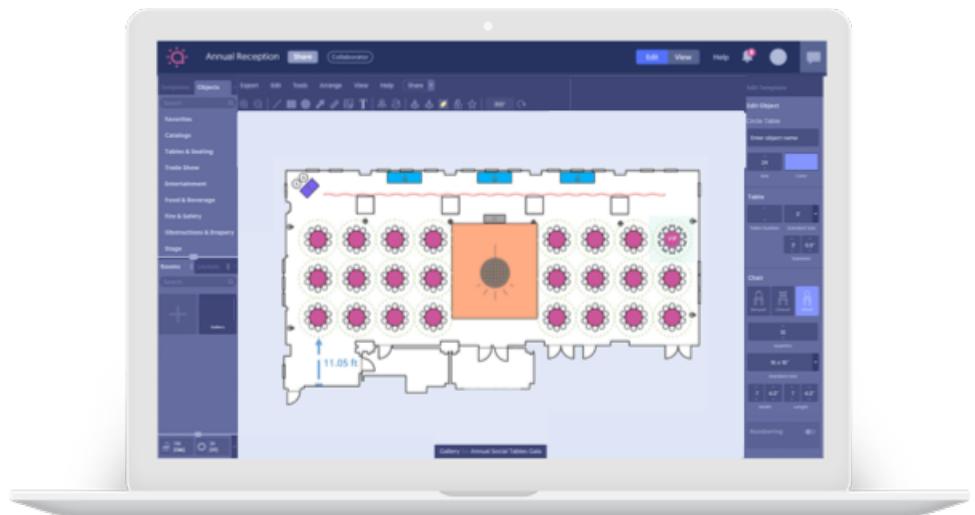
Prove the Success of Past, Similar Events

“How will I get 200 people from one room into another?”, “Won’t that space be a little tight?” How can a property convince a planner of answers and give them the peace of mind they need to seal the deal?

A site visit might be one method, but hotels won’t always have that opportunity early in the sales cycle. However, by sharing proof that it worked for a past event, sales teams can hurdle over the initial doubts that may stand in the way of a deal. Sharing diagrams or floor plans from past events results from post-event surveys, and feedback from other planners can do the trick quickly without having to create anything from scratch. In this way, using a cloud-based tool for floor plans, diagramming, and guest management makes it easy to pull the past examples that kickstart future relationships.

Ready to grow F&B profit?

Hotels with Social Tables generate more food and beverage profit per-occupied-room than those without.



[Learn More](#)

Chapter 5:

Innovate Ways to Grow Group F&B

For properties that keep operations in-house, F&B typically represents 25% of total revenue — a portion that continues to grow year after year. Group F&B (A/V, room rental, banquet F&B) represents just under 50% of that F&B revenue across the industry, but is a larger driver at upscale and luxury properties. In fact in 2017 catering and banquet sales accounted for:

- 59% of F&B revenue at upper-upscale properties
- 57% of F&B revenue at luxury hotels
- 58% of F&B revenue at upscale hotels (12)

That number is expected to climb, as 61% of hotel GMs and F&B Directors are forecasting net growth in catering by the end of the year (13).

Why? In large part, it's the margins. Between 2010 and 2016, CBRE reports that F&B profit margin increased from 24.9% to 29.5% (14).



F&B is the 3rd Most Important Factor in Site Selection

While location and price are the two biggest determining factors in site selection, a recent IACC survey shows that hotel F&B is the third most important factor in choosing an event venue (11). For planners deciding between multiple viable event spaces, F&B becomes the difference maker. That's why hotels are, as Technomic's Senior Principal David Henkes puts it, "[Using] their food-and-beverage programs as competitive differentiators and are investing to drive unique guest experiences."

1. Monetize Hotel Spaces by Converting them Into F&B Spaces

Turning the focus to social and community spaces allows properties to take advantage of attendees' desire to network, creating revenue from cocktail hours and post-event spend by attendees. In June 2017, for instance, properties in Chicago with rooftop access saw a \$13 increase in revenue-per-seat compared to those without, averaging \$68.20 in revenue per available seat compared to \$55.22. [15]

This is why hotel owners and general managers are allocating a growing amount of square footage for F&B within new hotel builds and remodels. Some hotels are even in unique situations to monetize the spaces around their properties, including walking trails, waterfronts, city parks, and beyond.

2. Grow F&B Efficiency Through Event Technology

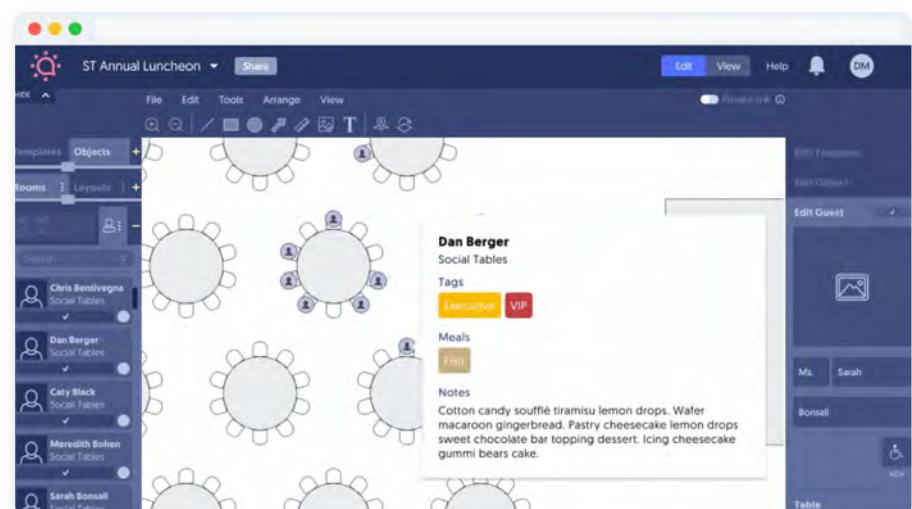
Whether it's handling special meal requirements or visually communicating upsells in proposals, new technologies offer properties a unique opportunity to boost efficacy and drive more F&B revenue. Perhaps most importantly, the right event services platform can eliminate some of the friction that occurs in collaboration between planners and properties. The ability to

create accurate diagrams and 3D renderings while working together in real-time go a long way in making that happen.

While these are tangible benefits for any property, the ROI is equally tangible. STR recently confirmed this by analyzing F&B numbers over a three-year period for 123 customers of Social Tables' Event Services technology (compared against totals for 631 non-customers). Ultimately, the study showed that those equipped with the technology averaged 1.82% more F&B profit than those without. [16]

Featured

Hotels equipped with Social Tables generate 1.82% more F&B profit on average.



The screenshot shows a digital seating chart for an event titled "ST Annual Luncheon". The chart consists of several circular tables arranged in a room. Each table has icons representing different guest types (e.g., executive, VIP, children). To the left of the chart, there is a sidebar with a list of attendees: Chris Bentivegna, Dan Berger, Caty Black, Meredith Bohen, and Sarah Bonsai, all associated with "Social Tables". On the right side, there is a detailed view of one guest, Dan Berger, showing his role as "Social Tables", tags like "Executive" and "VIP", meals like "JPN", and notes about his dietary preferences: "Cotton candy soufflé tiramisu lemon drops. Wafer macaroon gingerbread. Pastry cheesecake lemon drops sweet chocolate bar topping dessert. Icing cheesecake gummy bears cake." The interface is clean and modern, designed for event planning and management.

3. Ditch Set Meal Times for Continuous Refreshments

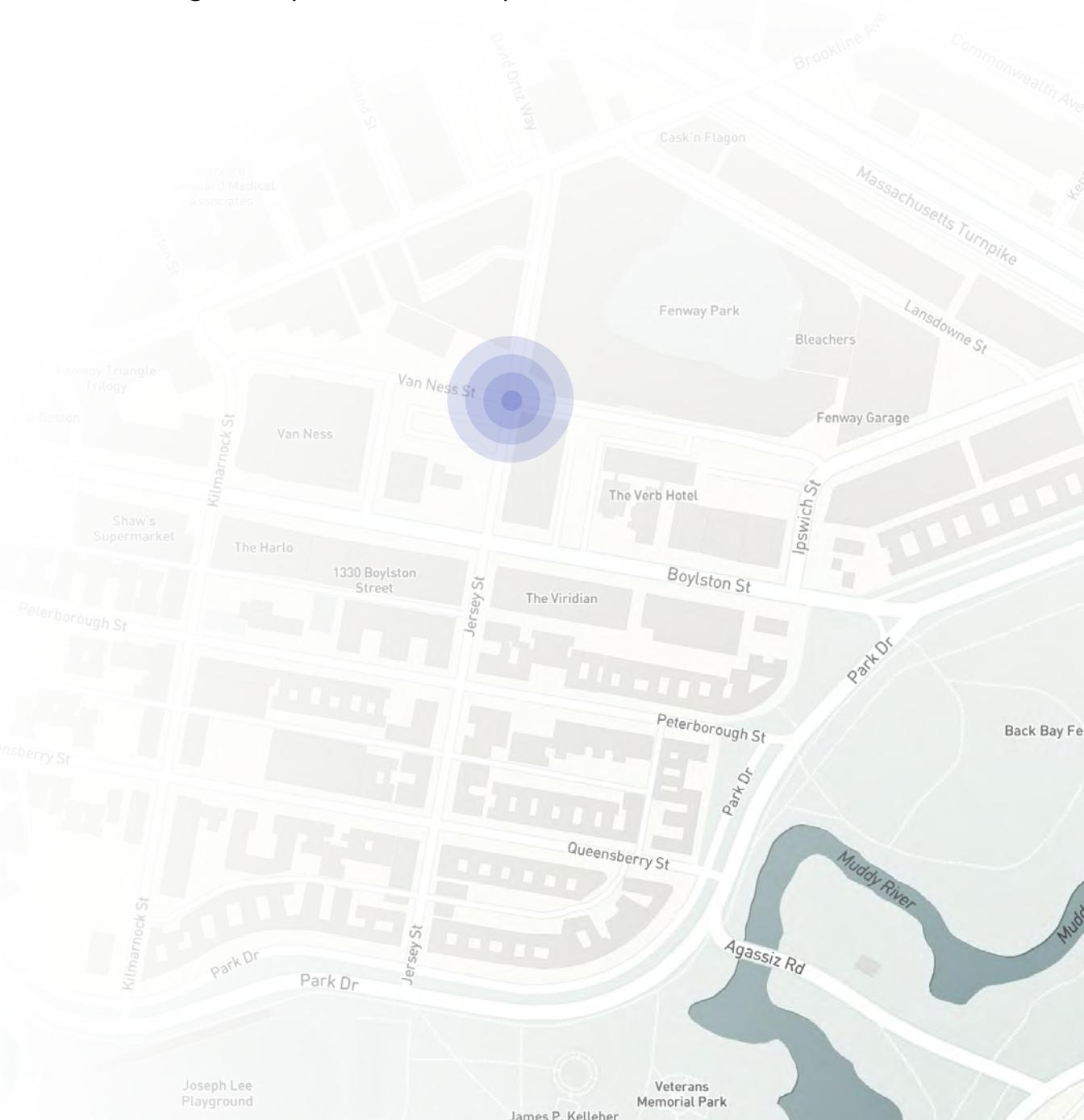
A majority of planners strongly agree that there's benefit in providing continuous F&B throughout the day as opposed to set times. [11] Guests aren't confined to their seats throughout the duration, and the ability to choose creates an added layer of personalization, which planners and attendees both love. Being able to stand up at any time during the event to get a refreshment creates a feeling of freedom that events often lack.

While these beverage and snack stations require constant monitoring and replenishment, they offer hotels a unique upsell opportunity that can be included in proposals where it makes sense.

4. Cater to the Locavore

With authentic local experiences taking precedence amongst attendee expectations, planners are scrambling to deliver it for their events — starting with F&B. Luckily, it's one of the trends that properties can use to their advantages, and recent lodging F&B research from Technomic shows that hotels are doing just that. [18] By using the local trend, properties are able to compete with local restaurants that might otherwise be more attractive to attendees and planners.

It starts by looking at the menu. Does it feature local bites and brews? After all, a locally-sourced menu includes not only produce and menu items native to the area, but also local craft brews, local wineries, and cocktails made with liquor from local distilleries. These options offer a deeper, more authentic connection to the locale while saving on shipping costs and elevating brand image. Some properties are even going so far as to grow a portion of their produce onsite.



5. Accommodate Diet Restrictions with a Diversified Menu

Diverse and elevated F&B goes a long way in creating the personalized experiences that planners crave for their attendees. Plus, by broadening the menu, hotels can negotiate spend that's well above F&B minimums.

Today, event planners need to take into consideration a slew of allergies, food sensitivities, and dietary needs. No attendee wants to forego a meal because of an allergy or a food sensitivity, and rarely do they want to make a fuss about their dietary restrictions. Venues that can accommodate vegan, vegetarian, gluten-free, and dairy-free options allow planners to request a more inclusive menu. Just having these items available is all that it takes to lock in a higher price while keeping planners happy.

6. Make F&B Its Own Experience

It's on properties to help planners bring unique elements to life, and group F&B provides a fantastic opportunity to lure planners in with a little bit of creativity. Whether that means getting attendees involved in preparing their food or tearing down the walls between chefs and attendees, the sky's the limit as long as hotels have an appetite for imagination.

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"[Planners] want experiences, so [they say] 'Let's incorporate food and beverage in there... Let's do a craft-brew taster, a wine tasting or maybe a cocktail-mixer contest or something.' And with these trends, really in generating revenues, we're seeing that contribution across the board."

Allie Hanson, Client Manager, STR



Marriott's LG Studio

This unique dining experience at the world's first hotel innovation incubator, the Charlotte Marriott City Center, puts a full LG kitchen in the property's meeting space. This allows the food and beverage experience to be perfectly tailored to any type of event, removes barriers between chefs and attendees, and offers attendees a more exciting and engaging experience overall.

Movers and Shakers

The Beverley Wilshire in L.A. is creating its own unique experiences with a one-of-a-kind mixology challenge where attendees compete against one another for the title of 'Best Movers & Shakers.'

Conclusion

Hotels are committed to group business, and with that commitment comes the need to invest in tactics, tools, properties, and most importantly, partnerships. The demand is there, and by establishing trust and adding value, the revenue will follow. We hope the strategies in this book give hotels a helping hand in creating their most fruitful year of face-to-face events.

Yours in Hospitality,
Social Tables

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