

# Navigating Sealy Hospitality's Buyer Ecosystem

Understanding Stakeholders and Trends in Hospitality Purchases

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# AGENDA

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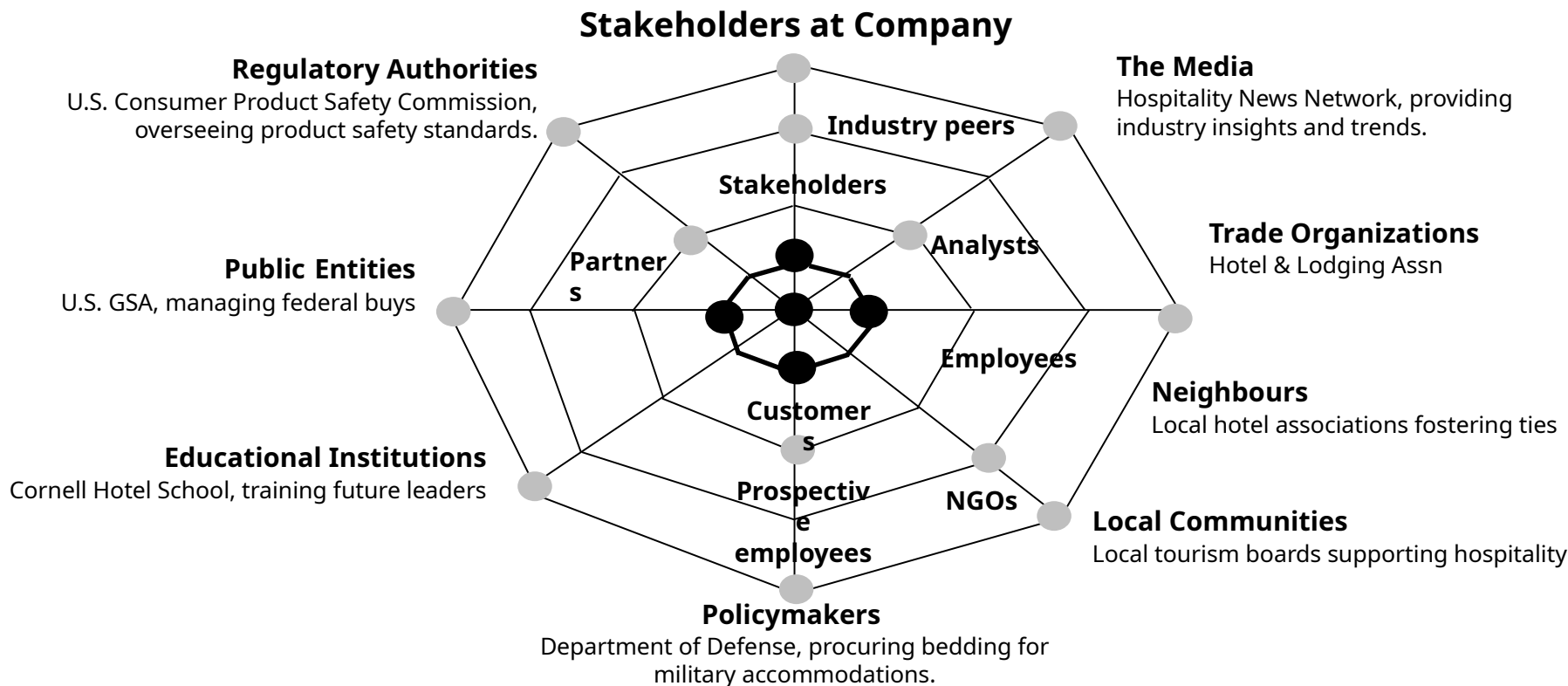
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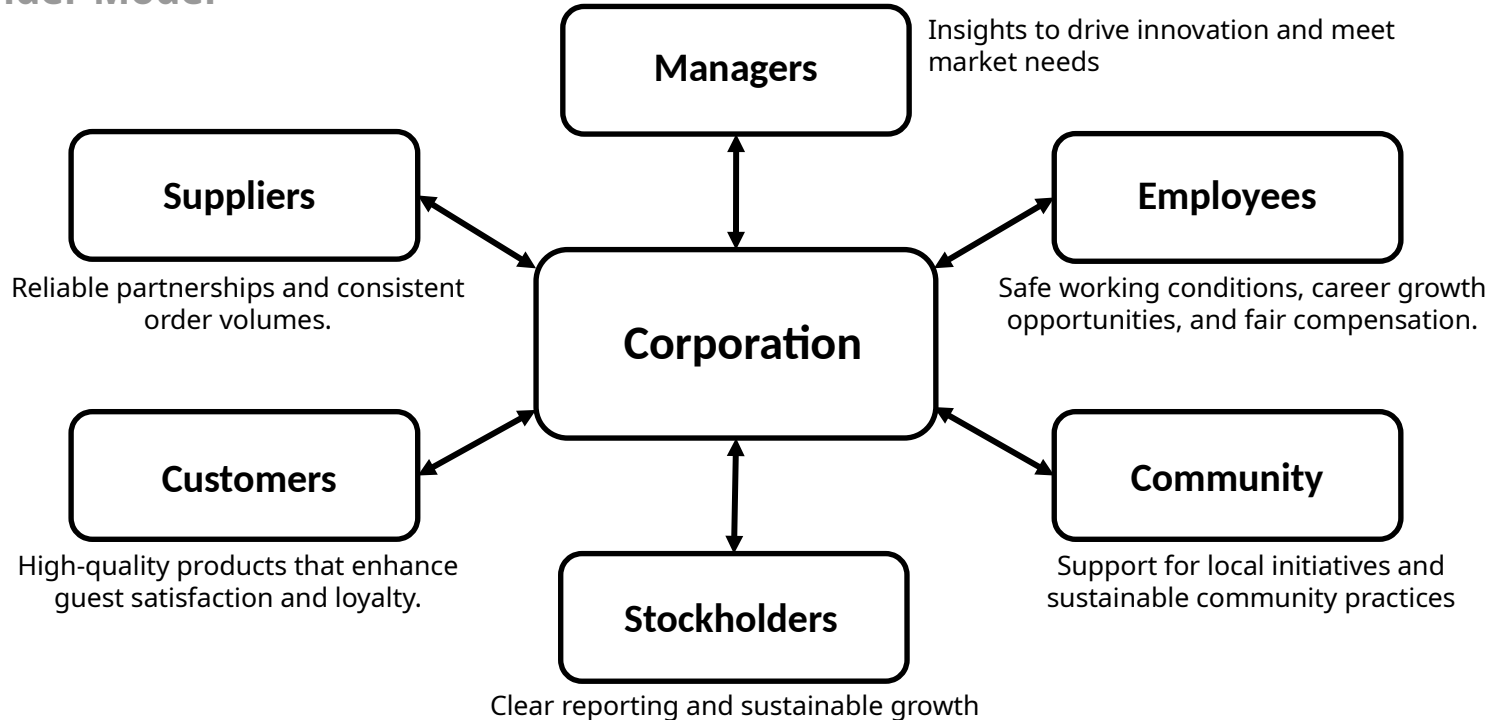
# Diverse Stakeholders Shape the Hospitality Buyer Ecosystem



# Balancing Stakeholder Needs Drives Strategic Partnerships and Market Success

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## Stakeholder Model



# Understanding Diverse Buyer Needs Drives Strategic Mattress Solutions

Customer/Demand Analysis - An in-depth analysis of various buyer personas in the hospitality sector, highlighting their unique needs and challenges

## 1. Needs/buying factors:

### **Comprehensive list of needs, buying factors, prices:**

- Comfortable, high-quality mattresses
- Durability to reduce replacements

### **Patterns of aggregate demand:**

- Rising need for remote temporary housing
- Increased investment in resources

### **Purchase transactions:**

- Annual bulk mattress upgrades

## 2. Segmentation:

### **Value segmentation:**

- Luxury hotels seek premium mattresses with advanced comfort and strong brand quality
- Independent hotels seek budget-friendly solutions that ensure quality and efficiency

### **Economics to serve segmentation:**

- Luxury hotels with high daily rates and a focus on enhancing guest experiences
- Budget hotels prioritize cost control and occupancy through competitive pricing

## 3. Demand elasticity forecasting:

### **Demand elasticity:**




- Luxury hotel buyers show high demand elasticity, altering purchases with price changes
- Procurement specialists exhibit high elasticity, seeking alternatives amid price hikes

### **Bargaining power:**

- Hotel chain consolidation boosts their bargaining power for better supplier deals
- Rising competition among mattress suppliers boosts customer power for better quality at lower prices

# Balancing Quality and Cost is Crucial in Hospitality

## Mattress Decisions

|   | Need Recognition Stages   | Data Collection Methods   | Assessing Purchase Options   |
|---|---|---|--|
| <div>Detailed analysis</div>  | <ul style="list-style-type: none"><li>•Mattress needs arise from wear, feedback, or standards</li><li>•External factors like occupancy spikes can accelerate the need for replacements.</li></ul> | <ul style="list-style-type: none"><li>•Procurement teams seek durable, cost-effective mattresses</li><li>•Tailoring materials and firmness to guest preferences is key</li></ul>          | <ul style="list-style-type: none"><li>•Hotels evaluate mattress comfort and durability for guests</li><li>•Brand reputation and product specs are key in decision-making</li></ul>         |
| <div>Key Findings</div>       | <ul style="list-style-type: none"><li>•Need recognition stems from internal and external factors</li><li>•Guest feedback significantly impacts the urgency of mattress replacements.</li></ul>    | <ul style="list-style-type: none"><li>•Focus on innovative materials and custom comfort</li><li>•Durability and cost-effectiveness are prioritized during the evaluation phase.</li></ul> | <ul style="list-style-type: none"><li>•Purchase decisions weigh quality, cost, and comfort</li><li>•Post-purchase evaluations guide future procurement strategies and practices.</li></ul> |
| <div>Insights</div>          | <ul style="list-style-type: none"><li>• <i>The hospitality mattress purchasing process balances operational needs and guest expectations</i></li></ul>  | <ul style="list-style-type: none"><li>• <i>Knowing the buyer's journey lets suppliers customize offerings for hospitality needs</i></li></ul>   | <ul style="list-style-type: none"><li>• <i>Guest feedback can drive product innovation and improve service in hospitality</i></li></ul>  |

# Enhancing Eco-Friendly Options and Smart Technology is Crucial for Competitive Edge

## Competitive Analysis - Capabilities in Hospitality Bedding Market

|                        | <b><i>Priorities for Improvement</i></b><br><i>Significantly Worse than Competitors</i>   | <b><i>Pre-emption Opportunities</i></b><br><i>At Parity</i>  | <b><i>Competitive Strength</i></b><br><i>Significantly Better than Competitors</i>  |
|------------------------|---|--|---|
| <b>High Importance</b> | <ul style="list-style-type: none"><li>Enhancing eco-friendly material options for mattresses</li><li>Incorporating smart technology in bedding</li><li>Enhancing customization for varied customer needs</li></ul>                                | <ul style="list-style-type: none"><li>Maintaining competitive pricing structures across product lines</li><li>Offering a variety of mattress firmness options for guests</li><li>Ensuring reliable supply chain management for timely deliveries</li></ul> | <ul style="list-style-type: none"><li>Superior cooling for better sleep</li><li>Advanced zoned support in beds</li><li>Quality assured by U.S. made</li></ul> |
| <b>Low Importance</b>  | <ul style="list-style-type: none"><li>Improving marketing strategies to highlight product benefits</li><li>Increasing awareness of antimicrobial features in products</li><li>Enhancing customer service training for hospitality staff</li></ul> | <ul style="list-style-type: none"><li>Providing basic warranty options comparable to competitors</li><li>Maintaining standard customer feedback channels for improvements</li><li>Offering basic promotional discounts during peak seasons</li></ul>       | <ul style="list-style-type: none"><li>Offering superior warranty options</li><li>Unique eco-friendly packaging</li><li>Launching a loyalty program</li></ul>  |

# High Price Sensitivity and Quality Drive Buyer Decisions in Hospitality

Buyer bargaining power – Price sensitivity

| Determinants                  | Industry implications  | Bargaining power |
|-------------------------------|--|------------------|
| Price/total purchases         | Price sensitivity is high as buyers seek value, especially in downturns. Discounts attract budget travelers                | High             |
| Product/service differences   | Service differentiation is key; unique offerings like wellness packages boost loyalty and lessen price sensitivity         | Moderate         |
| Brand Identity                | Strong brand identity sways buyer choices, allowing recognized brands to charge more, with loyalty programs boosting value | Moderate         |
| Impact on quality perceptions | Quality perceptions drive buyer choices; hotels prioritizing cleanliness and service foster customer loyalty               | High             |
| Buyer profits                 | Buyer profits matter; economic conditions affect spending, leading to cautious bookings and a focus on value               | High             |
| Decision makers' incentives   | Decision-makers focus on cost and quality, shaping corporate travel policies. Loyalty incentives can influence choices     | Moderate         |

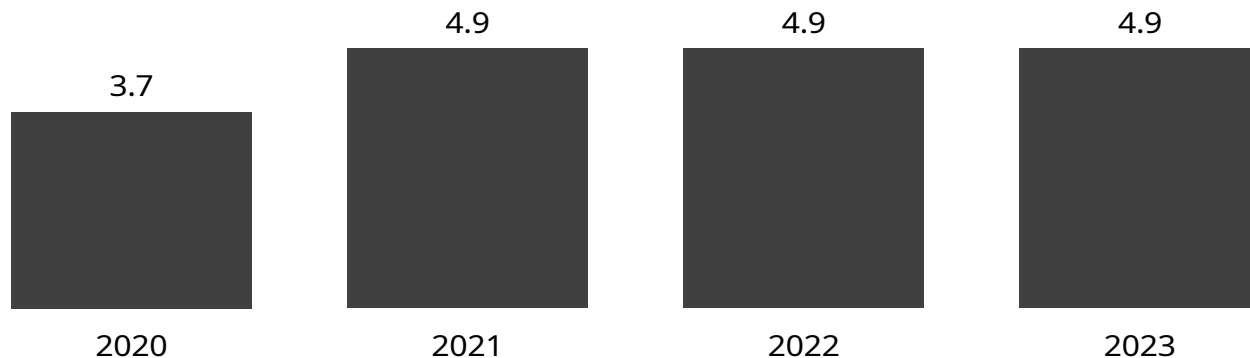


# Revenue Growth Trends Highlight Opportunities for Strategic Investment

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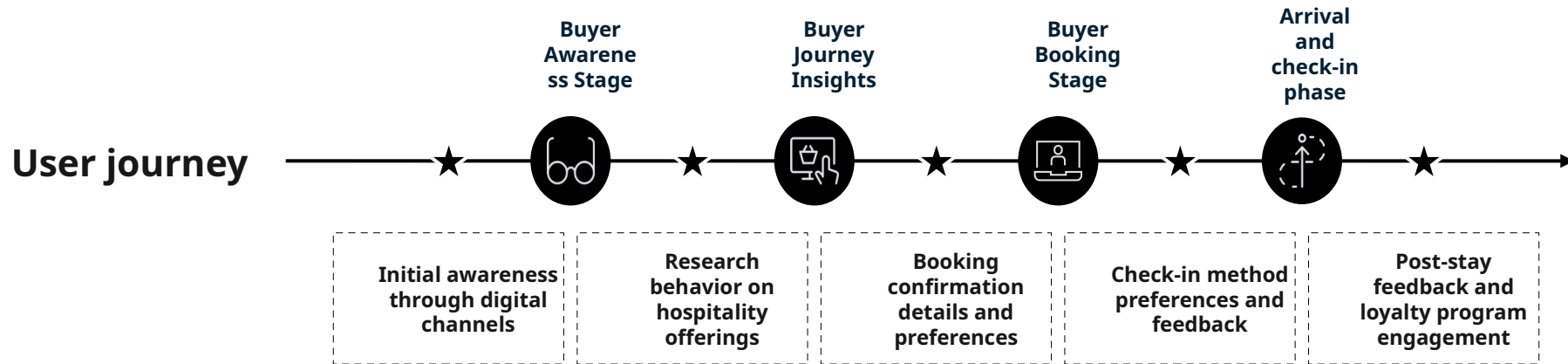
## Tempur Sealy International, Inc. Revenues

Millions USD



- **Stable revenue since 2021 indicates resilience in Sealy Hospitality's market positioning amidst potential industry fluctuations**
- **2020-to-2023 revenue consistency suggests a potential plateau in growth, highlighting the need for innovation or diversification strategies to capture new market opportunities**

# Transform Customer Engagement by Mapping Key Touchpoints in the Buyer Journey



## Potential applications of the data

- Refine targeted marketing
- Boost engagement content
- Identify key buyer groups
- Tailor inquiry replies
- Offer customized insights
- Interact with media
- Simplify booking for ease
- Upsell during booking
- Track booking growth trends
- Personalize guest journeys
- Collect quick service input
- Enhance loyalty with data
- Encourage repeat bookings
- Evaluate service feedback
- Incentivize guest referrals

# Tailor Marketing Strategies to Elevate Engagement Across Diverse Buyer Segments

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## Product

Enhance product offerings by adding eco-friendly features to room designs and prioritizing comfort with quality bedding. Update amenities based on guest feedback to meet changing preferences

## Promotion

Utilize targeted social media campaigns to engage specific buyer personas. Partner with influencers to highlight unique experiences and seasonal offers, boosting engagement and bookings



## Pricing

Adopt tiered pricing for buyer segments, offering premium options for business travelers and budget-friendly rates for leisure guests. Utilize dynamic pricing to adjust rates based on demand, ensuring competitiveness during peak times.

## Placement / Distribution

Utilize multi-channel distribution by encouraging direct website bookings and partnering with online travel agencies. Boost visibility in busy areas through local attraction collaborations for enticing bundled offers

# Strategic Partnerships Drive Market Penetration and Brand Visibility in Hospitality

## Situation



### Rising Demand for Hospitality

The growing hospitality sector demands strong distribution and partnership strategies

The hospitality market's growth necessitates strategic partnerships to enhance distribution and visibility, ensuring product accessibility.

## Actions



### Forge Alliances with Groups

Collaborate with industry associations to enhance networking opportunities.

Identify and engage with key distributors and online platforms to streamline product access for hospitality buyers, enhancing market penetration.

## Results



### Boosted Brand Presence

Increased brand visibility through strategic partnerships leads to improved market positioning.

Partnering with distributors and online platforms enhances market reach, boosting sales and brand visibility in hospitality

# Unlocking Potential: Analyzing Latent Demand in the U.S. Hospitality Market

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## Country Outlook – Latent Demand Analysis

Hospitality market size in United States, Millions USD



# Enhancing Buyer Engagement Through Personalization and Sustainable Innovation

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## KEY RECOMMENDATIONS

## TIMELINE

### Enhance account intelligence and personalization strategies

- Implement strategic initiatives to enhance the buyer ecosystem and stimulate growth
- Summarize key strategies to enhance buyer engagement
- Implement strategies to enhance buyer engagement

**Short-term  
(3-4 weeks)**

### Optimize distribution channels through digital integration

- Digital enhancements will broaden market reach and engage tech-savvy buyers effectively.
- Agents foster trust and loyalty through personal touch
- Advanced tools boost operations and insights

**Medium-term  
(2-3 months)**

### Invest in sustainable and innovative product solutions for growth

- Sustainability practices will meet eco-conscious guest demands and enhance brand reputation.
- Innovative designs enhance comfort and ROI for hotels
- Partnerships will align products with trends

**Long-term  
(1-2 years)**

# Establishing a Robust KPI Framework to Drive Buyer and Supplier Success

| Dimensions                              | Strategic Initiatives  | Key Performance Indicators  | Targets  |
|---|--|---|--|
| Metrics for Evaluating Buyer Engagement | Establish a comprehensive KPI framework to monitor buyer engagement, supplier performance, and financial outcomes effectively.       | Occupancy Rate, Average Daily Rate, Revenue Per Available Room, Supplier Responsiveness, Buyer Satisfaction Score, GOPPAR, Loyalty Mix. | Occupancy: 75-85%, ADR: +5-10%, RevPAR up, Delivery: >95%, Satisfaction: 90%+, Loyalty: +10% |
| Supplier Performance Indicators         | Enhance supplier relationships through regular performance reviews and feedback loops to ensure timely delivery and quality service. | Supplier On-Time Delivery Rate, Quality Assessment Scores, Supplier Engagement Levels, Cost Efficiency Metrics.                         | Achieve over 95% supplier delivery, 90% quality, and 10% engagement growth                   |
| Financial Performance Metrics           | Implement dynamic pricing strategies based on occupancy trends and market demand to optimize revenue generation and profitability.   | Gross Operating Profit Per Available Room, Revenue Growth Rate, Cost Per Occupied Room, Profit Margin Analysis.                         | Boost GOPPAR by 3-5% yearly, grow revenue by 10%, and keep costs low                         |
| Metrics for Buyer Retention Success     | Develop loyalty programs aimed at increasing repeat buyer rates through personalized marketing and enhanced customer experiences.    | Repeat Buyer Percentage, Customer Lifetime Value, Loyalty Program Engagement Rates, Referral Rates.                                     | Boost repeat buyers by 10%, increase lifetime value by 15%, and referrals by 20%             |

# Enhancing Buyer Engagement Through Tailored Strategies and Strategic Partnerships

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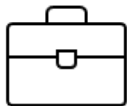
## Key Conclusions



The buyer ecosystem is complex, with various stakeholders requiring tailored strategies for effective mattress procurement



To meet buyer expectations in B2B hospitality, personalized marketing and sales driven by deep account insights are crucial



The hospitality mattress market is set for growth, fueled by infrastructure development and demand for innovative, sustainable solutions

## Next Steps



Create an advanced account intelligence platform to improve buyer insights for targeted marketing and personalized sales



Forge partnerships with leading hotel brands to create customized mattress solutions that enhance guest experiences



Enhance smart mattress tech and sustainability efforts to meet buyer preferences and strengthen innovation leadership