UNDERSTANDING EVENT IMPACT ON ACOMMODATION: AND HOW TO MAKE THE MOST OF IT

HOW LEADING HOTELIERS AND ACCOMMODATION PLATFORMS ARE USING DEMAND INTELLIGENCE FOR HIGHER YIELD

GO BEYOND "WE HAD A SPIKE HERE LAST YEAR"

Demand patterns were never static, but the last few years have completely upended them. While domestic travel is recovering well, business and international travel are only just beginning to bounce back. This makes finding rich pockets of demand driven by events more important than ever.

Demand-driving events such as expos, conferences and major sports games generate millions in accommodation demand from domestic travel alone. **Knowing about upcoming impactful events enables hoteliers to snap up demand while pricing and packaging to maximize yield earlier in the booking curve.**

This report will introduce you to how leading companies are using demand intelligence to do exactly this. PredictHQ works with rapidly growing accommodation startups through to major brands such as **Accor Hotels** and **Hyatt**, as well as with leading consultancies such as **Accenture** as part of their accommodation services.

Accessing forecast-grade event information is the first step to better yielding. You will need to identify which events impact demand at each property, and have a seamless way to integrate this into your rate setting, marketing, inventory and staffing plans. The good news is we have a simple five step process to get started.

Let's dive in.

DEMAND DRIVERS EXPLAINED

Demand drivers are events that impact demand by driving it up or down significantly enough that hotels should be updating their pricing, packaging and potentially staffing and food & beverage inventory to meet these changes. Our hotel customers use events to change their plans and pricing earlier in the booking curve to yield more.

+35%

For one of the world's leading hotel brands, business expos in major US cities can drive demand up by an average 35%

+55%

For another major hotel chain targeting a different kind of customer, festivals can drive a spike of 55% in bookings.

-20%

For one of the world's top five hotel brands, analyzing event impact on their demand vs their competitors revealed they were missing 20.6% of available conference-related demand.

+10%

For another chain, implementing PredictHQ's event data led to a 9% improvement in forecast accuracy on highly impacted days, and almost 12% on low impact days.

HOW EVENTS IMPACT ACCOMMODATION DEMAND: DISCOVERING MORE

Anyone who has worked the front desk at a hotel knows events impact demand. As do property and revenue managers. Most have at least a list of high impact holidays and events that generate headlines such as major marathons or city-wide festivals. For many, googling for upcoming events is a frustratingly time consuming part of their job.

Every accommodation company has its quirks. We work closely with each to identify their demand drivers per location.

Although every location has its own demand profile, we have gathered the most impactful **accommodation demand drivers** from our data:

- Expos
- Conferences
- Festivals
- Sports games (short stays/one-night)
- Concerts (short stays/one-night)
- School holidays
- Key academic dates (e.g. graduations)
- Severe weather

So how do you know which events impact your properties? Let us walk you through the journey one of our major accommodation customers took.

BECOMING REAL-WORLD AWARE: ONE HOTEL CHAIN'S JOURNEY

A major hotel chain reached out to PredictHQ in early 2021. Accommodation companies were beginning to recover from the pandemic, as countries began easing restrictions swiftly and domestic tourism ramped up.

But budgets were tight, and teams smaller than ever. The company knew they needed to build their recovery strategy on data they could trust - and demand driving data was core to their vision.

After briefly attempting to build their own event data source, they realized how complex it was and reached out to PredictHQ, which ran an analysis to identify which events (green) impacted bookings (pink) for each location. Below is one example:
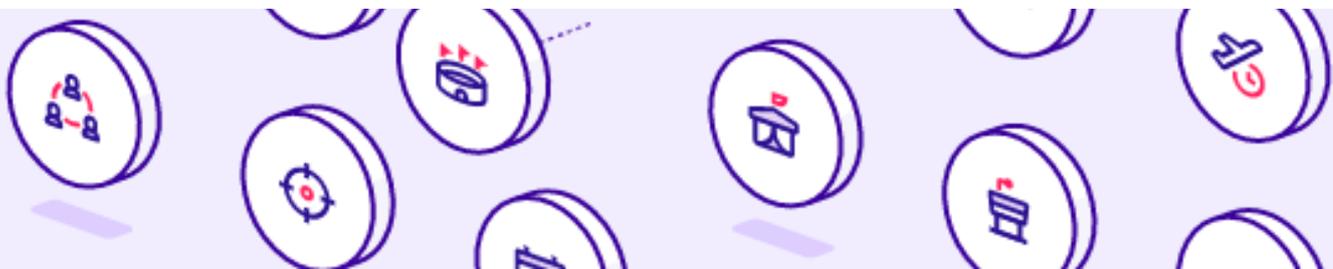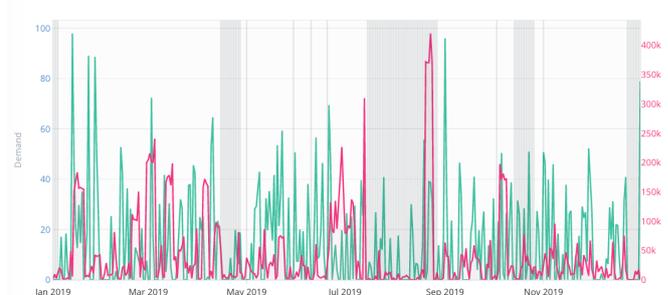
STEP 1: IDENTIFYING YOUR DEMAND CATALYSTS: A DATA-DRIVEN APPROACH

The analysis focused on properties in a major city and identified demand impact from expos, conferences, many concerts, as well as school holidays.
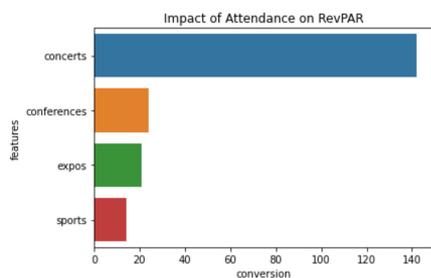
The good news? The hotel locations they were analyzing were successfully tapping into concert-driven demand. But the more interesting discovery was made when comparing the competitor rates for the city and conducting a broader analysis of event driven demand. It revealed the hotels were barely competing for the huge conference and expo demand this city enjoyed pre-pandemic, with their competitors pricing and packaging better.
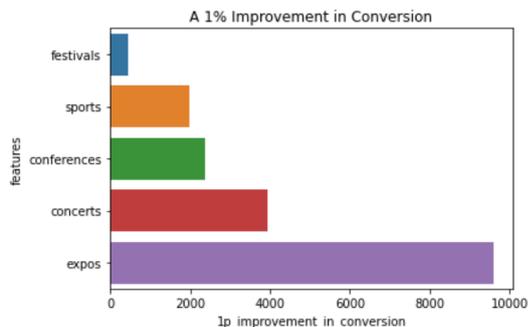
The realization that there were hundreds of multi-day events they could be competing and pricing better for was exciting. The event visibility meant they could build more accurate demand recovery plans.

TURNING EVENT IMPACT INTO YIELD

Once the hotel had established which events drove demand for their hotels, they were able to create far more intelligent demand plans per location.

Some changes they could make with confidence included:

- Offering slightly discounted-per-night stays with higher minimum night requirements during peak multi-day event periods.
- Raising prices for periods of approaching compression nights.
- Creating clearer labor hiring, training and delegation strategies in the hotels that would experience a rebound in demand earlier, based on event impact.

Demand patterns will vary per city, so knowing exactly what's going on in your city in advance is a powerful advantage.
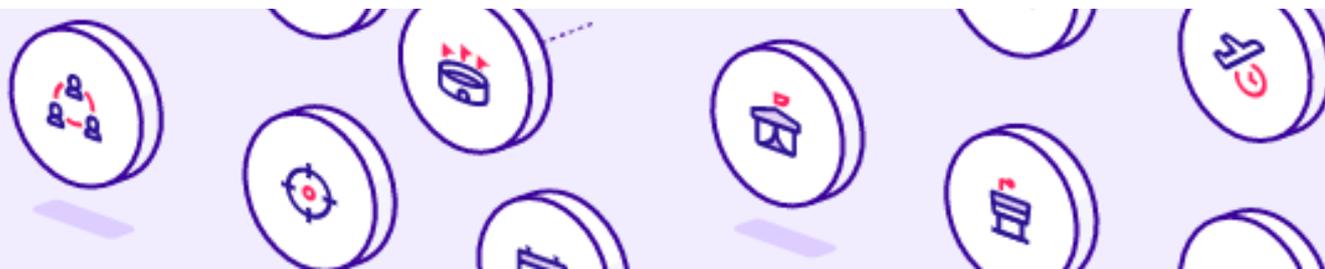
STEP 2: HIGHER YIELDING ROOMS AND RATES, AND SMARTER STRATEGIES

Going after expos and conferences was the key lesson for this hotel chain for the city in which we conducted the initial analysis.

That being said, how hotels and accommodation platforms use events varies. Below are some examples from our portfolio of accommodation customers to illustrate the variety of profitable ways events can be used:

1. Rate explainability enables increased profitability

Several of our customers use our events to inform their rate recommendations for their hotel and property owners, but also to explain *why* they're increasing or reducing rates by so much. This has led to more accurate pricing across their portfolios and higher profitability for property hosts/owners and their company.

2. Inventory and staff management for restaurant facilities

A major consultancy group used PredictHQ's event data to pinpoint the impact of events on the food & beverage demand for their accommodation client. At first they anticipated 3 of our 19 event categories would have serious impact, only to discover 8 out of 19 actually did.

## 3. Better inventory management re direct sales and marketplaces

As the new normal for domestic travel takes shape, accommodation is moving out of survival mode and more carefully optimizing for profitability again. Key to this is knowing when peak times will occur, so they can confidently re-allocate more of their inventory to their own supply rather than to accommodation marketplaces.

4. Smarter strategies for quiet periods

Knowing what drives demand is important, because it means you can reduce staffing and inventory in advance of quiet periods, or focus instead on stoking local demand to drive sell-through.

5. Tracking the return of recurring events

As international and business travel begin to recover, event-aware hotels can track the return of major events that reliably drove demand for their properties prior to the pandemic. Whether that's Dreamforce in San Francisco, ComicCon in San Diego or the Edinburgh Comedy Festival in Scotland, hotels are using PredictHQ to know exactly how "back" an event is. For example, Dreamforce occurred in 2021 but with 5,000 attendees in San Francisco rather than 150,000+ like previous years.
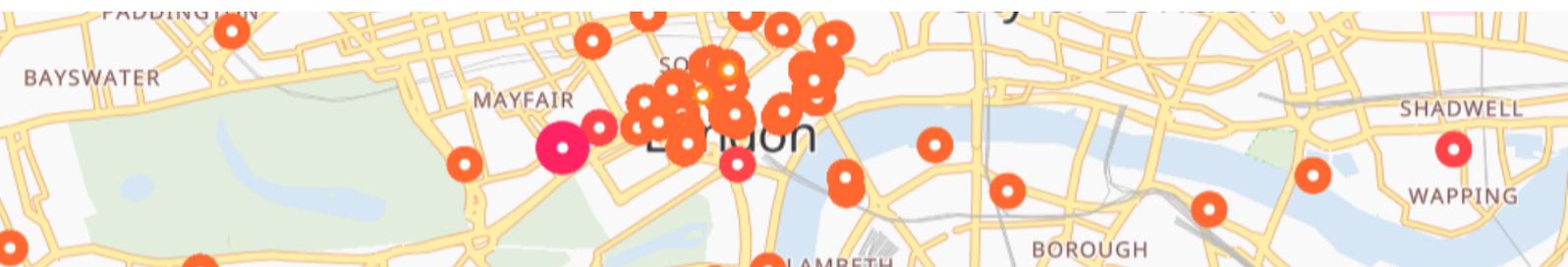
Sunday 27 Feb	Monday 28 Feb	Tuesday 1 Mar	Wednesday 2 Mar	Thursday 3 Mar	Friday 4 Mar	Saturday 5 Mar
Chicago Dental Society Midwinter Meeting	NHL - Chicago Blackhawks vs St. Louis Blues	Logan Square Indoor Farmers Market	Logan Square Indoor Farmers Market	Logan Square Indoor Farmers Market	NHL - Chicago Blackhawks vs Edmonton Oilers	Milwaukee Bucks vs Chicago Bulls
LMT LAB DAY Chicago	Chicago Theatre Week	Cordae with Justine Skye	BakingTech Conference	Marquette Golden Eagles vs DePaul Blue Demons	Logan Square Indoor Farmers Market	Logan Square Indoor Farmers Market
Memphis Grizzlies vs Chicago Bulls	Logan Square Indoor Farmers Market	First Day of Women's History Month	Come From Away (Chicago)	Retrofit USA	BakingTech Conference	Lane 8
Chicago Theatre Week	St. John's Red Storm vs DePaul Blue Demons	Isra and Mi'raj	OneUs	BakingTech Conference	Alvin Ailey Dance Theater	Get the Led Out (Rescheduled from March 6, 2021)
		First Day of	Ash Wednesday			

DEEPER DIVE: HOW TO USE EVENTS

Once you know exactly how events impact booking demand, you can use this demand intelligence to price and package your rooms earlier in the booking curve.

Here are some actions our customers take once informed by our data:

- Raise prices early for peak periods.
- Correct automated pricing for periods that were impacted by events that will not repeat i.e. a busy first week in one month due to an expo is excluded from the following month's automated pricing.
- Update your allocation of rooms available via marketplaces when you know demand will be inbounding.

Smarter pricing and packaging are only the beginning of the benefits of demand intelligence:

One of our customers identified more than $90 million per year from:

- Identifying missed revenue opportunities for increased prices.
- 10% improvement in guest arrival/departure forecasts, improving customer service + labor optimization.
- 25% improvement food and beverage forecasting, producing savings in both inventory and staffing investment.

The analysis revealed $200,000 in missed revenue increases in one US city alone. With more than 6,000 properties, this equaled millions network-wide.

Read the full case study here.
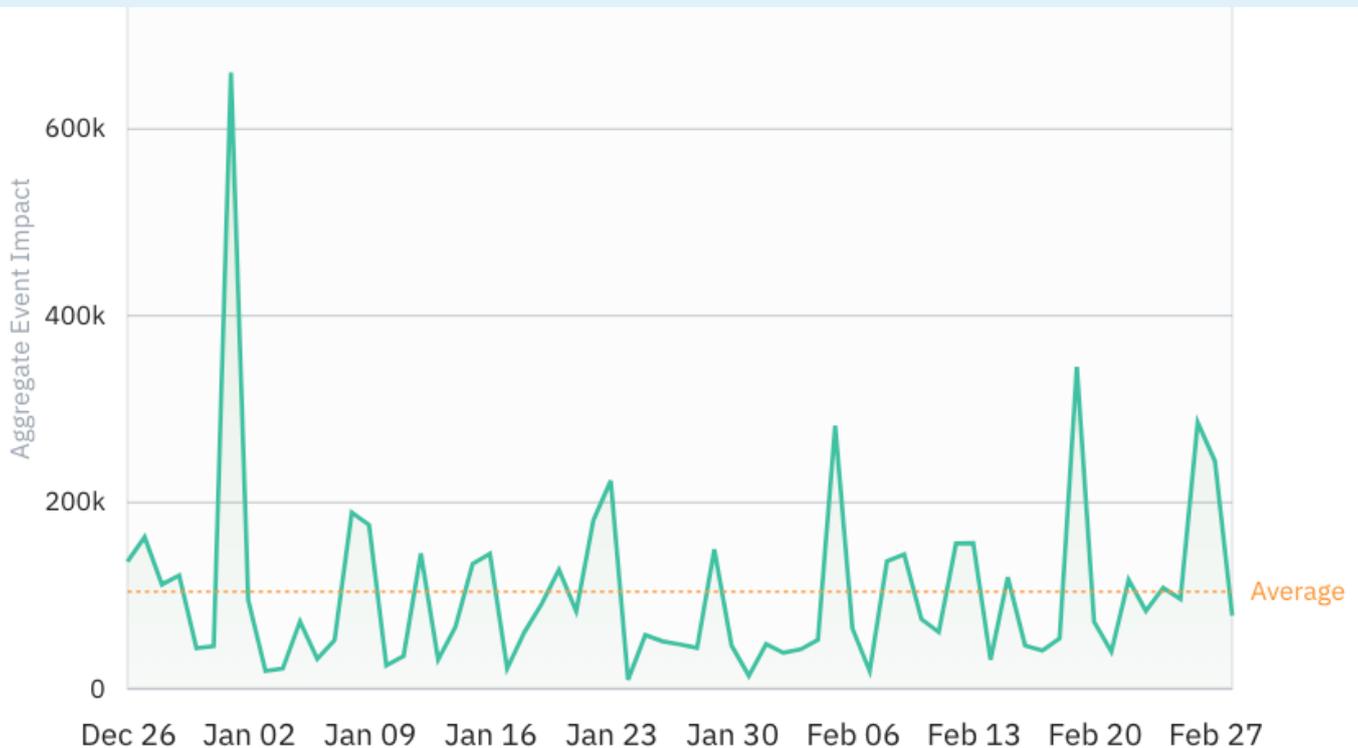
STEP 3: UNDERSTAND EVENT CLUSTERS

Since 2020, compression nights have been rarer than ever. But as events and especially larger events return at pace, it's time to be ready for them again. One of the reasons why accommodation groups and platforms are skipping error-prone manual and DIY solutions is because event coverage matters.

For example, in London in January 2021, there were:

- 36 conferences
- 14 expos
- 11 festivals
- 84 concerts with 300+ attendees
- 159 sports games with 300+ attendees
- Plus schools and colleges returning after the Christmas/New Year break.

Understanding how events overlap and compound impact is key. The graph above shows the total impact of events in London throughout January and into February in 2022.

It won't map perfectly to your demand at each London location, as location and target market matter. That's why PredictHQ enables you to search by event type, size, and specific labels, as well as by geolocation. We work with our accommodation customers to pinpoint the radius around each property to find their most impactful events.

For example, there were 365+ accommodation driving demand events in New York in March 2022, and 700+ hotels, plus peer-to-peer marketplaces. Knowing which properties will be impacted specifically and by how much is key.
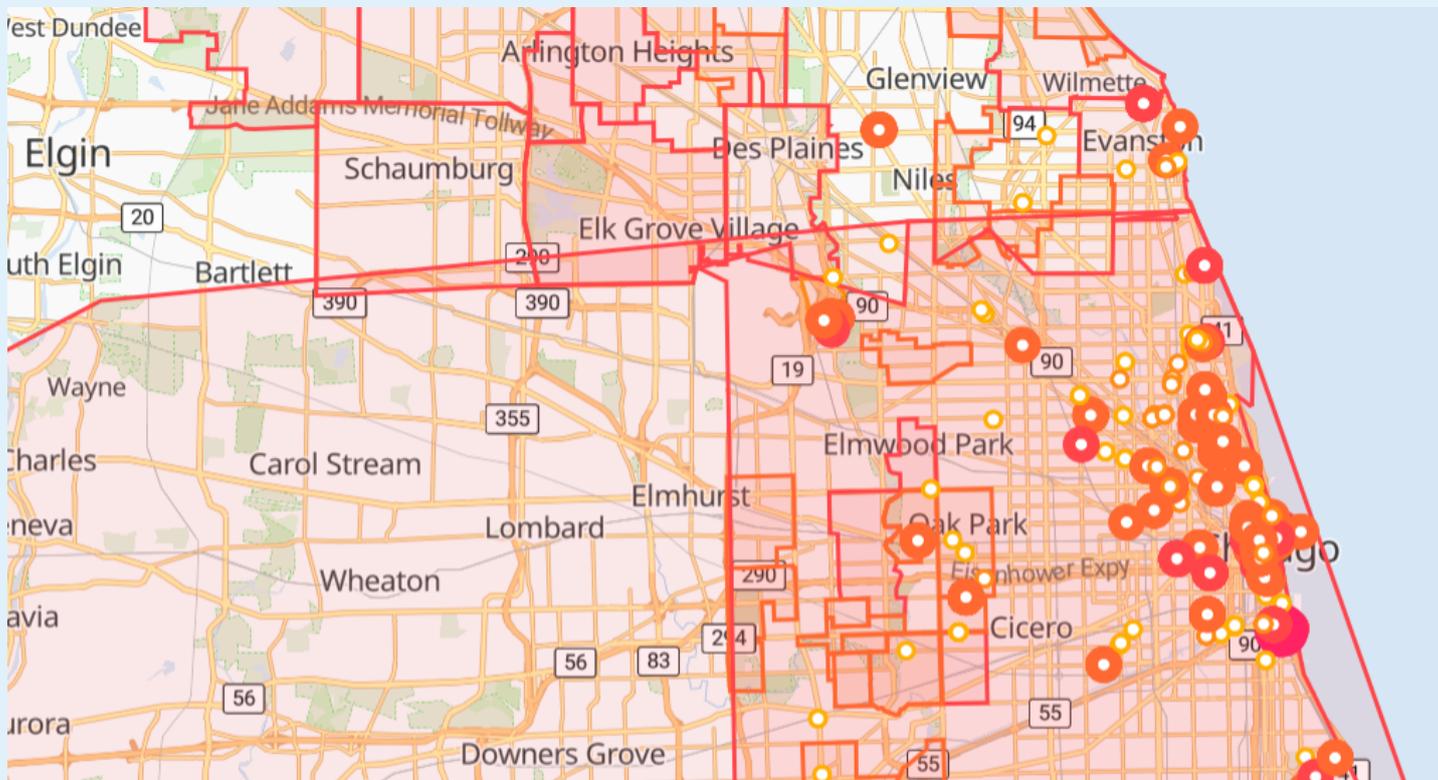
MORE THAN SCHEDULED EVENTS

When people say "events", they usually mean sports, festivals etc. But there are thousands of events that occur beyond the bounds of a venue, or with clear start and end times. These include non-attended events such as:

- Public holidays
- School holidays
- Observances
- Academic dates

And unscheduled, live breaking events including:

- Severe weather
- Natural disasters
- Terrorism
- Health warnings

All of which can impact hotel demand.

The first group drive surges of demand that you can plan and prepare for when you have advance, accurate insight. With school holiday dates varying by district, academic events by institution and observances by community, comprehensive coverage is crucial.

The second group requires rapid, data-driven responses. A tornado warning and event for example, can drive demand up in some locations and down in others. How your company responds will vary, but rapid and verified insight into these events and the regions they impact is necessary to mitigate their impact and keep your teams and customers safe.

PredictHQ covers 19 event categories, including these event types and has worked with hotels to build out automated and team-led response plans that work. Understanding historical impact of these events will inform better future response strategies.

STEP 4: UPDATE YOUR STRATEGIES TO FACTOR IN EVENTS

How companies operationalize these insights varies on their approach to forecasting and planning, as well as their size and structure.

Companies with centralized revenue management and forecasting
Establishing a more accurate quantitative baseline enables hotels to more accurately predict demand, and to flex their pricing up or down depending on if they're focusing on yield or sell-through. By accounting the cause of anomalies in demand, and excluding these from rolling averages that guide forecasting or planning, your forecasting will be more accurate so you can raise or lower prices and update packaging with confidence.

Companies with franchise partners or independent hotel managers
Many hotel chains these days provide their hotel managers significant ownership of pricing and staffing. This allows each property to be more responsive, but it also means hotels frequently miss out on demand surges caused by events, as manual tracking does not work. Using our verified data is a great way to explain why they should update their plans or trust guidelines coming from the head office. This explainability is gold and is key to understanding local demand.

Platforms for rate setting or revenue management that enable hotel planning
Peer-to-peer accommodation platforms as well as rate setting or demand forecasting platforms all struggle with cut-through. Using an impactful and enriched source of data to build trust and generate action not only leads to more trust and user retention, but also to greater profits for both partners and the platform.

Ultimately, aligning your demand forecasts and plans to the real-world drives more efficient investment, higher yield and fewer moments when you've sold out without preparation, or realizing you've underpriced your rooms compared to competitors.

Ultimately, how you share insights, set prices and plan customer service will influence how you choose to update your offering and access the data.

SPRING BREAK
03/15 - 10PM
ATTENDANCE
850,000
ECONOMIC IMPACT

STEP 5: SECURE A FORECAST-GRADE EVENT DATA SOURCE

While each accommodation company has their own requirements and goals, the way PredictHQ customers use our data falls into three categories:

1.Visibility: empower your end users such as hotel managers or revenue managers to know about impactful events so they can decide what action to take in response, or to better trust and respond to directions from the head office. As the pandemic blew demand patterns to pieces, this is increasingly being viewed as a must-have source of insight.

2. Integration: factor events into existing business intelligence platforms and processes to make your planning or forecasting real-world aware. This is a low-code solution that ensures you are tapping into more of the impact of events, and is more feasible for organizations with more than ten locations as it helps automate smarter decision making. This is our fastest growing approach to using our enriched and verified event data.

3. Machine-learning forecasting: ingest demand intelligence directly into your relevant machine learning models for better informed and more accurate forecasting at scale. Most of our hotel users opt for this option given their scale.

Whatever approach you need, the PredictHQ team is ready to assist you to create your most accurate demand forecasts yet. Get in touch today.