

HOW TO make sure your hotel sourcing strategy works for you and your travelers

Planning your 2023 transient hotel program may seem intimidating; it doesn't have to be.

It's time to refresh your approach to hotel sourcing to meet today's demands and keep travelers engaged in your program all while driving savings. In collaboration with Advito, the BCD Travel consulting arm, we're sharing four ways to modernize your hotel sourcing strategy.

1

Stop the rollover and use current spend volume.

Use your current spend data instead of relying on rollover rates as you plan your hotel sourcing program for 2023 onwards. To ensure your rates are still competitive and remain within your spend goals, implement rate targets and use dynamic rates with a ceiling or cap to get some price protection and cost control while still driving savings for your hotel program.



4

Leverage data.

Data analysis for traditional hotel programs has historically involved an annual comparison of the booked rate vs. negotiated rate based on six months of data. The new, modern approach takes into account additional metrics and is evaluated more frequently. Evaluate your data regularly – we recommend monthly – to compare your discounts to standard/best available rates and evaluate the availability of your rates, while still considering booked vs. negotiated rates. Use this data throughout the year to help make adjustments with hotels as you go and track actual savings throughout the year.

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2

Implement a reduce and diversify strategy.

While it's often tempting to include a wide range of hotels in your program, Advito's reduce and diversify strategy is designed to help you focus your RFP efforts on the top 10% of properties used by your travelers, which accounts for approximately 65% of your total hotel spend. Within this top 10%, negotiate static rates and competitive dynamic discounts that exceed chain discounts. By focusing your efforts on sending RFPs to only the top 10% of properties used by your travelers, you'll focus your RFP efforts where it really matters and free up time to implement more effective strategies across your hotel spend portfolio.

3

Monitor rates and ensure travelers are engaged.

Using a "set it and forget it" approach isn't going to keep your program competitive throughout the year. Ensure your rates are competitive, and measure consistent availability of these rates as these bring value to your program and create a positive experience for your travelers. Once your rates are in good standing, look at your travelers' buying behavior and start implementing strategies that influence purchasing behavior to align with your goals whether that's lowering spend, adopting sustainable choices or focusing on DE&I. Engage with your travelers on what's most important to them and their experience.

