5 Ways It Pays To Prioritize Group Business

1. REDUCED NEED FOR DISCOUNTS

Group business can help you maintain higher operating margins and give your operators the flexibility to target new business without pacifying existing customers.

BONUS POTENTIAL:

- Increased share of the group market
- Reduced need for discounts
- Improved operating margins

2. LOWER CANCELLATION RATE

Group bookings typically result in fewer vacancies and less reason to worry about revenue from unsold rooms.

- CANCELED HOTEL ROOMS ARE A WASTE
  - Every day in the United States, 2% of hotel rooms are canceled.
  - This leaves hotels with empty rooms and a penalty for unfilled rooms. That leaves rooms, and there's usually an attrition rate of 6%
  - The best hotels with empty rooms and high hotel rates are often 10%.
  - Leisure travelers often cancel their hotel rooms, and the average meeting attendee cancels by 5%.

3. UPSELLING OPPORTUNITIES

When you offer group discounts on guest rooms, you earn additional revenue per room while still selling out the hotel.

- Many attendees choose to upgrade to a suite, and room bookings translate into greater overall certainty and profitability.
  - Groups or events, which makes it easier to plan staff hours to improve efficiency and profitability.
  - Additionally, your property can more accurately forecast room bookings with group bookings, and your overall bookings, your property will rise.

4. LOWER OPERATIONAL COSTS

By developing a consistent schedule for group events at your property, your hotel can boost reliable revenue and grow your customer base.

- 48% of leisure travelers are willing to spend more on food and drink, and profitability.
  - Additionally, your property can more accurately forecast room bookings with group bookings, and your overall bookings, your property will rise.

5. REPEAT BUSINESS

Group business is a way to lock in business for that time period. It takes a lot more effort from your staff to earn the business and leisure in one trip.

- 95% of business travelers are willing to spend more on food and drink, and profitability.
  - Additionally, your property can more accurately forecast room bookings with group bookings, and your overall bookings, your property will rise.

Sources:

- 5. REPEAT BUSINESS
- 3. UPSELLING OPPORTUNITIES
- 2. LOWER CANCELLATION RATE
- 1. REDUCED NEED FOR DISCOUNTS
- 4. LOWER OPERATIONAL COSTS
- 5. REPEAT BUSINESS