

CORPORATE SOURCING FUTURE OUTLOOK

HOW DATA & DIGITAL PLATFORMS WILL CHANGE THE BUSINESS TRAVEL WORLD

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SOURCING RECAP 2020

2020 renegotiations addressed the new challenges and created added value

Duty of care

HYGIENE CERTIFIED



81%

BREAKFAST INCLUDED



99%

CANCELLATION >48H



8%

Cost pressure

SAVINGS



~5%

NLRA SHARE



34%

Planning reliability

CONSOLIDATION

REDUCTION IN NUMBER OF HOTELS IN HOTEL PROGRAM



-40%

PROCESS TIME



~ 4 WEEKS

Although Corona crisis is hitting the hotel industry heavily, different market price behavior clearly visible

SAMPLE DATA WAVE 2

NEGOTIATIONS IN SEPTEMBER 2020



54

RFPs

11M

RNs

40k

Hotels

- 5%
GLOBAL



- 5%
APAC

- 3%
EMEA

- 7%
AMERICAS



Top 3
Rate
Decrease
YOY



1.
2.
3.

Countries

1. Ireland - 12%
2. USA - 7%
3. India - 7%

Destinations

Mountain View - 18%
Dublin - 14%
New York - 14%

Top 3
Rate
Increase
YOY



1.
2.
3.

1. Turkey + 8%
2. Germany 0%
3. Austria - 1%

Karlsruhe + 7%
Munich + 2%
Istanbul + 1%



DEEP DIVE

	Countries	Chain Type			
		Global Chains	Regional Chains	Local Chains	Individual
VS ALL Offers	All – 96€	3%	13%	-4%	-14%
	USA – 121€	-6%	44%	16%	26%
	China – 73€	-1%	19%	-1%	-19%
	Germany – 86€	15%	11%	-1%	-9%



- > Global Chains: Chain with Hotels around the world
- > Regional Chains: Chain with regional foot print e.g. more then 2 countries
- > Local Chains: Chain with local foot print e.g. Hotels only in Germany
- > Individual: Individual Hotel which does not belong to one of the above stated Hotel chains

A night photograph of a rocket launch over the ocean. A bright, glowing arc of light from the rocket's ascent dominates the left side of the frame, curving upwards and to the right. The ocean surface is dark, with several small, bright lights reflecting from the water. In the distance, a city skyline is visible, with numerous lights glowing against the dark sky. The overall scene is dark, with the rocket's light providing the primary illumination.

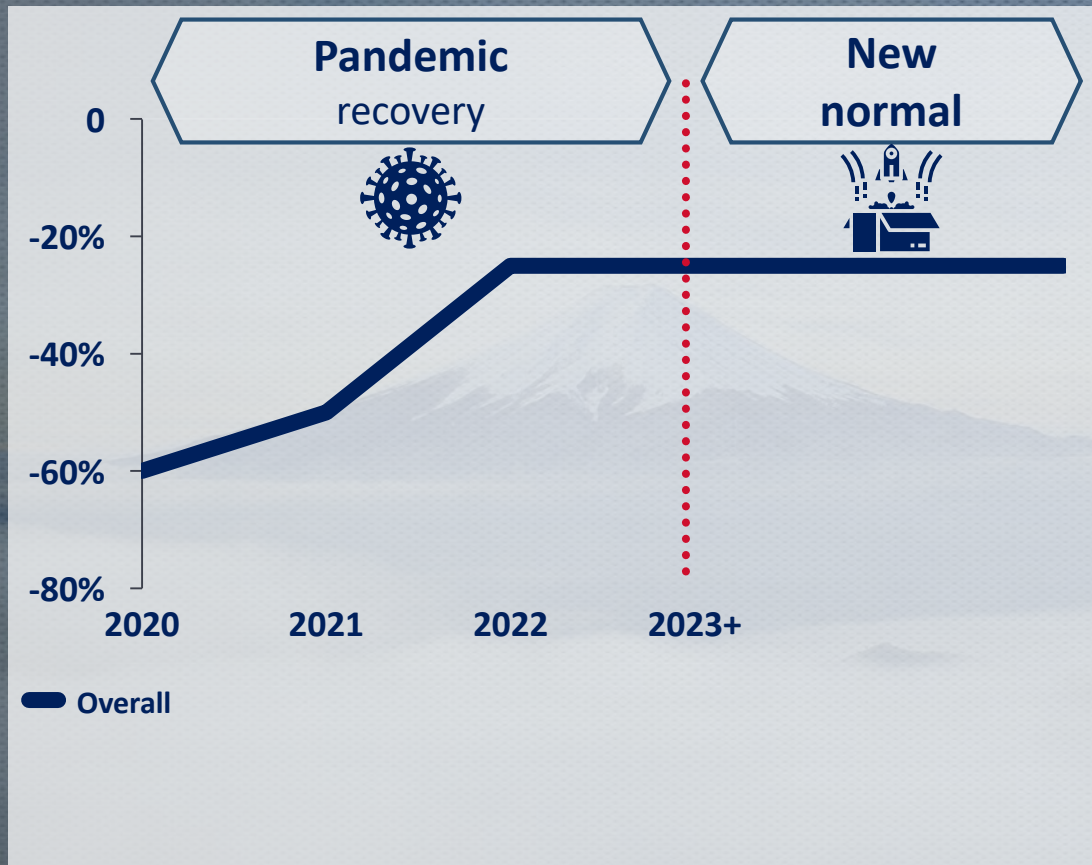
RE-START 2021

TRENDS & PROJECTION

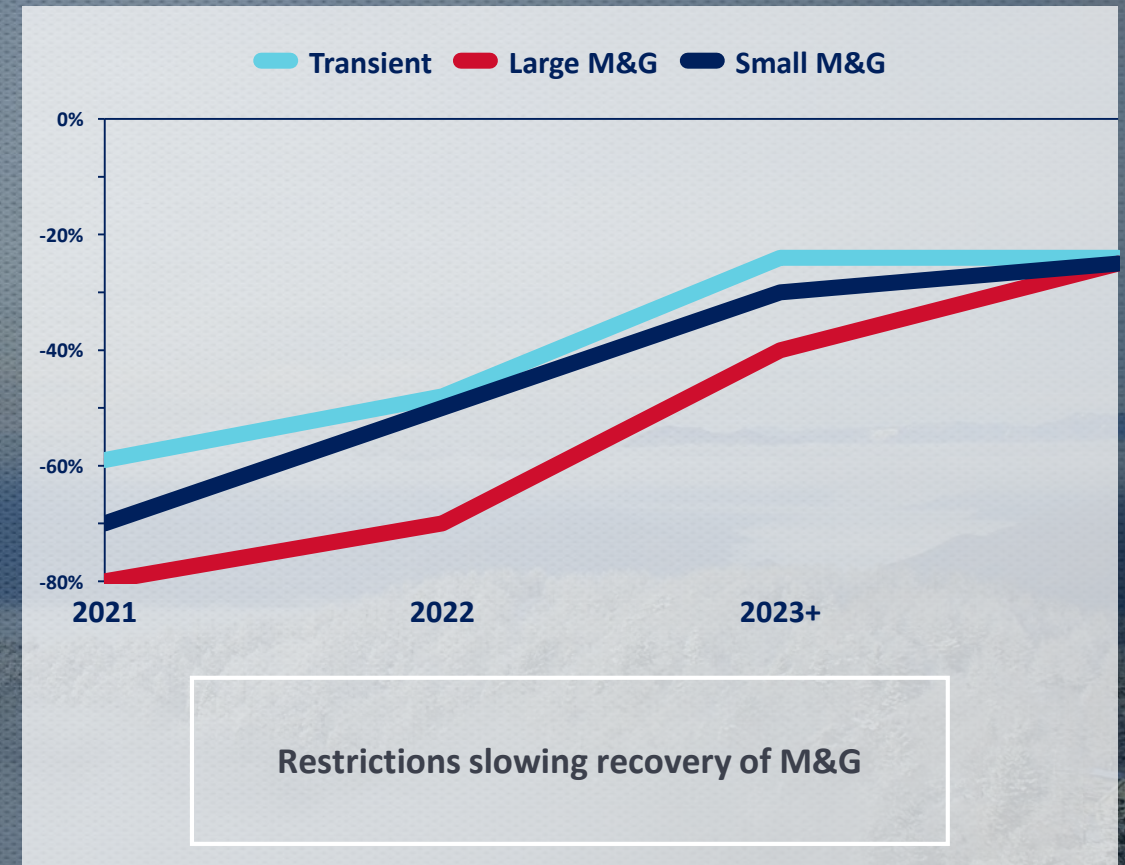
A lengthy recovery is expected which will go over three years



Market recovery vs 2019



Recovery by type vs 2019

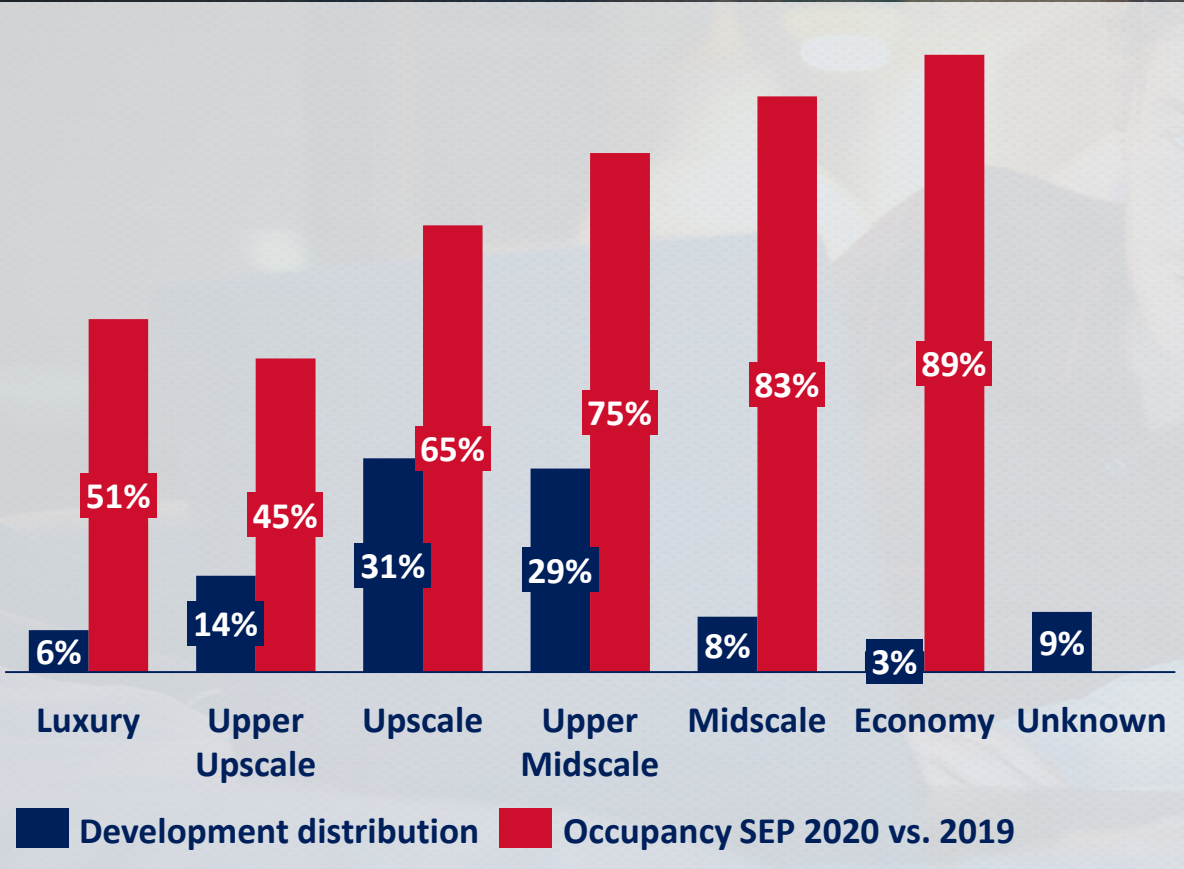


Upper hotel classes are hit the most, while also facing the highest number of new developments which further increase pressure on the market



Through SEP 2020

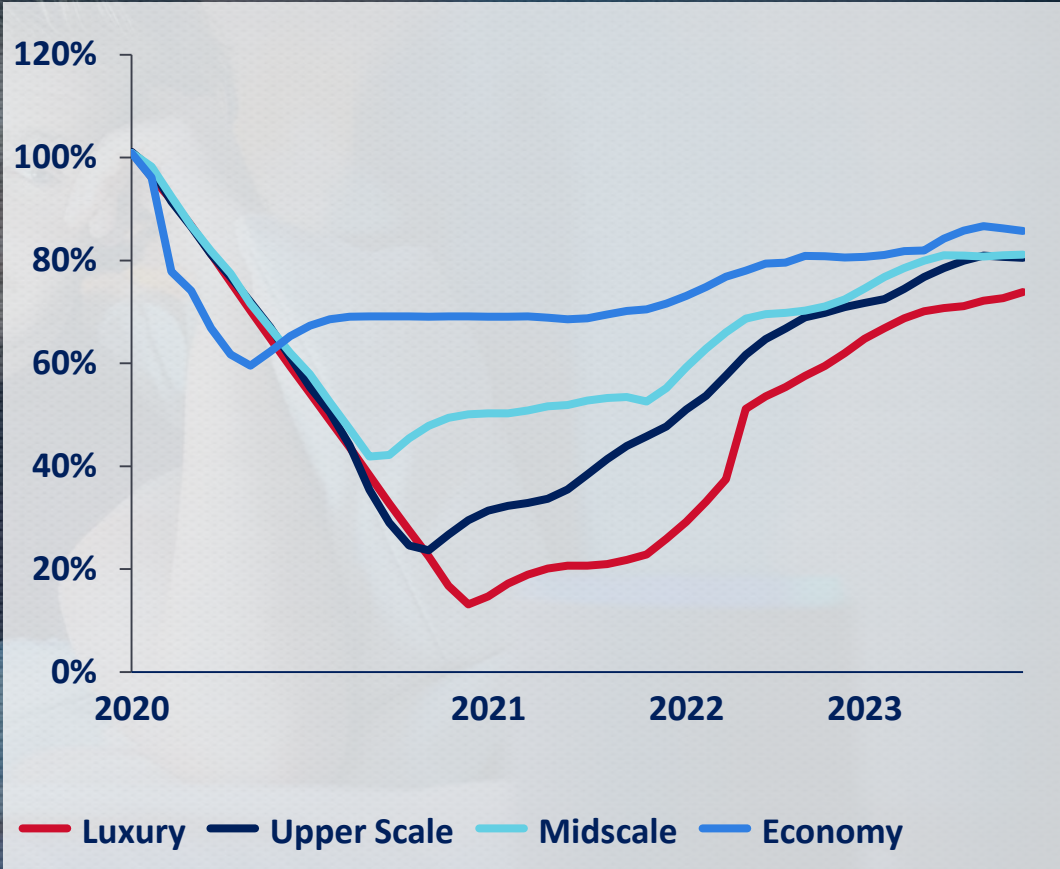
Development vs occupancy distribution



Source: STR

In % vs 2020

Recovery per hotel class



Source: STR

The continuously low occupancy sets hotel industry under pressure and drives market consolidation, while also driving new business models



Increased M&A activity and brand consolidation

Forbes | 27 Jan 2021

How The Pandemic Created A New Hotel Giant In Less Than A Year

BTN | 25 November 2020

Accor to Take Full Ownership of SBE Hospitality Group

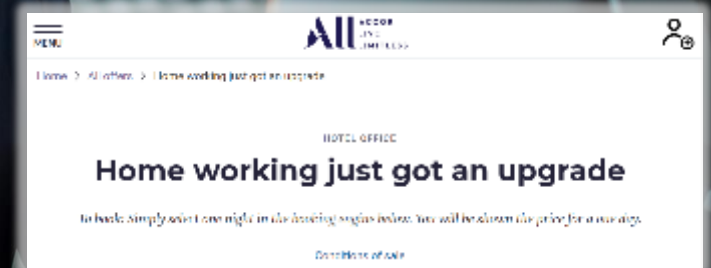
BTN | 25 Aug 2020

Sonesta to Gain 103 Properties After IHG Default

Skift | 26 Jan 2021

Accor Partners With Miami-Based Faena to Fuel Its Lifestyle Hotel Strategy

New Work as a new business model for hotels



Three macro trends are pushing travel managers to seek best-of-breed solutions for their spend categories

A close-up photograph showing a hand holding a fan of US dollar bills in the background and a finger pressing a button on a black calculator in the foreground, resting on a wooden desk.

Total return on
invest of trip

A photograph of a woman with long brown hair, wearing a yellow puffer jacket, a blue scarf, and a light blue surgical face mask. She is sitting on a blue rolling suitcase in what appears to be an airport or travel setting.

Traveler safety
& satisfaction

A close-up photograph of a small green seedling with three leaves growing out of dark brown soil.

Sustainability

A wide-angle photograph of a modern architectural structure, possibly a museum or corporate headquarters, featuring a large, cantilevered upper section supported by thick, angled columns. The underside of the overhang is illuminated with a series of bright, recessed lights. The building is set against a dramatic sunset sky with orange and yellow hues. In the far distance, a city skyline is visible, including a prominent skyscraper. The foreground is a vast, paved plaza with large, rectangular stone tiles.

DIGITAL PROCUREMENT

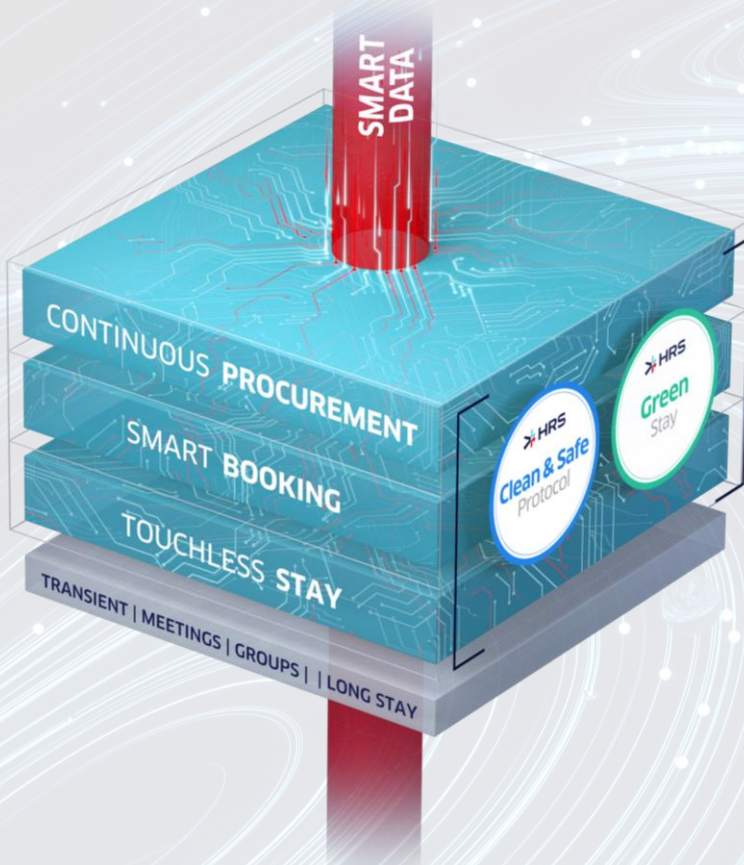
THE WAY FORWARD

IN THE END IT'S ABOUT DATA

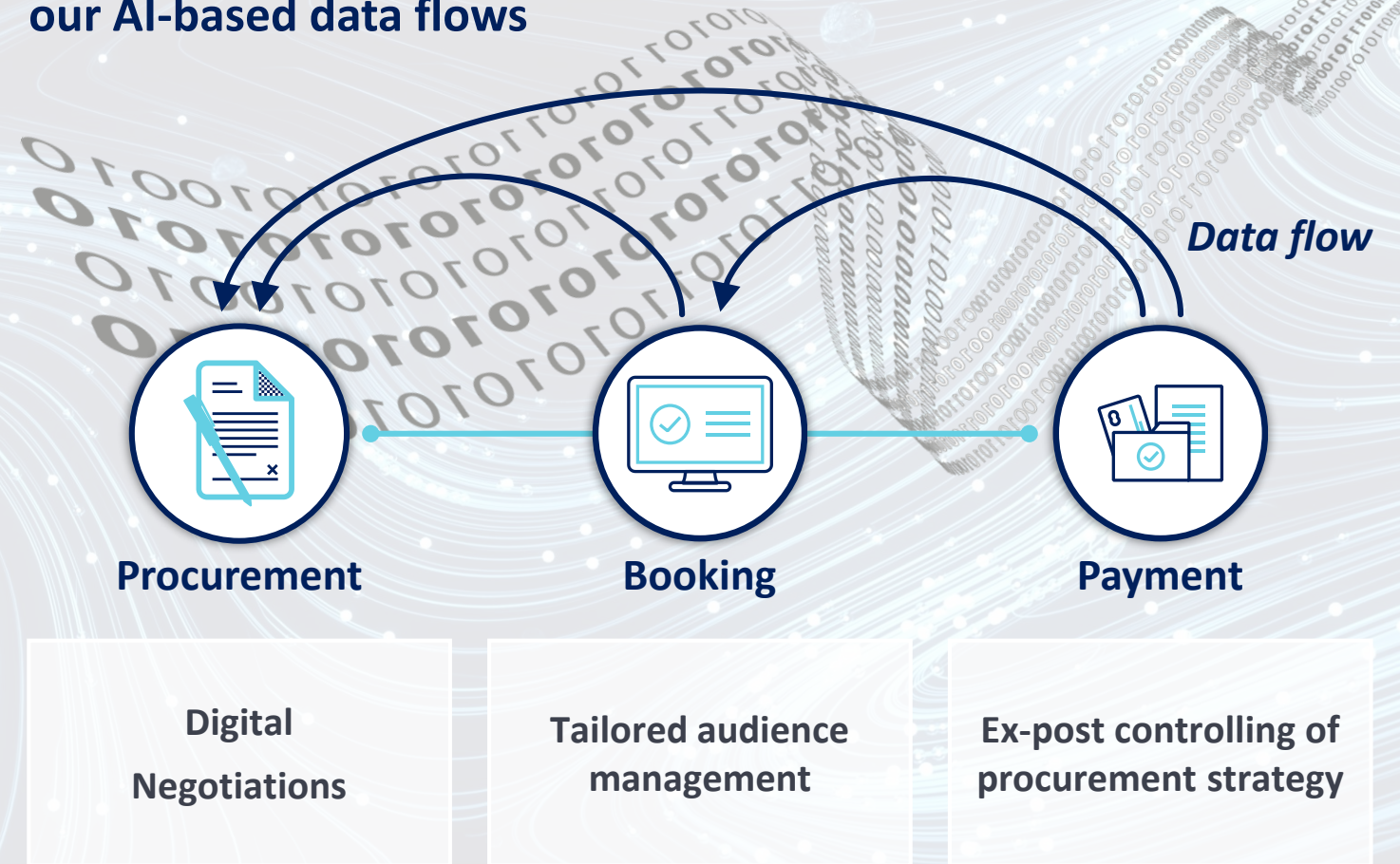
Digital Procurement is part of our open Lodging-as-a-Service platform will drive customer value and process efficiency



The HRS Lodging-as-a-Service Platform



Automated audience experience optimization through our AI-based data flows



HRS has designed products to deliver the needs of the hotel industry



Secure & Grow
Existing Business

Marketplace SMART

New Managed
Business

Marketplace PRIME

New long-tail
Business

Corporate Club Rate

Revenue Management
& Pricing Strategies

Data Insights Package*

*in development

HRS has purchased the industry-leading specialist in business lodging payment solutions as further building block in HRS' technological advance



HRS is the only player who has a **fully integrated payment solution**



HRS Payment & Itelya



>100 FTE



>40 Developer

Thank YOU