



# The Basics of GROUP EVENT BUSINESS

**Every day, a new adventure awaits. Perhaps you're searching for the perfect local restaurant to help a guest celebrate a special occasion. Or maybe the task at hand is to design a day of recreation and relaxation for a group event. Or find an affordable and dependable transportation solution.**

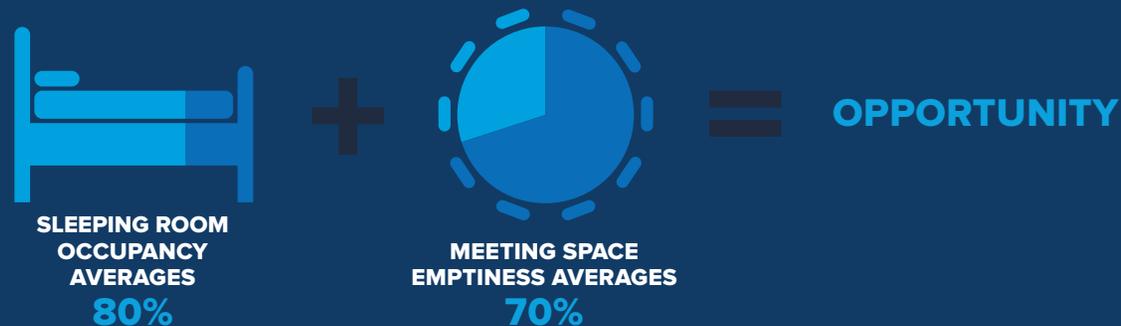
## **CHALLENGE AND OPPORTUNITY**

Point is, there's never a dull moment in the hospitality space. A million small steps go into creating an exceptional experience — as a hospitality professional, you have to be able to handle it all.

One thing is sure: You must love a challenge, so much so that you know every wrinkle in your competitive set data. Being in the hotel business means there's always a challenge right around the corner. It might be an upstart technology, a crazy economic cycle, or an accommodation alternative like Airbnb or Vacation Rentals by Owner (VRBO).

It also means that you can spot a good opportunity — including group business. Consider: If sleeping room occupancy averages around 80%, and meeting space is empty roughly 70% of the time, that sure sounds like a promising opportunity. Of course, chances are you already know that, and you have a group sales team taking care of customers, finding new events to book, and creating relationships with planners.

The truth is, however, no matter how familiar you are with group business, running the operation efficiently and profitably can be quite difficult and confusing. So, whether you're new to the world of hospitality or have a long track record of success, this guide is designed to help you crack the code on what group business is, how it works, and why it's so important to your business.



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## THE BASICS OF GROUP BUSINESS: SUPPLY AND DEMAND

In general, group meetings and events are all about the supply of hotel rooms, amenities, and meeting facilities matching up to the demand of planners who need to arrange an event. While the balance between supply and demand can fluctuate, 2019 could be a year in which global demand will exceed supply. According to the CWT Meetings & Events **2019 Meetings and Events Future Trends** report, the increased demand for meetings will result in higher hotel rates, which will help to spur new construction, especially in locations outside major cities. Here's a look at each side of the event industry marketplace:

» **Demand:** Driven by planners and other companies responsible for meetings and events, no matter how large or small. They organize and plan events, source and book venues, manage registration, and handle event check-in. Typically, they also manage the onsite experience, and are very interested in attendee satisfaction. They're often in charge of reporting an event's return on investment (ROI) as well as the overall experience.

» **Supply:** Provided by hoteliers and other venues who have the meeting space and resources. They provide sleeping rooms, food, beverages, and other amenities that align with what the demand side wants. Destination marketing organizations (DMOs) also fit here, because they represent destinations. In doing so, they often provide leads to hotels and help arrange the connection between planner and hotelier.



### SEVEN BENEFITS OF GROUP BUSINESS

#### **REASON #1:** Improved Forecasting

**Booking lead time for group business is longer than for leisure customers, so hotel managers can get greater insight into future performance — and plan accordingly.**

## THE GROUP BUSINESS ECOSYSTEM

**As planners drive the demand side of the business, venues strive to meet those needs with technology, marketing, and relationship-building.** It's vital to know how these relationships work, because it shows how the success of group events is built on a complex ecosystem of dependent organizations and people, all working to keep supply and demand in balance. Here's a basic definition:

» **Planners:** These professionals are responsible for designing and arranging meetings and events. They work for companies, associations, organizations, specialty agencies, and more. **Here at Cvent, we see planners as falling into seven different categories.** If you're a hotelier, you should commit each type to memory, because they're the ones who are searching for and booking your venue.

» **DMOs:** These organizations promote travel to specific locales. It includes tourism bureaus as well as convention and visitors bureaus (CVBs). Consider them almost an extension of your sales team, because they're always eager to promote the area — and your hotel. Many of these professionals are also tasked with finding venues for planners. **Here's a good example of how Cvent works with a CVB.**

» **Venues:** Facilities, restaurants, and many other locations qualify as venues for meetings. In fact, recent trends show that the traditional idea of a conference room at a hotel is making way for more creative choices. For example, some corporate planners are now looking to create a more festival-like setting for their event.

» **Technology:** From large online sourcing platforms and digital marketing to lead scoring, analytics, and operational software, companies like Cvent help venues and planners with innovative solutions.

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#### **REASON #2:** Hedge Against Uncertainty

**Group events are a great insurance policy against leisure customers who may cancel because of bad weather, a change of plans, or even a cheaper rate down the street.**

## HOW TRENDS AND SHIFTS IN CUSTOMER BEHAVIOR CHANGE GROUP BUSINESS

**All things considered, group business could be considered straightforward. You have a hotel room and the conference center. Maybe a restaurant as well. They want to use it to host a party or talk business. Simple, right?**

OK, maybe not. The fact is, the booking, registration, and management of an event is complex and dependent on thousands of shifting factors that include cost, availability, and customer expectations. On top of that, today's environment of fast-paced change forces hospitality professionals to stay abreast of the latest trends. With every great idea, planner expectations can shift — and that means venue managers need to be prepared to adjust, optimize, and apply when and if a trend becomes a permanent reality. Here are a few to consider:

» **Think Customer Power:** Before the internet and social media, customers had limited power to complain. Now, however, you get their feedback in real time. That fact alone has driven the need for increased customer satisfaction. The reality is that digital media has created an environment of transparency and shared experiences that empower customers in terms of gathering information and influencing others.

» **The Sales Process Is Increasingly in the Hands of Marketing:** Planners are accustomed to researching products and services online. By the time they are ready to talk to a salesperson, they have narrowed down their choices and often have a clear idea which hotels and vendors may meet their needs. Your challenge is to reach planners earlier in the process and deliver the right message at the right time.

» **Privacy and Data Security is Vital: Planners want more personal experiences** but they also want increased privacy and security. In an era of massive data breaches, unsecure Wi-Fi networks, and inconsistent point-of-sale standards, that can be a tall order. Increasingly, hotels have moved data protection and privacy to the top of their list. In Europe, venues are tasked with meeting the personally identifiable information (PII) requirements detailed in the European Union's General Data Protection Regulation (GDPR). No matter where your hotel is located, however, there's a need for data safeguards. In the era of big data, hospitality professionals need to first protect and secure customer data.

» **Technology Becomes Part of the Experience:** Just a few years ago, Artificial Intelligence (AI) was a Hilton concierge robot named "Connie." Today, it's much more — and poised to become an integral part of all venue operations. From chatbots to voice-activated technology, AI and other types of technology are helping to make group business more efficient. **Take a look at how planners** view technology as it relates to the event experience.

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**REASON #2:** Leverage

**A nice, consistent balance of group business allows a hotel to price transient segments correctly, without the need for steep discounts.**

## TECHNOLOGY BRINGS THE GROUP ECOSYSTEM TOGETHER

**Technology powers all aspects of the group business ecosystem, connecting planners and suppliers throughout the research and consideration of venues.** Planners use technology from Cvent to source, create, and manage events of all types and moments, from planning to registration and post-event analytics. **[You can read more about Cvent's Event Cloud here.](#)**

On the other side, venue professionals use Cvent's Hospitality Cloud and its broad array of technology to help grow revenue opportunities and create operational efficiencies. That includes marketing tools, workflow technology, and more. **[Here's more about the Cvent Hospitality Cloud.](#)**

The real-world use of these two connected units looks something like this:

- » **Planners go to online sourcing platforms to research venues, send RFPs, and make a selection for their event.** These are powerful platforms that attract event planners responsible for billions of dollars in venue spend.
- » **Venues compete on these platforms for leads and interest by using digital marketing tools.** It's a good place for suppliers to forge one-on-one relationships with planners.
- » **Once the venue is selected, hoteliers leverage communications and operations software to help maximize the event experience, and the value of the business.** That includes solutions such as room block technology, analytics, and more.

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**REASON #4:** Incremental Revenue  
**Group customers spend more per room than transient customers and more on food and beverage.**

## MAKING SENSE OF CVENT IN THE GROUP ECOSYSTEM: SOURCING PLATFORMS

**How does Cvent fit into the group ecosystem? For starters, it's all about connecting the ecosystem between planners, venues, and the rest.** That happens on the industry's largest network of supplier marketplaces, where planners source venues and put events into motion.

### Cvent Platforms

The Cvent Hospitality Cloud has several digital sourcing platforms that planners use to research venues and send RFPs.

- » **Cvent Supplier Network (CSN):** This is a supplier marketplace with more than 255,000 hotels, venues, and restaurants worldwide. Planners can create a single electronic request for proposal (eRFP) and send it to multiple venues.
- » **Lanyon Group:** The Lanyon Group suite helps hotels connect with planners, manage and answer RFPs, and win high-value corporate meeting and event business.
- » **Elite Meetings:** EliteMeetings.com connects upscale and luxury properties with planners searching for exclusive venues.
- » **SpeedRFP Network:** The SpeedRFP Network is a centralized lead portal for hotels and event venues actively seeking group business from occasional and social planners. This fills the hotel calendar with social meetings, weddings, and other events for the social, military, educational, religious, and fraternal SMERF market.

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#### REASON #5: Easier to Manage

**With a single buying decision, a group contract results in a high-value transaction. It takes many leisure bookings to bring in the same amount of revenue.**

## MAKING SENSE OF CVENT IN THE GROUP ECOSYSTEM: GROW YOUR BUSINESS

**Growing group business must include putting in place digital solutions that power a more targeted and relevant marketing and outreach strategy.** Choosing the right technology for your venue comes down to efficiency, data intelligence, and the ability to integrate with sourcing networks and venue infrastructure. The following solutions are designed to showcase your hotel when it is most relevant, using a variety of digital tactics:

- » **Search Ads increase your visibility** to planners when they are searching for venues on Cvent's digital sourcing platforms.
- » **Competitive Ads specifically target planners** who are searching for locations in your market during the RFP process.
- » **Content Marketing Tools** build and reinforce your brand awareness.
- » **Retargeting Ads are displayed to planners** as they browse other sites online — after they have left a Cvent platform without converting.

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### REASON #6: Retention

**Groups are more likely to repeat their program at the same venue if the experience was good. A single piece of group business might make a customer for life.**

## MAKING SENSE OF CVENT IN THE GROUP ECOSYSTEM: OWN YOUR BUSINESS

Once you have obtained new business, own the customer relationship and manage it efficiently with technology that can maximize the value of the relationship. In this case, focus on tools that improve operations, such as room block management, corporate rate programs, and more. Most importantly, keep direct access to your customers, so that your venue maintains greater autonomy. Here are a few Cvent examples:

- » **SRFP White Label** uses the SpeedRFP Network to provide a streamlined RFP workflow from your branded website.
- » **Lead Scoring** software makes it easier for sales teams to identify and focus on the best leads for the property and efficiently match prospects with resources and availability.
- » **RFP Operations** is a suite of management products that provide flexibility and enhanced efficiency to hotel sales teams.
- » **Passkey** helps streamline room block management, communication, and offers upsell opportunities for group guests.
- » **Business Intelligence** offers insights about hotel group business performance, comparing that performance against the competitive set.

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**REASON #7:** Year-Round Availability

The group market represents potential business for peak and off-peak seasons, and different weekday patterns.

## ABOUT CVENT

**Cvent is the global meeting, event, travel, and hospitality technology leader.** Cvent provides easy-to-use, integrated technology solutions to maximize the impact of meetings and events of all sizes. We help organizations plan and market events, execute onsite, engage audiences, and measure and analyze results.



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