MEETINGS + EVENTS:
The New Frontier For Hospitality Tech Innovation

By Bill Nicholson, Chief Product Officer, Onyx CenterSource

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INTRODUCTION

In the two decades since the internet revolutionized the way most of us book travel, the process for planning and booking meetings and events (M&E) has remained largely unchanged, with meeting planners and hotels navigating the complex ecosystem through mostly old-fashioned, manual systems.

*But with M&E bookings now representing a full third of the hotel market – **or about $500 billion a year in business** – it's a sector ripe with opportunity.*

And a number of companies have stepped in to fill the void with technological solutions that not only simplify and speed up the planning, booking, tracking and meeting management process but also provide crucial data to help companies save money and make better-informed decisions.

It's no small task. In fact, most agree the reason the meetings and events industry was left behind in the digitization process was because of the complexity of trying to link multiple parties that operate on disparate and often legacy systems.
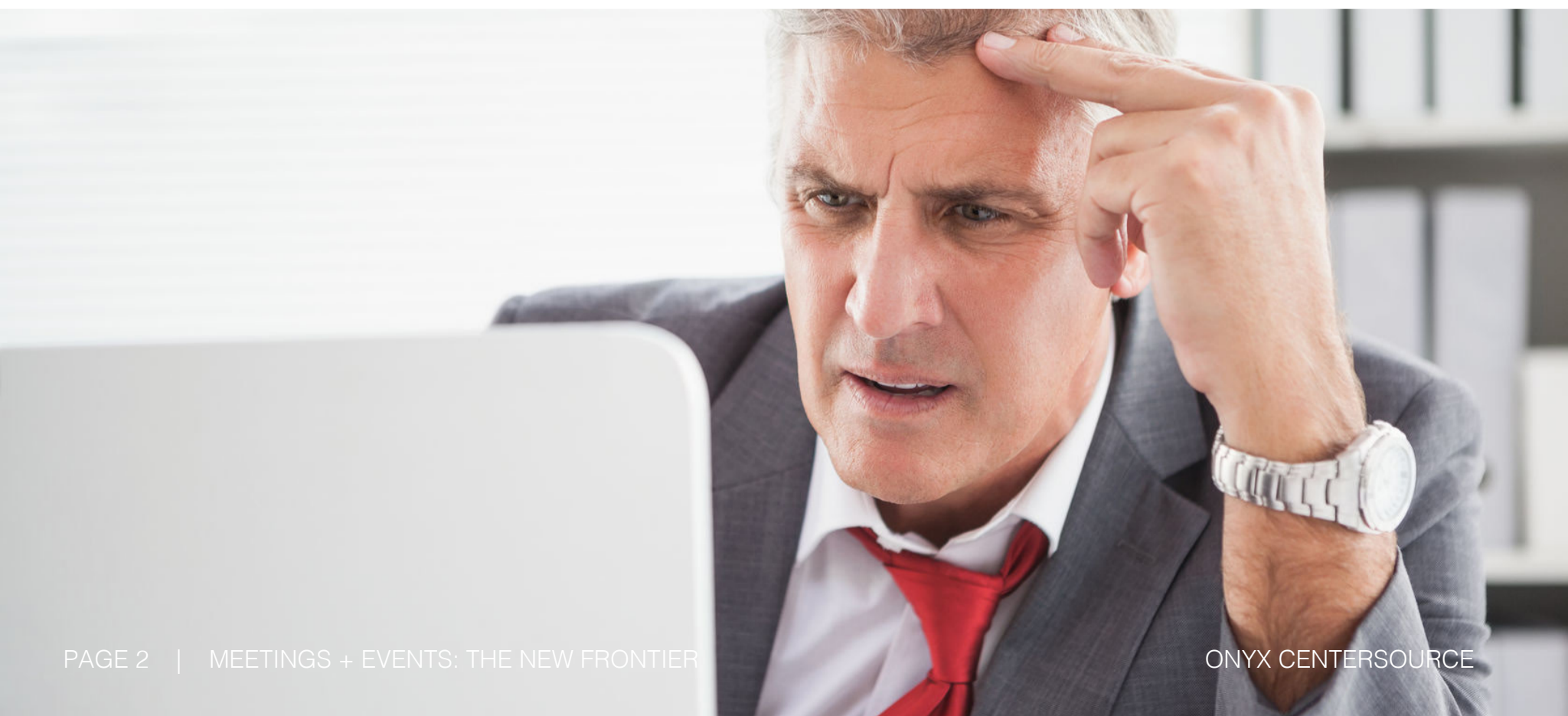
Still, despite the recent progress, **much more needs to be done to bring this sector into the digital age.**
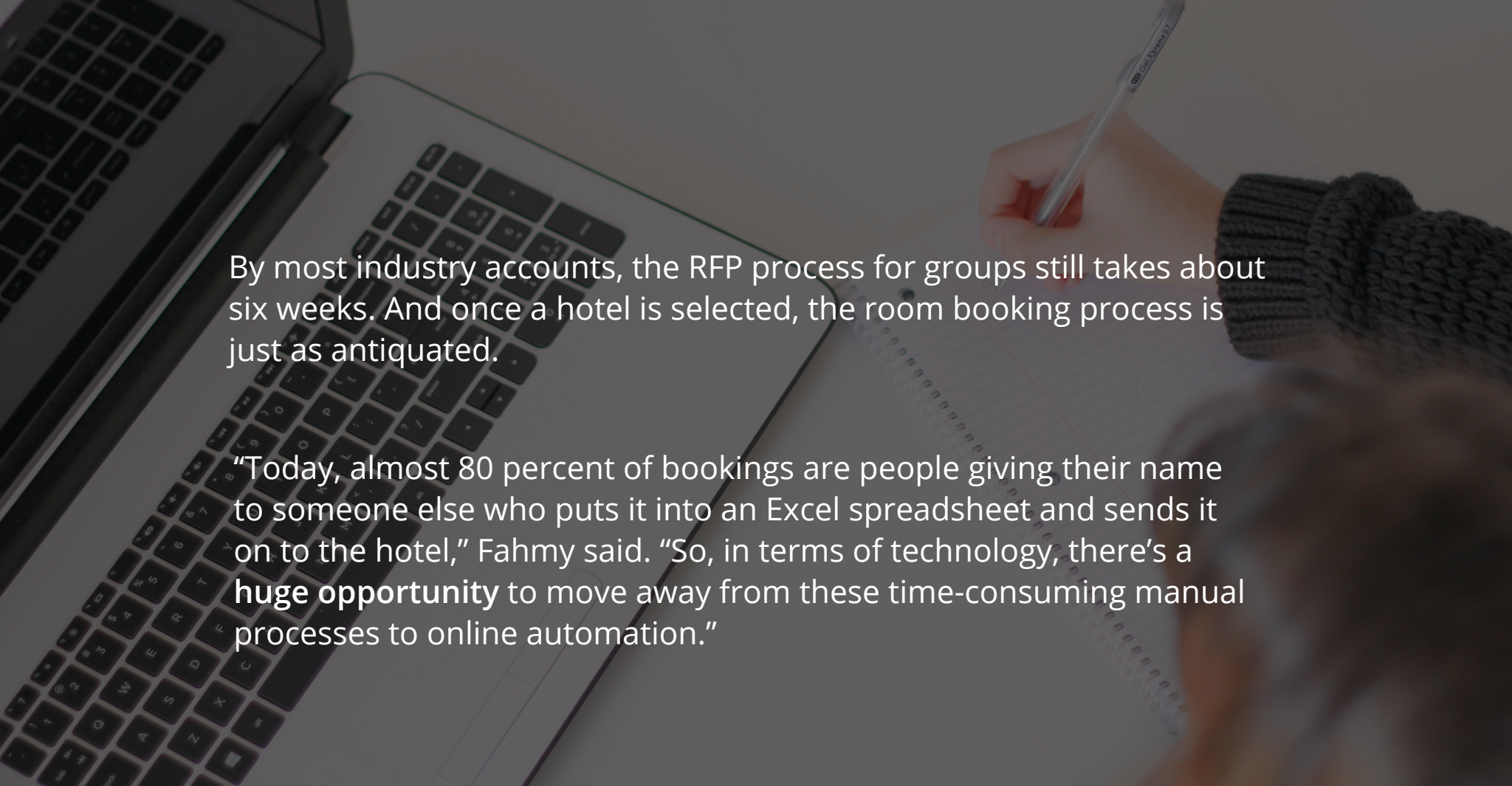
THE
PAIN
POINTS

In an age when leisure and business travelers are accustomed to being able to search and book travel in a matter of minutes – even seconds – from their laptops or phones, the process from booking to final payout for meetings and events is still largely a manual one.

During a panel discussion at the **Onyx FutureSource Conference** in Fort Worth, Texas, earlier this year, attendees said the overwhelming majority of the market is still booked manually, meaning the request-for-proposal process and the booking of meeting venues, room blocks and catering is still mostly conducted via email and phone calls – even for very small groups.

"The state of the art is still the traditional RFP process," said Sam Fahmy, Senior Vice President of Product Strategy for **Cvent**, a leading cloud-based meetings and events management company. "You can't go online and book the meeting or event on your own."

By most industry accounts, the RFP process for groups still takes about six weeks. And once a hotel is selected, the room booking process is just as antiquated.
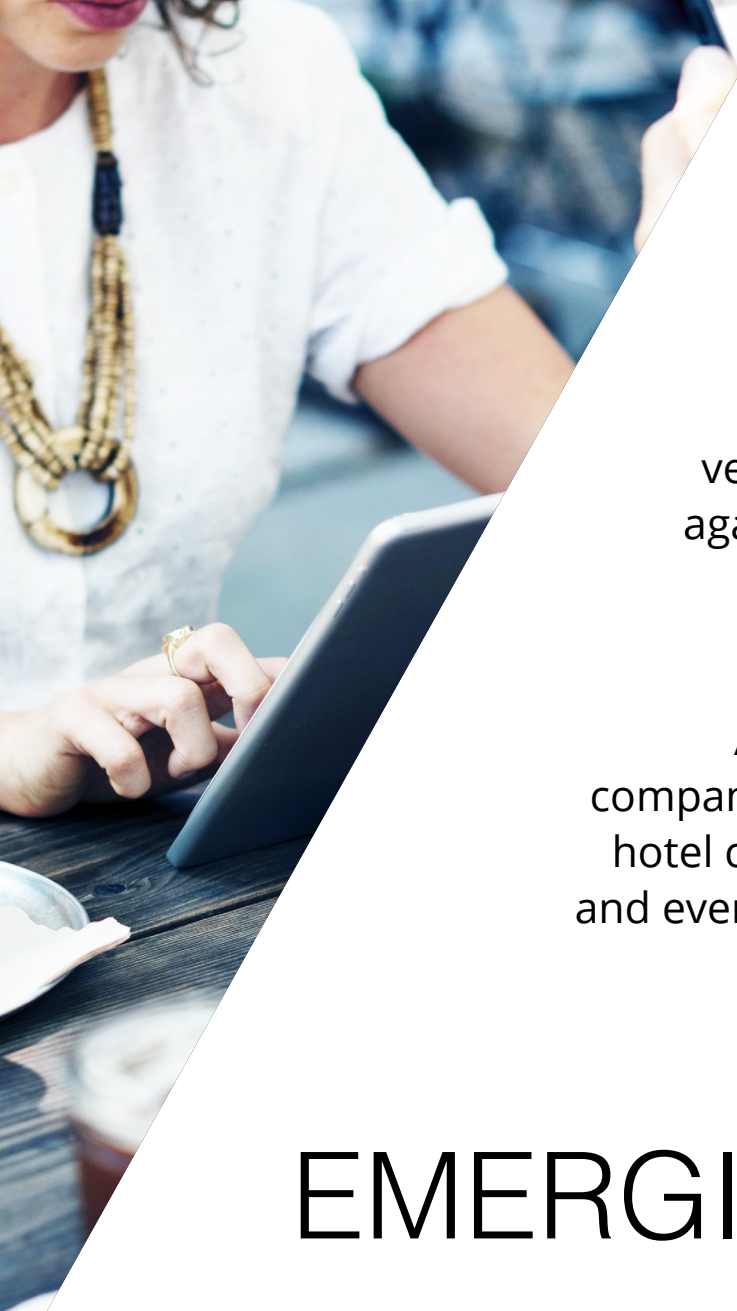
"Today, almost 80 percent of bookings are people giving their name to someone else who puts it into an Excel spreadsheet and sends it on to the hotel," Fahmy said. "So, in terms of technology, there's a **huge opportunity** to move away from these time-consuming manual processes to online automation."

Hoteliers, travel agencies and meetings and event organizers say there are also **issues from start to finish** with a lack of transparency in bookings and prices, an inability to track costs and payments and the lack of crunchable data before, during and after the event to help all parties get a handle on spending and make more informed decisions for the future.

"We've got some real monumental challenges around data and content in the segment," Kaaren Hamilton, Vice President of Global Sales for Carlson Rezidor Hotel Group, told FutureSource 2017.

Key pain points, she said, involve "trying to compare data with our customers and trying to keep track of our content to make sure that it's fully optimized on all channels."

Without a global distribution system for the sector, she said it is also "hard for us to understand where the business is and what's going to the competition."

Also still lacking, she said, is a simple process for small, uncomplicated groups to search hotels for venue space and room blocks: "We still put a human against social business – the soccer mom, a wedding, that sort of thing. We'd like to see that move completely online."

Another problem comes when travel management companies and meeting planners try to reconcile bills and hotel commission payments, **which can lead to tensions** and even blacklisting of hotels without them even knowing there was a problem.

EMERGING SOLUTIONS

The good news is that we are seeing a lot of new investment in technologies to solve some of these problems. As Issa Jouaneh, Senior Vice President and General Manager of American Express Meetings & Events wrote in the company's 2017 Global Forecast,

"As adoption of meetings management programs increases across all regions, we see continued growth of technology use as well.

Meetings management technology remains a central focus as mature organizations look to improve the data collected from their programs and how they use that data to inform program decisions, while others are implementing the technology to simply get a handle on spend across the organization. In all cases, the focus on technology continues.

"The primary objective with all technology is increasing visibility into meetings, and enabling meeting owners and planners to make better decisions to demonstrate the impact of this investment within their organizations."

The largest player in the meetings automation space domestically today is Cvent.

Cvent, which since 1999 has offered leading cloud-based event management technology, now boasts a network of more than 250,000 hotels, resorts, and special event venues across 175 countries that meeting planners can source. Cvent also offers their Group Business Intelligence solution – a data reporting suite that enables hospitality professionals to see real-time analytics of their group business and drill down into metrics for everything from budget to contracting history, savings against the first offer, and price per attendee.

And while Cvent is by far the leader in the race toward meetings automation, Fahmy says the industry is still **largely untapped.**

"Last year we processed about $15 billion of spend," he said. *"That's less than 5 percent of the total market. The competition globally is maybe another $15 billion, so that means that over 90 percent of the market is still delivering business to hotels in a nonautomated fashion."*

Another player is **iVvy,** an Australian-based company that recently opened U.S. offices with the goal of offering the first global distribution system for the meetings and events space. The company's platform, already established for Australia and New Zealand, links not only event planners and hotels, but also nonhotel meeting spaces as well as speakers and entertainers.

The company's CEO, Lauren Hall, says the platform **can reduce the RFP process from weeks to minutes.**

A number of companies, including **Bizly, Groupize, meetago and Meeting Package**, are automating booking for small groups, and there is a growing list of companies offering programs for managing events and tracking and collecting data on the actions of attendees.

The less-promising news, however, is that recent surveys show meeting planners are still struggling to find effective technologies for their needs.

Almost one of two meeting planners today says that event management technology is a primary pain point, according to a study by etouches, an event management software company.

When it comes to venue selection, the biggest issues are a lack of transparency in pricing and poor responses to digital RFP,s according to a new report from Cvent.

Sixty-five percent of planners say they're using technology to measure the overall return on investment post-event, but at the same time, **how they analyze and use that data to inform future event programming and design remains a challenge.**
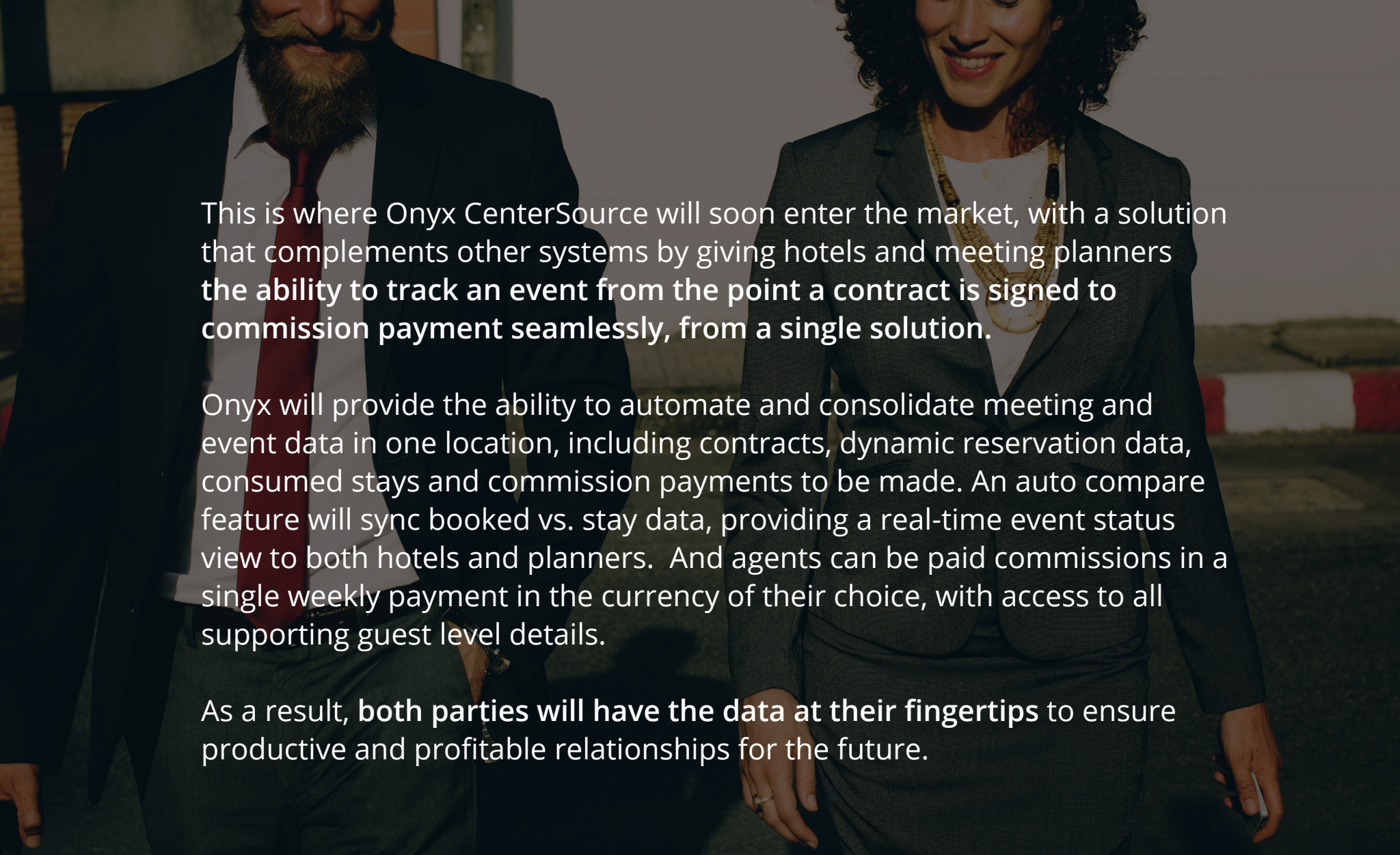
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THE MISSING LINK

Despite the growing investment in new technologies for meetings and events, most address only parts of the life cycle, whether that's the early stage bidding process, tracking contracts and spend or managing attendees and the registration process.

Another key pain point is **the lack of governance** regarding the payment and reconciliation of M&E commissions of both sides of the transaction. Hotels are responsible for centrally paying and reconciling group commissions owed to agencies but still need to tediously track individual reservation information and related commission payments manually.

And sourcing agents and meeting planners rarely have visibility to changes in reservations, compliance with terms of the agreement, when events have closed or the amount of commission to be paid.

This is where Onyx CenterSource will soon enter the market, with a solution that complements other systems by giving hotels and meeting planners **the ability to track an event from the point a contract is signed to commission payment seamlessly, from a single solution.**

Onyx will provide the ability to automate and consolidate meeting and event data in one location, including contracts, dynamic reservation data, consumed stays and commission payments to be made. An auto compare feature will sync booked vs. stay data, providing a real-time event status view to both hotels and planners. And agents can be paid commissions in a single weekly payment in the currency of their choice, with access to all supporting guest level details.

As a result, **both parties will have the data at their fingertips** to ensure productive and profitable relationships for the future.

As American Express said in its 2017 meetings and events forecast, reconciliation and managing payments have emerged as the top meeting payment challenges for respondents in North America, Europe and Asia Pacific.

Perhaps ever more important, the report notes, is the importance of assessing all of that data when it comes to negotiate the next meeting.

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