

Podcast: TripBam

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REED & MACKAY
EXTRAORDINARY TRAVEL MANAGEMENT

IN CONVERSATION WITH TRIPBAM

Get the latest insights into hotel pricing as we emerge from the Pandemic with Steve Reynolds, Founder and CEO of TripBam.

IS YOUR HOTEL PROGRAMME STILL VALID?

According to Steve “...Static [negotiated] rates are no longer valid...This is an opportunity for the entire industry to make a step-change and get off the legacy process of an annual [hotel] RFP that is time consuming, expensive and cumbersome...”

His comments are set against the context of declining demand for rooms as a result of the reduction in travel. According to TripBams’ Closed Hotel Report that takes information from a wide range of industry sources, projected volumes will stay at 50% of 2019 levels for the remainder of 2020 and will continue to stay below 2019 levels through 2021 and into 2022.

A BUYERS MARKET

The reduction in demand has seen average daily rates across the globe drop by 30-35%. This means that daily rates are giving better value than those previously negotiated by corporates as part of their hotel programmes.

“The industry should move to a much more dynamic programme...and go to dynamic discounts...” said Steve.

THE TRIPBAM VIEW

For the Corporate buyer it offers the opportunity to make savings in a volatile market that negotiated rates may not deliver. For the hotels meanwhile, it frees them from committing resource to the RFP and negotiation process - making things simpler and reducing their costs.

HOW TO GET STARTED

- Identify what is a good ‘dynamic rate’ using your data and analytics
- Work with the hotel to obtain the rates avoiding the protracted negotiated process.

Your TMC can help with the above and you will need to have the technology to take advantage of the rates and to perform audits to ensure they are getting value. To optimise value, Steve suggests corporates should take a lower rate if one is available and place rate caps in their policy to protect from higher prices should demand rise.

Want to know more? Get in touch: hello@reedmackay.com