HRS GROUP

BEYOND THE RFP

MODERN HOTEL SOURCING STRATEGIES FOR 2026 & BEYOND

WILL PINNELL

SVP, AMERICAS | ARIZONA BTA: JULY 15, 2026

SETTING THE SCENE - GLOBAL HOTEL INDUSTRY TRENDS & MARKET OVERVIEW

AN INDUSTRY STILL GROWING AND TRANSFORMING IN 2026

ROBUST HOTEL PIPELINE PRJECTS AT AN ALL TIME HIGH

> Forecast of new hotel rooms expected to open in 2026 Globally *(561,740 - record high post pandemic)*
- **APAC** – 251,234 rooms
- **Europe** – 123,789
- **Americas** – 132,479
- **MEA** – 54,238

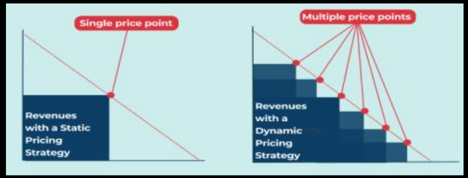
> Global hotel performance is expected to grow modestly, with **RevPAR increasing 1–3% YoY**, mainly driven by rate growth, while occupancy remains stable.

AI DRIVING EFFICIENCY, PERSONALIZATION & GROWTH

> Key technological advancements are simplifying many traditionally labor-intensive processes, enabling a more efficient guest experience

> Initiatives include, are not limited to
- **Automation**
- **AI Powered Guest Experiences**
- **Personalization**
- **Enhanced Revenue Mgmt.**

> **AI has moved from an experimental tool to a core operational necessity** in global hotel management.



DYNAMIC PRICING: A GAME-CHANGER FOR HOTEL REVENUE

> Dynamic pricing tools help hotels adjust room prices on demand, in real-time, seasonality. **AI-driven pricing models mean that hotels will never have the possibility of losing money**

> **AI capabilities are now delivering 10-14% percent improvements in RevPAR through dynamic pricing optimization.**

Source : CoSTR

ESG : STILL IN FOCUS BY TRAVELLERS

> **72 percent of major chains now publishing detailed sustainability reports** that include Scope 3 emissions from guest travel.

> **Hotels are optimizing building efficiency and implementing sustainable practices (**reduce, reuse, recycle) to meet global standards.

PREMIUM VS VALUE-SEEKING: GREAT BIFURCATION OF 2026

> **Growing performance gap between luxury and economy hotels** as an emerging theme within the industry. With luxury hotels thriving on exclusivity while economy segments face pressure from weaker demand and alternative lodging options.

> **Luxury and upper-upscale tiers are successfully raising rates with higher ADR growth projected in** 2026 vs economy and midscale properties

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PHOENIX LENS: SUPPLY, EVENTS AND COMPRESSION

AN EXAMPLE FOR THIS MARKET

66.0% Phoenix occupancy, trailing twelve months ending Nov. 2025

$173 Phoenix ADR outlook noted with flat ADR and softer occupancy

27 hotels forecast to open in Phoenix in 2026, adding 3,640 rooms

$429M economic impact reported for the 2024 Men's Final Four in Phoenix

Procurement takeaway

Phoenix illustrates why a single static market view is risky: new supply can soften leverage in some submarkets, while major events and weekday corporate demand can create short-term compression where availability and rate caps matter most.

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Sources: Hotel Online 2026 Hotel Market Outlook; Lodging Econometrics Q1 2026 pipeline; City of Phoenix Major Events.

A RECENT SURVEY AND ARTICLE IN THE COMPANY DIME

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SOURCING

Survey Shows Gains For Dynamic Hotel Rates, But Don't Count On Them Upending RFPs

David Jonas • June 26, 2026 • 1 Comment

Corporate hotel programs continue to rely mainly on fixed negotiated rates, as many buyers view dynamically discounted pricing models with skepticism. This checks chatter around the industry about the opportunity to use AI to finally fix the cumbersome RFP process.

A GBTA/Radisson Hotel Group April-May survey of 258 corporate travel managers across North America and Europe showed some movement. About half indicated that their travel programs had more dynamic discounts at the individual property level than they did the year before; 6 percent said fewer. Seventeen percent had more fixed rates and 25 percent had fewer.

WHAT DOES THIS ILLUSTRATE?

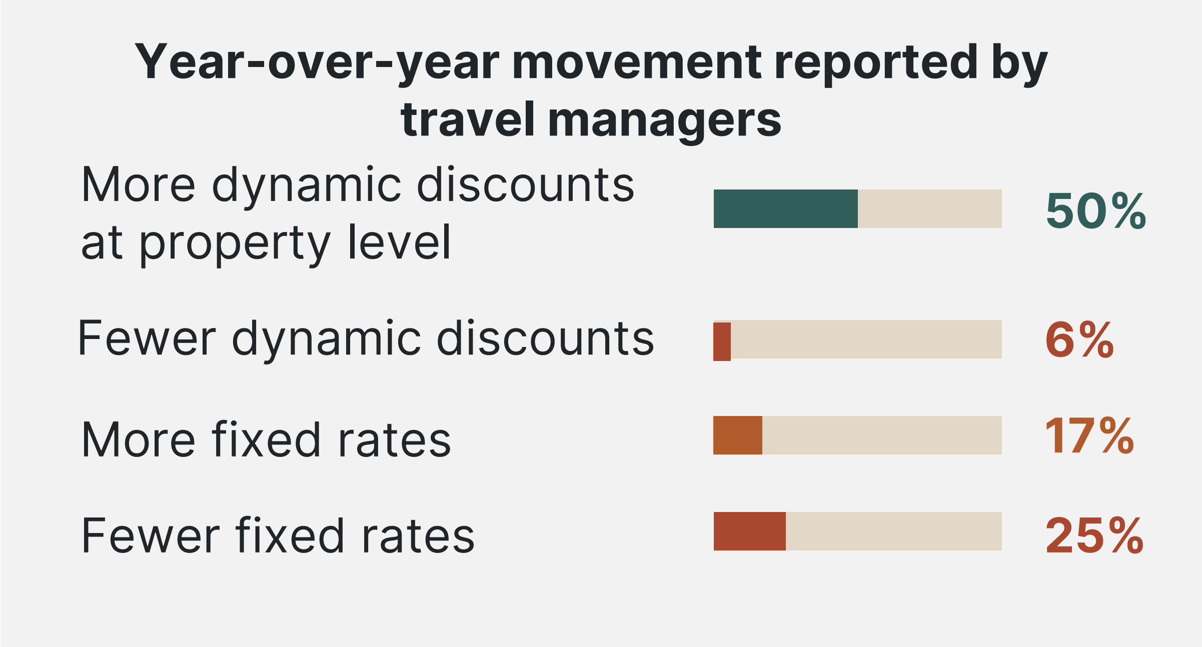
FIXED RATES STILL ANCHOR PROGRAMS: DYNAMIC PRICING GROWING CAUTIOUSLY

Buyers are experimenting with flexibility, while skepticism remains around transparency, competitiveness and annual maintenance.

Fixed negotiated rates remain the default posture for high-volume properties.

Dynamic discounts are most accepted in smaller-volume locations or as part of hybrid models, often with rate caps.

AI will not “replace” sourcing strategy. It has to help buyers control rate integrity, data consistency and model governance.



75%

of programs combine fixed rates and dynamic discounts

90%

of large programs use a hybrid model

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Source: GBTA/Radisson Hotel Group April–May survey of 258 corporate travel managers; TAMS remarks cited in prompt.

THE BIGGER PAIN POINT IS NOT RATE TYPE — IT IS THE ANNUAL RFP MACHINE

TECHNOLOGY, AI AND AUTOMATION CAN REMOVE ADMINISTRATIVE DRAG, BUT BUYERS ARE LOOKING FOR MORE THAN DIGITIZATION.

"This is a process that hasn't fundamentally changed for over a decade."

Julie Gallego, Marriott

The process now scales across annual bids, rebids, add-on hotels, local negotiations, revenue management review and multiple internal approvals.

Important tension: The RFP is disliked, but it provides process transparency; replacing it cannot mean reverting to relationship-only procurement.

177K
Marriott pricing proposals for 2026

1.6K
Corporate buyers receiving proposals

70K
Expected rebids by cycle end

WHERE AI CAN HELP

Standardize data formats	Automate proposal review	Preserve a level playing field

Strategic takeaway: Modernization should free teams to focus on sourcing strategy, supplier performance and rate governance — not just faster administration.

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Source: GBTA/Radisson Hotel Group April–May survey of 258 corporate travel managers; TAMS remarks cited in prompt.

THE SHIFT: FROM ANNUAL BUY TO CONTINUOUS OPTIMIZATION

USE THIS FRAMING TO TURN A PRICING DISCUSSION INTO A PROCUREMENT TRANSFORMATION DISCUSSION.

OLD MODEL	TRANSITION	NEW MODEL
One annual RFP, broad rate asks, static supplier lists, limited post-award enforcement.	Hybrid rates, shorter cycles, targeted markets, cleaner data and rate availability monitoring.	Always-on optimization across transient, meetings, long stay and payment.

STRATEGIC IMPLICATION

- Hotel procurement is now a data mgmt. discipline as much as a negotiation discipline.
- The winning programs are not choosing static or dynamic by ideology. They are matching the rate model to market conditions and production evidence.
- Supplier economics matter: hotels are also resource constrained, so automation and cleaner payment can become negotiation value.

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Sources: GBTA/Cvent Hotel and Meeting Sourcing, Aug. 2025; Cvent Transient Insider, Feb. 2026; HRS

DEMAND IS RESILIENT, BUT THE BUYER MANDATE IS TIGHTER

CORPORATE DEMAND IS NOT DISAPPEARING, BUT COST CONTROL AND TRAVELER SATISFACTION ARE IN TENSION.

84%
buyers expected 2026 spend to increase or stay flat

70%
buyers concerned about affordability

+1.8%
global hotel ADR forecast for 2026

+2.4%
meeting/event cost-per-attendee forecast

WHY THIS MATTERS FOR HOTEL PROCUREMENT

- A flat or growing budget does not mean an easier procurement year.
- Buyers are balancing savings, traveler experience, safety, content access and leakage.
- Moderating ADR creates room for negotiation, but only for programs with credible volume and clean data.

OPERATIONAL FRICTION NAMED BY BUYERS

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Sources: GBTA Jan. 2026 Poll; CWT/GBTA 2026 Global Business Travel Forecast, Jul. 2025.

CONVERGENCE CREATES NEGOTIATING POWER

WHEN BUYERS AGGREGATE DEMAND, THE SUPPLIER CONVERSATION CHANGES.

Transient	Meetings	Long stay	Payment
Room nights, traveler patterns, rate availability, preferred channel performance.	Simple meetings, room blocks, meeting space, F&B, cancellation and attrition terms.	Extended lodging, project-based demand, relocation and workforce housing patterns.	Central bill, virtual payment, invoice data, VAT/tax recovery and expense reduction.

Converged volume gives hotels more confidence in the value of the account.

- Better evidence of value can open the door to static rates even when chains prefer dynamic models.
- Convergence also gives procurement a cleaner way to solve hidden meetings leakage and supplier sprawl.
- The operational requirement is consistent data across segments, not a bigger spreadsheet.

Sources: BTN, Feb. 2026; Business Travel Executive, Nov. 2025; HRS

SUPPLIER REALITY: HOTELS ARE OPTIMIZING, TOO

BUYERS NEED TO NEGOTIATE AGAINST THE HOTEL OPERATING MODEL, NOT A STATIC SALES PROCESS.

Hotels Push Dynamic Rates
Brands want revenue flexibility and property-level control, especially where demand is uncertain.

Thin Sales Resources
Smaller teams and local owner influence can slow RFP response and create inconsistent decisions.

Amenities are Operational Promises
Breakfast, parking, upgrades and service levels require staffing and property execution.

Buyer questions to ask in the RFP

- Which amenities are guaranteed versus best-effort?
- How is rate loading governed after award?
- Who owns response timing at the property or chain level?
- Can centralized payment, cleaner invoicing or meetings volume create better economics for both sides?

The negotiation is no longer just rate for room nights. It is value for operational certainty.

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Sources: Business Travel Executive, Nov. 2025; BTN, Feb. 2026; HRS

THAT’S A LOT….

BUT LET ME ILLUSTRATE

BE STRATEGIC!
REVOLUTIONIZE YOUR SPEND MANAGEMENT AND TRANSFORM PROCUREMENT TO DELIVER MORE VALUE AND EFFICIENCY

1. **CUSTOMIZED GOAL SETTING**
   Set your strategic goals and individual success metrics for **intelligent spend steering.**

2. **STRATEGIC DESTINATION & MARKET BENCHMARKING INTELLIGENCE**
   Start strategic discussions on **destination level** – focus negotiations where to drive most savings.

3. **PERSONA-BASED INSIGHTS**
   Match travelers to the right hotels – tailored to the **respective travel use case.**

4. **OPERATIONAL EXCELLENCE THROUGH AI**
   Ensure hotel compliance through **agentic** hotel follow-ups, automated rate loading and real-time audits to **eliminate manual effort**.

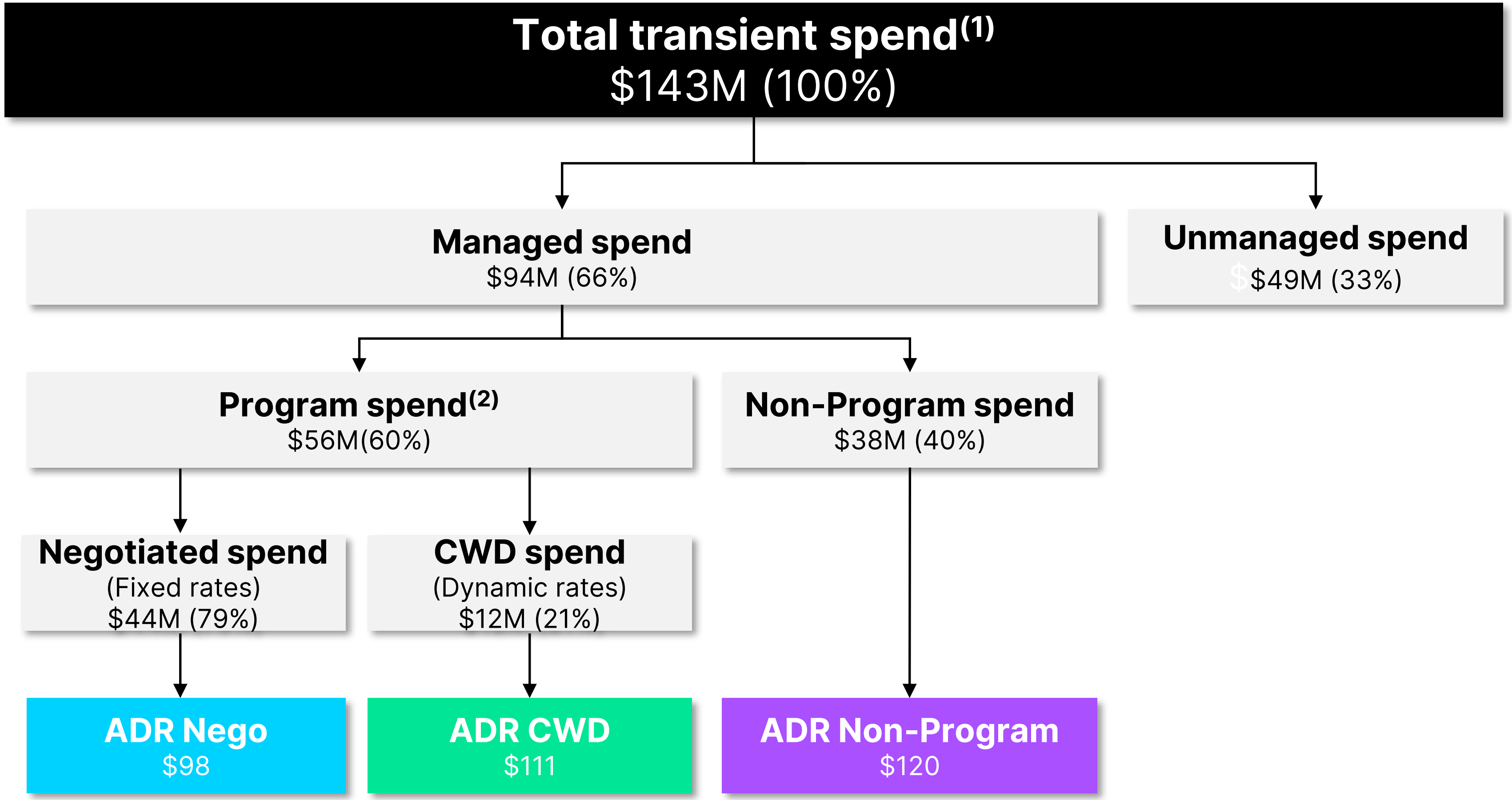
STRATEGIC DESTINATION & MARKET BENCHMARKING INTELLIGENCE

HAVE A CLEAR INSIGHT ON WHERE ARE THE SAVINGS LEVERS THROUGH THE DESTINATION LEVEL NEGOTIATION INTELLIGENCE AUTOMATION

Destination-specific approach

1. Bundle your travel volume
2. Rate type optimization
3. Replace underperforming hotels
4. Negotiation intensity

OUR CLIENT DATA MAPPING



1) mn EUR: Spend referring to the Fiscal Year 2025, period October 2024 – September 2025
2) Estimation - 30% of total transient spend assumption (per last expense reports). To be validated.
3) Other TMC: e.g. Amex GBT / Concur /
4) Unmanaged spend is assumed to carry a ~17% higher ADR than managed program bookings.

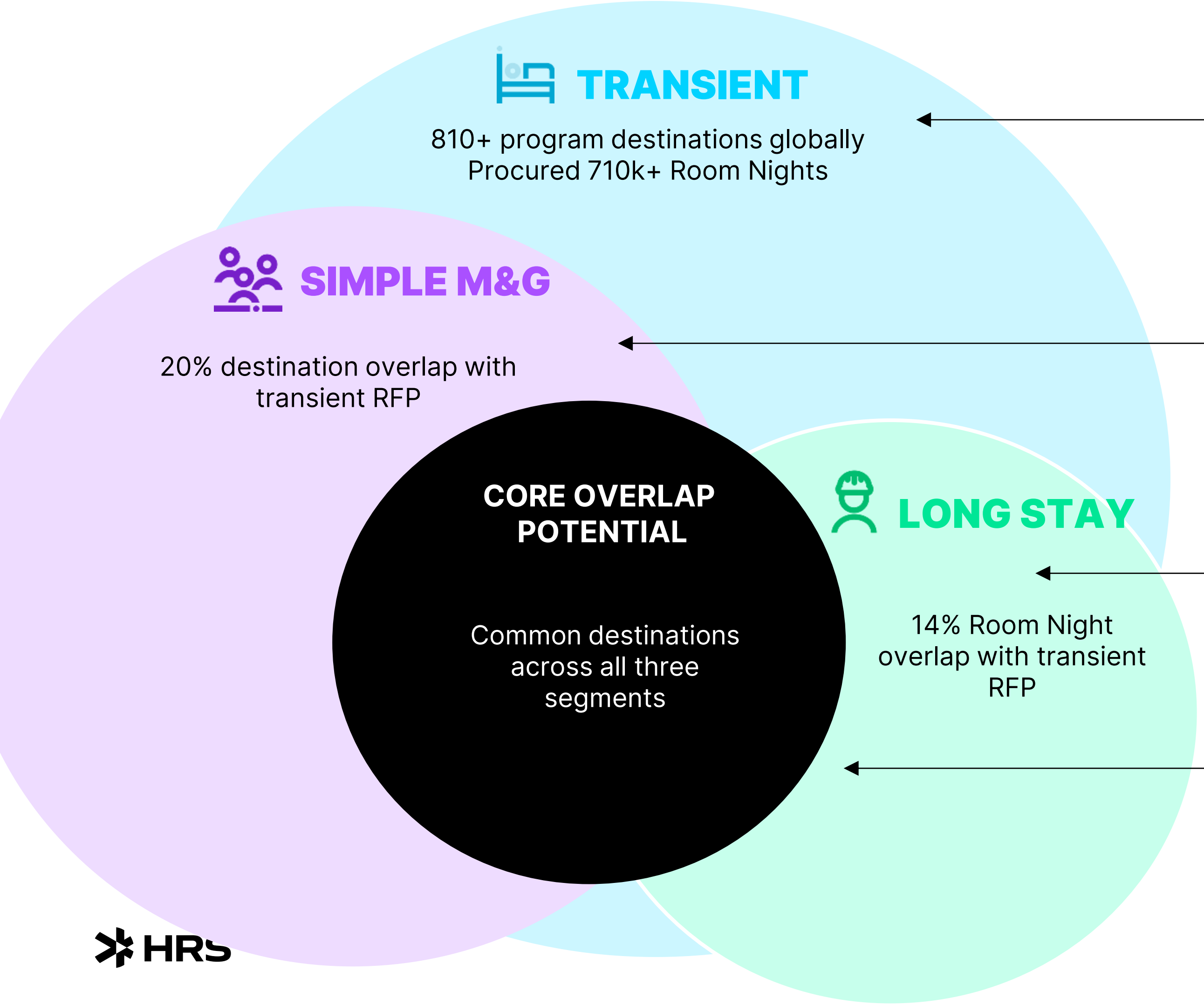
STRATEGIES ACROSS LODGING SEGMENTS

- **Transient**
  - **Managed :** Findings & proposed actions
  - **Unmanaged:** Findings & proposed actions
- **Long Stay:**
Findings & proposed actions
- **Meetings & Groups**
Findings & proposed actions

1

BUNDLE YOUR TRAVEL VOLUME (1/2): CONVERGENCE EXAMPLE

TO ACHIEVE SAVINGS CONVERGENCE IS KEY - ACROSS THE 3 SEGMENTS WE SEE ADDITIONAL 34%[1] BUYING POWER SYNERGY



WIDEST REACH / VISIBILITY
Broadest set of destinations (and data) across all segments. Most mature.

SIGNIFICANT OVERLAP
With 13% meeting adoption, we see 1 in 5 overlap with transient destinations; if we had global M&E data, it would likely be 2:1 overlap

MEANINGFUL OVERLAP
~1 in 7 destination overlap with transient. Could be significantly more.

SHARED CORE
Destinations common to all three segments.

CONVERGENCE RECOMMENDATIONS

- **Start building a reduced pilot program by Requesting a group meeting and meeting package rate non mandatory in the same RFP.**
- **Continue collecting Meetings and group existing data in order to create a future more thorough program**
- **Include top Long stay properties in the RFP**

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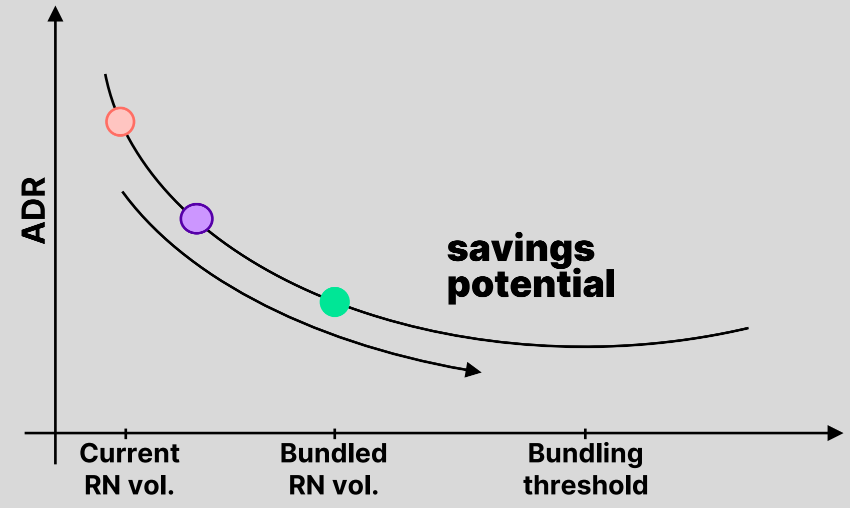
(1) Convergence savings calculator

BUNDLE YOUR TRAVEL VOLUME (2/2): DESTINATION STRATEGY EXAMPLE

DEPENDING ON YOUR DESTINATION ROOM NIGHT PRODUCTION AND PROGRAM ADOPTION YOU SHOULD ADOPT THE FOLLOWING PROCUREMENT STRATEGIES

HOTEL RATE BEHAVIOR

Based on FY 2025 production



CONVERGENCE & BUNDLING

- Increased volumes lead to more competitive rates up to a hotel specific bundling threshold.
- Threshold signals addl. hotels need to be procured to avoid overpayment.

High Program Adoption destinations

CONVERGE, KEEP PARTNERS AND RENEGOCIATE RATES
56 destinations

Medium Program Adoption destinations

CONVERGE & CREATE COMPETITION WITH NEW HOTELS
120 destinations

Low Program Adoption destinations

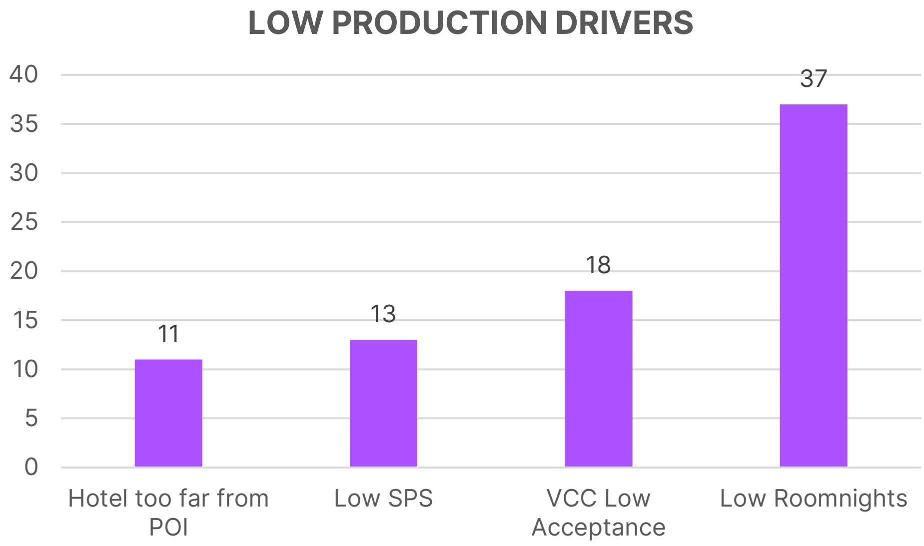
BUNDLE VOLUME OR REPLACE HOTEL PARTNERS
48 destinations

3

REPLACE UNDERPERFORMING HOTELS (1/2)

70 HOTELS (17%) OUT OF THE TOTAL XXX CONTRACTED HOTELS IN 2025 GENERATED ONLY 0–70 ANNUAL ROOM NIGHTS ANNUALLY, CONTRIBUTING TO DECLINING KPI PERFORMANCE, INCREASED OPERATIONAL EFFORT, AND OVERALL INEFFICIENCIES

2025 CONTRACTED HOTELS WITH RN < 70



70 HOTELS TO BE REMOVED

HRS PROPOSES REPLACEMENT WHERE NEEDED

Reason Code	Hotels Removed	Total No. Of Replacement	Alternative Hotels	CCR
Hotel too far from POI	5	0	0	0
Low SPS	13	3	1	2
VCC Low Acceptance	18	10	4	6
Low Roomnight	37	7	4	3

REPLACING UNDERPERFORMING HOTELS THROUGH BUNDLING & SUITABLE ALTERNATVES WILL HELP CONSOLIDATE BUYING POWER FOR NEXT YEAR WHILE REDUCING OPERATIONAL EFFORT AND INEFFICIENCIES

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**Based on production from Jan-Dec 2025*

PERSONA INSIGHTS (1/2)

PERSONALIZE YOUR TRAVEL USE CASES WITHOUT SACRIFICING BUYING POWER TO DRIVE ADOPTION VIA SATISFACTION AND REALIZE SAVINGS ON TOTAL SPEND.

FOCUS ON PERSONALIZED LEAKAGE REDUCTION

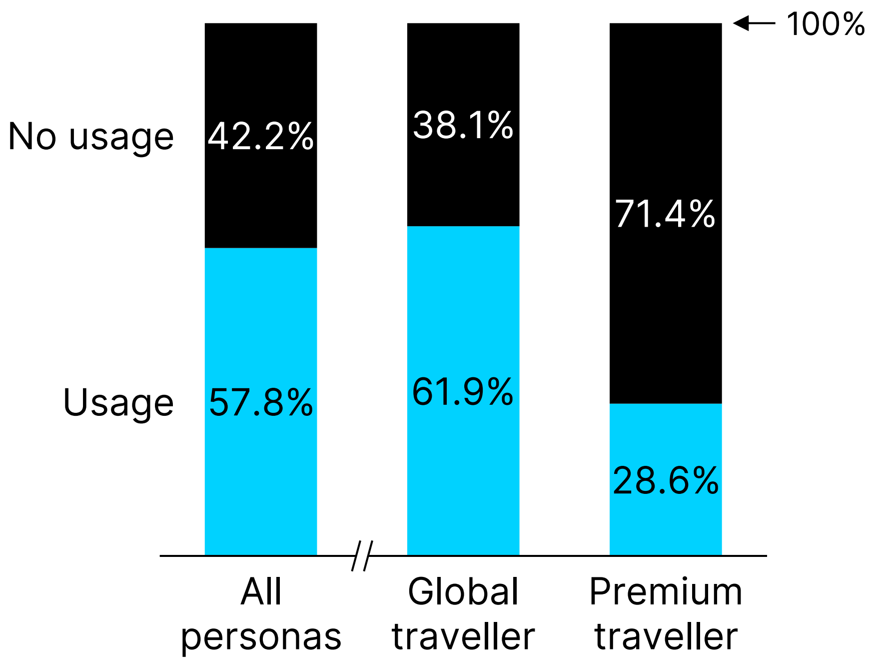
COPILOT				
PERSONA	**CORPORATE TRAVELER**	**BUDGET TRAVELER**	**LONGSTAY TRAVELER**	**PREMIUM TRAVELER**
TYPICAL ROLES (Exemplary)	→ HR Business Partner → Finance Manager → Procurement Manager → Internal Auditor	→ Trainee → Business Analyst → Junior Consultant → Junior Sales Rep.	→ Project Manager → (Senior) Consultant, → Transformation Lead	→ C-level → MDs, VPs → Country/BU Heads
SHARE OF MANAGED SPEND	40%	19%	25%	17%
(FIXED) NEGO RATE ADOPTION	66%	37%	52%	39%
MGD. CHANNEL ADOPTION [1]	99%	93%	72%	40%
SAVINGS ON TOTAL SPEND [2]			**UP TO -2,5% SAVINGS**	
EXEMPLARY MEASURES			↓ Procure dedicated longstay rates	↓ Procure additional perks

1) Based on same personas for other customers
2) Indicative, based on benchmarks for other customers (reducing leakage by 20%) effect varies depending on unmanaged ADR

PERSONA INSIGHTS (2/2): REVIEW INCL./EXCL. BREAKFAST
TARGET BREAKFAST INCLUSION WHERE IT MATTERS

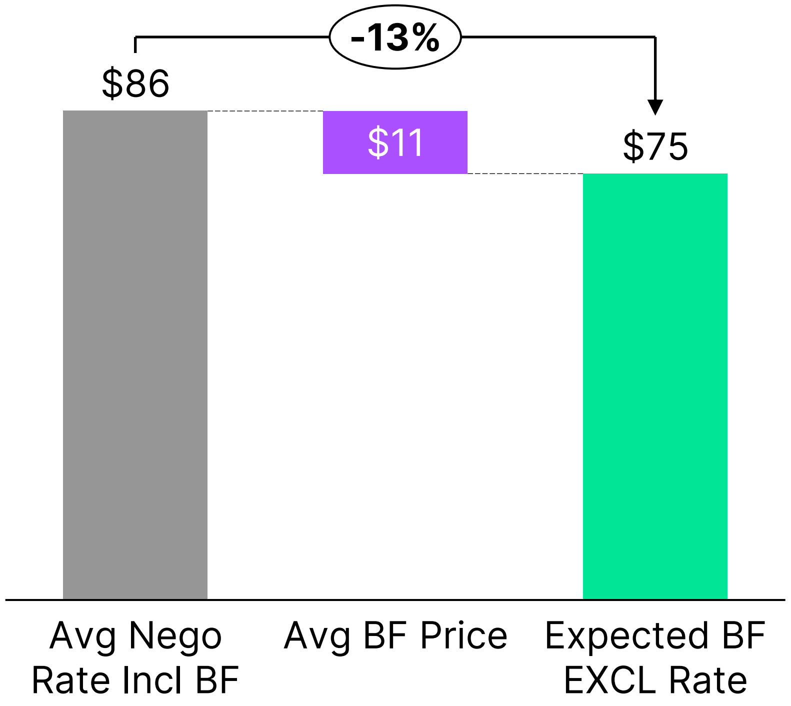
Average breakfast usage

Usage persona level



Average breakfast price

HRS benchmark



Insights

42% of travelers do not use breakfast, representing on average an avoidable cost of ~$4.60 per room night.

- Consumption patterns differ by traveler persona.
- **Recommendation:** Prioritize breakfast-excluded rates in destinations with low breakfast usage.
- **Next Step:** Launch a controlled pilot and measure savings, adoption, and traveler satisfaction.

AND TAKEAWAYS…
A FEW THINGS TO REMEMBER

IN SUMMARY

- Hotel procurement is moving from an annual rate exercise to a continuous optimization model.
- Buyers are still managing resilient demand, but the mandate has changed: control cost, preserve traveler experience, reduce leakage, and use better data to decide where static, dynamic, or hybrid rates make sense.
- GBTA reports that 84% of buyers expect 2026 spend to increase or stay flat, while hotel ADR is forecast to rise modestly.
- The biggest advantage now comes from data quality and convergence.
- Programs that combine transient, meetings, long stay, and payment volume can present a stronger value story to hotels.
- Fixed rates still matter, with Cvent reporting roughly 85% of accepted corporate rates as fixed, but AI, automation, and rate auditing are changing how programs source, monitor, and enforce value.

Core sources used: GBTA, CWT/GBTA, GBTA/Cvent, Cvent Transient Insider, BTN, Business Travel Executive, Morgan Stanley, Hotel Online, Lodging Econometrics, City of Phoenix and HRS.

AND FIVE TAKEAWAYS FOR TRAVEL LEADERS
A DISCUSSION SHOULD END WITH ACTIONS BUYERS CAN TAKE IMMEDIATELY

1. Adopt a hybrid rate architecture by market instead of debating static versus dynamic in the abstract.
2. Use convergence to show hotels the full value of transient, meetings, long stay and payment volume.
3. Audit rates continuously. Negotiated value only matters if rates are visible and bookable.
4. Treat AI as workflow acceleration: forecasting, sourcing, contracting, auditing and payment data.
5. Redesign scorecards beyond ADR to include leakage, cycle time, channel use & traveler experience.

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