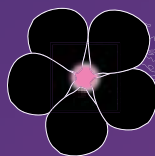


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**MCI THOUGHT LEADERSHIP:  
GROUP  
BOOKINGS**

# All Around the Block

**Original research and analysis on  
global MICE hotel rates, shop times,  
and booking behavior**



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Building Community

## About MCI

MCI is the global leader in engaging communities and creating face-to-face and digital experiences through events, meetings, incentives, association solutions, conferences, and exhibitions. Headquartered in Geneva, Switzerland, MCI has 2,500 talents in 61 offices and 31 countries who partner with corporate, nonprofit, and government clients worldwide.

Learn more at [mci-group.com](https://mci-group.com).



## GROUP BOOKINGS

# ‘It’s all about focusing on MICE hotels’

**T**he MICE housing model is changing. Booking windows are shrinking, room blocks are coming apart, and every stakeholder in the process — housing bureaus, meeting planners, hotels, and delegates themselves — has more information about rates and availability than ever before. But more information doesn’t automatically translate into more intelligence.

This report is intended to provide such intelligence, for the first time offering a comparative analysis of rates and shop times specifically for MICE hotels in 20 premier destinations around the world — in Europe, the Americas, and Asia-Pacific/Middle East. Using original research conducted by MCI’s Business Intelligence Unit to create a Hotel Rate Index (see “Methodology,” p. 5), we show not just overall average rates in each city but rates for properties in two distinct MICE categories — luxury and healthcare — as well as the optimal time to book them.

## Key Findings

### Best Shop Time

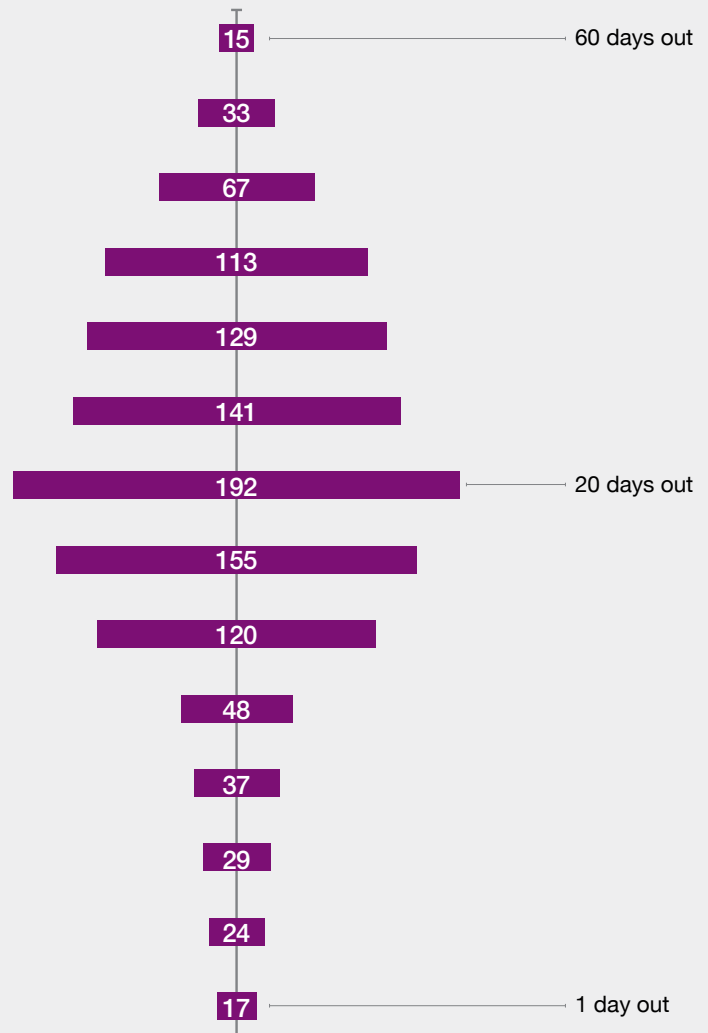
The best shop time is 5–6 months in advance if you take both hotel room availability and hotel rates into consideration.

### Hotel Rate Index

There is almost no difference between luxury and average rates, for two possible reasons: 5-star and 4-star hotels are far more expensive than 3-star hotels within the same city; and/or some cities’ 5-star rates are much higher than other cities’.

# Online Hotel Booking Patterns

## BY NUMBER OF BOOKINGS



## LUXURY + HEALTHCARE

“If you’re looking at a medical conference, you’re looking primarily at three- and four-star hotels, and that’s where we wanted to come up with a healthcare index,” said **RICHARD TORRIANI**, MCI Group’s Chief Operating Officer for the Americas. “And then we have a luxury index if you have a client who is in the five-star range. It’s getting down to the granularity of the data to understand, first of all, the subset of all hotels that are MICE, and then, within that subset of all hotels, which ones are particular to specific types of items in the meeting context — to be able to really optimize what we call total cost of participation at a conference, where the hotel rates are optimized so that the conference itself is a smaller percentage of the overall spend of the delegate.”

## SHOP TIMES

That knowledge works in tandem with shop times, which increasingly are optimized for leisure tourists through various travel platforms but until now haven’t been factored into MICE purchasing in any strategic or comprehensive way. Collecting data about MICE hotels in these 20 cities offers an understanding of rates globally — including when is the best time to buy. “It’s all about focusing on MICE hotels,” Torriani said. “For this report we only shopped MICE hotels — the ones that have conference space, and some of the most active hotels with MCI — so we have a really good understanding of the hotels that our clients want and are representative of the MICE market overall.”

## BOOKING BEHAVIOR

Why is this research important? Because booking behavior is changing dramatically, which is stressing the room-block model — especially for citywide meetings, conferences, and events. In *Is 7 the New 10?*, an original report from MCI Group released last year, MCI explored the ramifications of the reduction in the group commission rate to 7%, including the possible end of citywide room blocks. (Download the report for free at [mci-group.com/en-us/news-and-insights](https://mci-group.com/en-us/news-and-insights).) This latest research continues that conversation by providing actionable intelligence that stakeholders can use to better understand and leverage booking behavior.

Just how significantly have booking windows compressed? The chart on the right shows the average hotel booking timeline across all events for which MCI provided housing services in 2018. Note that more than half of bookings — 56% — were made within 20 days or less of the event.

## Methodology

### Hotels

This report uses data from six MICE hotels in each of the 20 destinations, except in Madrid (four hotels), London (five hotels), Vienna (five hotels), and Miami (five hotels). All hotels are close to the city center or convention center, and range from 3-star to 5-star properties.

### Rates

All hotel rates were captured from Trivago.com, a website that checks multiple online booking platforms simultaneously, the first Monday of every month from April 2018 to February 2019.

“The convergence of data and booking behavior is essential for the future of the MICE industry,” said **JODIE TORRIANI, CRME, HMCC**, Head of Global Hotel Procurement and Strategic Sourcing for MCI Group. “Today, participants book their accommodation closer to the event than ever before. Even group booking windows have seen a fundamental shift, as groups are simply behaving as collectives of individuals. Hotel contractual policy has not evolved at the same pace as the evolution of transparent distribution, and knowing how group demand is generated is critical to our mutual success.”

### EXPERT ANALYSIS

On the following pages, you’ll find MCI’s Hotel Rate Index and best shop times for cities in Europe, the Americas, and Asia-Pacific/Middle East — paired with expert analysis about the MICE market from MCI leaders in each region and relevant excerpts from *Is 7 the New 10?* Taken together, this information is intended to give you new tools to track and implement group bookings in 20 key global MICE destinations, and the perspective to understand their continuing evolution. “There will be more dynamic rates for conferences for all parties,” Richard Torriani said. “Buying three years in advance and hoping that rate holds up is very outdated. Clients and associations and delegates will have to get used to more volatility in rates.” ●

“Today, participants book their accommodation closer to the event than ever before. Even group booking windows have seen a fundamental shift, as groups are simply behaving as collectives of individuals.”



## REGION: EUROPE

# 6% Drop in Direct Bookings

Europe is no stranger to group programs. Fourteen of the top 20 destinations for international association meetings are found here, according to the latest rankings from the International Congress and Convention Association (ICCA). That's because Europe has it all: accessibility and infrastructure, intellectual capital and knowledge resources, history and culture. But how do hotel rooms get booked for all those meetings, conferences, and other events? According to **JODIE TORRIANI, CRME, HMCC**, Head of Global Procurement and Sourcing Strategy for MCI Group, European hotels saw a 6% drop in direct website bookings between 2014 and 2018. "This is in line with what we have been communicating to our hotels — that participants who don't book through MCI as the official housing agency prefer to book through an OTA, not the hotel branded website," Torriani said. "In fact, 86% of participants who did not book through MCI booked through an OTA."

### REGIONAL EXPERT



**Jodie Torriani, CRME, HMCC**  
Head of Global Procurement  
and Sourcing Strategy, MCI  
Group

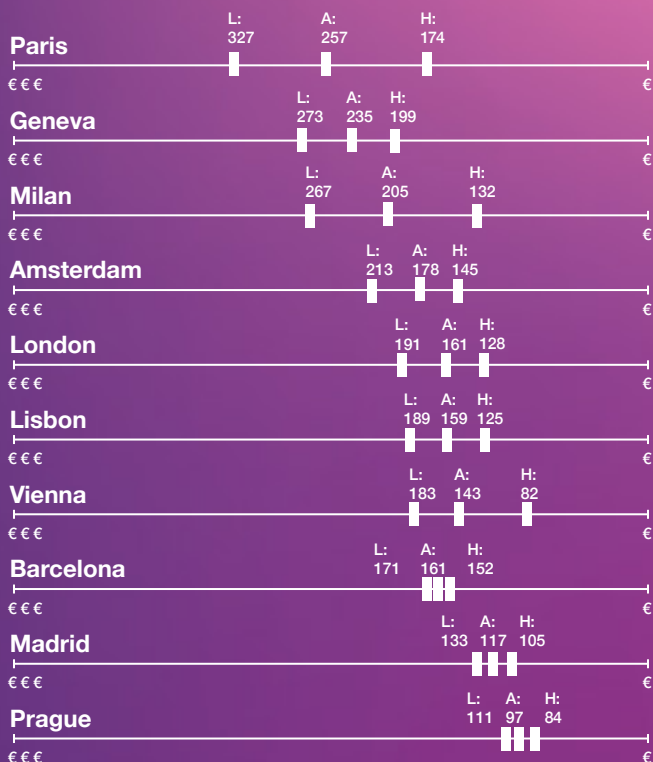
**BEST SHOP**

4-5 months

**HOTEL RATE**

€ 128-1

### HOTEL RATE INDEX



L: LUXURY  
A: AVERAGE  
H: HEALTHCARE

## MADRID

**BEST SHOP TIME**

5-6 months

**HOTEL RATE RANGE**

€ 105-133

## LISBON

**BEST SHOP TIME**

5-6 months

**HOTEL RATE RANGE**

€ 125-189



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## AMSTERDAM

### BEST SHOP TIME

4–5 months

### HOTEL RATE RANGE

€ 145–213

## PRAGUE

### BEST SHOP TIME

4–6 months

### HOTEL RATE RANGE

€ 84–111

## PARIS

### BEST SHOP TIME

5–6 months

### HOTEL RATE RANGE

€ 174–327

## VIENNA

### BEST SHOP TIME

6 months

### HOTEL RATE RANGE

€ 82–183

## GENEVA

### BEST SHOP TIME

1 month or  
5 months

### HOTEL RATE RANGE

€ 199–273

## MILAN

### BEST SHOP TIME

1–2 months or  
5 months

### HOTEL RATE RANGE

€ 132–267

## BARCELONA

### BEST SHOP TIME

1 month or  
6 months

### HOTEL RATE RANGE

€ 152–171

From MCI Group's *Is 7 the New 10?*

### WHAT'S NEXT FOR GROUP BOOKINGS?

“ We get together with the hotel industry and come up with a new model that conserves the group system but brings a new level of transparency and efficiency to the system. We need nothing less than a new mutually beneficial economic partnership.

— Jodie Torriani, CRME, HMCC, Head of Global Procurement and Sourcing Strategy, MCI Group

## REGION: AMERICAS

# Historic Occupancy Levels

For sheer geographic sweep, you can't beat the Americas — east to west, from New York to Seattle, and north to south, down to São Paulo. Staggering natural beauty meets an unmatched portfolio of business destinations. And hotel bookings? "The U.S. hotel market is stronger than ever," said **SHAWN PIERCE**, President of Strategic Event, Meetings & Incentives for MCI USA. "Major chains have adjusted their intermediary channel strategy, and group block contracts are changing dynamically." Specific trends Pierce is seeing: occupancy and ADR are at all-time highs; hotels are reducing base contracting conditions and adding additional fees, including resort and facility fees; and they're asking for cancellation clauses that start upon signing the contract, up to four years out from the event. Within those conditions, MCI Brazil Managing Director **ANDRÉ CARVALHAL** sees a meetings and events market where decision-making is moving from a decentralized to a centralized model, under procurement and/or marketing, and where the approach to cost reduction means less intermediation on venue sourcing — i.e., direct purchase. "Audience acquisition and audience experience," Carvalhal said, "will become key."

## SEATTLE

### BEST SHOP TIME

1 month or  
5–6 months

### HOTEL RATE RANGE

€ 209–262

## ATLANTA

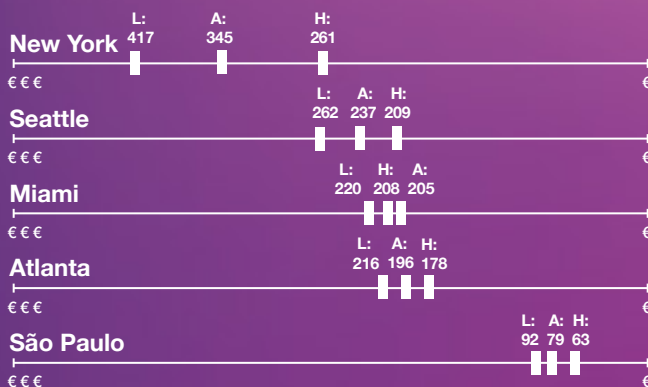
### BEST SHOP TIME

1 month or  
5–6 months

### HOTEL RATE RANGE

€ 178–216

## HOTEL RATE INDEX



L: LUXURY  
A: AVERAGE  
H: HEALTHCARE



## NEW YORK CITY

### BEST SHOP TIME

5–6 months

### HOTEL RATE RANGE

€ 261–417

## MIAMI

### BEST SHOP TIME

1 month or  
4–5 months

### HOTEL RATE RANGE

€ 205–220

### BEST SHOP TIME

4–5 months

### HOTEL RATE RANGE

€ 63–92

## SÃO PAULO

## REGIONAL EXPERTS



**André Carvalho**  
Managing Director,  
MCI Brazil



**Shawn Pierce**  
President of Strategic  
Events, Meetings &  
Incentives, MCI USA

From MCI Group's *Is 7 the New 10?*

## WHAT'S NEXT FOR GROUP BOOKINGS?

“Regardless of the commission structure, it is important that we specifically list all the services they are requesting in our contract along with the fees associated, then note anticipated revenue from other sources to offset those fees.

— Shawn Pierce, President, Strategic Events, Meetings & Incentives, MCI USA

## REGION: ASIA-PACIFIC + MIDDLE EAST

# The Rise of Alternative Platforms

This is a huge market of striking contrasts, from the glittering transnational metropolises of East Asia, to the lush enclaves along the Persian Gulf, and so many places in between. It's a wildly diverse ecosystem for meetings and events. "Each country or region has different issues," according to **OSCAR CEREZALES**, MCI Group's Chief Operating Officer for Asia-Pacific, "sometimes completely different." But Cerezales does identify some hotel booking trends that apply throughout Asia-Pacific and the Middle East: 20 to 25% of delegates are booking hotel rooms via the conference's online registration form; delegates are increasingly knowledgeable about Airbnb's, Expedia's, and other alternative booking platforms' free cancellation policies and as a result are resistant to strict cancellation policies from conferences; and alternative platforms continue to impact B2C events in other ways — positively affecting supply in certain destinations but negatively affecting event organizers who expect housing to be a key revenue channel.

**DUBAI**

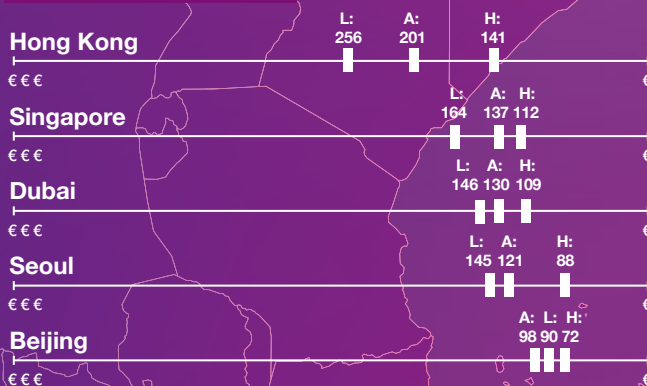
### BEST SHOP TIME

1 month  
or 5 months

### HOTEL RATE RANGE

€ 109–146

### HOTEL RATE INDEX



L: LUXURY  
A: AVERAGE  
H: HEALTHCARE

### REGIONAL EXPERT



**Oscar Cerezales**  
Chief Operating Officer  
for Asia-Pacific,  
MCI Group



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## BEIJING

### BEST SHOP TIME

5–6 months

### HOTEL RATE RANGE

€ 72–98

## SEOUL

### BEST SHOP TIME

2 months  
or 4–5 months

### HOTEL RATE RANGE

€ 88–145

## HONG KONG

### BEST SHOP TIME

6 months

### HOTEL RATE RANGE

€ 141–256

## SINGAPORE

### BEST SHOP TIME

2–3 months

### HOTEL RATE RANGE

€ 112–164

From MCI Group's *Is 7 the New 10?*

### WHAT'S NEXT FOR GROUP BOOKINGS?

“ One of the things that has to change going forward is the recognition that the world has changed in the last 10 or 15 years around transparency and distribution.

— Richard Torriani, Chief Operating Officer  
for the Americas, MCI Group

