



PRESS RELEASE

Majority of Corporate Travel Programs to Seek Lower Hotel Rates as COVID-19 Restrictions are Lifted

HRS Survey of Travel and Procurement Leaders Finds that 62 Percent See Opportunities for Rate Savings in 2020 and beyond, with 58 Percent Planning to Consolidate Hotel Suppliers

(Cologne, 5 May, 2020) [HRS](#), the leading hotel solutions provider in business travel, today announced the results of its most recent Flash Survey of corporate travel program managers and procurement executives. The global survey, which ran from April 30 through May 4, gives the industry guidance on the delicate balance between hotel suppliers and managed travel programs as the business travel ecosystem looks towards recovering from the COVID-19 pandemic.

Key findings from the survey:

- 62% of respondents foresee opportunities to reduce hotel room rates and gain more flexible terms and conditions for the balance of 2020 and beyond.
- 51% said they anticipate issuing RFPs to achieve that specific goal.
- In exchange for hotel supplier flexibility as business travelers get back on the road, a vast majority of corporations are willing to commit to 15-18 month-long agreements. 81% of responding travel program leaders are willing to negotiate contracts for the balance of 2020 and the full 2021 calendar year.
- 58% anticipate reducing the number of suppliers they work with, offering preferred hotel partners the opportunity to win more share from existing corporate clients.
- 86% will prioritize hotel partners with revised, specific COVID-19 hygiene protocols.

“Our industry is suffering through previously unimaginable hard times, with suppliers and other parties all resource-challenged due to layoffs and furloughs,” said [HRS CEO Tobias Ragge](#). “Procurement leaders understand this reality. However, they are also being tasked by their CFOs to renegotiate and develop precise financial plans focused on the costs they anticipate to get business up and running in the back half of 2020. This is particularly true for *Fortune* 500 global programs. Once safety protocols are in place, companies will authorize necessary trips to visit clients and pitch prospects. These survey results fall in line with what we’re hearing from clients across every vertical market.”

“Beyond the tragedy of the pandemic, this upcoming period looks like simple market dynamics at work,” continued Ragge. “Hotel suppliers have had the benefit of high occupancy and growing rates for more than a decade. With international travel stalled and leisure travel (especially to inner-city properties) reduced, business travel leaders correctly see savings opportunities as they focus on their core destinations and deliver volume for hoteliers throughout the week. Domestic corporate demand will play a decisive, leading role in this recovery. With corporations consolidating their programs and driving market share, pro-active hoteliers have the chance to create strategic partnerships and grow beyond transient travel into higher-yielding groups + meetings volume with their preferred clients.”



“Finally, we see experienced procurement leaders choosing to renegotiate in these market circumstances as a way of demonstrating their value and the value of the managed travel program,” concludes Ragge. “As we’ve seen in other recoveries this century (9/11, SARS), aggressive online travel agencies (OTAs) gain market share by undercutting outdated negotiated corporate rates. Today’s business traveler instinctively shops hotel rates more than ever before. It’s vital that managers promoting their managed travel channels for safety reasons have the best rates in those channels as well, as it directly impacts the integrity and reputation of the program across the company.”

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About HRS

By creating Lodging as a Service, HRS is revolutionizing the accommodation category for corporations, hotels and business travelers worldwide. Leveraging its proprietary technology and consultant services, HRS provides global corporations with an integrated platform that facilitates savings, efficiencies and customer satisfaction. HRS technology and its 1,500 experts drive the hotel programs of more than one-third of *Fortune* 500 corporations. HRS solutions also deliver newfound efficiencies for hotels and event planners. HRS was founded in Cologne, Germany in 1972. More information at www.hrs.com/corporate.