

THE HOTEL DISTRIBUTION EVENT 2017

DEBATING HOTEL DISTRIBUTION,
CRM AND E-COMMERCE

3/4 OCT
2017

SPONSORSHIP INFORMATION

THE HOTEL DISTRIBUTION EVENT 2017

3rd & 4th October 2017

The Montcalm London Marble Arch

“In a world of noise it is not easy to hear yourself think.
We want to create the space for senior executives to
focus on what matters for their business.”

Andrew Sangster,

Editorial director of Hotel Analyst news analysis services
and creator of the Hotel Distribution Event.

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For further information on all sponsorship opportunities please contact: **Sarah Sangster** | email: sarah@zerotwozero.co.uk | tel: +44(0)20 8870 6388

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WHERE HOTELIERS DEBATE TECHNOLOGY STRATEGY

Technology is bringing unprecedented levels of change to the hotel industry and in this rapidly shifting landscape it is hard to keep sight of the horizon. There is huge amounts of detail on changes but too little on the net impact to individual hotel businesses.

Who should be listened to? And, perhaps just as importantly, who should be ignored? What is unlikely to deliver a return? Where must you invest?

We cannot promise you will find the answer to every question at the Hotel Distribution Event. But it is the first forum dedicated to helping hoteliers to do so.

We come from an editorial background and we are immersed in analysing and synthesising information to make it meaningful for the subscribers to our services. We take this approach to our conference programming, creating sessions that help understanding.

There are many in the hotel industry, both hoteliers and suppliers, who recognise the need to provide clarity of thought. The Hotel Distribution Event has been curated to do just that, working with delegates and sponsors to create the right environment.

TARGET AUDIENCE

This event is for senior executives involved in sales, marketing and technology within hotel brand, operating and owning companies. In addition, other senior hotel executives at the CEO, COO and CFO level who have ultimate responsibility for these functions are expected to attend.

BACKGROUND

The HDE is in its fourth year, building on the success of the previous three events. HDE was set up to focus on the strategy rather than the tactics of hotel distribution. Unlike other events in this area the focus is on what should be done rather than the technical details of how it is done.

The HDE is powered by Hotel Analyst Distribution and Technology (HAD&T), the news service for all owners, operators and advisors in the sector. It provides in-depth analysis of the industry on a weekly basis, written by dedicated specialists in this field. Peter O'Connor, professor of information systems ESSEC Business School, France, IMHI; Katherine Doggrell, editor of HAD&T; and Andrew Sangster editorial director. They will once again be putting together a compelling speaker programme that offers a roster of leading opinion formers in the hotel technology sector.

"Good topics that were relevant. Very good performance from the leaders of the panels".

Jan Lundborg, Scandic Hotels

"The content of the presentations in particular was very good".

Craig Cochraine, Moevenpick Hotels

HDE 2016 COVERED

The programme for HDE 2016 is still in gestation but some of the ideas we are looking at include

- The importance of scale to be competitive
- The changing OTA landscape: the smaller players are being consolidated but new giants are entering the market
- Who owns customer data? How is it managed?
- The future of meta search
- How to deliver instant booking.

More will be available on our website as speakers are finalised.

"We focus on thought provoking presentations followed up with hard hitting panel discussions. As we are not seeking fat cheques for consulting, we can ask the difficult questions," says Sangster.

The theme last year was that offline still matters. Panels and presenters addressed the issue of what will happen as the two-thirds of hotel bookings still made offline come online.

"Our aim is to get people thinking. We do this in whatever way we can: by taking a counter-intuitive approach by focusing on offline or by simply asking the awkward questions," says Sangster.

CONTACT

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COMPANIES THAT ATTENDED THE 2016 EVENT INCLUDE:

Accor, Amadeus, Amadeus SAS France, Apex Hotels, Atlantic Equities, Avvio, BDRC Continental, Belmond, British Hospitality Association, Capital Travel and Events, Carlson Rezidor, Cendyn, Chico Hotel Solutions AB, Choose your own room, Clink Hostels, Credit Suisse, Colliers, CitizenM, Boutique Hotel News, Dalata Hotel Group, DataArt, Digital Alchemy, Dow Jones, Duetto, Ebiquly, Essec Business School, Etc Venues, Expedia, Fastbooking, FastPay Hotels, Fattal & Leonardo Hotels, Fornova, For-sight Guest CRM, GLH Hotels, Google, GTMC, Guestline, Hilton, Hodson Bay, Hyatt International, iDiso, InterContinental Hotels Group, IDEas, Infor, International Air Transport Association, KSL Capital Partners, K&L Gates, Luxury Hotel Partners, Marlin Apartments, Marriott International, MiceCrowd, Nadler Hotels, Newmarket, Opensmjle, Oracle, OTA Insight, Otus & Co, Pace Dimensions, Pestana, Portman Estates, PwC, Questex, Qubit, Raspberry Sky, Revinate, ReviewPro, RoomMate Hotels and BeMate.com, Sabre Hospitality Solutions, SACO The Serviced Apartment Company, Scandic, Serentata, Sojern, Small Luxury Hotels of the World, Splendid Hotels, Starwood Hotels, Steigenberger Hotels, Rategain, Royal Garden Hotel, STR Global, Strand Palace Hotels & Resorts, Supercity Group, The Montcalm Hotels, TMI Consultancy, Travelclick, Travelodge, Travelport, Tripadvisor, Triptease, Vision Hospitality, Zleep Hotels.

SENIOR PEOPLE ATTENDED FROM HOTEL COMPANIES

E-commerce Director, Accor; E-Commerce Manager, Accor; Director of Revenue, Apex Hotels; Director of Revenue Management, Corporate, Belmond Director of Project Management - Organisation, Belmond Chief Commercial Officer, CitizenM; Chief Investment & ESG Officer, CitizenM; Business Development, Clink Hostels; Head of Market Development, Dalata Hotel Group; Project Manager, Choose your own room; Owner & CEO, Fattal & Leonardo Hotels; Digital Marketing Manager, Fattal & Leonardo Hotels; Director of Digital Transformation, glh Hotels; Former Strategy Director, glh Hotels; Feasibility & Investment Analysis, Senior Manager, Hilton; Managing Director, Hodson Bay Group; Group Commercial Director, Hodson Bay Group; VP Revenue Strategy, Hyatt International; Chief Commercial Officer, Europe, InterContinental Hotel Group; Director, External Communications, Europe, InterContinental Hotel Group; Director, Luxury Hotel Partners; Vice President Brand Marketing & ecommerce Europe, Marriott International Area Director Revenue Management UK & Ireland, Marriott International; Managing Director, Marlin Apartments; International Cluster Revenue Manager, Nadler Hotels; Director of Sales & Marketing, Pestana; Hotel Revenue Management, Distribution and Sales Consultant, Royal Garden Hotel; Head of Ecommerce and Distribution, SACO The Serviced Apartment Company Director Distribution, Scandic; Vice President Revenue Management & Distribution, Scandic; Distribution Manger, Small Luxury Hotels of the World; Vice Chairman, Splendid Hospitality Group; Group Revenue Manager, Splendid Hospitality Group; Managing Director, The Montcalm Hotels; Fund Manager and Director of Commercial Asset Management, The Portman Estate; Head of Retail and Associate Director - Commercial Asset Management, The Portman Estate; Distribution Manager, Small Luxury Hotels of the World; CEO, Splendid Hotels; Head of Retail and Director of Revenue, Strand Palace Hotel & Restaurants; Regional Director Of Sales, Starwood Hotels; CEO, Supercity Group General Manager, The George urban boutique hotel; Key Account Manager Leisure Sales, Travelodge Hotel; Director, Zleep Hotels.

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SENIOR PEOPLE ATTENDED FROM OTHER COMPANIES

VP Business Development, EMEA, Amadeus; Regional Account Manager, EMEA, Amadeus; Co-Founder & CEO, Avvio; Managing Director, BDR Continental; Founder & President, Room Mate Hotels and BeMate.com; Chief Executive, British Hospitality Association; Director of Supplier Partnerships, Capita Travel and Events; Managing Director, Cendyn; Regional Director Business Development EMEA, Cendyn/ONE; Co-Founder/Managing Director, Chico Hotel Solutions; Co-founder/Managing Director, Choice Hotel Solutions; Project Manager, Choose your Own Room; Vice President - EMEA & APAC, Digital Alchemy CRM; Managing Director, Duetto; Vice President Sales EMEA, Duetto; Director of Sales and Revenue Strategy, Duetto; Strategic Marketing Investment Advisor, Ebiquity; Internet Analyst & Partner, Atlantic Equities, Atlantic Equities; Director, Global Industry Relations, Expedia; Director, Distribution Accounts, Expedia; Director, Global Accounts, Expedia; Director of Market Management, London, Expedia; Director of Market Management, UK, Expedia; VP, Global Partner Group, Expedia; CEO, Fastpayhotels; Co-CEO, Fastbooking; MD for France and Northern Europe, Fastbooking; Director, For-Sight Guest CRM; CEO, Fornova; Industry Head of Hospitality, Google CEO, GTMC; Director, Guestline; Director, Guestline; Senior Associate, Hamilton Hotel Partners; Senior Consultant, iDeas; Chairman, Idiso; Sales Director, UK, Ireland & Scandinavia, Infor; Area Manager United Kingdom & Ireland, International Air Transport Association; Partner, K&L Gates; Director Asset Management, KSL Capital Partners; Associate, KSL Capital Partners; Managing Director, LTH Advisors;

Director & Connectivity Strategy, ecommerce Profit Generator, MiceCrowd; Managing Director, EMEA, Newmarket; Founder, Opensjle; Senior Director Sales Consulting - Hotels (EMEA), Oracle; Director, Otus & Co; Managing Partner, Pace Dimensions; Partner, Pace Dimensions; Partner, PwC; Managing Director, RaspberrySky Services Limited; Global Head of Sales, Rategain; Sales Manager, ReviewPro; VP Global Sales, ReviewPro; VP, EMEA, Revinate; VP/GM - EMEA, Revinate; Founder, RoomMate Hotels and BeMate.com; EVP Product Management, Rategain; Director of Sales EMEA, Global Partner Programs at Sabre Hospitality Solutions, Sabre Hospitality Solutions; Director of Sales and Marketing, Serenata IntraWare; Sales Manager, Sojern; Managing Director, STR Global; Head of Business Development, Hotels, STR Global; Group Head of Luxury, The Wall Street Journal; Luxury Brand Ambassador, The Wall Street Journal; Director, TMI Consultancy; Strategic Sales Director - Digital Media EMEA, Travelport; Client Development Manager, Display EMEA, Tripadvisor; Chief Tease, Triptease; Strategic Sales, Triptease; VP, Global Partner Group, The Expedia Group; VP, Enterprise Clients, Travelclick; Founder and Managing Director, Vision Hospitality Israel.

HOTEL ANALYST EVENT COVERAGE

ALTERNATIVES MATCH HOTELS FUNDING

Alternative accommodation classes are increasingly securing funding at the same pricing as hotels, delegates at the Hotel Alternatives Event, held in London and organised by Hotel Analyst, were told.

A dearth of brands to provide reassurance meant that there was still caution, but a number of new entrants have invested over the past year, driving demand encouraged in part by the consumers' adoption of Airbnb.

Andrew Hunter, director Europe, Adina Apartment Hotels, said: "Finding deals that you can invest in at an acceptable level is really tough, but the good thing is that it's moved from the bank not understanding what it was, to where it's priced as exactly the same as a mainstream hotel would be on the same site."

The difficulty in measuring performance was seen as a sticking point for investors, with Erik Jacobs, partner, HORECA Investment Partners, adding: "There aren't that many big operators which can't give you the covenant that the hotel brands can – that's the biggest issue."

Helping to make alternative sectors more acceptable to investors was, the panellists said, Airbnb. Hunter said: "Airbnb is the best thing which has happened to the aparthotel sector. It really does help us from the consumer side and it has not cost us customers."

Tina Yu, SVP, KSL Capital, added: "It's causing hotels and hotel alternatives to provide experiences and services that Airbnb cannot provide. I don't think Airbnb is going to bring around the death of hotels. It's not DVDs replacing VHS, it's helping innovation. However, there is a big discrepancy in quality and cost in Paris and NY in Airbnb as well as in hotels, so there has to be an effect on hotels."

Richard Dawes, associate director, hotel investments, Savills, looked to the sharing platform to push investment in the serviced apartment sector, commenting: "Airbnb has been one of the greatest supports for the arena – Airbnb customers will come more to branded, consolidated serviced apartments. We are seeing growth of extended-stay customers – four-plus nights is showing the greatest growth. And supply is not keeping up with demand."

While the traditional hotel sector continued to lead investor interest last year, Dawes said that, in serviced apartments: "We saw GBP200m of investment volumes trade last year – relative peanuts to the hotels. But we saw a sea change – 30% of were by new entrants and this drives new operators. All these deals had underbidders and there is a weight of pension fund business looking to come into the market. What is surprising about the investment space in serviced apartments is that it's very immature."

"There is phenomenal income and demand growth from both corporate and leisure going forward into serviced apartments and there is going to be huge mix in real estate requirements going forward and serviced apartments are flexible properties."

This flexibility of offering was seen as the most likely way to negate any competition created by Airbnb, with Will Dear, principal, Crosstree Real Estate Partners, telling the conference: "It's a bit us and them with Airbnb and we'll see a lot of new entrants blurring the lines, such as student accommodation."

Merelina Monk, partner, student property, Knight Frank, described student accommodation as now being "an asset class in its own right" which, recently, had "attracted overseas investment and new entrants, not least because of the weak currency". Funds are the most active investors, with 47% of the total investment, followed by PE with 24%, institutions (12%) then REITs. Monk said that yields were now 4.5% in London "and, since Brexit these yields have remained stable, unlike other traditional property".

Commenting further on Brexit, Monk said that, while the exit of the UK from the EU was likely to limit movement, EU members currently only accounted for 5.5% of students, with 42.7% of non-UK undergrads come from Asia. Students from China are expected to increase, particularly, Monk said, with China/US relations being "fraught".

The sector has evolved rapidly in over the past six years, with accommodation now including cinema rooms and gyms alongside bedrooms and studying rooms.

A further alternative sector to have evolved in recent years was the caravan park sector, championed by Tom King, specialist markets, CBRE, who said: "The rise in quality of holiday parks means that more of a premium can be charged and is attracting more people to staycations".

The sector has seen a number of high-profile deals over the past year, with King reporting that, 10 – 12x Ebitda multiples were being seen in transactions, supported by debt at 4-5x Ebitda.

Brexit was expected to push the market higher, with 31% of all holidays in the UK pre-2009 in holiday parks, rising to 36% in 2016. King said: "People feeling they may not be getting value by going to Europe are driving growth and forward-booking numbers are far beyond what have been seen before."

HA Perspective [by Katherine Doggrell]: With the hotel sector continuing to labour under the illusion that Airbnb and its pals are going to be legislated out of existence and getting left behind in the process, it is no great surprise that the upstarts in the accommodation sector who would challenge them are turning to the sharing economy for hope and inspiration. Evolution was ever thus.

For those on the edge, the pickings are promising but fall into the greater risk, greater reward profile and, as one delegate pointed out, the current political environment is having a greater-than-usual impact on potential.

In the realm of holiday parks, much is being made of the expected rise of staycations, but the latest data from the ONS indicates that appetite for overseas travel is unabated and that although the tourism deficit has narrowed since the summer, it remains, with the volume of spending flat on the year for overseas visitors for the fourth quarter and spending on visits overseas up.

Brexit also looms over student housing. At the time of going to press the ONS reported that the year to September saw 41,000 fewer students come to the UK and, although 31,000 of these were non-EU nationals, according to UCAS, there were 9% fewer EU student applications to enrol in 2017, which will have an impact on 2018's figures.

HOTEL ANALYST EVENT COVERAGE

Evening out these concerns are the brands, of which speakers complained that there were too few. With financing approaching the same terms as hotels for some alternatives, this is not likely to remain the case for long.

Additional comment [by Andrew Sangster]: The stand-out fact from our conference for me was a slide presented by Simon Mallinson from Real Capital Analytics. This slide compared the transaction yields of some of the property alternatives segments for the year to date to Q4 2016 with more mainstream sectors such as offices, retail and industrial.

What this slide showed, for the first time I know of, was hotel yields at the same level (5.5%) as retail. As Mallinson commented, hotels were no longer an alternative asset class but truly part of the mainstream.

And here is a key reason for the rise and rise of alternatives: yield. A spectacular example is student accommodation which, despite clearly being an institutionally acceptable asset class (witness three REITs focused on the segment), it still offers very compelling yields relative to other property asset classes (albeit at 6% which is only 50 BPS above hotels and retail).

Slightly more compelling were senior housing and social care and even more so for data centres. The trick, clearly, for property investors is to get in quick to an emerging segment before yields start heading south. Arguably hostels look the strongest bet right now given the paucity of data on the segment but the strong fundamentals.

Serviced apartments are already well on their way to becoming a specialised sub set of the hotel market. Hostels, which will soon have some topline performance data benchmarking which serviced apartments got a couple of years back, are not far behind.

Adding to the strength of the case for investing in hotel alternatives is the lack of legacy technology which has impeded the advance of many chains in the hotel sector. The absence of established systems, some of which are decades old, means hostels, serviced apartments and similar new emerging segments are able to focus on delivering a different customer service experience that means they stand out on the shelves of the internet booking engine retailers.

Franchising and management contracts are rare in hotel alternatives: the focus is on direct ownership or leases. This has created a tight focus on delivering returns, regardless of distribution system. The big hoteliers, in contrast, are caught up in the quandary of whether to sacrifice brand building for immediate returns or vice versa.

There is no doubt that having established brands is an advantage but sometimes the purity of thought that can come with a fresh start can outweigh this. Hotel alternatives are disrupting existing hotels at the product end while the internet giants are playing havoc with brand and distribution. The hotel industry is a challenging place right now.

HOTEL ANALYST EVENT COVERAGE

HOSTELS GO FOR GROWTH

Within a sector that is still dominated by single unit operators, hostel brands are jostling to find the right route for growth. And at the Hotel Alternatives conference, leading players revealed how they have aligned with partners to accelerate their businesses.

Both A&O and Meininger are expanding across Europe, having established a successful operating base in Germany and recently selected investment partners. In contrast, UK-based Safestay used a stock listing to provide cash for expansion, something CEO Philip Houghton admitted "hasn't been all plain sailing".

Philip Winter, director of marketing at A&O Hostels, said their recent deal with investor TPG was down to their partner's readiness to accept "not just the propco but the opco".

A&O launched in 2000, and today has 34 properties in six European markets. Growth is about taking on the competition, and building brand awareness in a market where it remains low. "Customers are looking for the price and the location, with the brand third," said Winter, but noted his key targets remained loyal. "Our main business is school and university groups – and these customers return. The most important thing for our target group is to have a safe, clean place to stay, then great wifi." Typically, the company looks for 7-800 beds per property, with its largest property in Hamburg having 2,000 beds.

A&O has used a pragmatic approach to grow, combining leased, converted and owned properties. Having typically added 2-3 properties a year to date, the TPG investment should accelerate growth to 5-8 additions annually, with a target size of 60 units across Europe.

"It's hard to get them on the beds focus," said Winter of the new partner, contrasting with A&O's focus on revenue per available bed, rather than repar. "But we're trying to speak their language."

At Meininger, there are plans to grow the company's current portfolio of 8,000 beds to 24,000 beds over the next three years, in partnership with French investor and landlord Fonciere Des Murs. Meininger chairman Navneet Bali said the company knew it needed a partner to rekindle its growth track, with parent company Cox & Kings apparently not interested in making capital investments to grow the business.

"We asked a merchant bank to hold a beauty contest, and find a partner. The key attraction was rent cover. "The great thing about Meininger is its profitability," with a promise of 2.5 times rent cover on its lease obligations, compared with a typical 1.5 times for a hotel. "We do generate more ebitda per square metre than most of the hotels in the world."

For FdM, an alliance with Meininger achieves several objectives, said deputy CEO Gael Le Lay. "We wanted to change from a pure French player, to a European player," he said. Three years ago, Accor properties accounted for two thirds of his portfolio, and many of those were in France. Meininger takes FdM into hostels, into Germany and other European countries, while the group has also moved to diversify away from purely leased properties.

"We want to industrialise the business, we don't like doing single deals," said Le Lay. The pair have already successfully bid on a development site in Paris, and have projects live in Munich and Milan, with a further three under investigation. The pair have a weekly call to update on opportunities, while FdM has the right of first sight of any investment. "Exclusivity does not work, you must have flexibility," said Le Lay, noting that there may be city markets where FdM considers it already has sufficient exposure through its other investments in brands including B&B and Motel One.

Both A&O and Meininger operate hybrid properties, in a format that is becoming common across the growing hostel brands. This combines traditional private hotel rooms within a building that also includes hostel accommodation, with dormitory rooms that appeal to school groups and independent budget travellers.

"It's a hybrid, so you can book a bed, or a room as you would in a three star hotel – it's very flexible," said Bali. While more complex for an investment partner to understand, this flexibility is key to getting the most out of a location, noted Safestay's Houghton. "Hostels are unique – the room configuration, the level of food and beverage, depends on the city – there is no cookie cutter approach, each project is bespoke." At A&O, the mix averages 3.5 beds per room across the estate.

Houghton said the market dynamics are changing fast: "Things have moved a lot in the last two to three years. Our guests are getting older – mid to late 20s is now the norm. And our number one channel is Booking.com, followed by our direct channel," as dedicated hostel booking platforms fade in importance. A&O, too, uses Booking as its most important OTA, albeit "our own channel is stronger". And it has recently started a new trial with Airbnb. "We see them more as a partner, and we are using them as a distribution channel!"

HA Perspective [by Chris Bown]: Today's hostel is a building with some floors as a hostel, some as a budget hotel. Mainstream hotel investors still stand aside, wary of getting involved in what is clearly a very profitable model. Metrics may be hard to come by, but in a highly fragmented niche, those building brands are also building strong profits. There ought to be plenty of opportunities to buy out mom and pop operations in the bid for scale.

Medium term, there ought to be an appetite from the major hotel operators to buy into this market. Meininger talks openly of floating its business, once a substantial scale has been achieved – and this will be a pure opco, with its French partner looking to continue in a major role as landlord. Whether TPG will want to split property from operations at A&O, in due course, remains to be seen; but the mix of property tenures will surely mitigate against this, in the medium term.

The changes in distribution revealed by the Hotel Alternatives delegates show how fast the hostel market is moving mainstream. Dedicated hostel booking sites are losing out, as agnostic travellers book via mainstream OTAs. Meantime, A&O's experiment with Airbnb echoes the moves of others such as BridgeStreet in taking a closer look at how to work with the disruptors, rather than fight against them.

HOTEL ANALYST EVENT COVERAGE

CORPORATE FAILURE FEEDS THIRD PARTIES

The rise of the white-label hotel operators is as much about the failure of the global hotel brands' corporate structure as pressure from owners, according to research from Otus & Co.

The explanation came as delegates at the inaugural Hotel Operations Conference, organised by Hotel Analyst, heard that franchising was on the rise, backed by brands, owners and banks.

Paul Slattery, co-founder & director, Otus & Co, said: "Corporate structures run and rule hotel companies. It is the greatest unknown in the hotel business. The growth of asset managers is because corporate structure are not effective. The growth of white label hotel companies, ditto. The rise of corporate structures has continued to the de-skilling of the GM and innovation within hotel management.

"Most hotel companies do not know what the cost of the hotel was to the owner or what return the owner wants – we have silos [within companies] where there are people who don't know what is happening in the hotel business – or what is happening elsewhere in the business.

"The more hotels in a brand, the more poor performing hotels. Most people within hotel brands cannot articulate the explicit profiles of their brands."

Despite the concerns about the global operators, attendees were warned about taking a light-touch with their flags, with Clive Hillier, CEO, Vision Hospitality Asset Management, commenting: "Going to a white label with a franchise is not an automatic answer for all your problems, you still need basic sales disciplines.

"There were NDAs that ensured that the 'comfort blanket' of the brands were there. Now banks want to sell free and clear and the difference has come from the increased knowledge of the investors. That's why we have seen the rise of franchises."

Hillier added: "The brand companies have changed – into brand companies. It is hard to think of a hotel operator led by an operator, they are led by brand people. The brands have admitted there are other operators out there."

The rise of the third parties was seen as good for all, with Frank Croston, owner, Hamilton Hotel Partners, commenting: "What the owners want is partnership. They are getting more savvy, some of the new entrants will be around for 20 years or more. The third party operators are able to cross-pollinate best practice between the brands."

Nick Smart, vice president of development, Western Europe, Hilton Worldwide, said (in a comment clarified after the event): "Our success in becoming the world's largest and fastest growing hospitality company has been through both managed and franchised business models. The latter has certainly aided by good quality third party operators which provide owners with greater choice.

"At the same time, Hilton remains one of the most industry's best performing management companies, with a quarter of a million rooms under our management within the luxury, full and focused service segments. We are proud of our management teams' achievements in delivering sustainable market leading top line and bottom line performances."

Tim Walton, VP international development, Marriott International, was cautious, adding: "Franchising is not a panacea. We must be selective about what partners we work with. We must offer a vigorous vetting process for third parties, because we've made mistakes in the past. The franchise structure has become more collaborative than ever it was.

"Eighty-five per cent of our transactions last year in Europe were franchises. But franchising is not a commodity item, we may not be the cheapest in the room, but we have a franchise support structure that provides a bespoke service to our franchisees."

Andrew Shaw, associate VP development, UK & Ireland, InterContinental Hotels Group, pointed to the benefits of the rise of bricks, brains and brawn to the operators, adding: "The mid-market works a lot better with the owner-operator or on a franchise basis." Shaw said that the company had started offering a franchise model in China, although it supplied the GM itself, something it expected to drop after a few years.

Recent months have seen the brands defend themselves with a drive to direct bookings, aided by their loyalty programmes. Jude Kadhim, director of loyalty, EMEA, Wyndham Hotels & Resorts, said: "Members value the scheme because of what it offers in rewards nights and owners will benefit from the redemption – they will get their ADR."

Michael Levie, COO, Citizen M, was dismissive, commenting: "It is so grey out there, so bland out there that you can only up the ante by bribing [the consumer] more. The biggest loyalty comes from having a differentiated product – people choose you for what you are. I was staying at the Ace Hotel last night and I bet no-one there was asking to be a member of a loyalty scheme

"We are trying to be too focused on people coming direct, we need to treat people for who they are and what they like in our brands. However you find my product, let's first do that, then that gives us a chance to build a rapport and grow."

For the independent sector, the view was more nuanced, with the focus being on direct bookings. Frank Reeves, founder & CEO, Avvio said: "We look at loyalty in terms of not only repeat business, but in booking direct. Website and online presence is the touchpoint to over-deliver. With independent hotels, there is a significant opportunity to tap into happy guests and have them act as brand advocates."

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While the methods of flagging a hotel have changed, there was no debate around the importance of having a brand. James Bland, director, BDRG Continental, said: "We are cognitive misers, our brains look for shortcuts, which makes brands and brand trust ever-more important."

HA Perspective [by Katherine Doggrell]: Cognitive misers we are. Bland pointed out that the consumer is unwilling to admit to having their head turned by the brands, but questioned more subtly and the jig is up. As Hillier said: "The brand strength is in the brand and the distribution, there are very few hotels which are so iconic that they can compete without a brand."

And the new three-way split is, thus far, working. Shaw described it as "taking some of the ego out of the brand – they need to stay in touch". So great was the love that Interstate's Robert Crook commented: "We're all getting along, it's like a therapy room in here".

Enter Slattery, whose opinion of the brands is notoriously low, their fondness for inserting conference facilities where there should be rooms being something of a bugbear for him. Even with the brands more sidelined, he commented: "It's a right of owners to sleep easy in their bed, knowing the people who they have managing their hotels know what to do. Running management and franchise contracts are not risk free. There are all sorts of economic and reputational risks."

His theory of the incompetent corporate structure of the brands explained their inability to set the investor world alight, "because they have not persuaded investors that they are doing this the right way". Marriott International's corporate cost is 25 times less per room than Starwood Hotels & Resorts, he said. While the brands are still getting to grips with being brands, the work of asset managers like Hillier to recommend the best flag is still very much cut out for them.

What is next for the brands? One audience member questioned whether the next evolution for the third parties would be to get into bed with the brands and pair up to offer their services to owners. The need for Interstate and its ilk to move into Europe is likely to see them move into ownership, but their brand agnosticism is a key attraction for owners. While the love between all three parties was filling the room, the separation of church and state is what makes the new order work.

HOTEL ANALYST EVENT COVERAGE

LEGISLATION DRIVING EVOLUTION

The changing tides within hotel investment are driven not just by investor sentiment, but by changing tax and accounting laws, delegates at the Hotel Operations Conference in London heard.

The changes have helped create the bricks-brains-brawn split within the sector, and are set to refine its format further, predicted Nam Quach, head of leisure at EY.

Tracking company valuations as major hotel groups moved to asset light operations, Quach noted that tax was a major driver for the opco-propco split. "But that arbitrage is moving away," he warned, as tax differences diminish. However, while onshore will now be a better place to receive income, there will still be capital gains advantages to staying offshore.

Plenty of investors understand the property side of the hotel business, and the pure service businesses of scale have delivered strong share performances: Marriott International, for example, has returned an average 8% growth per annum, since splitting off its property in 1993.

More recently, changes in regulatory regimes are once again likely to pull levers in the sector. "The arguments for propcos, and gearing them up to the hilt are reduced," warned Quach. And upcoming accounting changes, which make it less attractive to take on leased hotels, are already focusing minds in hotel company boardrooms.

But one feature that appears unlikely to change, is the rise and rise of the third party operators. Robert Crook, managing director for the UK at Interstate, is adjusting to life under new owners, private equity investors Kohlberg. "They're very ambitious, around the UK, and in Europe," he said of the New York-based investor, which specialises in backing service businesses.

Both Interstate and UK-based Redefine Hotel Management have made no secret of their wishes to expand into mainland Europe, where German-based Event Holding is already a key player. "We think there is a good appetite for the three-part model," said Michael Bauer, the group's director of development and acquisition. Even German institutions are now embracing third party managers. "We see this for Germany and other country markets."

As well as running hotels, third party managers support owners in selecting hotel brands, in defending market positions, in delivering local marketing, and in growing loyalty programmes.

Brand selection remains the owner's decision, though the third party managers sit firmly as the owner's advisor. "You're choosing the best brand for the location and the market, said Crook, with their distribution support being a key part of that consideration. He noted the decision must be a long term one: "The opportunities to extract yourself from a franchise agreement are few and far between – it's for life!"

The merger of Marriott and Starwood threatens some tough discussions between the third party managers and the brands, as the potential for market cannibalisation is there, and the manager's loyalty is to his owner. "We have a duty to defend for the owner, when a new brand is entering into the market," said Crook. "The impact policy of the brands can be a bit vague." Tom Magnusson, CEO, Magnuson Hotels, agreed: "That's going to be very complex to deal with, in lesser-populated markets."

When it comes to sales and marketing, the third party operators play a key role. "The brands deliver on the blue chip corporates", said Campbell, with loyalty programmes "really key". But the operators typically have a three tier approach, working at a national level to win corporate business, and directly from the individual hotel at a local level. "We also have a national team to focus on MICE," said Bauer. "But in the last three years, we have reduced the local sales, due to the growth of online."

And while the third party managers are all about imposing a standardised approach to management, UK operator GLH is tearing up the operations rule book. "The idea that a scale race is going to solve the issues is wrong," insisted Alastair Campbell, strategy director. Instead, the team set out on some brave experiments. It dumped the Thistle brand, which Campbell dubbed "the Little Chef of hotels" – and for good reasons. "Rebranding gave customers the opportunity to reset their expectations."

The company – headed by a senior team drawn from outside the hotel sector – has put general management back into its hotels, ending what Campbell called "the fatal conceit of the central controller". "If you put GMs back into the hotel, their first task is end to end guest experience. We created a layer below the GMs, and created a series of P&Ls."

"There's a huge appetite for improving productivity. As soon as the hotel can multi-skill its staff, you can get double digit growth in productivity." At GLH, this is measured as revpar per GBP of labour cost.

The group has also developed an obsessive interest in its hotels' Tripadvisor scores – which have improved dramatically. "Rightly or wrongly, we view reviews as a new global currency." Many guests use Tripadvisor to validate their choice, before booking; and, noted Campbell, there is a direct linkage to business. "As we went up on Tripadvisor at Charing Cross, our direct bookings went up."

And drawing inspiration from the Airbnb model, GLH is also experimenting with individual room booking. "Airbnb has raised the standards, and the industry needs to respond."

"It's a hospitality experience, and that is bleeding into the booking experience." The company has been testing two options, one allowing guests to select a room after booking, the other letting them choose their room first, then booking. "We're rolling out both services."

Campbell said the room selection service is used more by "meticulous Marks" rather than "last minute Lucys". So far, it appeared to be technically straightforward to deliver, but he added: "I'm confident we're going to face issues we haven't thought of yet." When asked if he would franchise the new GLH brands, Campbell didn't rule the idea out, but said such an approach would need to include the GLH way of working within the franchise model.

Another option for hoteliers who struggle to extract value from their food and beverage operations, is to outsource these. Nick Taplin, CEO, Marco Pierre White Restaurants, said the problem has become more acute, as brands strengthen. "The success of branding hotels has probably diminished the chance of people coming into their restaurants," while at the same time, restaurant brands are springing up all around. "Customers go for the comfort factor," and that often means leaving the hotel, to eat out at Nandos or Pizza Hut.

HOTEL ANALYST EVENT COVERAGE

Taplin's own experience, transforming a loss-making restaurant at one of his own hotels with the support of chef Marco Pierre White, has led to the pair creating a major business, which now franchises its restaurant brands at hotels around the UK. And among his happy customers is Peter de la Perrelle at Tower Hotel Management, who signed up with a Marco Pierre after realising his restaurant was failing. "We had to have a restaurant as part of the brand, but I discovered the guest to diner ratio was 0.001 – and that one was me." The branded offering turned over GBP0.5m in its first year, rising to GBP0.75m this year.

An alternative approach was explained by Sharon Segal, director of finance at the One Group, who act as an outsourced food and beverage supplier to Melia's upscale ME hotel in London. There, the food and beverage offer has been established as a destination in itself, with the US company launching its STK brand in the UK via the hotel's restaurant. The hotel has 157 rooms, but, said Segal, "1,500 people come and go on a Friday night, but none of them are staying in the hotel. We are a significant portion of revenue for that building."

Less keen on outsourcing was Thomas Dubaere of Accor, who prefers to keep hold of much of the management of his food and beverage: "We should first of all listen to the customer," he warned. He has three categories for his hotels' food demand: guests who have to eat in the hotel; guests who have options but choose to eat in the hotel; and the full retail offer. "The danger is just passing the hot potato to someone else," he warned. The company has developed five new bar entertainment concepts, which it is about to trial in 15 UK hotels.

HA Perspective [by Katherine Doggrel]: Listening to the customer is the new Thing To Do, not least because the customer got bored of being served grey beef in dingy dining rooms an hour after ordering and wandered off to the now-vibrant high street instead. The rise of myriad restaurant brands was followed by choice in the form of the budget brands and now Airbnb and suddenly the realisation is that the customer is not captive at all.

The brands responded by flinging more brands at the situation – as Vision's Clive Hillier put it, "one every Thursday afternoon". And with those came the need to populate them rapidly, bringing with it increased choice for the owner in how they brand, as franchises rose in popularity.

Craig Ryder, director, KPMG-nunwood, told delegates that "what turns consumers into superfans rather than just enthusiastic consumers is empathy, understanding how the customer feels and playing it back. The leading US organisations are trying to ensure the 'human equity continuum' – everyone pulling in the same direction, staff and consumers."

This is true not only for the end user, but for the owner. As each part of the bricks, brains, brawn equation is more focused, the need for alignment, for everyone to be pulling in the same direction, will grow. Crook and Campbell both agreed that hitting the brand metrics took second place to the performance of the hotel, although, reassuringly for the integrity of the brands, they also agreed that the core brand standards remained important.

That there is still a place for brands is not in doubt. That owners are on an equal, if not stronger footing than their flags is now apparent.

HOTEL ANALYST EVENT COVERAGE

VALUE OF LOYALTY QUESTIONED

Customers can be considered loyal even if they only stay once, delegates at this year's Hotel Distribution Event, held in London, heard.

The comments were made as panelists questioned the value of the brands to owners, amidst claims that the current direct booking drive was more costly than using online travel agents.

Osama Hirzalla, VP brand marketing & e-commerce, Marriott International, said: "Who says loyalty can't be defined as one stay? We need to rethink loyalty." Hirzalla responded to criticism that offering discounts was a desperate act, adding: "Book direct campaigns are educating the consumer. It's not just about slashing the rates, OTAs are using so many tactics to drive conversion. We need to do something to compete."

Tim Ramskill, managing director, pan-European travel & leisure equity research, Credit Suisse, pointed to early success in the direct push, commenting that: "Loyalty customers account for 25% to 50% of room nights, sign-ups have been rising along with the push to member-only pricing," although added: "The use of the word 'loyalty' when it refers to discounting is a little puzzling."

Ramskill joined other speakers in affirming the need to act to counter the OTAs, saying: "Hotel industry margins have been negatively impacted by 270bps since 2009 due to higher distribution costs."

Jerome Wise, VP, enterprise clients, TravelClick Inc, agreed, describing 5% growth in loyalty stays in the past 12 months, adding: "We think we're seeing a trend, the proof will be in whether they turn into repeat guests". Wise said that 58.7% of transient room nights were by loyalty members.

However, he added that: "GDS and web channels have seen the greatest drop in ADR, not OTAs – is book direct having an impact? Independent and small brands can get a high ADR if they work with the OTAs, retaining your guests is key – so make sure the money you have spent is well-invested."

John Seaton, managing director, International, Cendyn, said: "The danger is an over-reliance on price as a tool to drive business. Price is not how customers buy – they buy because it's the right product. Everyone thinks loyalty is about a membership card, it's about giving a customer the right time that encourages them to come back."

The issue of cost over volume of guests attracted through loyalty discounts was raised by Peter O'Connor, Professor of Information System, Essec Business School, and editor-at-large, Hotel Analyst, who said: "The merchant model generates more net revenue than a brand.com discounted loyalty programme."

Matt Luscombe, chief commercial officer, Europe, InterContinental Hotels Group, defended the discounts, commenting: "The level of channel shift from discounted channels to direct means that revpar isn't being hit."

O'Connor questioned the need for brands, adding: "What's the difference between a hotel brand and an OTA these days? The hotel industry is now over-reliant on brands. Top 10 chains now offer 113

brands, 31 of which didn't exist a decade ago. The challenge for hotel brands today is that you can get the value they offer in different ways. Owners now have the option of collections, soft brands, technology providers and OTAs. Why would an owner sign up with a chain these days? We need to stop putting chocolates on the pillow and get customers into the room."

Matt Costin, managing director On The Move, BDRC Continental told delegates: "We need to be a little more specific about bitching about certain hotel brands." Costin called on hotels to use their loyalty schemes as effectively as Tesco had with its Clubcard, adding: "The hotel industry has never really managed to copy Tesco's approach to CRM. Who owns the customer? Some businesses still operate in their own version of reality, failing to understand their customers or their competitors' customers."

Costin confirmed that the direct message was getting through the consumers, with 32% of consumers thinking that the best rate was found when booking direct, against 33% who thought it was found on the OTAs.

He added that OTAs had a role to play, commenting: "There is quite a bit of truth that the OTAs drive bookings for the hotel brands." He added that, while 80% of domestic leisure booking was direct "only 40% is booked direct for inbound leisure. This is a massive opportunity that is being passed up".

Once the consumer has been re-educated towards booking direct, the next move will be to push upselling, the conference heard. Charlie Osmond, Triptease's chief tease, said: "Airlines are doing very well upselling and this can't be done as well through third-parties as it can be direct."

Richard Oram, senior director sales consulting – hotels (EMEA), Oracle, added: "People are fixating on room rate when they should be considering ancillary spend."

O'Connor agreed, telling delegates: "Upselling and cross-selling are essential, but we're too meek to do it."

HA Perspective [by Katherine Doggrell]: There can be no doubt that, as a consumer, one feels more kindly towards a brand if it offers itself up as a discount. The internet has trained us well and it sticks in the craw to pay full price for anything. However, what delegates learned is that the current round of discounting is merely putting hotels level with OTAs in the eyes of the consumer when it comes to a likely bargain. As Andrew Sangster pointed out at the start of the event, with the amount OTAs spend on promoting themselves, they are still very much the demand drivers for rooms.

That the direct drive has come at a cost is not in doubt – Marriott International president & CEO Arne Sorenson confirmed so on the group's second-quarter earnings call. What the brands must do now is keep the owners along for the ride. As we have seen over the past year owners are losing faith with the brands' operational capability and now keep them on largely for their distribution skills.

Having learned how to market rooms as a product – finally – hotels must now place value on what else they offer and sell it to the guests' accordingly. For too long hotels have been criticised for focusing on bedrooms and ignoring the rest of the footprint. They must now work the whole building and, having drawn the consumer to their spiffy websites, the cheapest way to do this could yet be direct. Time for the next phase.

HOTEL ANALYST EVENT COVERAGE

TIME TO CARE ABOUT SHARING

The impact of the sharing economy, and its poster child, Airbnb, continues to be a much discussed subject.

And at the Hotel Distribution Event, Credit Suisse analyst Tim Ramskill predicted that impact will continue to grow. Based on recent market growth, Airbnb's own predictions for its expansion to 2020 would easily be beaten, he said.

And it is in European cities that Airbnb's growth has been greatest. "I do feel that Airbnb is having an impact on the Paris market," he said, noting that hotel revpar had not recovered in the city since the terrorist attacks. Tracking this against airport arrivals, he would have expected hotel bookings to have improved – meaning the city's accommodation market is evolving.

Ramskill warned of the Airbnb threat: "I would suggest there's upside risk."

Ufi Ibrahim, chief executive of the British Hospitality Association, was clear that Airbnb is not only affecting hotels, it is also negatively impacting city housing markets. As landlords see short lets from Airbnb giving them a better return than longer term tenant lets, cities such as London are losing the rental housing that residents need, further pushing up rents in remaining stock.

"There is definitely an international trend where cities are reacting," she said. The solution, she added, is not about more regulation. Rather, it lies in better enforcement of existing regulation, both to help ease the housing market problem, and to help legitimate accommodation providers, who have to adhere to stricter standards.

"Regulation is there, but they are having problems with enforcement," she said of local authorities in London. She added that Airbnb is not helping, by failing to surrender key data on who is contravening rules such as that which limits amateur rentals to a maximum 90 days per year. "We don't want London to become the wild west."

But while Airbnb is a threat, so there are also opportunities. Support services are springing up to help Airbnb listers manage their properties and listings, and providing housekeeping and concierge services. And hoteliers, too, are starting to embrace change.

One of those leading the charge is Kike Sarasola, CEO of RoomMate Hotels and BeMate. "I saw Airbnb as an opportunity," said the Spanish hotelier, who has started offering his guests the option of staying in an apartment close to his hotels, with hotel services. "It's a demand, it's here to stay."

Sarasola said he has to cope with a variety of rules within Spain. Madrid has introduced a minimum five day stay for some properties, while Barcelona licences apartments. "To regulate is not to prohibit – let's put in regulations, but make them intelligent."

Sarasola said the hotel industry needs to react. He is already building family rooms in his own hotels, and has received a positive response from offering his nearby apartment stock directly on his own hotel websites. "Our industry is boring, we have to change."

Avvio's Frank Reeves said that regulation would have a limited impact in practice. "There's a danger the traditional hotel sector will think this will slow down Airbnb – it won't." He predicted the aggressive business would link in future with Google, further cementing its position and broadening its appeal.

HA Perspective [by Katherine Doggrell]: As Iceland becomes the latest country to act to restrict Airbnb – hosts will be limited to annual earnings of ISK1m (just under USD9,000 before you buy big in Reykjavik) – the law appears to be catching up with the sharing platforms. The news came as Upper Tribunal's Land Chamber, the highest property court in the UK, ruled that properties where the lease states they may only be used as private residences may not list on sharing platforms.

But are the new rules holding the sharing economy back or, like an unruly child, giving it the boundaries it craves and the chance to flourish? It is likely that the various restrictions will see some of their properties de-listed, but the public now has a taste for the unique – as the conference heard, the George V in Paris is losing custom to luxury apartments. This is not all about budget and it is not about service – Airbnb is showing hotels that service is not a well-staffed front desk, but a host who cares.

AccorHotels has taken a three-pronged approach to the threat posed by Airbnb and its ilk. First it went for scale by opening up its distribution platform, then it went for the competition by buying Onefinestay, now it has a new flag in Jo&Joe, a hostel-priced brand with shared rooms, private rooms, apartments and, we are warned, occasional yurts. Plus F&B and a kitchen guests can cook in. It's Airbnb with a bar – finally filling a gap in Airbnb's offering.

The conference was held as Airbnb raised USD555m in its latest funding round, which is ongoing and expected to reach USD850m, taking it to a valuation of around USD30bn. For the moment at least, money talks.

THE BENEFITS OF BECOMING A SPONSOR

- Pre-event exposure of your company logo on promotional materials related to HDE 2017
- Your logo promoted via Hotel Analyst's database. Our database is the leading database in the industry with over 45,000 contacts of senior level people.
- Copy of contact details of attending delegates prior to the event.

SPONSORSHIP PACKAGES

There are two levels of sponsorship available at HDE 2017:

Patron package – exclusive £7,500 +VAT

- Space for Patron Sponsor to bring their stand to the exclusive location by the entrance to the conference room. Footprint approx 2m x 1m
- Company logo as "Patron" on programme
- Company logo has top weighting on all promotional materials and on all signage as "Patron". Signage will include welcome board at entrance
- Company logo and acknowledgement on conference website homepage. Hyper link to your company website
- Solus email to delegates 2 days prior to event
- 5 complimentary delegate passes
- Sponsorship of the HDE drinks reception 3rd October 2017

Sponsor package – £3,750 +VAT

- Company logo on promotional materials related to HDE 2017
- Company logo and hyperlink on HDE 2017 website
- 3 complimentary delegate passes (stand allows for 2 exhibition only passes)
- Company to supply own stand. Footprint approx 2m x 1m

Additional sponsorship opportunities

- Lanyards – £2,000 (exclusive and to be supplied by sponsor)
- Banners on HDE website registration page – £1,000 (exclusive)
- Notepads and pens – £2,000 (exclusive and to be supplied by sponsor)
- Branded files for conference materials distributed at registration – £2,000 (exclusive)
- E-shot to potential database for delegates – £1,000
- Lunch and refreshments sponsor – £2,500 (exclusive)

Further advertising opportunities to reserve space in both publication and newsletter to boost profile are on offer. Separate media pack can be given if required.



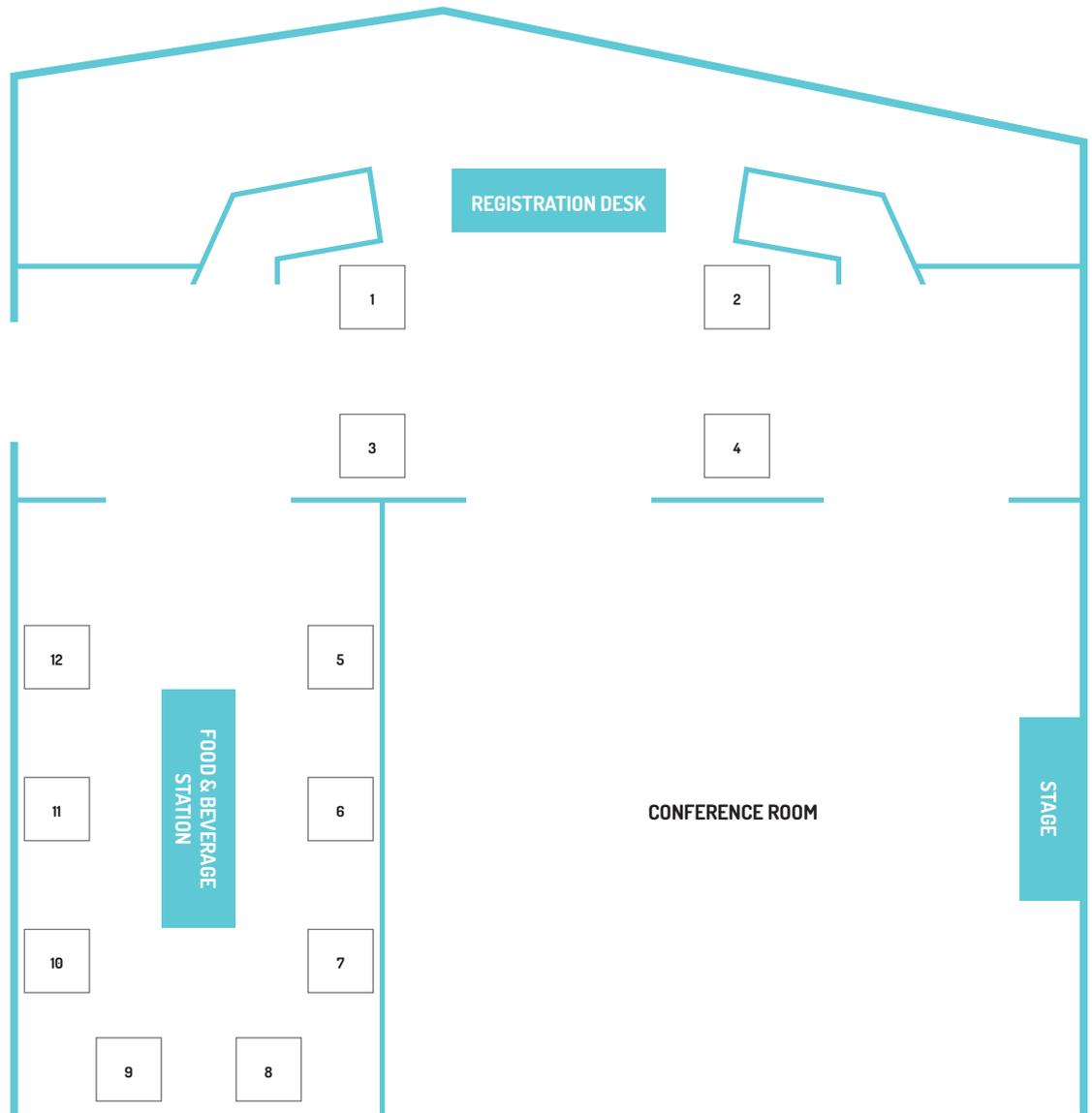
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Banners on HDE 2017 website registration page	£1,000	<input type="checkbox"/>
Notepads and pens (exclusive and to be supplied by sponsor)	£2,000	<input type="checkbox"/>
Full colour printed delegate folders for conference materials distributed at registration (exclusive)	£2,000	<input type="checkbox"/>
E-shot to potential database for delegates	£1,000	<input type="checkbox"/>
Lunch refreshments sponsor	£2,500	<input type="checkbox"/>

Other Details:

Signed for and on behalf of the Hotel Distribution Event 2017.

Signed: _____

Dated: _____

**Please note that this year sponsors will bring their own stands.
Footprint approx 2m x 1m**

All prices quoted are +VAT.

Contact Details:

Company name: _____

Contact name: _____

Position in company: _____

Address: _____

Postcode: _____

Telephone: _____

Fax: _____

Email: _____

Invoice contact: _____

Purchase order number (if applicable): _____

Total Cost £ (GBP)

+VAT

I/we agree to pay the total cost shown above issued by Hotel Distribution Event and pay the instalments within 14 days of invoice date, (except for bookings made less than 14 days prior to the event which will be payable immediately upon receipt), and understand that the stand may be reallocated if payments are not made by the date required and the relevant cancellation fee will be charged.

Attached are our terms and conditions.

I have read and accepted the terms and conditions.

I confirm that I am authorised by my company to sign this contract.

Signed: _____

Dated: _____

Please return this booking form via email to:

Sarah Sangster

email: sarah@zerotwozero.co.uk

Please also include with your booking confirmation:

- Company logo in jpeg & vector format
- Company profile in 50 & 150 words
- Website URL

TERMS AND CONDITIONS FOR SPONSORSHIP AND EXHIBITION PACKAGES

1. DEFINITIONS AND INTERPRETATION

- 1.1 In these terms and conditions the following terms shall have the following meanings:
- (a) "ZTZ" means ZeroTwoZero Communications Limited (company number 4661849);
 - (b) "Hotel Distribution Event 2017" means Hotel Distribution Event which is owned by ZTZ;
 - (c) "Hotel Distribution Event 2017 Marks" means "2017 Hotel Distribution Event 2017" together with any other marks, logos, artwork, designs, slogans as may be advised by Hotel Distribution Event 2017 in writing;
 - (d) "Booking Form" means the Hotel Distribution Event 2017 booking form from time to time;
 - (e) "Commercial Rights" means any and all rights of a commercial nature connected with the Hotel Distribution Event 2017, including without limitation, broadcasting rights, new media rights, interactive games rights, Sponsor/Exhibitorship rights, merchandising rights, licensing rights, advertising rights and hospitality rights;
 - (f) "Contract" means any contract between ZTZ and the Sponsor/Exhibitor for a Sponsorship Package or Exhibition Package;
 - (g) "Conference" means the Hotel Distribution Event 2017, to be held on the 28th September at the Jumeirah Carlton, London;
 - (h) "Conference Marks" means the Hotel Distribution Event 2017 Marks and the Designation used singularly or collectively in association with the Conference or in the exercise of the Sponsorship Rights;
 - (i) "Conference Marks Guidelines" means the Hotel Distribution Event 2017 guidelines setting out the technical requirements for the reproduction of the Conference Marks (if any), as these guidelines may be amended by Hotel Distribution Event 2017 from time to time by notice in writing to the Sponsor;
 - (j) "Conference Venue" means the Jumeirah Carlton Tower, Oh Cadogan Place, London;
 - (k) "Designation" means the designation "[Official Sponsor of the 2017 Hotel Distribution Event 2017]";
 - (l) "Display Area" means the display area specified by Hotel Distribution Event 2017 within the part of the Conference Venue applicable to the relevant Sponsorship/Exhibition Package;
 - (m) "Exhibition Package" means the package of services and benefits identified in the Booking Form and more particularly described in the document entitled "Hotel Distribution Event 2017 Sponsorship Information";
 - (n) "Intellectual Property Rights" means any intellectual property rights of any nature including without limit any copyright, know how, trade secrets, confidential information, trademarks, service marks, trade names and goodwill;
 - (o) "Products" means the products and/or services of the Sponsor/Exhibitor;
 - (p) "Sponsor/Exhibitor" means the person, firm or company entering into a Contract as identified in the relevant Booking Form;
 - (q) "Sponsorship Package" means the package of sponsorship rights, benefits and services identified in the Booking Form and more particularly described in the document entitled "Hotel Distribution Event 2017, Sponsorship Information";
 - (r) "Sponsorship Rights" means the bundle of rights set out in a Sponsorship Package; and
 - (s) "Sponsor's Marks" means the Sponsor/Exhibitor's name together with any artwork, design, logo and trade mark, together with any accompanying words, slogan or text of the Sponsor/Exhibitor as may be notified in writing by the Sponsor/Exhibitor.

2. APPLICATION OF TERMS

- 2.1 The Contract shall be on these Terms and Conditions and the Booking Form to the exclusion of all other terms and conditions (including any terms or conditions which the Sponsor/Exhibitor purports to apply under any purchase order, confirmation of order, specification or other document).
- 2.2 No terms or conditions endorsed on, delivered with or contained in the Sponsor/Exhibitor's purchase order, confirmation of order, specification or other document shall form part of the Contract simply as a result of such document being referred to in the Contract.
- 2.3 The Sponsor/Exhibitor acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of Hotel Distribution Event 2017 which is not set out in the Contract. Nothing in this condition shall exclude or limit Hotel Distribution Event 2017 liability for fraudulent misrepresentation.
- 2.4 Each order or acceptance of a quotation for Sponsorship Packages or Exhibition Packages by the Sponsor/Exhibitor from Hotel Distribution Event 2017 shall be deemed to be an offer by the Sponsor/Exhibitor to buy the same subject to these Terms and Conditions.
- 2.5 No order placed by the Sponsor/Exhibitor shall be deemed to be accepted by Hotel Distribution Event 2017 until a Booking Form duly executed by Hotel Distribution Event 2017 is issued by Hotel Distribution Event 2017.

3. SPONSORSHIP PACKAGES

- 3.1 Subject to payment of the applicable fee relating to the relevant Sponsorship Package chosen by the Sponsor/Exhibitor (if any) Hotel Distribution Event 2017 shall provide the services and benefits set out in such Sponsorship Package and grant to the Sponsor/Exhibitor the Sponsorship Rights.
- 3.2 The Sponsor/Exhibitor undertakes to Hotel Distribution Event 2017:
- (a) to exercise the Sponsorship Rights strictly in accordance with the terms of the Contract. For the avoidance of doubt, the Sponsor/Exhibitor shall not be entitled to use or exploit any of the Commercial Rights (other than the Sponsorship Rights) in any way;
 - (b) to use the Conference Marks and other branding materials provided by Hotel Distribution Event 2017 in accordance with the Conference Marks Guidelines;
 - (c) to apply any legal notices as required by Hotel Distribution Event 2017 or as set out in the Conference Marks Guidelines on all materials and products that incorporate the Conference Marks;
 - (d) to submit to Hotel Distribution Event 2017 for its prior written approval, not to be unreasonably withheld, full details of all the Products and any advertising, promotional or other material or press release which associates the Sponsor/Exhibitor or the Products with the Conference, or which incorporates the Conference Marks, before their distribution, production or sale;
 - (e) to ensure that all materials and the Products promoted, published, distributed or sold and which are associated with the Conference or which incorporate the Conference Marks shall comply in all respects with the information approved in accordance with condition 3.2(d);
 - (f) to ensure that all materials and the Products promoted, published, distributed or sold and which are associated with the Conference or which incorporate the Conference Marks shall be safe and fit for their intended use and shall comply with all relevant statutes, regulations, directives and codes in force
 - (g) to provide to Hotel Distribution Event 2017, at the Sponsor/Exhibitor's sole cost and expense, all suitable material including artwork of the Sponsor's Marks in a format and within print deadlines reasonably specified by Hotel Distribution Event 2017 for it to be reproduced under the control of Hotel Distribution Event 2017;

- (h) not to apply for registration of any part of the Conference Marks or anything confusingly similar to the Conference Marks as a trade mark for any goods or services;
- (i) not to use the Conference Marks or any part of them or anything confusingly similar to them in its trading or corporate name or otherwise, except as authorised under the Contract;
- (j) not to do or permit anything to be done which might adversely affect any of the Commercial Rights or the value of the Commercial Rights;
- (k) to provide all reasonable assistance to Hotel Distribution Event 2017 in relation to Hotel Distribution Event 2017 exploitation of the Commercial Rights;
- (l) to use its reasonable endeavours to assist Hotel Distribution Event 2017 in protecting the Conference Marks and not to knowingly do, or cause or permit anything to be done, which may prejudice or harm or has the potential to prejudice or harm the Conference Marks or Hotel Distribution Event 2017 title to the Conference Marks or to the image of the Conference, Hotel Distribution Event 2017 or the Conference Venue;
- (m) to notify Hotel Distribution Event 2017 of any suspected infringement of the Conference Marks, but not to take any steps or action whatsoever in relation to that suspected infringement unless requested to do so by Hotel Distribution Event 2017;
- (n) to hold any additional goodwill generated by the Sponsor/Exhibitor for the Conference Marks as bare trustee for Hotel Distribution Event 2017 and to assign the same to Hotel Distribution Event 2017 at any time on request and in any Conference following termination of the Contract; 3.3 All rights not expressly granted to the Sponsor under this agreement are reserved to Hotel Distribution Event 2017. The Sponsor/Exhibitor acknowledges and agrees that Hotel Distribution Event 2017 is the owner or controller of the Commercial Rights and of all rights in the Conference Marks; 3.4 The Sponsor/Exhibitor grants and Hotel Distribution Event 2017 accepts a worldwide, non-exclusive, royalty free, sub-licensable licence to use the Sponsor's Marks during the term of the Contract for the delivery of the Sponsorship Rights.

4. EXHIBITION PACKAGES

- 4.1 Subject to the other terms and conditions of the Contract, Hotel Distribution Event 2017 shall permit the Sponsor/Exhibitor to display its Products in the Display Area during the Conference. The Sponsor/Exhibitor shall not display any items other than the Products within the Display Area.
- 4.2 The Sponsor/Exhibitor acknowledges that it shall occupy space at the Conference Venue as a licensee and that no relationship of landlord and tenant between Hotel Distribution Event 2017 and the Sponsor/Exhibitor is created by the Contract. The Contract is personal to the Sponsor/Exhibitor and only the Sponsor/Exhibitor and its staff may exercise the rights granted to the Sponsor/Exhibitor under the Contract. The Sponsor/Exhibitor may not assign, transfer or novate any of its rights and/or obligations under the Contract to any other person.
- 4.3 Hotel Distribution Event 2017 retains control, possession and management of the Conference Venue and the Sponsor/Exhibitor has no right to exclude Hotel Distribution Event 2017 from any part of the Conference Venue. Without prejudice to its other rights under the Contract, Hotel Distribution Event 2017 shall be entitled at any time on giving at least 1 hours notice to require the Sponsor/Exhibitor to move from the Display Area to a comparable similar area within the Conference Venue and the Sponsor/Exhibitor shall always comply with any such request.

5. CHARGES AND PAYMENT

- 5.1 In consideration of the rights granted and services provided to the Sponsor/Exhibitor under the Contract, the Sponsor/Exhibitor shall pay to Hotel Distribution Event 2017 the amounts as specified in the Booking Form in accordance with the payment terms set out in the Booking Form.
- 5.2 All charges are stated exclusive of VAT which if applicable, shall be payable by the Exhibitor in addition at the rate from time to time.

6. OBLIGATIONS OF THE SPONSOR/EXHIBITOR

- 6.1 The Sponsor/Exhibitor shall comply with all applicable laws and regulations relevant to its activities under the Contract (including, but not limited to, relating to the display and promotion of the Products) and shall comply with all site policies and procedures of the Conference Venue notified to the Sponsor/Exhibitor from time to time.
- 6.2 The Sponsor/Exhibitor shall ensure that during the Conference, the Display Area is manned by a suitable number of competent employees. The Sponsor/Exhibitor has no right to make any representation or warranty on the behalf of Hotel Distribution Event 2017 and the Sponsor/Exhibitor shall ensure that none of its employees or staff do so in a way which is derogatory towards Hotel Distribution Event 2017 or any of its products, services or brands.
- 6.3 At the request of Hotel Distribution Event 2017, the Sponsor/Exhibitor shall exclude/remove from the Conference Venue any person present there at the request or invitation of the Sponsor/Exhibitor where Hotel Distribution Event 2017 deems the continued presence of that person at the Conference Venue to be undesirable.
- 6.4 The Sponsor/Exhibitor shall ensure that the Products and any fixtures, fittings, furniture etc. which it installs within the Display Area shall comply with all applicable health & safety requirements (including, but not limited to, fire safety). The Sponsor/Exhibitor shall not in any circumstances bring any dangerous or inflammable items into the Conference Venue. At the request of Hotel Distribution Event 2017, the Sponsor/Exhibitor shall immediately remove or make good any item within the Display Area which Hotel Distribution Event 2017 in its absolute discretion deems to constitute an unacceptable risk to health & safety.
- 6.5 The Sponsor/Exhibitor shall carry out any fitting out of the Display Area during such times as are specified by Hotel Distribution Event 2017 and, at the end of the Conference and upon termination of the Contract, the Sponsor/Exhibitor shall remove all items brought by it into the Conference Venue and shall leave the Display Area in a clean and tidy condition.
- 6.6 All items brought into the Conference Venue by the Sponsor/Exhibitor are done so entirely at the risk of the Sponsor/Exhibitor and Hotel Distribution Event 2017 shall not be liable for any loss or theft of or damage to any such items whatsoever caused.
- 6.7 The Sponsor/Exhibitor shall maintain in place public and employer liability insurance in respect of all periods of its occupation of the Display Area and shall produce evidence of such insurance cover being in place at the request of Hotel Distribution Event 2017. The Sponsor/Exhibitor shall ensure that such insurance complies with any reasonable requirements as to minimum level of cover which may be specified by Hotel Distribution Event 2017 from time to time.

7. LIABILITY AND INDEMNITY

- 7.1 Save in respect of liability for death or personal injury caused by its negligence; for fraudulent misrepresentation; and for any other forms of liability which would be illegal or unlawful for Hotel Distribution Event 2017 to seek to limit or exclude its liability for, the entire liability of Hotel Distribution Event 2017 to the Sponsor/Exhibitor under the Contract shall be limited to the value of charges (if any) actually paid by the Sponsor/Exhibitor to Hotel Distribution Event 2017 under the Contract.
- 7.2 Except as expressly provided in the Contract, neither party shall be liable or responsible for the other hereunder in contract tort or otherwise (including any liability for negligence) for: - (a) any loss of revenue, business contracts anticipated savings or profits, or any loss of use of facilities; or (b) any special indirect or consequential loss howsoever arising.

- 7.3 In clause 7.2(b) "anticipated savings" means any expense which either party expects to avoid incurring or into incur in a lesser amount than would otherwise have been the case.
- 7.4 The Sponsor/Exhibitor shall indemnify Hotel Distribution Event 2017 and keep Hotel Distribution Event 2017 indemnified in full against any and all losses, liabilities, costs, claims, demands, expenses and fees (including but without limitation legal and other professional fees, actions, proceedings, judgements awarded and damages suffered or incurred by Hotel Distribution Event 2017 arising out of or in connection with any and all acts, inactions and omissions of the Sponsor/Exhibitor, its employees, agents or sub-contractors in relation to its activities under the Contract.

8. TERMINATION

- 8.1 Subject to earlier termination in accordance with its provisions, the Contract shall remain in force until the end of the Conference.
- 8.2 Hotel Distribution Event 2017 shall be entitled to immediately terminate the arrangement constituted by the Contract by notice in writing in the event that the Sponsor/Exhibitor: (i) commits any breach of its obligations under the Contract; (ii) ceases to carry on its business, becomes insolvent, enters into liquidation or administration, is declared bankrupt or any similar or analogous event occurs to it; and/or (iii) suffers any change in control whereby control (whether by virtue of ownership of shares or voting rights; ability to control and direct management policies and procedures; or otherwise) of the Sponsor/Exhibitor or any parent or holding company of the Sponsor/Exhibitor changes from the persons having control as at the date of the Contract; and/or (iv) fails to pay to Hotel Distribution Event 2017 any sums payable under the Contract by the due date.

- 8.3 The Sponsor/Exhibitor shall have the right to terminate the Contract on written notice to Hotel Distribution Event 2017 to be received not less than 90 days prior to the Conference. In the event of such termination, the Sponsor/Exhibitor shall be entitled to a refund of 50% of the amounts paid to Hotel Distribution Event 2017 under the Contract.
- 8.4 Hotel Distribution Event 2017 shall be entitled to terminate the right of the Sponsor/Exhibitor to exhibit at the Conference provided that Hotel Distribution Event 2017 provides the Sponsor/Exhibitor with at least three months notice. In such circumstances, the sole liability of Hotel Distribution Event 2017 to the Sponsor/Exhibitor will be to refund any advance charges actually paid by the Sponsor/Exhibitor to Hotel Distribution Event 2017 in connection with the Conference in question.
- 8.5 Termination of the arrangement constituted by the Contract shall not affect the coming into force or continuing in force of any part of the Contract which, whether expressly or by implication, is to survive termination.

9. INTELLECTUAL PROPERTY RIGHTS

- 9.1 Hotel Distribution Event 2017 and the Sponsor/Exhibitor acknowledge as follows: (a) all Intellectual Property Rights in the Sponsor's Marks shall be the sole and exclusive property of the Sponsor/Exhibitor, together with any goodwill, and the Organiser shall not acquire any rights in the Sponsor's Marks, including any developments or variations; and (b) all Intellectual Property Rights in the Conference Marks shall be the sole and exclusive property of the Organiser and the Sponsor shall not acquire any rights in the Conference Marks, including any developments or variations;
- 9.2 The Sponsor/Exhibitor shall indemnify and keep indemnified Hotel Distribution Event 2017 from and against all claims, damages, losses, costs (including all reasonable legal costs), expenses, demands or liabilities arising out of any claim that the Sponsor/Exhibitor use of the Conference Marks in accordance with the Contract infringes any Intellectual Property Rights or moral rights of any third party.
- 9.3 Hotel Distribution Event 2017 shall indemnify and keep indemnified the Sponsor/Exhibitor from and against all claims, damages, losses, costs (including all reasonable legal costs), expenses, demands or liabilities arising out of any claim that the Sponsor/Exhibitor use of the Conference Marks in accordance with the Contract infringe any Intellectual Property Rights or moral rights of any third party. The limits and exclusions set out in clause 7 shall not apply to this indemnity.
- 9.4 The party seeking to rely on an indemnity at condition 9.2 and condition 9.3 (Indemnifying Party) shall: (a) promptly and fully notify the other party (Indemnified Party) of any third-party claim in respect of which it wishes to rely on the indemnity (IPR Claim); (b) allow the Indemnifying Party, at its own cost, to conduct all negotiations and proceedings and to settle the IPR Claim, always provided that the Indemnifying Party shall obtain the Indemnified Party's prior approval of any settlement terms, which is not to be unreasonably withheld; (c) provide the Indemnifying Party with any reasonable assistance regarding the IPR Claim as is required by the Indemnifying Party, subject to reimbursement by the Indemnifying Party of the Indemnified Party's costs so incurred; and (d) not, without prior consultation with the Indemnifying Party, make any admission relating to the IPR Claim or attempt to settle it, provided that the Indemnifying Party considers and defends any IPR Claim diligently and in a way that does not bring the reputation of the Indemnified Party into disrepute.

10. GENERAL

- 10.1 Hotel Distribution Event 2017 nor the Sponsor/Exhibitor shall be liable for any failure or delay in performing its obligations where such failure or delay results from any cause that is beyond the reasonable control of that party. Such causes include, but are not limited to: power failure, industrial action, civil unrest, fire, flood, storms, earthquakes, volcanic ash clouds, acts of terrorism, acts of war, governmental action, acts of god or any other event that is beyond the control of the party in question.
- 10.2 No amendment or variation to the Contract shall be effective unless made in writing and signed on behalf of each party.
- 10.3 Any notice given under or in connection with the Contract shall not be effective unless given in writing and delivered by: registered post (effective two business days after posting) or personal delivery (effective at the time of delivery).
- 10.4 Headings are used in the Contract for convenience only and shall not affect the interpretation of any particular provision.
- 10.5 No delay or failure by either party in exercising or pursuing any claim, right or remedy arising under the Contract or from any breach by a party of any of its obligations under the Contract shall operate or be construed as a waiver thereof, nor shall the rights and remedies of either party under the Contract be in any way extinguished or diminished by the granting of any indulgence, forbearance or extension of time by that party and a single or partial exercise of any right or remedy shall not prevent any further or other exercise or the exercise of any other right or remedy by that party.
- 10.6 If any part of the Contract is found by any competent Court or authority to be illegal, invalid or unenforceable, the parties agree that they will substitute provisions in a form as similar to the offending provisions as is possible without rendering them illegal, invalid or unenforceable.
- 10.7 A person who is not a party to the Contract shall have no right to enforce any of the Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended from time to time).
- 10.8 Nothing contained in the Contract shall create a partnership, relationship of principal and agent, landlord and tenant or any other fiduciary relationship between the parties who are with respect to each other independent contractors.
- 10.9 The Contract shall be governed by and construed in accordance with English Law (and save in respect of the enforcement of any judgement) the parties agree to submit to the exclusive jurisdiction.