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Annual Edition

Navigating New Dynamics in the
New Year



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Lessons in Hospitality: Commercial Trends to Watch in 2025

Commercial Trends

Brian Hicks

*President and CEO, Hospitality Sales & Marketing Association International
(HSMAI)*



As we enter 2025, I'm reminded that change remains our only constant. From AI integration to distribution challenges and talent gaps, trends are emerging. Based on insights from HSMAI's Executive Roundtables and Advisory Boards, here are 11 trends that hospitality commercial leaders should watch in 2025.

1 LEADING THROUGH ORGANIZATIONAL SHIFTS

Sales and marketing teams are grappling with faster-than-ever transitions in structure, roles, and responsibilities. Leaders must juggle near-constant change with maintaining team morale and long-term growth. **Tip:** *Schedule brief, regular touchpoints—like weekly virtual standups—to keep everyone aligned and motivated.*

2 WORKFORCE RETENTION AMID TALENT GAPS

Labor strikes, high turnover, and talent shortages are affecting both sales and revenue teams. Offering professional development, cross-training, and clear career paths is crucial to retain top performers. **Tip:** *Build mentorship programs pairing new hires with seasoned team members to accelerate learning and foster camaraderie.*

3 MASTERING AI WITHOUT LOSING THE HUMAN TOUCH

From sales coaching to dynamic pricing, AI promises efficiency gains but also raises fears of depersonalizing the guest experience. The key is balancing automation with genuine human interaction. **Tip:** *Pilot AI tools on smaller scales and gather feedback from staff and guests before rolling out fully.*

4 BALANCING BUDGETS IN UNCERTAIN TIMES

Inflation, unexpected costs, and fluctuating travel demand put pressure on marketing and revenue budgets. Leaders must constantly re-evaluate spending to maximize ROI and remain agile. **Tip:** *Adopt zero-based budgeting once a year to reset priorities, ensuring funds go to the most impactful initiatives.*

5 MEASURING IMPACT AND DEMONSTRATING ROI

Whether it's sales training or a multi-channel marketing campaign, hospitality leaders face growing demands to prove tangible results. Clear KPIs and real-time analytics help justify investments. **Tip:** *Develop a simple KPI dashboard that tracks both "leading" metrics (engagement, inquiries) and "lagging" ones (bookings, revenue) for a full performance picture.*

6 PERSONALIZATION AND RISING GUEST EXPECTATIONS

Modern travelers crave curated experiences—like bespoke packages and hyper-localized activities—that extend beyond the room. Personalization now spans the entire guest journey, from pre-arrival to post-stay. **Tip:** *Gather data from loyalty programs or feedback surveys to craft targeted offers that resonate with individual guests.*

7 THE DISTRIBUTION BALANCING ACT: OTAs VS. DIRECT CHANNELS

High commissions and rate parity issues continue to complicate direct-booking strategies. Striking the right balance among OTAs, brand.com, and other channels is critical for maximizing profitability. **Tip:** *Provide exclusive perks on your direct channels—like complimentary upgrades or flexible cancellations—that incentivize guests to book directly.*

8 DATA PRIVACY, REGULATION, AND ETHICAL CONCERNS

Changing privacy laws and fee-transparency regulations will shape how hotels collect, store, and use data. Meanwhile, AI and personalization raise ethical issues that demand responsible implementation. **Tip:** *Conduct regular audits of data practices and clearly communicate your policies to guests, reinforcing trust through transparency.*

9 INTEGRATING TECHNOLOGY AND BREAKING DOWN SILOS

Fragmented systems (CRMs, marketing platforms, revenue management tools) impede holistic decision-making. Unifying data sources can streamline operations and spark better cross-department collaboration. **Tip:** *Start by identifying overlapping data points—e.g., guest profiles across sales and marketing—and integrate them into a single, shared platform.*

10 ECONOMIC VOLATILITY AND ADAPTIVE PLANNING

Global downturns, regional instability, and unpredictable demand require a readiness to pivot at a moment's notice. Scenario-based forecasting can mitigate risks and guide swift strategic changes. **Tip:** *Maintain multiple forecasting models and establish clear triggers to shift resources when certain thresholds are met.*

BONUS TREND: ALIGNING PARTNERS FOR CONSISTENCY

Franchises, third-party management companies, and local vendors each have distinct goals and processes. Harmonizing these relationships is vital to ensure brand consistency and service standards. **Tip:** *Create unified brand guidelines and conduct routine training across all partner channels, ensuring everyone is aligned on core values and guest expectations.*



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