

Why have meeting rooms in hotels?

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The UK Conference and Events Market is substantial



In 2016 there was an estimated **£19.4 billion** of direct expenditure generated by conference and meeting delegates and organisers in venues and in wider destination spend



There were an estimated **1.45 million** conferences and meetings in the UK in 2016



There was an average of **419 events** per venue in 2016 with an average event size of 67 delegates



The majority of events were held in hotels, followed by unusual/multi-purpose venues



The average event duration was **1.6 days**. However, most events lasted a day or less

Source: UK Conference and Meeting Survey 2017 Report

Only 3,531 UK hotels with more than 50 bedrooms....

	Number of establishments	Number of rooms	Average number of rooms per hotel
200+ rooms	362	113,282	312.9
101-200 rooms	1,202	165,391	137.6
51-100 rooms	1,967	141,838	72.1
26-50 rooms	2,341	85,751	36.6
11-25 rooms (est.)	6,127	97,024	15.8
Up to 10 rooms (est)	29,588	143,464	4.8
Total	41,587	746,750	18.0

Source: Melvin Gold Consulting – end-2015 estimates

...and around 1,500 of them are branded budget

	Rooms	% of total	Hotels	Avg Rooms per Hotel
Full Service	103,172	13.8%	605	170.5
Mid-market	88,974	11.9%	709	125.5
Branded Budget	144,691	19.4%	1,669	86.7
Independent	380,548	51.0%	38,049	10.0
Consortia	29,365	3.9%	555	52.9
Total estimated serviced accommodation	746,750	100.0%	41,587	18.0

Source: Melvin Gold Consulting – end-2015 estimates

Hotel supply of function rooms

So most function rooms are contained in only around 2,000 hotels



Operational Characteristics of Function Rooms



Require a significant space allocation, including support areas



Required functionality and design is very different for different uses



Sales and marketing to reach customers is multi-faceted depending on the different uses



Function areas should be a profit centres in their own right but will generate bedroom and F&B sales



Revenue, and consequently profit, from such facilities is almost entirely generated for the hotel/venue

Benefits of inclusion of Function Rooms

- **Links to Business and Local Community**
- **Build local reputation and links to community**



Non-Financial Reasons to include function rooms

- **To comply with brand**
- **To achieve a grading**
- **Opens opportunities to a wider range of market segments**



Financial and Investment Factors



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