

STATE OF THE INDUSTRY

Conversations about the military reunion market have, for the most part, been on the micro level. When is the reunion meeting and how many will attend? Where have they been in the past and what will get them to select a specific destination? Around budget time, the calls come in from our hospitality partners in need of a few statistics on the market to finish sales plans for the coming year.

The MRN Annual Market Survey conducted for the past three years is the only means we know of by which full market statistics are collected nationally. We have tracked details about reunion length, time of year, social media presence and hospitality space requirements as well as supplier website presence and preferences. With over three thousand respondents this year, we now have enough data to support a detailed analysis of overall industry trends.

Military reunions represent just a sliver of the collective annual spend of the meetings industry.

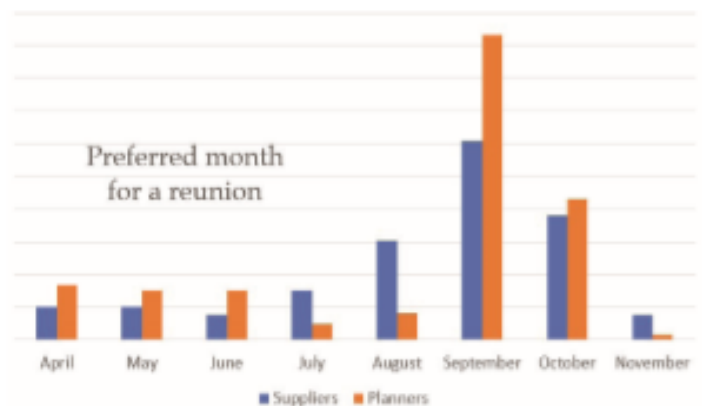


Top issues for reunion planners

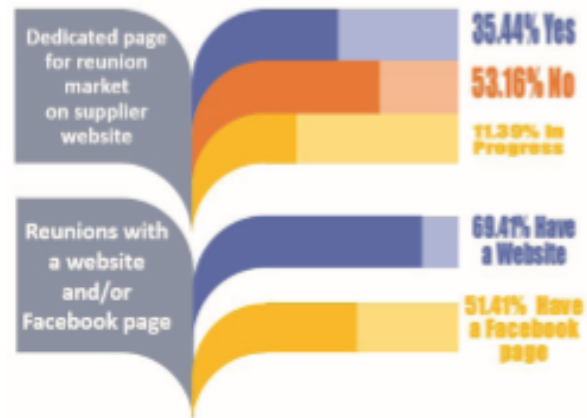
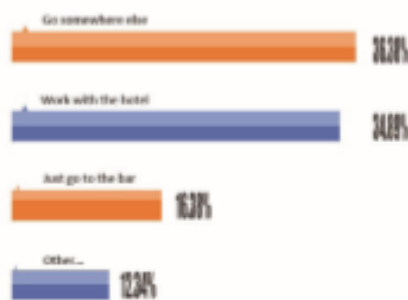
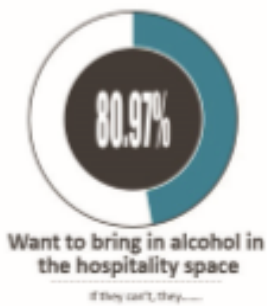
Rates and contract clauses like attrition have been the top issues for years. Only recently have planners been concerned about declining numbers. Transportation in the local area, rates including breakfast, and staffing changes made the list as well.

Adam Sacks, President of Tourism Economics, noted that \$325 billion in direct spend was generated by the 1.9 million meetings held in 2016. These figures may not include the "fun or social" events, such as weddings, sports tournaments and reunions of all types. By MRN estimates, there are between 14,000 and 17,000 military reunions held annually with a contribution total of just over \$100 million in direct spend.

Sharon Danitschek, President of The Military Reunion Network presented "The State of the Market" at the June Educational Summit in Reston Virginia. The presentation was based on the findings from the survey as well as current hospitality market statistics. The majority of respondents were reunion planners. Of the planners, the vast majority served in the Navy and consider themselves Vietnam Era Veterans. There was veteran representation across all military branches. Time of service spanned from the Korean War to the Gulf War. On the hospitality industry side, there were an equal number of



Fortunately for the industry, planners and suppliers agree that September and October are the months to meet. Suppliers were asked when they need the business the most while planners were asked when they would like to get together.



We were pleased to see so many reunion planners work with hotels regarding bringing in alcohol. They negotiate alcohol costs as well as bartender service fees. The burden of getting more beer, ice or glasses is now on the hotel which allows planners to sit back and enjoy the reunion.

There is a definite increase in internet presence by reunion associations. It is important to update websites on a regular basis. Crystal Washington, social media guru, will be joining us at the Educational Summit in June to talk about how to use Facebook to stay connected with your reunion attendees.

responses from CVB and hotel representatives.

The State of the Market presentation was broken down into three parts starting with national statistics of the hotel industry or simply put, "why hotel rates are so high". Hotel sell time. They only have one chance to sell the rooms on October 1st thus must maximize the opportunities to fill. Success is measured using three statistics, occupancy (how

many rooms were filled), ADR (the average rate of all the rooms and rates for that day), and REVPAR (The revenue per occupied room). These three figures are the key indicators of the health of a single hotel, a chain or hotel industry. Experts in the industry have commented on over eight years of record breaking results in all three categories. In the business, they call this a "seller's market". Because of high demand, Hotels are in the driver's seat selecting the right/best piece of business to maximize occupancy, ADR and REVPAR. It is the primary reason why reunion planners struggle to get rates they need.



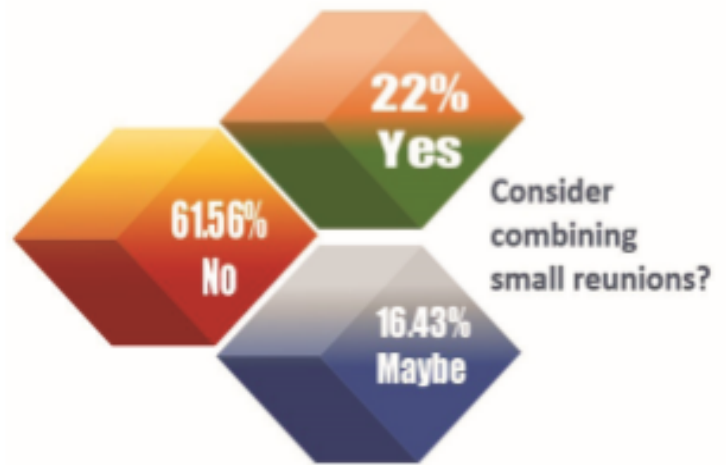
Questions focusing on our CVB and Hotel partners was the second section of the presentation. We were curious to know when our supplier partners *want* military reunions. What month do they need the business and more importantly are they willing to make rate concessions to move it? The majority of hotel and CVB respondents said September was the preferred month followed by October then August. Fortunately for our hotel and city partners, military reunion planners had much the same response. It is clear September is the month for suppliers to contract and for planners to hold reunions.

The last section of the presentation focused on military reunions and the volunteers that plan them. The reunion planner role does not change every year for close to 75% of respondents. Maintaining the planner role allows for previous education to be applied to the upcoming planning process. Reunion planners say it takes them a couple years to get into the swing of things.

Site inspections are a critical part of the success of a reunion. Brochures and websites can not compare to experiencing a destination, attraction or hotel first hand. While they may be time consuming, site inspections allow issues to be resolved prior to the reunion taking place. Start with the local convention and visitor bureaus listed in this issue.

Planner hot buttons still include contract clauses as well as the ability to bring in their own food, beverage and alcohol to the hospitality space. Overall cost is still a factor as well. A reunion planner summed it up well by saying, "A lot of the older (Korea, Vietnam) veterans are on a fixed income and while we do not expect the hotel / tour to lose money, we, as reunion planners are trying to keep costs down for our members." Planners are challenged to find the best rates to ensure the greatest number of attendees participate. Packages that include overnight accommodations, parking, breakfast are preferred over the nickel and dime of each individual expense. Planners also wanted to remind suppliers how little their group eats as compared to other markets like sports.

Turning the tables suppliers want reunion planners to remember to be flexible regarding dates requested. There are often opportunities to reduce rates if reunions will consider another date pattern. In addition, suppliers feel three years of reunion



This was a bit of a surprise as the topic comes up frequently. They say the devil is in the details which may be why many associations go it alone. Reunion organizations would do well to agree on the goals and tasks that go along with planning before starting out. Several have had their own hospitality space and banquet but shared the room block discounts by selecting the same dates, destination and hotels.

history is adequate. "Let us know the date, city, hotel, room cost and overall block/pickup pattern for just the last few years. We are thrilled you have been meeting for over 10 years, but we just don't need to go back that far." ■

Contact Sharon Danitschek for more information regarding the
Military Reunion Market
Sharon@militaryreunionnetwork.com

The 2019 State of the Industry will be presented at the
2019 MRN Educational Summit
Nashville Tennessee
June 23 – 26, 2019

Visit <https://militaryreunionnetwork.com/upcoming-events/>
Or call 425-501-1430