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Technology Edition
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The Hotel Yearbook

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Demand Without Friction: Automating Hotel Sales

Pre-Stay

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Daniel Melnyk makes the case that group and MICE sales is the single most underserved corner of the hotel when it comes to AI — and the one with the highest potential return. The opportunity, he argues, is not in blasting meeting planners with machine-written outreach, but in using a hotel's own first-party data to prospect intelligently, consistently, and in the seller's voice, without adding to an already overloaded workday.

The most personal sale a hotel makes is group/MICE business.

These sales run on relationships built over years, where a meeting planner trusts your hotel and sales team. For many properties, group or business events represent some of the most valuable business. Group base provides a revenue foundation to yield and build from. The booking window puts business on the books years in advance.

A dollar spent on group sales capability today doesn't necessarily pay back this quarter, but it seeds a pipeline that actualizes in 2027, 2028, and beyond.

When we think about generating group business, sales leaders typically envision direct outreach from sellers to buyers. Enabled by technology, this leads us to conclude that more outreach can be deployed faster to more people. As marketing technologies advanced over the past decade, we've proven the value of templates firing on a schedule.

In a business that lives and dies on relationships with a small, tight community of meeting planners and third-party intermediaries, that picture can become the very thing sales leaders are right to fear. An inbox full of obviously machine-written sales emails doesn't win a professional meeting planner. It can negatively impact the trust that took years to build. When a sales leader hesitates on "AI for prospecting," they're being mindful of their assets.

The opportunity I want to talk about is the opposite of the thing we're afraid of. It lives in the hotel sales office. It serves the hotel sales team, which in turn serves the asset owner. It may be the highest-value and most underserved corner of the building when it comes to AI.

What problem are we trying to solve? AI is so big and can be so transformational that the decision fatigue or bigness can be overwhelming. The potential is enormous. My experience gives a clean north star. Hotel sales teams exist to book group business. Hotel sales teams don't have the time or tools to prospect meaningfully, efficiently, or consistently.

The question becomes how to point AI directly at that problem. The ingredients — the hotel sales team, the rich data hotels already own, and the technology available — are already in place. There are many approaches that can be considered, but the thoughtful-yet-impactful one is to look at what parts of a Sales Manager's job can be augmented or enhanced by AI, while also considering the necessary human element of group and catering sales.

Ultimately, prospecting is what sets the top-producing sales teams apart.

WHERE IS AI IN HOTEL SALES TEAMS TODAY?

It sits in at least five different places, and they are not interchangeable. IT leadership may already understand these inherently, but naming them makes it possible for the conversation between sales leadership and other stakeholders to take place.

It began with basic automation and lead management. This solved the age-old problem of inbound lead management and relied on rule-based routing, CRM workflows, and templated RFP responses. Incremental gains in labor savings were made, but realistically, the generic nature of automation acting on processes didn't meaningfully impact group revenue. It gave time back to Sales Coordinators and Sales Managers, and ensured that first-party data was being accurately captured and retained.

Shadow AI tool usage. General-purpose large language models, such as ChatGPT, that hotel Sales Managers are using on their own for client-facing emails or RFP responses. They reach for it because they use it in their daily lives. Some of this generative AI capability is making its way into B2B lead, RFP, or marketing platforms serving our industry, offering marginal time savings.

Agentic AI as an analyst. Hotel companies are deploying AI agents to stitch data across various sales systems to produce reporting, run analysis, and answer business questions that used to require a legacy BI tool or a heroic run in Excel. In practical terms, it's now offering real intelligence and telling sales leaders about the business they already have. They're able to rapidly query the data, sometimes using plain language inputs, democratizing access to answers to inform strategies.

When AI becomes revenue-generating, not just cost-efficient. The same family of technology described above, but enhanced to be biased towards action, not just understanding and articulation. The activation of the learnings, particularly when paired with an outbound sales approach to proactive meeting planner engagement, is where AI begins to work the hotel's first-party data to generate group sales pipeline. Done well, this hands sellers time back and generates new business in real time using your existing data.

A bright future is where rich input and deep learning predict and work proactively to contract group business. This is a utopian, yet very close state where learning signals actually predict a meeting planner's intent to source, enabling a hotel Sales Manager to act early enough that your hotel leads the conversation before the opportunity ever reaches the open market. What is truly meaningful is that AI's ability to understand and predict future group demand, based on the richness of the planner interactions' inputs, makes this truly transformational for group sales.

POINTED AT THE RIGHT PROBLEM

Automation is not intelligence, but it did offer an early solution. It provided volume and consistency, which are difficult to achieve from human sales teams, considering the average hotel Sales Manager's day.

Group sales is the single best place in a hotel for AI to generate substantial revenue impact, not just cost savings through labor efficiency. It has made the leap from rule-based to being genuinely personal precisely because of the data. A rule-based system has no way to use the years of first-party history sitting in your sales & catering system. Real AI can read it and give meaningful clarity to who booked what, when, around which event, at what rate, with which preferences, and which patterns of behavior — enabling personalization at the level a strong seller would, but at a scale no seller could.

There are two parts: understanding and then activation. In understanding, the AI reads the first-party data the hotel already owns that's held across multiple silos. This data, without action, becomes a beautiful painting hung in a museum that nobody visits.

The activation is where the revenue is generated by meeting the planner where they are — in their inbox. Prospecting via email, grounded in the hotel's own data, sent in the seller's real voice, at a sensible time, to someone who has a genuine reason to contact, is the holy grail of hospitality sales. AI enables this to run continuously in the background.

With the understanding granted through the use of AI, why would a seller not activate and send those emails themselves? Why would a hotel consider an AI solution for this? It's simple: time. Hotel sales leaders understand prospecting must be done during available hours, and the makeup of a seller's day often prevents or delays this from happening. Using an AI solution ensures that the consistency of business development happens. It's insurance for your pipeline.

There's a reason this version survives where so much group sales technology became shelfware, and it isn't just the model; it's the architecture. The failure mode of tools for sales teams has always been adoption, because a tool that asks the seller to change how they work, adds one more login, adds one more action item to a day that's already on fire, won't get used. The version that holds up runs itself. AI does the prospecting in the background, inside the workflow that the seller already lives in. That makes it sustainable.

The seller doesn't start their day figuring out where to begin. They receive a pipeline that regenerates itself using AI. Their planner relationships are warmer because the outreach was better informed than their own manual prospecting may have been.

WHY AI FOR GROUP SALES? WHY NOW?

To justify AI investment in group sales, the delta is clear: generate new group business, bring down the cost of acquisition by activating dormant first-party data and leaning less on expensive sales channels. It has to produce revenue that an owner can bank on, and that's predictable enough to underwrite.

The operating environment sellers are working in makes the timing urgent. The American Hotel & Lodging Association reports that operating costs have risen at roughly four times the rate of revenue since 2019, with revenue growth projected to be modest for the year. In the association's own words, "it is considerably more expensive to own, operate, insure, and reinvest in a hotel today than at any other time in the last decade" (AHLA 2026). Demand hasn't collapsed, but it has become discerning. The U.S. Travel Association's 2026 group travel report, fittingly titled *Strength Beneath the Surface*, found underlying demand holding firm even as headline numbers softened — RFP volumes running above 2019 levels — with most business travelers expecting to travel more as a group this year and strong forward sentiment from planners (U.S. Travel Association 2026).

Hotels spend tens of thousands of dollars and more to participate in a single tradeshow, then let those contacts wither because they simply don't have time to work the list. The cost of acquisition isn't fixed. It's being managed poorly, partially because it's not well understood.

Herein lies the friction. Costs are growing faster than revenue, channels of business that pay off are costly forms of acquisition (or commission-based), owners are pushing for more group revenue at lower cost to optimize profitability, and the sales team's day has no room for prospecting in it.

Put those together, and the AI mandate writes itself. Owners need high-margin group revenue. CFOs need to hold the line on cost. The group demand is there. AI generates profitable group business without adding headcount. The average conversion value on a piece of group business is far larger than a single transient reservation. This value justifies the investment.

MY RECOMMENDATION

Start using AI to generate group revenue. Start with the first-party data your hotel already owns. That data set has been compounding year over year, in your favor, and it is your asset. You've already paid for it, so why not use it to the maximum benefit? We know the group booking window is what it is. Every quarter you delay addressing this becomes a sourcing cycle you can't get back.

REFERENCES

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