



# Stimulus Packages

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Do Economy-Driven Hotel Concessions Put  
the Planner in the Driver's Seat?



# What You Should Know

- ▶ Understand the Situation
- ▶ Locate the Opportunities
  - ▶ Where to Find Value-adds
  - ▶ Best-Practices for Partnerships



# A Global Issue



# A Few Frightening Facts

- ▶ ADR at US hotels down universally
- ▶ Down six to eight percent year over year compared to 2007 highs
- ▶ Numbers not seen since 2003
- ▶ Projections even worse for 2009



# At Big Hotels, Bigger Trouble

- ▶ RevPAR down significantly since last year in hotels with at least 300 rooms and 20K square feet of meeting space
- ▶ Steeper decline curve for convention hotels
- ▶ Convention hotels comprise 12 percent of total US room supply



A Planner's Paradise?



# That Depends...

- ▶ Hotels Reluctant to Drop Room Rates
- ▶ Planners Working With Smaller Budgets
- ▶ Both Parties Need to Negotiate
- ▶ Varies by Hotel and by Market



# Bargains on the Table

- ▶ Space Concessions
- ▶ Transportation
- ▶ Meetings Assistance
- ▶ Complimentary AV
- ▶ Free Coffee





# Important to See Every Angle

- ▶ Eliminate the risk of added fees
- ▶ Know what's available to you
- ▶ Know what's important to your event
- ▶ Work inventively within your budget



Let's Make a Deal



# Hotels Getting Generous

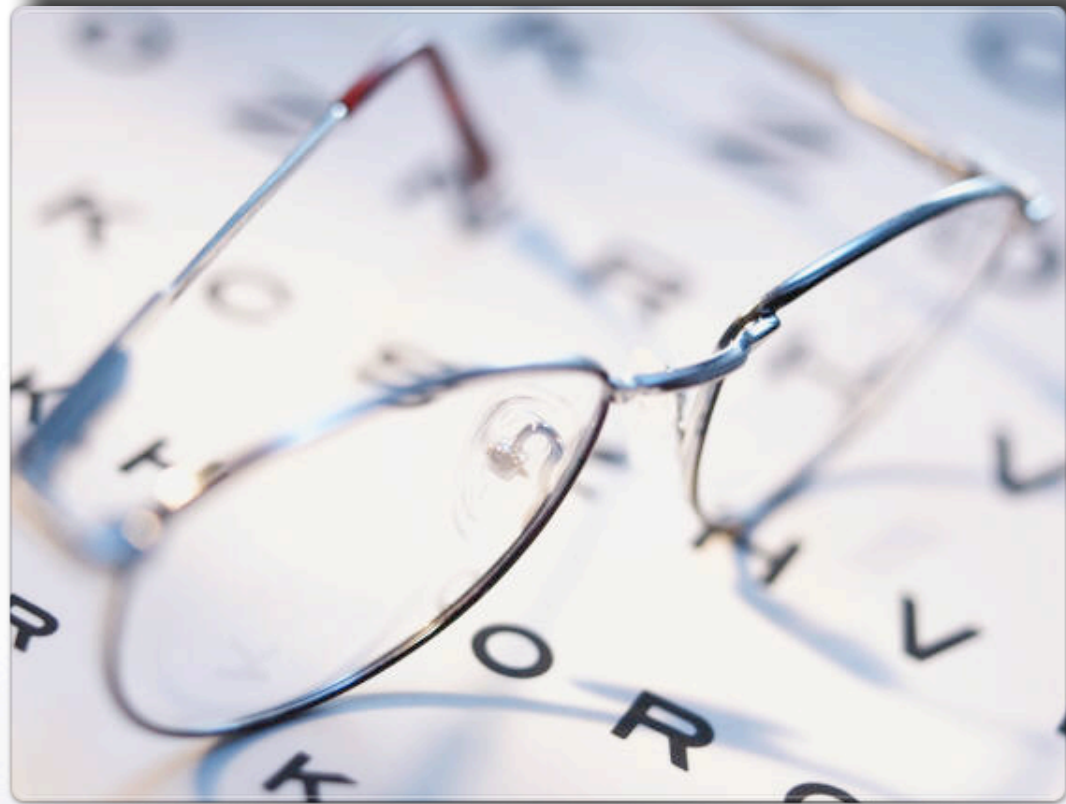
- ▶ Chains Offering loyalty points by the buckets full
- ▶ Buy-Some-Get-Some room deals
  - ▶ Meeting space and services



# Be Willing to Work Together



- ▶ Respect the Other's Position
- ▶ Leverage Your Relationships
  - ▶ You're in This Together
  - ▶ You Can Both Win

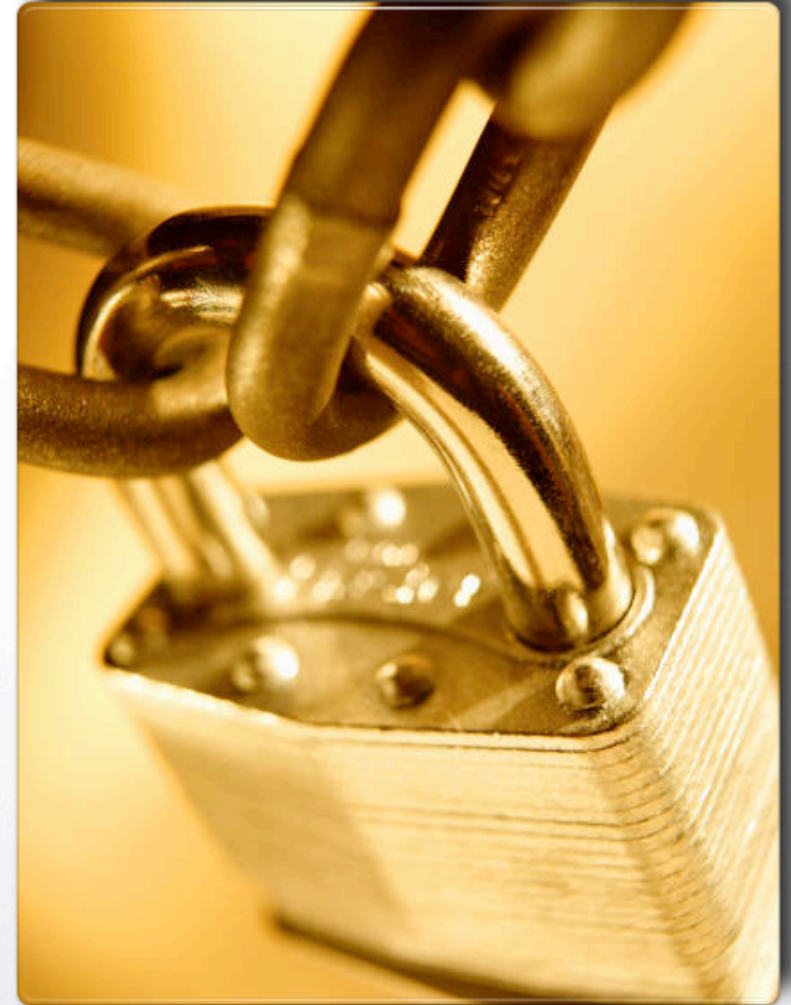


# Supplier Perspective



# Locked in by Rates

- ▶ Many Contracts Pegged to Room Rate Integrity
- ▶ Avoid Another Post-9/11
- ▶ No Longer Competing With Third-Party Channels
- ▶ Sacrificing Room Nights for Rate Integrity





# It's All About Value

- ▶ Looking For Best Available Options
- ▶ Incentives That Meet (non-rate) Needs
- ▶ GMs Striving to Differentiate Their Product
- ▶ Value-Add: The New Reality



# BIG QUESTIONS

- ▶ Have I Offered Enough?
- ▶ How Can I Remain Competitive?
- ▶ Will I Ultimately Have to Reduce My Rates Anyway?



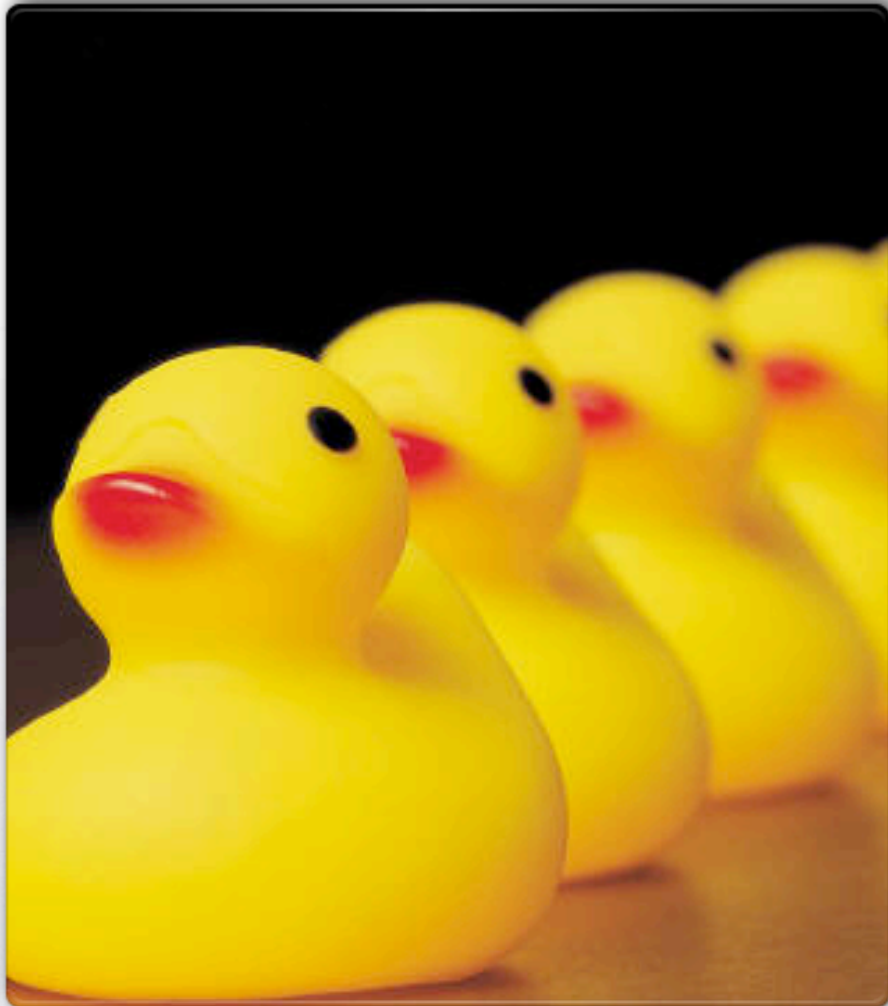


# Preserving Partnerships



# Double-Edged Sword

- ▶ Reduced Rates Help You Short Term,  
But Can Hurt You Long Term
- ▶ Risk of Compromising Your Own Image  
as a Planner
- ▶ Remember: You Both Ultimately Want  
to Stay in Business



## Keep Your Ducks in Line

- ▶ Corporate impropriety under the microscope
- ▶ Avoid the temptation of personal gain
- ▶ The client's needs are the same as yours



# Opportunity to Build Your Relationships

- ▶ Revisit the Fundamentals
- ▶ Form Alliances to Succeed
- ▶ Get Relationships in Place for the Eventual Recovery
- ▶ Time to Remind Your Best Customers Why They're Your Best Customers

