



Hotels offer incentives to entice group business, ease economic woes

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Published: November 25, 2008

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While many corporations brace for recession, hotels across the country are offering what appears to be a bright spot in a drab economy. By offering customizable event and meeting packages, hoteliers are attracting new and repeat business with an assortment of incentives, such as 20-50 percent off room rates, discounted audio/visual fees, complimentary guest rooms or free upgrades.

In October, the Sainte Claire hotel in San Jose, Calif., responded to the number of cancellations it was seeing by launching its “3 Steps to Success” package. “We realized that now more than ever meeting planners are on a tight budget,” says Elizabeth Rose, director of sales and marketing for the Sainte Claire. “So we had to come up with a package that was as customizable as possible in order to maintain business and have meeting planners look to us first in order to fulfill their meeting needs.”

Driven by a similar sentiment, the Sandestin Golf and Beach Resort in Destin, Fla., recently rolled out its “Value Meeting Planning” package in anticipation of the winter season. Complete with all the bells and whistles needed for work and play, hopes are it will make it onto the radar of those planners with destination meetings on the agenda.

“Large groups and meetings always have been a major part of Sandestin’s success, but response to this particular package has been immediate and substantial,” says Andrew Metz, Sandestin’s

PR manager. “[And] meeting planners have been pleasantly surprised that the winter is an off-peak season in our area, which is the opposite of the rest of Florida.”

Richard Seale, Sandestin’s VP of sales and marketing hopes the package will firm up a calendar that was looking a little soft. “We anticipate a number of groups will return to Sandestin, and other organizations will try our resort for the first time during the winter meeting season.”

Hotels, in putting the packages together, are walking a tight line between offering great values and devaluing their own services. They need to maintain the perception that they are giving planners more for their money without appearing desperate for business. They also need to be careful to maintain profitability while slashing rates or underbidding competition.

Times are tough, but they could be worse. “It’s nothing like after 9/11 when people were canceling meetings like crazy, and hotels were begging for business,” says Stephanie Franco, a certified meeting planner and principal of Spot on Events. “However, I do think this economic crunch is going to turn the tables and make it more of a buyer’s market for planners and corporations.”

Hotels will not be getting the short end of the stick, however. Happy first-time customers often become returning guests, which ultimately translates into customer loyalty and increased sales. While planners are shopping around for the best deals, this is a perfect time for hotels to gain new market share.

“We try and find a common ground to work within [to create] a win-win for all parties,” says Leslie Menichini, VP of sales and marketing at Rosen Resorts. “We have a philosophy of asking the customer what they need, versus selling them what we think they want. It’s not about a ‘one size fits all’ offer.”

Independently owned hotels like Rosen Resorts have an advantage over chain hotels that answer to a centralized authority, because they can create more personalized packages for meeting planners. “One of our special touches is the flexibility and timely responsiveness that comes with being under the ownership of an independent hotelier who is easily accessible and on-site,” says Menichini. “Direct access to the top offers flexibility to be creative, and the ability to adjust offers that respond to the daily changes of these uncertain times.”

Whether or not these packages or changes will become mainstays after the economy rebuilds is still uncertain. But for the moment, they are allowing planners dealing with heightened expectations and reduced budgets some breathing room.

“We will continue to offer this package as long as there are interested parties,” Rose says. “I expect that this package will be offered long into next year, as the result of the economy.”

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