

Luxury Destinations: The Value at the High End

By Lisa Plummer -- Tradeshow Week, 3/16/2009

Attention meeting planners: Destinations once unattainable or financially out of reach may now be within your grasp. Some cities historically viewed as too expensive for many convention groups or tradeshow have not only become more affordable, but also are working harder to attract group business – any kind of group business – to make up for the bite taken out of what has been their bread and butter for many years, corporate meetings.

A group that might not have made sense even a year ago for a hotel or convention venue in a first-tier city suddenly is welcome business in this new economy.

In this kind of economy, San Francisco tends to broaden the business it targets, said Leonard Hoops, executive vice president of sales and marketing at the San Francisco Convention & Visitors Bureau.

“When the economy is strong and there's a lot of corporate interest in the destination, you have a fair amount of corporate meetings business,” he added. “You layer that with national associations, state associations and a handful of tradeshow. In an economy like this ... when you get cancellations, SMERF and government is good.”

In the past five months, the city lost three major corporate meetings worth approximately 66,000 room nights, so the SFCVB has been working hard to fill the gaps with short-term business, Hoops said. Sales staffs have combed data bases, targeting groups that previously weren't able to book because of cost or availability.

To keep the 700,000 square foot-plus Moscone Center and Moscone West full, the city also has been more flexible with its minimum group size and room night criteria, offering discounts for groups booking open dates within the next two years, Hoops added.

“You're paying second-tier prices in a typically good economy for a first-tier destination,” he said.

Competitive pricing also has become one of several tools for New York City, as it markets to counteract its reputation for being overpriced. According to Chris Heywood, vice president of travel and tourism public relations for NYC & Company, the city's

CVB and tourism and marketing organization, the Big Apple is working harder than ever to fill open dates, rooms and approximately 2.5 million square feet of convention space.

Like San Francisco, New York has thrived on a combination of corporate business and leisure travel, but both have softened and the city is trying to prove it's not as expensive a meetings destination as one would think.

“If ever there was a time to bring a meeting to NYC, it's in 2009,” Heywood said. “(It's) accessible, affordable, we're a great value and our hotels are willing to work with you.”

He said hotels are more flexible now than ever before, offering competitive rates and a greater willingness to accommodate short-term business.

For other first-tier properties with high-end, luxury reputations, making up for losses in corporate and leisure business isn't so much about cutting price as it is about adding value.

When thinking about Hawaii, low cost doesn't tend to come to mind, but, according to Mike Murray, vice president of sales and marketing at the Hawaii Visitors & Convention Bureau, “Now, more than ever, meeting planners are trying to find efficiency and cost-cutting efforts.”

In partnership with hotels and local businesses, Murray said, the HVCB has developed several value packages promoting discount programs.

“There's value that's being offered statewide, but you're not going to see a fire sale,” Murray said.

Also known as a high-end destination, Scottsdale, Ariz., too, is working to counteract losses in corporate meetings. Instead of merely slashing prices, adding amenities to group packages is one effort the destination has focused on, said Brent DeRaad, executive vice president of Scottsdale Convention & Visitors Bureau.

For hotels and resorts with on-property golf courses or high-end spas, bundling activities and services into meetings packages has been a successful effort so far, DeRaad said.

“You're seeing a lot of layering ... of products and services that help them, and our destination as a whole, stand apart,” he added.

With 715,000 sq. ft. of hotel and resort meeting space to fill, DeRaad said resorts are packaging upgrades in food and beverage as well as giving attendees opportunities to experience outdoor amenities, such as desert tours and balloon rides.

“Anything we can do to add value to the experience of planners and delegates, we're coming forward with those programs,” he added.