

Keep 'Em In the Block

The economic doldrums and the resurgence of online travel sites make it harder and harder to maintain attendee loyalty to the traditional hotel room block.

By Lisa Plummer -- Tradeshow Week, 3/22/2010

Try as they might to lock down the lowest room rates and give their attendees an incentive to book with official hotel partners, most show managers understand there always will be people who book outside the room block.

The issue is nothing new, but tight travel budgets and a recession have led more attendees than ever to hunt for cheaper rooms. In turn, it has become harder for show managers to keep their attendees inside the block.

Every show is different, and, depending on the city, the size of its hotel room inventory, the show audience and time of year, show managers have to work harder than ever to monitor fluctuating room rates, negotiate aggressively with hotel partners and offer value-added incentives to keep attendees loyal to the block.

The evolution of online travel booking sites that allow bargain-hunting attendees to search for the cheapest rates they can find doesn't help either. Show managers said they make every effort to work with their hotel partners to lock down in advance the lowest rates available, but, if hotels have empty rooms to fill, they do what they need to do to fill them. At the same time, many attendees take advantage of an opportunity to save money, even if it means betraying the loyalty of an association they belong to or a show they have attended for years.

Those room deals may benefit individuals, but they can compromise the integrity of the show or the association that organizes it in the eyes of its membership, according to Sherry Romello, vice president of meetings and conventions for the Natl. Assn. of Convenience Stores. Like many industry events, **The NACS Show** makes every effort to negotiate the lowest room rates possible for its 9,000- to 10,000-room block, Romello said. Still, just a handful of online room deals can throw a wrench in the machine, she added.

“Inevitably, one or two low rates can slip through a wholesaler and undermine all of our efforts,” Romello said. “While there may only be a few available, once a member sees the contracted rate undermined, they feel that the association is not giving (them)

the best price. Even if (the rate) is only for one or two rooms, it erodes our integrity as a show and association.”

Once a cheaper rate is discovered, the show will try to renegotiate the lower rate for the block, although most of the time the hotel property will choose to eliminate the online rate instead, she added.

Some fortunate shows are shielded from the dilemma because of the cities they choose. **Outdoor Retailer** is one event that has little or no problem with attendees booking outside its official block. Because of the large size of the show and the limited room inventory in Salt Lake City’s downtown area, OR’s attendees have learned to book early with its hotel partners or risk being locked out of the event entirely, said Kenji Haroutunian, Nielsen Expositions group show director.

With an audience that’s educated about housing scams – room brokers or “poachers” posing as official housing partners offering cheap deals on rooms that don’t exist – the semiannual citywide event has been insulated from many housing block issues, he added.

“We pretty much lean on the idea that without being in the room block, you don’t really know where you’re staying,” Haroutunian said. “OR is pretty notorious for being sold out in the downtown area, and, if you’re not in the room block, you may not be guaranteed to be anywhere nearby. So, that, combined with a couple of publicized scams, actually works very well to support people getting in the block.”

While some shows enjoy the freedom of few or no worries about out-of-block attendees, events held in large, tradeshow-heavy cities don’t always have it so easy. In a city like Las Vegas, with more than 140,000 hotel rooms and a wide range of brands and price points, some show managers find that keeping attendees in their show’s room block these days can be a bit of a free-for-all, especially in an economy – and a city – where hotels are eager to fill rooms by any means possible.

According to Lindsay Roberts, director of housing and registration for Hanley Wood Exhibitions, keeping attendees in the room block definitely has become a larger issue for its Las Vegas events, including Tradeshow Week 200 shows like **Surfaces** and **World of Concrete**.

“I think most show organizers have been faced with this difficulty over the last 18 months, especially in cities like Las Vegas, where our customers have seen the benefit

of significantly reduced hotel rooms,” Roberts said. “There are times that a group block rate simply can’t compete with certain online travel packages and incentives. It is nearly impossible to present a hotel block that is going to satisfy every customer’s needs, especially in cities with a plethora of choices.”

By working more collaboratively with its hotel partners and housing management company, she added Hanley Wood is taking a more aggressive approach toward its upcoming events by both negotiating the very lowest rates possible and offering incentives such as early-bird rates and additional hotel amenities.

For shows that face this challenge, a solid partnership with an event housing management company can give show managers an edge in handling it effectively. As a company that works with large tradeshow organizers, individual association planners, event management companies, conference centers and CVBs throughout the United States and abroad, onPeak has bumped up its efforts to address this issue with a wide range of strategies, including the development of an online hotel rate monitoring system that tracks fluctuating prices on a nearly hour-to-hour basis.

According to onPeak President and CFO Michael Howe, the company’s 18-month-old system has proven to be both a time and money saver for the company’s clients.

“Every week, we provide reports to show organizers to see how many times rates have changed,” Howe said. “If we find a lower rate, we notify the hotel, and then give them the option of removing the rate from their booking engine or (dropping) our rates to match that rate.”

Shows and housing companies can’t prevent attendees from booking on their own, Howe said, but they can take steps to address the issue, including marketing efforts to educate attendees about the benefits, value and protection of staying with official hotel partners.

Keeping attendees in the official room block can be a pesky issue for tradeshows, but when it comes down to it, many show managers agree that what matters most is that attendees come to their events. Although 100-percent loyalty to the room block would be great, Romello said, loyalty to the show is far more important.

“I just want attendees to show up to my show,” she added.

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Seven Good Reasons to Stick With the Block

Service: Attendees staying in the block have a go-to for room changes or customer service and an advocate working on their behalf if and when issues arise with the hotel.

Safety: Booking in the block provides protection from potential scams involving hotel room wholesalers or fictitious booking companies.

Protection: Attendees in the block have the ability to manage their sub-blocks of rooms without a separate hotel contract. This alleviates worry about attrition, billing or cancellation issues.

Extra Services: Access to free transportation provided by the show and other amenities.

Security: Housing is secured well in advance for important events that can't be missed.

Rates: The show has negotiated the best room rate per night for all rooms reserved for the group.

Credibility: Continued loyalty to the block gives attendees buying power to be able to push for room or hotel changes and helps the show negotiate lower rates in the future.

-Lisa Plummer