Cashing In

Lavish gifts and fun perks offered to planners by hotels are fading. Meetings-oriented benefits are taking their place

IMAGINE A FREE WEEK’S vacation to the Caribbean, all expenses paid for by the venue that just hosted your annual conference. What could be wrong with a perk like this? After all, you did choose the venue in good faith and planned the whole event. Legally speaking, there is nothing wrong, says James Goldberg, a Washington D.C.-based attorney. Accepting gifts from suppliers is just part of doing business—right? Not so fast. According to Loretta Lowe, a self-employed planner based in San Francisco, hotels justify such offerings "by saying you can decide how you want to use it; either for the group or for personal use," explains Lowe. "So they put the [ethical] onus back on the planner. Even though vendors argue that offering incentives is a part of doing business and that planners do take them up on these perks, this type of bribery just doesn’t belong in our business."

Why? For the simple reason that when planners choose suppliers who offer them lavish gifts, it’s an act of favoritism. Even if you didn’t pick the property because of the rewards (and are you sure?), consider how this would look to your bosses. With meetings under increased scrutiny these days, it’s important to avoid even the appearance of impropriety. And if you wind up using a venue that’s not the best, you may benefit the most while your group benefits the least. An independent meeting planner from Washington D.C. who prefers anonymity agrees with Lowe, adding: "In what other profession do people [legally] get these kinds of perks? None! If anybody besides Enron heard of this, they would be appalled."

But hotels and airlines frequently offer gifts or incentives to planners, ranging from suite upgrades to frequent flyer miles to Palm Pilots to vacations. And planners readily accept them: SM conducted a survey in February of 126 meeting professionals, in which 60 percent of planners found it ethical to accept gifts from suppliers, while 40 percent found it unethical. On the other hand, 75 percent of planners found it unethical to allow gifts to influence their choice in selecting a venue. From this, it seems that most planners do enjoy such benefits, but are also mindful that these perks should not drive the decision on where to take a group.

Planners we interviewed voiced loud and clear that perks such as a trip, a mountain bike, or even a spa treatment should not be the path that suppliers take in rewarding people for booking business. It seems that in this suffering business climate, personal incentives no longer receive universal approval in the meetings industry.

The Slippery Slope
"The temptation is great for the planner, and it's a difficult decision when a free vacation or hotel stays are being waved in one's face," admits Jennifer Moen, conference and meetings manager at the Archaeological Institute of America (AIA) in Boston, MA. "This opportunity should not even be presented to them in the first place." One reason: Gift certificates and room upgrades are types of freebies that can isolate a member of the planning team if he or she solely benefits from the venue's incentive. A planner based in the Northeast who prefers anonymity says that her predecessor had a monopoly over site selection. "She always had planner points worked into the contract, and in some cases took them all herself. I do not negotiate points into any contract I sign, and I ask instead that concessions be added to the contract that present a tangible value to the association for the benefit of the meeting."

An unnamed planner based in Detroit, MI, confides that "planners at our company are not allowed to participate in any kind of points program, so that we may not be influenced unduly toward a particular chain." Her company is attempting to work with the national sales managers of each chain they use to create a company account, so that any points accumulated in that account may be used toward future meetings, but may not benefit any one person. "Allowing individual planners to accumulate them leaves us vulnerable to accusations of favoritism. We strive to be professional, and choose a property because it's the best fit for the program" she adds.

The Alternative Route

One D.C.-based independent planner says it plain and simple: "I'd rather be swayed with cheaper room rates and more affordable banquet menus than with Palm Pilots or digital cameras." In lieu of staff perks, many planners seek something that is of value to the group, like a discount on AV equipment or on meeting room rental.

A few hotel chains are listening to these pleas and reforming their offerings. For instance, Hyatt implemented its "Meetings Rebate" program in early May in which planners receive savings for groups when booking a certain number of room-nights. Hyatt developed this program after going to its customers to ask them what true value meant for them. According to Ty Helms, senior VP of Sales, Hyatt organized a series of focus groups in different market segments and found that personal incentives, which have been predominant in the market for a several years, really were not of the most value to them. "Planners voiced how they are much more inclined to receive something that could benefit their company or their association," says Helms. "By using the rebate program it makes them look good as professionals in the eyes of their organization. This was the real catalyst behind the offer."

In a sluggish economy, a good group-perks program like this can be significant. For instance, if a customer books 500 room-nights at a particular rate, the rebate offer can pay for nearly 80 room-nights, and avoid any ethical problems.

Marriott implemented a similar program called "Marriott PlannerPoints" earlier this year. With this program, planners receive one point per room booked for their meeting and can earn up to 2,500 points per meeting. With these accumulated points, planners can choose from three options: a Marriott Gift Certificate to enhance an upcoming meeting; a SuperCertificate from the Web site GiftCertificates.com that allows planners to choose original gift certificates; or they can convert "PlannerPoints" into "Marriott Rewards" points for free travel, hotel accommodations, and airline tickets. According to Roger Dow, senior VP of global and field sales for Marriott, "PlannerPoints" act as an incentive for planners to at least think of Marriott when choosing a venue for their meeting. "This program allows for more options and greater flexibility to not only the planner but to the organization as well," says Dow. "Planners have voiced that they need something usable and of greater value to bring back to their company." However, unlike Hyatt, Marriott still allows some personal perks for planners, like frequent flyer miles and gift certificates that can be used as cash at spas and retail shops. Other chains are still offering these incentives, often as Marriott has done: as simply one option of many that planners can choose. "The reason for all of these options," says Dow, "is that while many planners do take a credit for their meeting, others opt for the personal perk."

Crowne Plaza Hotels and Resorts is another chain that offers savings to groups through its "Meetings Option" program; it gives the planner eight options for complimentary enhancements. Planners can receive complimentary meeting room rental; a VIP suite; a refreshment break credit; a welcome reception; one complimentary guest room for every 25 used; up to 10 complimentary upgrades to deluxe room types; a 10-percent discount off AV equipment; 5,000 frequent flyer miles; or 20,000 bonus Priority Club reward points. "This works really well," says Chick Cervenka, director at Crowne Plaza, "because it can obviously save the meeting planner money, and meets their different needs by providing choices so they can pick what benefits them the most." Cervenka adds that "right now, a lot of hotels are discounting rates while we are trying to..."
add value for the meeting group." But Cervenka has noticed that in the past 18 months the trend among hotels of offering just personal incentives to lure meetings has faded.

And hallelujah to this, comments the D.C. planner, who is tired of being wooed by outlandish perks. "Why would anyone who travels as much as we do want more free trips? One of my friends says he would trade all his frequent flyer points for ‘frequent stay-at-home’ points!" And like other planners we spoke to, "I am pleased to hear that chains have implemented programs which would allow associations, not the planner, to benefit from booking the meeting," comments the AIA’s Moen. "After all, it is the association which provides the means and opportunity of the meeting business... If their members did not convene in that particular city and hotel, then none of this would be possible."

**SAY IT AIN’T SO**

Recently an association planner had a very poorly coordinated meeting [by the convention services manager at the hotel] and found that an automatic 50,000 planner points were added to her account. "This tactic will not be successful in buying my business, and does not make me forget what a terrible job the hotel did with the event."

**SAY IT AIN’T SO**

An association planner recently was offered a few free nights by a hotel GM with whom she worked before and who was transferring to a tropical location where her association would never consider holding a meeting. "I responded by being very upfront that a trip would NOT represent any value in bringing business to their hotel. I am sure the offer will not still stand or be pursued."

**SAY IT AIN’T SO**

Several years ago a CVB in Colorado gave planners mountain bikes as giveaways. An independent planner remembers some industry people really coming down on the bureau. "I think most planners returned the bikes and the CVB was surprised at the negative reaction they got." Another year, "an East Coast CVB sent planners one shoe and you had to contact them and book a meeting to get the other shoe. Clever marketing, but I am not selling my professional ‘sole’ for a pair of shoes!"

**group loyalty**

**Here’s a look at some of the loyalty programs out there that can benefit meetings**

**Hyatt Hotel: Meeting Rebates Program**

**The Deal:** Offers companies direct savings on their event based on the number of paid room-nights. Groups can receive rebates for as few as 25 paid room-nights. Unlike other group promotions, the savings come as each eligible meeting is held, so there is no need to bank points or keep track of credits earned.


**Marriott Hotels: PlannerPoints**

**The Deal:** When booking a meeting, planners receive one point per room-night booked for their meeting group and can earn up to 2,500 points per meeting. Within three weeks of a signed contract, planners are eligible to redeem credits for rewards that include:

--A Marriott Gift Certificate to enhance an upcoming meeting, upgrade coffee breaks or AV equipment, or use towards spa treatments, golf, and dining at the hotel.

--A Super Certificate from GiftCertificates.com that lets planners choose original gift certificates from hundreds of stores, restaurants, airlines, spas, and theaters.
Converting PlannerPoints into Marriott Rewards points for free travel, hotel accommodations, airline tickets, and merchandise.

Available in the U.S., Canada, the Caribbean, and Mexico through March 31, 2004. Events must be booked by December 31, 2003, and have a minimum of 25 room-nights, www.marriottplannerpoints.com or call (800) 350-9475.

Crowne Plaza Hotels & Resorts: Meeting Options

The Deal: A planner has the option when booking a meeting to choose from eight complimentary meeting option enhancements, which are: 5,000 frequent flyer miles or 20,000 bonus Priority Club Rewards points, complimentary meeting room rental, up to 10 complimentary upgrades to deluxe room type, complimentary VIP suite, one complimentary guest room for every 25 used, a.m./p.m. break credit, complimentary welcome reception, or 10 percent discount on AV.

Available in the U.S. Must be booked and held by December 30, 2003, www.meetings.crowneplaza.com or call (800) MEETING.

Radisson Hotels & Resorts: Points For Planners

The Deal: Planners who are members of Radisson Gold Rewards or those enrolled in the Gold Points Reward Network can earn three Gold Points per dollar spent for meetings. Each meeting or event held must result in total revenue of $5,000 or more. Planners can further maximize points by using their Gold Points Visa credit card. The points can also be converted in other ways to benefit the group.

Available in the U.S., Canada, the Caribbean, and Central and South America, www.goldpoints.com or call (800) 508-9000.

The Hilton Family of Hotels: Hilton HHonors

The Deal: In the U.S., Canada, and the Caribbean groups can earn one HHonors bonus point and one airline mile for every dollar spent on guest rooms and meeting room rental. In Mexico and Central or South America planners can earn 1,000 HHonors bonus points and 1,000 miles for every 10 guest rooms booked in conjunction with the event, up to 50,000 bonus points and 50,000 miles per event.

In Europe, the Middle East, and Africa planners holding an event that includes a minimum of 10 or more occupied guest rooms will earn 5,000 HHonors points and 500 airline miles per qualifying night. There is a maximum of 100,000 HHonors points and 10,000 miles awarded per event. HHonors is affiliated with more than 55 airlines. Points can be redeemed for free hotel nights, vacation packages, airline tickets and cruises, as well as merchandise rewards such as electronics, clothing, cosmetics, home accessories, baked goods, flowers, and specialty equipment. HHonors points cannot be transferred, but can be used for a reward issued to anyone you choose.

http://www.hiltondirect.com/Misc/HHonors.asp or call 1-800-HHONORS

Starwood Hotels & Resorts: Starwood Preferred Planner

The Deal: One Starpoint for every three U.S. dollars is earned for eligible group business as follows: All group room revenue, meeting room rental, catering events and/or services booked through the hotel catering department. Starpoints can be redeemed for free hotel stays, room upgrades, gift certificates towards educational books and conference registration fees and membership dues with MPI. Through StarGift planners can donate the points earned from planning a meeting to UNICEF, the Juvenile Diabetes Foundation, and Make-A-Wish Foundation.

Available globally, www.starwood.com/preferredplanner

PHOTOS (COLOR)