

### Introduction

Getting the best value for your dollar is job No. 1 for most meeting and event planners, and arming yourself with some basic knowledge about hotel and facility profit centers is key to striking a favorable deal for your organization or client.

#### FACTORS THAT INFLUENCE HOTEL PRICING AND AVAILABILITY

Source: Robyn Mietkiewicz, Senior Director of Global Meeting Management for Meeting Sites Resource, a global strategic meeting management solutions organization, <https://www.meetingstoday.com/magazines/article-details/articleid/32262/title/7-essential-meetings-negotiation-considerations>

### 1. Sleeping Room Block/Revenue

This is the biggest profit center for hotels at 77% gross profit

**Understand how hotels value your meeting/RFP.** Hotels analyze everything from arrival/departure pattern, rooms to space ratio, F&B contribution, lead time, history, seasonality, incremental revenue and other groups contracted over your meeting dates.

### 2. Peak Night Pattern/Flexibility

All hotels focus on pattern selling, by market segment.

#### Robyn Mietkiewicz: Understand your leverage.

Are your dates flexible, can you shift your pattern, do you have a strong history of room pick up and spend by category, can you waive your meeting room rental by increasing your F&B commitment?

### 3. Group Food & Beverage/Revenue

This is the second-biggest profit center for hotels, at 38% gross profit.

**Finding cost savings in the area of food and beverage is a top-line concern.** Work with the banquet chef to customize menus using seasonal items or sharing menus with other in-house groups (to capitalize on purchasing economies of scale).

Also consider shortening receptions, or skip breakfast and serve an a.m. break instead.

### 4. Room To Space Ratio

Hotels use meeting space to sell total group rooms inventory.

**Consider your rooms to space ratio, which factors greatly in what you will end up paying for meeting space, and even if you pay anything at all.** Most hotels are now saying, "If you want 25% of my sleeping room inventory, you can have 25% of our meeting space."

If you have a space-intensive group, determine ways you can get creative with space and ask your hotel partner for suggestions. Find out if the hotel has a sleeping rooms-only group that you can marry your group together with if you have extensive space needs.

### Event Planning Essentials



### 5. Ancillary Spending

This is the projected revenue for business center, AV, production, Internet, golf/spa, sponsored events / ICW revenue (ICW = In Conjunction With), etc., at a facility.

**Your group's ancillary spending can add up.** Although sleeping rooms and group F&B represent the largest portion of revenues and profitability, estimate your ancillary spend revenue contributions and make this part of your negotiation process. As an example, if you are doing a golf tournament or have spouses or guests with spa time or other activities, this certainly adds to potential revenues.

If you have a sponsor paying for something at the hotel, that is still revenue you are bringing to the hotel as a result of your meeting and should be captured and communicated with your overall meeting value.

### 6. Meeting History

3 to 4 years is the magic number for most hotels.

**In today's market, hoteliers can be choosy and are turning down more meetings than they accept.** Hotels do reciprocate and provide each other with history and meeting performance, which often determines the pecking order of their meeting options.



### 7. Season/Demand Over Your Date(s):

Do your homework on this before negotiations begin.

**Knowing levels of demand—high, shoulder and off-season—over your set of dates is critical to getting the best deal.** Learn what the sales seasons are at the facilities you're researching and consider an off-season booking for the greatest discount, or a shoulder-season reservation if you want to balance, typically, a higher risk of bad weather counter-weighted against more-favorable rates.

Mietkiewicz: "Regardless of shifts in the marketplace, when meeting planners carefully evaluate each meeting and understand their leverage, flexibility and have a negotiations plan, clearly they will add more value to their meetings and bottom line, with an emphasis on risk reduction,"

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