

The Hotelier-Planner Relationship: A View from Both Sides



Advancing the incentives industry requires building stronger, better partnerships throughout the program delivery cycle. The most recent IRF-Prevue study shows that although the hotelier-planner relationship is most often collaborative and supportive while delivering meetings and incentive programs, there are a number of opportunities for improvement throughout the discovery, RFP, and execution phases of the relationship.

INTRODUCTION

Multiple academic research efforts have shown how increases in trust within the confines of a business relationship lead to lower costs and greater efficiencies¹. The dynamic of the hotelier-planner relationship became increasingly complex and challenge-filled during the economic downturn and the subsequent economic recovery. What is the current state of this relationship and how can it be improved?

First-time research by the IRF and Prevue Magazine explored this hotelier-planner relationship—where the views from both sides converge, where they differ, and where there is room for improvement.

Conducted in July of 2016, this study received 160 responses from meeting and incentive travel planners and 126 hotels, ensuring a 95% confidence rate in the results and a +/- 8% confidence interval. Both quantitative (numerical rating) and qualitative (open-ended) questions were included.

¹ See the IRF study *"Developing a New Business Model for DMCs by Redesigning Their Value Propositions"*

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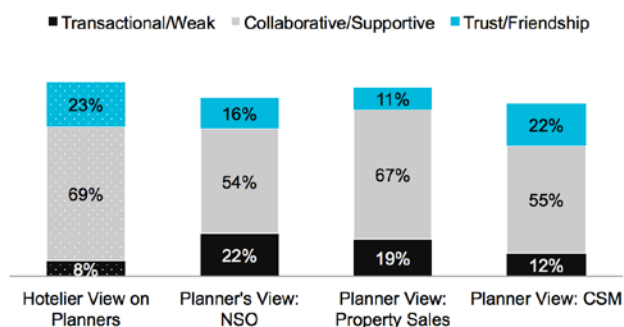
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1. State of the Relationship

The majority of both hoteliers and planners in this study viewed their relationship with the other side as either collaborative or supportive. Sixty-nine percent of hoteliers viewed their relationship with planners as such, and the majority of planners viewed their relationship with the sales team or conference services manager (CSM) as collaborative or supportive as well.

Fig 1: View of the Relationship



Interestingly, according to the planners, the relationship strengthens as it moves further down the activity chain from National Sales Organizations (NSOs), to the property sales lead, to the conference services manager.

While 22% of planners viewed their relationship with NSOs as transactional or weak, 19% believed the same of property sales leads, and only 12% believed the same of the CSM.

A full 22% of planners viewed their relationship with their current CSMs as one of a business friendship or total trust and commitment.

In Their Own Words

The strength of the relationship is evident in these quotes from planners.

"A fantastic CSM is worth his or her weight in gold. They make or break a program."

The open responses, however, also showed planners were very sympathetic to the strain sales teams are under.

"Owners, GMs, DOS, etc., are putting so much pressure on salespeople to book business. They are making too many mistakes, taking too long to get answers, and not engaging in our goals, or even asking."

The Challenges

Using a five-point scale, hoteliers and planners were asked to rate the challenges they face in the relationship.

As Figure 2 shows, the biggest issue for planners was fees (including Internet, service charges, resort fees, and AV), and often times fees were deal breakers. The second largest challenge according to planners was salespeople who did not know the property well. A lack of loyalty acknowledgement for repeat business was the third largest

Fig 2: Relationship Challenges

	Planners	Hoteliers
Fees (Internet, service charges, resort fees, A/V)	#1	#4
Salespeople (knowledge of property)	#2	#9
Lack of loyalty acknowledgement for repeat business	#3	#5
Using eRFP systems	#4	#1
Showcasing creative food & beverage	#9	#2
Site inspections	#5	#3

challenge to planners and echoed often in the open-ended responses.

While hoteliers did view fees, the inability of salespeople to be a part of the process, and a lack of planner loyalty as opportunities for improvement, these challenges were rated slightly lower relative to their ratings by planners. Hoteliers viewed the top three challenges in dealing with planners as frustrations with eRFP systems, the inability to showcase the property's creative F&B options, and site inspections that were too short or that lacked enough information to be effective.

In Their Own Words

Planners' concerns over the relationship aspects of working with the sales force often came out in the open-ended responses, with planners discussing, for example, that they *"dislike dealing with a sales office in another city or state that is responsible for representing a property that they are unfamiliar with."*

But planners also expressed concern for the level of training for hoteliers with some lamenting that *"Hotel sales managers need much more customer service training"* or that *"Managers these days are way too young and inexperienced and many times, rude."* In the end, however, there was an appeal for sales people that were fully empowered and aware, with one planner noting simply *"I need sales staffs that can actually answer my questions without passing me off."*

2. Reflecting on the Process

– Stage by Stage

While hoteliers and planners oversee tens—sometimes hundreds—of programs a year, the process often remains the same.

- Stage 1: Discover potential new venues or properties for the event at hand
- Stage 2: Conduct the RFP process
- Stage 3: Choose the right property
- Stage 4: Add value to the relationship

When speaking to both planners and hoteliers, each of these stages presented their own strengths and challenges.

Stage 1: Learning About New Venues

One important aspect of successful meeting strategy is the continuous pursuit of new and outstanding venues mapped to the event's needs. Do planners' views on the most effective methods to discover new venues align with hoteliers' views on the best way to market them? In a word: mostly.

As Figure 3 above shows, the importance of face-to-face interaction is evident in the ratings. The highest percentage of planners (66%) viewed hosted buyer shows as "effective" for learning about new or potential hotel venues. A roughly comparable amount of hoteliers (61%) felt these types of shows were effective at educating planners on their offerings.

As one planner noted, however, *"Not all hosted buyer programs are created equal."* The balance seems to be in the underlying show requirements, with one planner saying, *"I like that I didn't need to spend time educating them about my business. I don't like being forced into making appointments with vendors or hotels that are an unlikely match for my needs."*

Planners viewed referrals from previous clients (53%), trade shows (45%), and national sales reps (41%) as effective learning opportunities. Hoteliers found these approaches effective as well, but a higher percentage of hoteliers viewed referrals from previous clients (71%) and global/national sales reps (66%) as effective.

Hoteliers and planners viewed warm calls based on introductions from friends or acquaintances as effective while, not surprisingly, cold calls were viewed as ineffective by the majority of both parties.

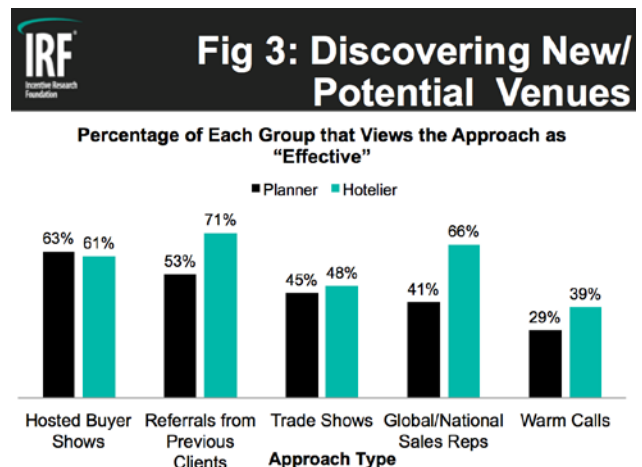
Stage 2: Conduct the eRFP Process

Perhaps no other topic throughout the study received more comments and feedback as the role of technology and the heightened use of eRFPs in hindering the hotelier-planner relationship.

Planners and hoteliers both rated a number of challenges in the eRFP process and had very different views. Attention to these top challenges, combined with analysis of the respondents' comments, provides directional information on how both sides can improve the process.

Top 5 Ways Planners Can Improve the RFP Process for Hoteliers

1. **Provide priorities** and be clear about budget targets, hot buttons, and deal breakers.
2. **Provide information on attendees** but keep the RFP brief when casting a wide net. A shorter RFP is best if going out to many hotels; a longer one preferred when the options are narrowed to a select few.
3. **Be clear on the primary goals and objectives of the program.**
4. **Fully review responses to the RFP.**
5. **Have a clear concept of venue needs** and have an understanding of where the hotel has invested recently in upgrading.



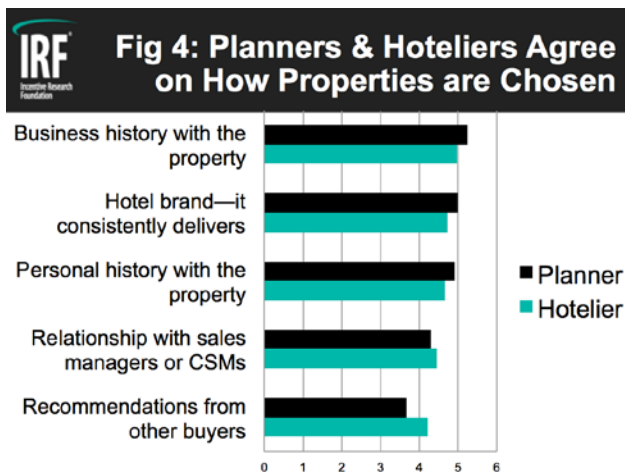
Top 5 Ways Hoteliers Can Improve the RFP Process for Planners

1. **Fully read the responses** and ensure communications are timely, detailed and personalized. By far, this was the most frequent request planners made in the comments.
2. **Ask questions regarding program goals** if it is not clear in the RFP.
3. **Understand the planners' priorities.**
4. **Ask questions about their audience.**
5. **Be creative and flexible** based on what you learn from following the above recommendations.

Stage 3: Choose the Right Property

In the end, choosing a property that meets the program's logistical needs, the planner's vision, and the organization's budget is a difficult but paramount decision.

As shown in Figure 4, both hoteliers and planners were in agreement that the experience with a property or brand is a key element in the decision. The top three reasons planners said they choose their current properties mirrored hoteliers' top reasons for why they believe their property was chosen: A business history with the property, a personal history with the property, or experience showing that the brand consistently delivers.



In the comments, hoteliers often cited business and personal relationships as the main reasons they win business. Planners, however, often raised issues with turnover, consistency, and training within brands, especially larger ones: *"Reps at [larger brands] are overloaded and overwhelmed with too many hotels to sell. I prefer smaller brands."* Some described frustration from getting passed off to someone else with less knowledge after developing trust with a salesperson.

Stage 4: How Most Trusted Partners Add Value

Once the discovery, vetting, and selection processes are complete, the work of executing a great program is just beginning. Given the importance of strong relationships in repeat business, both planners and hoteliers have the opportunity at this point to continue adding value to the relationship and to become a trusted ongoing partner. So how do both sides feel their most trusted partners add value?

The six options in Figure 5 resonated with planners with only 8% selecting "other". Planners felt most strongly that their current most trusted partners created value by

Fig 5: How Most Trusted Partners Add Value

	Planners	Hoteliers
Flawless execution	#1	#4
Helping overcome layout/location issues	#2	#6
Timely RFP response	#3	#2
Providing fantastic ideas	#4	#5
Helping us prioritize the budget	#5	#3
Providing a strong vision	#6	#1

providing flawless execution, helping overcome layout issues, and providing timely RFP responses.

While timely RFP responses were important to hoteliers, it was clear that their most valued partners first and foremost provide a strong vision and also assist with prioritizing budgets.

3. Moving Forward

Understanding What Hinders Great Programs

Almost 200 of the respondents gave detailed firsthand insights into what is currently hindering the delivery of great programs in the United States. Comment analysis showed that, while a number of issues were discussed, two issues arose consistently for both planners and hoteliers.

1. Budgets are rising, but not keeping up with the accompanying cost increases on property. This disparity puts pressure on both parties to deliver on thin margins and allows little room for big ideas or creativity.
2. Space and date availability are a challenge. Some hoteliers viewed planners as needing to 'sell' their programs to secure the property,

Fig 6: What Will Impact the Relationship? Hotelier View



while planners are working diligently to lock down budgets earlier and earlier in the cycle in order to get space that meets their needs. Not all organizations can move at the speed required, however.

Current and Future Challenges for the Relationship

Both planners and hoteliers were equally candid about the challenges the current relationship faces.

Hoteliers raised concerns over space, availability, and the increasingly transactional and technological nature of the relationship. A majority of hoteliers' comments were focused on the ways they are working to maintain strong personal relationships amidst these challenges. Current world events, security, the economy, and rates were also discussed as concerns.

Fig 7: What Will Impact the Relationship? Planner View



Comment analysis showed that planners were most concerned with the lack of loyalty they are shown by the hoteliers they supported during the economic downturn. To quote one

respondent, *"The market will go back to a buyer's market eventually and the relationships made during the current economy will help the planners promote specific properties."* As Figure 7 shows, planners were also vocal that technology is making the relationship less personal, budgets are not keeping up with pricing, availability is a challenge, and security and mergers are concerns.

4. Summary

Trusted, efficient relationships between business partners are beneficial to all parties in a system. The IRF is thankful to the 386 planners and hoteliers who provided feedback on how to create and maintain valued partnerships on an ongoing basis.

While the hotelier-planner relationship overall is currently viewed as collaborative and supportive, there is much room to develop into relationships of true trust and commitment, especially as both parties struggle to work in the confines of an increasingly technology-driven process.

For planners, having stable, well-trained, and less overwhelmed hotel staff who are knowledgeable, flexible, and, importantly, detail-oriented and highly responsive was essential. Negotiating on fees, meeting face to face, providing flawless execution, and rewarding loyalty in a seller's market are just a few of the things hoteliers can do to ensure they are building the type of trusted relationship that ensures planners choose their property or brand again and again.

Planners have an important part to play in the partnership as well, by providing a strong vision and priorities that allow the property to showcase all it has to offer and by being up-front on non-negotiables and the total value of the program.

The relationship will no doubt change over time; creating trusted partnerships in the present is paramount to maintain solid programs in an uncertain future.

5. Appendix

Conducted in July 2016, this study was fielded to over 4,000 planners and hoteliers. It received 160 responses from meeting and incentive travel planners and 126 hotel sales representatives at the global and property level. Both parties were provided with similar questions on each topic. The study has an estimated 95% confidence rate in the results and a +/- 8% confidence interval. Both quantitative (numerical rating) and qualitative (open-ended) questions were included.

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