

Dealing With **Disruption**

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Dealing With Disruption

Compression, rising costs and fees, and staffing challenges require that planners re-think the way they work in 2023.

Compression in hotel inventory, staff reductions, and increasing costs have become barriers to delivering a meeting or incentive program in 2023 that's at the same level as in 2019. In this unprecedented era of disruption, what are some strategies for meeting planners?

Hotel Rates & Supplier Fees on the Rise

Hotel rates were up more than 18% in 2022 and are predicted to increase another 8% in 2023, according to the 2023 Global Business Travel Forecast by CWT and the Global Business Travel Association (GBTA). Leisure travelers are taking up group rates in many cities, like Miami, where the hotels are getting rack rates. "In your top-tier destinations, the pricing is so high for your basic hotels, not even luxury hotels, and they are charging \$500/night. That's insane," says Venessa Grant, owner, Manifest Site Selection and Event Services.

Hotel fees and surcharges are on the rise, and "drip pricing" appears to be happening in a wide swath of the community that serves meetings and events, from AV to production companies to ground transport, planners report.

In addition, planners are seeing new fuel surcharges of 8-12% (which have not gone away as fuel costs begin to come down); Covid-related health and safety charges that are still in effect even though there are no longer any restrictions; "mandatory gratuities" for hotel housekeeping staff, even as housekeeping services have been reduced at many hotels; and mandatory gratuities at some shuttle bus companies. Other new fees include "convenience fees" from credit card companies, which are starting to become a regular feature, and "admin fees" of 2-8% added to the mandatory gratuity at restaurants.

Staffing Challenges

In many cases, the higher pricing goes hand in hand with lower service levels because of staffing issues.

"Hotels seem so short-staffed in sales and housekeeping," says Lisa Coakley, co-owner and planner, Paramount Planners, LLC. "We are not getting responses from most hotel sales and some convention services managers in a timely manner, therefore making it difficult to get budgets in place and to be productive in the booking and planning process." She cites

instances of close to a month to receive final hotel billings, and delayed follow-up from hotel sales staff that she believes is due to lack of staffing. “The salespeople are working full days and into the evenings. I usually get return e-mails days later and very late at night from both sales and CSMs.”

As well, “now that housekeeping has come back, it is just not consistent—which is an issue for groups. We have found that in many hotels, housekeeping can’t handle groups nor can they handle amenity deliveries.” While Paramount Planners has always set up meetings with managers in housekeeping and every other hotel department during site inspections and pre-con meetings, they now insist on speaking with the general manager as well. Plus, says Coakley, “we book extra conference staff to be on top of those departments and oversee them because the planner gets pulled in too many directions while on site.”

“They’ll sell it to you, but you don’t know if they’re going to have enough housekeepers to serve those rooms,” says Josh Adams, industry relations strategist, streamlinevents, who was recently at an event where his room was not addressed for four days.

Another area that’s affected is room service, with take-out from food outlets in its place, or nothing at all.

Grant recently held a meeting where service levels were discussed during the pre-con meeting, “but once we got there, they didn’t service the rooms. Nobody complained because it was a group that travels all the time. They no longer expected it.”

It all comes back to the expectations of some groups and meeting owners that nothing has changed—and the steep increase in room rates. “If it’s a four- or five-star hotel and these are amenities that you used to get, and they are going to cut back on those things, then maybe they should cut back on the rates,” says Grant.

Compression & the Seller’s Market

The continuing seller’s market is presenting a host of challenges. “We have noticed since Covid that luxury hotels do not want to offer buyouts,” says Coakley. “They are holding the space for their transient clients. They also won’t offer a chunk of rooms over weekends for groups—their preference is definitely for luxury leisure over group business.” She is also finding it difficult to add rooms to 2023 contracts.

To combat this, “We’re trying to plan earlier,” says Deidre Young, CMP, CGMP, meeting manager, Administrative Office





of the U.S. Courts, Defender Services Office. “Usually, we start planning in July or August for the upcoming fiscal year that starts in October. For FY24 we started planning in January 2023.” Young is also looking at reducing the number of breakout rooms, slightly increasing the size of each breakout group by two additional participants, and getting a blanket purchase agreement for audiovisual equipment and support. “We own several pieces of AV equipment, but it takes a lot to bring it on site, set it up and return it. We also have to be concerned about maintaining and replacing equipment.”

Adds Sherri K. Lindenberg, senior vice president, marketing communications, Crump Life Insurance Services: “With many event-related costs still rising and supply chain challenges continuing, it’s hard to predict and budget months or years out.” For Crump Life business meetings, “we’ve worked to minimize AV costs by having smaller breakout sessions without projectors and screens, and ensuring that the time spent in the sessions is interactive versus listening to a single presenter talk, which we can do virtually. We’ve also worked to find sponsors to provide hospitality snack packs to attendees on arrival and trimmed our mid-morning or mid-afternoon snack.” For Crump Life incentive programs, “we’re re-evaluating the activities we offer attendees to more tightly manage the cost structure and scaling back on

the number of options. This also aligns with feedback about people wanting more free time.”

Kimberly Bean, event strategist, KBT Creative Support Services, points out that her clients’ future meetings and events will require line-item reviews and potential budget cuts. “Budgets must either absorb all these cost increases or companies must plan for smaller conferences.”

Conclusion

“Our business is like watching the weather reports on the nightly news—a series of global high and low pressure systems all spinning around the earth and converging,” says Doug Wheeler, principal, Summit Performance Group and connectUNIVERSAL. The best way to react to uncertainty, advises Wheeler, “is to stay educated on world events, share your professional insights, knowledge and suggestions with clients and partners, work closely with suppliers, be nimble, be flexible, be pro-active and most importantly, stay positive.”

Simple as it might sound, creativity is cited by many as the best way to find solutions for the ongoing challenges of 2023. “We must continue to find creative options to maintain the integrity and quality of experiences for attendees while addressing real-life situations impacting venues and vendors,” concludes Lindenberg.

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When it comes to site selection, partnering with a destination's convention and visitors bureau is invaluable. Staff will have extensive in-market relationships and can offer planning services that are completely complimentary.

When sourcing hotel options, seeking out hotels that have opened recently or are slated to open soon could also be a win for your budget. These properties can be looking to contract meetings as quickly as possible and are therefore typically ready to negotiate. Remember to also keep seasonality in mind — booking in the off-season can help you get a good deal in a destination that might have otherwise been out of your budget.

Don't shy away from multiple-year contracts. Hotels may offer flexibility on terms if you sign a multiple-year deal, resulting in savings that can extend to sister properties. If your group has a heavy meeting agenda that allows for little time to use the venue's amenities, you could negotiate to lower or eliminate resort fees.

CVBs also often have incentive programs and will award qualified meetings funds that can be used to offset meeting costs. For example, Explore Asheville offers an incentive program providing qualified meetings up to \$5,000 (or up to \$10,000 for a multiyear contract).

About Asheville

With its vibrant arts scene, creative culinary options and rejuvenating outdoor experiences, Asheville, N.C., is the premier Southeast meeting destination. Asheville has more than 9,200 hotel rooms, nonstop flight options and a range of conference hotel options. Let Explore Asheville's expert staff assist throughout the process. Plan now at [AshevilleMeetings.com](https://www.ashevillemetings.com)

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The Lansdowne Resort team prides itself on leading the way in the MICE sector and staying ahead of industry trends to ensure planners and groups get the most out of their meetings, incentive trips, conferences and events.

While other hospitality brands leverage wellness as a buzzword, Lansdowne Resort has fully committed to the holistic well-being of guests and groups — both now and in the future. As the exclusive destination to deliver the transformational experiences of wellness leader Deja Harmony, this AAA Four Diamond resort harmonizes the best of Eastern and Western therapies to create a unique and balanced approach in support of the mind, body and spirit.

Everyone who walks through the doors at Lansdowne Resort is encouraged to immerse themselves in the services, amenities and cuisine that will help transform their health and well-being. The culinary philosophy is guided by The Five Element Theory and seasonal flavors. The lettuce, herbs and microgreens presented on the plate aren't just locally sourced, they're hydroponically grown on-site. To further fuel progress, conference center refreshment kiosks are continuously stocked with in-season fruits and other nutritious options.

When it comes to team building, groups can inspire their attendees to take that first step on their journey to physical and mental well-being with experiences that include Nature Walks, Wine & Zen sessions, Tennis and Pickleball, Fitness Classes and more hosted in serene indoor venues or nestled into idyllic settings across the property's 500 sweeping acres in the Potomac River Valley.

About Lansdowne Resort

At Lansdowne Resort, you and your team will experience the transformative moments that ignite creativity and advance progress. This Northern Virginia property delivers 55,000 square feet of award-winning meeting space that have earned them the distinction as the best DC-area conference center over 25 years in the making.

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Brittany Downs, Director of Sales at Resorts World Las Vegas talks about negotiations is the magic in the middle in creating a beautiful partnership.

There is still hesitancy when it comes to contractual commitments, which impacts attrition clauses, meeting room sizes, and date placement in regard to load in and out. The most important element of any successful negotiation is to understand the core concern, this can be different for every group, whether it is personal to the event marketer, to the key stakeholder, or even the analyst in the risk department. That insight will allow a hotel to consider its own risks and concerns to then develop a creative solution that provides confidence, as well as shares the risk equally.

More from David Tapper, Executive Director of Catering

With food costs rising 10-20% and labor and retention costs increasing, maintaining a profit margin that keeps the shareholders happy but pricing that keeps the customers satisfied is a balancing act. The world is still working through supply chain challenges. The conundrum is that we need our guest's information and needs further out to assist with the supply chain, yet we've seen such an increase in short-term business and requests that getting ahead of the curve is tricky. In order to ensure we have the proper product, best quality items, and informed staff who is ready to serve, our team focuses on guiding our guests through the resort experience rather than waiting for the guest to send us their needs.

About Resorts World Las Vegas

Resorts World Las Vegas is the Strip's newest property with luxurious accommodations, global cuisine and unparalleled entertainment. With 50 multi-functional, state-of-the-art meeting rooms, naturally lit ballrooms and a rooftop terrace with dramatic Strip views. The property offers a total of 250,000 square feet to accommodate groups with innovative branding opportunities.

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About Tourism New Zealand

Tourism New Zealand's team helps deliver exceptional events, whether your aim is education, reward, or inspiration. New Zealand's stunning scenery and lively cities offer awe-inspiring experiences. Unique Maori culture provides unforgettable encounters, and thought leaders deliver innovative content. World-class conference venues, excellent accommodation, and friendly, safe reputation ensure seamless events.

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