

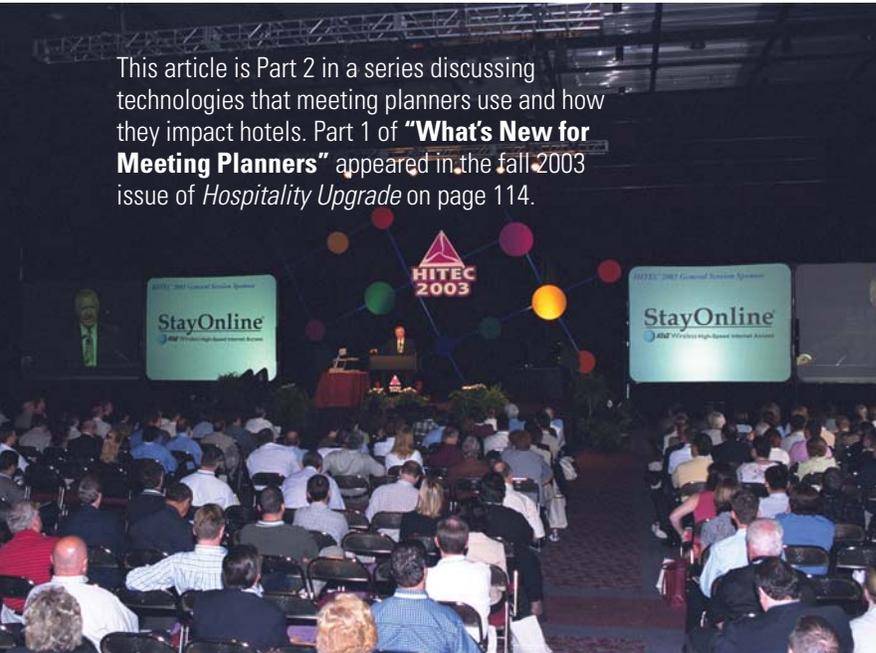
PART 2: WHAT'S NEW FOR MEETING PLANNERS

Managing Guestroom Reservations



by Richard M. Brooks, CHA

This article is Part 2 in a series discussing technologies that meeting planners use and how they impact hotels. Part 1 of "What's New for Meeting Planners" appeared in the fall 2003 issue of *Hospitality Upgrade* on page 114.



for re-entry into their reservation systems. It's all Web based and, for the most part, fairly intuitive. If you have registered for HITEC® on the www.hitec.org Web site for the past few years, you may have made your guestroom reservation through an attendee management and housing system provided to HFTP by Exgenex. An additional benefit of housing systems is it helps combat group attrition. Through these systems meeting planners know who has registered and how many rooms they have in their block.

In fact, some hotel companies are even offering a housing system as a meeting planner bonus for booking groups with them. Wyndham Hotels and Resorts recently announced an addition to their popular meeting planner rewards program, Wyndham Meeting Rewards. Meeting planners booking groups with a value of \$5,000 or more can use PlanSoft's qReg™ for housing and attendee management as a reward. Other hotel companies have either expressed an interest in providing the same service or have projects currently underway.

In the fall 2003 issue of *Hospitality Upgrade*, the first of a multi-part article was presented on technologies that meeting planners are using and how they impact hotels. The article discussed the impact of online requests for proposal (RFPs), attendee management and meeting consolidation tools. What happens when the group is booked? In many cases meeting planners and hotels are turning to automated guestroom reservation systems, called housing systems by meeting planners, to make and process meeting attendee room reservations.

Reducing the Headache

Talk to any meeting planner and the first headache they mention is managing guestroom reservations. Until recently this has been a labor-intensive task requiring dozens, hundreds or even thousands of man-hours on the part of the organization sponsoring the meeting. Because of this it is one of the least accurate and most costly processes associated with the meeting planning process.

To answer this need several companies have developed Web-based technologies for meeting planners to automate the housing process. Simply explained, the group's room block and rates are loaded into the group housing system and the responsibility for making the actual guestroom reservations is passed to the attendee. Guestroom reservations are made through a group-customized Web site provided by the supplier. As reservations are processed the inventory is adjusted in the system to reflect actual current availability. Group cutoff dates, occupancy restrictions and other issues are also handled by the systems. For more advanced systems, like those offered by Passkey, the reservations can be passed directly to the receiving hotels, providing the highest level of accuracy and real-time availability, as well as eliminating any manual intervention. Less sophisticated systems produce rooming lists that are sent to participating hotels

Improving the Bottom Line

Meeting planners report reduction in processing time and cost by 50 percent or more. For associations and some corporate groups, that's very important. One small association mentioned that they required all of their housing to be placed through the association to be sure their room block was filled. The reservations came in by phone, fax and mail. However, to coordinate and process the transactions, they had to have association members from the hosting city volunteer to process the reservations. You can just imagine the number of inaccuracies and processing delays they encountered, not to mention the security issues associated with member credit card numbers.

Depending upon the size and complexity of the group, manual housing and registration processing costs can range between \$15 and \$25 per attendee. For a 200 person group, that's \$3,000 to \$5,000. On a larger scale the costs are even more significant. HITEC annually attracts more than 5,000 attendees and exhibitors. If the cost to the show's producer, Hospitality Financial and Technology Professionals (HFTP), was just \$15 per manual reservation processed, that's \$75,000 in cost.

By comparison, online housing products are usually much less expensive. Some suppliers charge a setup fee and some build that cost into the per transaction fee. However, a general rule of thumb is that the transaction

cost is between \$3 and \$10 per reservation. Keep in mind that the costs associated with these systems are determined by the functionality required and the number of forecasted registrants. At the low end of this scale, the systems are fairly simplistic and don't provide an interface to hotel reservation systems. A housing report is created that must be either rekeyed into a hotel's reservation system or an import program must be created that recognizes comma-delimited (.csv) format files. These systems also usually do not control available inventory. They are best used by corporations and associations who have required attendance and inventory control is not an issue. At the other end of the spectrum, the more costly systems offer interfaces to reservation systems, decreasing room inventory, sub-blocks for specific groups within groups, VIP registration and much more.

Not Perfect, Yet

Even though there are strong benefits to the meeting attendee and the sponsor organization, these systems still aren't being universally adopted for several reasons. First, the most serious objection is credit card processing. There have been many articles written recently about credit card processing. The risks of transmitting this data over the Web and storing it in a non-encrypted environment have lead the credit card processors to imposing many new restrictions for processing these transactions. In addition, many people are still uneasy about providing this information via the Web, even in a secure network connection. All involved parties are making significant progress on this issue, however, and with some additional time and expenditure, it should be resolved soon. Second, some systems don't allow changes or cancellations once the reservation is made. In order to change or cancel a reservation, the registrant must make a phone call or perhaps send an e-mail. This diminishes the cost savings to the group sponsor,

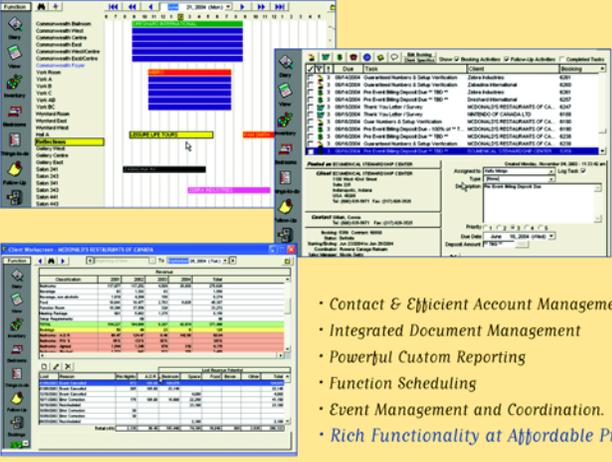


Screen courtesy of Passkey

Figure 1. HITEC housing system.



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since these manual transactions add to the overall processing cost.

Third, some organizations are still concerned that attendees don't have access to the Internet. This issue is quickly diminishing, however. Finally, some organizations see themselves as too small to take advantage of this technology. This, too, is going away as the number of groups using these systems increases and the costs decrease.

So, Who's Out There?

The acknowledged industry leader is **Passkey** (www.passkey.com). They have applications for city-wide, multi-property events and are the biggest in the marketplace. Passkey has developed alliances with several hotel brands, including Marriott, Hyatt, Omni and others, interfacing the Passkey system to their proprietary reservation system for ease of processing. Passkey also works with more than 50 convention and visitor bureaus around the world. In addition, they also have strategic partnerships with other suppliers to provide meeting registration and other services.

Passkey isn't alone. Other companies with substantial user bases include **Cvent** (www.cvent.com), **eMeetingsonline** (www.emetingsonline.com), **Exgenex** (www.exgenex.com), **PlanSoft** (www.plansoft.com/solutions/qreg.asp), **Seewhere** (www.seewhere.com) and **Starcite** (www.starcite.com). Most of these companies offer other products in addition to attendee housing, so spend some time going through their sites. You'll be impressed with the range of products and scope of what's being offered.

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