Project Attrition

Final Report

January 12, 2004

Project Attrition is an initiative of the Convention Industry Council.

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ASAE Foundation
American Hotel & Lodging Foundation
MPI Foundation
PCMA Education Foundation

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INTRODUCTION

It is customary within the events industry in the United States to secure a block of hotel guest rooms for the use of event attendees. Typically, an event organizer contracts with one or more hotels directly or through a third party (often a convention & visitors bureau), or with an independent housing contractor. The event organizer enters into a contractual agreement with the hotel or third party provider and guarantees a predetermined percentage of performance (occupancy) of the guest rooms. To protect the value of guest rooms that are set aside for the event, hotels usually include a performance clause in their contracts that provides for monetary compensation if fewer rooms than agreed upon are occupied. Hotels do allow for some slippage in contracted guest room blocks, but failure to meet performance thresholds can result in significant loss for the event organizer and the hotel.

The integrity of the corporate guest room block can often be assured as the event sponsor possesses ultimate control over where attendees stay. This is changing as national and international corporations become more decentralized and each department/division is held accountable for their expenses. However, the integrity of the contracted guest room block for other types of events is less certain. Frequently, corporate exhibitors who reserve a substantial number of hotel guest rooms have negotiated their own guest room blocks at hotels. In return, they may obtain lower costs, complimentary guest rooms, and/or amenities. In addition, as consumers became more comfortable with reserving accommodations on-line, the use of Internet-based intermediaries such as Expedia, Orbitz, and Travelocity has increased, further eroding the integrity of many contracted guest room blocks.

Reserving rooms outside a block raises daunting issues for hoteliers and their customers. Event organizers can face substantial financial outlay, even if attendees have secured housing at the designated hotel, but have done so through alternative methods (i.e. outside the official channel). Costs could be substantial, and reflect only a portion of the anticipated revenue for the hotel. An hotelier may be reluctant to impose financial penalty upon a valued customer, but finds himself under increasing pressure (as a matter of fiduciary responsibility) to share the risk of non-performance. Ultimately, when attendees reserve a guest room outside the contracted guest room block, all parties involved can suffer substantial financial losses.

In 2002, the PCMA Education Foundation conducted a survey of over 650 association meeting professionals. This research shed new light on how the housing process has changed over the past three years. It also identified an alarming trend threatening the economy of the meetings, conventions and exhibitions industry. For many close to the industry there was little surprise when event organizers identified hotel attrition fees as the most significant problem in guest room housing today. The trend of attendees and exhibitors making guest room reservations outside the contracted guest room block was the second most concerning issue.

Attrition has emerged as the leading concern today due to several factors. Many meeting professionals point to the Internet as the primary culprit, however there are other factors that have contributed to the rapid rise of this
new concern. In early 2001, the U.S. economy began to weaken and the business travel market started a significant downward trend. This unfortunate reality, combined with the devastating effects of the terrorist attacks in the fall of 2001, took what had been a healthy travel market and turned it upside down. It was these economic conditions, coupled with the growing popularity of the Internet as a consumer shopping tool, that combined to make it difficult for event organizers to meet their performance-based commitments with hotel partners.

In response to weakened market demand and shortfalls in forecasted room pickup, the hotel industry responded by more aggressively pursuing attrition liability outlined in many of their agreements. Hotel leadership has indicated that overall poor market performance has necessitated seeking attrition fees from even their most valued clientele. At the same time, there is broad recognition that attrition fees are less desirable and profitable than an occupied guest room for the duration of an event. In fact, most hotel contracts allow for contracted guest room block slippage of 20%. Therefore, attrition fees are rarely applicable until a group falls below 80% of the contracted guest room block. In some cases, attrition fees are calculated on the peak night only and not on the entire contracted guest room block. Naturally, the attrition issue has strained the relationship between event organizers and their hotel partners, undermining longstanding traditional business models in the meetings, conventions and exhibitions industry.

In response to the growing concern over attrition, industry leaders met in early 2003 to discuss an appropriate response and course of action. As a result of these discussions, the Convention Industry Council (CIC) launched Project Attrition in April of 2003. This short-term industry collaboration was designed to help educate the meetings, conventions and exhibitions industry on the issue and simultaneously pursue solutions to minimize the impact of the problem.

CIC originally planned to distribute an e-newsletter on Project Attrition’s progress but subsequently decided to provide resources and updates on its website, www.conventionindustry.org. Readers are encouraged to review the data posted on this site periodically as it provides numerous resources for attrition related challenges.

Project Attrition consists of six major components:

1. **Case Study Resource**: The development of an ongoing industry resource providing relevant case study information. The resource provides an opportunity for meeting professionals to gain knowledge of techniques and policy amendments that are being successfully utilized by other meeting professionals.

2. **Educational Tools**: The development of planning templates and timelines designed to assist the event organizer, the convention & visitors bureau (CVB) executive and the hotel executive in minimizing attrition potential.

3. **Industry Research**: The implementation of an industry-wide research study of both the event organizer and the attendee/exhibitor.
4. **Technology Review**: A review and analysis of the available technological resources for the industry.

5. **Long-Term Recommendations**: A series of long-term recommendations on the attrition issue will be reported to the APEX Housing and Registration Panel.

6. **Legal Considerations for Event Management**: A review of approaches to shifting the risk and the burden of attrition through inclusion of attrition and force majeure clauses in event contracts.

The work of *Project Attrition* was accomplished by a Task Force of volunteer industry experts led by David Radcliffe. Other Task Force members include:

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<td>Steven Hacker</td>
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<td>Mickey Schaefer</td>
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<td>Margot D. van Black</td>
<td>International Concrete &amp; Aggregates Group, Inc.</td>
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<td>Sarah Varner</td>
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CASE STUDY RESOURCE

One of Project Attrition’s primary objectives was to build a repository of case study information that could act as a primary source of peer education. With the understanding that no two meetings, conventions or exhibitions are alike, it stands to reason that there is no single solution to the attrition problem. What has worked for one organization may not be a viable solution for another. However, the intent of Project Attrition was to catalogue potential solutions and ideas from event organizers actively attempting to motivate their attendees/exhibitors to make guest room reservations inside the contracted guest room block. In this way, we can study and learn from the efforts of others, pick and choose which concepts may work for our attendees and exhibitors, and implement a strategy when planning our meetings, conventions and exhibitions.

Project Attrition has recognized several strategies during the course of analyzing the efforts of event organizers that have successfully reduced attrition liability. The first and most successful strategy has been to include the guest room as an integral part of the meeting experience by packaging the room and event registration together. A second strategy has been to communicate and educate attendees on the negative impact of choosing hotel accommodations outside the contracted guest room block (and hotel), and the significant impact that has on the organization. Both of these practices are prevalent in many of the successful case studies. Other practices include replacing the “early bird” registration discount with a discount for guest room reservations inside the contracted guest room block.

Most importantly, one strategy alone is not enough to eliminate the risk of attrition. Most organizations that have successfully reduced or prevented attrition are utilizing multiple strategies to build value and provide incentives for attendees to change their behavior, motivating them to make a room reservation inside the contracted guest room block.

Project Attrition has posted several success stories and good ideas for industry practitioners to review at www.conventionindustry.org. Furthermore, the Attrition Decision Making Matrix (Appendix B on page 54) is a useful tool to preview strategies and tactics that are being used in the meetings, conventions and exhibitions industry today to prevent attrition liability. The matrix is available on the Project Attrition section of the CIC website.

The case studies are organized within three categories:

1. Associations
2. Corporations
3. Exhibitions

Summaries of the case studies follow. Full details on all case studies can be found on-line at www.conventionindustry.org.
1. Associations: Association success stories were provided by event professionals on a voluntary basis. The recommendations may or may not be appropriate for every organization.

American Pharmacists Association – Annual Meeting

- **Issue:** APhA achieved record attendance (+15%) at their Annual Meeting in New Orleans during the first two weeks of the war in Iraq.
- **Success Story Solution:** "We attribute these positive numbers to improved educational programming, wider reach of our marketing communications, an earlier Web site presence, and the appeal of the destination," said Windy Christner, CMP, APhA director of meetings and expositions. The marketing efforts for the meeting included a monthly pharmacy newspaper and broadcast email newsletters sent to members and non-members. These were especially important with the organization's name change after 150 years as the American Pharmaceutical Association.

American Society of Neuroradiology – Annual Meeting

- **Issue:** Attrition at 2001 Annual Meeting
- **Success Story Solution:** Communicate how attrition affects the association and how the association needs to address it. Implement new housing reservation deposit and cancellation policies for exhibitors and attendees.

Insurance Accounting & Systems Association (IASA) – 2003 Annual Meeting & Tradeshow

- **Issue:** Attrition liability of $200,000 after the 2002 Annual Meeting & Tradeshow; 54% of exhibitors stayed outside event-contracted hotels and 12% of attendees stayed outside event-contracted hotels.
- **Success Story Solution:** Education of attendees and exhibitors on attrition, $100 discount on the registration fee for attendees that stayed in a contracted hotel, incentives for exhibitors including three complimentary exhibitor badges per 10x10 booth (and admittance to a complimentary reception, continental breakfast, etc.), and two priority points for each hotel reservation made at an IASA contracted hotel. The points are used for priority placement in the exhibit hall the following year.

American Academy of Physician Assistants – Annual Conference

- **Issue:** Of the 9,000 attendees, 3,800 people stay in event-contracted hotels, 1,500 people stay outside of the event-contracted hotels and 1,500 people are locals (stay in their homes).
- **Success Story Solution:** AAPA maintains detailed tracking of group room history, analyzes future destinations and the number of members based in each destination, conducts on-going attendee
surveys, and enforces strict housing policies including a bus sticker for attendees that stay in an
event-contracted hotel.

National Speakers Association – NSA Convention

• Issue: Attrition
• Success Story Solution: New approach to negotiating hotel contracts – solicit the lowest rate for
guest rooms and pay for all services ad hoc. Increase registration fee accordingly. Educate the
attendees with a letter from the NSA President.

Produce Marketing Association – Fresh Summit 2003, PMA's International Convention & Exposition

• Issue: Attrition of contracted guest room blocks.
• Success Story Solution: PMA created strict housing policies, provided a detailed explanation to
attendees/exhibitors, and outlined frequently asked questions (and answers).

American Academy of Neurology – Annual Meeting

• Issue: AAN's annual meeting has a total attendance of 8,000-9,000 people, but their room block
peaks at only 3,500 nights.
• Success Story Solution: AAN has added an audit to their hotel contract, and they have partnered
with CMR to handle their convention housing issues. They also require international attendees
and exhibitors to sign individual contracts that have earlier cut offs, require them to pay a first and
last nights deposit, and stipulate that their payment is non-refundable seven days out. Further, if
an exhibitor signs outside of the block, it can hurt their position on the show floor.

American Academy of Orthopedic Surgeons

• Issue: Karen Schneider, meetings coordinator for AAOS feels that there is little unique that
AAOS does other than a tremendous amount of monitoring on their small and large meetings.
• Success Story Solution: AAOS stipulates that their attendees must state where they are staying
before they receive their registration packet. Further, AAOS audits their convention hotels and
receives credit for rooms found. According to Ms. Schneider, "As long as AAOS occupies or pays
for 80% of their adjusted block (and the last adjustment could be as soon as 21 days prior to the
meeting), they get all the ‘perks’ of the contract. If they exceed their accumulative block for 10%
or more, they get additional ‘perks’".
American Concrete Institute

- **Issue:** ACI's numbers fluctuate if there are a large number of members in a certain area (increased daily attendance, but decreased rooms), and if there is extremely good air service for a destination (attendees will fly in just for a day – so rooms go down). Rates are a major reason ACI’s attendees go around the block.

- **Success Story Solution:** Renee McAdams, Director of Event Services handles 100-150 meetings per year with the largest being 750-800 on peak and a total of 3200-3500 room nights. Building a strong history has enabled Ms. McAdams to block accurately on historical information versus projected growth. She also requires an audit in her contract. To help her members understand not only why they should utilize the system when making their hotel reservation, but also other issues related to a convention, Ms. McAdams and her Convention Chair wrote an article for their magazine that has 30,000 subscribers. It is an excellent way of answering the many questions that most attendees have.

Healthcare Information & Management Systems Society

- **Issue:** HIMSS suffered a significant drop in pickup for their 2002 annual meeting.

- **Success Story Solution:** HIMSS made the conscious decision to take a much more proactive role in communicating with their attendees and exhibitors by enacting an aggressive marketing campaign to bring attendees and exhibitors back into the official hotel blocks.

The International Association of Chiefs of Police – Annual Conference

- **Issue:** The International Association Chiefs of Police annual conference is a citywide convention that picks up approximately 6,000 rooms on peak night, and has about 17,000 attendees.

- **Success Story Solution:** The IACP has been able to book citywide conventions without signing attrition clauses in their contracts due to being able to provide good solid history on housing requirements, as well as developing good relationships with hotels’ national sales representatives. Further, IACP uses a lottery system for hotel booking. IACP also uses a third party, Travel Planners, to handle housing.

National Association of Electrical Distributors – One Annual Meeting & Three Regional Meetings

- **Issue:** NAED budgeted $10,000 for attrition for their annual meeting in May of 2003. They ended up being charged $25,000. Records indicate that 14% of the people attending the conference stayed outside the block. Hotel occupancy was only at 55%.

- **Success Story Solution:** NAED was proactive in trying to avoid attrition by sending letters to attendees prior to the meeting explaining the “Top 10 Reasons to Stay” on site. The letter explained that if the Association did not fill the block they would face financial penalties. It also promoted the amenities of the hotel. Meeting planner Becky Burgess further notes that she will
not rebook either of the two hotels in which she held her annual meetings over the past two years. Additionally, in anticipation of low room pick up, Ms. Burgess has slashed all future room blocks by 30% in order to avoid paying attrition.

Pet Sitters International – Annual Meeting

- **Issue:** Pet Sitters International has a small annual meeting with 250 rooms blocked on peak night.
- **Success Story Solution:** While Pet Sitters International is a small group, they have not had to pay attrition to date because of their event organizer’s diligence in lowering room blocks in advance, and due to the fact that hotels seem to want the pet business.

Smith Bucklin & Associates

- **Issue:** In 1999, a Smith Bucklin & Associates (SBA) client contract was signed for 2003 and 2005. Nine to twelve months out, the client association found itself facing approximately $1 million in potential attrition (inclusive of room revenue as well as food & beverage) because of the need to reduce their room nights by approximately 48%.
- **Success Story Solution:** Strong relationships, constant communication between association staff, the hotel, the association board, and the organization’s executive director all contributed to solving the challenges and producing an outstanding meeting.

American Planning Association

- **Issue:** Not enough pick up of contracted room nights.
- **Success Story Solution:** Educating membership. Deene Alongi, Director of Conferences for APA feels that once members understand there are consequences to going around the block, fewer will do so.

American Society of Civil Engineers

- **Issue:** Attrition
- **Success Story Solution:** Meggan Farrell, Director of Conferences & Meeting Planning for ASCE is responsible for 15-25 meetings with peak nights ranging from 100 to 700/800 rooms. For all of these meetings, Ms. Farrell requires a weekly pick up report. Two months out, she will ask the hotel to compare their reservation list against her registration list. This takes place again two weeks out, two days out, and then on the second or third day of the meeting. She has found a 10% increase in her room nights through this audit. Ms. Farrell notes that destinations with a large number of economy hotels are the most difficult for her to track. She is now contracting fewer rooms – but is offering to pay for meeting room charges (although hotels have not been receptive to this). As for educating her members, Ms. Farrell frequently notifies them about what
happens when they make reservations outside of the block, and that it could have a detrimental effect on the society. She realizes, however, that many of her attendees have corporate agreements with chain hotels, so will utilize that hotel and/or rate versus going through her system.

Association of Fund Raising Professionals

- **Issue:** Attrition
- **Success Story Solution:** Lynn Smith, Senior Director of Business Development & Conferences for AFP notes that beginning a few years ago, contracts for AFP stopped containing attrition clauses and food and beverage minimums. If a hotel insists on these clauses, Ms. Smith will not use them. This March, her meeting block had approximately 2400 rooms on peak. In most cities where AFP has booked, the Association has a number of hotels from which to choose, so Ms. Smith can afford to hold her ground on the attrition issue. In 2003, Ms. Smith audited her hotels and found at a property with an 800-room block, there were an additional 100 rooms outside of the block. She comments that, “Hotels are continually undercutting each other and must start working together as a community. Each city/CVB needs to get involved to make this happen. One of the problems is that hotels do not position themselves correctly when rate negotiations begin.”

Bowling Proprietors Association of America

- **Issue:** Tracking attendees’ room nights.
- **Success Story Solution:** LeeAnn Norton, Director of Meetings for Bowling Proprietors Association of America contracts fewer rooms, and requires in her contract that additional rooms be available at the negotiated rate even after the block is filled. She also holds drawings and surveys her attendees.

2. Corporations: Corporation Success Stories were provided by event professionals on a voluntary basis. The recommendations may or may not be appropriate for every organization.

Aflac Insurance Company

- **Issue:** Keeping attrition to a minimum.
- **Success Story Solution:** Presentation Designs, an independent meeting planning company who books 15-20 meetings a year for Aflac, has keep attrition minimal based upon how contracts are written and negotiated by their meeting planner, David L. Popper. "Solid history, communication, and developing relationships with hotel companies are the three most significant factors in alleviating attrition," notes Popper. He gives the example that if a meeting that is booked 9 months out, approximately 300 rooms, he negotiates in the contract that attrition does not start
until 3-4 months before the conference begins. Mr. Popper blocks rooms based on previous years’ history plus a 10% growth rate. He maintains that if you build good relationships with hotels, and are realistic with your room blocks and communicate with the hotel, then hotels will work with you. Most of his groups’ reservations are by rooming list provided to the hotel at the cut off date. Attendance is highly encouraged by the company. Mr. Popper is always aware that hotels talk to one another and swap histories on groups.

HTE Users Group, Inc. (HUG) – Education Conference/Annual Meeting

- **Issue:** The HTE was not successful in avoiding attrition costs at their past annual meeting at the Wyndham Anatole Hotel in Dallas, Texas. They had to pay attrition in the amount of $90,000. Further, the association was asked to pay the attrition up front (prior to the beginning of the meeting) or the hotel would close their doors to them.

- **Success Story Solution:** HTE has had success in negotiating future meetings. The Wyndham Anatole paid the association $80,000 to resign their contract for 2007 (which practically covered the attrition cost) with a lower room block and food and beverage minimum. Further, Ms. Anticevich has already re-negotiated her contract for 2004 and 2006, and has already lowered her block, lowered the room rate, and because she signed a contract for two years, she has a much more favorable attrition clause. In 2005, the hotel the association has booked in Las Vegas has agreed to lower the block at “no penalty” because they have two years to resell the rooms and space.

Deloitte & Touche – User Group Conference

- **Issue:** The public is invited to this conference and attrition is an issue.

- **Success Story Solution:** Offering a $150 discount on conference registration for all attendees that book their hotel reservation using the official housing registration process, as well as negotiating a win-win contract addenda that provides a credit toward a future meeting in the event an attrition fee is actualized.

3. **Exhibitions:** Exhibition Success Stories were provided by event professionals on a voluntary basis. The recommendations may or may not be appropriate for every organization.

VNU Expositions, Inc.

- **Issue:** Attendees staying in hotels outside the event-contracted hotel.

- **Success Story Solution:** Initiating a mandatory shuttle pass for the event. The pass was distributed by the hotels upon check-in to individuals staying in the convention block. The pass (wristband) was worn or carried by participants during the 3-day shuttle. If the guest did not participate in the program, his/her options included taking a taxicab to the convention, purchasing
a wristband, or changing a guest room reservation at the front desk to reflect that the individual was participating in the room block (to receive a wristband).
EDUCATIONAL TOOLS

A large portion of Project Attrition's focus has been on the collection of as much data as possible about how event and trade show organizers are addressing future meetings, conventions and exhibitions that may be subject to attrition performance fees. Specific case study information is available at www.conventionindustry.org. In addition, Project Attrition has published several planning templates for the event and trade show organizer. These templates and timelines offer tactical suggestions that will aid the event organizer in maximizing the contracted guest room block pickup and minimizing potential attrition fees.

Project Attrition Template 1 – Event Organizer Timeline for Events With a Signed Contract (Appendix C on page 60) details specific steps the event organizer may implement beginning at least 13 months in advance of an event with a signed contract. Throughout the course of this project, it has become evident that regular communication about attrition potential and all efforts to meet the contractual guest room commitment are critically important. From the association/corporate perspective, internal understanding throughout the chain of command about attrition potential and the associated implications must be a priority. Externally, the event organizer should engage hotel sales and property management personnel in partnering their efforts to insure a successful event (one void of attrition issues). The two parties should jointly agree upon a specific marketing plan for the event. Responsibilities for implementation of the plan should also be shared as both parties benefit when the contracted guest room block is achieved.

Project Attrition Template 2 – Event Organizer Timeline for Events Without a Signed Contract (Appendix D on page 62) offers tactical approaches for the event organizer prior to commencing negotiations for a future meeting, convention or exhibition. Critical to success in this instance is the event organizer’s understanding of how his/her attendees/exhibitors actually behave during the guest room reservation process. To achieve this understanding, a commitment to data mining is important. The event organizer who has tracked every key trend in attendee/exhibitor reservation habits over an extended period of time is in a better position to predict future behavior. This allows the hotel partner to work together with the event organizer to confirm space requirements, forecast guest room pickup, and negotiate room rates that will benefit both parties. Hotel sales and service personnel should act to engage every contracted piece of future business at least one year in advance to make certain future events are successful for both parties.

Project Attrition Template 3 – Hotelier Timeline for Events (Appendix E on page 66) details a timeline and offers tactical suggestions to assist hotel executives in insuring future client events result in maximum contracted guest room block utilization and minimal attrition potential.

Project Attrition Template 4 – Convention & Visitors Bureau Timeline for Events (Appendix F on page 68) offers a checklist and timeline for CVB executives that details tactical approaches in assisting event organizers planning large citywide meetings, conventions and exhibitions. Destination image is an important marketing
objective for all CVBs in today’s convention marketplace. Being branded as an “attrition city” can undermine all other marketing efforts. CVB staff should actively participate in assisting the event organizer when he/she develops successful housing policies. Working with local suppliers to assist in developing effective incentives to drive attendees inside the contracted guest room block will help ensure the event is successful and the customer has a good experience.

Finally, education of event attendees and exhibitors can greatly enhance an event organizer’s effort to fill the contracted guest room block. Several examples of how association executives have addressed this issue with their members are available at www.conventionindustry.org.
INDUSTRY RESEARCH

The Current Scope of Attrition and its Effects on the U.S. Event Industry: A Survey of Event Planners Regarding Their Experience with Attrition in Contracted Room Blocks
Phase One

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Background

The following section is the result of research into what is commonly known in the event industry\(^1\) as “Attrition,” a phenomenon that occurs when an event organizer contracts with a hotel to fill a given amount of rooms during an event.

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\(^1\) For purposes of this report, “event” refers to meetings, conventions, exhibitions and special events that require all or most of the event attendees to stay in a hotel room for one or more nights. These events are typically organized by professional associations and societies, corporations, and individual event promoters.
event and then is unable to fill the rooms because not enough event attendees book their hotel rooms through the event organizer. Attrition can create financial and logistical problems for event planners and hoteliers alike.

In April 2003, the Convention Industry Council (CIC), a trade organization representing the combined travel, tourism, and event industries, launched an initiative called “Project Attrition,” designed in large part to educate event planners and hoteliers on the nature and status of the current attrition problem and how they each might work to find solutions. This effort brought together a task force comprising high-level leaders from among trade association executives, event organizers, and large hotel chains.

As part of Project Attrition, CIC commissioned Precision Reports to design and execute a two phase research study: 1) Phase one was to comprise a survey of event planners; the survey would create a “composite” of how attrition is affecting a cross section of events, and the extent to which the practices of the events’ planners might be associated with attrition issues; and 2) Phase Two was to involve a survey of those who attended the events examined in Phase One; this survey would aim to learn the perceptions and habits of event attendees when booking hotel rooms for events.

At the time of this writing, Phase Two is still in the data collection stage. The following report describes the research conducted in Phase One exclusively.

Controlling Bookings

For most event organizers, controlling the process through which attendees and exhibitors reserve hotel rooms is a critical part of the overall event production: 1) Because it promises to send a large, predictable cadre of guests to given hotels, controlling the room registration process enables event organizers to earn complimentary benefits from hotels and convention bureaus such as meeting rooms, rooms for event staff, and sometimes the use of municipal services; and 2) Because organizers can control the hotel room rate, they can choose to cover certain event expenses with a portion of the money attendees spend for their hotel rooms. In essence, by simply establishing, through contracts, a room “block” consisting of reserved rooms in one or more hotels local to the event and “filling” that block with attendees, event organizers increase their ability to offer additional amenities to their attendees and/or increase the bottom lines of their events.

The arrangement has traditionally benefited hoteliers as well in the form of predictability: room blocks are often established years in advance of an event, providing hoteliers with a “guaranteed” sum of business it can count on during a given calendar period.

When an event organizer cannot fill a contracted room block in a given hotel, however, the event organizer very often must pay a performance fee to the hotel with which it has contracted. It is this guarantee, negotiated by
hoteliers and written into many contracts between hotels and event organizers, that forms the center of the current attrition matter.

**Losing Control**

Increasingly, event attendees appear to be finding it cheaper, more convenient, or more advantageous in some other way to make their hotel reservations on their own and not through the event’s room registration process. For organizers, the most frustrating part of this situation is that they believe their events are attracting enough attendees to the event city and to hotels within their contracted room block but, because they can not control when and how their attendees reserve their hotel rooms, they are not in a grounded position to receive credit for the reserved rooms. When attendees reserve their rooms at hotels that are within an event’s room block but do so through other sources and not through the event’s housing process, they are, in the parlance of the event industry, going “around the block.” When attendees bypass the event’s housing process and reserve rooms in hotels that are not within the event’s room blocks, they are described as going “outside the block.”

Going around the block and outside the block create different problems for event organizers. When attendees go around the block, organizers still have a chance to establish credit for these attendees through an audit of the hotels’ registration records during the event period. When attendees go outside the block and stay in hotels with which organizers have no contract, the organizers lose out altogether.

**Are Organizers Losing Control and What Would It Mean If They Were?**

Industry experts speak of several reasons why event organizers are finding it increasingly difficult to control the process by which their attendees book hotel rooms. These explanations range from the decentralization of corporations, and thus budgeting and purchasing, to the increased use of the Internet to book a variety of travel accommodations.

This trend threatens to place stress on the relationship between event planners and hoteliers, as well as create direct financial hardships for both parties. Most hotels allow for “slippage” in their contracted room blocks – that is the event organizer can fall short of a promised room block but not by such a margin that they would be required to pay performance fees to the hotel (reimbursement for the rooms not filled). In such a case, the hotelier can suffer along with the organizer. If the room “pickup” (actual number of room nights filled) falls below a critical threshold, the organizer can be assessed a significant level of fees. The hotelier loses here, too, as typically performance fees only cover the first night of a booking where the hotel might have had the benefit of 2-4 nights or more if the rooms are not filled.

**Purpose of the Current Study**

The purpose of the current research is to formalize a ‘snapshot’ of the attrition situation, an attempt that will hopefully comprise an accurate assessment of the breadth and depth of the problem if one exists. The research
is designed also, if possible, to identify the practices of event organizers that may be related to attrition problems. If we can begin to isolate practices that might increase the chances that attrition can be avoided, we may help planners and hoteliers alike to work together more smoothly and profitably.

An additional, but equally important, goal of the study is to evaluate the potential value of certain measures for determining the breadth and depth of attrition at any given time. In the following section, five of these measures are presented. These measures will be instrumental to conclusions drawn in this report and how well they perform as tools for analysis will also lead us to evaluate how well they may work for this purpose in the future.

Methodology

In April 2003, the Project Attrition Task force asked several industry associations to provide lists of organizations that sponsor annual events. The American Society of Association Executives (ASAE), the International Association of Convention and Visitors Bureaus (IACVB), the Professional Convention Management Association (PCMA), the International Association for Exhibition Management (IAEM) and the Meeting Professionals International (MPI) either provided lists or emailed their membership invitations to participate in the study. Precision Reports emailed invitations to a list of 2200 event planners supplied by these organizations. The survey remained open for 5 months in order to allow as wide a cross section of events to be included in the sample. 342 event planners responded to the invitation to participate and completed the online questionnaire.

The process just described yielded a “convenience” sample, a type often used in studying industries because of the difficulty of acquiring truly random samples. The goal in sampling was to gather a cross section of events that as closely as possible represented the makeup of the events industry. The task force identified three primary segment areas to include: Event Type (meeting, convention, tradeshow/exhibit, “other”); Sponsor Type (association, society, corporation, “other”); and Room Block Type (single hotel, multiple hotel, city wide). Additionally, in certain instances we segment our sample according to size.

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2 The summary of methodology here is designed to serve as a brief summary – just enough information to provide the reader a foundation for other information to come. A full description of the research methodology employed for this survey can be found in the Appendix.

3 See text of invitation in the Appendix.

4 A convenience sample can be both accurate and useful although it has the potential to lack some of the statistical accuracy that accompanies the properties of random samples.

5 The definitions for each event type that follows were presented to respondents on the questionnaire: “Meeting”: Does not have an exhibit or tradeshow and attendance is voluntary; “Convention”: a meeting that has an exhibit or tradeshow, but the emphasis is on the meeting; “Tradeshow/Exhibit”: a meeting with a tradeshow, but the emphasis is on the tradeshow. “Other” was offered to those who felt their event did not fit into the descriptions for “Meeting,” “Convention,” or “Tradeshow/Exhibit.” (“None of the Above was also offered as a selection.”)
During analysis, we eliminated 41 of the cases that appeared detrimental to accurate analysis and reporting of the data; these cases contained some key responses that were appeared to be either entered in error or were significantly extreme in relation to the bulk of other responses.⁶

The sample we ultimately used for analysis broke down as follows:

**Breakdown of Sample (n=302)**

<table>
<thead>
<tr>
<th>Event Type</th>
<th>n</th>
<th>% of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting</td>
<td>64</td>
<td>21%</td>
</tr>
<tr>
<td>Convention</td>
<td>173</td>
<td>57%</td>
</tr>
<tr>
<td>Tradeshow/Exhibit</td>
<td>25</td>
<td>8.3%</td>
</tr>
<tr>
<td>Other</td>
<td>40</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Block Type</th>
<th>n</th>
<th>% of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Hotel</td>
<td>181</td>
<td>60%</td>
</tr>
<tr>
<td>Multiple Hotel</td>
<td>70</td>
<td>23%</td>
</tr>
<tr>
<td>Citywide</td>
<td>51</td>
<td>17%</td>
</tr>
</tbody>
</table>

⁶ Before analyzing quantitative data collected during surveys, analysts will explore the responses to key variables in order to identify and address cases (records) where data may inappropriately skew or influence final analysis because the cases contain data that either appears to have been input in error (judging from other responses in the record or because of the extreme nature of the response) or that are so extreme in relation to the rest of the responses that it represents an atypical result beyond the boundaries in which 99% of the other responses fall (these are often referred to as outliers).
Evidence of Attrition Related Issues

How do we know if there is a problem and, if there is, how big it is?

Journals throughout the event industry, particularly in the past year,\textsuperscript{7} have been brimming with features on attrition, characterizing it as a huge and burgeoning problem for event organizers and hoteliers alike. As we embarked on this study, however, we proceeded with a hypothesis that there might be problems associated with attrition but we did not assume that there were. As there is no current, extensive formal research into the attrition issue we considered this study to be primarily exploratory; our goal was to formally describe the nature and dimension of the experience organizers were having with predicting and controlling hotel bookings for their events. To test the hypothesis that attrition problems do exist, we were guided by the task force to ask questions about specific practices and experiences through which, in its judgment, attrition issues were likely to emerge if present. Ultimately, we sought to formally identify if attrition was indeed a significant problem for a significant range of event organizers and, if so, how big the problem is and when and where is it most likely to manifest.

What Counts as Evidence of an Attrition Problem?

A challenge in any study is to decide what can legitimately count as evidence that can lead you to accurate conclusions about your data. One of the most common and effective techniques for testing possible evidence is called triangulation. In general, triangulation refers in research to the concept of testing a given phenomenon from many different methodological approaches to see if some or all come up with similar findings. If they do, this

suggests that conclusions based on these findings have earned bona fide consideration. Similarly, within a study, triangulation can take the form of comparing several different variables that instinctively may be related to important evidence to see if they reveal patterns that are indeed consistent with one another. Such patterns may or may not suggest the presence of, in this case for example, an attrition problem, but they are often the first logical pieces of clues to search for.

We focused on several survey questionnaire items that the task force suggested would be potentially related to attrition problems. We examined the following:

1. The percentage of respondents who report that they were assessed attrition fees in each of the past five years (1998-2002/2003);
2. The net gain/loss event organizers realized between the number of room nights in their blocks and the number in their pickups;
3. Comparison of the net gain/loss in room nights (# in block - # in pickup) event organizers experience from their most previous event to their most recent event;
4. A comparison, from the most previous event to the most recent event, of the ratio of room nights to registrants event organizers predict (include in their room blocks; and
5. A perhaps less obvious indicator -- the net gain in room nights organizers receive after auditing the room block counts provided to them by the hotels. (This could indicated a pattern in those going 'around the block’

To explore any association between the practices employed by event organizers and attrition, we arrayed and analyzed responses to a variety of questions concerning organizers’ event registration and housing registration procedures. These items, like the items directly concerning attrition, were contributed in large part by the task force, based on members’ intimate knowledge of the planning process. The responses to these items were cross-tabulated with the measures mentioned above, and were tested for association and correlation with those measures.

In the next section, we present and discuss the key findings that emerged from our analysis.

**Findings**

**Are Fees Assessed?**

*What percentage of event organizers were assessed attrition fees over each of the past five years?*
We asked respondents to check a box next to any year, of the past five years, that their event has been assessed attrition fees. (This is separate and distinct from asking if they had to pay fees.) We found that the percentage of events that have been assessed in each of the past five years has increased significantly: of the respondent group as a whole, the percentage of those who have been assessed fees rose to 32% in 2002/2003 from just over 4% in 1998 (see Figure 1.).

The rise in the percentage of respondents who were assessed fees over the past five years is consistent across room block type and event type, as well as size of event.

For events whose room blocks consist of single hotels, the percentage of events assessed grew from 4% in 1998 to 29% in 2002/2003; those with city wide room blocks, from 4% to 31%; and, witnessing the largest increase, the percentage of events with multiple hotel blocks assessed rose from 4% in 1998 to 41% in 2002/2003. (see Figure 2).

As Figure 3 (following page) presents, when we break the events into different event types, the rise is again consistent among segments. Meetings showed the largest increase from 6% to 41%; Conventions 3% to 30%;
Tradeshows/Exhibits from 8% to 36%; and for those events that organizers categorized as ‘other’, the percentage rose from 5% to 23%.

Finally, when we break the events by size, we get a similar pattern as Figure 4 indicates. We categorized the size of meetings (in terms of number of registrants) into 4 percentile segments: The smallest 25% (23 – 240 registrants); the next highest 25% (250 – 800 registrants); the next 25% (823 – 3,070 registrants); and the largest 25% (3,100 – 80,000 registrants). The smallest 25% and the next to largest 25% show the largest increases on our chart, moving from 4% to 34% and 3% to 34% respectively. From a strict statistical perspective, the increase each of the groups saw can be considered to be equal8.

What we learn from examining these results is that there is preliminary evidence to validate the popular claim that attrition is a rapidly growing problem for all major sectors of the event industry, at least in terms of the rate at which performance fees are being assessed against event organizers.

In the next part of the Findings section, we will turn our attention to the net gain/loss in room nights event organizers experienced in their two most recent events.

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8 Because of the potential margin for error in estimating the true population percentages, given another sample, the percentage of respondents represented in each category could theoretically be equal to one another.
From Room Block To Pickup

What percentage of their Room Blocks are event organizers ‘picking up’?

Most attrition performance clauses are triggered when the event organizer fails to fill a certain percentage of their contracted room block. The percentage of the room block that is filled by the event organizer can be a key piece of evidence pointing toward or away from an attrition problem industry wide.

As a group, respondents report that they pick up an average of 90% of their room blocks. Depending on the attrition clause in their contracts, this may or may not trigger performance fees for event organizers.

When we break the group down into our key segment – Room Block Type, Event Type, and Size of Event, we can see that some segments appear to have more difficulty than others filling their blocks.

Figure 6 illustrates the variation from segment to segment when it comes to filling the room night block:

We found it interesting that while so many organizations reported being assessed fees for their most recent meeting, that we calculate (Dividing the net gain/loss of room nights by the room block figure) relatively high pickup rates over all and in most segments, We then explored the group that reported having been assessed to see what its pickup rate was and found that this group performed significantly poorer than other segments, picking up on average 81% of its room nights. We found also that this group was assessed performance fees at a higher rate in 2001 as compared with other segments. The experience these groups had in 2001 could of course be due to the fact that organizers must reserve their room block years in advance and could not anticipate the affect of the September 11, 2001 events, an important factor to keep in mind throughout our review of the findings.

Given this inescapable possibility, we felt it would be helpful to look at what may have happened to this net gain/loss from 2001 to 2002/2003. To control for the September 11 events as much as possible, we compared the net/gain loss of events in from January 1 – July 31, 2001 with those from January 1 – July 31, 2003.
Those who held events prior to September reported paying fees in 2001 at similar rate to those who held their events after September. Anecdotal information could explain this by recalling that many hotels offered event organizers breaks considering the September 11 catastrophe. In addition, many event organizers delayed or cancelled their events immediately following September 11, citing force majeure. Nevertheless, we see a jump in 2001 and then another in 2002/2003.

Room night pickups become an interesting indicator of the attrition problem – it is clear that more and more event operators are experiencing attrition performance fees, but in general, room pickup percentages appear to be strong. Our attention is drawn then during analysis to the segments that are having the most difficult time with attrition, where pickup percentages are significantly weaker.

**Comparison of Net Gain/Loss Percentage from Previous Event to Current Event**

If the percentage pickup emerges as a primary measure of attrition, it makes sense to look at the difference in this figure from respondents’ most previous event from that for their most recent event. The increase in net percentage loss reported by respondents between their most previous event and most recent event is 2%. That is, the average pickup among respondents was 2% lower for their most recent meeting as it was from their most recent.
**Comparison of Ratio of Room Nights in Block to Event Registrants, Most Recent and Previous Year**

One of the great challenges facing event organizers is forecasting both the amount of registrants their events will attract from year to year and how many of those attendees will reserve hotel room nights through the event. One way to measure fluctuations in the confidence planners have regarding hotel room booking is to examine the ratio between registrants and the number of room nights in the contracted block. While calculating this ratio may be only moderately helpful in and of itself, it serves as a reasonable method of comparing an event’s expectations from year to year. We reasoned that if the ratio became smaller from year to year, it might signal less optimistic expectations on the part of the planner; if the actual room night count per registrant is higher than expected, one might infer that the planner was reticent about expecting to do better than in the past. Conversely, if the ratio grew larger, it may be a sign that the planner is optimistic about the amount of room night reservations that would flow through the event itself. We used the following calculations to examine the difference in this ratio from year to year:

- Ratio of most previous (\(\frac{\text{# of room nights in block}}{\text{# of registrants}}\)) = 3.24
- Ratio of most recent (\(\frac{\text{# of room nights in block}}{\text{# of registrants}}\)) = 2.43
- Difference between the Ratios’ = -.79 (\(\frac{-0.79}{3.24} = -0.24\) or - 24%)

Respondents report that their room block to registrant ration fell 24% from their most previous meeting to their most recent. That is, the apportionment of room nights per registrant contracted 24%.

**Percentage of Pickup Collected in Post-Event Audits**

Increasingly, event organizers sense that attendees are “going around the block,” booking rooms at the very hotels organizers have contracted for in their room blocks but without reserving through the event’s housing process. Because organizers would like to get credit for these reservations toward their contracted room block obligations, they may seek to have provisions for a post –event audit of the registration records for one or more of the hotels in their room block written into their contracts. This practice pays: the average gain from audits in terms of a percentage of their overall pickups is 5% among the survey’s respondents.

While audits have proved to be effective in general for mitigating attrition problems, the relatively large percentage of their room blocks gained from audits emerges as further evidence that attrition poses a problem for many event organizers – if attendees were not going around the block in such large numbers, then audits would not yield gains for the organizers that are as high as they currently.

When examined across key event segments, the efficacy of using audit gains as a measure of attrition becomes even clearer. This suggests clearly that, if possible, it is important for planners to negotiate an audit clause in their contracts with hotels.
One interesting pattern across segments did emerge. For some reason, Societies fair much poorer with their audits than the rest of the sponsor types, and corporations tend to do significantly better than the others. Figure 7 illustrates this dramatic difference. One explanation for this may be that the percentage of corporations in our sample was low (3% of total sample) as compared, say, to associations which constitute 68% of the sample. Nevertheless, the count for each sub segment was great enough, and the difference between audit gains wide enough to substantiate a statistically significant difference in experiences.

**Practices**

*Now that we have examined findings related to measuring the nature of attrition, we turn to review the effects of the specific steps event organizers take in order to avoid or mitigate attrition. We cover eight main practices identified by the task force and solicit additional steps by asking respondents to share their plans when they felt they were successful. Below, we cover what we find when we examine the possibility of relationships between respondents’ practices and attrition issues.*

**Have a Formal Plan⁹ in Place**

A fundamental practice that would intuitively link to higher pickup percentage is having a formal plan to mitigate and/or avoid attrition.

Just over one-half of respondents reported that they and/or their organizations have a formal plan in place to help cope with attrition. Of those, 80% felt their plan was successful. In deed, among those 80% (40% of total sample), the average pickup was 93% while the percentage among those who felt they were not successful falls to 84%.

---

⁹ The reader should be aware that the survey questionnaire item which collected responses about the respondents’ “plan to mitigate and/or avoid performance fee assessments” did not distinguish between “plans” that focused on housing, communication, budgeting or other planning factors.
The questionnaire asked those who reported having a successful plan to mitigate and/or avoid performance fee assessments to share, if they would, the nature of their plan. To present a sample of these, we sorted our records according to net room pickup for the most recent meeting (highest percentages first); we then took a sample of plan descriptions from among the best performing groups in terms of pickup percentage.

We found that most of the successful plans contain one of three elements: 1) Some groups closely monitor room block and work closely with attendees and hoteliers through clear and frequent communication; 2) Other groups audit aggressively if they can write audit provisions into their contracts; and 3) Some groups simply do not sign contracts with attrition clauses. (This is not always possible due to the size of the event.) Ultimately, it appears that good communication with attendees and hoteliers is the key ingredient to most success stories. Also, event planners would find it useful to develop a plan before they have major problems with attrition. Below is a sample of the “successful” techniques respondents shared:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>52%</td>
<td>52% of respondents currently have a formal organizational policy to cope with attrition</td>
</tr>
<tr>
<td>80%</td>
<td>80% of those who had a formal organizational plan felt it was successful</td>
</tr>
<tr>
<td>9%</td>
<td>9% the difference in the average percentage of room night pickup between those who felt they were successful (93%) with their plans and those who did not (84%)</td>
</tr>
</tbody>
</table>

*Keeping in constant contact with the hotel regarding where pick up is and what my concerns were was very key in not only avoiding attrition penalties, but ensuring the client vendor relationship was strong.*

*We asked for scheduled give back dates at 120, 90, 60, at this time we would review the pick up and give back rooms if we felt it needed to be, this was without penalty, at 30 days out we gave back any unsold rooms.*

*One of the main things I look for is my cut-off date. The hotel usually wants the room list a month out, but I routinely change this date to two weeks out.*

*I keep careful records of past history pickup and “low ball” room blocks. Then if shortly before the convention, it appears more rooms are needed, I ask for them at that point.*

*We go through our list of attendees with their department and make sure that any of our attendees that might have stayed were credited to our account.*
Involve Leadership

Leadership within the event’s sponsor organization, whether in the form of a board or executive, may have experience and skills to assist event organizers when attrition issues become apparent. The task force theorized that involving leadership at any point along the event planning stage may increase the chance that attrition could be mitigated or avoided.

A full 67% or respondents reported not involving their boards at all. This may be due, however, to the fact that many event organizers do not involve leadership until after they have a problem. The data supports this notion as while testing indicates no significant association between successes and if and when an organizer involves leadership, those who do not open a dialog with leadership appear to have higher pickup rates in general. This could be read at least two ways: 1) Involving leadership is a detriment to higher pickups; or 2) this could suggest that organizers do not consult leadership until after they have a problem which, in some cases, could be too late. The latter seems most probable as the larger number of organizers who did consult their leadership did so less than 30 days prior to the event.

Provide Online/Combined Housing Registration

At the outset of the study, the task force theorized that online registration might increase pickup and that combining housing registration with event registration might as well.

Testing indicates that neither of these factors had a statistically significant effect on pickup percentage. In other words, among respondents, it did not seem to matter whether you accepted housing registration online (many events accept both) or if you combined your housing registration with your event registration.

Open Housing With Large Month Lead Time To Event

We imagine that the lead time that events give for attendees to register for their housing might vary according to a number of logistical factors. We were interested, however to find out if the length of a housing registration period or the timing of the period was associated with higher or lower pickup percentage.
We found a statistically significant negative correlation (p=-.159) between the length of time a housing process is open and the size of the pickup. This is true more in some main segments than in others.

In other words, events with a shorter housing registration period tended to have a higher pickup percentage than those with a longer housing registration period (lead time), a difference between an average 93% and average 84% respectively across the 25% shortest and the 25% highest percentile of lead time.

**Perform Audit of Hotel Bookings at One or More Hotels Within Contracted Room Block**

While performing audits may seem to be an obvious practice considering today’s attrition issues, not all organizers pursue them. As the tables below indicate, the lower the room pickup, the greater percentage of organizers who pursue audits, with 73% of those in the lowest 25% pursuing them and 47% of those in the highest 25% in terms of pickup percentage.

(1="yes" 2="no")

<table>
<thead>
<tr>
<th>NTILES of NETPCNT</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perform an Audit this year?</td>
<td>Column %</td>
<td>Column %</td>
<td>Column %</td>
<td>Column %</td>
</tr>
<tr>
<td>1</td>
<td>73%</td>
<td>61%</td>
<td>50%</td>
<td>47%</td>
</tr>
<tr>
<td>2</td>
<td>27%</td>
<td>39%</td>
<td>50%</td>
<td>53%</td>
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<tr>
<th>NTILES of NETPCNT</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perform an Audit Last Year?</td>
<td>Column %</td>
<td>Column %</td>
<td>Column %</td>
<td>Column %</td>
</tr>
<tr>
<td>1</td>
<td>51%</td>
<td>41%</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td>2</td>
<td>49%</td>
<td>59%</td>
<td>55%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Auditing hotel bookings appears to pay off for those who can and do practice it: on average, those respondents who did perform audits gained 4% of their entire final pickup as a result. This percentage gain holds true across four percentile groups of pickup success.

**Use Outside Housing Company or Agency to Manage Housing Process**

In testing the effect of using an outside housing company or agency vs. handling the process in house, we found an isolated, but noteworthy relationship between the net pickup percentage and the type of housing registration facilitator used among citywide events. The difference in net pickup between a city wide event that handled housing registration in house, and one that employed an outside “housing company” to manage housing
registration was 92% and 79% respectively for their most recent event. This difference was found to be statistically significant.\textsuperscript{10}

<table>
<thead>
<tr>
<th>Room Block Type</th>
<th>Single Hotel</th>
<th>Multiple Hotel</th>
<th>City Wide</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-House</td>
<td>64%</td>
<td>42%</td>
<td>33%</td>
</tr>
<tr>
<td>Housing Company</td>
<td>4%</td>
<td>19%</td>
<td>49%</td>
</tr>
<tr>
<td>Convention Bureau</td>
<td>1%</td>
<td>7%</td>
<td>18%</td>
</tr>
<tr>
<td>Other</td>
<td>31%</td>
<td>32%</td>
<td>0%</td>
</tr>
</tbody>
</table>

The table above shows the difference in net pickup between citywide events using different housing registration entities. One of our initial reactions to observing this relationship described above was that there may be another, confounding factor that is responsible for the difference between in-house and housing company performance.

However, we were unable to locate one with the data available to us. By focusing on citywides, we are already controlling for room block type and as a natural consequence, meeting size. When we added “Organization Type” as a layer, we found no significant relationship. This led us to suggestion that there is a relationship between housing facilitator type and room block pickup at least as far as citywide events go.

Why that relationship exists is a matter for further study. That this relationship does currently exist when 49% of citywides use housing companies makes further study even more important.

It is necessary to note here that during analysis we did not have access to the names of particular housing companies used by our respondents and therefore it would be premature to speculate that using a housing company for housing registration is detrimental per se; the performance of a single housing company with many clients among our respondents could pull the average pickup in this category down.

\textsuperscript{10} Using a t-test with an alpha of .05.
Ask Attendees to Pre-Pay for Hotel Rooms

Some event planners have decided to follow the model of the airlines and ask event attendees to “pre-pay” for their hotel rooms.

It has worked well for some. Among the 19% of our respondents who report having asked their attendees to pre-pay, 91% of them succeeded. And, among those who did succeed, their pickup was 15 percentage points higher than those who were not successful: 92% and 77% respectively.

Our findings indicate that citywides tend to ask their attendees to pre-pay at a much higher rate than single and multiple hotel block events: 32% of those respondents who organize city wide event report having asked their attendees to pre-pay, a full 13 percentage points higher than the average among respondents.

Conclusions

Our conclusions are drawn up in three sections, each corresponding to an original goal of the current study: 1) Conclusions about the nature of the current attrition problem in terms of quantifiable measures; 2) Conclusions about the usefulness of the measures developed in the current study; and 3) Conclusions about relationships, if any, between current organizer practices and attrition issues they may experience (as measured by pickup percentage).

In the first part of the findings section, we compute several metrics which help us measure the attrition problem across a variety of key segments of the event industry.

19% of respondents ask their attendees to pre-pay for hotel room nights (32% of citywide events did).

91% of respondents who asked their attendees to pre pay hotel rooms were successful in getting them to.

15% the difference in the average percentage of room pickup between those who succeeded in getting their attendees to prepay (92%) and those who did not (77%)
First, we find that 32% of respondents to this study report having been assessed attrition fees for their most recent meeting (as of their response to the study). We consider this number quite substantial, especially in light of the fact that only 4% of the same event organizers report having been assessed attrition fees five years earlier, in 1998. The pattern held consistently across the major segments of event type, sponsor type, and room block type. We are compelled to consider this evidence of growing attrition problems across the major event industry segments.

Second, we examine the average pickup percentage as reported by our respondents and find that overall the average pickup is 90%. When we isolate those that report having been assessed fee in 2002/2003, the pickup percentage drops to 81%. And, when one drills down to isolated sub-segments, such as the portion of those who report having a formal plan that was “unsuccesful,” the average pickup percentage plunges below 80%. While this metric does not appear to report a dramatic shortfall in terms of pickup on average, the figures do indicate that on average most segments of the industry are facing pickup numbers that approach or break through attrition performance thresholds in their contracts.

The reading of this metric for evaluating attrition throughout the industry is consistent with our first metric (what % were assessed fees) but can tend to be less conclusive in some respects as attrition performance thresholds vary contract to contract and thus will impact the interpretation of the average pickup percentage figure. This notwithstanding, the figure represent where the “rubber meets the road” in the event organizer – hotelier relationship and therefore emerges as the most useful and practical metric with which to assess movement in attrition related matters. After all, avoiding fee assessments still does not address the issue of potential lost revenue due to attendees going around or outside the block.

Next, we compare this pickup percentage from the respondents’ previous event to their most recent. A rise or drop in this percentage we theorized would suggest direction in the attrition problems our respondents are having. This metric turns out to be 2% for this sample population. This could very well be a significant decrease if were found to be true in the population – losing 2% of the room nights for large events could add up. More importantly, if the trend were to continue, this of course could spell a deepening of the problems for organizers and hoteliers alike.

In the fourth investigation we make, we look at the difference in pickup percentages from the most previous event to the most recent event. This difference in theory would indicate the degree to which attrition has affected the overall pickup rate.

To be more accurate in our assessments, we can use this metric in conjunction with the next metric in our discussion which measures the difference in ratio between room nights and event registrants from one year to the next. Together, these metrics are good for indicating if the pickup percentage from one year to the next may have
dropped or have risen based on downsizing the room block or not. This is an important distinction because a pickup percentage could rise from one year to the next if the organizer were to significantly lower the ratio of room nights to attendees; this would mean that the organizer was forced to show less confidence and reduce her room block out of the fear of attrition assessments. In effect then, the event’s budget and expectations are driven by ancillary concern and not based on what might be best for the event itself. It means taking a defensive rather than offensive posture toward solving her attrition problems.

Finally, the fifth metric we focused on was the net gain in room nights acquired by way of post event audits. We find that, among those who performed an audit, organizers average 5% of their eventual pickups. This is 2% more than were gained through the audit process the year before when respondents report gaining an average of 3% additional room nights from auditing. This would suggest an increase in those at least going “around” the block.

Using the metrics and results just described, we conclude that, while affecting some sectors more than others due to the nature of their events, reaches across the event industry.

*We also conclude that attrition trends can be assessed by the combination of metrics used in this study, so long as attrition continues to be defined as a shortfall in filling an expected room block.*

We now come to what we might be able to learn from our review of the practices our respondents use to address attrition issues. While documenting the length and breadth of the attrition problem industry wide, and developing metrics to measure it in the future are important, the most useful information for event organizers is what practices may or may not be associated with minimizing attrition problems and the meaning of these associations.

As we present in the findings section, our respondents reported on several practices:

1. Establishing a formal plan
2. Involving leadership
3. Offering Online Housing Registration
4. Combining Event and Housing Registration
5. Long/Short Lead Time for Housing Registration
6. Audit Hotel Bookings Post Event
7. Use Outside Housing Company
8. Ask Attendees to Pre Pay
Of these practices, we found only 4 that were significantly\textsuperscript{11} associated with a higher or lower pickup percentage and in some cases, only for certain sub segments:

1. Asking attendees to pre-pay, when successful, \textbf{raised} average pickup;
2. Use of outside housing company \textit{lowered} average pickup but this phenomenon was \textit{limited to city wide events};
3. \textbf{Auditing} hotel bookings post event \textbf{raised} average pickup by an average 5%; and
4. \textbf{Shortest} lead times \textbf{raised} average pickups while \textbf{longest} ones \textbf{lowered} them.

To be clear, by way of presenting these four practices as associated with a rise or fall in pickup percentage, we are stating that we found no association between the other practices mentioned and a rise or fall in the average pickup percentage.

Having said that, it is quite possible that in many cases the use of the other four practices presented may have had an affect on pickup percentage and the organizers' ultimate experience with attrition.

Respondents' “success stories” illustrate that, on the whole, attrition is avoided or mitigated by managerial techniques: some organizers report that they have negotiated out of, or have refused to sign contract with, attrition clauses. Others report working closely with hotels to make necessary changes along the way to help stem attrition issues. Still others point out that when and if their events are large (e.g. city wide), they may have more influence negotiating attrition clauses than when the events are small. This is borne out in the fact that single hotel events appear to have more attrition issues than their larger counterparts.

But while certain management strategies may help organizers avoid paying any attrition penalties, it may not solve the key negative affects of the factors that underlay attrition. \textit{Practical solutions may very well emerge from our analysis of Phase Two data, once we are able to process it. The Phase two data should be instrumental in “filling in the blanks” or answering some of the questions raised by the Phase One study.}

\textbf{Preliminary Suggestions for Event Organizers}

Based on what we have just seen regarding the results of our Phase One research, event planner may want to examine the following five items as potential techniques for managing future events:

1. \textbf{Consider shortening/condensing the registration and housing period.} As indicated by survey

\textsuperscript{11}Here, again, “significance” refers to “statistical significance.” When responses are computed, there may differences in the results when comparing those who employ a given practice and those who do not; however, the difference could have occurred by chance 6 or more times out of 100 (using an alpha of .05).
responses, the less lead time, the greater the pickup. One theory: the event planner controls information (i.e. Hotels in block and cost of hotel rooms.) The less time that attendees and exhibitors have to “shop” the better. We will learn more about “when” attendees book their rooms (especially those who go around and outside the block) when we have a chance to analyze results from Phase Two.

2. **Monitor Housing Company:** If you use an outside agency or housing company to manage your housing registration, work closely with its staff to ensure that they are using effective management techniques on your behalf. While housing companies are expert in the processing of room reservations, they may be subject to the same issues regarding attrition as those planners who manage housing registration “in-house.” Survey results suggest that in citywide events where the use of housing companies is most prominent, events using housing companies report lower pickup percentages than those who ran housing in-house.

3. **Audit if you can.** Those who report they audited hotels following their most recent meeting reported an average 4% additional pickup. Many, if not most, of the “success stories” shared in the survey contained references to auditing.

4. **Possibly require pre-payment of rooms.** 91% of those respondents who report they asked attendees to pre-pay reported they were successful in doing so. Of the 91% who were successful, the average percentage pickup averaged 92% while those reporting a lack of success in their attempts averaged a 77% pickup.

5. **Have a plan, but have a good plan.** 52% of respondents reported that they have a formal organizational plan to deal with potential attrition problems; 80% of those who say they have a plan feel it was successful for their most recent event. Plans should be timely and should reflect the nature of the attendee audience.

Ultimately – the results of our Phase One research suggests that the successful event planner is one who manages the entire process very closely, and forms a positive working relationship with hoteliers and attendees at every opportunity. The trend toward more, not less, attrition problems for events and hoteliers is still in the making. Future research will attempt to determine if and how the trend may be shifting.
Hotel attrition began emerging as a leading concern for professional event managers and hotel executives in 2001. A contributor to the problem is the rapid growth of on-line intermediaries that sell reduced-rate hotel inventory. Although total travel receipts have decreased during the past two years, the purchase of travel products over the Internet has increased exponentially. For example, 83% of airline tickets purchased in July of 2003 were purchased on-line. It has been reported that Hotels.com, a popular site for consumers, is confirming as many as 39,000 guest room reservations a day. The popularity of the Internet is being increasingly demonstrated as consumers turn to it for more control, relevance, and value. The implications of this reality are critical if the events industry is to address attrition successfully.

Many on-line intermediaries are growing their businesses in ways that work against the industry’s efforts to gain greater results from contracted room blocks. Expedia.com and Travelocity.com have introduced new efforts to command greater share of business travel markets by initiating programs to lure corporate travel managers. Additionally, representatives of Hotels.com have indicated a growing interest in participating with professional event managers in efforts to reduce attrition liability. Their solution is straightforward and may be an attractive option for some event organizers. Further, Hotels.com has expressed an interest in contracting and managing overflow housing outside the headquarters hotel on behalf of any large meeting or event. Technologically, their solution requires the association or exhibition organizer to utilize their guest room reservation engine to power the back end of the event website. It stands to reason that this would allow the event organizer to reduce the guest room block they normally contract, thereby reducing the associated liability.

There may be some long-term risk for event organizers employing this and other Global Distribution System (GDS) solutions, which favor (in the short term) a reduction in the contracted guest room block. At some time in the future, demand will grow and available inventory in some destinations could be hard to access over popular date patterns. This could result in more attendees than available rooms to accommodate them, creating yet a different problem for professional event organizers.

Although many event organizers look to technology and the Internet as the primary source of attrition concerns, others believe that technology can offer viable solutions to reduce attrition liability. Partnering with hotels and utilizing their technology to market to and track attendees is an important first step for many organizations. Providing quick and easy options for attendees by bundling meeting services may be enough to discourage attendees/exhibitors from looking elsewhere for accommodations. Others are recognizing that early on, corporate IT professionals at many hotel companies were negotiating contracts with on-line intermediaries. Recently, leadership at these companies began to look carefully at these relationships and now employ sales and marketing personnel to evaluate what percentage of the brand inventory is allocated to these distribution channels (and at what cost). This may result in a reduction of the amount of inventory available through these intermediaries, thereby easing the pressure on the event organizer.
Other technology solutions are outlined below:

1. **Passkey.com** has several programs designed to assist the event organizer in reducing attrition liability:

   **Deposit and Cancellation Policy Commerce**
   This program allows the event organizer to devise a plan that discourages frivolous guest room reservations by automatically charging a penalty at the time of cancellation. This policy is intended to discourage an attendee or exhibitor from reserving guest rooms “just in case”.

   **Passkey RegLink API Program**
   This program integrates guest room reservations (housing) and registration components as outlined below:

   - Provides a discounted registration fee for guest room reservations inside the contracted guest room block.
   - Directs the registrant to the guest room reservation/housing application immediately after completion of event registration; the convenience of this one-two process and the discount on the registration fee reduces the likelihood an attendee will search other sites for a guest room.
   - Provides event organizer with a report that identifies attendees who have registered for the event but have not reserved a guest room through the system.
   - Provides a targeted list for email campaigns; the event organizer can explain the importance of making a guest room reservation inside the contracted guest room block to the attendees.
   - This report may also be used for post-event auditing at contracted hotels; the event organizer can ask the hotel to research guest room reservations outside the contracted guest room block. The intention is to obtain credit for guest rooms that were reserved at the contracted hotel, but through transient channels.
   - Provides contracted hotels with the control to modify the guest room rate after the cutoff date and still receive guest room reservations through the group reservation “channel”.
   - Provides hotels with access to attendees that need a guest room and with the flexibility to offer a guest room rate that is in sync with demand. Guest room reservations made after the cut-off date would be coded to the contracted guest room block for credit regardless of the room rate.
   - In general, keeping the group reservation “channel” open after the cut-off date reduces attrition and the likelihood attendees will reserve a guest room through transient channels or third party intermediaries.
• Offers hotels the opportunity to sell “early bird” guest room rates with a strict cancellation policy. This encourages attendees to make an early guest room reservation and helps reduce the hotel’s vulnerability of the guest room reservation being canceled.

2. HrrtSolutions, powered by eMeetingsOnline, is a technology company that offers a fully integrated software program for housing, registration, meeting management and budgeting. It also features overflow guest room reservations through the GDS. HrrtSolutions provides contracted guest room block reservation processing, along with processing of rooms booked outside the room block (i.e., on the Internet), all within the same program. In addition, the program provides an instant hotel-issued confirmation number, and complete guest room reservation tracking and reporting. All housing and post-event reports reflect guest room reservation activity for both inside and outside the contracted guest room block.

3. Travelhero, another popular housing solution provider, also employs GDS as a source for guest room inventory. Furthermore, Travelhero encourages the event organizer to secure a contracted guest room block for specific sub-groups such as exhibitors, staff, or leadership, and allows attendees to choose guest room options from non-contracted hotels using the GDS. This process reduces the overall attrition potential for the organizer because of the smaller contracted guest room block.

Generally, an earlier cut-off date is established for the contracted guest room block (for the sub-groups) and attendees have the flexibility to make last minute reservations.

4. iSeatz.com will soon be offering destination packages for sale through event organizers as add-on attractions for attendees. Destination travel packages or “things to do when you get there” can be sold through event organizers at or below the wholesale rate. This serves as a new alternative to traditional incentives for promoting early registration and for reserving a guest room inside the contracted guest room block. Packages may include:

• Pre-purchased discounted dining at the best restaurants at the destination;
• Theater and concert tickets;
• Sporting event tickets;
• Local sightseeing tour tickets; and
• Special ground transportation reservations.

Packages increase the value proposition for attendees by providing travel and ancillary destination activity packages at special convention-only rates. The organizer can structure packages to synchronize with other events. The program helps the organization achieve higher revenue per attendee by up selling and cross selling of additional products and services. Packages are designed to provide the attendee with a more satisfying and complete experience; they also offer an incentive for attendees to arrive early and/or stay longer.
5. **Starcite.com** is creating a technology solution (currently under development) referred to as “Attrition Guard.” Essentially, this is an attendee-funded insurance program that protects the association or organization against attrition liability. Starcite.com is proposing a management system that would provide the administration of the guest room reservation (housing) process and the fulfillment related to the hotel contracts associated with the meeting or event.

6. **ResPath** is a turnkey service created by Cardinal Communications to provide event organizers and hoteliers an effective means to increase meeting registrations and to fill hotel contracted guest room blocks to reduce attrition. ResPath uses a unique combination of intelligent planning, professional guidance, state-of-the-art technology, focused services and collaboration. ResPath combines focused technology and services to facilitate the event organizer and hotelier partnership. The result is maximized registration and decreased exposure to attrition.

ResPath is built upon the CardinalWare technology platform and designed so that an event organizer can work effectively on-line. ResPath will assist the event organizer with:

- The management of attendee information;
- A customized website;
- Communication;
- Marketing and promotion;
- Education and motivation of attendees to reserve a guest room inside the contracted guest room block;
- Tracking of attendee registrations and reservations; and
- Offer a means to follow up with attendees.

Other services provided by ResPath include:

- Sends personalized email messages to attendees to announce registration and housing for the meeting.
- Links to official channels for meeting registration and guest room reservations (housing).
- Publishes a mini-website with:
  - Meeting information with text, graphics and links.
  - Reasons for reserving a guest room in the contracted guest room block.
  - Incentives from hotel and meeting host for those attendees who reserve a guest room in the contracted room block.
- Tracks click through responses from attendees in real time.
- Captures valuable information from attendees who decide not to stay in the contracted guest room block.
- Resends personalized email messages to attendees based upon previous ResPath action/inaction.
Project Attrition recognizes that the examples listed above may not represent all the possible technology solutions currently available or under development. We further acknowledge that these tools represent solutions that accept "business as usual" principles without regard to the fact that business models/practices may change in the future.
LONG-TERM RECOMMENDATIONS

The APEX (Accepted Practices Exchange) initiative will be instrumental in establishing future best practices and guidance for vital housing issues. The following recommendations from the Project Attrition Task Force to the APEX Housing & Registration Panel will be incorporated into the panel’s work of developing the best accepted practices for the industry while creating and supporting long-term solutions to attrition. The final accepted practices from the APEX Housing & Registration Panel will be released in 2004.

The Project Attrition Task Force’s recommendations for consideration are:

1. **Revise housing and event registration options. Some areas to consider are:**
   - Combine housing and event registration and offer attendees a choice of hotels by category, rather than by specific hotel name.
   - Offer a two-tiered registration rate.
   - Provide exhibitors with sub-contracts to the group block in the event-contracted hotel(s).
   - Bundle the housing and registration process.
   - Modify the standard timeframes for attendee registrations and guest room reservations.
   - Promote a mathematical model for right-sizing a guest room block.

2. **Rewrite hotel and event organizer models for hotel contracts.**

3. **Identify technology that is being widely used by third parties in the industry.**

4. **Create a template for dealing with guest room pirates. Some areas to consider are:**
   - Create a strategy to offset group guest room pirates.
   - Create legally defensible guidelines for exhibitors to help prevent the pirates from pretending to be exhibitors.

5. **Develop techniques for effectively dealing with Internet housing companies. Some areas to consider are:**
   - The industry must deal with third party providers in the future, i.e. Expedia, Orbitz, Travelocity, etc (also known as e-companies).
   - Accept the fact that e-companies are targeting the group business market similar to the leisure and business travel markets.
Embrace a paradigm shift that will make all of the Project Attrition recommendations obsolete. The entire industry will likely undergo a change in the next 24 months.

Settle the inventory struggle between hotel and e-companies (many hotel chains are making strategic changes to regain control of their hotel inventory).

Acknowledge the down side of working with e-companies is extremely poor customer service.

Future technology should profile attendees regardless of who is processing the information (hotels, third party companies, association/organization, etc.).

Hotels.com entered into the group market because event organizers asked them to participate in group housing. Hotels.com has responded to an industry need.

Recent developments by e-companies address destination services, site seeing, restaurant reservations, etc. Will these companies replace convention & visitors bureaus (CVB) services?

In the near future, the meetings, conventions and exhibitions industry should make a conscious decision either to work with e-companies or against them.

An operating requirement for e-companies is hotel inventory. If the hotel companies choose not to offer inventory to e-companies, their threat to the industry is lessened.

As a rule, group hotels are not good at marketing themselves to the leisure market. Therefore, as long as group hotels need assistance with the leisure market, they will continue to work with e-companies.

A challenge that must be overcome is that e-companies often sell a guest room at a lower rate than the hotel company does on their site and e-companies charge the hotel company a 25% commission. This is a lose-lose for the hotel company.

6. Evaluate how the industry it measures citywide groups and how CVBs evaluate services in light of the new marketplace. Some of the areas to consider are:

- Simultaneously, CVBs are evolving and recreating themselves to be more competitive.
- In an attempt to meet the needs of hotels, CVBs are developing programs to assist group hotels with selling guest rooms to the leisure market.
- For short-term business, hotels should utilize local travel agencies for selling inventory less than 30 days prior to arrival. The San Diego CVB created a toll-free number for attendees to utilize for making guest room reservations less than 30-days prior to arrival. The attendees pay whatever rate the hotels are selling, but the CVB tracks the guest rooms as a new line in the citywide guest room usage by the attendees of the convention. It is a means to capture all of the guest room reservations for a convention in that city.
- This strategy will help provide documentation for groups that use 8,000 guest rooms during a citywide convention, but only 5,000 guest rooms are reserved in official group blocks.
- Travel Hero is an on-line hotel site that provides on-line guest room reservation assistance to CVBs in a format similar to that used by e-companies.
- In the future, CVBs will use the marketing strategies of e-companies (which target all travelers) and
customize the message for convention delegates. They will offer the same ease of making guest room reservations only to the right people (not to everyone).

- In the future, hotels and CVBs need to bring back the value of the destination and facility through marketing. They need to “de-commoditize” the sale of hotel guest rooms.

7. Adjust forecasting and reporting tools to reflect rooms outside block. Some areas to consider are:

- The APEX panel should create a recommendation or model that captures all guest rooms utilized in a destination by attendees of an event. Guest room tracking must expand beyond “in the block” or “in the event-contracted hotel” to include all guest rooms utilized.
- On registration and post-event reports, add two new columns, one for tracking guest rooms outside the contracted guest room block, and another for comments to list factors that may have contributed to more/fewer guest rooms reserved outside of the contracted room block.
- Recommend forecasting for future groups to include a column for guest rooms outside the contracted room block.
- In the near future, the meetings, conventions and exhibitions industry should make a conscious decision either to work with e-companies or against them.
- An operating requirement for e-companies is hotel inventory. If the hotel companies choose not to offer inventory to e-companies, their threat to the industry is lessened.
- As a rule, group hotels are not good at marketing themselves to the leisure market. Therefore, as long as group hotels need assistance with the leisure market, they will continue to work with e-companies.

Note: Additional information on APEX and the Housing & Registration Panel can be found at www.conventionindustry.org.
LEGAL CONSIDERATIONS FOR EVENT MANAGEMENT

As with any contract negotiation, all parties are encouraged to seek appropriate counsel prior to the execution of any formal agreement. Project Attrition discovered many different approaches to shifting the risk and burden of attrition through inclusion of attrition and force majeure clauses in hotel contracts. The considerations vary considerably when they are viewed from the event organizer’s perspective or from the hotelier’s perspective. Nevertheless, careful consideration, sound legal advice, and clear contract language will enable both sides to understand and meet their obligations.

Several resources are available that provide general guidance to event organizers regarding well-written attrition clauses. CIC received permission from John Foster, Esq., CHME and Jim Goldberg, Esq., Goldberg Associates, PLLC, to include some of their recommendations in this report.

Mr. Foster’s recommendations, intended for the benefit of the event organizer, include the following key points in the development of a well-written attrition clause:

- Base damages on lost profit and expenses, not 100% on lost revenue.
- Guest room attrition should be based on a combination of “per night” and “cumulative.”
- Define “sold” and “sold out.”
- Account for “sold out in advance” situations.
- Anticipate changes in the economy and provide for revisions in the contract.
- State that all guest rooms occupied in the hotel by the group’s attendees will count toward the group’s guest room pickup to reduce attrition damages, regardless of the guest room rate paid.
- Insist on an audit provision.
- Insist on credit for unused complimentary guest rooms.

Mr. Goldberg’s advice to event organizers is similar, and encourages precision in contractual language. For example, event organizers might benefit from negotiating for language that couches the group’s commitment in terms such as “group will use its best efforts, but cannot guarantee the use of all contracted guest rooms,” rather than agreeing to terms such as “commitment,” “guarantee,” or “promise.” Mr. Goldberg also emphasizes that the difference between “actual” and “liquidated” damages is important to the professional event organizer negotiating a contract for guest rooms. Damages that are pre-determined in negotiations do not always equate to what the actual damage may be after the fact. Typically, actual damages require some effort in mitigation, whereby liquidated damages do not. Mitigation language should include provisions for guest rooms sold to someone else that in turn can/should be credited to the event organizer. The point of how damages are to be calculated and what elements may represent a credit for the organizer is important to both the organizer and the hotel and should be acknowledged in negotiations accordingly. For example, when and if attrition penalties are due, is the organizer credited for all guest rooms occupied by the group regardless of the rate paid? Are attendees that are
“walked” or relocated properly accounted for? What about no-show, early departure fees and guest rooms that are resold? Mr. Goldberg suggests for the interest of both parties, these items should be addressed in negotiations and specifically identified in the contract.

The issues that Mr. Foster and Mr. Goldberg address are also critical from the hotel’s perspective. For example, contract language that provides for revisions based on changes in the economy can cut both ways. *Project Attrition* recommends that these provisions be drafted in a way that seeks fairness to both parties. This is true also in negotiations regarding average occupancy rates as a benchmark for attrition damage calculations. There may be many factors that can and do affect occupancy differently from year to year. Overall market demand, hotel budget and occupancy will have substantial impact on a hotel’s flexibility in negotiations. With regard to post-event audits, *Project Attrition* suggests that legal advice should include consideration of the effect of applicable privacy laws (which vary from state to state) on proposed audit provisions.

Finally, the importance of the relationship between the parties cannot be underestimated. Well-drafted contract language can only help to create and build on a history of successful engagements by providing the parties with clear understanding and expectations.

This report includes some of Mr. Goldberg’s recommendations derived from the CD entitled *The Mission to Avoid Attrition*. The full text from Mr. Foster’s work and the source of the CD can be accessed at [www.conventionindustry.org](http://www.conventionindustry.org).
APPENDIX A: PROJECT ATTRITION ACCOMPLISHMENTS

- Created case studies from discussions with approximately 100 professional event organizers and trade show organizers.
- Communicated the work of the Project Attrition Task Force to the members of MPI and PCMA through the organizations’ respective chapters.
- Distributed announcements promoting Project Attrition progress and the Project Attrition section of the CIC website to the Convention Industry Council’s member organizations on several occasions.
- Developed four planning templates and timelines
- Expanded and distributed a Decision-Making Matrix originally developed by Conferon Global Services.

Presentations
- IAEM Mid-year, June 2003, Tampa, FL
- IACVB Annual Meeting, July 2003, Kansas City, MO
- IACVB Destination Showcase, July 2003, Chicago, IL
- MPI Annual Meeting, August 2003, San Francisco, CA
- PCMA Audio Conference, August 2003
- ASAE Annual Meeting, August 2003, Honolulu, HI
- GWSAE Compelling Conversations, September 2003, Washington, DC
- Eyefortravel Travel Distribution Conference, September 2003, Northbrook, IL
- MPI Potomac Chapter, September 2003, Washington, DC
- National Council Of Higher Education Meeting Planners, October 2003, Washington, DC
- WACVB Annual Meeting, October 2003, Vancouver, BC, Canada
- IAEM Annual Meeting, October 3, 2003, Las Vegas, NV

Media Coverage
Articles regarding Project Attrition and the attrition issue have been featured in several trade and consumer publications throughout the summer and fall of 2003. More articles will be published in December 2003 and January 2004 following the issuance of the final report and the results of the surveys. These publications featured Project Attrition (some on multiples occasions):
- Convene
- Meeting News
- Association Meetings
- Medical Meetings
- The Wall Street Journal
- Forbes
- Business Week
## APPENDIX B: PROJECT ATTRITION DECISION-MAKING MATRIX

<table>
<thead>
<tr>
<th>Attrition Tool</th>
<th>Who is Impacted</th>
<th>Likelihood of Success</th>
<th>Tips</th>
<th>Concerns to Anticipate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check web sites regularly for ROCH (Rooms outside of Contracted Hotel Block) and ROB (Rooms outside of the Group Block within a Contracted Hotel)</td>
<td>Event organizer</td>
<td>Required</td>
<td>Without knowing what the attendees are seeing, it is difficult to develop or modify incentives. If the event-contracted hotel is offering lower rates on its website, ask to have the rates closed. Keep copies of screen shots of the event-contracted hotel's website if it is offering lower rates over the event dates. This could help in negotiating if the organization incurs an attrition fee.</td>
<td>Every event organizer should anticipate hotels' offering lower rates. If this is not anticipated, the event organizer may be doomed.</td>
</tr>
<tr>
<td>Utilize contract language confirming a hotel guest room inventory review and the receipt of credit for guest rooms utilized at the event-contracted hotel but outside of the event-contracted block.</td>
<td>Event organizer</td>
<td>Required</td>
<td>Always put this in writing in your contract. This strategy should not be optional!</td>
<td>If the hotel doesn't agree to compare the event's registration list with the hotel guest list and will not provide credit for guest rooms found outside of the event-contracted block, then select another hotel.</td>
</tr>
<tr>
<td>Eliminate Attrition charges from your hotel contracts</td>
<td>Event organizer</td>
<td>Very High</td>
<td>The contract MUST specify that the organization is NOT liable for the unused guest rooms.</td>
<td>It is very rare that a hotel would agree to this strategy. Do not expect this unless the event is planned in the off-season, in a city with over-supply and/or during a down economy. Even with those conditions present, it will be difficult to avoid an attrition clause.</td>
</tr>
<tr>
<td>Negotiate rock bottom rates</td>
<td>Event organizer</td>
<td>Required</td>
<td>It is difficult to negotiate rock-bottom rates for events that are contracted years in advance unless the event is planned in the off-season, in a city with over-supply and/or during a down economy.</td>
<td>This strategy does not motivate people to stay in the event-contracted hotel. 4-star hotels with function space generally cannot compete with 3-star hotel prices.</td>
</tr>
<tr>
<td>Reserve small guest room blocks at many hotels</td>
<td>Event organizer</td>
<td>Average</td>
<td>This strategy may cause the group to be spread out throughout the city and it may lose its sense of unity or social togetherness.</td>
<td>Attendees may not use all of the hotels and it may cause the organization to incur many small attrition charges. This strategy will not guarantee that attendees will stay in the event-contracted hotels.</td>
</tr>
<tr>
<td>Secure a smaller block of guest rooms than your group historically utilizes</td>
<td>Event organizer</td>
<td>Average</td>
<td>This strategy may only be effective if the event is planned in the off-season, in a city with over-supply and/or during a down economy.</td>
<td>This strategy diminishes the value of the event to the hotels and convention center. The organization may be vulnerable when the economy rebounds and/or when the city's guest room demand exceeds its supply.</td>
</tr>
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<tr>
<td>Do not block any guest rooms</td>
<td>Event organizer</td>
<td>Problematic</td>
<td>This strategy may only be effective if the event is planned in the off-season, in a city with over-supply and/or during a down economy. The organization will lose its comps and other benefits.</td>
<td>Hotels typically will not reserve function space for groups without guest rooms until 3-6 months prior to arrival. The organization may be vulnerable when the economy rebounds and/or when the city’s guest room demand exceeds its supply.</td>
</tr>
<tr>
<td>Compare the event’s registration with the hotel guest list early and often.</td>
<td>Event organizer</td>
<td>Low</td>
<td>This is a strategy that should ALWAYS be done. However, without an incentive to stay in the event-contracted hotel, the organization’s efforts to get the attendee to reserve a room at the event-contracted hotel may be ineffective.</td>
<td>Event organizers should always follow this strategy. It will help the event organizer identify if the current plan of incentives and communication are working and will give the event organizer time to create greater incentives if the plan is not effective. The attendees may not be able to find any guest rooms available.</td>
</tr>
<tr>
<td>Provide extra “priority location” points to an exhibitor for each exhibitor guest room reserved and utilized though the event-contracted housing.</td>
<td>Exhibitors only</td>
<td>Very High</td>
<td>Explain the new process; communicate it early and often and always include the housing form at the end of the exhibitor registration form. Local exhibitor attendees are exempt.</td>
<td>A few exhibitors (usually less than 5%) may complain but after the first year the standard will be set.</td>
</tr>
<tr>
<td>Require a minimum of two guest rooms (through event-contracted housing) per 100 sq. ft of exhibit space</td>
<td>Exhibitors Only</td>
<td>Very High</td>
<td>Explain the new process; communicate it early and often and always include the housing form at the end of the exhibitor registration form. Local exhibitor attendees are exempt.</td>
<td>While there may be some resistance in the first year, do not expect much resistance if the process and reason are explained well. In future years this should not be an issue.</td>
</tr>
<tr>
<td>Deny Freight at the convention center if an exhibitor did not utilize event-contracted housing</td>
<td>Exhibitors Only</td>
<td>Very High</td>
<td>Explain the new process; communicate it early and often and always include the housing form at the end of the exhibitor registration form. Local exhibitor attendees are exempt.</td>
<td>This is an aggressive strategy, but groups that have used it, swear by it, and they received few exhibitor complaints.</td>
</tr>
<tr>
<td>Offer free exhibit name badges to exhibitors that utilized event-contracted housing. All others exhibitors should pay a significant fee for badges.</td>
<td>Exhibitors only</td>
<td>High</td>
<td>The price of the name badges should be high for exhibitors that did not utilize the event-contracted housing. This strategy is best utilized in conjunction with other exhibitor incentives.</td>
<td>There should be a minimal amount of resistance in the first year. This should not be considered a deterrent to exhibit.</td>
</tr>
<tr>
<td>Create sponsorship or exhibitor packages with a range of guest room nights at an event-contracted hotel.</td>
<td>Exhibitors/ Sponsors</td>
<td>High</td>
<td>Provide a list that describes what is included in each package and specify the number of guest room nights required for each package.</td>
<td>Initially, the sponsor packages may appear pricey. Be sure to highlight the guest rooms required and price the packages appropriately.</td>
</tr>
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<tr>
<td>Require sponsors to stay in an event-contracted hotel and outline the benefits for each sponsorship level.</td>
<td>Sponsors</td>
<td>High</td>
<td>Communicate in advance -- many times-- that sponsors are required to stay at an event-contracted hotel.</td>
<td>Sponsors represent a small group but it is only fair that they have the same requirements as the rest of the exhibitors and attendees.</td>
</tr>
<tr>
<td>Provide free attendance to certain meal or reception functions to individuals that stay in an event-contracted hotel.</td>
<td>Exhibitors primarily</td>
<td>Average</td>
<td>This strategy should be bundled with other incentives.</td>
<td>Allow those not using event-contracted housing to purchase tickets to these functions.</td>
</tr>
<tr>
<td>Allow exhibitors to have any size block as long as they sign a modified hotel contract for the guest rooms. Attrition will be the responsibility of the exhibitor.</td>
<td>Exhibitors Only</td>
<td>Average</td>
<td>Some associations limit exhibitor guest room blocks and are causing large exhibitors to utilize non-event-contracted hotels. This strategy would help alleviate this trend.</td>
<td>It is important with this strategy to offer the exhibitors the comp room credits in exchange for their accountability for their guest room block.</td>
</tr>
<tr>
<td>Offer the opportunity to distribute gifts and/or materials in guest rooms to sponsors that utilize event-contracted housing.</td>
<td>Exhibitors/ Sponsors</td>
<td>Average</td>
<td>This appeals to a limited size group. Tell sponsors about this option up-front before they sign an agreement for a sponsorship or exhibition.</td>
<td>Some resistance is possible but you shouldn't lose a sponsor or exhibitor over this strategy. The value to exhibit or sponsor should outweigh the desire to stay outside the event-contracted hotel.</td>
</tr>
<tr>
<td>Offer free attendance to educational sessions (or certain sessions) to individuals who utilized the event-contracted housing</td>
<td>Exhibitors primarily</td>
<td>Below average</td>
<td>This strategy should be bundled with other incentives.</td>
<td>None</td>
</tr>
<tr>
<td>Internet Café Banners</td>
<td>Exhibitors Only</td>
<td>Low by itself</td>
<td>This strategy must be bundled with other items to create real dollar value to the exhibitors.</td>
<td>If an organization is already generating significant income from Internet Café Banners, this strategy would not be effective. If Internet Café Banners are not a source of income, then this strategy would have value to exhibitors.</td>
</tr>
<tr>
<td>Deny registration to individuals that do not have a guest room reservation at the event-contracted hotel.</td>
<td>Exhibitors and attendees</td>
<td>The highest</td>
<td>Establish special conditions for student attendees, individuals that are local and for individuals that purchase ‘day only’ passes.</td>
<td>There may be some resistance unless the attendees do not have other opportunities for education and exhibition. This strategy works primarily in markets where the guest room price is not an issue.</td>
</tr>
<tr>
<td>For events that utilize busing, require attendees to show a guest room key from an event-contracted hotel prior to loading the bus.</td>
<td>Exhibitors and attendees</td>
<td>Average</td>
<td>Imprinted guest room keys at event-contracted hotels or colored wristbands are very effective and provide a sponsorship opportunity. You may also sell tickets for bus transportation to guests not staying at an event-contracted hotel. Do not offer the tickets at a low price!</td>
<td>Assign volunteers to assist with checking the room key as attendees board the buses at the hotels and the convention center. Perhaps hotel bellmen may assist with checking as well.</td>
</tr>
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<tr>
<td>Ask Hotel to offer F&amp;B coupons or incentives for hotel amenities such as business center, internet access and health club. Enlist the hotel's help with the marketing of these incentives to attendees.</td>
<td>Exhibitors and attendees</td>
<td>Below average</td>
<td>This strategy provides &quot;soft dollar&quot; incentives that will not appeal to all attendees. Bundle this strategy with other incentives.</td>
<td>Without real dollar incentives, this strategy may be disappointing.</td>
</tr>
<tr>
<td>Bundle benefits like discounts</td>
<td>Exhibitors and attendees</td>
<td>Low to average</td>
<td>Get Hotel discounts for the restaurant, spa, and high speed Internet, etc.</td>
<td>The discounts must be more than 3 times the value of the hotel guest room savings before it is perceived as equal.</td>
</tr>
<tr>
<td>Require an advance, non-refundable deposit if people book through the event-contracted housing</td>
<td>Exhibitors and attendees</td>
<td>Low to average</td>
<td>Explain this well in advance</td>
<td>Remember that this does not make the event-contracted housing a better deal. Instead, it imposes penalties that non-event-contracted hotels don't.</td>
</tr>
<tr>
<td>Provide drawings for unused comps or a lottery for prizes as an incentive to utilize the event-contracted housing.</td>
<td>Exhibitors and attendees</td>
<td>Low</td>
<td>This strategy requires a lot of promotion to establish value to the attendee.</td>
<td>This strategy may not be effective. When an attendee is faced with a choice between a 1 in 800 chance of winning OR saving $100-$200 at another hotel, the money wins every time.</td>
</tr>
<tr>
<td>Utilize existing email hotel marketing and make it personalized to demonstrate the value of staying at the event-contracted hotel.</td>
<td>Exhibitors and Attendees</td>
<td>Low</td>
<td>Utilize existing hotel e-marketing but personalize it to your attendees. List the lost benefits and the additional costs of staying outside the conference hotel, taxi, parking or rental car, lack of access to hotel, and diminished networking.</td>
<td>Not all hotels are capable of developing this email. The attendee may be inundated with email blasts, telemarketing or direct mail. Conference organizers need to be aware of the number of times the association member will be contacted. You do not want this to be perceived as SPAM.</td>
</tr>
<tr>
<td>Provide badge recognition for the individuals that utilized the event-contracted housing. Bundle the other benefits including: Fast passes to avoid lines, special collector pins, password protected access to handouts, notes from group leaders, complimentary continental breakfast at hotels, early bird benefits offered for on-site registration.</td>
<td>Exhibitors and Attendees</td>
<td>Low</td>
<td>The benefits in this strategy are &quot;soft dollar&quot; benefits or are directed at appealing to &quot;pride&quot;. This strategy is best used with incentives that have real dollar advantages to the attendees and exhibitors.</td>
<td>Do not rely on incentives that don't compare to the money that can be saved by not utilizing the event-contracted housing. Money has value and soft perks may have a narrow appeal.</td>
</tr>
<tr>
<td>Show only event-contracted hotels on area maps</td>
<td>Exhibitors and Attendees</td>
<td>Low</td>
<td>Ask the hotel to provide the F&amp;B on a complimentary or cost basis.</td>
<td>Attendees will find other hotels if there is not a real dollar incentive to utilize the event-contracted housing.</td>
</tr>
<tr>
<td>Provide a special cocktail party or continental breakfast for the individuals staying in an event-contracted hotel.</td>
<td>Exhibitors and Attendees</td>
<td>Low to No</td>
<td></td>
<td>It takes 3 times as many &quot;freebee&quot; dollars to equate to the real value of saved cash. The value of the events may not be enough.</td>
</tr>
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<tr>
<td>Educate the exhibitors and attendees about the attrition problem and request that they stay in the event-contracted hotel for the benefit of the association. Send a letter from the President of the association or corporation.</td>
<td>Exhibitors and attendees</td>
<td>Very low</td>
<td>Few people put loyalty above their financial concerns. This has been tried many times and each time it failed if an incentive was not provided to the attendees.</td>
<td>Never use this solution as the only incentive. This is a great first step and the message should be communicated to the members and exhibitors several times during the year.</td>
</tr>
<tr>
<td>Publication discounts</td>
<td>Exhibitors and attendees</td>
<td>Very low</td>
<td>The hotel promotion should be bundled with real cash savings and/or a cash incentive to stay at the event-contracted hotel. Every property has its own advantages. A lower price is the ultimate advantage.</td>
<td>Promoting the hotel is not an effective stand-alone solution. Many hotels are very helpful with the promotion, but don't be deceived that this is enough on its own.</td>
</tr>
<tr>
<td>Promote the benefits of staying in the event-contracted hotel.</td>
<td>Exhibitors and attendees</td>
<td>Low to none.</td>
<td>The hotel promotion should be bundled with real cash savings and/or a cash incentive to stay at the event-contracted hotel. Every property has its own advantages. A lower price is the ultimate advantage.</td>
<td>Promoting the hotel is not an effective stand-alone solution. Many hotels are very helpful with the promotion, but don't be deceived that this is enough on its own.</td>
</tr>
<tr>
<td>Provide discount airport shuttle coupons, restaurant discounts and other discounts/coupons.</td>
<td>Exhibitors and Attendees</td>
<td>None</td>
<td>This is only of value if it is bundled with other much more valuable concessions</td>
<td>If organization is funding the discounts, then without other incentives this will be a waste of the organization's operating capital.</td>
</tr>
<tr>
<td>Increase the registration fee and then ask the hotel to decrease the guest room rate. The organization pays the hotel the difference via the master account.</td>
<td>Exhibitors and attendees</td>
<td>Untried</td>
<td>In order to be effective, the registration fee must be raised at least $40 for every night of the peak nights of the event. For instance if a convention has 4 peak nights, raise the registration fee by $160 and lower the rate guest room rate by $30 per night, (the $10 difference will help cover the lost guest room revenue on the shoulder nights).</td>
<td>If the registration fee is already perceived as high, this may not be an effective strategy.</td>
</tr>
<tr>
<td>Provide a Registration fee discount of $100-$150 for each guest room reserved and utilized through the event-contracted housing.</td>
<td>Primarily attendees</td>
<td>The highest</td>
<td>Publish a registration fee that is $100-$150 higher than the fee the previous year and make a big deal about the discount. Publicize this strategy and the reason behind it well in advance and often.</td>
<td>The event organizer will need to establish a means to verify that the guest room was actually utilized, i.e. check guest room keys at event registration. Exceptions should be provided for attendees that purchase one-day passes and/or live locally.</td>
</tr>
<tr>
<td>Offer early bird guest room rates with a 60-75 day guest room cut-off. The savings must be more than $20 per night in order to be effective.</td>
<td>Attendees</td>
<td>Moderate</td>
<td>Negotiate with the hotel that an early bird rate and discount will help increase the rate at which the guest rooms are reserved in the group block. In the end, the discount offered upfront would be a smaller discount than would be needed to sell unsold rooms less than 30 days prior to arrival.</td>
<td>In order to receive the early bird discount rate from the hotel, the event organizer may need to concede some concessions. If the attendees historically make their guest room reservations last minute, this may not be an effective strategy.</td>
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<tr>
<td>Allow attendees access to &quot;Tradeshow Reporter&quot; the ExpoExchange tool that provides post-show reports that attendees can share with others.</td>
<td>Attendees</td>
<td>Low by itself</td>
<td>This benefit should be bundled with other &quot;perks&quot;.</td>
<td>Contact ExpoExchange to discuss how and when this solution may be utilized.</td>
</tr>
<tr>
<td>Threaten to increase membership dues and/or reduce member services so that the organization may offset attrition fees.</td>
<td>Primarily attendees</td>
<td>Average</td>
<td>This strategy requires a lot of education and communication to the membership.</td>
<td>This strategy may not be effective for organizations with a lot of competition and/or for organizations that have very price sensitive members.</td>
</tr>
<tr>
<td>Discount pre/post-event seminars</td>
<td>Primarily attendees</td>
<td>Low</td>
<td>This strategy requires a lot of marketing to convey the dollar value to the attendees.</td>
<td>For organizations with attendees that customarily do not attend these sessions, there will be very little impact from this strategy.</td>
</tr>
<tr>
<td>Attendees that stay in an event-contracted hotel will receive priority seating at sessions.</td>
<td>Primarily attendees</td>
<td>Low</td>
<td>This solution works best when it is bundled with other incentives.</td>
<td>Provide attendees with advance and frequent notice of the advantage for staying at an event-contracted hotel. Organizations will need to provide room monitors at each door to enforce the policy. This strategy is easy to offer and will generate very little resistance from attendees that are not staying at an event-contracted hotel.</td>
</tr>
</tbody>
</table>
This template is a product of the Convention Industry Council’s Project Attrition.

This tool, Template 1, and three other templates were designed to assist the professional event and trade show organizer and industry suppliers in managing today’s number one problem, attrition. This timeline is for an event to be conducted in the next year and an attrition fee is anticipated. This timeline offers a series of tactical suggestions designed to help minimize potential attrition and maximize the utilization of event-contracted guest room blocks.

13 Months and More Prior to Arrival
- Establish a strategic plan to minimize attrition as far in advance as possible; the plan should provide attendees incentives with monetary value to make a guest room reservation inside the contracted guest room block.
- Review exhibitor policies; add or enhance incentives with monetary value for exhibitors to make guest room reservations inside the block.
- Review all signed hotel contracts for upcoming years.
- If, based upon current trends and recent history, the block needs to be adjusted and/or reduced, contact the hotel immediately. One or more years prior to arrival is the most opportune time to reduce a guest room block and thus reduce attrition liability. With a year or more notice, the hotel may have the opportunity to resell rooms.
- If the guest room block in the signed contract is in line with current trends and recent history, review the rest of the contract and communicate to the hotel any changes and/or updates in the organization’s policies and procedures (i.e. changes in registration procedures, enhanced technology enabling one-stop shopping for housing and registration, etc.).
- Set target dates to review guest room pickup beginning with the date guest room registration opens.
- Review all marketing opportunities for the organization to partner with the host hotel(s) to encourage attendees to secure a guest room at the event-contracted hotel(s). Plan to communicate multiple messages to the attendees prior the reservation cutoff date.
- Provide value-added commodities to attendees that reserve a guest room at the event-contracted hotel(s) (i.e. car rental discount, ground transportation discount, tickets to special events in the host city, etc.).

4 – 6 Months Prior to Arrival
- Prior to registration opening, establish a process to track registered attendees who have not made a guest room reservation at the event-contracted hotel(s).
- Open guest room housing.
- Schedule to review guest room pickup on a bi-weekly basis (or other time frame that meets the needs of the organization and hotels) with the event-contracted hotel(s).
- Monitor event-contracted hotel(s) web sites for guest room rates advertised over the event dates that are lower than the event’s guest room rate.
- Call event-contracted hotel’s toll free telephone number for central reservation systems and audit the event-contracted rate and other promotional rates over the event dates.
- Distribute several messages promoting the event-contracted hotel(s) and the benefit of staying at the event-contracted hotel(s) to the potential attendees via fax, email, e-newsletters and/or direct mail.
- Create a pace report. Track guest room pickup of the current year and compare it with the previous year on a weekly basis.
- In the event guest room pickup is below the previous year, contact the event-contracted hotel(s) immediately and ask to release guest rooms if necessary. It is best to communicate with the event-contracted hotel(s) as soon as possible.
- Review other vendor contracts that are affected by attendance. Confirm or revise the contracted numbers accordingly. Examples of other vendors include transportation companies and outside caterers.

2 – 4 Months Prior to Arrival
- Schedule to review guest room pickup on a weekly basis with the event-contracted hotel(s).
- If guest room pickup is below pace (and expectations), increase the marketing efforts to the targeted audience (email blast, etc.).
Obtain guest list of reservations inside the group block at the event-contracted hotel(s). Identify registered attendees who do not have a guest room reservation at the event-contracted hotel(s) and call them.

Continue to monitor event-contracted hotel’s web sites and toll free number for central reservations for guest room rates advertised over the event dates that are lower than the event’s guest room rate.

Analyze the registration and reservations of the event exhibitors. If required, assess the collection of pre-payments and/or deposits.

In the event the guest room pickup pace is down, contact the event-contracted hotel(s) immediately and ask to release guest rooms if necessary. It is best to communicate with the event-contracted hotel(s) as soon as possible. At this stage, the organization should be prepared to reduce the contracted meeting space proportionately to the reduction in the contracted guest room block.

1 – 2 Months Prior to Arrival
- Continue to review guest room pickup on a weekly basis with the event-contracted hotel(s).
- Continue marketing efforts to the targeted audience.
- The guest room reservation cutoff date is usually between 3-5 weeks prior to the first day of the event.
- If necessary, ask the event-contracted hotel(s) if it is possible to extend the reservation cutoff date.
- If the reservation cutoff date is extended, ask the hotel if it will continue to accept the contracted room rate.
- Be prepared to review overall room pickup and the potential of attrition liability.
- Ask the event-contracted hotel if it will consider a fire sale (the promotion of a last minute guest room rate significantly below the event-contracted rate). Ensure that the group will get credit for guest rooms reserved in this rate category. This is a fairly new concept that many hotels may be unfamiliar with. It will probably require discussion.

30 Days and Fewer Prior to Arrival
- Schedule to review guest room pickup twice a week or as needed with the event-contracted hotel(s).
- Prepare an attendee evaluation for distribution on site that specifically addresses attendees’ guest room usage.
- Finalize planning details for the event (Specifications Guide, etc.)
- Continue to follow the recommendations outlined above.
- Replace cancelled reservation with new bookings.

On-Site
- Schedule a meeting separately from the pre-event meeting to discuss any issues surrounding the guest room pickup and attrition liability.
- Ensure the focus of the pre-event meeting is on the event and the attendees’ expectations and needs.
- Conduct a daily meeting with the designated hotel individual(s) to review previous night’s guest room pickup, cancellations, and no-shows.
- Conduct a daily meeting with the designated hotel individual(s) to compare the event registration list with the hotel’s guest list. The organization should receive credit for guest rooms reserved outside of the event-contracted block.
- Distribute attendee evaluation and promote its importance to attendees. Try to collect as many completed evaluations as possible. Make daily announcements encouraging attendees to complete the evaluation.

Post-Event
- Conduct a hotel audit with the designated hotel individual(s) comparing the event registration list with the hotel(s) guest list. The organization should receive credit for guest rooms reserved outside of the event-contracted block.
- Collect final pickup report(s) from the event-contracted hotel(s). This will be the final guest room history report for the event.
- Compile attendee evaluations.
- Compare the guest room pickup to the contract for the following year. Make any necessary changes to the guest room block at the event-contracted hotel(s).
APPENDIX D: TEMPLATE – EVENT ORGANIZER TIMELINE FOR EVENTS WITHOUT A SIGNED CONTRACT continued

APPENDIX D: PROJECT ATTRITION TEMPLATE 2 – EVENT ORGANIZER TIMELINE FOR EVENTS WITHOUT A SIGNED CONTRACT

This template is a product of the Convention Industry Council’s Project Attrition.

This tool, Template 2, and three other templates were designed to assist the professional event and trade show organizer and industry suppliers in managing today’s number one problem, attrition. This template is intended to assist the meeting professional and trade show organizer in preparing to enter new contract negotiations for meetings, conventions and exhibitions to be planned in the future. It also suggests a series of specific tactical approaches in building long-term commitments and managing data about attendee and exhibitor habits and behavior. These efforts will assist meeting professionals in understanding the value of good data for future hotel contract negotiations.

Pre-Site Selection

- From all levels of management in the organization, ensure the understanding about the event’s attendee guest room reservation patterns and secure a commitment to implement policies to limit the organization’s attrition liability.
- Invest time to research the past guest room reservation patterns of attendees. Identify the percentage of attendees that make guest room reservations within the official group block at the event-contracted hotel, the percentage of attendees that make guest room reservations inside the event-contacted hotel, but outside of the official group block and the percentage of attendees that make reservations outside of the event-contracted hotel.
- Calculate the organization’s strengths and the event’s financial worth to facilitate sound hotel and destination negotiations. Create a report that outlines the revenue generated by the event (guest room revenue, group food and beverage revenue, transportation revenue, etc.).
- Be able to provide accurate guest room history (ideally include all statistics – guest room reservations at cutoff, guest rooms actually utilized, the percentage of no-shows and cancellations and a pace report).
- Research cities that can accommodate the event with respect to exhibit space, meeting space, guest rooms inventory, proximity of hotels to the convention center (if needed), airlift, climate, etc. Evaluate the cities that meet the event needs (logistics) and the attendees’ preferences.
- Ask for references from like organizations from the city’s convention & visitors bureau (CVB). Contact the references and ask about their experience with the city, negotiations, contracts, and the final event. Try to identify intangibles that may affect guest room pickup.
- Deliver RFP’s (Request for Proposal) to targeted hotels and cities.
- Research other groups in town during preferred time (contact the destination’s convention & visitors bureau).
- Research the room rates paid by other groups for prior years during same timeframe (contact the destination’s convention & visitors bureau).
- Assemble and provide a preliminary conference schedule (usually based on most recently completed conference, unless there will be significant changes, i.e. increase or decrease by a day, lengthening or shortening of exhibitor hours, etc.).
- Inform attendees and exhibitors about the importance of booking inside the official group block. Explain all financial implications to the association and future implications to the attendee.

After Site Selection is Completed

- Solicit approval from the Board or appropriate group on the site recommendation based on the information gathered during site inspections.

Contracting

- Resist signing hotel contracts with attrition clauses (if possible).
- If an attrition clause is unavoidable, secure understanding on the formula for determining attrition, when it applies and what the cost can potentially be to the organization. Understand how the calculation will be made, i.e. total guest room usage per night or on an accumulated basis.
- Secure commitment from the hotel(s) in the contract that the organization will receive credit for guest rooms utilized in the hotel but outside of the official group block.
Secure commitment from hotel(s) for a post-event audit of the group registration list and the hotel in-house guest list. Reach an agreement and an understanding of when the audit will be conducted. Correlate audit date with any specified due date for an attrition payment, if one is due. Negotiate the cost of an audit.

Secure a commitment from hotel(s) that they will not offer a lower room rate than group rate over the dates of your meeting other than those they have existing commitments to, i.e. government, corporate, airline, AARP, etc., Do not allow internet fire sales.

Obtain commitment that the hotel(s) will not walk attendees who reserve a guest room within the official group block.

Provide documentation of past history to include guest room pickup and the financial value of group.

Be aware of what concessions you want and ask for them.

Expect the meeting vendors have done their homework on your meeting before you begin negotiations. Be sure you know what you bring to the table.

Understand there is a balance between hotel rate and concessions - know that at some point, the more concessions you get the higher your rate is going to be in order to cover the cost of items such as turn-down service, VIP amenities, incentives, etc. Establish priorities long before negotiations begin.

Determine policies for group, i.e. reservation method, payment method, etc.

Seek commitment from the hotel(s) to oversell by an agreed upon percentage and include it in contract to account for historical slippage after cut-off.

Provide hotel(s) with all meeting data and seek joint marketing and promotional partnership for the meeting. Demonstrate changes in policies and procedures designed to motivate attendees to book inside the official group block.

Seek support from legal counsel prior to executing agreements.

Planning (Which Includes Managing the Group Block, Registration, Housing and Reporting)

Determine a mutually agreeable schedule to meet with the hotel contact once registration opens to review guest room pickup, i.e. once a month, once a week, daily, etc.

Make adjustments to the guest room block as appropriate based on trends identified through data collection.

Determine if meeting space will be adjusted due to guest room slippage and/or if meeting room rental will be charged.

Review group guest room pickup to date and compare to last year’s pickup and previous years at the same time. Are there obvious and identifiable trends requiring amendments to existing procedures?

Review hotel inventory and meeting space being held relative to guest room pickup on a regular basis once registration opens.

Develop a timeline relative to critical dates, i.e. registration opening, cut-off date, date to release guest rooms without incurring a penalty, etc. and share with appropriate parties.

Offer an on-line registration method for people with Internet access to register for both the hotel and the meeting (in this case, the organization or third party housing bureau would provide guest room pickup reports to hotel).

If on-line registration is not an option, provide another method of registration that would provide “one-stop” shopping by combining meeting registration and housing.

Beware of “predator” firms; institute policies requiring the organization to review all pre-event mailings by exhibitors or new members. Ensure companies are whom they say they are, i.e. use Internet to verify new or unheard of exhibitors.

Spot check related web sites and 800 numbers to ensure the integrity of the contracted guest room rate.

Track in-coming registrations that do not include a housing request.

Follow-up on registrations that do not include housing via email, fax or phone (order of preference).

If necessary, determine why attendees are not securing guest rooms at contracted hotel(s).

Continue to accept reservations past cut-off date to offset cancellations and to minimize slippage of the guest room pickup.

Have a pre-determined policy for wait listing options.

Send email blasts (as necessary) to past and potential attendees encouraging them to make guest room reservations within the official group block.

Educate the attendees through newsletters, email, faxes, by explaining the financial liability the organization faces when attendees stay outside the official group block and outside the event-contracted hotel(s).

Allow exhibitors to reserve guest rooms based on actual pickup from the prior year and make adjustments only if booth size increases or decreases.
Continue to accept housing requests after the cut-off date if the guest room block is not filled (requires hotel approval; negotiate in the hotel contract if possible; depends on guest room availability).

Continue to communicate guest room availability via blast emails, faxes to membership after the cut-off date (requires hotel approval; negotiate in the hotel contract if possible; depends on guest room availability).

State clearly what portion of the registration fee (if any) can be refunded if an individual cancels and specify the date the cancellation must be communicated in order to receive a refund.

Make a series of daily or weekly reminders to yourself of the date the organization can release guest rooms without penalty in an obvious way, i.e. pop-up note on computer, calendar notations, etc. and back that up 30 days to make a daily, bi-weekly last-push effort to fill the group block at host hotel(s) via blast emails, faxes and/or telephone calls.

Monitor the guest room pickup right up until the last night of the event.

Advise the CEO, Board of Directors and other financial officers, of any attrition clause and potential risk associated with the hotel contracts.

Use an attrition clause as leverage with the CEO and Board of Directors to justify why changes might be necessary in the registration processes and procedures for the meeting.

**Marketing**

- Publicize to potential attendees/membership why they should stay at the event-contracted hotel(s).
- Explain the organization’s financial liabilities to the targeted audience through all available resources, i.e. newsletters, organization’s web site, blast emails, faxes, etc.
- Promote the value of staying at the event-contracted hotel(s), i.e. networking opportunities, ease of access to functions, guarantee from event-contracted hotel(s) who book within the official group block will not be walked.
- Communicate the repercussions if the organization incurs attrition fees, i.e. reduction of member services, higher dues, higher registration fees, etc.
- Associate the meeting experience and the hotel experience, make the total experience what the attendees’ want. As long as a guest room usage is seen as just a commodity, there will always be cheaper places to stay.
- Create a “buzz” around staying at the event-contracted hotel(s). Below is a list of options to offer:
  - Offer a discount if the attendee stays “x” number of nights.
  - Offer the attendee double points (in a frequent traveler program – with approval from the hotel).
  - Create a drawing – for every night the attendee stays at an event-contracted hotel, his/her name is entered into a drawing for a complimentary guest room and/or complimentary meeting registration for the next year’s meeting.
  - Give a prize to the 500th guest to check-in (make sure this is in compliance with any company, federal or state regulations, depending on the group).
- Make sure value-added services negotiated in the event-contracted hotel(s) contract are well publicized in the written and printed collateral sent out by the organization, i.e. complimentary health spa usage, reduced or free internet and long distance rates, etc.
- Negotiate a special rate with a rental car provider for attendees who book within the official group block and add that to promotional materials.
- Encourage housing at event-contracted hotel(s) by offering a reduction in on-site meeting registration rate and/or extended hours for picking up registration materials. In addition, ask the event-contracted hotel(s) to imprint the organization’s logo (very minimal cost) on guest room keys and when an attendee presents the key in designated area, they are queued in separate, faster lines for services, like shuttles or entrance to the exhibition, etc.
- Require an imprinted logo key, badge sticker or other identifying object, in order to have access to official transportation shuttles, or other services offered by the organization for attendees who stay at an event-contracted hotel and in the group block.
- Solicit and provide incentives to exhibitors; create a point system for booth placement in succeeding years for those who stay at an event-contracted hotel and in the group block.
- Consider policies that associate freight and move-in policies to exhibitors who stay at an event-contracted hotel and in the group block.
- Make all parties aware of “Predator” companies – usually travel agencies who seek membership or to exhibit at your trade show, thereby gaining access to an attendee or pre-registration list. In turn these companies utilize the association name in soliciting attendees to reserve guest rooms through their service. This is an unethical business practice occurring in several cities today. Consider establishing policies on pre-event mailings requiring approval prior to distribution. If a predator firm is identified, seek
any and all legal remedies and prosecution.  
- Make attendees aware of potential problems they can encounter at non-sanctioned hotels, i.e. no recourse for lost or cancelled reservations, they can be walked, poor quality of hotel guest rooms, poor service, no shuttle access, etc.  
- Let attendees know there is no recourse for them through the organization for any “wrongs” when guest rooms are booked through predator companies.  
- Use every means available to communicate the benefits to the attendee who stays at an event-contracted hotel and in the group block.  
- Begin the marketing campaign for the next year’s meeting upon commencement of the current meeting, announce the site, provide preliminary registration and event-contracted hotel(s) information.  
- In the post-event survey, ask the attendee if he/she stayed at an event-contracted hotel and why, or why not?  
- Add an incentive to complete the survey (again, compliance with any company, federal or state regulations).

Partnering / Co-Sharing of Action Items
- Coordinate calendars to create regularly scheduled meetings between event organizer and hotelier and bureau.  
- Determine when reports will be produced, reviewed and shared between the parties for monitoring of the guest room pickup and meeting space.  
- Request that the event-contracted hotel(s) and bureau take an active and direct role in marketing the event-contracted hotel(s) to the association members, i.e. provide marketing pieces in the organization’s newsletter, blast email and faxes to membership.  
- Request event-contracted hotel(s) and bureau promote your meeting on their web site(s); include the meeting dates and value-added services, etc.  
- Determine appropriate times to release guest rooms back into the hotel inventory for sale if the guest room pickup is slow (not lower than the group rate).  
- Determine if a “fire-sale” is appropriate if organization appears to be heading in the direction of paying attrition, this might be at 30 days out or 21 days out or 14 days out, etc.  
- Begin the audit process (in the contract) immediately upon group check-out in order for the group to capture any guest rooms that may have been reserved outside of the group block.  
- Discuss guest room pickup at a separate time from the pre-event meeting once on-site. so the focus of the pre-event meeting stays on servicing the group.  
- Discuss strategies that worked or did not work in filling the official group block and reducing attrition penalties upon conclusion of meeting, at a time separate from the post-event meeting.  
- Post-Event:  
  o Retrieve a guest room pickup report on a night-by-night basis from the event-contracted hotel(s).  
  o Review the contract for the next year’s meeting (and beyond) and revise the guest room block if necessary, immediately (if more than 10% slippage and reason not due to significant change in economic climate or heightened security levels resulting in attendees being reluctant to travel).  
  o Send thank you letters/notes along with updated attendee list to exhibitors along with preliminary information for the next year’s show; if there was an increase in attendance, be sure to highlight that information.  
  o Tally and review the post-event survey from attendees to help determine why attendees may have booked outside the event-contracted hotel and/or outside of the official group block.
This template is a product of the Convention Industry Council’s Project Attrition.

This tool, Template 3, and three other templates were designed to assist the professional event and trade show organizer and industry suppliers in managing today’s number one problem, attrition. This timeline is for hotel sales and service personnel and is designed to assist in managing the communication process with customers during the next year. It also suggests tactical approaches on how the hotel professional can assist his/her customer in marketing the upcoming meeting, minimizing potential attrition, and maximizing event profit for the hotel.

13 Months and More Prior to Arrival
- Review all signed hotel contracts for upcoming year(s); secure historical data from the most recent meeting and compare it to the contracted guest room block for the future meeting.
- Assuming the risk of attrition, get all hotel executives involved including the General Manager and the organizational leadership and attain everyone’s awareness of the attrition potential. Get everyone involved in implementing strategies to make the meeting a success.
- Commit a plan to paper. Write a joint business/marketing plan detailing strategy and tactical plans leading up to the meeting.
- Initiate discussion between the parties involved if the variance between the guest rooms used at the most recent annual meeting and the contracted guest room block is greater than 10%. Identify possible causes of the decline in guest room usage.
- Determine feasibility of allowing the client to oversell the group block (if other inventory is available) to compensate for slippage between cut-off date and meeting date (based on history).
- Discuss industry and/or membership trends that may impact attendance.
- Re-evaluate guest room block and/or meeting room space based on research.
- Present findings to client, review the difference between the guest room history and the future guest room block, and discuss the potential attrition liability.
- Offer recommendations on how to reduce the financial liability, i.e. reduce guest room block, and/or release some meeting space, etc.
- Determine if reductions in the guest room block and/or meeting space, impacts the negotiated concessions and/or other contractual items.
- Conduct in-market competitive research over the selected meeting dates to anticipate the attendees staying outside of the event-contracted hotel and official group block (Is the city busy or quiet? What rates are the competitive hotels offering?).
- Identify trends in the local market as well as trends in the industry that might effect the organization and their members’ perception of the rate.
- Discuss changes to the hotel contract and the rationale behind those changes and obtain agreement from the meeting professional in writing.
- If a signed contract is in line with current trends and recent history, confirm any changes and/or updates in policies or procedures, i.e. additional attendee marketing, incentives/or discounts for attendees confirming inside the official guest room block.
- Set target dates to review guest room pickup once registration opens.
- Review any marketing opportunities the hotel can partner with the organization and the convention & visitors bureau in getting attendees to reserve a guest room within the official guest room block and continue with this type of partnership until the meeting starts.

4 – 6 Months Prior to Arrival
- Prior to registration opening, have a process in place for identifying potential attendees who may try to make a guest room reservation outside of the official group block.
- When Registration opens:
  - Set up an internal schedule to meet on a bi-monthly basis (or timeframe that suits your needs) to review guest room pickup reports and cross-reference them with the registration reports.
  - Continue to market to the attendee the value of staying in event-contracted hotel(s) via applicable web sites, newsletters, blast emails.
  - Compare the guest room pickup on a weekly basis with the previous year’s pickup.
Communicate guest room pickup, emerging trends, etc. with the meeting professional.

Offer attendance marketing suggestions to the event organizer if the actual guest room pickup is slower than the historical guest room pickup (compare guest room pickup to the pace report).

2 – 4 Months Prior to Arrival

- Schedule weekly meetings with the meeting professional to review guest room pickup and registration reports.
- Address guest room block and/or meeting space changes as soon as possible with the meeting professional.
- Determine if it is necessary to release guest rooms from the group block.
- If the guest room block is reduced, determine if meeting space needs to be reduced as well.
- Continue to partner with meeting professional to promote the hotel to potential attendees.

1 – 2 Months Prior to Arrival

- Continue with weekly or bi-weekly meetings with meeting professional to review the guest room pickup reports.
- Continue to partner with meeting professional to promote the hotel to potential attendees.
- Cut-off date will likely fall in this time frame.
- Remind meeting professional of the cut-off date.
- Determine if it is possible to extend the cut-off date.
- Determine if the group guest rooms may continue to be sold at the group rate.
- If agreeable to meeting professional, allow attendees to call in their guest room reservations directly to the hotel.
- If it has not already, attrition clause will kick-in during this period, be prepared to:
  - Discuss with the meeting professional last minute efforts to fill the group block, i.e. negotiate a “fire sale,” with the understanding that guest rooms reserved at the “fire sale” rate would be credited to the group.
  - Outline in writing potential attrition fees for all parties at this time.

30 Days and Fewer Prior to Arrival

- Meet on an “as needed” basis with meeting professional sharing all applicable reports.
- Advise meeting professional of the guest room pickup and discuss registration pace and activity.
- If the cut-off date falls within this time frame, apply recommendations suggested above in the 1 – 2 months out time frame.
- Discuss (or continue to discuss) options that might help to mitigate some potential fees if the guest room block is not where it should be, i.e. resell released guest rooms and meeting space.
- Finalize specifications guide, etc. making any adjustments as necessary.
- Continue with best practices established over the previous 6 months.

On-Site

- Schedule a meeting separate from the pre-event meeting to discuss issues surrounding the guest room pickup.
- Keep the focus of the pre-event meeting on the group and their needs.
- Meet daily with the meeting professional (or their representative) to review the previous night’s guest room pickup to include cancellations, no-shows, etc.
- Meet daily with meeting professional to identify individuals that stayed in the hotel but outside of the official group block. The organization should receive credit for these individuals.

Post-Event/Final Bill Review

- Review the final bill with the meeting professional before his/her departure from the hotel.
- Discuss with the meeting professional attrition fees (if applicable).
- Review creative solutions to help reduce the total dollar amount involved, i.e. options regarding future bookings at the host property and/or other properties within the same hotel company.
- Complete hotel audit (if contract called for one) to ensure organization is credited for all possible guest rooms.
- Compile and provide the meeting professional with facts and figures for group history reference purposes.
This template is a product of the Convention Industry Council's Project Attrition.

This tool, Template 4, and three other templates were designed to assist the professional event and trade show organizer and industry suppliers in managing today's number one problem, attrition. This timeline is for convention & visitors bureaus (CVB) sales and service personnel and is designed to assist in managing the communication process with customers during the next year. It also suggests tactical approaches on how the CVB professional can assist his/her customer in marketing the upcoming meeting, minimizing potential attrition, and maximizing event profit for the destination.

13 Months and More Prior to Arrival

- Review all confirmed and contracted events for the upcoming year(s) and secure historical data from the most recent meeting and compare it to the contracted room block for the future meeting.
- Assuming the risk of attrition, get all executives involved including the Hotel General Manager(s) and the organizational leadership and attain everyone's awareness of the attrition potential. Get everyone involved in implementing strategies to make the meeting a success.
- Commit a plan to paper. Write a joint business/marketing plan in conjunction with the member hotel(s) and the client detailing strategy and tactical plans leading up to the meeting.
- Initiate discussion between the parties involved if the variance between the guest rooms used at the most recent annual meeting and the contracted guest room block is greater than 10%. Identify possible causes of the decline in guest room usage.
- Discuss industry and/or membership trends that may impact attendance.
- In partnership with member hotel(s) and the client, re-evaluate the guest room block and/or the meeting room space based on historical data.
- Present findings to client, review the difference between the guest room history and the future guest room block, and discuss the potential attrition liability.
- Offer recommendations on how to reduce the financial liability, i.e. reduce guest room block, and/or release some meeting space, etc.
- Determine if reductions in the guest room block and/or meeting space, impacts the negotiated concessions, convention center charges, and/or other contractual items.
- Conduct in-market competitive analysis over the selected meeting dates to anticipate the attendees staying outside of the event-contracted hotel(s) and official group block. (Is the city busy or quiet? What rates are the competitive hotels offering?).
- Identify trends in the local market as well as trends in the industry that might effect the organization and their members' perception of the guest room rate.
- Discuss changes to the convention center contract and the rationale behind those changes and obtain agreement from the meeting professional in writing.
- If signed contract is in line with current trends and recent history, confirm any changes and/or updates in policies or procedures, i.e. additional attendee marketing, incentives/or discounts for attendees confirming inside the official guest room block.
- Set target dates to review guest room pickup once registration opens.
- Review any marketing opportunities the bureau and member hotel(s) can partner with the organization in getting attendees to reserve a guest room within the official room block and continue with this type of partnership until the meeting starts.

4 – 6 Months Prior to Arrival

- Prior to registration opening, have a process in place for identifying potential attendees who may try to make a guest room reservation outside of the official group block.
- Registration opens.
- Set up an internal schedule to meet on a bi-monthly basis (or timeframe that suits your needs) to review guest room pickup reports and cross-reference them with the registration reports.
- Continue to market to the attendee the value of staying in event-contracted hotel(s) via applicable web sites, newsletters, blast emails.
- Compare the guest room pickup on a weekly basis with the previous year's pickup.
- Communicate guest room pickup, emerging trends, etc. with the meeting professional.
Offer attendance-marketing suggestions to the event organizer if the actual guest room pickup is slower than the historical guest room pickup (compare guest room pickup to the pace report).

2 – 4 Months Prior to Arrival
- Schedule weekly meetings with the meeting professional to review guest room pickup and registration reports.
- Address guest room block and/or meeting space changes as soon as possible with the meeting professional.
- Determine if it is necessary to release guest rooms from the group block.
- If the guest room block is reduced, determine if meeting space needs to be reduced as well.
- Continue to partner with meeting professional to promote the hotel(s) to potential attendees.

1 – 2 Months Prior to Arrival
- Continue with weekly or bi-weekly meetings with meeting professional to review the guest room pickup reports.
- Continue to partner with meeting professional to promote the hotel(s) to potential attendees.
- Cut-off date will likely fall in this time frame.
- Remind meeting professional of the cut-off date.
- Determine if it is possible to extend the cut-off date.
- Determine if the group guest rooms may continue to be sold at the group rate.
- If agreeable to meeting professional, allow attendees to call in their guest room reservations directly to the hotel(s).
- If it has not already, attrition clause will kick-in during this period, be prepared to:
  - Discuss with the meeting professional last minute efforts to fill the group block, i.e. negotiate a “fire sale,” with the understanding that guest rooms reserved at the “fire sale” rate would be credited to the group.
  - Outline in writing potential attrition fees for all parties at this time.

30 Days and Fewer Prior to Arrival
- Meet on “as need” basis with meeting professional and member hotel(s) sharing all applicable reports.
- Advise meeting professional of the group room pick-up and discuss registration pace and activity.
- If the cut-off date falls within this time frame, apply recommendations suggested above in the 1 – 2 months out time frame.
- Discuss (or continue to discuss) options that might help to mitigate some potential attrition fees if the guest room block is not where it should be, i.e. resell released guest rooms and meeting space.
- Continue with best practices established over the previous 6 months.

On-Site
- Schedule a meeting separate from the than pre-event meeting to discuss issues surrounding the guest room pick-up.
- Keep focus of pre-event meeting on the group and their needs.
- Meet daily with meeting professional (or their representative) to review the previous night’s guest room pick-up to include cancellations, no-shows, etc.
- Meet daily with meeting professional to identify individuals that stayed in the hotel(s) but outside of the official group block. The organization should receive credit for these individuals.
Project Attrition is an initiative of the Convention Industry Council.
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