

**Hotel & Motel Management
April, 2010
The Sales Clinic
By: Howard Feiertag**

GIVEAWAYS NOT ESSENTIAL WHEN NEGOTIATING GROUP SALES

All too often, sales people tend to start “giving away” too much too soon when negotiating group sales such as meetings, conferences, and conventions. Giveaways are often unnecessary to successful group sales.

Many corporate and association meeting planners are concerned only with being at a particular location, and receiving an excellent product with quality of service. The question of getting better rates, complimentary rooms or other extras often is brought up by the sales person, not the prospect. Generally, sales people need to learn to listen more, and speak less; they need to learn when and how to negotiate in the best interest of the property. An important part of effective negotiation is knowing when and how to make proper use of giveaways.

When negotiating group sales, the sales staff should pay special attention to the following areas;

- Room Rates: The mistake often made is bringing up room rates as one of the first topics covered in group sales negotiations; or even when a prospect merely indicates an interest in using a property. A sales person’s first objective should be to satisfy the needs of the prospect, and the group. Selling the features and value of the property, and convincing the prospect that it is in the group’s best interest to choose the property should come before the negotiating process. The idea is to put off discussing rates until the last possible moment; only after the prospect is ready to make a buy decision. When negotiating room rates, the sales person should consider how profitable the business will be for the property, how badly the property needs the business, and the extent to which the group will generate other business such as food and beverage, rentals, and other revenue generating outlets.**
- Complimentary Rooms: This is another area where sales people often make unnecessary or premature giveaway offers. It seems that one “comp” room**

for every fifty rooms sold has become a standard expected by prospects, but why? This should not be a standard practice. More often than not, prospects do not ask for complimentary rooms – sales people offer them.

Complimentary rooms should be a part of the negotiating process, but only as a “trade-off” for something else. It is not necessary to be consistent; the idea is to give something away *only* if it is necessary in finalizing the deal.

- **The Contract or Letter of Agreement: All details, as meeting dates, food and beverage functions, space, cutoff dates for block of rooms, guarantees, who pays for what, when payments are expected, cancellation clause, attrition clause, termination clause.....all should be spelled out in writing.**

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