

From my perspective

For best deals, buy corporate travel in bulk

Birmingham Business Journal - April 21, 2006 by [Dallas Teague Snider](#) Special

In 2005, people traveled like never before. Throughout the world, travel and tourism observed significant gains.

Domestic travel within the U.S. increased 3.5 percent, while travel by international visitors rose 7 percent, according to the Travel Industry Association of America. Every day 2.8 million hotel guest rooms were sold in the U.S., resulting in daily room revenues of \$255 million industry-wide.

Hotel occupancy rose to a five-year high. U.S. rates were up \$4.60, a record gain, reports by Smith Travel Research.

The drivers of current performance vary across the globe. In the U.S., a strong economy, lower supply growth and changes in demographics all play a role. Analysts predict that the trend of rising hotel occupancy and guest-room rates will continue throughout 2007. We are currently in a seller's market. For business travelers and meeting planners, that means post-9/11 bargaining days are a thing of the past.

As buyers, this changes the landscape in which we do business.

With increases in demand, it will become more challenging for today's planner to secure desired dates at preferred hotels and received the same incentives without the leverage of volume business.

National programs offering special rates to high-volume customers are certainly in no jeopardy of being eliminated, but planners should expect higher thresholds in order to earn these discounts. Travel planners should expect to show volume business in the future to warrant special consideration for negotiated corporate rates from hotels, rental car companies and airlines.

Organizations that do not qualify for a national program based on annual travel expenditures may contact hotels directly for information on their particular programs. Remember, the more revenue a group can commit to contractually, the better its negotiating position will be. Demand is cyclical, so presenting a company or other organization's travel as a consolidated package will yield maximum results year over year.

Often, company employees find themselves responsible for planning meetings and events in addition to their normal job requirements.

Contracting and negotiating with hotels is not something to be taken lightly. Issues such as attrition, cancellation, and recent events such as hurricanes and labor strikes, all are factors to understand and address when contracting with a hotel. Failing to fully grasp the implications of a contract can have grave financial consequences for the company or organization. Meeting planners can choose to outsource such planning needs. They also can get help from organizations such as the Alabama Business Travel Association, a recently established affiliate of the National Business Travel Association, that has been created by corporate travel buyers and hospitality executives to benefit companies and organizations through information-sharing and networking.

Typically, travel is the second largest controllable company expense. The Alabama Business Travel Association can be a resource for expert advice in setting up and maintaining companies' corporate travel programs.

The first meeting of the new organization was held April 11th at the Cahaba Grand Conference Center. Meetings will be held quarterly. Applications for membership are now being accepted. For more information, a Web site is in the works at www.albta.org.

Dallas Teague Snider is national account director for ConferenceDirect, a California-based firm that provides site selection, contract negotiation, conference management and other services in the hospitality industry. Snider also serves as public relations chairwoman for the Alabama Business Travel Association.

[Contact the Editor](#) [Need Assistance?](#) [More Latest News →](#)

[Subscribe or renew online](#)