




Associations suffer 'huge losses' when delegates book unofficial hotels

American PCO estimates its medical association clients lose US\$50m annually

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Pictured: The 'Support Associations, Book Official!' campaign



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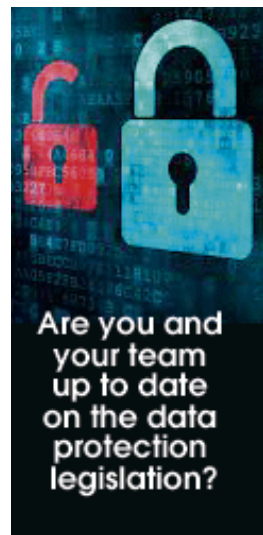
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Associations lose huge amounts of revenue each year because of delegates booking outside of official channels.

ABTS Convention Services, an American PCO specialising in medical association meetings, says the 20 associations it currently services are losing around US\$50 million annually because of the practice.

It has launched a meetings industry awareness campaign designed to counteract the wider industry challenges caused by 'around the block' booking.

According to Davide Veglia, president of ABTS Convention Services, booking outside of official channels impacts association revenue both directly, through attrition fees charged to associations for unused pre-contracted rooms, and indirectly through the loss of negotiating leverage.

"Guaranteeing room blocks gives associations the opportunity to negotiate concessions, such as better room rates, less expensive food and beverage, free Internet etc," he said. "Housing is a key component in how this leverage is measured and 'around the block' booking decreases the association's negotiating power - ultimately making the meeting more expensive and more complicated.

"Higher attendance costs also translate into fewer attendees for the meetings, which in turn mean loss of revenue not only for the association, but also for the hotels, restaurants, transportation companies and the venue city."

The '[Support Associations, Book Official!](#)' campaign also tries to educate delegates about the pitfalls they could face, such as not have access to room drops, announcements, free shuttles and subsidised meals.

"These attendees often end up paying more in fees and transportation and disappointed overall with the experience," said Veglia.

The campaign's website includes a calculator which allows associations and planners to estimate their own revenue loss and take action to support the campaign by sharing the information with their partners.



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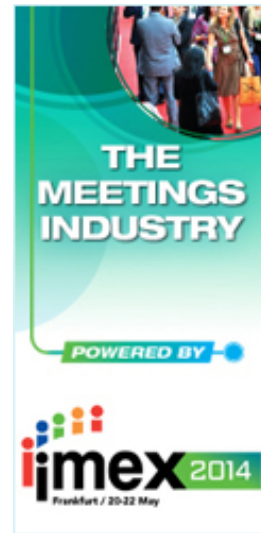
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