

# Why Association Meeting Room Blocks are **Being Attacked**

What meeting planners can do to stop poachers, pirates, and interceptors



# How to Protect Your Room Blocks— and Your Attendees and Exhibitors— from Unethical Interlopers

By Dave Kovaleski

**Earlier this year** when David DuBois was president and chief executive officer at the Fort Worth (Texas) Convention and Visitors Bureau, he witnessed room block poaching in its most aggressive form. An outside organization, not in any way affiliated with an association that was holding its meeting in Fort Worth, was able to hack into the association's Web site and redirect reservations to its own system where it had contracted with a hotel outside of the official room block, explains DuBois, now president at the International Association of Exhibitions and Events, Dallas.

Fortunately, the association found out about it and fired off a cease and desist letter before any serious damage was done, but the tactic was a new twist on a growing problem in the meetings industry.



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## WHY THE TREND?

Poachers, pirates, interceptors—planners use various terms for these companies but they all do the same thing: profit by booking meeting attendees and exhibitors outside the official housing block. It's not a new problem, but it is a growing concern among meeting professionals. “It seems more prevalent now than it used to be,” says Greg Burton, director of client services at onPeak, a Chicago-based housing company. “We used to have a handful of repeat offenders and now it seems like there are more companies doing it.” Where poachers once targeted mostly medical meetings and large, high-profile events in major cities, now poaching is more widespread, affecting a broader spectrum of meetings across the country. “We probably see it once a week, where an exhibitor reports a phone call or e-mail from a third party,” says Burton.

Poaching can have a serious impact on an association and create headaches for attendees. “They are taking away from the event organizer's ability to fill room blocks, and putting the organization at financial

risk,” says Burton. If the association doesn't meet its room block requirements, it may get hit with attrition penalties. There are also other contractual obligations often tied to room-night pickup, such as food and beverage minimums and complimentary meeting space. Further, if the room pickup is low, that affects the association's ability to get the best convention center dates, hotel room blocks, and rates and space. “There's a whole lot of danger for the meeting professional.”

Why is it a growing trend? Part of it could stem from the sluggish economy, enabling these companies to entice attendees to book outside of the block with the promise of lower rates. Quite often, the poacher doesn't actually have a room block with any of the hotels in their offering. After a booking is made, the company comes back to the attendee with a different hotel and a different rate, saying that the original hotel and rate are no longer available.

Accessibility of meeting information is another important reason poaching is growing. The poaching companies can scour Web sites for

convention calendars and then target specific events. The poachers typically go after exhibitors because they are easier to get data on. Associations and meeting organizers often post exhibitor lists on their Web sites as a service to both the exhibitors and the attendees, so that they can network and connect before, during, and after the meeting. Typically associations post only names of exhibiting companies, not specific contact information. But poachers will start making calls and sending e-mails to find potential attendees, even sending blanket e-mail lists of hotel availability at upcoming meetings to previous attendees.

While it's not illegal to run one of these third-party housing companies, there could be legal issues if misrepresentation, copyright infringement, or fraud is involved, says attorney James Goldberg, principal, Goldberg and Associates, Washington, D.C. And there have been cases of all three.

"Poaching is really too nice a word," says Steven Hacker, principal, Bravo Management, a Dallas-based association and trade show consulting firm, and former president at IAEE. "At best, it's bad business ethics; at worst, it's fraud."

### HOW THEY OPERATE

The Web site hacking case in Fort Worth is not typical, but it is just one way in which poachers operate. Trade show organizer Diversified Business Communications has come across various types of poachers. One group solicited attendees, saying it would book hotel rooms for them for a show that DBC was running. However, explains Joann Leonard, operations director at Portland, Maine-based DBC, which runs several commercial marine events, when those attendees showed up for the event, they didn't have rooms and they couldn't find any in the city because the official room block was

sold out. The company that booked the rooms was gone too, along with the attendees' money.

Most poachers are actual businesses, not fly-by-night outfits. However, some are savvy than others and are careful not to violate any laws by avoiding saying that they are event partners or somehow affiliated with the event. Others are much more bold and aggressive, using association logos in their marketing materials and representing themselves as the official bureau.

ASAE—The Center for Association Leadership won a lawsuit a few years ago against a Henderson, Nevada-based company, Complete Event Planners, for doing exactly that. "While there is no law prohibiting individuals from using an outside booking agent, meeting attendees have a right to know the relationship between a company and the meeting sponsor when making their reservations," said ASAE President and CEO John Graham after the judge ruled in ASAE's favor.

Poachers may promise attendees lower rates, but that's usually not the case, says Burton. "I've rarely come across a situation where one of these poaching companies is legitimately able to offer a better deal to the exhibitor or the attendee." What often happens is the rooms are either not up to standard, far from the meeting, or not on the bus routes. These companies can also be very aggressive in getting credit-card information and making full reservations right then and there on the phone, says DBC's Leonard. Further, attendees who book with them don't have the same protections as they would with an official housing bureau should they need to cancel or alter their reservations.

Sylvia Ratchford, executive director at the Hinman Dental Society in Atlanta, relays the experience of an attendee who booked a hotel room with an outside company for

Hinman's 23,000-person annual meeting. The attendee mistakenly booked over the wrong dates, but when she asked the company to change the dates, they not only refused, they also would not give her a refund, explains Ratchford. With a reputable housing company like onPeak, "you are getting not only a discounted rate because of their volume purchasing power, you are getting a quality organization that will look after you through the whole booking process."

### WHAT YOU CAN DO

While poachers don't appear to be going away, there are several steps that meeting organizers can take to keep them at bay.

**Education and awareness.** A lot of poaching could be thwarted through education and outreach to exhibitors and attendees. "It's about being proactive," says Burton; that is, providing information and marketing promotion of the hotel block to ensure that housing info, tips, and messages are included as an integral part of the show's communication strategy. Quite often, the exhibitors and attendees who book through poachers either don't know whom they are dealing with or aren't familiar with the potential drawbacks—like being booked far from the venue or outright scammed. "There's a huge educational opportunity for the event organizer and their housing partner," says Burton.

It's not enough to say it once or put it on the Web site, says Hacker. The message has to be repetitive and ubiquitous or it will get lost in the noise.

It's also important to communicate the benefits of staying inside the block, not just in terms of getting the best rates, but the added perks like shuttle service, free Internet, networking, etc. The larger the block, the more concessions the meeting planner is able to get.

### Hinman Dental Society's Sylvia Ratchford has dealt with a "pirate" attack on her 23,000-person meeting.



**Take action.** If an association finds evidence of misrepresentation or copyright infringement, it should consider legal action, as ASAE did, or send a cease and desist letter. Housing companies can approach poaching companies on behalf of clients to ask them to stop calling attendees. It's also a good idea to file a complaint with the Better Business Bureau. DBC's Leonard has found that when you do confront them, they typically back down—until the next time.

OnPeak has created a tool kit called "PoacherApproacher" to help meeting professionals fight the problem once it's discovered. It includes templates, messaging, links and electronic buttons for placement on Web sites, newsletters, magazines, programs, prospectuses, and other communications to tell participants what the official housing bureau is, warn participants of the potential hazards of unauthorized housing companies, and outline whom to contact at the bureau if they are approached.

Hacker recommends what he calls a "silver bullet" against poachers—a letter from an attorney that calls out the offending party for "tortious interference," that is, interfering in a contract between the association and the hotel that requires the association to meet certain requirements. Any interference by a poacher, legal or not, would be subject to this legal doctrine. It's been a very successful tool in getting poachers to cease, he says. **Protect the lists.** Meeting attendees want to know who the exhibitors are

and exhibitors want the exposure of being listed on the association Web site. However, housing company best practices suggest planners remove the list if they're experiencing a poaching problem, and only include top companies if absolutely necessary. Associations can also put the list behind a page where users have to agree to terms to view the list; or consider communicating the show's exhibitor lineup in marketing materials instead of posting on the Web site (so you know who you're targeting with this sensitive information).

**Reconcile.** The poachers may actually be booking rooms inside the block, unbeknownst to the hoteliers, because they have picked up the rooms through other channels. So, planners should check the reservations with the hotels in the block to make

sure the association gets credit for any attendees that may have booked through poachers, says Hacker.

**Communicate.** When Leonard hears about a poacher through her exhibitors, she immediately alerts the housing bureau, which contacts the hotels to make sure they don't take any bookings from that group. Hotels inside the block won't accept rooms from poachers if they are made aware of them. And while hotels outside the block are under no obligation to do so, they may also oblige, particularly the large chain hotels and those that have a relationship with the housing company. OnPeak also works with the local CVB to educate hotels in the destination about the threat of poachers, says Burton.

Combating poachers is a team effort that requires a united front, says Leonard. "We've definitely worked very closely with our housing partner to brainstorm ideas on what we can do," she says, because they have the knowledge, relationships, and resources to effectively monitor the problem and the ever-evolving tactics. "We're on the same page trying to battle this issue."

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