

Subject: **NEGOTIATING A BUMPING EVENT BY A HOTEL**

**Negotiation News**  
the norman group llc

April 2010 - Volume 2 Issue 4



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President

**FREE WEBINAR:**  
**APRIL 28, 2010**

**PRESENTED BY**  
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**EXPERT NEGOTIATING STRATEGIES**

**SPEAKER: NANCY A. NORMAN**

**1 pm (EDT); 12 pm (CDT); 11 am (MDT) 10 am (PDT)**

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The term, "**BUMPING**" - called "**Hotel Cancellation**" by some, today...is "the removal/cancellation of a contracted or confirmed hotel booking by the venue, usually for the purpose of gaining a larger revenue from another booking with higher priority.

**Bumping by hotels, in my opinion, is an unacceptable practice, but it happens.**

The hotel, of course, is in breach of their contract with you, so you really have the upper hand and should negotiate whatever benefits you feel are fair and equitable short of taking them to court, along with re-arranging your meeting dates, if that is also necessary.

In most cases, the hotels who are doing the bumping know they will have to give some concessions to the injured party, but are willing to do so to reap the benefits of the larger revenue package, as they feel they will still “come out on top”. It’s fair for you to also profit from their bad business tactics, nevertheless.

Hotels enter into “bumping” for many reasons. Some want to forge new relationships with larger entities and figure that if they’re reasonable and deft enough with the original contracting company, they’ll be able to keep both customers. They feel it is the “price of doing business.”.

Others enter into “bumping” of smaller meetings in favor of the larger meetings simply to nurture the larger companies for a better return on their money, knowing full well they may lose the smaller meeting which they feel is not a large consideration in this particular scenario. In doing this, however, the hotel gains an unfavorable reputation among many and may also lose the larger entity for one reason or another causing them the loss of two customers instead of just one. It’s a matter of trust in the people with which you do business. Once you’re bumped from a property, you simply never feel the same about it - no matter what the resolution of the situation has been - and more importantly, most people are quick to tell their colleagues about the situation.

Hotels have the great burden and pressure of producing an excellent return on their investments, or ROI, which also induces them to “bump” meetings. Unfortunately, the “bumping” of meetings will eventually create a poor return on investment at another time for those who deal in this method of doing business. There is absolutely no substitute for fine customer relationship management and fine customer service for success in today’s world. Bumping meetings can create horrific customer service and financial problems for the Meeting Sponsor and their attendees.

However, if your meeting is bumped from a hotel, it is extremely worthwhile for you to work toward what you feel is a fair resolution in payment for the harm and inconvenience caused by the hotel to your company and delegates. When you negotiate this, you have to assertively let the hotel know that you comprehend exactly what has happened and the reason for its occurring - they have broken their contract with you. Above all, don’t retreat until you are completely satisfied with the outcome.

Keep in mind, however, there are times when a hotel can call up and ask you if you could possibly change your meeting dates or your space since they are trying to also satisfy another customer of theirs...to be cooperative, you should consider the situation, but not change anything if it will impact your conference negatively. The hotel should honor your decision, but, of course - this is when bumping usually kicks in - but not always.

Negotiate with the highest management levels at the hotel when “bumped”; be prepared to speak with Regional Managers, Sr. Vice Presidents and others, as well.

Many victims who have had their meetings bumped from hotels have earned significant resolutions worth many thousands of dollars and fantastic concessions for their companies. If this happens to you, after about 3 to 6 months pass by, it's a good habit to make a trip to visit the hotel where you booked your bumped meeting, or certainly to phone those involved, to clear the air and to go forward in a positive manner. It's never good to have bad feelings or experiences with anyone - you never know when you might need to do business with them again, and it should be pleasant when you do. Still, it's quite difficult to erase the memory of a "bumping" of a meeting by a hotel because it involves trust which has slipped away during that process.

The Good News is: In my many, many years of negotiating and booking meetings and conferences, I have only had one meeting completely bumped out of a hotel and one that was bumped out of significantly important, comprehensive meeting space and held with other, substituted meeting space at the hotel. Both events were financial conferences which intensified the problems because those attendees have very strict, finite time schedules which are extremely difficult to alter. The complete bumping occurred in Florida at a venue that simply wanted the space for a much larger meeting and the other bumping that occurred in New York City involved the wishes of a visiting, high ranking foreign dignitary who wanted my reserved space for his huge entourage and meetings.

In both cases, I was able to glean thousands of dollars from both venues along with an overabundance of meaningful, exceptional concessions including the removal of all performance requirements, in exchange for our cooperation in those very unfortunate circumstances. In the end, my company earned not only a great deal of money, but a great deal of respect, as well, from the delegates and the venues. The occurrence did require a great deal of customer satisfaction effort, however.

The Bad News is: "Bumping" may become more prevalent for some for awhile as hotels try to make up for part of their losses during our currently depressed economy. If you get caught up in this sort of situation, remember that size is not always the true indicator of the importance of a meeting and work diligently to resolve the problem in your favor for the benefit of your company and attendees.

To discourage "bumping" by hotels, I place a very detailed clause in my Addendums to hotel contracts that spells out specifically what will happen if the venue wishes to bump my meeting/conference out of my particular reserved meeting space or, if they wish to bump my meeting/conference completely out of the venue on the chosen and reserved meeting dates. While this may not entirely discourage the hotel's actions, if they sign the Addendum, it sets the stage for expectations should the hotel enter into a "bumping" situation. (This clause appears with fifty-five other word for word clauses, a Sample Addendum, Guest Room Attrition Computation Form, a Food & Beverage Attrition Computation form, a unique Cancellation form with calculations and lots more in my book: Contract Addendums with Negotiation Techniques That Work! )

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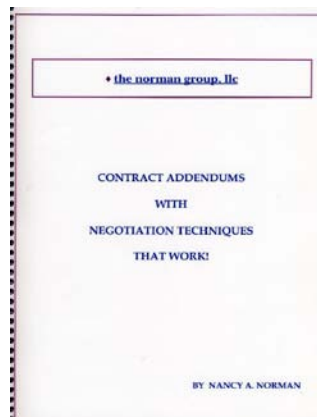
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