

FACTORS INFLUENCING THE MARKETING OF MEETING
FACILITIES AN EMPIRICAL STUDY OF THE
BUYING/SELLING RELATIONSHIP FOR CORPORATE
GROUP MEETINGS

Thesis for the Degree of Ph. D.
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KEN WARD McCLEARY
1977



This is to certify that the

thesis entitled

FACTORS INFLUENCING THE MARKETING OF MEETING FACILITIES:
AN EMPIRICAL STUDY OF THE BUYING/SELLING RELATIONSHIP
FOR CORPORATE GROUP MEETINGS

presented by

Ken Ward McCleary

has been accepted towards fulfillment
of the requirements for

Ph.D. degree in Marketing

A handwritten signature in cursive script, appearing to read "K. W. McCleary", written over a horizontal line.

Major professor

Date May 12, 1977



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ABSTRACT

FACTORS INFLUENCING THE MARKETING OF MEETING FACILITIES: AN EMPIRICAL STUDY OF THE BUYING/SELLING RELATIONSHIP FOR CORPORATE GROUP MEETINGS

By

Ken Ward McCleary

This study examined the process through which corporations select sites for their meetings and how an understanding of this process by sales managers of meeting facilities affects success in attracting corporate groups. Both sides of the buying/selling relationship were examined so that a comparison could be made between the buyer's stated needs and wants, and the seller's perceptions of these needs and wants. The buying side of the relationship was represented by a sample of fifteen corporate meeting planners. Sellers were represented by sales managers of fifteen properties with facilities capable of servicing corporate meetings.

Hotels, resorts, conference centers and other types of meeting facilities are operating in an increasingly competitive environment. As more firms enter the hospitality industry, previously underdeveloped markets are taking on more importance. A survey of the literature of the industry reveals increased interest in the corporate meetings market. However, very little research has been conducted to determine the behavior and characteristics of this

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Since the product in the study is being marketed to corporations, it was treated as an industrial service. Thus, elements of industrial marketing, marketing in the service sector, and, particularly, marketing in the hospitality industry were examined.

In-depth personal interviews were conducted with meeting planners and sales managers. The interview schedule for meeting planners was designed to generate information about the buying process within the firm and to determine importance criteria in site selection and product satisfaction. Sales managers were probed to determine their understanding of the site selection process and the marketing strategies employed by their facilities in attracting corporate group business. All interviews were tape recorded, transcribed, and analyzed. In addition, a questionnaire was administered to all interviewees to gather objective data on selection criteria.

Each sales manager was ranked on twelve independent variables according to how well his responses indicated an understanding of the corporate meetings market. These rankings were then used as a basis for establishing the presence of relationships between each independent variable and the dependent variable, success in attracting corporate group meetings. Success is defined as the percent of occupancy derived from corporate group meeting business.

The results of the study indicate that the purchasing process involved in selecting corporate meeting sites is similar to the process for other industrial products. Multiple buying influences were

found to be present to a large extent, and rational buying motives predominated. The factors of greatest concern to meeting planners for initial product choice were, the comfort of the meeting room, price, and having a contact person from the facility assigned to the group to handle problems. The quality of food and housing accommodations were found to be more important for encouraging repeat purchase than for original site selection.

The associations between each independent variable and success were computed using Jaspens coefficient of multiseria correlation. This technique transforms ordinal data into interval data so that correlations can be computed. Stepwise regression analysis was used to develop predictors of success.

The variable which demonstrated the greatest association with success relates to specialized advertising content. A positive attitude toward the corporate segment and an understanding of how corporations become aware of facilities, showed the next highest associations. This suggests that facilities are more successful in attracting corporate meetings if they specialize their advertising for that segment and understand how the segment can be reached.

Positive correlations of other variables with success suggest the importance of understanding the buying process relative to the needs and wants of decision makers. This aids sales managers in designing a marketing strategy which concentrates on positive motivators for attracting the target market.

**FACTORS INFLUENCING THE MARKETING OF MEETING FACILITIES
AN EMPIRICAL STUDY OF THE BUYING/SELLING RELATIONSHIP
FOR CORPORATE GROUP MEETINGS**

By

Ken Ward McCleary

A THESIS

**Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of**

DOCTOR OF PHILOSOPHY

Department of Marketing and Transportation Administration

1977

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KEN WARD McCLEARY
1977

DEDICATION

**To Dr. William J. E. Crissy--one of the great men in
marketing.**

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ACKNOWLEDGMENTS

This study could not have been completed without the help of the meeting planners from several corporations and the sales managers of the fifteen facilities included in the study. I wish to thank them all for taking the time to participate in the often lengthy interviews.

Dr. Robert Blomstrom, provided his expert guidance and knowledge of the hotel industry as well as helpful suggestions. Dr. Leonard Rall has provided assistance and guidance throughout the doctoral program.

To Dr. W. J. E. Crissy, chairman of my committee, I wish to express a very special and personal thank you. Dr. Crissy has been a friend and inspiration to me and others before me. The impact he has made on my life will never be forgotten.

I also wish to acknowledge Dr. Robert Boewadt for his encouragement, and Professor David Ley for providing a special incentive.

A final acknowledgment goes to my children, Blake and Ryan for trying to understand.

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CHAPTER I

INTRODUCTION

Problem Background

Corporations hold a large number of meetings and conventions each year which take place at hotels, motels, and other conference facilities. Services and facilities available at these meeting sites vary widely. Purchasers of these services are faced with an almost limitless variety of possibilities and combinations to fit their needs. This study focuses on the process through which corporations select sites for their meetings, and what determines the success of meeting facilities in attracting corporate groups. The problem of attracting corporate group meetings is treated as an industrial marketing problem. The success of a meeting facility will be examined in light of how well the sales staff understands the organizational buying process for meetings, and how well a facility uses this knowledge to market its product.

The marketer of meeting facilities has a very large potential source of business in corporate meetings and business gatherings. It is estimated that corporations spend over seven billion dollars a year on meetings, conventions, and trade shows,¹ with estimates of

¹Henry Lefer, "The Widening World of Business Meetings," Hospitality (February 1972), Management and Leisure Time Section.

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the number of off-premises corporate meetings booked ranging from 300,000² to 503,800³ annually, with an attendance of 24,342,200.⁴ Conditions of economics, location, special services required and other factors interact to provide criteria for the meeting site choice decision. With a large number of criteria being used to choose from a wide variety of available facilities, the suggestion is that it is extremely important for marketing managers of facilities offering meeting services to know and understand the buying process through which their services are acquired, and those factors that meeting planners find essential or attractive.

Between 1929 and 1963, employment in services grew faster than in the goods sector by an annual rate of 1.7%.⁵ Sometime in the 1950's the United States became the first "service economy" in the world, that is, with over 50% of the employed population associated with what are considered services rather than tangible goods.⁶ At the same time, output based on price adjusted gross receipts in the hotel and motel industry increased. Between 1958 and 1973 output rose an average of 3.8% per annum.⁷ Group meetings contributed

²Ibid.

³Mel Hosansky, "1974 Market Data Report," Meetings and Conventions (December 1974), p. 12.

⁴Ibid.

⁵Victor R. Fuchs, The Service Economy (New York: National Bureau of Economic Research, 1968), p. 29.

⁶Ibid.

⁷James A. Urisko, "Hotel/Motel Productivity, 1958-73," The Cornell H.R.A. Quarterly (November 1975), p. 48.

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considerably to this growth. In 1972, conventions, trade shows business meetings and exhibitions were attended by 19 million travelers, doubling the amount attending in 1963.⁸ With approximately 34% of transient guests traveling on business or to attend group functions, many hotel and motel chains are deriving over 50% of their revenue from group business.⁹

With this rapid growth in the service sector and the hotel industry in particular, there has been relatively little research conducted into marketing strategies applied to services. An application of the marketing concept to determine what services should be offered seems to have attracted little attention from marketers of group meeting facilities, other than armchair speculations. It appears that research into meeting services has been even more neglected than services in general. "For an industry with a yearly volume approaching the \$10 billion mark and which numbers among buyers and suppliers all the major corporations and associations in the country, as well as most hotels and airlines, the meetings field has been singularly devoid of good, hard statistical information."¹⁰ This suggests a great need for research into the motives of the purchasers of meeting services and the criteria they use in selecting a product.

Product Definition — Meeting Services

It is very difficult to pin down a precise definition for an area of economic activity which encompasses over 50% of the marketplace.

⁸Ibid., p. 49.

⁹Ibid., p. 49.

¹⁰Hosansky, op. cit., p. 11.

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Most discussions of services mention the intangibility of the product, which leads to broad unmanageable definitions. Services include much more than the offerings of traditional types of private, profit-making businesses. Government and religious organizations might well be considered as providing a service product, but with little concern for profit. Since many business meetings are conducted at non-profit institutions, such as universities, a definition which limits marketing strictly to profit-oriented business firms is unacceptable. Thus a broader definition for service marketing, such as has been promoted in the marketing literature relatively recently, is in order.¹¹ "Put another way, the common statement, 'the marketing of goods and services' is imprecise since the expository material which follows the statement typically focuses on the marketing of goods."¹²

We are concerned here strictly with the marketing of a service although many of the principles and techniques used for marketing goods can be applied. Marketing, whether it relates to goods or services by either profit or non-profit organizations, must still involve the basic concept of exchange.¹³ The services involved in providing group meetings could be for a profit but may have some other organizational objective. Thus, we will not be concerned with the organizational objective, but rather with what criteria are used by

¹¹Philip Kotler and Sidney J. Levy, "Broadening the Concept of Marketing," Journal of Marketing, Vol. 33 (January 1969), pp. 10-15.

¹²John M. Rathmell, Marketing in the Service Sector (Cambridge, Mass.: Winthrop Publishers, Inc., 1974), p. 6.

¹³Philip Kotler, Marketing for Non-Profit Organizations (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1975), p. 5.

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corporations to choose a meeting facility regardless of the basic philosophy employed by the facility with regard to profit.

"A product is anything that can be offered to a market for attention, acquisition, or consumption; it includes physical objects, services, personalities, places, organizations and ideas."¹⁴ Meeting services fit well into this broad definition of a product, but to be more specific as far as this study is concerned, our product is a bundle of particular services expected to yield certain benefits or satisfactions to corporations desiring space and services for conducting meetings. It should be noted that the definition does not include many market segments sought by a hotel or motel and even eliminates a number of different group functions such as weddings, service organization meetings, and social gatherings.

The basic goal of this study is to determine what factors contribute to the success of a meeting facility in attracting corporate group meetings. It would seem that a meeting salesman's understanding of the decision process involved in selecting meeting sites would correlate with a facility's ability to book meetings. There may also be certain services or factors designated by meeting planners as being deciding factors in site selection which a facility's sales staff may or may not have considered. For example, it comes to mind that the quality of food offered by a hotel might be a deciding factor in site selection. However, there is much more involved with the purchase decision than may be seen at first glance. Consider the following statement made regarding group business: "'Many hotel men

¹⁴Ibid., p. 183.

have failed to realize that they are no longer in the food and lodging business. They are really in the education business and their accommodations serve a subsidiary role.' What this executive meant was that more and more group business is becoming educationally oriented. It may consist of product orientation meetings, management seminars, or a host of other similar functions. The important point to be grasped is that the meeting planner of today is looking more and more at those auxiliary services which will enhance his total presentation."¹⁵ Thus, there are a number of criteria to be considered in selling group functions. What the above statement seems to be saying is that the traditional selling points of a hotel are now more like Herzberg's hygiene factors.¹⁶ They need to be there as a minimum requirement for the sale, but do little as far as actually motivating a group to buy. A potential buyer may not be dissatisfied with the hotel but still buy somewhere else that offers more than simply food, lodging, and a few services.

As we suggested above, hotel people may not be cognizant of what factors are deemed to be necessary or desirable by those charged with arranging accommodations for group meetings. For this reason, the study explores the perception of sales personnel involved in attracting corporate business, with respect to the desires and motivations of meeting planners.

¹⁵W. J. E. Crissy, Robert J. Boewadt, and Dante M. Laudadio, Marketing of Hospitality Services -- Food, Travel, Lodging (East Lansing, Michigan: The Educational Institute of the American Hotel and Motel Association, 1975), p. 24.

¹⁶Frederick Herzberg, B. Mausner, and B. Snyderman, The Motivation to Work (2nd ed.; New York: John Wiley, 1959), p. 113.

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Corporate Meetings as Industrial Products

Services, like goods, fall into a number of different classifications as developed in the marketing literature.

"In the marketing literature, goods are classified in various ways. The same classifications apply to services. There are consumer and industrial services just as there are consumer and industrial goods... While consumer purchases are typically distributed between durable goods, nondurable goods, and services, more realistically, the durable-nondurable dichotomy should apply to services as well... The criterion is the length of time during which benefits are derived from the performance of a service... Finally, there are both shopping and convenience services, as well as shopping and convenience goods."¹⁷

It should be noted that services can be more generally classified according to consumer and nonconsumer markets. Nonconsumer markets can be further subdivided into markets represented by industry, government, and institutions. The problem of marketing group meetings will be treated as a problem in industrial marketing.

Although much research has been conducted in the area of consumer buying behavior, there has been comparatively little work done which examines the decision process of industrial buyers. Of the work which has been done in the industrial area, most has been descriptive.¹⁸ "A systematic review of the marketing literature, or an analysis of the references cited in any book on buyer behavior will reveal no more than a few studies in which the buyers were industrial firms, intermediate marketing organizations, or other kinds of

¹⁷Rathmell, op. cit., p. 60.

¹⁸Frederick E. Webster Jr., "Modeling the Industrial Buying Process," Journal of Marketing Research, Vol. II (November, 1965), p. 370.

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formal organizations."¹⁹ Even though more interest has been shown toward industrial buying in the last few years, the amount of research conducted has been small in comparison with consumer research. This is particularly disturbing since it has been estimated that by 1980, the total dollar volume of transactions among business firms will exceed the present Gross National Product.²⁰

Multiple Influences on Purchasing Decisions

The decision process in industrial buying behavior is far more complex than in consumer purchasing. Decisions may take several months to make and usually involve several people with diverse points of view and different choice criteria.²¹ Webster and Wind see five basic groups as comprising the selection arm of an organization: users, influencers, deciders, buyers, and gatekeepers.²² Whether or not these groups are found in the decision process for choosing meeting sites has been questionable, since there has been little research in the area. Perhaps the most meaningful research with regard to the multiple influences involved in meeting site selection was sponsored by the Quebec Planning and Development Council. The study concerned association buying of meeting services and found that "...it was possible to readily identify three distinct groups (elected officers,

¹⁹Frederick E. Webster Jr. and Yoram Wind, Organizational Buying Behavior (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1972), p. 3.

²⁰Ibid.

²¹Robert E. Weigand, "Why Studying the Purchasing Agent is Not Enough," Journal of Marketing, Vol. 32 (January 1968), p. 41.

²²Webster and Wind, op. cit., p. 77.

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permanent executives and regular members) within such organizations which play a role in the decision."²³ The study further noted that, "The identification and classification of members of the buying centre is often more difficult in other organizations."²⁴

In order to study the decision process for corporate group meetings, it was necessary to consider the possibility that multiple buying influences are present. Thus, our study included exploratory research into the nature and extent of multiple influences with regard to the purchase of the product. The purpose of this effort was to determine if there was any correlation between a salesman's recognition of multiple influences and the success of a property in attracting corporate meetings.

There has been some effort to develop models to describe the industrial buying process. While we will not be concerned with specifically testing any of the models or any parts of one model, the information gathered in this study may contribute to validating or rejecting parts of one or more buying models. The decision process model of organization buying behavior, postulated by Webster, is used as an important illustrative model in relation to this study. In particular, the choice process part of the model focuses on the involvement of several people and choice criteria in product selection.²⁵

²³Paul A. Fortin, J. R. Brent Ritchie, and Jules Arsenault, A Study of the Decision Process of North American Associations Concerning the Choice of a Convention Site, Quebec Planning and Development Council, Volume I, Final Report, 1975, p. 17.

²⁴Ibid., p. 17.

²⁵Frederick E. Webster Jr., "Modeling the Industrial Buying Process," op. cit., p. 375.

This involvement is referred to as a multiple buying influence on product selection. The development and influences of modeling are discussed in detail in Chapter II.

Synthesis

There has been a rapid growth of group meeting revenue in hotels and other meeting facilities in recent years with actual meeting fees and related activities generating billions of dollars. The characteristics of these groups and their decision processes may be similar to other buyers of industrial products. There has been little empirical research in the industrial area and even less in the area of industrial services. The marketing of group meeting services to corporations is an industrial service, is big business and deserves some serious attention.

Problem Statement

It is recognized that some meeting facilities are more effective in attracting corporate meeting business than are others. The problem of this investigation is to determine what factors contribute to the success of properties in developing this market segment. One way to approach this problem is to delineate the needs and wants of those responsible for booking corporate group business and to study the process through which their decisions are made. Meeting facilities with different levels of success in booking group meetings are examined to see how their understanding of the decision process, the services they offer, and their marketing strategy affects their relative effectiveness.

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group meetings, organized and held by business firms. Consideration is not given to trade association meetings, social functions, or conventions. The characteristics of meetings vary with the purpose for which they are held. In order to do a more complete analysis of the buying process for services surrounding a particular type of group meeting, the focus here is limited strictly to business meetings held by an identifiable firm. Purposes of these meetings might be new product introduction, sales discussions, training seminars, product line orientation, executive development courses, and the like. This limitation allows study of site selection for purposes which are somewhat similar and which should require similar services, regardless of the company involved.

The following major questions were dealt with in order to add to the body of knowledge covering the marketing of group meetings:

1. What is the nature of the decision process involved in selecting a site for corporate group meetings?
2. To what extent are multiple influences present in the purchase of corporate group meeting services?
3. What are the criteria used by corporate meeting planners (the people who act as purchasing agents for corporate meetings) for selecting corporate meeting sites?
4. How well do the sales personnel at meeting facilities understand the needs and wants of meeting planners and the decision process for site selection?

These questions were pursued to discover what factors contribute to the success of meeting facilities in attracting and servicing corporate group meetings. Marketing theory indicates that an understanding of the needs and wants of the customer will contribute to the success of a firm which subsequently appeals to these needs and wants. This

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should be no different whether the product is electrical motors or meeting services.

Hotels and other meeting facilities are constantly adding and adjusting services. Some of these services are necessary, some marginal, and others may not be important at all. It would seem very useful if a salesman for a meeting facility had a better idea of what services a person booking a meeting considers essential. For example, many hotels have elaborate lobbies, golf courses, and health clubs. These may be emphasized in the hotel's literature. If, however, the selection decision is almost entirely at the discretion of a meeting planner, who may be concerned primarily with audio-visual equipment and meeting room size, the promotional program may not only be misdirected, but also detrimental in acquiring corporate group business. Since group meetings and conventions comprise a major source of the revenue for most hotels²⁶ and since the emphasis placed on attracting corporate meetings has been increasing, a study focusing on the problem of marketing to this segment is relevant, if not imperative.

Hypotheses

The central hypothesis of this study is: an understanding of the purchase process and the needs of meeting planners correlates with a meeting facility's success in attracting corporate group business.

Several sub-hypotheses are suggested by the central hypothesis and the questions to be answered by this study. These are:

²⁶"85,000 Meetings a Year Mean Big Money," Institutions/Volume Feeding (June 1, 1972), p. 29.

1. Evidence that there is an understanding of the role of multiple buying influences on site selection for corporate group meetings correlates with a facility's success in attracting these meetings.
2. Evidence that a facility attempts to appeal to more than one group of decision-makers involved with site selection correlates with a facility's success in attracting corporate group meetings.
3. Active solicitation of corporation business correlates with a facility's success in attracting corporate group business.
4. Specialized content in a meeting facility's advertising aimed at corporate decision-makers involved with meeting site selection correlates with success in attracting corporate group meetings.
5. A sales manager's understanding of how corporations learn about his particular facility correlates with success in attracting corporate group meetings.
6. A sales manager's knowledge of why corporations choose his facility correlates with success in attracting corporate group meetings.
7. The closeness of fit between the perceptions of a sales manager and the perceptions of meeting planners with regard to what services and characteristics should be present at a meeting site correlates with a facility's success in attracting corporate group business.
8. A sales manager's awareness of attractive aspects of

his property as they relate to the needs and wants of meeting planners correlates with a facility's success in attracting corporate group business.

9. A sales manager's awareness of unattractive aspects of his property as they relate to the needs and wants of meeting planners correlates with a facility's success in attracting corporate group business.
10. Determination of a meeting facility's performance with in-house groups correlates with success in attracting corporate group meetings.
11. Aggressive follow-up aimed at repeat group business correlates with a facility's success in attracting corporate group business.
12. A favorable attitude toward corporate group business correlates with success in attracting that business.

Method of Investigation

The data for the study were gathered from a sample of fifteen meeting planners and fifteen salespersons involved with marketing group meetings. The meeting planners were selected through personal contacts with companies which were asked to identify an individual whose job included planning and booking meetings. The companies were chosen to represent several industries including plastics, banking, automotive, grocery wholesaling, accounting, insurance, chemicals, and electronics. This was done in an attempt to reduce the amount of bias in stated meeting requirements that might develop from using only one type of industrial organization. In two cases, meeting

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planners from a different division of the same firm were selected.

The majority of the meeting planners were interviewed at their companies in Michigan. One planner was interviewed by telephone in New York City, and another was interviewed personally in Chicago, Illinois. The interviews were conducted as informally as possible, allowing the interviewee to expand as much as he wished on each question. During the course of the interview all questions from the Interview Schedule For Meeting Planners (Appendix I) were discussed. At the conclusion of the interview the meeting planner was asked to complete the first three sections of the questionnaire presented in Appendix II. The planners were asked to complete this with respect to what is important to them when choosing a meeting site. Interviews lasted between thirty and ninety minutes, depending on the availability of time and the depth of knowledge of the meeting planner.

The meeting facilities in the study were chosen to represent several different types including resort, suburban, downtown, airport, and university owned properties. The size of the properties also varied, with the smallest property containing 42 rooms and the largest 706 rooms. The diversity of property types and sizes was designed to reduce bias that might arise from choosing only certain types of properties, and also to obtain a more varied perspective.

The person in charge of group sales was selected for the interview at each property. Typically, this person held the title of sales manager or director of sales. In the larger properties, however, the person interviewed often held titles such as convention manager or group sales coordinator. The goal in the selection process was to reach the person most directly involved with soliciting and booking

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corporate meetings. In two of the smaller properties this function was performed by the manager's secretary. For simplicity, the person interviewed will be referred to as the sales manager throughout this study.

The sales managers were interviewed in depth, with interview times ranging from twenty minutes to ninety minutes depending on time constraints and the sales manager's knowledge and willingness to talk. All questions on the Interview Schedule For Sales Managers (Appendix III) were discussed, but an effort was made to keep the interview conversational and informal. Interviews with both meeting planners and sales managers were tape recorded so that responses could be more accurately reported. This also made the interview more relaxed, since the researcher could listen carefully instead of being forced to write everything down. As was the case in a similar study,²⁷ the presence of the tape recorder did not detract from the interview.

After the interview, the sales manager was asked to fill out sections three and four of the questionnaire. (Appendix II) It was asked that the items in section three be rated as the sales manager thought a meeting planner would rate them. Section four was used to obtain the sales manager's perceptions of how he thought his property performed on the factors listed. When the questionnaire was completed, the sales manager was given a confidential data sheet (Appendix IV) along with a self-addressed, stamped envelope. He was requested to fill out the sheet, or have it filled out, and mail it.

²⁷ Philip Russell Tyler, "Correlates of Success in Convention Properties: An Empirical Study" (Unpublished D.B.A. dissertation, Michigan State University, 1972), p. 11.

The properties included in the study were either contacted by the researcher initially or first by a letter from the Director of the School of Hotel, Restaurant, and Institutional Management at Michigan State University. The letter served as an introduction for the researcher and indicated the legitimacy of the study. Shortly after the letter was sent, the researcher contacted the facility to set up an appointment with the sales manager.

The interview schedules and the questionnaires were pretested in Chicago, Illinois. Insight gained here led to several changes in the interview schedules and a shortened questionnaire.

When all the interviews were completed, responses were scored and all properties ranked according to the success criterion. The method of scoring, interpretation, and the statistics involved are described in detail in Chapter III.

Limitations of the Study

Care must be taken in generalizing the results of this study to other areas of service industry marketing or applying the results in other general marketing situations. The following limitations of the study should be specifically noted:

1. The characteristics and processes examined here are for corporate meetings only. The decision process involved with selecting sites for conventions and trade association meetings may, and probably does, vary considerably from corporate meeting site selection.²⁸

²⁸Fortin, et. al., op. cit., p. 11.

2. The sample size was small, comprising fifteen meeting facilities and fifteen meeting planners from a population of thousands. Because the methodology involved lengthy interviews at diverse locations, time and expense precluded a larger sample.
3. The samples of facilities and meeting planners were drawn primarily from Michigan. Desired characteristics stated by meeting planners and sales strategies employed by meeting facilities may vary region by region.
4. The use of the personal interview as the basic data gathering technique encourages a high degree of subjectivity, and limits the sophistication of statistical analysis. A significant element of subjectivity also appears in the technique used in scoring responses. It was felt that the exploratory nature of the study required that more depth than breadth be sought in the data gathering process. The questionnaire in Appendix II was employed to provide a degree of objectivity.
5. The meeting planner was the only person involved in the site selection to be interviewed. Ideally, all members of the decision team would have been studied. This was done for two reasons: (a) corporations were unwilling to allow access to the people attending corporate meetings, and (b) a pilot study which involved interviewing all persons concerned with the decision indicated that the meeting planner had the majority of the responsibility for selecting the site. This study,

and the means used to identify buyer classes is discussed at length in Chapter III.

6. The use of occupancy rate to define success has the limitation of giving little consideration of company goals with regard to corporate meetings. It also submerges the relationship between marketing costs and efficiency in attracting profitable business. Since the purpose of this study is to identify what marketing strategies are effective in bringing in corporate group meetings, occupancy provided by these groups gives a better picture than overall profitability. There is also a reluctance on the part of facilities to release profit data.

Terms and Definitions

There are a number of terms used in this study that are interpreted differently throughout the marketing literature and thus have different connotations for different people. It is therefore important to define how these terms will be used here. A list of important terms and their definitions for the purpose of this study follows:

Success: Success can be interpreted many different ways. Profit is perhaps the most common measure of success for business organizations. Since profit is not the primary concern of many meeting facilities, success will be defined here in terms of the facility's utilization. The most often used measure of utilization in the lodging industry is occupancy rate which is defined as:

$$\frac{\text{number of rooms occupied}}{\text{number of rooms available}}$$

This measure has the advantage of allowing us to compare operations of different size using the same measure. Figures are presented on a yearly basis.

Success in Attracting Corporate Group Business: The success criterion here is defined in terms of occupancy provided by corporate meetings over a one year period, and is given by the formula:

$$\frac{\text{number of rooms occupied by attendees of corporate meetings}}{\text{number of rooms available}}$$

Service: Intangible marketing offerings deemed to have utility.

Corporate Business Meeting: A meeting involves two or more people who come together for some purpose. The customer/prospect mix of a meeting facility may include many different markets, such as trade associations, civic organizations, and corporations. A property will try to develop a need/want satisfier system which matches one or several of these markets. For the purpose of this study, the determination of need/want satisfiers for meetings held by corporations is of major concern. The definition of the market sought here, the corporate business meeting, is the coming together of two or more people for a purpose relating to the business of a sponsoring corporation.

Buyer Class: Those people who have input into the purchase decision may share certain characteristics or certain criteria for making decisions which will aid in identifying groups of decision makers. This identification can be helpful to the marketer by allowing him to concentrate his efforts on those actually making the purchase decision. The terms buyer class and buyer group are used interchangeably, even though there may be only one person in a buyer class in many cases.

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Some researchers and authors involved with marketing promote the use of standardized breakdowns for buyer classes. Webster and Wind, as previously noted, group buyer classes into user, influencer, decider, buyer, and gatekeeper. Other authors use basically a three group classification which includes purchasing agents, engineers, and users although mention is made that others may be involved.²⁹ It is very difficult to agree with set classifications since buying processes differ product to product and organization to organization.³⁰ In the course of this research, the degree to which identifiable classes of buyers are present in the selection of meeting sites will be pursued.

Property: A term used in the hotel industry to denote any type of lodging establishment. This term is expanded in this study to include any facility offering meeting services for a fee.

Book or Booking: This term refers to a firm commitment by a group to hold a meeting at a property.

Potential Contributions of the Study

This research deals with several areas of marketing that have received relatively little attention in the literature and have been the subject of few marketing studies. It is expected that the results will add to the body of knowledge in each of these areas.

Marketing business meeting facilities is seen as an industrial marketing problem. The product is, by definition, a service rather

²⁹Jagdish N. Sheth, "A Model of Industrial Buyer Behavior," Journal of Marketing, Vol. 37 (October 1973), p. 52.

³⁰George Risley, Modern Industrial Marketing (New York: McGraw-Hi-1, 1972), p. 118.

than a tangible good, and is a significant part of the total market of the hospitality services industry. Contributions will be related to these areas:

1. The study may add to the body of knowledge in the organizational buying process for industrial products.
2. The study may add to the body of knowledge concerning the marketing of services.
3. The study may assist in identifying the classes of buyers involved with the purchase of corporate group meeting services.
4. The study may add to the body of knowledge relating to marketing in the hospitality services industry. The study may provide empirical evidence of the relative importance of services and facilities to the meeting planner. This should prove especially valuable to hotels and other meeting facilities in the development of marketing strategies and the determination of what services to add or drop in order to attract the corporate meetings market. A profile of the "ideal" meeting facility will be drawn from the responses of the meeting planners.

CHAPTER II

SELECTED REVIEW OF THE SERVICES, INDUSTRIAL, AND HOTEL MARKETING LITERATURE

Purpose

The purpose of this chapter is to examine major research and writing which illuminates the state of development of the marketing field with regard to the sales of group meeting space. The focus of this study is on corporate meeting business. This focus necessitates the inclusion of two broader areas of marketing. Since the product studied is a service, an examination of the marketing literature relating to services will be pursued. Since corporate group meeting services are treated as an industrial product, the development of the industrial marketing literature as it relates to services also deserves attention. Finally, the greater concern of the chapter is to examine the literature of the hospitality industry with special attention given to the marketing of meeting services.

The Marketing of Services

The marketing literature dedicated to services is sparse. Although the importance of the service sector in the United States' economy is often pointed out--"commonly cited figures place consumption expenditures for services between 40 percent and 50 percent of the total..."¹--there is very little marketing theory developed around

¹John M. Rathmell, Marketing in the Service Sector (Cambridge, Mass.: Winthrop Publishers, Inc., 1974), p. 3.

the service industries. The major emphasis in marketing has been to develop theory relating to manufacturing industries. "The marketing discipline has a strong 'goods' orientation. In academic courses in marketing, tangible goods are considered, but rarely services to any extent."² From the broad "principles" texts to research in specialized areas, the service sector usually receives only cursory attention.

"The Service sector, also known as the 'tertiary' or 'residual' sector, has long been the stepchild of economic research. This was unfortunate but tolerable during the 19th and early 20th centuries when the shift from agriculture to industry was in full swing and services were of lesser importance. Since the end of World War II, however, the Service sector has become the largest, and in many respects, the most dynamic element in the United States economy."³

There seems to be some difficulty in even determining what a service is or what should be included in service classifications. Broad definitions such as "activities, benefits or satisfactions which are offered for sale,"⁴ are not particularly useful in pinning down what products are services and how they can be distinguished from goods. A more enlightening approach used by some authors is to focus on the characteristics of services and how they differ from goods. The characteristic mentioned most often is intangibility. While goods can be seen by potential customers, services must be purchased without the benefit of knowing exactly what they will be like.

²John M. Rathmell, "What is Meant by Services?" Journal of Marketing, Vol. 30 (October 30, 1966), p. 32.

³Victor R. Fuchs, The Service Economy (New York: National Bureau of Economic Research), 1968, p. xxiii.

⁴Philip Kotler, Marketing Management (Englewood Cliffs, New Jersey: Prentice-Hall, 1976), p. 73.

Besides the intangibility aspect, John Rathmell mentions several primary characteristics which distinguish services from production goods.

"First, since there is no transfer of ownership in the sale of a service, relationships between buyer and seller and control over the use of the product are indeterminate. Upon transfer of possession in the sale of a tangible good, the buyer's control over the use of the product is absolute, except for some rather limited restrictions imposed by lenders in credit sales.

A second and related differentiating characteristic of service lies in the interrelation of production and consumption. Goods are produced, sold, and consumed. Services are sold and then produced and consumed simultaneously.

A third characteristic is what might be called the 'in-being' nature of services...the capacity and capability to produce a service must exist before any transaction can take place. Note that the word is capacity, not inventory. Services are not stockpiled and the flexibility inherent in inventory is absent.

Fourth, with the exception of a few machine-intensive service industries such as electrical utilities and automated telephone systems, uniform performance standards are difficult to attain."⁵

In addition to these characteristics, Rathmell mentions the need to reconsider such traditional marketing functions as exchange and physical supply because of the difference in how these functions are performed in the services sector.⁶

Another way of looking at the difference between a good and a service is to look at the words themselves.

"One implicit distinction is to consider a good to be a noun and a service a verb -- a good is a thing and a service is an act. The former is an object, an article,

⁵Rathmell, Marketing in the Service Sector, op. cit., pp. 8-9.

⁶Ibid., pp. 9-10.

a device, or a material...whereas the latter is a deed, a performance, or an effort. When a good is purchased, the buyer acquires an asset; when a service is purchased, the buyer incurs an expense."⁷

It is often quite difficult to completely separate goods and services. There are extremes, such as management consulting, where the product is purely a service, or tobacco where the product is strictly a good. In order to provide utility to the user, however, most products require a combination of both goods and services.

"Apart from these extremes, most goods, whether consumer or industrial, require supporting services in order to be useful; most services require supporting goods in order to be useful."⁸

Carl Gersuny and William R. Rosengren in their book The Service Society, define services to "...include all tangibles for which money is paid including military defense, banking, imprisonment, transportation, and housing rentals."⁹ They further subdivide the service sector into three categories based on a classification developed by Nelson N. Foote and Paul K. Hart in 1953.¹⁰

"The Tertiary sector includes restaurants and hotels, barber and beauty shops, laundry and dry cleaning establishments, home repair and maintenance, handicrafts once performed in the home, and other domestic or quasi-domestic services.

The Quarternary sector includes transportation, commerce, communication, finance, and administration.

⁷Rathmell, "What is Meant by Services?" op. cit., p. 33.

⁸Ibid.

⁹Carl Gersuny and William R. Rosengren, The Service Society (Cambridge, Massachusetts: Schenkman Publishing Company, 1973), p. 4.

¹⁰Nelson N. Foote and Paul K. Hart, "Social Mobility and Economic Advancement," American Economic Review, 43 (May 1953), pp. 364-378.

Finally, the Quinary sector includes health care, education, and recreation."¹¹

The meetings industry, which is the major concern of this study, falls primarily into the tertiary sector according to the above classification.

The problem with definitions, such as the ones just mentioned is that they are imprecise. As Robert Judd points out, one of the reasons for imprecision is the listing of examples to accompany the definition. Judd prefers a definition of exclusion:

"Marketed Services -- A market transaction by an enterprise or entrepreneur where the object of the market transaction is other than the transfer of ownership (and title, if any) of a tangible commodity."¹²

In considering the definition proposed by Judd, another controversy arises. The term enterprise is commonly used to denote a business organization. It is difficult to exclude the values supplied by non-profit public and private organizations. Many of these organizations deal strictly in services and recent marketing literature has demonstrated an increased interest in these non-profit concerns.

"Marketing, far from being a management tool of exclusive interest to business establishments, has great relevance to the problems and challenges facing the nonprofit organization. All organizations depend upon exchange relations to attract resources that they need, to convert them into useful products and services, and to distribute them efficiently to target markets. Marketing is a systematic approach to planning and achieving desired exchange relations with other groups."¹³

¹¹Gersuny and Rosengren, op. cit., p. 5.

¹²Robert C. Judd, "The Case for Redefining Services," Journal of Marketing, Vol. 28 (January 1964), p. 59.

¹³Philip Kotler, Marketing for Nonprofit Organizations (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1975), p. 13.

Thus, the literature seems to reflect a growing concern for services. This concern appears to be providing the impetus to not only pursue a depth of understanding of the service sector, but at the same time to broaden the total marketing orientation toward services to include previously neglected areas in nonprofit fields.

Marketing Theory Applied to Services

Within the general classifications of services, behavior of the individual services in the marketplace varies considerably, just as the behavior of individual goods varies.

"...there is a greater elasticity of demand for services than for material goods. Increased income, in this view, is more likely to flow into services than into material objects, partly because migration into urban places tends to increase income and make people more dependent on purchased services."¹⁴

On the other hand, certain services tend to be quite inelastic.

"The demand for special services, is often inelastic if the supplier has a unique product. And the supply may be inelastic, too. The suppliers may consider themselves professionals and charge accordingly. For example, engineers, architects, and medical doctors have commonly accepted fee schedules, and the competition among them is not based on price but on quality of service."¹⁵

One of the major constructs of marketing theory is the marketing concept.

"The marketing concept says that a firm should focus all of its efforts on satisfying its customers, at a profit....those who believe in the marketing concept feel that customers' needs should be the firm's primary focus and that resources should be organized to satisfy those needs."¹⁶

¹⁴Gersuny and Rosengren, op. cit., p. 4.

¹⁵E. Jerome McCarthy, Basic Marketing: A Managerial Approach (Homewood, Illinois: Richard D. Irwin, Inc., 1975), p. 295.

¹⁶Ibid., p. 25.

While the marketing concept has become increasingly popular in manufacturing companies, it seems to have delayed use by meeting facilities. Many hotels are still being built based on past architecture and design, and often have little consideration for the needs of the meeting planners whose business they are so anxious to attract.

"... when your company is building a new property, what approach can we use to get to management, who in turn directs and contracts with the architect, that class A exhibit cases which contain standard 7' - 6" exhibit back walls do not fit on passenger elevators or even supposedly freight elevators with less than a 10' opening. These cases do not bend at the corners and the elevators do not have rubber walls.

...On rare occasions meeting planners have been invited to express their opinions about the interior design of a new hotel before it is constructed--and believe me we are aware of building and land costs...

...But don't ask us to accept a new 1000 room hotel that turns out to be primarily a bedroom hotel without comparable meeting space."¹⁷

Other examples of this seeming unwillingness to consider the meeting client are mentioned later in this chapter.

A study conducted by George and Barksdale indicates that attention to the marketing concept is not the only difference between manufacturing and service firms with respect to marketing.

"In comparison to manufacturing firms, service firms appear to be: (1) generally less likely to have marketing mix activities carried out in the marketing department, (2) less likely to perform analysis in the offering area, (3) more likely to handle their advertising internally rather than go to outside agencies, (4) less likely to have an overall sales plan, (5) less likely to develop sales training programs, (6) less likely to use marketing research firms and marketing consultants, and (7) less

¹⁷Dolores Harrington, "Satisfying the Customer...And Customer Needs," HSMA World (July/August 1976), p. 11.

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likely to spend as much on marketing when expressed as a percentage of gross sales."¹⁸

Although few and far between, there are other scholarly works which discuss the application of marketing theory and concepts to services. In the following sections several of these are examined within the framework of distribution, pricing, promotion, and product development.

Channels and Location

If any one area of services marketing has been neglected more than the others, it is distribution. "Perhaps the greatest problem with discussing the distribution of services is definitional. Since services do not involve tangible products, it is difficult to discuss how channel decisions are made."¹⁹ Donnelly feels that this attitude is not only shallow, but is also inhibiting.

"Although marketing is defined in terms of services as well as products, marketers generally have concentrated their attention on products, with the assumption that services are marketed using the same guidelines. In most areas, this assumption has proved essentially true; in the area of marketing channels, however, it is not only incorrect but its application has limited our understanding of the marketing of services."²⁰

Donnelly's greatest criticism of the way in which the distribution aspect of services is presented centers around the belief that services must be produced and distributed simultaneously. For example, McCarthy states

¹⁸William R. George and Hiram C. Barksdale, "Marketing Activities in the Service Industries," Journal of Marketing, Vol. 38 (October 1974), p. 65.

¹⁹Ibid., p. 67.

²⁰James H. Donnelly, Jr., "Marketing Intermediaries in Channels of Distribution for Services," Journal of Marketing, Vol. 40 (January 1976), p. 55.

"Most services do not involve physical products and, therefore, there is nothing tangible to move through a distribution system. As a result, the producers typically sell directly to their customers. Where the potential customers are widespread, however, agents may enter to provide the initial contacts."²¹

Donnelly, however, cites several examples where,

"...indirect distribution of the service was made possible because 'products' were developed that included a tangible representation of the service. This facilitates the use of intermediaries because the service can be 'separated' from the producer."²²

In the hotel and travel industries this sort of representation has been prevalent for a long time, and is growing in importance.

"...of increasing importance now to the lodging industry is the growth of indirect channels of distributing through such intermediaries as the travel agents, hotel representatives, tour operators, space brokers, airlines, and the centralized reservation and sales operations of franchised or chain hotels to help make the room sales for hotels."²³

One of the reasons for the need for indirect channels is that the industry has a large number of little-known operations which cannot afford their own representatives to contact widely scattered potential customers.

Most larger hotels will also have direct channels through which their sales personnel contact customers. Even hotels which belong to referral or chain organizations usually find it necessary to maintain their own sales force.

"Regardless of whether the hotel is independent or affiliated, the direct channel between a given hotel and

²¹McCarthy, op. cit., p. 525.

²²Donnelly, op. cit., p. 57.

²³William H. Kaven, "Channels of Distribution in the Hotel Industry," in John M. Rathmell, Marketing in the Service Sector (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1975), p. 116.

the consumer, while absolutely vital, is concerned chiefly with the sales function. More specifically the individual hotel's salesmen concentrate on (a) maintaining sales contact with channel intermediaries such as tour operators, travel agents, representatives and transportation companies; (b) maintaining sales contact with community firms and organizations in an attempt to obtain lodging and function business; (c) following leads furnished by other sources."²⁴

Departing from a conventional view of channels of distribution, we might consider a channel to be more than a means of transporting a product to the customer. Since products such as meeting services usually require that the customer be present at a particular facility in order to consume the service, the physical distribution function might be examined in reverse. Instead of moving the product to the customer for consumption, logistics channels for meeting services could include the movement of the customer to the service point in order to consume. In this framework, transportation companies and guest pick-up services run by facilities are a crucial part of the logistics channel for meeting facilities. In this sense, service industry companies are exhibiting the same interest in vertical channel integration as in production industries. For example, United Airlines and Western International Hotels have joined forces, as have Eastern Airlines and Rockresorts.²⁵

There are other examples of the departure from considering the distribution of meeting services in the traditional sense. One innovation has been to take meeting services to the customer. A few hotels are using electronic and video equipment to "distribute"

²⁴ Ibid.

²⁵ Donald E. Lundberg, The Tourist Business (2nd ed., Boston, Mass.: Cahners Publishing Company, Inc., 1974), p. 29.

meeting experiences around the country, eliminating the need for actual physical attendance in order to participate in a conference.

"Closed-circuit TV linking 21 major cities may change the nature of convention business in this country. In 1970, General Electric formed a permanent closed-circuit color television system which was installed in special hotel meeting rooms.... Instead of sales personnel traveling to a central resort or city for a sales meeting, they go to the nearest city included in the network."²⁶

Location is a major distribution factor for service operations. The importance of location varies depending upon the type of services offered. For example, transient hotels and motels tend to be located close to major arteries. In this sense they might be considered to offer a "convenience" service while a resort which is located away from population centers might still draw meeting business because of its "shopping" or "specialty" nature. The importance of location may be overemphasized at the expense of ignoring other factors in the marketing mix.

Product Development

In developing a service product, many of the same concepts used in developing production goods should be considered. According to Rathmell, however, very little is done in the area of planning new services.

"A brief state-of-the-art review of formal and organized research and development in the service sector leads to the conclusion that it is at a very elementary stage today, with exceptions, of course. New service products 'happen'--they are not formally developed."²⁷

²⁶ Ibid., p. 28.

²⁷ Rathmell, Marketing in the Service Sector, op. cit., p. 61.

Even though services are developed in a wide variety of settings and conditions, marketing theory can be usefully applied in most cases. For example, services can be seen to have life cycles, much the same as goods. Using historical data, Klug and Brummwell have shown that air travel has entered into the maturity stage of its life cycle.²⁸ Other services, such as stagecoach travel, have died while services such as child care are still in the growth stage.

All products should be developed to meet the needs and preferences of the customer. Through marketing research, target markets can be identified and the service designed to satisfy them. Gersuny and Rosengren pay special attention to how services can be developed to fulfill the varied needs of individuals as they pass through their personal life cycle.

"The necessary adjustments that persons have to make as they pass through this process from birth to death call forth a vast array of both private and public agencies in our modern service society. They offer services that aid in the adjustment to different stages of the life course in general and through the crises associated with the rites of passage from one age status to another."²⁹

Whatever the service, development principles can and should, be applied to provide better use of resources and greater chances for success.

"The conventional steps of exploration, screening, business analysis, development, testing and commercialization apply to services as well as goods. They may be explicit, thorough, and scientific."³⁰

²⁸John K. Klug and Robin A. Brummwell, "Air Travel as a Commodity," in John M. Rathmell, Marketing in the Service Sector, Ibid., pp. 70-71.

²⁹Gersuny and Rosengren, op. cit., p. 18.

³⁰Rathmell, Marketing in the Service Sector, op. cit., p. 63.

The Promotional Mix

Some authors feel that promotion is the element in the marketing mix which is emphasized the most by service industries. Authors do not agree, however, which promotional technique takes precedence.

"Communication plays a much stronger role than distribution in the marketing of services,' says Dr. Peter Bennett, head of the marketing department at Pennsylvania State University. 'This shifts the emphasis to personal selling because an intangible service can't sell itself the way a machine can.'"³¹

McCarthy notes further,

"Since most service businesses have relatively undifferentiated products, their promotional task usually is persuasive in nature. The emphasis is on personal selling.

When a service is new, information about price, availability, and dependability is important. But competitors usually enter a profitable field quickly, and personal persuasion is then needed to hold customers."³²

Donnelly, however, notes that advertising may receive too much emphasis.

"The problem of making services more efficiently and widely available must not be ignored in favor of other elements of the marketing mix that are easier to deal with. For example, many service industries have been criticized for an 'overdependence on advertising.' The problem of overdependence on one or two elements of the marketing mix is one that service marketers cannot afford."³³

Whatever promotional element receives the most attention, it seems that for the service sector in general, promotion has a smaller role than for goods.

"It is often observed that promotion plays a more modest role in the marketing of services than of goods and some data

³¹Thayer C. Taylor, "Selling the Services Society," Sales Management (March 6, 1972), p. 25.

³²McCarthy, op. cit., p. 525.

³³Donnelly, op. cit., p. 57.

tend to support this notion. For example, only 10 of the top 100 advertisers in 1971 were service firms and several of these also manufactured industrial and consumer goods and, presumably, significant portions of their advertising dollars were expended to promote goods; moreover, the 10 service firms accounted for only 6.6 percent of advertising expenditures of the top 100 advertisers."³⁴

It is not too difficult to understand the lesser emphasis on the promotion of services when considering the sector as a whole. It is only recently that lawyers have been allowed to advertise, and most nonprofit organizations have traditionally not considered promotion within their scope (even though all organizations engage in some sort of communications and promotion).³⁵ It appears that in the area of meeting facility promotion both advertising and personal selling are used more extensively than for many other services. In the last few years even television commercials have been popping up, encouraging business groups to come to Holiday Inns, Sheraton, and other properties. Thus, the lodging industry seems to be using promotion in much the same manner as production industries, even though lodging budgets might be smaller in most cases.

Pricing of Services

Many service industries are regulated by the government and do not engage in pricing in a marketing sense, although they are still subject to economic forces to some extent. Thus, while economic literature is quite concerned with pricing in regulated industries, the marketing literature tends to ignore these industries. Nonprofit

³⁴Rathmell, Marketing in the Service Sector, op. cit., p. 92.

³⁵Kotler, Marketing for Nonprofit Organizations, op. cit., p. 200.

organizations are also usually excluded from pricing discussions in the marketing literature for services, primarily because the profit maximization principle is absent.

"Business firms set their prices to maximize their profits. The theory of profit-maximizing pricing is well worked out and widely understood, requiring knowledge of the demand and cost functions for the product. Nonprofit organizations price according to other standards, such as covering costs, matching competition, subsidizing certain groups, and so on."³⁶

Kotler feels, however, that there is room for the application of price theory to nonprofit areas.

"Marketers have worked long and hard in the area of price promotion -- cents off, two-for-the-price-of-one, premiums, and so on -- and can bring this expertise into nonprofit organizations."³⁷

Since there is not very much concentration in non-regulated service industries, Rathmell feels that theory surrounding a monopolistic market structure best describes pricing practices for services.

"The theory of monopolistic competition is the most appropriate theoretical explanation of market conditions under which the prices of services are set. There are typically many sellers and many buyers. However, the seller has a unique product to sell: the performance of his own mix of human labor, aptitudes, and skill. A reputation for superior performance enables the seller to charge a higher price..."³⁸

On a firm by firm analysis, the service industry reportedly uses the whole range of pricing policies³⁹ and pricing methods.⁴⁰

³⁶ Ibid., p. 70.

³⁷ Ibid., p. 71.

³⁸ Rathmell, Marketing in the Service Sector, op. cit., p. 74.

³⁹ Ibid., p. 75.

⁴⁰ Ibid., p. 77.

However, as a marketing tool, pricing in the service sector appears to be subordinated to locational and promotional factors.

Industrial Buyer Behavior

Although there has been more written about industrial marketing than marketing in the service sector, the amount of literature is small compared to consumer marketing literature. This seems especially true in the area of buyer behavior. An article by Gordon McAleer, reporting the results of an empirical study, points out this problem.

"Industrial marketers have probably suffered more from a paucity of information about their markets and buyer behavior than consumer marketers...Industrial advertisers, for example, traditionally have developed strategy primarily on the basis of historic assumptions about industrial buyer behavior."⁴¹

The results of McAleer's study indicate that in the area of industrial advertising, marketers don't understand their markets, and in fact may be misled by following historical 'concepts' of industrial buyer behavior.

"It was concluded that advertisers to each of these (industrial) market segments did not correctly perceive the influence of advertising appeals upon the respective market segments concerned. A careful review of the findings might also suggest the dubious value of utilizing certain concepts in their advertising."⁴²

Another recent article agrees that the industrial sector has been neglected, but points out that recent years have seen some growth of interest in this area.

⁴¹Gordon McAleer, "Do Industrial Advertisers Understand What Influences Their Markets?" Journal of Marketing, Vol. 38 (January 1974), p. 15.

⁴²Ibid., p. 22.

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"The Industrial sector has long been regarded as the stepchild of marketing in terms of the amount of research effort devoted to its problems. There are, however, indications that the situation may be changing. Research on industrial/organizational buying behavior is growing, and a considerable body of empirical knowledge about processes surrounding the innovation and diffusion of industrial technologies and products has been developing."⁴³

Even if there is an increased emphasis on industrial buying processes, this seems to be primarily for goods, with services again being neglected.

"By far the large majority of research in both the fields of consumer and organizational buying behavior has been concerned with the purchasing decisions related to tangible products."⁴⁴

Much of the literature which is dedicated to industrial buyer behavior related to goods can probably be applied to services also, or at least provide some theoretical framework for examining industrial services. Most of the literature which deals with industrial services cautions against treating services and goods as synonymous in terms of how they are marketed. For example, Taylor, quoting consultant Eugene B. Mapel, writes,

"'When marketing a product, the primary task is to create a desire or need for the product in the mind of the consumer. Services are best marketed by meeting already established needs. The principle difference lies in the fact that the product usually determines the marketing strategy; while in services, the strategy often develops out of the motivational influences surrounding the service.'

⁴³Gary L. Lilien, Alvin J. Silk, Jean-Marie Choffray, and Murlidhar Rao, "Industrial Advertising Effects and Budgeting Practices," Journal of Marketing, Vol. 40 (January 1976), p. 16.

⁴⁴Paul A. Fortin, J. R. Brent Ritchie, and Jules Arsenault, A Study of the Decision Process of North American Associations Concerning the Choice of a Convention Site, Quebec Planning and Development Council, Vol. I. Final Report, 1975, p. 3.

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The subtle shift in sales emphasis will require a more systems type selling strategy and a widened role for the field salesman.

Greater in-depth knowledge of the customer's business also will be required of the services salesman."⁴⁵

Importance of Industrial Services

It may seem as though the area of industrial services is too specialized to warrant much attention, especially considering the shortage of research in industrial behavior in general. It should be noted, however, that "Many service industries produce intermediate output (sold to other firms) as well as final output. Most observers believe that a portion of the growth of services is attributable to an increase in specialization and division of labor, i.e., a relative increase in intermediate demand for services."⁴⁶

To be more specific, Taylor has compiled government data which show that 17.8% of purchases by manufacturing firms were from services industries and that 10.8% of goods purchased from manufacturing industries were purchased by services industries.⁴⁷ It is difficult to single out which industrial services tend to be the most important since Standard Industrial Classifications are not finely broken down and do not distinguish between output used by businesses and that used by consumers. If we look at sales for Hotels and Motels (SIC 7011) we can see that it is a fairly large segment of the service sector

⁴⁵ Taylor, op. cit., pp. 24-25.

⁴⁶ Fuchs, The Service Economy, op. cit., p. 39.

⁴⁷ Taylor, Ibid., p. 27.

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with receipts of 16.5 billion projected for 1980.⁴⁸ The magnitude of the meetings industry is discussed later in this chapter.

The importance of services surrounding goods is pointed out by Leonard Simon.

"Technical product service is clearly a potential component of the marketing mix utilized by any manufacturer and therefore a means of differentiating the product. When suppliers' offers are equal as regards price, quality, and performance--i.e., various suppliers are competitive--technical product service considerations come to the fore."⁴⁹

Government figures show total GNP in 1975 as \$1,516.3 billion dollars. Final product sales for goods were \$696.3 billion and services \$692.5 billion.⁵⁰ The types of industrial services mentioned above are rarely broken down and accounted for in service industry figures. The services surrounding the industrial product are increasingly being expanded by manufacturers. Even though these services may be an integral component of the firm's marketing strategy, their effects and importance are all but ignored in the marketing literature and in government reports.

Industrial Buying Models

Modeling has become a popular practice to describe both consumer and industrial buying behavior. Much more has been accomplished in the testing of models in the consumer area than the industrial area.

⁴⁸U. S. Industrial Outlook-1975 (Washington, D.C.: U. S. Department of Commerce, U. S. Government Printing Office 1975), p. 417.

⁴⁹Leonard S. Simon, "Measuring the Market Impact of Technical Services," Journal of Marketing Research, Vol. II, No. 1 (February 1965), p. 32.

⁵⁰Survey of Current Business, Vol. 56, No. 10 (Washington, D.C.: U. S. Government Printing Office, October 1976), p. S-1.

This presents a problem to industrial marketers who are told the value of developing strategies based on customer buying behavior.

"Industrial and institutional marketers have often been urged to base their strategies on careful appraisal of buying behavior within key accounts and in principal market segments. When they search the available literature on buyer behavior, however, they find virtually exclusive emphasis on consumers, not industrial buyers. Research findings and theoretical discussions about consumer behavior often have little relevance for the industrial marketer.

A buyer behavior model can help the marketer to analyze available information about the market and to identify the need for additional information."⁵¹

In recent years industrial buying models have acquired a high degree of sophistication in comparison with what Feldman and Cardozo call the classical or simplistic model. This model was based solely on price.

"His (the buyer) sole duty is to buy what is specified, at the lowest price per unit.

To sell this "honest clerk," marketers presumably need only a complete catalogue and the lowest price.

Few, if any, industrial marketers can take such a model seriously."⁵²

Webster and Wind present a comprehensive discussion of organizational buying models in Organization Buying Behavior.⁵³ They discuss models by categorizing them as (1) Task-oriented (2) Nontask-oriented

⁵¹Frederick E. Webster, Jr. and Yoram Wind, "A General Model for Understanding Organizational Buying Behavior," Journal of Marketing, Vol. 36 (April 1972), p. 12.

⁵²Wallace Feldman and Richard Cardozo, "The 'Industrial' Revolution and Models of Buyer Behavior," Journal of Purchasing (November 1969), p. 78.

⁵³Webster and Wind, Organizational Buying Behavior, op. cit., pp. 12-27.

and (3) Complex models. All of these models' shortcomings are pointed out, and a case is made for developing an integrated model.

"Available models for the most part overlook either task or nontask variables and are therefore inadequate analytical tools. An integrated model is required if we are to have sufficient understanding of the organizational buying process as the basis for marketing strategy. It must recognize the complex interaction of task and nontask variables and of individual, group, organizational, and environmental factors in determining response to marketing effort. It must also recognize the alternative forms of buying response and the sequential nature of the organizational buying decision process."⁵⁴

There are some obvious benefits to be gathered from the development of an integrated model of organizational buying behavior. A general model provides a framework from which research hypotheses can be developed and tested and also brings together previous theoretical developments to be examined as a whole.

"It can be applied to all organizational buying and suffers the weaknesses of general models. It doesn't describe a specific buying situation in the richness of detail required to make a model operational, and it cannot be quantified. However, generality offers a compensating set of benefits. The model presents a comprehensive view of organizational buying that enables one to evaluate the relevance of specific variables and thereby permits greater insight into the basic processes of industrial buying behavior. It identifies the classes of variables that must be examined by any student of organizational buying, practitioner, or academician."⁵⁵

At first glance, the complexity of a general model is overwhelming. It has been pointed out, however, that if a model is to be applied to a specific situation, it can be simplified to make it more workable.

⁵⁴Ibid., pp. 26-27.

⁵⁵Frederick E. Webster, Jr. and Yoram Wind, "A General Model for Understanding Organizational Buying Behavior," Journal of Marketing, Vol. 36 (April 1972), p. 12.

"One can however, simplify the actual application of the model in a specific study in at least two ways. First, several variables are included as conditions to hold constant differences among types of products to be purchased (product-specific factors) and differences among types of purchasing organizations. These exogenous factors will not be necessary if the objective of a study is to describe the process of buying behavior for a specific product or service. Second, some of the decision-process variables can also be ignored if the interest is strictly to conduct a survey of static measurement of the psychology of the organizational buyers."⁵⁶

Perhaps the most widely accepted general models are those developed by Sheth⁵⁷ and Webster and Wind.⁵⁸ Both of these models take note of the importance of multiple buying influences at each stage in the buying decision process. As noted above, one of the problems with a general model is the difficulty in applying it to specific situations. For example, the denotation of engineers as a class of buyers may not be applicable to many service-oriented products. Fortin emphasizes this point in relation to research conducted in the consumer area.

"The implications of the...research related to the structure of influence in multiple person purchasing situations are at least three in number. First, the research must be product specific which in this particular case refers to the specific 'purchase' of a meeting/convention site. Second, it can be expected that the perceptions as to the extent of influence on the site selection process will vary across different members interested in the decision. Finally, it is probable that the nature and extent of the influence exerted by different participants involved in the process will vary across different elements of the overall decision."⁵⁹

⁵⁶Jagdish N. Sheth, "A Model of Industrial Buyer Behavior," Journal of Marketing, Vol. 37 (October 1973), p. 51.

⁵⁷Ibid., p. 51.

⁵⁸Webster and Wind, "A General Model for Understanding Organizational Buying Behavior," op. cit., p. 15.

⁵⁹Fortin, et. al., op. cit., p. 17.

The scope of an integrative model makes testing the model as a whole unfeasible. As a result, parts of the model are tested a little at a time, in product-specific situations. There are several studies reported which test either parts of general organizational models or theories relating to industrial buying behavior.⁶⁰ This process has a long way to go, however, before any model can be considered to be validated.

The Hospitality Industry

The hospitality industry, of which meeting services are a part, is a multifaceted member of our economic structure. The major segments of this industry include restaurants, clubs, travel services, hotels, and other meeting facilities. The literature relating to the hospitality industry consists primarily of articles written in trade journals and several "how to" text books. The majority of the literature is aimed at making suggestions for improvement of operations and discussing current problems, rather than providing any theoretical framework or scholarly research.

Recently, more attention has been given the hospitality industry by academicians. This has been reflected by the growth of universities offering degree programs in Hotel and Restaurant Management and the publication of a few sound textbooks and research findings.

⁶⁰ See, for example, Leon G. Schiffman and Vincent Gaccione "Opinion Leaders in Institution Markets," Journal of Marketing, Vol. 38 (April 1974), pp. 49-53; Donald R. Lehmann and John O'Shaughnessy, "Difference in Attribute Importance for Different Industrial Products," Journal of Marketing, Vol. 38 (April 1974), pp. 36-42; William D. Perreault, Jr. and Frederick A. Russ, "Physical Distribution Service in Industrial Purchase Decisions," Journal of Marketing, Vol. 40 (April 1976), pp. 3-10; and Fortin, et. al., op. cit.

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The marketing literature related to the hospitality industry is even less sophisticated than the general services literature. Tyler⁶¹ groups the hotel marketing literature into three categories: conceptual, operating checklists, and customer analysis. The latter two categories are concerned primarily with day to day operations and do not provide general constructs of value to the industry as a whole. One of the major contribution in these categories is The Full House,⁶² which focuses on merchandising techniques and specific marketing problems. This type of "how to do it" literature, while providing some useful ideas and helpful techniques, does not lend itself well to generalizations.

Crissy, Boewadt, and Laudadio⁶³ have developed the first comprehensive marketing text which brings together many segments of the industry. The book provides a theoretical base for the industry, to which sound marketing theory is applied. This type of literature helps to unify the industry and focuses on marketing philosophies, rather than trying to point out step by step development of specific marketing programs.

The need and concern for a more intense development of marketing is reflected in the growth trends of the hotel-motel industry. In

⁶¹Philip Russell Tyler, "Correlates of Success in Convention Properties: An Empirical Study" (unpublished D.B.A. dissertation, Michigan State University, 1972), p. 18.

⁶²C. Dewitt Coffman, The Full House (Ithaca, New York: Cornell University School of Hotel Administration, 1971).

⁶³W. J. E. Crissy, Robert J. Boewadt, and Dante M. Laudadio, Marketing of Hospitality Services--Food, Travel, Lodging (East Lansing, Michigan: The Educational Institute of the American Hotel-Motel Association, 1975).

1948 there was a reported 36,219 hotel-motel establishments in the United States with a total of 1,853,723 guest rooms. By 1974, these figures had grown to 45,150 establishments with rooms totalling 2,751,000. What is more significant is that during this same period, the average occupancy rate dropped from 85% to 61%.⁶⁴ These figures indicate that competition has become more intense resulting in an even greater need for a marketing orientation.

Meetings and Conventions

As the squeeze on occupancy rates took place, facilities providing accommodations began to look for new market segments that previously had received little attention. The corporate meeting came into focus in the 1960's as a large potential source of business. As mentioned by an official of the Western International Hotel chain, new markets are often not seriously considered.

"Sometimes we assume the present market is the same as the potential market, but this is not always the case. For instance, one hotel has found indicators showing that the corporate meeting is a good new market, although it has never been significant before."⁶⁵

While this article was written in 1970, other writers see the recognition of the meetings market as beginning in the mid-1960's. This era was the beginning of a great amount of marketing effort and specialization which was to be aimed at courting corporate meeting business.

"By the mid-60's, because of the demands these new kinds of management conferences and training programs

⁶⁴Harris, Kerr, Forster and Company, Trends in the Hotel-Motel Business--1975 (U.S.A. ed., New York: Harris, Kerr, Forster and Company, 1975), p. 3.

⁶⁵"The Style of Western International," Hospitality (July 1970), p. L-51.

created, some dissatisfaction was already being felt with previously accepted meeting environments. Meetings held in home offices were interrupted with messages and telephone calls. That type of hotel function space designed for banquets, cocktail receptions, and a multitude of other public affairs, left much to be desired as a learning environment. And university campuses, thought to be conducive to serious training programs, couldn't offer the amenities appropriate for management level meetings and were available for only limited periods during the year."⁶⁶

The literature is sometimes very specific in pointing out the difference between a "convention" and other types of group business. Conventions have been around on a large scale for a long time and have been actively sought by hotels. Marketing strategies being developed in many properties are concerned with shifting or adding to the marketing effort aimed at other types of groups. The nature of these gatherings is often educational rather than frivolous as conventions often have the reputation of being.

"You note that I use the words 'meeting', 'conference', and 'seminar', but not convention. Any hotel or motel bidding for the industrial meeting, conference, or seminar, must understand that the participants are not attending to be entertained, which the word 'convention' might imply, but are attending in order to learn, to become better qualified to do their own particular jobs."⁶⁷

Thus we have a market segment separate from conventions which has greatly different characteristics and requirements. While the literature reflects a growing awareness of the importance of this market segment, little solid research has been done to discover the wants and needs of the people involved and how best to service them.

⁶⁶ Donna Zack, "Conference Centers -- Where the Meeting is King," Meetings and Conventions (May 1975), p. 49.

⁶⁷ Charles V. Crumb, "Getting More of the Industrial Seminar Market," Hotel and Motel Management (March 1968), p. 22.

Articles written on the subject tend to be more concerned with speculating on what services it is advisable to have, than with discovering the needs of the people planning and attending the meeting.

Importance of Corporate Meetings

It is only recently that attempts have been made to assess the importance and economic potential of corporate meetings. As late as 1961 the literature made little reference to meetings other than conventions. Typical of this attitude is an article which appeared in Fortune magazine discussing the battle for business between the Sheraton and Hilton chains.

"According to the New York Convention and Visitors Bureau, conventions supply between 25 and 30 percent of all hotel revenues. In many cities convention business is what holds up occupancy rates in the face of declining transient business.

...the share for Hilton as a chain runs 35% for conventions and about 50% for the Palmer House and the Conrad Hilton."⁶⁸

Later articles placed more and more emphasis on the meetings aspect of group business and its potential. An article in Institutions notes, "Sales meetings and conventions are more important to a hotel's financial health today than ever before."⁶⁹

By the 1970's an effort was being made to assess the total market for corporate meetings. This produced a wide variety of estimates, all of which indicate a large market for purveyors of meeting

⁶⁸Carl Rieser, "Sheraton versus Hilton Playing Checkers with 60 Thousand Rooms," Fortune, LXIII (January 1961), p. 164.

⁶⁹"The Business of Business Meetings," Institutions (March 1969), p. 79.

services. A 1971 article appearing in the Cornell HRA Quarterly states, "Some 200,000 company conferences are held each year, most of them in hotels and motels."⁷⁰

By 1974, estimates of the corporate meetings market had escalated considerably, indicating a growing market which was attracting increased attention.

"In 1974, there were over 500,000 meetings held by corporations outside of their company offices. There were also 92,000 meetings held by associations, a total of almost 600,000 meetings."⁷¹

And,

"...total expenditures on off-premises (corporate) meetings over the last 12 months comes to \$2.4 billion. This money was spent on 503,800 meetings, with 24,342,000 attendance."⁷²

Discrepancies among figures are quite large when examining data reported by different publishers. The above article quoted a figure of \$2.4 billion spent on corporate meetings, while another article, appearing in Hospitality magazine notes, "Corporate spending on meetings--1.5 billion a year--is dramatically up over a few years ago."⁷³ Even with inconsistent figures it is clear that corporate meetings comprise a large market segment. Add other types of corporate get-togethers and the figures are even greater.

⁷⁰Harlan Perrins, "Company Conferences in Hotels," Cornell HRA Quarterly (February 1971), p. 67.

⁷¹Walter A. Green, "Business Meetings Must Yield Solid Returns," Meetings and Conventions (May 1975), p. 14.

⁷²Mel Hosansky, "1974 Market Data Report of the Meetings and Conventions Industry," Meetings and Conventions (December 1974), p. 12.

⁷³Herbert Wilson, Untitled Article, Hospitality (October 1975), p. 13.

"Last year, corporations like yours spent \$7 billion on 300,000 meetings, trade shows, and conventions."⁷⁴

Meeting Facility Typology

Most corporate meetings were traditionally held either at company offices or at hotels. However, with a growing concern for executive development, middle management training and the trend toward continental and global conglomeration, a need has arisen for more specialized meeting facilities away from the interruptions and constrained atmospheres which are previously suitable.⁷⁵ As a result, many companies have been moving their corporate meetings away from the office and into conference facilities.⁷⁶ This movement has brought about the development of many different types of facilities and a higher degree of specialization. Hotels which are catering to, or trying to develop meeting business are adding services to attract corporations.⁷⁷

The emphasis placed on corporate business varies property to property. The development of airport hotels such as the Hyatt Regency O'Hare in Chicago illustrates a new concept in location and the great amount of emphasis placed on booking group business. An interview conducted in 1971 with Pat Foley, General Manager of the Hyatt Regency at O'Hare International Airport, is indicative of this attitude.

"According to Foley, Hyatt is placing its emphasis on group business. As much as 80 per cent or more of our

⁷⁴Henry Lefer, "The Widening World of Business Meetings," Management and Leisure Time Section, Hospitality (February 1972).

⁷⁵Walter A. Green, "A Case for Productive Weekend Meetings," Meetings and Conventions (June 1975), p. 32.

⁷⁶Zack, op. cit., p. 49.

⁷⁷Crissy, et. al., op. cit., p. 65.

business will be in the category of the businessman and his meetings. Advance bookings at opening time were more than \$9 million. The airport hotel is right on target for the needs of 10 to 1,000 persons. Hyatt opened the first 'fly-in' hotel in Los Angeles, and the Regency Hyatt House at O'Hare is our vote of confidence in the airport/hotel/meeting concept and Hyatt's bid for leadership in the field, according to Foley.⁷⁸

The philosophy behind the airport hotel is to provide locations where businessmen from all over the world can fly in, have their meeting and fly out, without having to fight traffic or spend a lot of time. Other hotel chains, such as the Marriott Corporation have also engaged in extensive development of this market segment.

The highest degree of specialization in meeting facilities is demonstrated by the rise of the conference center. These facilities are designed to cater to group business of many types.

"Today, a number of conference centers exist which offer a wide variety of settings and even a variety of philosophies about the features which make them suitable for certain kinds of meetings."⁷⁹

These conference centers range from converted mansions, typified by the Harrison Executive Conference Center in Glen Cove, New York, to full service accommodations such as the Woodlands Inn near Houston, Texas. An even newer trend in conference facilities is to develop sophisticated communications and audio-visual centers. These conference facilities, like the Multimedia Forum in Kansas City's Crown Center complex and the Watergate Conference Center in Washington's famous Watergate Complex, often offer no overnight accommodations, but

⁷⁸"The Quality Approach," Hotel and Motel Management (July 1971), p. 34.

⁷⁹Zack, op. cit., p. 50.

work closely with local hotels.⁸⁰

There are many hotels, motels, and resorts that bill themselves as conference centers. Some of them are owned by corporations or trade associations. Others may even be owned by unions, such as the MEA Conference Center near Battle Creek, Michigan which is owned and operated by the Michigan Education Association. Of the centers catering primarily to businessmen,

"...the leader seems to be Harrison Executive Conference Centers with three 'Harrison Houses' in Glen Cove, New York; Lake Bluff, Illinois; and Southbury, Connecticut. The first two are old mansions recently converted to plush conference sites, the Southbury center, opened late last year, was built from the ground up as a meeting place."⁸¹

Another type of meeting facility is offered by colleges and universities. Many schools, both large and small, have conference facilities ranging from meeting rooms in student unions with housing in dormitories, to full service operations, such as the Kellogg Centers for Continuing Education found throughout the country. Most of these meeting facilities are designed to handle a diversity of meetings, including student functions. Perhaps the most business-oriented meeting facility operated by a university is Michigan State University's Management Education Center in Troy, Michigan, which opened in August of 1975.

"The center, with its 319-seat auditorium, dining facility and conference rooms, provides an attractive alternative to meeting in a hotel...

There is also a business-oriented library, and a computer hook-up with the MSU campus.

⁸⁰Zack, op. cit., p. 50.

⁸¹"New Centers in the Outskirts," Sales Management (Monday, August 21, 1972), p. 31.

While (John) Patterson (director of the center) refers to area hotels as competitors, he says the overlap in services is only partial since the center will only book business-related events."⁸²

The growth of meeting facilities at universities probably has also contributed to the growth of other types of meeting facilities as people catering to meetings realize that one of their most important products is education.⁸³

The downtown hotel, motel, or motor inn is the traditional location for meetings. The larger properties have been more concerned with conventions in the past, but are also beginning to realize the value of the smaller business meetings. However, the emphasis in many locations still seems to be on conventions.

"Philadelphia, where convention business comprises about 70% of the city's income from visitors (vs. 30 percent from tourists), is still very much alive as a convention city..."⁸⁴

"The Pfister (in downtown Milwaukee) is currently running about 50-50 convention and transient business."⁸⁵

Many of the newer hotels are tied to the commitment of the city where they are located, to pursue convention business. The Detroit Plaza, a Western International Hotel opening in Detroit's Renaissance Center in the Spring of 1977, is a central part of the city's plan to

⁸²Gregory Skwira, "Accommodations for Business..." Detroit Free Press (Sunday, October 19, 1975), p. B-1.

⁸³Crissy, et. al., op. cit., p. 24.

⁸⁴Muriel Adams, "Philadelphia Rallies in Wake of Bellevue Stratford Closing," Meeting News (February 1977), p. 4.

⁸⁵"Marcus: Marketing in Milwaukee," Hotel and Motel Management (September 1974), p. 24.

revitalize the downtown area, and attract conventions.⁸⁶

Resorts have long viewed group functions as a way of smoothing out seasonal peaks and valleys,⁸⁷ and hardly any new resort is built without considering meeting and convention business.⁸⁸ For example, Boyne Mountain, a ski resort in Northern Michigan, has recently added a large convention hall flexible enough to handle many types of group business. Resorts allow businessmen the opportunity to work and relax at the same time. The choice of location is virtually unlimited and can provide a variety of atmosphere, year after year.

As the fear of the inner-city grew during the last decade, so did the trend toward suburban hotels. These types of hotels are usually located in a wealthy suburb of a major city, possibly near the headquarters of large corporations. The philosophy behind this concept is that people no longer want to stay downtown and that suburban access is considerably easier.

Another type of meeting facility is provided by transportation companies. Executives have long taken the opportunity of meeting in lounges at airports or in airplanes to conserve time. Expanding this concept, some companies have held meetings for large groups on chartered aircraft during transatlantic flights and on cruise ships. A meeting planning book published by SM/Sales Meetings Magazine, points out,

⁸⁶"Detroit's Downtown Gets a Tonic," Business Week (August 9, 1976), p. 52.

⁸⁷"The Seasonal Resort Needs Conventions," The Cornell HRA Quarterly (November 1962), p. 32.

⁸⁸Lefer, op. cit., Management and Leisure Time Section.

"Conventions aboard cruise ships have an added lure of glamour and meeting planners have the most captive of all audiences. If you charter the entire ship, you have no problems with meal functions or recreation. The whole ship is yours."⁸⁹

The concept of group meetings in the air is still relatively new, and is used most often as a part of a longer meeting to be held at the destination.

The types of meeting facilities discussed here include most of the settings available to corporations away from their corporate offices. It should be pointed out that many restaurants and clubs also have meeting space available which is widely used by business groups. The type of meetings held here are usually rather short and rarely involve the need for lodging and other services offered by specialized meeting facilities.

Different sources have developed their own meeting facility typologies. Hospitality magazine classifies the types of facilities as: 1. intown hotels, 2. cruise and charter, 3. conference center, and 4. resorts.⁹⁰ This typology leaves out the important airport facility and does not take note of the suburban property. Another publication lists six types of facilities: large metropolitan hotels, motels, small hotels, motor inns, airport hotels and cruise ships.⁹¹ The difficulty with this is in defining the differences between large hotels, small hotels, and motor inns. The typology presented in

⁸⁹The Theory and Practice of Convention Management (Philadelphia, Pennsylvania: SM/Sales Meetings Magazine, 1974), p. 20.

⁹⁰Lefer, op. cit., Management Leisure Time Section.

⁹¹The Theory and Practice of Convention Management, op. cit., p. 19.

Figure 1 is more a matter of convenience than an attempt to incorporate the various typologies presented in the literature.

FIGURE 1
MEETING FACILITY TYPOLOGY

Classification	Main Advantages*	Main Disadvantages*
Airport	Fly-in, fly-out Modern facilities (most)	Away from business district Limited entertainment
Downtown	Close to other businesses Nightlife, shopping, entertainment	Deterioration of inner city Drive time from airports
Resort	Seclusion Recreational facilities	Distance from office Atmosphere may be too relaxed
Suburban	Easy access Away from inner city	Distance from airport and office Away from other businesses
Cruise Ship	Captive audience Good food and facilities	Communication with office Departure locations
University Facility	Educational environment Human resources	Often non-professional Lack comforts of commercial hotels
Conference Center	Special attention, facility Away from interruptions	Distance from office Limited entertainment

*These are generalities and are not true in all cases.

Meeting Trends

There are several changes taking place in the area of group meetings. Some of these are due to changing economic conditions, others to the realization of the educational value of meetings. According to William White, national sales manager for the Fairmont chain in 1972,

"The number of meetings held by large corporations seems to be increasing as management discovers the need to increase person-to-person contact. Regional meetings on a regular basis, either as a replacement for an annual national meeting or to supplement it, appear to be the direction corporate business is taking. This, of course, provides us with an even larger and more lucrative market."⁹²

However, in the midst of the energy crisis, expense accounts were cut back and some companies also tried to scale down meetings. This attitude was typified by Raymond Hall, writing for Industrial Marketing when he urged that there be a minimum amount of entertainment and banquets. He also recommended that regional meetings "should not last more than one day, and should be held at an airport motel located centrally within the region."⁹³ Fortunately, certain types of meetings took a new importance. Economic bad times may call for more importance than ever to be placed on a sales meeting to portray optimism and stimulate those salesmen who are having difficulties making sales.⁹⁴ As noted earlier, indications are that the

⁹²"85,000 Meetings a Year Mean Big Money," Institutions/Volume Feeding (June 1, 1972), p. 29.

⁹³Raymond Hall, "Reps Urge Fewer, Leaner Sales Meetings: Explore Alternatives," Industrial Marketing (July 1973), p. 42.

⁹⁴Milton Astroff, "Sales Meetings--Why Your Next One Could Be Your Most Important One," Sales Management (April 8, 1974), pp. 26-28.

meetings market did grow from 1970-1975, so that economic and energy problems had only a temporary effect, if indeed there was an effect.

A trend that does appear to be here to stay is a movement toward smaller meetings.

"Groups aren't always hordes. In fact, in the past few years, the number of shorter, smaller meetings and educational seminars have multiplied."⁹⁵

"While attendance per meeting has dropped, the number of meetings is increasing. And that trend is expected to continue. As meetings become smaller, the market is broadened for smaller properties, which in the past have been forced to watch the grand hotels with large ball-rooms corner most of that business. A growing number of hotel sales managers now admit that they have to sell twice as many meetings just to make up for the drop in size of the average group booked."⁹⁶

This trend appears not only in hotels and motels but also in the specialized conference centers.

"Harrison Conference Center can accommodate conferences of up to 200 persons, however in 1975, 50 percent of these meetings had fewer than 20 participants and 15 percent assembled fewer than 10 people."⁹⁷

The small group theme has also been incorporated into the textbook literature. Crissy, Boewadt, and Laudadio emphasize:

"An important point to remember regarding group business is that most of it involves small groups. The majority of group business serviced by the industry consists of groups of less than fifty who stay three nights or less. This means that even a manager of a modest-size property can reap some of the benefits of group meetings if he is willing to invest some time, money, and effort."⁹⁸

⁹⁵"85,000 Meetings a Year Mean Big Money," op. cit., p. 29.

⁹⁶"Trends Toward Smaller Meetings Broadens Market for Small Operators," Motel/Hotel "Insider" Newsletter Weekly (November 17, 1975), p. 1.

⁹⁷Walter A. Green, "Not for Meeting Planners Only," Meetings and Conventions (January 1974), p. 12.

⁹⁸Crissy, et. al., op. cit., p. 24.

The trend toward smaller meetings is not only a major trend but also one that affects all types of facilities within the industry.

Meetings held within the lodging industry itself are also taking on a new character as the industry becomes more complex.

"The typical lodging convention is changing faster than at any time in history. Gone is the day when the major purpose of a hotel convention was to socialize. Gone also is the day when people went to attend a convention just to look for a job. The lodging business has become such a sophisticated industry that it's difficult to keep up on what is going on without attending conventions regularly."⁹⁹

One of the topics of concern in these meetings is the determination of sources of new business for which the corporate business meeting provides great potential. In fact, as one source points out,

"Not only is convention-meeting business big--it's the fastest growing source of business for hotels today. ...one travel industry source estimates that multi-national conventions are growing at the rate of 20%/year--a particularly important fact to bear in mind these days as energy shortages cut into vacation traffic."¹⁰⁰

The internationalization of meetings illustrates an important competitive pressure that is being felt by facilities specializing in meetings. Now U.S. convention sites are feeling pressure not only from facilities in the same town or region, but from properties throughout the world. The specialized conference center is an added pressure, but even locations that have previously been considered strictly vacation areas are popping into the picture.

⁹⁹"Lodging Conventions Become More Sophisticated to Meet New Industry Needs," Motel/Hotel "Insider" Newsletter Weekly, Vol. VII, No. 41 (June 28, 1976), p. 1.

¹⁰⁰"Meetings and Conventions: Slicing Up a \$1 Billion Pie," Service World International (March 1974), p. 20.

"Competition: It's heavy and growing more so. Between cities...between countries...between individual hotels. And other types of facilities are getting into the act. In America, a small chain of meetings-only resorts called Harrison Executive Conference Centers is growing from three to six properties. In the UK, Motel Burstin has announced plans to build a conference circuit of five major hotels.

Holiday clubs, too, see the convention-meeting business as an excellent way to fill beds in off-peak seasons, sometimes selling at reduced rates. France's Club Mediterranee is actively seeking such business..."¹⁰¹

Identifying Meeting Planners

The focal point of the sales effort for meeting facilities is usually the meeting planner. One of the problems faced by hotel sales managers is the identification of this individual within the organization. Large companies often have professional planners who devote the majority of their time to selecting facilities and running meetings.

"In many large companies, meeting facility arrangements have become a specialty. What's more, many of the men in these positions have backgrounds in the hotel industries. Companies, more than ever before, are becoming extremely exacting and demanding in terms of what they want and need in hotel facilities."¹⁰²

While these people may be demanding, they are easily identified and usually know what they are doing.

Another way of identifying company meeting planners is through their trade associations. Members of these associations have a wide range of responsibilities, but most have some meeting planning duties.

¹⁰¹Ibid., p. 20.

¹⁰²"The Business of Business Meetings," Institutions (March 1967), p. 79.

"There are thousands of association and company meeting planners. For example, the American Society of Association Executives claims almost 5,000 members; Meeting Planners International has some 200 members; the Society of Company Meeting Planners has 100."¹⁰³

These people are the ones who tend to plan large national and international meetings as well as a number of smaller training sessions and seminars.

"The average such planner was actually committed to holding more of the largest meeting--3.5--in the next 12 months than he was the next largest--3.0.

The overall corporate planner expected to run 4.7 meetings in the 20-49 range and 3.7 meetings in the 50-99 one."¹⁰⁴

It is more difficult to locate persons in companies who plan meetings as a small part of their regular job. Waters defines a meeting planner as "...an individual who plans, organizes and directs company functions of all types such as banquets, conventions, and sales meetings."¹⁰⁵ This definition covers a wide range of people in an organization who may hold almost any job within the company. An article in Meetings and Conventions notes, however, that "More often than not, one (a corporate meeting planner) rises in sales and eventually receives responsibility for sales meetings."¹⁰⁶

¹⁰³"Sales Generators," Hotel and Motel Management (January 1974), p. 25.

¹⁰⁴Mel Hosansky, "1975 Market Data Report of the Meetings and Conventions Industry." Meetings and Conventions (December 1975), p. 42.

¹⁰⁵Wayne Waters, "What is a Company Meeting Planner?" Meetings and Conventions (May 1973), p. 36.

¹⁰⁶"Profile of a Meeting Planner," Meetings and Conventions (August 1973), p. 55.

Whatever the position a planner holds, one of the most difficult problems facing the hotel sales manager is the identification of, and communication with, both full and part-time meeting planners. This person is usually the initial contact for selling meeting services to all decision makers involved, and the one towards which the sales program is aimed.

Services Desired by Corporate Meeting Planners

The needs and wants of corporate meeting planners vary according to the individuals involved and the type of meeting to be conducted. Most corporate meetings will involve elements of both business and recreation. The degree to which each element is stressed will cause some variance in setting priorities for services among meeting planners.

The literature which deals with meeting services and sales is comprised almost exclusively of articles in trade publications. These articles are based primarily on the personal experiences of the authors, rather than on empirical research. The subject of desired services is approached in several different ways ranging from long, detailed checklists to general comments about location and surroundings.

SM/Sales Meetings magazine has published a 194 page meetings guide that has extensive checklists for aiding meeting planners in selecting facilities as well as suggestions on how to run a meeting.¹⁰⁷ The Hotel Sales Management Association has looked at the same aspects

¹⁰⁷The Theory and Practice of Convention Management, op. cit.

of meetings, but from the hotel's standpoint.¹⁰⁸

It is interesting to note that the priorities with regard to desired services varies among meeting planners. There are those who emphasize food and lodging;

"What do we look for when we select hotels and motels? First we look for comfortable but unpretentious quarters and good food at reasonable costs."¹⁰⁹

This attitude seems to be changing somewhat as meeting planners come to expect good food and lodging as a minimum requirement for all facilities. Substandard rooms and meals may cause a group to book elsewhere for future meeting sites, but other factors seem to comprise the deciding criteria for initial and repeat business. This is reflected in the fact that many writers do not even mention food or housing but give detailed stress to other factors.

"A business meeting for us requires (1) easy access to an airport and (2) functional facilities with good sound, lighting, comfortable tables, chairs, and assurance that everything is on time and on target."¹¹⁰

Other meeting planners feel that the staff makes the difference. For example, Herbert C. Hardy, Executive Vice President of the Lumber and Building Materials Association of Ontario notes,

"With the competition which exists in the hotel business today, and let's face it, most hotels at least in the major centres, provide fairly comparable facilities--I believe that the time has come for every hotel seriously interested in competing for convention business to have a

¹⁰⁸ HSMA Group Sales Manual (Atlantic City, New Jersey: Hotel Sales Management Association, 1959).

¹⁰⁹ Crumb, op. cit., p. 22.

¹¹⁰ Jay Weathermon, "Your Customer is Speaking...Are You Listening?" HSMA World (July/August 1976), p. 22.

professional convention service manager on staff to provide this most needed liaison between planners and hotel staff."¹¹¹

There seems to be a difference of opinion as to which type of facility offers the best atmosphere and services for corporate meetings. Some writers feel that airport hotels have improved to the point where they will receive greater attention from meeting planners in the future. These hotels offer a number of advantages to the meeting planner.

"...with an acute need for meeting facilities convenient to air transport but not downtown, full-service hotels began springing up within a few minutes drive of airports. And, because the price of land was cheaper near an airport than in the central city, they could offer services that most city hotels could not. Meeting space was ample. Recreational and entertainment facilities such as pools, tennis courts, putting greens, health clubs, restaurants, cocktail lounges and nightclubs became common."¹¹²

The entry of the specialized conference center has attracted the interest of many meeting planners. These facilities allow executives to get away from the office and meet in an atmosphere of exclusivity.¹¹³ Donna Zack points out nine factors to consider when looking at conference centers: size, the type of meeting to be held, environment, staffing, audio-visual, ratio of meeting to sleeping

¹¹¹Herbert C. Hardy, "How to Sell Successful Meetings," HSMA World (November/December 1976), p. 13.

¹¹²Mel Hosansky, "The Airport Hotel is Alive, Well and Soaring into the Future," Meetings and Conventions (August 1976), p. 66.

¹¹³See Walter A. Green, "A Case for Productive Weekend Meetings," op. cit., p. 22; Yvonne Middleton, "Why, When and How to Use a Conference Center," Meetings and Conventions (August 1976), pp. 57-63; "New Centers in the Outskirts," op. cit., pp. 31-32; and "Meeting Trends," Meetings and Conventions (February 1973), p. 57.

space, food service, recreation facilities and cost.¹¹⁴ These might be listed for considering any type of facility. Whatever the type of meeting, it is clear that airports, conference centers, cruise ships, and resorts are providing stiff competition for the traditional hotel.

Writers in the field tend to emphasize services that surround the actual physical facilities and the staff. There is some mention, however, of how meeting facilities can be made more attractive to meeting planners through special services. For example, provision for spouses accompanying the conferees is mentioned¹¹⁵ and the aid of the facility in the selection of program speakers has been cited also.¹¹⁶

Some hotels seem to be recognizing the trend toward stiffer competition. Jack Knight, Managing Director of the Kingsmill Inn and Conference Center notes,

"However, today, the Conference Planner is able to consider more than just the 'convention' hotel, because there are now facilities designed to provide a total environment for the serious business of corporate meetings...and planners will diligently search for a property which completely meets their stringent requirements for today's conference."¹¹⁷

The sales strategy of the Pfister Hotel in Milwaukee tries to minimize coordination problems by having the same person who books group business, plan the details, and do the follow-up work. This reduces the number of complaints often expressed by the meeting planner that he

¹¹⁴Zack, op. cit., pp. 54-56.

¹¹⁵Hosansky, "1975 Market Data Report," op. cit., p. 37.

¹¹⁶Hardy, op. cit., p. 13.

¹¹⁷Jack C. Knight, "What Do Conference Planners Really Want?" Resort Management (February 1976), p. 8.

is shuffled from person to person without knowing with whom he is really working.¹¹⁸

A more extreme experiment was conducted by the Pittsburgh Marriott. The hotel planned an entire conference including entertainment, beer breaks, dinner at other restaurants, sightseeing, and a special ladies' activities program. This took the planning of special events off the shoulders of the association having the conference.¹¹⁹ Marriott also considered group business in the design of their Los Angeles hotel. These considerations included 40,000 square feet of meeting space and a separate entrance for the lobby area and convention facilities to reduce crowds and promote privacy.¹²⁰ There are other examples of hotels trying to solve the problems of group meetings,¹²¹ but the match between the needs and wants of corporate meeting planners, and the need/want satisfier systems of those who market meeting services, is far from perfect.

Summary and Conclusions

This selective review of the marketing literature pertaining to the service sector, industrial buyer behavior, and meeting services has demonstrated that varying amounts of research and attention have been given to each area. The theory relating to industrial buyer

¹¹⁸"Marcus: Marketing In Milwaukee," op. cit., p. 25.

¹¹⁹"This Marriott Creates a 'Catered Convention,' Hotel and Motel Management (June 1974), p. 38.

¹²⁰Alvin W. LeFaivre, "Why New Hotels Offer Opportunities for Meeting Planners," Advertising Age, Business Meetings Selectors for Marketing Executives section (October 22, 1973).

¹²¹Perrins, op. cit., pp. 67-74.

behavior appears to be the most developed, although empirical research is still minimal compared to other areas of marketing. The service sector is still in its infancy with respect to any kind of unified theory. Basic movements toward developing service classifications and a framework within which to study the service sector have been made. The literature of the meetings industry consists almost entirely of articles in trade publications with only a few notable exceptions.¹²² The treatment of corporate meeting services as an industrial product is not apparent, nor does this market attract significant attention as an area of research. It was only recently that any reliable data were even sought to delineate the importance of the meetings industry and the wants and needs of buyers.¹²³

The study of the meetings literature, along with the empirical investigation, points toward the following conclusions: (1) the market for corporate meeting services is large and growing, (2) in general, facilities that offer meeting services do not understand, and are not satisfying, the needs of their customers and (3) there is a lack of a marketing orientation in the meeting services field, in particular, an unwillingness or inability to follow the marketing concept. The volume of writing in the meetings field may point to an increased interest in developing more sophisticated marketing strategies in the future. As competition in the hotel industry

¹²²See Philip Russell Tyler, op. cit., and Paul A. Fortin, et. al., op. cit.

¹²³Hosansky, "1974 Market Data Report of the Meetings and Conventions Industry," op. cit., p. 11.

toughens, meeting business is likely to become even more important.¹²⁴

The movement toward specialization will probably continue, and to be successful, properties will find it necessary to understand and develop all types of group business.

¹²⁴"Meetings and Conventions: Slicing Up a \$1 Billion Pie,"
op. cit., p. 20.

CHAPTER III

RESEARCH METHODOLOGY

Introduction

The purpose of this chapter is to explain the research methodology employed in the study. The process used to select the samples, the construction and administration of interview schedules and questionnaires, and analysis techniques used, are discussed.

Sample Selection

The goal of the sample selection was to allow an examination of both sides of the buying/selling relationship for corporate group meetings. Meeting planners were interviewed to gain a perspective of their perceived needs and wants that could not be gained from the literature. Their responses allowed for a direct comparison between the needs and wants on the demand side of the meetings market, and the need/want satisfier system on the supply side. The sample of meeting planners was drawn from a wide cross section of industries to see if a general pattern occurred. The sample firms were selected because of convenience of location and willingness to cooperate with the study.

The criterion used for selecting the meeting facilities was that at least one property representing each of the following categories be included: resort, downtown hotel, suburban hotel,

university meeting facility, and a hotel, motel, or motor inn outside of a large city or in a small town. This criterion was used to minimize the effects that location might have on sales strategy. It is recognized that hotels located in different environments have locational advantages and disadvantages, and must use different means to contact potential customers. The wide variety of facilities chosen for the study accentuates the locational differences allowing them to be filtered out. Attention can then be focused on similarities across meeting facilities which can be examined to determine what factors are in common to all types of successful and unsuccessful properties. In two cases, characteristics of two categories of facilities were present at the same property.

There was no attempt to determine the extent to which each facility handled corporate business or its attitude toward that market before selecting the property. The sizes of the properties varied considerably, again by design. This was done to reduce bias which might be caused by choosing only very similar properties. Since the success criterion is expressed in percentages, size does not constitute a determinant of success as it is defined for this study. For example, a hotel with one hundred rooms, which ran a ten percent occupancy of corporate meetings is considered to have the same degree of success as a hotel with one thousand rooms that ran a ten percent occupancy. This is so, even though the one hundred room hotel averages only ten rooms of corporate meeting business while the one thousand room hotel averages one hundred.

Administration of Interview Schedules and Questionnaires

All interview schedules and questionnaires were administered in person, with the exception of two cases where, because of time constraints, the questionnaires were filled out and mailed after the interviewer left. In another case, a meeting planner was interviewed by phone and the questionnaire was sent and returned by mail. All interviews, including the telephone interview, were tape recorded with the knowledge and consent of the interviewee.

Every meeting facility and every meeting planner contacted cooperated with the researcher in providing data, except for one hotel and one meeting planner. In some cases, participants were hesitant to cooperate after the initial contact. In these cases, a letter from the researcher was sent to further clarify the nature and confidentiality of the study. In addition, the Director of the School of Hotel, Restaurant, and Institutional Management at Michigan State University also wrote letters to those who were hesitant, assuring them of the legitimacy of the study.

The interview schedules contained many open-end questions. The interviewees were encouraged to elaborate as much as they desired, which accounts for the differences in the length of the interviews. Those sales managers who were knowledgeable about the corporate meetings market tended to spend considerably more time with the interviewer than those who were not. Among the meeting planners, those who booked the greatest variety of meetings tended to give the longest interviews, although the time variance was not as great as among sales managers.

At the end of the interview with each sales manager, a

confidential data sheet was left to be filled out and returned in a self-addressed, stamped envelope. The cooperation on the part of the meeting facilities was outstanding, with properties responding rapidly. A brief explanation of the data sheet was provided the sales managers to ensure understanding of the questions to be answered. Information was asked for in several different ways in an attempt to get complete answers. In two cases, blank spaces were completed by the interviewer from information gained via the personal interview.

Questionnaire Construction

The questionnaire (Appendix II) is composed of four parts. Each section was designed to generate information on factors which might be present at meeting facilities. The meeting planners were asked to fill out the first three sections of the questionnaire. This was done toward the end of the interview in the presence of the researcher so that any items unclear to the meeting planner could be explained.

Each part of the questionnaire was designed to obtain different perspectives on the same set of fifty factors relating to meeting facilities. Part I listed variables in groups of five. Each group contained one item from each of five general classifications of factors. The five general classifications are: 1. locational factors, 2. recreational facilities, 3. factors affecting the meeting atmosphere, 4. personal services provided and 5. total atmosphere of the meeting facility. These items are listed in Figure 3-1. The goal of this section was to determine if any dominant patterns of concern appeared which related to any particular class of factors. The items listed

FIGURE 3-1
CLASSIFICATION OF FACTORS RELATING TO CORPORATE MEETING FACILITIES

<u>Locational</u>	<u>Personal Services Provided</u>
Location near an airport	Acceptance of major credit cards
Free parking	Good food
Location downtown in a large city	Free ice machines
Rental car service available at the facility	Room service
Location in a suburban area	Availability of hospitality suites
Location on a college or university campus	Bellboys available
Location in a resort area	Laundry and dry cleaning service
Good transportation facilities within the region or city	Babysitting service available
Meeting located on a cruise ship	Wake-up service
Fast check-in, check-out	Aid in planning the meeting and obtaining speakers provided by facility's staff
<u>Recreational</u>	<u>Factors Affecting the Total Atmosphere</u>
Swimming pool	Warm and hospitable staff at the facility
Tennis courts	Efficient, competent employees
Golf course nearby	Spacious, comfortable lobby
Health club (sauna, massage, etc.)	Well appointed guest rooms
Planned program for spouses	Guest rooms located close to meeting rooms
Color television in guest rooms	Architectural design of two stories or less
Game room (pinball, pool table, etc.)	A no tipping policy
Entertainment available in a cocktail lounge in the evening	Satisfactory price level compared with other sites
Well-informed staff at the facility	Clean guest rooms
Cocktail lounge in facility	Queen-sized beds in guest rooms
<u>Factors Affecting Meeting Atmosphere</u>	
Meeting rooms that can be divided	
Comfortable meeting rooms (air conditioned, quiet, nice decor)	
Audio-visual equipment in good working order	
Skilled audio-visual technician available	
Wide variety of audio-visual equipment available	
Comfortable chairs in meeting rooms	
Good lighting in meeting rooms	
A contact person from the facility assigned to group to handle problems	
Wide variety of meeting room sizes and layout	
Varied menu for catered meals	

were derived from concerns voiced in the literature by both meeting facilities and meeting planners. It is recognized that this list is not all inclusive. In some cases, the assignment of factors to a classification is somewhat arbitrary since several could be included reasonably under two different classifications. The goal of this exercise, however, was simply to get a general feel for which types of factors were of the most relative importance.

The second part of the questionnaire was designed to force meeting planners to rank specific factors as to importance, ignoring the general classifications. The participants were asked to rank the top ten factors, from the same list of fifty which they felt to be important when choosing a meeting site. Acknowledging the possibility that there might be important factors not specifically listed on the questionnaire, space was provided where other items could be written in and ranked.

Part III of the questionnaire asked meeting planners to rank each of the fifty factors on a five point scale as to their importance in site selection. Each sales manager interviewed was also asked to rank each factor as they felt the meeting planners would rank them. This was done in order to determine if there was any difference in the perceptions of what meeting planners felt were important factors and what sales managers thought meeting planners would consider important. Chi-square was used to test for significant differences between the perceptions of the two groups. This gave a measure of how well sales managers understand the perceived needs of the meeting planners.

The first three parts of the questionnaire in conjunction

with the Interview Schedule for Meeting Planners, were used much like a pre-study to gather information about meeting planners so that both sides of the buying/selling relationship could be compared. This also contributed significantly to the rationale used in ranking the sales managers. The results of the questionnaire analysis are presented in Chapter IV.

Part IV of the questionnaire was filled out only by the sales managers and was included primarily as an incentive for sales managers to participate in the study. In this section, sales managers were asked to evaluate their own property on the same factors that were listed in the previous sections. This provided the sales manager a means of comparison between the needs and wants to corporate meeting planners, and how well his property met these needs and wants. Each sales manager who indicated an interest, was promised a composite of the scoring for meeting planners on Part III, compared with his own scoring on Part III. This was to be returned with Part IV, on which he had rated his own facility. In addition, the sales manager was promised the results of how his property ranked relative to the other fourteen properties on the success variable. It was again stressed that only the sales manager's own property would be identified to him with all others remaining unrevealed.

Interview Schedule Construction -- Meeting Planners

The interview schedule for meeting planners was designed to obtain an indepth look into the perceived needs and wants of corporate meeting planners, and to determine the process involved in selecting meeting sites. In order to evaluate how well a facility's sales

strategy appealed to meeting planners, it was necessary to determine the positions meeting planners held, how many people were involved in site selection, the relative influence of each decision maker, how information was obtained, and problem areas noted by meeting planners.

The responses to the interview schedules were used to provide background for the rating of the sales managers in several areas. These areas, the questions which relate to them, and the hypotheses for which background information was necessary are as follows:

<u>Related to Hypothesis</u>	<u>Area of Concern</u>	<u>Questions from Interview Schedule for Meeting Planners</u>
	Background on Meeting Planners	I.A, I.B, I.C, I.D, I.E
1,2	Number of Buying Influences	I.H (Part 1,2,3) II.A II.F (Parts 1,2,3)
1,2	Relative Influence of Each Participant in the Decision Process	I.H (Part 4) II.B, II.C, II.D, II.E, II.F (Part 5) II.G, II.I
3,4,5,10	Information Systems	I.F, I.G, II.F (Part 4) II.H, II.H-1
6,7,8,9	Needs/Wants/Problem Areas	II.F-6, II.H-2, III, IV.A, IV.B, IV.C, V.A, V.B, V.C

Certain areas were more difficult to deal with and were pursued in greater depth. Questions were often asked in different ways at several points during the interview to see if responses were consistent, and to try to reduce bias which may have occurred because of the question ordering.

Interview Schedule Construction -- Sales Managers

The Interview Schedule for Sales Managers (Appendix III) was designed to gather information about: the sales managers awareness of the purchase process for corporate group meetings, their attitude toward this market segment, their understanding of the needs and wants of meeting planners, and the general sales strategy of their facility. The questions on the interview schedule and the research areas they relate to are classified as follows:

<u>Research Area</u>	<u>Questions</u>
<u>Background</u>	
Interviewee	1, 2
Facility	3(a)-(c)
<u>Purchase Process</u>	
Awareness of Multiple Buying Influences	7, 7(d), 7(e), 7(f), 15(a)-(d)
Marketing Information System	6, 10, 10(a)-(b), 11, 13, 13(a)
<u>Market Segment Attractiveness</u>	
Attitude Toward Market Segment	18, 19
Emphasis on Repeat Business	13, 13(a), 14
<u>Need/Want Satisfier System</u>	
Understanding of Facility's Image	12, 12(a)-(c)
Perception of Customer Needs	8, 9, 12(a)-(c), 15(d), 16, 21
Meeting Purpose Identification	4, 4(a)
Customer Definition	4, 5
<u>Sales Strategy</u>	
Personal Selling	7(a)-(c), 9
Advertising and Promotion	20
Tactics	17

The Interview Schedule for Sales Managers was pretested in Chicago, Illinois. The information gained in the pretest led to revisions in wording, the elimination of some questions, and the addition of others. The pretest also contributed considerably to the construction of the Interview Schedule for Meeting Planners. Some subject areas were much more difficult to approach than others. This problem is reflected in the large number of questions relating to some subject areas and the small number relating to others.

Scoring Techniques and Definitions of Variables

The scoring technique used permits a ranking of each property on each of twelve independent variables. While ranking of variables is a relatively inefficient technique of scaling observations, it allows a more concise classification of responses than mere description offers. The ordinal scale can then be transformed into an interval scale if certain assumptions are made. The dependent variable is measured on an equal interval ratio scale.

The Dependent Variable

Success. The success variable was designed so that all meeting facilities could be compared, regardless of size. This was done by dividing the total number of rooms attendees of corporate group meetings occupied, by the total number of rooms available. All properties were ordered according to their score on this variable.

It is possible, using this measure of success, that a property with a high overall occupancy and a good profit picture could still score very low on success. It is emphasized, therefore, that the scale indicates success in attracting corporate group business only,

and says nothing of the overall success of the property.

Independent Variables

Every property in the study was ranked on each of twelve different independent variables. The rank of the property depended on the sales manager's response to the questions asked during the interviews. Since each interview was tape recorded, the sales managers' responses could be listened to, transcribed, and scored, ex post facto. The scoring techniques were developed to give equal weight to each independent variable.

Each independent variable relates to one sub-hypothesis. The rank of each property on an independent variable is used to determine the degree of association between that variable and the dependent variable. The degree of association is measured by using Jaspens' coefficient of multiserial correlation, designated as M .¹ This technique and how it is used is discussed in detail in Chapter IV.

Coding, Scoring, and Rankings for Independent Variables

(1) Multiple Buying Influences (MJLINF). This reflects the sales managers understanding of the purchase process involved in selecting corporate group meeting sites. Interviews with meeting planners indicated that there are several people involved in the selection decision to greater and lesser degrees. The groups involved were identified as the meeting planners, influencers, deciders, and attendees. The descriptions of these groups, their relative

¹Linton C. Freeman, Elementary Applied Statistics (New York: John Wiley and Sons, Inc., 1965), p. 131.

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importance in the decision process, and their relationship to the groups proposed by Webster and Wind are presented in Figure 3-2.

The rank of each property on this variable was determined by the sales manager's ability to identify the decision groups and to discuss the relative influence of each. The properties were then ranked according to their scores.

Understanding of Multiple Influences
in the Buying Process

<u>Rank</u>	<u>Evaluator</u>
5	Very Good Understanding
4	Fairly Good Understanding
3	Average Understanding
2	Fairly Poor Understanding
1	Very Poor Understanding

(2) Diverse Appeal (DIVAPP). This variable relates to the sales strategy of the property. In the promotional mix, a property may try to appeal to several groups in the buying process. A property which directs its promotion at only one group, or has no stated objective for the promotion is ranked low, while a property that designs the sales strategy in an attempt to reach several specified groups is ranked higher.

Appeal to Several Groups of Decision
Makers in Promotion

<u>Rank</u>	<u>Evaluator</u>
5	Appeals to Four Identified Groups
4	Appeals to Three Identified Groups
3	Appeals to Two Identified Groups
2	Appeals to One Identified Group
1	Not Able to State Objective

FIGURE 3-2

GROUPS INVOLVED IN THE DECISION PROCESS

Webster & Wind ² Designations	Designations for Current Study	Descriptions and Job Positions	Importance in Buying Decision
Buyers	Meeting Planners	Persons who plan meetings, make arrangements, and contact facility. May be a member of the sales staff, sales manager, professional meeting planner, secretary, travel coordinator, department head, personnel officer.	Most important in most situations. Usually performs role of decider, especially for initial selection.
Influencers	Influencers	People who make suggestions, set criteria, or are consulted during decision process. Included are other meeting planners, deciders, other secretaries, executives who have visited the facility before, speakers on the program, travel agents, attendees in cases of repeat purchase.	Importance varies considerably. Generally not very important. Attendees important for repeat purchase. Most important for booking at a distant location where meeting planner is not familiar with property.
Deciders	Deciders	Persons who have power to make the final decision on site selection. May be meeting planner, department head, corporate staff member.	If a person other than meeting planner, usually makes decision on geographical location and rubber stamps actual property choice. Very important in decision of whether to change location for future meetings.
Users	Attendees	People attending meeting. Members of the corporation ranging from top executives to trainees. Also outside people on program. Often corporate people from sales department in manufacturing firms.	Very important as a group. Importance as individuals varies with position held in the organization. Speakers often very important.
Gatekeepers	Gatekeepers	Make suggestions and narrow alternatives presented to deciders. Usually meeting planner or influencer.	Important in narrowing alternatives.

²Frederick E. Webster, Jr., and Yoram and Wind, Organizational Buying Behavior (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972), pp. 78-79.

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(3) Active Solicitation (ACTSOL). This variable relates to the effort that is expended in attracting the corporate meeting. Strength in this area is indicated by an aggressive program of marketing designed to attract corporate meetings. This is reflected in personal and telephone solicitation, direct mail, and other promotions aimed exclusively or in part at the corporate market. The properties are ranked according to the extent to which the marketing effort is focused on corporate meetings.

Active Solicitation of the Corporate
Meetings Market

<u>Rank</u>	<u>Evaluator</u>
5	Heavy Solicitation
4	Fairly Heavy Solicitation
3	Medium Solicitation
2	Fairly Light Solicitation
1	Little Solicitation

(4) Advertising Content (ADCONT). This variable pertains to the content in a facility's advertising. The properties are ranked according to the emphasis placed on corporate meeting services. Each property supplied the researcher with the package that is mailed to meeting planners inquiring about the possibility of booking a meeting. These packages were content analyzed to determine the amount of content aimed specifically at corporate meeting planners. Properties with highly specialized content ranked high while those with general content ranked low.

Specialized Content of Advertising
Aimed at Meeting Planners

<u>Rank</u>	<u>Evaluator</u>
5	Highly Specialized
4	Fairly Specialized
3	Balance Between Special- ized and General
2	Fairly General
1	Mostly General

(5) Facility Awareness (FACAWR). This variable relates to the sales manager's awareness of how corporations learn about facilities and their services. Sales managers who were able to state how this awareness took place were rated high, while those who were unsure were rated lower. Consideration was also given to sales managers who based their responses on actual feedback obtained from corporate groups.

Understanding of How Corporations
Learn About the Facility

<u>Rank</u>	<u>Evaluator</u>
5	Good Understanding
4	Fairly Good Understanding
3	Medium Understanding
2	Fairly Poor Understanding
1	Poor Understanding

(6) Selection Criteria (SELCRI). This deals with the sales manager's knowledge of why his particular property is selected as a corporate meeting site. Sales managers were ranked based on how well they were able to justify their responses and how closely this related to what meeting planners indicated they based their decisions on.

Knowledge of Why Corporations
Choose A Facility

<u>Rank</u>	<u>Evaluator</u>
5	Large Amount of Knowledge
4	Fair Amount of Knowledge
3	Medium Amount of Knowledge
2	Little Knowledge
1	Very Little Knowledge

(7) Closeness of Fit (CLOFIT). This variable relates to the closeness of fit between perceptions of sales managers and meeting planners. Meeting planners were asked what services and characteristics were desirable at meeting facilities which were possible sites for corporate meetings. Sales managers were also asked what they thought were desirable characteristics of corporate meeting sites. The closer the sales managers' perceptions were to those of the meeting planners, the higher they were ranked on this variable.

Closeness of Perception

<u>Rank</u>	<u>Evaluator</u>
5	Very Close
4	Fairly Close
3	Neither Close Nor Diverse
2	Fairly Diverse
1	Very Diverse

(8) Attractive Aspects (ATTASP). This variable assesses the sales manager's awareness of the ability of his property to fulfill the needs and wants of meeting planners. Specifically, it considers whether the sales manager is aware of the strong points of his property relative to the corporate meetings market. Sales managers who mentioned factors stated as being necessary by the meeting planners interviewed were rated higher than those who mentioned other factors.

Level of Awareness -- Attractive Aspects

<u>Rank</u>	<u>Evaluator</u>
5	High Level
4	Fairly High Level
3	Medium Level
2	Fairly Low Level
1	Low Level

(9) Negative Aspects (NEGASP). This is similar to the previous variable, but assesses the sales manager's awareness of negative aspects of his property. The responses of the sales manager were compared to factors listed as being negative by meeting planners. An awareness by sales managers indicates that they understand the property's shortcomings, so that they can be corrected or deemphasized in communications with meeting planners.

Level of Awareness -- Negative Aspects

<u>Rank</u>	<u>Evaluator</u>
5	High Level
4	Fairly High Level
3	Medium Level
2	Fairly Low Level
1	Low Level

(10) Inhouse Performance (INHOUS). A meeting facility's assessment of how well it performs with groups while they are visiting the property is the concern of this variable. There are many things a sales manager can do to determine performance. These range from conversations with the meeting planner to comment cards in the guest rooms. A facility which engaged several data gathering techniques was ranked higher than those who had few or no mechanisms for feedback.

**Performance Determination
With In-house Groups**

<u>Rank</u>	<u>Evaluator</u>
5	Good Determination
4	Fairly Good Determination
3	Medium Determination
2	Fairly Poor Determination
1	Poor Determination

(11) Repeat Business (RPTBUS). This variable pertains to the effort expended by a meeting facility to encourage repeat corporate group business. Such activities as contacting meeting planners before they leave the facility, sending follow-up letters, and asking for dates when future meetings are to be held indicate aggressiveness toward repeat business. The amount of repeat business a facility is able to attract also gives a good indication of how well they performed with groups which have visited the property.

Follow-up on Repeat Business

<u>Rank</u>	<u>Evaluator</u>
5	Very Aggressive
4	Fairly Aggressive
3	Neither Aggressive Nor Passive
2	Fairly Passive
1	Very Passive

(12) Facility's Attitude Toward Corporate Group Business (FATCGB). Some properties do not see corporate meeting business as a market they wish to pursue. As a result, their success relative to the dependent variable may be limited because effort is expended on other markets. The FATCGB variable relates to the facility's attitude toward corporate meetings as a source of business. Sales

managers who mentioned this market as the top priority for the future were ranked high on the attitude scale, while those who listed it as having little or no appeal ranked low.

Facility's Attitude Toward
Corporate Group Business

<u>Rank</u>	<u>Evaluator</u>
5	Highly Favorable
4	Mildly Favorable
3	Neither Favorable nor Unfavorable
2	Mildly Unfavorable
1	Highly Unfavorable

Basis for Property Rankings

The interviews with meeting planners provided the comparison base for property rankings on independent variable 1-2 and 5-9. A composite of the meeting planners' responses, augmented by literature in the field, was compared to the sales manager's interview answers. The closer the fit between the comparison base and the sales manager's responses, the higher the property was ranked. In addition, the questionnaires filled out by meeting planners contributed to the ranking for variables 7-9. Facilities were ranked on ADCONT according to the content of their direct mail package, and the sales manager's responses. Rankings on variables 10-12 were based solely on sales manager response.

It is realized that the designation of property ranks is somewhat subjective. However, the hours of interviews with corporate meeting planners, coupled with the meetings literature, provided a wide base for facility evaluation. Since this is an exploratory study, the researcher felt a need to use personal interviews to

gather primary data. This method allowed clarification of questions by the interviewer, and thus eliminated much of the inaccuracy which can result from different interpretations of questions on mail surveys. The use of both free and directed response open-end questions accomplished two goals. The free response questions "permit the respondent to say whatever he thinks or knows; the response may be more genuine than that given if his reply is channeled along a certain line."³ The directed response questions are more definite and allow comparable answers to be obtained.

The researcher took special care to rate properties objectively, and the questionnaire analysis contributed to the objectivity of rankings on certain variables. Caution must still be used, however, in applying the results of the study, and the assumptions behind the statistical tests should be noted.

³David J. Luck, Hugh G. Wales, and Donald A. Taylor, Marketing Research (Third Edition), Prentice-Hall, Inc., Englewood Cliffs, New Jersey, 1970, p. 195.

CHAPTER IV

DATA ANALYSIS

Introduction

The study contributed information about both sides of the buying/selling relationship for corporate group meetings. The data generated by interviews with meeting planners is primarily subjective in nature and was used as a partial base for evaluating the responses of the sales managers. While the major thrust of the study is aimed at determining effectiveness criteria for facilities desirous of attracting corporate meetings, it is useful to present some of the observations relating to meeting planners that were developed along the way.

Needs and Wants of Meeting Planners

Since little research has been done in the corporate meetings market, it was necessary to gather data in order to achieve a basic understanding of meeting planners' needs and wants. This information was gathered in two ways: objectively, through a questionnaire; and subjectively through personal interviews. In this section, the results of the questionnaires are examined, the results of the interviews will be discussed in the second section.

The questionnaire consists of three parts. Each part asks for information on the same set of fifty variables. Part I presented

the respondent with ten sets of variables, with five variables in each set. Each set of variables contains one variable from each of five general classifications of variables as presented in Figure 3-2. The respondent was asked to force rank the variables from each set in order of importance on a scale of one to five. The purpose of this exercise was to familiarize the meeting planner with the variables involved, and to see if variables from any one classification dominated.

The method employed in Part I can be criticized particularly because results could vary considerably if different variables were grouped together. However, it is interesting to examine the relative importance of the mean scores within groupings. The mean scores for all variables are reported in Table 4-1 by their respective groups. Since respondents were instructed to give the most important item a rating of number one and the least important a number five, the greater the importance placed on the item by the meeting planners as a group, the lower the mean score.

It is tempting to consider location to be the primary importance factor in site selection. It should be noted, however, that there is no group in which location receives the highest mean score. In only two cases, group C and group G, is location even ranked second as an importance criterion. The classification that ranks the highest is, Factors affecting the meeting atmosphere. Six of these variables have the highest within group means and the remaining four ranked second.

Another way of classifying a portion of the fifty variables is by grouping together factors relating to the staff. If this is

TABLE 4-1

MEETING PLANNERS' RANKINGS IN SELECTED GROUPINGS OF FACTORS RELATING TO
MEETING FACILITIES - MEAN RANKINGS BY RESPECTIVE GROUPINGS

Group	Factor	Mean
A	Warm and hospitable staff at the facility	1.4
	Swimming pool	4.3
	Meeting rooms that can be divided	2.4
	Location near an airport	2.6
	Acceptance of major credit cards	4.4
B	Comfortable meeting rooms (air conditioned, quiet, nice decor)	1.2
	Efficient, competent employees	2.2
	Tennis courts	4.6
	Good food	2.6
	Free parking	4.3
C	Free ice machines	3.8
	Audio-visual equipment in good working order	1.4
	Location downtown in a large city	2.8
	Golf course nearby	3.4
	Spacious, comfortable lobby	3.6
D	Health club (sauna, massage, etc.)	4.2
	Room service	3.2
	Well appointed guest rooms	1.8
	Skilled audio-visual technician available	2.1
	Rental car service available at the facility	4.2
E	Location in a suburban area	3.2
	Guest rooms located close to meeting rooms	1.7
	Availability of hospitality suites	2.8
	Planned program for spouses	4.3
	Wide variety of audio-visual equipment available	2.8
F	Color television in guest rooms	3.2
	Bellboys available	3.1
	Architectural design of two stories or less	3.5
	Comfortable chairs in meeting rooms	1.5
	Location on a college or university campus	3.5
G	Laundry and dry cleaning service	3.7
	A no tipping policy	3.8
	Good lighting in meeting rooms	1.1
	Game room (pinball, pool table, etc.)	3.8
	Located in a resort area	2.4
H	A contact person from the facility assigned to group to handle problems	1.3
	Babysitting service available	4.9
	Good transportation facilities within the region or city	2.7
	Entertainment available in a cocktail lounge in the evening	3.7
	Satisfactory price level compared with other sites	2.4
I	Clean guest rooms	2.3
	Meeting located on a cruise ship	4.8
	Wake-up service	3.8
	Wide variety of meeting room sizes and layout	2.0
	Well-informed staff at the facility	2.0
J	Fast check-in, check-out	2.0
	Cocktail lounge in facility	4.0
	Aid in planning the meeting and obtaining speakers provided by the facility's staff	2.8
	Varied menu for catered meals	2.1
	Queen-sized beds in guest rooms	3.9

done we can see that staffing factors also rate very high, with top rankings going to: 1. Warm and hospitable staff at the facility, 2. A contact person from the facility assigned to the group to handle problems, 3. Well-informed staff at the facility (tied with Wide variety of meeting room sizes and layouts), and 4. Fast check-in, check-out. The results of this section of the questionnaire are consistent with concerns expressed in the personal interviews.

Again cautioning that results could change if variables were grouped differently, it is interesting to look at grouping B. This grouping contains the factor labeled Good food, which has a mean rating of 2.6 compared to; 1.2 for Comfortable meeting rooms and 2.2 for Efficient, competent employees. In this section of the questionnaire, recreation factors rated fairly low.

The second part of the questionnaire was designed to force the meeting planners to rank their top ten criteria in order of importance from the same list as in Part I. Space was provided in which meeting planners could add variables which were not included in the original lists. The fact that no meeting planner wrote in an additional variable would seem to indicate that the list of fifty was fairly exhaustive. By asking for only the ten most important variables, the data could be examined to see if there were any trends when considering all fifty variables at once.

Each factor mentioned was weighted depending upon the level at which it was ranked. A number one ranking was given a point value of ten, number two, a nine, etc. The values for each variable were then summed and all variables mentioned were ranked against each other. Table 4-2 presents the results of these rankings. It is

TABLE 4-2
COMPOSITE OF THE RANKINGS OF MEETING PLANNERS FOR THE TOP TEN VARIABLES RELATING
TO MEETING FACILITIES*

Factor	Total Points
Comfortable meeting rooms (air conditioned, quiet, nice decor)	100
Satisfactory price level compared with other sites	71
A contact person from the facility assigned to group to handle problems	58
Audio-visual equipment in good working order	46
Good lighting in meeting rooms	45
Good food	45
Well-informed staff at the facility	41
Wide variety of audio-visual equipment available	40
Clean guest rooms	36
Wide variety of meeting room sizes and layout	29
Warm and hospitable staff at the facility	29
Comfortable chairs in meeting rooms	29
Varied menu for catered meals	28
Location near an airport	28
Good transportation facilities within the region or city	27
Fast check-in, check-out	21
Well-appointed guest rooms	17
Efficient, competent employees	17
Aid in planning the meeting and obtaining speakers provided by the facility's staff	17
Guest rooms located close to meeting rooms	15
Located in a resort area	15
Golf course nearby	14
Planned program for spouses	12
Availability of hospitality suites	8
Cocktail lounge in facility	8
Meeting rooms that can be divided	7
Skilled audio-visual technician available	5
Color television in guest rooms	5
Laundry and dry cleaning service	4
Entertainment available in cocktail lounge in the evening	3
Location in a suburban area	2
Acceptance of major credit cards	1
Game room (pinball, pool table, etc.)	1
Wake-up service	1

*Rankings of the top ten importance factors by meeting planners is from Part II of the questionnaire. If an item was ranked #1 by the meeting planner, it was given a score of ten points, #2 a score of nine points...#10 a score of one point.

interesting to note that again factors surrounding the meeting scored high, but in this scoring price ranked second, demonstrating a stronger economic concern than was exhibited in the first section of the questionnaire. While good food was considered important, it only rated high enough to tie for fifth place.

Part III of the questionnaire was completed by both samples of respondents. The meeting planners filled this section out as instructed in the directions, and the sales managers were asked to fill out the questionnaire as they felt the meeting planners had. This was designed in an attempt to determine if the group of sales managers understood the needs and wants of the meeting planner group. A chi square analysis was performed on the data to determine if there were any significant differences between the two groups. It should be cautioned that the samples were more of a convenience nature than completely randomized, but general associations can still be observed. It is possible that larger sample sizes might produce different results.

In the analysis of Part III, the concern is with factors which show significant differences between the perceptions of the two groups. Some variables show a very close fit, while others show quite significant differences. In order to emphasize those variables which seem to be the least understood by the sales managers, Table 4-3 is arranged with variables having the greatest significant differences first.

There is no attempt made here to set confidence levels for the significance scores. In behavioral research and in actual industrial studies, confidence levels tend to be set at much lower levels

TABLE 4-3

RANKS OF FACTORS SURROUNDING MEETING FACILITIES
(TOP TEN SIGNIFICANT DIFFERENCES)

Factor	Chi Square	Degrees of Freedom	Significance	Higher Importance* Placed by
Wake-up service	16.28571	4	.0027	Hosts
Planned program for spouses	14.60000	4	.0056	Hosts
Location on a college or university campus	11.97976	3	.0075	Hosts
Free ice machines	13.40952	4	.0094	Hosts
Free parking	10.75397	4	.0295	Hosts
Laundry and dry cleaning service	10.00000	4	.0404	Hosts
Meeting located on a cruise ship	9.94793	4	.0413	Users
A game room (pinball, pool table, etc.)	7.77476	3	.0509	Users
Warm and hospitable staff at the facility	3.75000	1	.0528	Hosts
Babysitting service available	7.55556	3	.0562	Hosts

*Hosts = Sales Managers

Users = Meeting Planners

than the .01 or .05 levels often used in scientific research. The reader is left to interpret the significance figures at whatever level seems appropriate. Significance scores are in the form $1-\alpha$, rather than α . Thus, the higher the significance scores, the closer were the responses of both groups, and the lower the scores, the more diverse the responses.

Table 4-3 lists the chi square values, the degrees of freedom for each chi square, and the significance figures for the ten factors with the most significant differences. Since it would seem useful to know in what direction the perceptions of sales managers vary from those of the meeting planners, the group which ranked an item as having higher importance is noted.

The Decision Process for Site Selection

Since much of the rationale used in ranking the sales managers on the twelve independent variables came from the taped interviews with meeting planners, the information gathered from these interviews is presented here.

One of the major questions for the study concerned the nature of the decision process involved in selecting a site for corporate group meetings. The responses of the meeting planners indicated that this process varies from company to company and situation to situation. In most cases, the meeting planning function was a minor part of the person's job. The complexity of the decision process varied inversely with the percentage of the person's duties dedicated to planning and organizing meetings. It was also found that the decision process was faster and less complicated the more meetings an individual

planned each year. This finding fits very well into the BUYGRID model of the industrial purchasing process.¹ Meeting planners who book many meetings each year have a large amount of knowledge about facilities and have used many different locations. This allows the site selection to be treated as either a straight or modified rebuy situation.

According to the BUYGRID model, rebuy decisions require less deliberation and involve fewer people in the decision process than new task decisions. This was shown to be true of individuals who planned the most meetings. On the other hand, those planners who were involved with only one or two meetings a year, tended to treat each site selection as a new task, and were engaged in a more lengthy and complicated decision process.

Multiple Buying Influences

Another major question to be answered by the meeting planner interviews concerned the extent to which multiple buying influences were present in the decision process. This again varied by company, but in all cases, there were influences other than the meeting planner present. While two of the planners interviewed felt that they had total decision capabilities, even these admitted to pressures from others at one time or another. The amount of decision authority claimed by meeting planners ranged from 33% to 100%, with the majority falling into the 50-75% range. The larger the

¹Patrick J. Robinson, Charles W. Faris and Yoram Wind, Industrial Buying and Creative Marketing (Boston, Mass: Allyn and Bacon, Inc., 1967).

percentage of the job devoted to meeting planning, the higher the decision authority was stated to be.

In all interviews, the meeting planners indicated that they were the actual buyer or purchasing agent. The planners contacted the facility and made the commitment to hold the meeting there. The fact that the meeting planners were empowered to do this, had little bearing on the number of people involved during the buying process, which varied with each stage.

Webster² divides the decision process for organizational buying into four stages. The following is an examination of the people involved in the site selection process at each stage.

1. Problem recognition. This takes place when a discrepancy is noticed between actual and desired states. For meeting choice decisions this takes place when a need for a meeting arises and the company has no facilities for handling the situation, or in-house facilities are deemed to be inadequate. The person involved at this point is usually an executive in the company.

2. Assignment of buying authority and responsibility. In only one case was the person who recognized the problem also the person who took the responsibility to book the meeting. All other meeting planners received this responsibility in other ways. If the responsibility was for booking training seminars or incentive travel, the role tended to be assigned through formal or organizational processes. In these cases, the person assigned to book the meeting

²Frederick W. Webster, Jr., "Modeling the Industrial Buying Process," Journal of Marketing Research, Vol. II (November 1965), pp. 370-76.

usually considered the meeting planning function to be a major part of the job. These individuals were also the easiest to identify of the meeting planners interviewed.

For sales meetings and new product introductions, the responsibility tended to be assigned through informal or interpersonal means. The typical pattern for the latter type of meetings was for an executive to assign the responsibility to a secretary or lower level manager in the department. This type of meeting planner considered the planning function to be a minor part of the job. Table 4-4 presents some examples of the titles held by meeting planners, the type of meetings booked, and the number of meetings booked per year.

3. Search process. This varies from being nearly non-existent for straight rebuy, to extensive for new task buying. The number of people involved also varies considerably. Information was often provided by several people in the organization, and influencers other than the meeting planners typically set constraints as far as budget, geographical location and meeting length were concerned, thus fulfilling the role of specifier. Information used in identifying alternatives was obtained from a number of different sources. Strong influences came from other people in the company as well as from external sources. Table 4-5 lists the sources of information mentioned by the meeting planners as being important in building awareness of meeting facilities. These are grouped by importance based on how many planners indicated exposure to a particular source.

TABLE 4-4

MEETING PLANNER PROFILE

Title	Type of Meetings Booked	Number of Meetings Booked Per Year
Director - Requisitions of Facilities	Training	200-300
Supervisor of Office Services	Incentive Travel, Sales	50-60
Second Vice President of Personnel	Training	50-60
Sales Promotion Manager - Meeting and Convention Planner	Incentive Travel, Sales	40-60
International Visitor Coordinator	Executive Level Management	30-35
Corporate Personnel Manager	Training	20
Sales Administrator	National Sales, Monthly Sales	13
Merchandising Manager	Sales	12
Secretary-Marketing Training Department	Training	11
Merchandising Director	Sales	6
Manager of Training and Development for Engineering	Training	6
Manager of Sales Promotion, Shows, and Exhibits	Executive Meetings, Field Relations, National and Regional Sales	3-4
Marketing Manager--Zone Sales Office	Sales	2
Sales Manager	Sales	Varied
		Varied

TABLE 4-5

SOURCES OF INFORMATION CONTRIBUTING TO
FACILITY AWARENESS OF MEETING PLANNERS

Most Important Sources

Other people in the company who have visited a site previously
Word-of-mouth from field personnel
Meeting planners' own experience in attending a meeting at a site
Meetings and Conventions -- Official Meeting Facilities Guide

Fairly Important Sources

People in the company who live in the area where a meeting is to be booked
Successful Meetings Magazine
Files kept by the meeting planner

Other Sources Mentioned

Survey sent out by the meeting planner to gather data on facilities all over the country
List compiled by the Meeting Planners International (an organization comprised primarily of meeting planners)
Attendance at trade shows
Consulting other meeting planners

4. Choice process. The actual procedure for selecting among alternatives was quite different among companies. The number of people involved ranged from the meeting planner and his boss, to total involvement by everyone connected with the meeting. The person for whom the meeting was being booked was usually the final decision maker and in most instances was the meeting planner's boss. In some

cases the meeting planner narrowed the choices or presented the decider with only one choice which was rubber stamped.

For repeat purchase situations, the choice process was strongly influenced by those attending a previous meeting. In all but one case, the meeting planners indicated that attendees (users) had overriding decision ability if the feedback received was strongly negative. Instructors, an important class in the user category, were very important for selecting sites for training meetings.

Members of the Buying Center

Webster and Wind have developed a typology to describe the members of the buying center in an organization. A buying center is composed of "Members of the organization who interact during the buying decision process..."³ Table 4-6 outlines the involvement of each of the classes of organization members who participate in the buying process. Each of these classes was found to be present in the buying process for corporate group meetings. The roles of these classes is discussed in detail in the following paragraphs.

Users. The people from the corporation who attend meetings at facilities are the users of the product. There is little or no involvement of this group for initial meetings. However, in decisions regarding a return booking, or in locational decisions for future meetings, this group takes on a great deal of importance. The majority of the meeting planners indicated that a formal mechanism

³Frederick W. Webster, Jr., and Yoram Wind, Organizational Buying Behavior (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972), p. 77.

TABLE 4-6

DECISION STAGES AND ROLES IN THE BUYING CENTER⁴

	User	Influencer	Buyer	Decider	Gate-keeper
Identification of Need	X	X			
Establishing Specifications and Scheduling the Purchase	X	X	X	X	
Identifying Buying Alternatives	X	X	X		X
Evaluating Alternative Buying Actions	X	X	X		
Selecting the Suppliers	X	X	X	X	

for gathering feedback from attendees is used, and decisions regarding repeat bookings are heavily influenced by this feedback.

Those meeting planners who did not use formal feedback mechanisms indicated that they invariably received informal feedback, especially if attendees were unhappy. Thirteen of the meeting planners interviewed said that they had changed facilities in the past because of negative feedback from the attendees. The remaining two planners said they would change based on feedback, under certain circumstances. The role of attendees was probably the least understood factor in the purchase process, by sales managers of meeting facilities. The power of the users tended to be either ignored or

⁴Webster and Wind, ibid., p. 80.

forgotten by sales managers when asked about relative decision powers of those involved in facility choice.

A unique aspect of the user group in the meetings market is that it is not uncommon for members of the entire buying center to be present at a meeting. While each group may be concerned with different aspects of the meeting, influencers, deciders, buyers, and gatekeepers can readily discern whether user evaluations are accurate since they may be users themselves.

There tends to be a hierarchy of influence within the user class. An attendee typically has very little power in the decision process as an individual. As attendees band together, however, their influence grows rapidly. If the user is a meeting planner or a corporate executive, individual power is extremely large. In the case of training seminars, the individual instructor is very powerful, especially if the meeting planner does not attend the seminar.

Influencers. Influencers are involved in varying degrees in the site selection process. All four of the other groups may act as influencers depending on the nature of the decision. All meeting planners indicated that there are others who have input into the selection. In addition to those within the company, external sources may also influence the decision. Several meeting planners mentioned that they consult other meeting planners and lists published by associations to which they belong as aids in the search for facilities. Influencers are present at each stage of the purchase process.

Buyers. The duties, titles and relative power of meeting planners have already been discussed. The major task of the buyer of corporate group meeting services is to narrow the alternatives,

make recommendations to the deciders, and to make the actual arrangements with the facility.

Deciders. A decider is that person who makes the final selection of the meeting site. This person can be the buyer, but in almost every interview the meeting planner indicated that although he had a strong influence, the actual decision was made by someone else. The meeting planner typically was given some broad criteria, such as location, budget, and type of meeting to be held, which were then used in selecting a supplier. Since only one meeting planner stated that he was booking meetings for himself, the results indicate that the decider was a person other than the buyer.

If the meeting planner was a professional, with a major part of the job involved with planning, the actual approval could come from almost anywhere in the organization. In some cases this decision was made by a corporate committee. If the meeting planning function was a small part of the job, the decider was usually the planner's boss, or someone higher up in the same department or division. This has strong implications for the marketing strategy of meeting facilities.

Gatekeepers. Members of the buying center who control the flow of information into the organization are designated as gatekeepers. The most important gatekeeper for corporate meeting services is the meeting planner. There are, however, others who also act as gatekeepers. In some cases, the decider is the gatekeeper, particularly if he liked a facility where he attended a meeting previously. Others with heavy influence also act as gatekeepers by giving strong recommendations concerning a possible facility. In

these cases, the meeting planner may recommend and book a facility without further search for alternatives.

As might be expected, the interaction of the members of the buying center is quite complex and changeable. It is important for sales managers of meeting facilities to recognize that there are several people involved in the buying process in most instances. Whereas salesmen of many industrial products may communicate with several members of the buying center, marketers of corporate meeting services seldom become involved with anyone but the meeting planner before the meeting is booked.

Factors Affecting Product Selection and Satisfaction Among Meeting Planners

During the personal interviews, meeting planners were asked several questions which were designed to elicit comments as to what they were looking for in a meeting facility. As with the questionnaire, personal interviews revealed that the main concern was with the meeting accommodations. The meeting room itself stood out as the top concern when choosing a site, and planners were very specific with certain aspects of the room and the total meeting atmosphere.

According to the meeting planners, there should be a room that is large enough for several styles of set-up. The room should have good lighting and comfortable chairs, preferably with padded arms and seats. A tiered classroom with a built-in screen and ample electrical outlets was important to several interviewees.

Personnel variables were mentioned frequently also, but did not receive as much attention as the meeting room. Having a person assigned to the group to make things happen was perhaps the most

important staff factor. This person was usually thought of as someone from the catering rather than the sales department. There are some important implications here for the value of good communications between catering and sales. Other important staff factors concerned the general attitude and efficiency of the people at the facility.

The amount of extra services available during meetings appears to be important. The availability of good audio-visual equipment took precedent, but several other services were also mentioned. Among these were: preregistration, name tags, a good typist, limousine service, and the capability to set up a message center for the meeting participants.

Good food and adequate restaurants were factors mentioned by respondents as being important in site selection, but were mentioned more often in a negative light. If these factors were not adequate, they stood out as a reason for not rebooking.

Locational factors varied widely among meeting planners. Most planners had used several locations, depending upon the type of meeting to be held. For example, resorts appear to be the most popular locations for incentive travel while short meetings are often held at airport properties, especially if attendees are scattered throughout the country. If the meeting involves primarily local people, the preference is often for an adequate facility near corporate headquarters. Meeting planners who used resorts extensively were more concerned with recreational facilities than planners who used other locations. If the purpose of the meeting included relaxation as well as serious business, climate became an important

locational factor.

Several planners preferred small facilities because they felt that the service was more personalized since there was not as much competition with other functions being held at the property at the same time. This finding should be encouraging to small hotels, motels, and resorts which want to attract corporate meetings.

Other items mentioned for site selection were; cost, ease of access, shopping, and having kitchen areas away from meeting rooms to reduce noise.

Negative Aspects of Meeting Facilities

Once a meeting has been booked, the task of the facility is to make sure that the group is treated well so that a return booking can be obtained. Meeting planners were asked to discuss what negative aspects of facilities might cause them to change properties in the future.

At this point, food took on a greater importance than any other factor. Bad food was mentioned most often as the reason for not returning to a facility. Meeting planners expect that the food will be good, and thus food was shown to be a hygiene factor. It is not a strong motivator for the initial booking, but is a major reason for dissatisfaction. One reason for this may be that it is relatively easy to inspect the physical facilities, but more difficult to evaluate food service ahead of time.

Another area that is difficult to evaluate is the facility's staff, other than the salesperson with whom the booking was made. Lack of communication between sales and other departments, disinterest,

no contact person, too few employees, and a generally poor attitude were often mentioned personnel factors for not rebooking. Having items missing from the schedule or delivered at the wrong time was cited as a problem with some facilities.

Negative aspects of the physical environment were cited intermittently. Low ceilings, poor ventilation, no control of air conditioning and heat, metal chairs, colored lights, dirty rooms, and noise were included as reasons for looking elsewhere.

Meeting planners feel that there is a tendency in the sales department to forget about the postpurchase phase of the buying process. As one meeting planner expressed it, "Once they get you there, the facility is only thinking about future meetings."⁵

Summary -- Meeting Planners

The analysis of the data gathered from the meeting planners indicates that the decision process for selecting corporate meeting sites is similar to the process for purchasing other industrial products. There are multiple influences throughout the decision process and several groups can be classified as members of the buying center. A major distinction is that, in many instances, all groups involved in the decision process fall into the user classification as well as occupying other distinct roles.

The major concerns of the purchasing agents or meeting planners are centered around the meeting itself, and the supplier's staff. Food may be seen as a hygiene factor and only becomes of

⁵ Anonymous meeting planner, personal interview (January, 1977).

primary importance for repeat purchases. Attendees have little influence for initial purchases, but take on major importance for repeat buying. Location is another important factor, but is difficult to deal with because preferences change depending on the types of meeting to be held. A more important concern for sales managers might possibly be with providing an ideal meeting atmosphere, especially since location is fixed for existing properties. There does seem to be a distinct preference for airport properties for short meetings where participants come from long distances.

The results demonstrate that the meeting planners provide a large amount of information and thus are strong influencers. However, there are others in the organization who also are important in the buying process, and deserve marketing attention.

Data Analysis -- Sales Managers

The analysis of the information gathered from personal interviews with the sales managers consists of several parts. The first is the ranking of the properties represented, on the dependent and independent variables. Second, the use of Jaspen's coefficient of multiseriial correlation (M) is explained and the degree of association of each independent variable with the success variable is presented. The third part of the analysis involves the employment of stepwise multiple regression analysis to describe which independent variables demonstrated the greatest association with success. Fourth, the appropriateness of tests of significance for the hypotheses in the study is discussed.

In their original form, the data generated from the interviews

with the sales managers do not meet all the assumptions of regression and correlation analysis. While the dependent variable was measured on an interval scale, the independent variables were measured on an ordinal scale. Tests of significance are not appropriate for the regression analysis because of the multicollinearity of the independent variables. The regression equations taken as a whole, however, provide meaningful associations between the independent variables and success.

Rankings of Sales Managers

Table 4-7 presents the ranking of the sales managers on each of the twelve independent variables. These rankings are based on the information gathered from the interviews with the sales managers of each property. Also included in the table are the rankings of all fifteen properties on the dependent variable; Success in Attracting Corporate Group Business. The rankings on the dependent variable are based on the Confidential Data Sheet (Appendix IV) and on the personal interviews where the data sheets were incomplete. In keeping with the promise of confidentiality, the properties are identified only as A through O.

Several points should be noted in examining the ranks in Table 4-7. First, in most cases a property does not score high or low on all variables. This should be expected since these meeting facilities are viable concerns and there is undoubtedly some correlation between marketing to the corporate meetings segment and marketing to other segments. Second, it is easy to discern that some properties ranked high on several independent variables and low on

TABLE 4-7

RANKS OF SALES MANAGERS

Facility	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
MULINF	4	4	4	4	2	3	4	4	4	1	3	4	2	4	2
DIVAPP	4	3	2	3	3	3	3	3	3	2	4	3	1	4	1
ACTSOL	5	4	4	2	3	2	3	4	4	2	3	3	1	5	1
ADCONT	5	4	3	3	4	2	2	2	3	2	3	3	1	2	1
FACAWR	5	3	4	3	3	3	4	4	3	1	3	4	1	4	2
SELCRI	3	5	3	4	4	2	3	4	3	5	5	2	4	3	3
CLOFIT	4	5	3	4	4	2	3	4	3	3	4	3	2	4	3
ATTASP	2	4	2	2	3	3	3	3	3	3	4	4	1	3	2
NEGASP	3	4	4	1	3	4	2	4	2	4	2	4	2	2	3
INHOUS	3	5	3	2	3	2	3	3	5	2	3	4	1	4	1
RPTBUS	3	5	3	3	4	1	3	4	5	3	4	4	3	4	1
FATCGB	5	4	3	3	4	3	5	4	5	4	3	3	1	4	2
SUCCESS (%)	45	43	41	38	36	35	32	30	26	23	17	10	4	3	1

the dependent variable, and vice versa. This situation may arise because the property markets extensively to other types of group business which have somewhat similar characteristics to the corporate market. In one case, a property scored relatively high on the success variable and relatively low on the independent variables, primarily because it was the only facility in the area capable of handling group business. This situation points out the value of having a larger sample so that an individual property cannot distort the data to a significant degree.

Another point to be noted is that the rankings on some variables are very similar to each other. For example, a facility's awareness of how well groups in the house are serviced is strongly correlated with the facility's attitude toward repeat business ($R = .85$). This accentuates the problem of multicollinearity mentioned earlier. Table 4-8 presents the correlation coefficients of all twelve independent variables with each other. This matrix was derived from the \bar{Z} scores which are discussed in the following section.

Jaspen's Coefficient of Multiserial Correlation

In order to compute a coefficient of association it is necessary to have equally spaced ranks in a set. This can be assumed, but the statistics computed on the data are then unclear. An alternative to this assumption is to use multiserial correlation which transforms an ordinal into an interval scale. This method can be used if it appears reasonable to assume that the variable to be measured would be normally distributed if it could be measured on an interval scale.

TABLE 4-8

CORRELATION COEFFICIENTS OF THE INDEPENDENT VARIABLES

	MULINF	DIVAPP	ACTSOL	ADCONT	FACAWR	SELCRI	CLOFIT	ATTASP	NEGASP	INHOUS	RPTBUS	FATCGB
MULINF	1.00	.49	.68	.41	.78	-.34	.38	.18	-.12	.64	.40	.41
DIVAPP	.49	1.00	.73	.60	.65	-.02	.55	.50	-.21	.57	.41	.55
ACTSOL	.68	.73	1.00	.63	.79	-.08	.57	.31	.11	.77	.55	.70
ADCONT	.41	.60	.63	1.00	.55	.10	.62	.34	.08	.60	.47	.54
FACAWR	.78	.65	.79	.55	1.00	-.44	.35	.16	.09	.49	.16	.54
SELCRI	-.34	-.02	-.08	.10	-.44	1.00	.52	.12	-.13	-.03	.35	-.01
CLOFIT	.38	.55	.57	.62	.35	.52	1.00	.43	-.06	.54	.59	.40
ATTASP	.18	.50	.31	.34	.16	.12	.43	1.00	.32	.67	.57	.32
NEGASP	-.12	-.21	.11	.08	.09	-.13	.32	.32	1.00	.14	-.02	.00
INHOUS	.64	.57	.77	.60	.49	.35	.54	.67	.14	1.00	.85	.64
RPTBUS	.40	.41	.55	.47	.16	.35	.59	.57	-.02	.85	1.00	.43
FATCGB	.41	.55	.70	.54	.54	-.01	.40	.32	.00	.64	.43	1.00

Once this assumption is accepted, the distribution can be expressed by the proportion of observations which are assigned to each rank. A normal curve representing all the ranks can then be divided according to these proportions and each observation assigned a score on an assumed interval scale, which corresponds to the proportions. The mean for the normal curve can be determined and the deviation (Z) scores for each proportion of observations falling above and below the mean computed. Another property of a normal curve allows the computation of the mean deviation (\bar{Z}) score by subtracting the height above the ordinate of a segment into which an observation falls, from the height of the ordinate below the segment, and dividing by the proportion of cases within the segment. These \bar{Z} scores are then used as the interval scale values in the equation for multiserial correlation.

In addition to the assumption that the ordinal variable is normally distributed, an assumption of a linear relationship between the two variables to be associated is also made. For the type of variables in this study, these assumptions seem reasonable.

Multiserial Correlations of Independent Variables and Success

The multiserial correlations (M 's) of the independent variables with success are presented in Table 4-9, along with M^2 , which states the percent of variance in the occupancy rates that would have been explained by the independent variable if it had been measured on an interval scale.

The multiserial correlations indicate that a large portion of the variance among properties is associated with their advertising

TABLE 4-9

MULTISERIAL COEFFICIENTS OF CORRELATION AND DETERMINATION
(INDEPENDENT VARIABLES WITH SUCCESS)

	Success (M)	Success (M^2)
MULINF	.39	.15
DIVAPP	.26	.07
ACTSOL	.38	.15
ADCONT	.71	.51
FACAWR	.40	.16
SELCRI	.12	.01
CLOFIT	.37	.14
ATTASP	.07	.00
NEGASP	.21	.14
INHOUS	.29	.08
RPTBUS	.11	.01
FATCGB	.52	.27

and their attitude toward the corporate segment. The ADCONT variable shows an association of (.71) and FATCGB an association of (.52).

This tends to substantiate the observation that some properties may have ranked high on independent variables and low on success because of their expertise in working with other types of group business. When this was the case, the property often expressed a desire to serve other types of group business while ignoring the corporate meetings segment.

The variables with the next two highest amounts of association with success are FACAWR (.3998) and MULINF (.3915). This seems to

indicate that those properties that understand the means by which meeting planners can be contacted, and understand the decision process are more successful than those that do not. While the other eight independent variables did not have as high degrees of association, it should be noted that all correlations are positive. In some cases, nearly all of the sales managers scored poorly on a variable. This does not necessarily mean that the variable is totally unimportant, but is more likely to indicate that it is not a differentiating factor between successful and unsuccessful properties. The implications of the multiserial correlations are discussed in Chapter V.

Success Predictors

A regression was developed based on the \bar{Z} scores of the fifteen properties presented in Table 4-7. Predictors of success were generated using a stepwise multiple regression program. Stepwise regression allows correlations to be computed in a manner such that predictors are computed in order of their strength of association with the dependent variable. The first predictor equation is presented in Table 4-10.

The stepwise regression on all variables computed ten of the twelve independent variables with a standard error of estimate of 9.91. The total equation indicates that 87.8 of the variance can be explained by these ten variables. It is obvious, however, that the marginal increase in predictability increased at a decreasing rate. The first variable, ADCONT accounts for slightly under .50 of the total multiple R^2 of .88, while INHOUS adds only .02 to the multiple R^2 . After the tenth step, tolerance levels were insufficient for

TABLE 4-10

SUMMARY OF INCREASES IN MULTIPLE CORRELATION USING STEPWISE REGRESSION
(ALL VARIABLES INCLUDED)

Step Number	Variable Entered	Multiple R	Multiple R ²	Increase in R ²
1	ADCONT	.70	.49	.49
2	RPTBUS	.75	.56	.07
3	FATCGB	.78	.60	.04
4	DIVAPP	.82	.67	.07
5	MULINF	.83	.69	.02
6	SELCRI	.88	.77	.08
7	CLOFIT	.89	.79	.02
8	NEGASP	.91	.82	.03
9	FACAWR	.93	.86	.04
10	INHOUS	.94	.88	.02

Final Regression Equation: Relative Success = 25.60 + 14.68 ADCONT -5.82 RPTBIS + 8.94 FATCGB +
1.23 DIVAPP +19.81 MULINF + 5.95 SELCRI -4.31 CLOFIT +
7.43 NEGASP -12.46 FACAWR -9.80 INHOUS

further computation, thus dropping out two variables.

Another regression was run on the variables excluding ADCONT. The equation has a standard error of estimate of 13.23 and explains 84.7% of the total variance in the relative success of the properties involved. This regression equation is presented in Table 4-11. With ADCONT out of the equation all remaining variables were computed, and the explained variance was more equally distributed among the independent variables. In this equation FATCGB retained the greatest amount of explanatory power, replacing RPTBUS, which was strongest after ADCONT in the original equation. The possible problems with the small sample size are again stressed, although the correlations in both equations seem reasonable.

Hypothesis Testing

Although tests of significance are not particularly appropriate because of the small sample size, it is worthwhile noting that even with only thirteen (N-2) degrees of freedom, two of the hypotheses have high significance levels based on their correlation coefficients. The R value for the ADCONT variable which relates to the fourth sub-hypothesis is (.70). With this R, the null hypothesis that there is no correlation between specialized content in a facility's advertising and success in attracting corporate group meetings can be rejected at a confidence level of 0.01.

The twelfth sub-hypothesis was formulated to add a factor which explained how the facility's attitude toward corporate group business affected overall performance. The variable was introduced to see if a portion of the variance was caused primarily because the

TABLE 4-11

SUMMARY OF INCREASES IN MULTIPLE CORRELATION USING STEPWISE REGRESSION
(ADCONT EXCLUDED FROM THE EQUATION)

Step Number	Variable Entered	Multiple R	Multiple R ²	Increase in R ²
1	FATCGB	.50	.25	.25
2	NEGASP	.54	.29	.04
3	CLOFIT	.57	.33	.04
4	ATTASP	.63	.40	.07
5	MULINF	.65	.42	.02
6	ACTSOL	.70	.49	.07
7	DIVAPP	.76	.57	.08
8	INHOUS	.80	.64	.07
9	SELCRI	.85	.72	.08
10	RPTBUS	.90	.81	.09
11	FACAWR	.92	.84	.03

FINAL REGRESSION EQUATION: Relative Success = 25.60 + 5.79 FATCGB + 19.46 NEGASP + 1.61 CLOFIT -33.47
 ATTASP + 3.62 MULINF -46.88 ACTSOL +26.43 DIVAPP +49.92
 INHOUS + 17.79 SELCRI - 18.75 RPTBUS + 10.63 FACAWR

corporate segment was not one which the facility chose to pursue. With an R of (.50), the null hypothesis relating to this variable (FATCGB) can be rejected at a confidence level between 0.10 and 0.05.

While the R's of the other independent variables were not large enough at (N-2) degrees of freedom to conclusively accept or reject the null hypotheses relating to them, the coefficients of multiserial correlation do demonstrate some fairly strong associations with success in several cases.

Summary

The first part of this chapter presented the results of the personal interviews and questionnaires obtained from the meeting planners. This information was used in the evaluations of the sales managers. The second part of the chapter focused on the results of the rankings of the sales managers on the independent variables. The multiserial correlations and the predictors derived from stepwise regression analysis were also presented. It was seen that there were positive correlations between the dependent variable and all the independent variables. Two of the independent variables had very strong associations while the others had varying degrees of association. The implications of these associations and the predictors are discussed at length in Chapter V.

CHAPTER V

IMPLICATIONS OF THE RESEARCH FINDINGS

Introduction

The purpose of this chapter is to discuss the implications of the study for facilities which want to attract corporate group meetings. The discussion is presented in two parts: 1. the interpretation of coefficients of multiserial correlations, and 2. the interpretation of the predictor equations developed by stepwise regression. The implications of the information gathered from meeting planners are intertwined with the discussion of the results relating to marketing strategy for exploiting the corporate meetings market.

Implications of Multiserial Correlations

The degree of association for multiserial correlations (M 's), is somewhat higher than for the coefficients of correlation (R 's). This is because the M 's include a correction for the broadly classified ordinal rankings. The multiserial correlations then, are a special case of Pearson's R with a correction factor included. In this section, the percent of variance (M^2) for each variable is presented in the same order as the hypothesis to which it relates.

Multiple Buying Influences

The first hypothesis proposed that there is a relationship between success in attracting corporate group meetings, and an

understanding of the role of multiple buying influences. The score on the variable (MULINF) relating to multiple buying influences, indicates that a mild degree of association with success exists ($M^2 = .15$). A probable reason why the association was not stronger is that most properties recognized the presence of more than one influence on the decision, which tended to group the rankings closely. Also, there was no sales manager who was able to identify all of the buying center members.

The data generated from the meeting planners indicate that multiple influences are present and, in many cases, quite important in site selection. The group that the sales managers considered the least was the attendee classification. Given the unique situation of having the entire buying center present at some meetings implies that a property may gain a competitive edge if more attention is paid to the group while it is in attendance at the facility. If a corporation has the potential for a large amount of bookings, it would seem worthwhile to identify those persons, in addition to the meeting planner, who have an impact on the decision.

Appeal to Several Decision Makers

Hypothesis number two dealt with the possibility that there was a correlation between success and how well the property appealed to groups of decision makers other than the meeting planner. The variance explained by DIVAPP ($M^2 = .07$), would seem to indicate that appealing to several groups is not particularly important. However, in the interpretation of this, care must be taken to note that again properties tend to be grouped together. The scores as a whole are

on the low side, which indicates that even though sales managers may be able to identify several groups in the decision process, effort to reach these groups is minimal.

The finding that none of the properties in the sample try to appeal to all the groups involved suggests another means by which a property might pursue a competitive advantage. Since the meeting planners felt that the concerns of the other groups were often different from their own, a property that attempted to influence all the groups involved in the selection process might be more effective in attracting corporate business. This area requires more study, especially research that includes the other decision groups, before anything conclusive can be determined.

Active Solicitation of Corporate Group Business

The third hypothesis dealt with the relationship between success, and the effort that sales managers indicated they expended in trying to attract corporate group meetings. The results show a positive association between the ACTSOL variable and success ($M = .38$), but not an extremely large explained variance ($M^2 = .15$). This is rather surprising since there seems to be a direct relationship between marketing effort and sales for most products. One thing that may explain why the correlation is not stronger is the location of the properties studied. Some of the facilities that scored low on ACTSOL were located in an area where corporate business was relatively easy to attract. On the other hand, two resort properties scored very high on ACTSOL and low on success. This situation seems to point out that certain types of facilities need to expend more effort

than do others to reach the corporate market.

Specialized Advertising

The variable that shows the greatest association with success is ADCONT which relates to advertising content ($M^2 = .51$). The fourth hypothesis predicted a correlation between success, and advertising that is directed specifically at the corporate market. The results of the study indicate that this prediction is very acceptable. This would also tend to support theories of advertising and target marketing.

The implications of this finding for meeting facilities are that decision makers are interested in the specific services that relate to their needs and wants. In order for these services to be selling points, awareness of their existence must be communicated to those involved in the decision process. Direct mail advertising allows for information to be channeled to the buying influences within the corporation through the gatekeepers.

While it is important to let decision makers know about the facility in general, it appears that tailoring the advertising message toward the market which the facility wants to attract is more effective. Although the advertising variable showed the highest amount of association, it may indicate that successful facilities are in actuality, appealing to several influences without even realizing it since they don't know what happens to the information once it is mailed. Regardless, given the current state of sophistication, specialized advertising seems to be the most significant differentiating factor between successful and unsuccessful properties in the study.

Understanding How Corporations Learn About Meeting Facilities

The fifth hypothesis postulated a correlation between success, and the understanding by the sales manager of how corporations learn about the facility. The product awareness variable (FACAWR) had the third highest explained variance ($M^2 = .16$). This suggests that an accurate picture of how product awareness takes place will stimulate a property to include those mediums in their sales strategy which bring about awareness.

Awareness of the means of information assimilation seems to have an impact on how well properties scored on other variables which relate to promotion. For example, FACAWR has fairly high coefficients of correlation with MULINF (.78), DIVAPP (.65), ACTSOL (.79), and ADCONT (.55). Taken as a whole, high scores on these variables seem to indicate an interaction of the variables. It would seem reasonable that properties which have a fair understanding of the decision process, try to appeal to several decision makers, and actively solicit corporate business through advertising, would only be effective if there is an understanding of how information can be communicated to decision makers.

Knowledge of Why Corporations Choose a Facility

The hypothesis that there is a correlation between a sales manager's understanding of why corporations choose his facility, and success in attracting corporate group meetings does not appear to be particularly valid. The data analysis indicates that the variance in success explained by an understanding of selection criteria (SELCRI) is less than 2% ($M^2 = .01$). There are several

possible explanations for this. The survey of the literature in Chapter II shows that there is very little marketing research conducted by hotels in the area of corporate meetings. Without this research, sales managers can only guess what factors are important to meeting planners in choosing a facility.

This finding also tends to substantiate the indication by meeting planners that sales personnel do not really play a large role in initial site selection. Very few planners mentioned sales managers as a source of information for initial screening of sites. Therefore, the amount of understanding of the selection criteria by sales managers would not be expected to have any significant effect on what site is chosen. This reasoning contributes to an understanding of the high percentage of explanation found in the ADCONT variable. The researcher is led to believe that the input from sales managers into advertising materials is minimal, although this was not pursued in the study.

A third reason for the low association between SELCRI and success, is the minimal amount of personal selling done outside of the facility. Most information concerning facilities is communicated by direct mail, or by having the meeting planner pay a visit to the property. Once the meeting planner is at the site, physical facilities tend to speak for themselves.

As the competition becomes more intense in the corporate meetings market, perhaps personal sales calls will become more important. If this situation materializes, sales managers may be forced to develop a better understanding of selection criteria in order to be effective.

Needs and Wants vs. Need/Want Satisfiers

The seventh hypothesis proposed a relationship between success and the closeness of fit of the perceptions of meeting planners and sales managers regarding services and characteristics of facilities (CLOFIT). The explained variance was 14% ($M^2 = .14$) for CLOFIT, considerably higher than for SELCRI. This implies that, even though a sales manager may not be aware of the precise decision criteria, he does have a general idea of what factors are necessary to service a corporate group meeting.

Once a potential customer has been enticed to the facility to look it over, the sales manager can use his abilities to elicit a booking. At this point it is necessary for the sales manager to emphasize those factors that are important for successful group meetings. It is likely that sales managers had their own properties in mind when responding to questions about the needs and wants of meeting planners. If this was the case, it is not surprising that sales managers, employed by facilities with adequate need/want satisfier systems, would score higher than those employed by less than adequate properties.

Awareness of Attractive Aspects

Hypothesis eight presumed a correlation between success and the knowledge on the part of the sales manager of attractive aspects (ATTASP) of his facility. There was almost no association on the ATTASP variable. This implies that sales managers may be emphasizing factors that are not of primary importance to meeting planners. This is somewhat surprising considering the degree of association

with the CLOFIT variable, but does seem to fit with the poor association between site selection criteria (SELCRI) and success. What this may be saying is that sales managers of successful properties have a good general idea of what meeting planners want, but do not fully understand the strong motivating factors present at their own locations.

Awareness of Negative Aspects

It was also hypothesized that there is a correlation between success and an understanding of negative aspects of the property as they relate to corporate group business. The explained variance on the negative aspects (NEGASP) variable was greater than on ATTASP, but still not particularly high ($M^2 = .04$). It was felt that by having a good understanding of their weaknesses, properties could compensate by emphasizing their strong points and suppressing their weaknesses.

The score on this variable may indicate one of two things: 1. successful properties have very few weak points, or 2. sales managers were unaware of their weaknesses or not inclined to point them out to the researcher. The latter situation seems more likely, since on-site observations of facilities at the time of the personal interviews often noted deficiencies that were not reported.

Performance With In-House Groups

The tenth hypothesis was that a correlation exists between success and a sales manager's determination of how well the facility serviced groups attending meetings there. The variable relating to product performance (INHOUS) explains only 8% of the variance in

success scores ($M^2 = .08$). This finding seems to add validity to the complaint by meeting planners that there are usually coordination problems between the sales and catering departments, and that sales managers tend to forget about the group once it is booked.

Since the complaints of neglect were prevalent among meeting planners, this finding implies that there is considerable room for improvement in postpurchase servicing by the sales department. This also relates to the importance of having a contact person available, often mentioned by meeting planners. A formalization of feedback mechanisms would seem appropriate for better determination of in-house performance. This accentuates the weakness of the marketing information system of most properties.

Repeat Business

One of the most surprising results is the low association on hypothesis eleven ($M^2 = .01$), which predicts a correlation between success, and follow-up methods developed to foster repeat business. For most hotels, repeat business is the life blood of the operation. When a group is happy with a meeting situation it would seem advisable to ask for more business while they are still at the property.

A probable reason for the low association between emphasis placed on repeat business (RPTBUS) and success is that several of the properties with low corporate meeting occupancy were just getting into the market and thus had a very aggressive attitude toward repeat business. At the other end of the scale, some properties either have all the corporate group business they feel they can handle, or have become complacent in their success. The effort put into attracting

repeat business ranged from simply writing a thank you letter, to requesting a meeting with the planner before he left the property, to ask for more business.

Attitude Toward Corporate Group Business

The last hypothesis was that there is a relationship between success and how a facility views the corporate meetings market as a potential source of business. A high association of the attitude variable (FATCGB) with success would seem to explain why some facilities scored high on other variables but had a low success ratio. Conceivably, a facility could meet most of the criteria necessary for attracting corporate business but not consider it an attractive market because of scheduling, capacity, or location problems. This, in fact, does appear to be the case. Over 26% of the variance among success ratios is explained by the FATCGB variable ($M^2 = .27$). It is again pointed out that the dependent variable in this study relates only to success in attracting the corporate meetings market, and not overall success. A property may have a high overall occupancy, and simply choose not to pursue the corporate market.

Summary of the Implications of Multiserial Correlation

All multiserial correlations indicated a positive correlation between success and the respective variables. However, some associations were strong, some weak. Table 5-1 presents the coefficients of correlation (R 's), the multiserial correlations (M 's) and the percentages of variance (M^2 's), for the independent variables in order of their strengths of association.

The associations might be grouped as high, medium, and low.

TABLE 5-1

SUMMARY OF ASSOCIATIONS OF INDEPENDENT VARIABLES WITH SUCCESS
(HIGHEST TO LOWEST)

Association	Variable	R	M	M ²
High	ADCONT	.70	.71	.51
	FATCGB	.50	.52	.27
Medium	FACAWR	.39	.40	.16
	MULINF	.34	.39	.15
	ACTSOL	.38	.38	.15
	CLOFIT	.36	.37	.14
	INHOUS	.28	.29	.08
	DIVAPP	.25	.26	.07
Low	NEGASP	.19	.21	.04
	SELCRI	.12	.12	.01
	RPTBUS	.11	.11	.01
	ATTASP	.07	.07	.00

The high associations include the ADCONT and FATCGB variables. The scores on those variables imply that a successful marketing strategy for corporate group meetings depends highly on management philosophy as to the desirability of pursuing the market, and the degree of specialization of advertising aimed at the target market.

The medium associations include the MULINF, DIVAPP, ACTSOL, FACAWR, CLOFIT, and INHOUS variables. These variables contribute to success but not to the same extent as those in the previous group. For most of these variables, there is still room for improvement in all of the facilities studied. Facilities wishing to attract corporate meetings would do well to research factors relating to these variables, since as a group, they can contribute a significant amount of information about the corporate market.

The low associations group includes SELCRI, ATTASP, NEGASP, and RPTBUS. Care must be taken in interpreting these low scores. It is possible that some of the scores may have been influenced by the methodology employed in the study. In some cases properties ranked so close together that differentiation between successful and unsuccessful properties was difficult. This does not necessarily mean that these are unimportant and it should be remembered that there is still a positive correlation between this group and success, even though the correlations are small.

Predictions of Success

The implication of the development of predictors using step-wise regression is that there are variables, or a set of variables, that can be used to predict the success of a property. Taking the predictors as a whole, some observations can be made about the relative success of the facilities in the sample.

The problem with the predictors generated by the data in this study is that nearly all of the variables need to be included to reach a very high prediction level. From Table 4-10, it can be seen that ten of the twelve variables are needed to reach an R^2 of .87. It is interesting to note, however, the increases in R^2 contributed after the first step are fairly evenly distributed among the remaining variables. This implies that successful properties will have a broad understanding of several aspects of site selection, and use several marketing techniques to accomplish their goals.

Because of the high increase in R^2 contributed by advertising content, another predictor was generated without ADCONT in the

equation. In this case the predictor included all of the possible variables. This again seems to indicate the importance of the interaction of elements in the marketing strategy, and the need for an indepth understanding of the market segment. As shown in Table 4-11, this equation reaches an R^2 of .83.

The results of the study can be interpreted to mean that an understanding of the process by which meeting sites are selected, and an understanding of the needs and wants of the meeting planners contributed considerably to the chances of being successful in the corporate meetings market. Once these characteristics are understood, success possibilities can be enhanced by devising specialized advertising and a marketing strategy that appeals to the various influences in the decision process. This leads to a qualified acceptance of the central hypothesis. Qualifications are necessary because of the small sample and the subjective nature of the data. There is also the possibility that some element or elements of importance in predicting success were not included in the study.

Summary

The study demonstrates the complexity of the decision process in site selection for corporate group meetings. The characteristics of this market are very similar to the characteristics of markets for other industrial products. By examining both sides of the buyer/seller relationship the findings suggest that sales managers at successful meeting facilities have a better understanding of the corporate market segment than those at unsuccessful properties. However, the sample as a whole does not contain a high degree of

sophistication in dealing with the needs and wants of meeting planners. This suggests that there is good opportunity for increasing the chances of success in this market if facilities apply more sophisticated marketing research techniques to become knowledgeable about the needs and wants of the buyers and design their product offering to satisfy these needs.

Although the precise significance of the relationships between success and the independent variables can not be statistically established, general associations are strong in several cases. There is a need for additional research to refine the predictors and test their relationships. The findings of this study point out some differences and similarities among the corporate, convention, and trade association markets when compared to the Tyler¹ and Fortin² studies. The results also tend to substantiate parts of the theories of industrial buyer behavior reported in Chapter II.

¹Philip Russell Tyler, "Correlates of Success in Convention Properties: An Empirical Study," (Unpublished D.B.A. dissertation, Michigan State University, 1972).

²Paul A. Fortin, J. R. Brent Ritchie and Jules Arsenault, A Study of the Decision Process of North American Associations Concerning the Choice of a Convention Site, Quebec Planning and Development Council, Volume I, Final Report, 1975.

CHAPTER VI

SUMMARY AND CONCLUSIONS

Introduction

The purpose of this study has been to explore the process involved in the purchase of corporate group meeting services. The goal was to determine if an understanding of this selection process by sales managers of meeting facilities contributed to the success of the facility in attracting corporate meetings. In order to accomplish this goal it was necessary to examine both sides of the buying/selling relationship. Meeting planners were drawn from a convenience sample of a diversity of meeting facilities. There was no attempt made to determine occupancy rates ahead of time, however, care was taken to make sure that several types of facilities were represented. Meeting planners were studied in depth to gain an understanding of the buying side of the relationship. The results of this part of the study were then used to evaluate facilities, based on the responses of sales managers, to determine how well the decision process and the needs and wants of meeting planners were understood by successful and unsuccessful properties.

Research studies and publications in the area of hotel management, and the meetings industry show a marked increase in the attention paid to corporate group meetings as a source of business for hotels, conference centers and other facilities. It appears

that competition in this market segment will grow in the future as more and more facilities add meeting services. The results of the study suggest that an understanding of the market will provide the facility with a better competitive position.

Contributions of the Study to Marketing Theory

Corporate meeting services have many of the characteristics of an industrial product and are treated as such in the study. The marketing literature dedicated to the industrial sector was nearly nonexistent fifteen years ago. Recently, a strong interest has been shown in industrial marketing and many researchers have been turning their attention to this area. This study has sought to contribute to both industrial marketing theory and to an understanding of marketing in the service sector.

There are three basic markets for meetings which involve food, lodging, and other services to be provided by a meeting facility: convention, trade association and corporate. There has been a study conducted into both the trade association and convention markets. The present study provides empirical information regarding the corporate market. All three of these studies have been exploratory in nature. The corporate market is diverse and complex, and the information provided here should be used primarily as a base for continued research.

Contributions of the Study to Marketing Practice

While the study is exploratory in nature, it suggests some possible guidelines for marketing practitioners. The value of funneling marketing effort towards a target market segment is pointed

out, and the trend toward specialization in the lodging industry is noted. The association of a number of variables with success in the corporate market adds to the understanding of how meeting facilities may increase their competitive position in this market.

Another finding points out the importance of constant attention to the customer during product usage. The data derived from meeting planners provide sales managers with some concrete information as to how product awareness takes place, and what criteria meeting planners use in making site selections.

The roles of all members in the decision process are outlined and the relative importance of the members explored. The data show that meeting planners are seldom the only decision influence and usually do not have the ultimate decision capability. The power of the people attending the meeting is very great in repeat purchase situations. These findings should help the marketing manager design and implement a marketing strategy that increases the chances for success.

General Findings

The general findings strongly support the importance of marketing communications as a means of attracting customers. Word-of-mouth promotion by satisfied customers and print media advertising play an important role in the corporate meetings market.

The corporate meetings segment is still underdeveloped. Whereas other industries use an external sales force extensively to solicit business, this marketing tool is used sparingly in promoting corporate group business. Another indication that the corporate

segment is not well developed is the underutilization of the marketing concept, demonstrated by an inadequate understanding of the characteristics and needs of meeting planners.

It was suggested that, in some cases, facilities may be successful in attracting corporate meetings in spite of their lack of understanding of the market. This is often due to an advantageous location or market structure. This is likely to change in the future as more firms enter the market and tactics become more sophisticated.

There is an indication that the traditional offerings of hotels are not strong motivators for meeting planners. The elaborate decor and luxurious lobby areas seem to be of little interest to them. Food and lodging accommodations also play only minor roles in site selections, taking on importance primarily as hygiene factors, causing customers to look elsewhere if a minimum assumed standard is not met. Greater importance is placed on the design, comfort, and extent of meeting services available, particularly for serious meetings. Recreational facilities are important for meetings held at resorts, where entertainment and relaxation are considered a part of the meeting philosophy.

The findings suggest a general strategy for facilities wishing to attract corporate meeting business. Predictors of success generated by regression equations suggest an emphasis on specialization of facilities and advertising aimed at several types of decision makers. Marketing research could play a vital role of aiding sales managers in the evaluation of their facilities and their performance with corporate groups. A commitment to the corporate market was shown to

have a strong correlation with success. This points to the need for designing facilities and adding services with the meeting planner in mind. The total involvement of the sales staff at all stages in the purchase process may provide the coordination necessary to attract and keep corporate group business.

Suggestions for Further Research

This is an exploratory study. The limitations and findings mentioned suggest several areas for further research. Some of these suggestions are treated in the following paragraphs.

1. Replication of the study using a larger sample - One of the major limitations of this study has been the inability to concretely test hypotheses because of the small sample size. Given the basic data reported here, a replication of this study using a mail survey could contribute to the further testing of the hypotheses.
2. Success with corporate meetings versus overall success - The success variable used in this study is a crude measure. A study which was supported by a major hotel chain or association should allow more complete and accurate measurement. A measure based on profitability rather than occupancy might give a better indication of success. A comparison of success which involved all types of business would clarify the effects that other types of business serviced by a property have on success with the corporate segment.
3. Homogeneous sample - This study involved several types

of meeting facilities. Research that compared only properties with similar locations within one classification could refine and better isolate success factors. Some classifications that might be studied include airport hotels, downtown hotels, resorts, suburban hotels, and conference centers. By eliminating the effects of location, attention could be focused on differences caused by services offered, competency of the staff, sales effort and other elements of the total product.

4. Similar types of meetings - Although some differences in the needs and wants of meeting planners charged with booking different types of meetings were noted in this study, it would be beneficial to examine only one type of meeting at a time. This would reduce the confusion in the meeting planners' minds as to whether they should be thinking of a strictly serious meeting or a meeting involving rest and recreation.
5. Examination of all decision-makers - This study involved only the meeting planners on the buying side of the exchange relationship. A study which examined the total involvement of all buying influences in several meetings would serve to isolate the needs and wants of each decision group. This would aid in developing a strategy which considers all buying influences, instead of focusing entirely on the meeting planner.
6. Synthesis of Characteristics of Three Types of Group

meetings - A study which examined and compared the convention, corporate, and trade association markets would be beneficial. This type of a study would aid in determining differences and similarities which could be focused upon in developing marketing strategy.

7. Involvement of other management personnel - The findings in this study are based exclusively on the responses of the person at the facility whose job includes booking corporate group meetings. Since much of the direction of the facility's philosophy comes from other middle and top management people, their input would be valuable in developing accurate ratings. A synthesis of their responses may be more meaningful than the sales manager's responses alone.
8. Measurement of the independent variables - Measurement of the independent variables in this study was very subjective. The development of a data gathering instrument which used interval scales would allow for easier collection and more meaningful statistical techniques to be applied. As a result, findings could be tested for significance and more confidence placed on results.
9. A comparison with other industrial products - There were some similarities noted in this study between corporate group meetings and other industrial products. A direct comparison between an industrial good and an industrial service might provide insight into marketing techniques used for goods which could be applied to services and

and vice versa. This could contribute to the theory surrounding all industrial products.

10. Further examination of aspects of the hospitality industry - The body of knowledge relating to hospitality services is small. Any studies which help to illuminate methods of effective management and marketing would be beneficial in increasing the success of firms in this industry and other service industries.

Conclusion

This study has examined marketing elements in three areas: industrial products, services, and the hospitality industry. The marketing of corporate meeting services involves an understanding of theoretical and practical aspects of all three of these areas. It is possible that marketers of all types of products can benefit from each other's experience. This study has been an attempt at furthering this benefit.

APPENDIX I

INTERVIEW SCHEDULE FOR MEETING PLANNERS

APPENDIX I

INTERVIEW SCHEDULE FOR MEETING PLANNERS

- I. A. What is your position in the company?
 - B. What type of meetings do you book for your company?
 - C. Why are you the person designated to book meetings?
 - D. What percentage of your job is involved with meeting planning?
 - E. How many meetings are you involved with planning each year?
 - F. How do you usually learn about the facilities you consider for meetings?
 - G. Do you keep records on facilities? (Both potential and those used in the past)
 - H. Do you consult with anyone else concerning the choice of a meeting site? (If no, skip to section II.)
 - H-1. Who was (were) this (these) people and what is his (their) position(s) in the company?
 - H-2. Why do you consult this person?
 - H-3. What specific questions do you ask this person?
 - H-4. What is the relative influence of this person in choosing the meeting site?
-
- II. A. Do you book meetings on behalf of someone else? If yes, who are these people?
 - B. Do you personally make the final decision to hold the meeting at a particular facility? If no, who does make the final decision?
 - C. If you decided on a facility and someone else disagreed with your choice, would you change your decision? If yes, who would be the person who caused you to change your mind?
 - D. If you did not like the way a facility handled your meeting, would you change the location of future meetings?
 - E. Do you have the authority to bring about a change of this nature? If no, who would?
 - F. Do you ask for feedback from the people attending a meeting? If no, go to question G.

- F-1. What are you trying to find out from this feedback?
 - F-2. Do you ask for feedback concerning the services and characteristics of the meeting facility?
 - F-3. What do you do with the information you gather?
 - F-4. How is feedback obtained?
 - F-5. Would you change the location of future meetings if you received negative feedback from the people attending the meeting?
 - F-6. Have you ever changed facilities in the past because of negative feedback from meeting participants? If yes, please explain the nature of this feedback.
 - G. Who decides whether or not to return to a facility for future meetings?
 - H. Do you usually talk to someone from the facility before you book a meeting?
 - H-1. If yes, who do you usually talk to?
 - H-2. If you do not usually talk to someone from a facility, would you like to do so?
 - I. Considering everyone else concerned with selecting the meeting site, how much of the decision was your responsibility? (For example, a decision that was shared evenly with another person would give you 50% of the responsibility, if you made it entirely by yourself you would have 100% responsibility, etc. Pursue this if the question is not understood.)
- III. A. Please tell me what factors you personally consider to be the most important when choosing a meeting site.
- IV. Administer the questionnaire. Directions to the respondent: Please take a few minutes to answer the questions on these forms. The questions may seem repetitious, but please take the time to answer them in sequence, since each is designed to provide a different insight into the factors mentioned.
- A. From your experience, could you tell me of any services or characteristics that usually are not present at meeting facilities, but which you consider to be important?
 - B. If you could design the ideal meeting facility, what would you include? Please rank the factors or services you would include, in order of their important to you.

- C. Why did you choose the factors that you just mentioned?
- V. A. Please describe the last meeting site which you were involved in selecting.
- B. Will you select that site for your next meeting? Why or why not?
- C. Are there any specific reasons why you changed meeting sites in the past?

To the interviewer: Thank the participant for this time and valuable contribution he has made to the study.

APPENDIX II

QUESTIONNAIRE

APPENDIX II

PART I **Directions:** In this section, we would like you to rank factors within several groups in terms of their importance to you when attending a corporation business meeting at any meeting facility. (The most important factor would be given a rating of #1 and the least important #5).

<u>Importance Ranking</u>	<u>Factor</u>
A.	<input type="checkbox"/> Warm and hospitable staff at the facility <input type="checkbox"/> Swimming pool <input type="checkbox"/> Meeting rooms that can be divided <input type="checkbox"/> Location near an airport <input type="checkbox"/> Acceptance of major credit cards
B.	<input type="checkbox"/> Comfortable meeting rooms (air conditioned, quiet, nice decor) <input type="checkbox"/> Efficient, competent employees <input type="checkbox"/> Tennis courts <input type="checkbox"/> Good food <input type="checkbox"/> Free parking
C.	<input type="checkbox"/> Free ice machines <input type="checkbox"/> Audio-visual equipment in good working order <input type="checkbox"/> Location downtown in a large city <input type="checkbox"/> Golf course nearby <input type="checkbox"/> Spacious, comfortable lobby
D.	<input type="checkbox"/> Health club (sauna, massage, etc.) <input type="checkbox"/> Room service <input type="checkbox"/> Well appointed guest rooms <input type="checkbox"/> Skilled audio-visual technician available <input type="checkbox"/> Rental car service available at the facility
E.	<input type="checkbox"/> Location in a suburban area <input type="checkbox"/> Guest rooms located close to meeting rooms <input type="checkbox"/> Availability of hospitality suites <input type="checkbox"/> Planned program for spouses <input type="checkbox"/> Wide variety of audio-visual equipment available
F.	<input type="checkbox"/> Color television in guest rooms <input type="checkbox"/> Bellboys available <input type="checkbox"/> Architectural design of two stories or less <input type="checkbox"/> Comfortable chairs in meeting rooms <input type="checkbox"/> Location on a college or university campus
G.	<input type="checkbox"/> Laundry and dry cleaning service <input type="checkbox"/> A no tipping policy <input type="checkbox"/> Good lighting in meeting rooms <input type="checkbox"/> Game room (pinball, pool table, etc.) <input type="checkbox"/> Located in a resort area
H.	<input type="checkbox"/> A contact person from the facility assigned to group to handle problems <input type="checkbox"/> Babysitting service available <input type="checkbox"/> Good transportation facilities within the region or city <input type="checkbox"/> Entertainment available in a cocktail lounge in the evening <input type="checkbox"/> Satisfactory price level compared with other sites

- ___ Clean guest rooms
- ___ Meeting located on a cruise ship
- ___ Wake-up service
- ___ Wide variety of meeting rooms sizes and layout
- ___ Well-informed staff at the facility

- ___ Fast check-in, check-out
- ___ Cocktail lounge in facility
- ___ Aid in planning the meeting and obtaining speakers provided by the facility's staff
- ___ Varied menu for catered meals
- ___ Queen-sized beds in guest rooms

PART II **Directions:** In this section we are concerned with your perception of what services or factors are most important when attending a business meeting. This is a rather extensive list, so please take your time and read through all of the items.

Out of the following list, please rank the top ten factors or services in order of importance to you when attending a corporation business meeting of at least three days in length (including two overnights). Use numbers 1-10, with the most important receiving #1 and the least important receiving #10. Mark only ten spaces, leaving all others blank. Please note that there are spaces provided for you to write in factors not listed. If you use these spaces, please indicate the rank number assigned to them.

- _____ Tennis courts
- _____ Location near an airport
- _____ Audio-visual equipment in good working order
- _____ Warm and hospitable staff at the facility
- _____ Free parking
- _____ Comfortable meeting rooms (air conditioned, quiet, nice decor)
- _____ Color television in guest rooms
- _____ Location in a suburban area
- _____ Cocktail lounge in facility
- _____ Wide variety of audio-visual equipment available
- _____ Wake-up service
- _____ A no tipping policy
- _____ Acceptance of major credit cards
- _____ Satisfactory price level compared with other sites
- _____ Clean guest rooms
- _____ Free ice machines
- _____ Meeting located on a cruise ship
- _____ Laundry and dry cleaning service
- _____ Location on a college or university campus
- _____ Availability of hospitality suites
- _____ Fast check-in, check-out
- _____ Health club (sauna, massage, etc.)
- _____ Bellboys available
- _____ Skilled audio-visual technician available
- _____ Good transportation facilities within the region or city
- _____ Golf course nearby
- _____ Good lighting in meeting rooms
- _____ Spacious, comfortable lobby
- _____ Located in a resort area
- _____ Planned program for spouses
- _____ Varied menu for catered meals
- _____ Aid in planning the meeting and obtaining speakers provided by the facility's staff
- _____ Swimming pool
- _____ Well-appointed guest rooms
- _____ Wide variety of meeting room sizes and layout
- _____ Entertainment available in cocktail lounge in the evening
- _____ Architectural design of two stories or less
- _____ Location downtown in a large city
- _____ Meeting rooms that can be divided
- _____ Well-informed staff at the facility
- _____ Game room (pinball, pool table, etc.)

(CONTINUED) Please turn page

- ___ Good food
- ___ Rental car service available at facility
- ___ Guest room located close to meeting rooms
- ___ Babysitting service available
- ___ Comfortable chairs in meeting rooms
- ___ Efficient, competent employees
- ___ Queen-sized beds in guest rooms
- ___ A contact person from the facility assigned to group to handle problems
- ___ Room service

___ Other (please specify) _____

___ Other (please specify) _____

___ Other (please specify) _____

___ Other (please specify) _____

PART III Directions:

In this section we are concerned with how much importance you place on services and other aspects commonly found in meeting facilities. Please check on the left hand side, the appropriate box which best describes the degree of importance you place on the factor listed beside it.

[illegible]

1. Room service
2. A contact person from the facility assigned to the group to handle problems
3. Queen sized beds in guest rooms
4. Efficient, competent employees
5. Comfortable chairs in meeting rooms
6. Babysitting service available
7. Guest rooms located close to meeting rooms
8. Rental car service available at the facility
9. Good food
10. A game room (pinball, pool table, etc.)
11. Well-informed staff at the facility
12. Meeting rooms that can be divided
13. Location downtown in a large city
14. Architectural design of two stories or less
15. Entertainment available in a cocktail lounge in the evening
16. Wide variety of meeting room sizes and layout
17. Well-appointed guest rooms
18. Swimming pool
19. Aid in planning the meeting and obtaining speakers, provided by the facility's staff
20. Varied menu for catered meals
21. Planned program for spouses
22. Located in a resort area
23. Spacious, comfortable lobby

Very Important	Fairly Important	Neither Important Nor Unimportant	Not Very Important	Unimportant	
					24. Good lighting in meeting rooms
					25. Golf course nearby
					26. Good transportation facilities within the region or city
					27. Skilled audio-visual technician available
					28. Bellboys available
					29. Health club (sauna, massage, etc.)
					30. Fast check-in, check-out
					31. Availability of hospitality suites
					32. Location on a college or university campus
					33. Laundry and dry cleaning service
					34. Meeting located on a cruise ship
					35. Free ice machines
					36. Clean guest rooms
					37. Satisfactory price levels compared with other sites
					38. Acceptance of major credit cards
					39. A no tipping policy
					40. Wake-up service
					41. Wide variety of audio-visual equipment available
					42. Cocktail lounge in facility
					43. Location in a suburban area
					44. Color television in guest rooms
					45. Comfortable meeting rooms (air conditioned, quiet, nice decor)
					46. Free parking
					47. Warm and hospitable staff at the facility
					48. Audio-visual equipment in good working order
					49. Location near an airport
					50. Tennis courts

Outstanding	Good	Fair	Poor	Very Poor	Not present at this facility
					24. Good lighting in meeting rooms
					25. Golf course nearby
					26. Good transportation facilities within the region or city
					27. Skilled audio-visual technician available
					28. Bellboys available
					29. Health club (sauna, massage, etc.)
					30. Fast check-in, check-out
					31. Availability of hospitality suites
					32. Location on a college or university campus
					33. Laundry and dry cleaning service
					34. Meeting located on a cruise ship
					35. Free ice machines
					36. Clean guest rooms
					37. Satisfactory price levels compared with other sites
					38. Acceptance of major credit cards
					39. A no tipping policy
					40. Wake-up service
					41. Wide variety of audio-visual equipment available
					42. Cocktail lounge in facility
					43. Location in a suburban area
					44. Color television in guest rooms
					45. Comfortable meeting rooms (air conditioned, quiet, nice decor)
					46. Free parking
					47. Warm and hospitable staff at the facility
					48. Audio-visual equipment in good working order
					49. Location near an airport
					50. Tennis courts

APPENDIX III

INTERVIEW SCHEDULE FOR SALES MANAGERS

APPENDIX III

INTERVIEW SCHEDULE FOR SALES MANAGERS

Try to get as complete an answer to each question as possible.

1. What is your position with this facility?
2. What is your official job title?
3. What is your occupancy rate?
 - a. Would you please estimate what percent of your business comes from group meetings?
 - b. What percent of this business comes from corporations?
 - c. What percent of corporate business is repeat business?
4. What are the purposes of the business meetings which are booked into this facility?
 - a. Which purpose is the majority for?
5. What portion of these meetings are sponsored by one corporation only? (As opposed to a trade association or professional convention.)
6. Do you know how the people who book meetings generally learn about your facility? If yes, please explain.
7. How many people do you feel are involved in making the decision on the choice of a meeting facility for the majority of the meetings you book?
 - a. Who do you usually talk to from a company in order to book a meeting?
 - b. Do you ever talk to more than one person from a company? How often?
 - c. Do you alter your sales presentation for each person?
 - d. What are the positions of the people you talk to in order to book a meeting?
 - e. Who do you feel makes the final decision on site location?
 - f. Is the initial contact usually the person who signs the reservation agreement and arranges the details of the meeting? How often is this the case?

8. Why do you feel that your facility is chosen as a site for business meetings? (Pursue this for more detail if necessary.)
9. What factors do you emphasize in a sales presentation to a meeting planner?
 - a. Why do you emphasize the factors just mentioned?
10. To your knowledge, do most meeting planners ask for feedback from the people attending the meeting?
 - a. If feedback is obtained, are comments made concerning the suitability of the meeting facility and its services? If yes, do you have access to this feedback?
 - b. What do you do with feedback that you obtain from attendees?
11. Do you do any research on the company you are trying to book before talking with a person from that company? Explain.
12. How do you think that prospective meeting customers view your facility? (For example, what do you think their perception of your services, image, and facilities is?)
 - a. Are there services which you don't offer, but you feel should be offered? Explain.
 - b. What do you feel is the most attractive aspect of your property, to corporate meeting planners?
 - c. What do you feel is the least attractive aspect of your property, to corporate meeting planners?
13. Do you receive feedback from the meeting planner with regard to your facility's performance? If yes, how is this feedback obtained?
 - a. What do you do with this feedback?
14. What follow-up do you do after a group has met at your property, to try to develop repeat business?
15. Please list the factors you feel are most important to each of the following groups which may be involved with group meetings. (Try to get several items for each group.)
 - a. The meeting planner (the person who booked the meeting).
 - b. The person attending the meeting.
 - c. The person who initiates the meeting. (This would be for a meeting that was booked for some other person in the company.)

- d. Which of the above groups do you try to appeal to in your advertising and personal selling efforts?
16. Why do you feel that groups fail to return to your facility after they have had a meeting here?
 17. Please describe the process you go through to contact clients and book meetings.
 18. Do you consider corporate group meetings as attractive types of business for your facility? Why or why not?
 19. Of all sources of business, which type of business would you like to pursue more aggressively in the future? Second choice? Third choice?
 20. Would you please provide me with copies of the promotional material which you send out to prospective corporate groups?
 21. Give Part III of the questionnaire to the sales manager. Ask him to rate the factors listed as he thinks the meeting planner would rate them.
 22. Give Part IV of the questionnaire to the sales manager. Ask him to rate how well his facility meets the listed criteria, according to his own perceptions.

APPENDIX IV

CONFIDENTIAL DATA FORM FOR MEETING FACILITIES

APPENDIX IV

CONFIDENTIAL DATA SHEET - CORPORATE GROUP MEETING STUDY

Corporate Group Meeting - a meeting sponsored by an identifiable corporation.

Please provide the following data to the extent possible. All data will be kept confidential, and will in no way be identified with your particular property.

- _____ Number of guest rooms
- _____ Number of guest rooms occupied by people attending corporate group meetings in the last year
- _____ Total number of people staying overnight while attending corporate group meetings
- _____ If you do not keep figures on the two previous questions, please estimate the percentage of total occupancy derived from corporate group meetings
- _____ Annual percent of occupancy
- _____ What percent of total occupancy was from all types of group meeting business?
- _____ Number of corporate group meetings held at this property in the last twelve months
- _____ What percent of corporate group meeting business in the last twelve months was repeat business from groups which attended meetings at your facility within the two years previous?
- _____ What was your average room rate for those attending corporate meetings in the last twelve months? (This should include an average rate for single and double occupancy combined.)
- _____ What is your average single occupancy room rate?
- _____ What is your average double occupancy room rate?
- _____ Please estimate the amount of money you spend each year to attract corporate group meetings (include advertising, personal selling, etc.)

If there are comments which you wish to make concerning the information provided, please feel free to do so in the space below or on the back of this sheet. Thank you.

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