

WHO IS AN ATTENDEE?

Minimize Attrition Exposure by Contractually Defining Who is an "Attendee".

By Mark Roysner, Esq.

In recent years, there has been a great deal of debate on the topic of what constitutes guestroom attrition. However, a fundamental issue at the heart of every hotel agreement is seldom addressed with any degree of specificity, and rarely incorporated into a group's hotel contract. And that issue is defining for contractual purposes, who are an event's "Attendees". This is especially important in today's meetings environment, where, due to the explosive growth of web-based reservation services, more and more Internet savvy 'attendees' are booking their guestrooms online. These attendees are surfing the web in search of the best rates being offered over the event dates at the hotel where the event will be taking place, and, if they can save money for the same type of guestroom accommodations, make their reservations outside of the group's guestroom block.

You may ask yourself, how can this action negatively impact your group? Quite simply, if you don't contractually define who is an attendee and in turn receive credit from the room nights used by your "outside the block" (OTB) attendees (regardless of whether the OTB attendee has paid more or less than the group's confirmed rate), you could quite easily end up having to pay attrition fees even though you have, in essence, fulfilled your room block usage requirement within the hotel. The problem arises when you do not receive credit for all of the people that were staying at the hotel for the sole purpose of attending your event. Remember, since attendees are not privy to the terms and conditions of your hotel contract or even aware of such things as 'attrition fees', they do not understand the detrimental financial ramifications booking outside the block can have on a group.

To overcome any foreseeable attrition obstacles and avoid protracted disputes after your event in determining who is or is not an "attendee", meeting professionals need to give serious consideration to incorporating a "Definition of an Attendee" provision in your hotel contracts. The clause you draft should clearly and concisely address the issue of who an "attendee" is for purposes of attrition and any other contractual provisions linked to or affected by a group's total guestroom pick-up.

A useful example of this type of provision is as follows:

For purposes of this Agreement, "Attendee" means any individual associated with the [Event], including [Group's] or its affiliated organization's directors, employees, representatives, agents, speakers, exhibitors, members, delegates, guests, invitees, contractors, and subcontractors with guestroom accommodations at [Hotel], regardless of how the guestroom reservation was made or accepted by Hotel.

For those individuals desiring a more illustrative provision you can consider adding the following clause to the end of the last sentence.

"..., including without limitation guestroom reservations accepted through [GROUP's] official housing service contractor, [Hotel's] reservation system, any websites and e-commerce sites on the Internet/World Wide Web, travel agents and corporate travel departments, or any other reservations portals."

A provision like this one makes it very clear to all of the parties that even though some of your attendees have reserved guestrooms outside of the group's official guestroom block, these OTB guestroom nights will still be credited towards the group's overall guestroom night usage. This will

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diminish your group's exposure to attrition fees, since you've been able to broaden your universe of who your attendees are for all purposes pertaining to the contract.

In conjunction with the *Definition of an Attendee* provision, your next step should be to ensure that there is a proper mechanism in place to conduct a room night usage audit to accurately identify and receive full credit for all of the group's in-house "Attendees". This can be done by drafting and incorporating a guestroom night usage audit/verification provision into the contract. However, make sure to draft the audit provision in such a way that avoids potential problems with individual privacy issues or foreseeable objections regarding the use of the hotel's in-house guest list or the group's event registration list for any other purposes.

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