



Preferred Hotels to Third-Parties: We'll Give You 11% Commission



The Park Lane Hotel New York, part of Preferred Hotels

Following Marriott's decision to reduce third-party commissions from 10 to 7 percent, Preferred Hotels & Resorts is jumping on the opportunity to entice new business. A tip to M&C that the independent hotel company would bump its commission to 11 percent this week was confirmed by a company spokesperson: "Preferred Hotels & Resorts is not increasing its commissions to 11 percent across the board. Our standard commission of 10 percent still applies. However, we will be launching a 60-day promotion called 'We Appreciate You,' which will provide clients with 150,000 I Prefer Reward Points and an additional 1 percent commission (for a total 11 percent commission) for any programs that

exceed \$100,000 in rooms revenue and have the contract close by July 30. This will be available to clients booking programs at 90 percent of our hotels in North America and Europe. The promotion will launch Wednesday, Jan. 31, and run through July 30."

In addition, Elaine Macy, executive vice president, global group sales, for Preferred Hotels & Resorts, provided M&C with the following statement:

"While it is still very early to tell, I think this will be the wave of the future for the larger chains. Looking ahead, I believe we will see that most large franchise brands will reduce commissions across the board and then have some type of back-end volume bonus for the major third-party planners to reimburse them for lost commission.

"While it is unfortunate and doesn't have any heart, I do see the business sense for these large chains as they try to take in pure volume based on the number of hotels they have and cut out the smaller independent planners. That said, I think this trend will be fantastic for Preferred Hotels & Resorts and our member hotels. Maintaining our standard 10 percent commission level, and staying true to all of our clients - especially the smaller independent planners, who we value highly - will allow us to be more visible in the industry, allow us to attract business we may never have had the opportunity to bid on before, help planners get to know Preferred Hotels & Resorts as a brand and help us develop long-term relationships with our clients - small- and large-size agencies - on behalf of our brand and member hotels."

Coincidentally, the Preferred Hotels & Resorts brand turns 50 today and has kicked off a yearlong anniversary celebration. The hotel company represents more than 650 independent hotels, resorts and residences across 85 countries.

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