

Running Your Business

Coast Hotels: We Won't Cut Group Commissions



Coast Hotels has joined a growing list of hotel companies who say they won't drop group commissions after several major hotel groups -- including **Marriott, Hilton** and **IHG** -- announced plans to cut group commissions at properties in the **United States** and **Canada**.

"While many brands have announced they will be reducing commissions, Coast Hotels will continue to pay 10 percent commission on all qualified groups and meetings at this time," **Cheryl Foster Hayes**, national director of sales at Coast Hotels USA, tells **Travel Agent**. "Our relationships with third-party meeting planners are important to us. We appreciate the value planners and intermediaries bring."

Coast Hotels owns, manages and franchises properties throughout **British Columbia, Alberta, Northwest Territories, the Yukon, Alaska, California, Hawaii, Oregon** and **Washington**. It is one of the largest hotel brands in Canada, and is continuing to expand in North America.

The announcement is the latest twist in a controversy over group commissions in the hotel industry over the past few months. On March 31 **Marriott International**, which became the largest hotel company in the world following its merger with **Starwood**, put into effect its commission cut from 10 to 7 percent at its properties in the United States and Canada. Last month, competitor **Hilton** followed suit with its own 10 percent to 7 percent commission cut, which will take effect October 1 at its properties in the United States and Canada. Finally, **InterContinental Hotels Group (IHG)** announced last week that it would cut group commissions at its United States and Canada properties as of January 1, 2019.

While the above hotel groups have been cutting group commissions, other, smaller hotel companies have responded by either raising group commissions, or promising to hold them steady. **Eden Roc Miami Beach**, **Nobu Hotel Miami Beach** and **Nobu Hotel Los Cabos** have all increased their group commission from 10 percent to 12 percent on newly contracted groups that book a minimum of 10 rooms per night now through December 31, for travel anytime. **Dream Hotel Group** is likewise offering a 12 percent commission on qualified groups and meetings that are booked and actualized in 2018. In February, shortly after Marriott announced its decision, a representative from **Wyndham Hotel Group** also told Travel Agent that the plan was to hold its group commissions steady, “with no plans to adjust in the near future.”

Representatives of Marriott, Hilton and IHG have said that the commission cuts were necessary, either due to rising costs or to allow further investments in the guest experience. The moves have, however, drawn [broad criticism from travel industry leaders](#), with executives at organizations such as the **American Society of Travel Agents (ASTA)** and **Travel Leaders** arguing that the decisions downplay the value travel agents bring to the group booking process.