

Catch Me - I'm Falling!

When confronted with price resistance, keep in mind to always convey a responsive and empathetic demeanor versus a “take it or leave it” attitude. The goal should *always* be to hold firm to the rate and convince your customer to buy at the original rate quoted. However, there are times when you may utilize a “Fallback Rate” to avoid losing the sale altogether.

A fall back rate is a lower rate offered to a client who displays price resistance to ensure that the sale is not lost. The use of such rates needs to be done carefully and strategically to avoid losing rate integrity and the client's trust as well as to avoid dropping rates needlessly. Ensure the following has occurred before quoting a fallback rate:

- You have already attempted to SELL your client on the value of the original rate quoted and they still won't buy.
- You feel confident that you will lose the sale if you don't lower the rate.
- Demand is not strong enough to guarantee a sell-out at rates higher than the fallback rate.

When you use the Fallback Rate strategy of offering a lower rate to overcome a concern, it is important to ensure that rate integrity is maintained. There are a number of different ways when quoting Fallback Rates to maintain rate integrity. The following are a few examples and suggestions:

- Quote your higher rates first for your premier room types then if you have to *fall back* you can offer another room type, which is in less demand, at a lower rate. (*“Ms. Decker, I do have a Standard Room available. This room is spacious so you will have plenty of room to work in. However, it is not located on our concierge level. This is available at a rate of \$99. Which credit card should I use to reserve this?”*)
- Eliminate a complimentary amenity in exchange for lowering the rate. If breakfast is typically included in the rate, you could consider offering a lower rate and eliminate the free breakfast. (*“Mr. Johnston, I do have a standard room available without the continental breakfast. This room would be \$89. Shall I reserve that for you?”*)
- Refer to your Fallback Rate as a “Special Package” that is based on availability. You can then ‘check to see if any rooms have opened up’ at this special rate. It could be a ‘Winter Special,’ ‘Holiday Offering,’ or a ‘Summer Splash.’ (*“Ms. Smith, we do have some limited rooms available at our Summer Splash rate. Let me check and see if any have become available . . . <pause as you ‘look’> . . . We do have a few rooms available with this special promotion. The rate is \$99. Would you prefer a room with one or two beds?”*)
- If a client has not used your hotel before, another option is to say that you will lower the rate ‘as a special one-time trial offer’ to allow them the opportunity to experience your hotel and its facilities. You must be sure to then carefully explain that you can't offer this same rate in the future. **This strategy should only be used if endorsed by your hotel.** (*“Ms. Taylor, since you have not stayed with us before what I can do is extend to you a special offer for your first visit. This will give you an opportunity to experience our hotel first-hand. The rate for our standard rooms is \$119. How would you like to guarantee the room?”*)
- Ask if the customer is a member of any travel discount program like AAA, AARP or Encore. Often they are and you can extend a lower rate based upon the program. (*“Mr. Jones, with your AAA card you do qualify for our special AAA rate of \$79 – a nice discount off our normal rates. Which would you prefer, a king bed or a room with two double beds?”*)

Keep in mind; it is very, very important to follow your individual hotel's rate guidelines and strategies. Whatever the strategy, should always strive to provide a valid reason for offering a lower rate so that you don't ever fall and can't get back up!