

HOTELS

Not your average hotel deals

In this economy, the hotel industry is coming up with unusual promotions to try to lure guests: Stay a night, get a tattoo or rent a Porsche.



At the Loews Santa Monica Beach Hotel, some guests get a \$75 voucher that can be used for a massage at the spa. Other hotels are also offering limited-time promotions instead of cutting room rates. (Christina House / For The Times / September 25)

By Hugo Martín

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Hoping to keep its 119 rooms filled, Hotel Erwin on Venice Beach is offering an unusual promotion for its countercultural clientele: an Ink and Stay package that includes \$100 toward a tattoo and a bottle of tequila to numb the pain.

Down the coast at the Hard Rock Hotel in San Diego, guests who get the Hard Rock and a Hog deal can roll through the All-American City on a Harley Davidson motorcycle that comes complimentary with a two-night stay.

But for hotel perks, it's hard to beat the deal offered at the Four Seasons Hotel in Beverly Hills, where your stay comes with a free rental of a Mercedes, Porsche or BMW convertible.

As the U.S. hospitality industry struggles through one of the worst financial crises in more than 20 years, hotel managers are moving beyond the usual discounts and offering a wide range of creative promotions to attract business. Some deals offer big savings for guests, and others are simply meant to generate publicity.

If this all sounds desperate, it's for good reason. Occupancy rates nationwide have been hovering at below 60% this summer, the lowest levels since the aftermath of the Sept. 11, 2001, terrorist attacks.

Hotel revenue per available room has dropped nationwide by nearly 20% this summer, to less than \$60, the steepest dive in 22 years, according to industry reports. Even worse, hotel analysts don't expect the industry to rebound until 2011 or later.

Experts blame the slump on a "perfect storm" of conditions, including the recession, an increase in new hotel openings in the last two years and a dramatic drop in business travel as corporations cut budgets.

Promotions and package deals have long been a staple of the hotel industry, particularly during slow periods. But industry experts say more hotels are relying on them to survive the recession. Not only are the deals more common but many are more creative than ever before.

Take for example, the Wilshire Grand Los Angeles, where summer room rates were tied to the high temperature in downtown Los Angeles. Under the Beat the Heat deal, if the mercury peaked at 87 degrees, a room that normally costs \$119 would be \$87. The deal expired this week, in time for late autumn's cooler temperatures.

At the Westin Los Angeles Airport, it's \$199 for the first night, but the second night's rate equals the last two digits of your birth year. (Generation Xers born in 1967 pay \$67 for the second night.) Guests must be at least 18 years old to reserve a room.

The Loews Santa Monica Beach Hotel launched a deal in the spring that allows a late check-out at 6 p.m. That's an extra six hours for a guest to spend a \$75 voucher on a massage at the hotel spa.

But the deals are even better in places like Las Vegas, Dallas and New Orleans, where the tourism industry has been hit harder by the recession and hotel managers are desperate to fill rooms.

At the Las Vegas Hilton, for example, you can stay for two nights under the Free Flying deal and get a \$300 voucher for a round-trip flight on any airline, \$100 in dining coupons, two free breakfasts and two free cocktails. When the value of all the extras is subtracted from the bill, the room ends up costing about \$49 a night.

At the Omni Mandalay Hotel in the outskirts of Dallas, guests can get a deal that includes free breakfast for four, turndown service and the free use of a video camera for a day.

One reason for all the promotions is that hotel owners are trying to draw business without cutting room rates -- a move that could lead to a backlash from customers once the hotels try to raise the rates again in better economic times.

"We are seeing a lot of deals and discounts," said Sam Shank, chief executive of DealBase.com, an online search engine for hotel deals. "The hotels are doing anything they can to increase usage without reducing prices."

Because such deals are offered on a limited basis, hotels can cut those extras later without upsetting guests.

"I'm seeing a lot of deals," said Joseph McInerney, president of the American Hotels and Lodging Assn. "I see hotels offering value-added services while charging regular rate."

But not all promotions result in substantial savings for guests.

Shank pointed out that some of the promotions, such as the Ink and Stay deal, are simply meant to draw attention to a hotel and create a buzz on the Internet.

For example, the tattoo deal at Hotel Erwin starts at \$399 a night. But with a \$269 room, \$100 tattoo voucher, \$20 bottle of tequila and lotion and ice for the pain, the grand total would come to \$404.

(Prices for the tequila, lotion and ice were estimated.)

A spokeswoman for Hotel Erwin conceded that the tattoo deal was designed primarily to spark interest in the newly remodeled and renamed hotel. (It was formerly the Marina Pacific Hotel.)

Although the deal for a free luxury car rental at the Four Seasons Hotel also sounds like a gimmick, the package actually results in a savings of as much as \$120 a night, compared with the price of getting the room, the car and the other extras separately.

But the best deals seem to be those packages that simply offer a free night's stay.

The Omni Los Angeles has a Fall Back and Relax deal that gives guests who stay two nights a third night free, for a savings of as much as \$143 a night.

At a Clarion Hotel in Carson, Bernjer Agthe, a French tourist visiting Southern California with his friend Emeline Fuge for two weeks, said a package that included low room rates and free breakfast made a trip to Los Angeles cheaper than staying at home.

"The free breakfast is important to us," Agthe said. "Free Internet is important too, so we can send pictures to our friends back home."

But special promotion packages that include free dog toys and discounted tattoos don't work as well on business travelers.

John Mayberry, an executive with a San Marino engineering company who travels for business nearly 20 times a year, said limited-time discounts and gimmick deals don't appeal to him. When he travels, he said he looks for a low rate, free Internet and complimentary breakfast.

"The rest of that stuff is worthless to a business traveler," he said.

Hotel managers defend such promotions, saying extreme tactics are needed to keep hotels open and workers employed.

"We don't feel like we gave away the farm, but we felt like desperate times call for desperate measures," said Marc Loge, a spokesman for the Wilshire Grand Los Angeles, who added that the Beat the Heat deal helped increase occupancy by about 10% this summer.

At the Loews Santa Monica Beach Hotel, general manager Bill Doak said discounts and special packages, such as the Grrreen Dog Package for pet owners and the Rejuvenation, Restoration deal that includes a \$75 voucher toward a massage, accounted for about 20% of guest sales in the last year.

"Everybody is out to save money," he said. "We need to respond to that if we want to stay in business."

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