

## Smaller properties win big betting on small groups (11/13/2007)

By Dean Blaine

**W**hen the Platinum Hotel and Spa opened a year ago, it was, perhaps, the tiniest luxury hotel the Las Vegas Strip had ever seen. At just 17 floors and housing only 255 suites, the fledgling property was dwarfed by its 4,000- and 5,000-room megaresort neighbors down the block.

But the Platinum soon established itself as a tiny force to be reckoned with. The boutique hotel's 900-square-foot suites boast full kitchens with stainless steel appliances and granite countertops; whirlpool tubs; custom-designed furnishings; 42-inch, plasma-screen, high-definition TVs; private terraces with views of the Strip; and even electric fireplaces. The petite property also is home to a spa, a romantic rooftop terrace, a 1,900-square-foot fitness studio, a cocktail lounge, a business center, 24-hour room service, an indoor/outdoor swimming pool and a swanky restaurant with a view. The only facility the hotel lacks is a casino, and that was by design.

"Our guests enjoy the fact that they can touch Vegas, but they don't need to be around some of the aspects of Vegas while they are here or to fight through tons of people just to get to their room or a meeting," said Alex Shelton, executive director of sales and marketing for the hotel. "A non-gaming facility allows people to experience Las Vegas without the distractions of gaming. ... They're not going to have a sense of 'ding-ding-ding-ding.' "

The property is set back about two blocks east of the Strip, close enough so that guests can access all the excitement of Las Vegas without being swallowed by it.

### Let's meet at the Platinum

The Platinum Hotel and Spa found its niche in the small meetings market. The hotel offers roughly 10,000 square feet of meetings space. Because the hotel is a smaller



rooms each."

#### Room Key: The Platinum Hotel and Spa

**Address:** 211 E. Flamingo Road, Las Vegas, NV 8916

**Reservations:** (877) 211-9211

**Phone:** (702) 365-5000

**Fax:** (702) 365-5001

**Web:** <http://www.theplatinumhotel.com/>

**Suites:** 255

**Amenities:** One- and two-bedroom suites feature private terraces; full kitchens; convertible sofas; 42-inch, plasma TVs; MP3-enabled Bose radios; Wi-Fi and broadband Internet access; and whirlpool baths. Marquise, Princess suites also have washer/dryers.

**Facilities:** Spa, fitness center, restaurant, cafe, private dining facilities, 24-hour business center, meetings rooms, rooftop pool and terrace.

property, Shelton said, it has much greater flexibility in dealing with small groups than the Las Vegas megaresorts do.

"The big hotels would rather work with larger-scale groups; it's much easier for them to book 2,000 rooms to fill up their group commitment by booking four groups at 500 rooms a piece than by booking 20 groups at 100

The smaller Las Vegas hotels love small groups, Shelton said.

"A 50-room group is the big dog for us."

Smaller hotels will bend over backwards to accommodate and look after small groups.

"What would you rather be, a big fish in a small pond or a small fish in a big pond? It's hard to be a big fish when you really are a minnow in the eyes of some of the larger hotels," Shelton said. "Smaller groups can be a big fish at our hotel, and you can probably do it at a price that's a little cheaper, too."

Smaller hotels also negotiate rates and contracts a lot faster, he said.

It's not unheard of for the contract process at the megahotels to take two months or more, once their attorneys and boards of directors get involved, he added. Smaller hotels can book small groups nine months, 12 months, even 15 months out.

"The big hotels aren't going to do that," Shelton said.

It's not uncommon for the larger Las Vegas hotels to confine smaller groups to a 30-day or 60-day advance booking. Smaller hotels can also negotiate preferred corporate rates and can accommodate noncompete clauses (those that restrict competing companies from booking meetings or conventions at the same time and hotel as a client) in convention contracts.

"The large hotels can't limit the types of groups they accept because they have so many rooms to fill, it's very hard for them to take a 20-person meeting that requires them to say that they can't accept groups from competing companies," Shelton said. "You take your meeting to a smaller property [and] you're it, you're the game."

Finally, smaller hotels offer easier access to meetings facilities. "You don't have to fight through crowds to get to your meeting," Shelton said.

Across the street from the Platinum, the Westin Casuarina Hotel, Casino and Spa has 826 rooms and 20,000 square feet of meetings space. In any other town, it would be a substantial property, but compared with the Strip behemoths, the Westin is tiny.

"No group is too small for our hotel," said Sandra Horvath, director of sales and marketing for the resort. "We want the business."

The Westin prides itself on personalized service and provides two concierges just for their groups in addition to other meetings support staff. The types of comments the Westin regularly receives from meetings guests include "great value for the money," "support team always on hand," "responsive to our needs" and "efficient staff."

According to Horvath, an official at a small corporate group that met at the Westin recently wrote to her that it "is a hotel that is in tune with the needs of business clients, which is very rare in Vegas. Typically, if you are not a large convention you tend to get neglected by the big hotels. I have learned this the hard and painful way."

### **Beg to differ**

But Luis Lamar, vice president of sales for the 5,044-room MGM Grand Hotel & Casino, doesn't agree that smaller groups get lost in the shuffle at the larger Las Vegas hotels.

"When we have many groups on property, we have the staff to handle them," he

said.

The MGM has five sales managers and six service managers dedicated to small groups.

"This is a very important market segment for us," Lamar said, noting that 70% of MGM's groups are what the property considers small groups, or those utilizing 200 rooms or less.

However, Lamar admitted that there are some challenges to booking small groups into a property the size of the MGM Grand, including "booking the small group into the calendar that works for the group and the hotel."

"There needs to be a little flexibility from the group in terms of their dates and their pattern," Lamar said.

The hotel books the larger groups further out, and the smaller groups get booked in around the larger groups. Regarding noncompete clauses, extended advanced bookings for small groups and preferred corporate rates, "we examine every group on a case-by-case basis," Lamar said.

Richard Weber thinks the larger hotels do a great job, too.

"Las Vegas is amazing for not losing a small group in a very large environment," said Weber, president of Destination Vegas, a company that arranges trips to Las Vegas for groups ranging in size from 50 to 2,000.

"Unless there's a specific need or request to be in a small property, I would work with the megaresorts that I work with every day."

The larger resorts are just more savvy, Weber said. "The biggest difference I see in the smaller properties is the level of management. The smaller hotels just don't have the quality of staff."

Victoria Papageorge, president of Victoria's Event Productions, said she thinks a smaller hotel is easier for small meetings.

Papageorge organizes VIP corporate events for groups of 50 or more. Some of the smaller hotels, such as the 703-room Palms Resort Casino and the Westin, provide excellent service to their groups, Papageorge said, and are more convenient for smaller groups.

"For all intents and purposes, when a corporate group comes into a property like the Westin, they're a big fish in a little pond, and everyone is just bending over backwards for them, and they're always going to have a fabulous experience.

"The smaller hotels don't want to lose the groups to the larger properties," she added. "They really extend themselves to take care of their groups."

### **Smaller is quicker**

"The best thing we have going for us is that we can make decisions quickly," said Bill Kairis, director of sales for the Palms Casino Resort.

Kairis has worked at larger Las Vegas properties, including Mandalay Bay and Caesars Palace, so he's seen both sides of the coin.

"Some of the bigger properties, it just takes them so long to make decisions, they have so many people they have to run it through," he said.

Kairis has a total sales staff of five people. To come to a decision on any group

request, he runs it by two general managers and a director and the decision is made; he can complete a contract in 24 hours.

"[At] some of the larger properties, just to get a 'yes' or 'no' ... can take weeks. There's not a whole lot of red tape here."

Finally, smaller hotels are just more convenient for some meetings, he said; they're not as overwhelming to small groups.

"To get from the sleeping rooms to the meetings space is just an elevator ride away, it's easy."

Horvath agreed. The facilities at the Westin are more accessible and the small meetings, more productive.

"A common excuse that you hear from meetings attendees in Vegas is, 'I got lost on the way to the meeting room,' " she said. "You don't hear that at our hotel."

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