FINDING AFFORDABLE OPTIONS IN A STRONG ECONOMY

By Shannon Rasmussen

Social, Military, Educational, Religious and Fraternal groups—collectively known as SMERF—have helped sustain many properties and destinations during economically challenging times. Known for their reliability and their consistency in scheduling events, SMERF groups help hotels fill rooms during periods that rooms would traditionally sit empty.

In years past, when the economy struggled, SMERF groups enjoyed lower rates and plenty of cost-effective options. Now, with a relatively strong economy, rates are climbing and groups are forced to work harder to find affordable options.

“The bane of our planners’ existence lately has been that they are struggling more and more to find cost-effective options,” said Blair Zahn, SMERF and government sales manager for Plano, Texas. “Right now, the market is on the side of the hotel but the power of SMERF groups is their flexibility.”

Flexibility Affects Cost
SMERF groups, which meet predominantly on weekends, provide an important complement to the corporate and business groups that keep hotel rooms full during the week. Because attendees at SMERF conferences are typically self-funded, the groups are typically flexible with their meetings, which enables them to prioritize cost.

“The main challenge is trying to find dates where our hotel partners need the business,” said Amy Peralta, sales manager for Gulf Shores & Orange Beach Tourism in Alabama. “If we can guide groups into the lower seasons or if we can convince them to be flexible on their meeting space, we make it possible for them to visit a high-priority place that people would love to go and still keep their costs down.”

One option, Peralta said, is to book the group at a limited-service hotel that includes breakfast and doesn’t require the group to stay for a speci-
fied number of nights. Then the group can use the hotel's meeting space and hire outside caterers for their food and beverage.

Zahn acknowledged that the food and beverage minimum can be difficult for SMERF groups to meet because it's one of the largest costs associated with any group event, outside of the room cost, which is paid by the attendees.

"Sometimes planners panic a bit at the amount of the food and beverage minimum but once we send them the menus and show them how quickly they will reach that number, it feels less intimidating," Zahn said.

Advance Booking Helps
Sherry Walker, the director of conferences for Pi Kappa Alpha fraternity, said that the biggest change for her as a planner of fraternal events is the requirement that she book events much earlier than she did in previous years.

"When the market was soft, you could get anything you needed and you could finish one event and allow a little time to pass before you started booking the next one," Walker said. "Now, if I want a particular weekend, I have to grab it. When the hotels come calling, if the rates are right, I book it because if I don't, I'll lose it. The demand for hotels and venues is back up, which is good for the hotel and city industry but it keeps me on my toes as a planner."

Peralta said that is especially true in destinations such as Orange Beach.

"If you find a place and a date you like, work to keep it," she said. "Many groups book their

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dates three years out so they don’t lose them. It’s hard to get a date back once it’s gone.”

**Finding the Right Fit**

Despite the fact that SMERF organizations are grouped into a single market, no two groups within the category are exactly the same. These groups can be as small as 10 if it’s a birthday celebration or a family reunion or as large as several thousand for religious gatherings.

The city of Chattanooga, Tenn., recently hosted its largest convention in many years when a religious group of 12,000 came to the city to celebrate the organization’s 100th anniversary. One of the city’s biggest draws, according to Brian Murphy, vice president of sales for the Chattanooga CVB, is its value compared to other cities. Another major perk for planners is its accessibility and its proximity to other desirable cities.

“We’re two hours from Nashville, two hours from Atlanta, two hours from Birmingham and two hours from Knoxville,” Murphy said. “SMERF groups typically drive to their destinations because they are on their own dime, so our central location makes us pretty attractive.”

Once the groups arrive, Chattanooga’s downtown area offers a number of different districts with a variety of offerings and all of them are walkable. If walking isn’t an option, the city provides free electric shuttles to key locations.

Located in the center of the eastern seaboard, Greensboro, N.C., has many fun and exciting things happening that SMERF groups can enjoy, according to Ava Pope, director of sales at the Greensboro CVB. “We offer the perfect combination of small town charm and big city appeal,” she said. “With eight breweries and growing, our thriving craft scene has something for everyone. Have a taste of award-winning cocktails, liquor and beer created in the center of it all.”

The area offers 88 area accommodations and nearly 16,000 hotel rooms, with six additional hotels opening by 2020. Pope also cited great dining, nightlife, golf courses, festivals, world-class museums and outdoor recreation, including 90 miles of walking trails and many beautiful gardens. Additionally, the city offers more than 135 attractions, such as the Greensboro Children’s Museum, the Greensboro Science Center, the International Civil Rights Center & Museum, Greensboro History Museum and Guilford Courthouse National Military Park.

That kind of variety is key for SMERF groups, which take on personalities as distinct as the people who comprise them.

In Garrett County, Md., the prevalence of vacation rental homes serves as a big draw for tight-budget groups that prefer a more intimate setting and a more informal atmosphere.

Vacation homes offer a unique experience for groups that know each other well and want to share living space during their events, according to the Garrett County Chamber of Commerce. Groups seeking a more casual meeting style may prefer to meet in a living room and prepare meals together instead of meeting in a conference center sharing a catered meal. Vacation homes provide a more intimate setting and some of them can sleep as many as 30 people.

SMERF groups often rotate through a series of destinations as a way to offer variety while still enjoying the benefits of returning to their favorite destinations. Walker said she has hosted three events in Plano and she has a fourth scheduled in 2019.

She points to the Plano CVB as a key factor in her decision to return. One weekend, when she had two events scheduled at the same time, she had to split her staff and found herself short-handed and trying to manage her computer-based registration. One of the members of the Plano CVB showed up on a Saturday and pitched in to help her with registration for a few hours. The CVB rep then called her on Sunday to make sure she didn’t need additional help.
“The staff has been so active to help me during my search process and again during implementation,” Walker said. “Her help was priceless. It was a small meeting of like 250 people but she pitched in and went far beyond what I expected her to do.”

Murphy said that although Chattanooga hosts a significant number of return groups, his office has developed a new effort aimed at attracting groups to the city. The CVB started at the local level by identifying all the associations, groups or clubs that people belong to.

This year, the city will host NOMCON, the Nation of Makers’ Collaborative Community, for the first time and the booking stemmed from a connection to locals who were part of the group.

“Everybody is a member of something and people here really like to brag about our city,” Murphy said. “We build connections at the local level then move to the state level and then to the national level. We emphasize working with our local partners first because it’s a great way to attract people.”

It’s worth noting, too, that many SMERF planners are volunteers who have agreed to tackle the planning of the group event and that even the planning veterans were rookies at one point.

“Calling the CVBs is a great start because we can find out what the group is interested in and then determine whether our destination is even a good fit,” Peralta said. “If it’s a group with a large number of youth, we can help them find hotels that will put guys on one floor and girls on another. If they have chaperone requirements, we can help with that as well.”

Zahn echoed the importance of the CVBs for planning SMERF events.

“The CVB will know about alternate sites and locations for groups that don’t require a full-convention hotel,” she said. “Perhaps they only need a large church facility or access to a college campus. Or, if a group needs someone to present the colors or sing the national anthem, or if they are seeking a give-back opportunity, we can identify those things for them.”

Walker said that her group’s size sometimes makes planning events a challenge, so she leans heavily on the CVBs to help her coordinate.

“I have often had to consider alternative locations and even dates to make the program fit with my budget,” she said. “I include my national hotel sales and CVB representative in my contract process, as they can often help identify hotels that meet our requirements and even assist in the contract negotiation. As the planning process begins, the CVB is a great asset to the destination.”

Zahn said that although the economy has shifted things a bit for SMERF groups, it’s a normal occurrence within the industry.

“It’s all cyclical,” she said. “The economy comes and goes but the SMERF market is a very steady market. They are flexible and reliable, and we can always count on them to be there.”

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