



OWNER EQUITY BY CHAD CRANDELL
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Diminishing returns: The growing impact of group commissions on profits (Part III) – Hilton makes a move!

(The views and opinions expressed in this blog are strictly those of the author.)

Admittedly, I did not anticipate a Part III in this blog series, but the timing of Hilton's announcement (today) to join in the brand battle to lower group commissions was perfect.

In the [first blog](#) of this series, I commended Marriott International for wielding its size and scale to tackle the issue of rising group intermediary commission rates. (Read the second blog, on possible solutions, [here](#).) It was the first to step up to this challenge, lowering commissions by 3 points, to 7%, effective March 31, 2018. I had also commented that I hoped other brands would follow suit.

Well, guess what? Hilton did just that.

In a letter to owners issued today, Hilton acknowledged the important and integral role group intermediaries play in meetings and events business, and highlighted the value of such travel professional partnerships. At the same time, Hilton acknowledged the need to balance the needs of all parties, to the benefit of all stakeholders - customers, hotels and *owners*. Hilton went on to announce a revision to its base group sales commission rate to seven percent for bookings into participating hotels in the U.S. and Canada, effective October 1, 2018.

We're moving in the right direction. The obvious question: Who's next?