

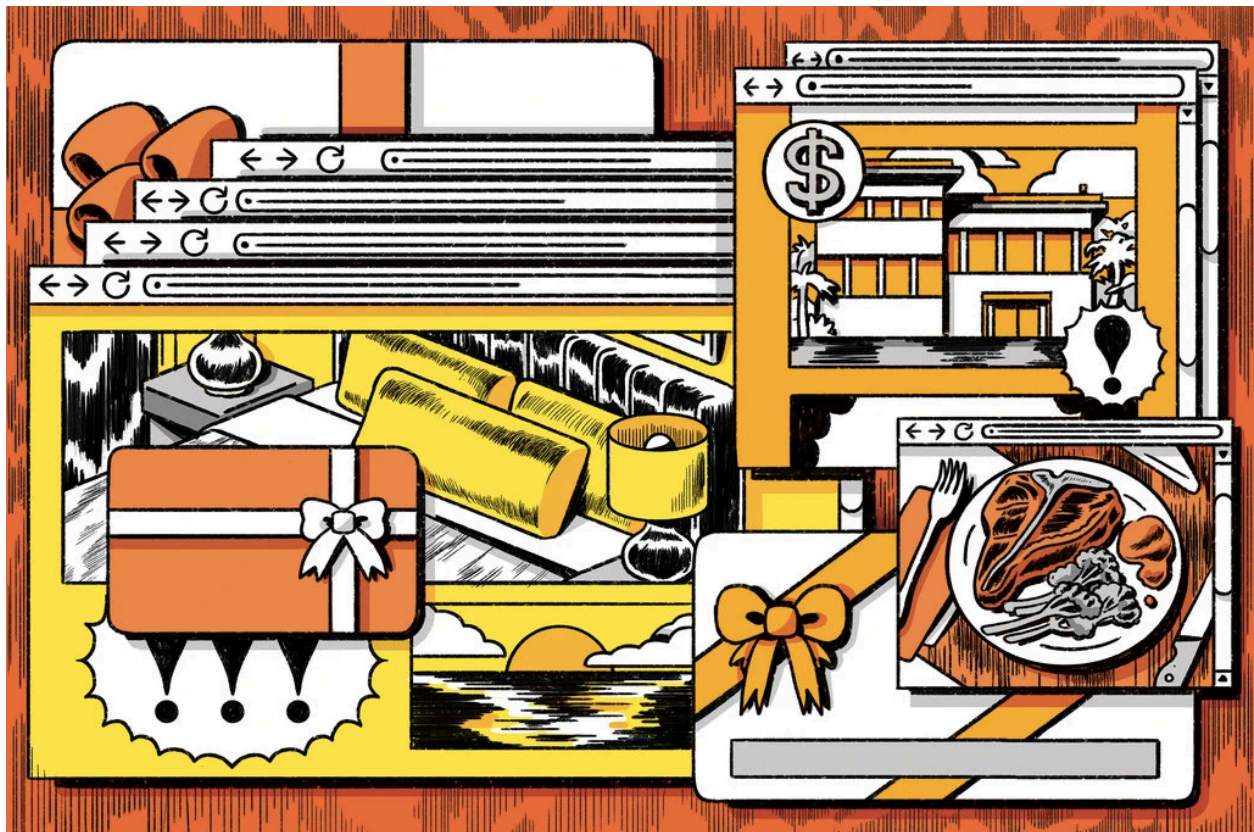
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FRUGAL TRAVELER

Buy Now, Check In Later

Hotels are offering enticing deals in the form of discounted gift certificates for future stays. Yes, there's risk involved, but some of these bargains may be hard to resist.

By Elaine Glusac | Published April 16, 2020 | Updated April 20, 2020



Jackie Ferrentino

In the absence of travel during the pandemic, hotels are asking travelers to plan future trips and sweetening the incentive by offering discounted gift certificates. For those with the means to spend, the offers are enticing. For example, the beer-themed Painted Lady Bed & Brew in Albuquerque, N.M., is offering a \$75 certificate redeemable for \$150, enough for one night in a suite, including complimentary happy hour. A \$250 gift certificate at the 10-room boutique Eco Lifestyle + Lodge on Barbados costs \$200; spend \$600 and the deal includes a free massage and yoga or surf lesson (email the reception to purchase). Even luxury hotels like the Sixty SoHo in New York City are participating, selling \$300 certificates for \$200. (Rooms start around \$275.)

“As everything happened so quickly and hotels went from open to boarded up the next week, we kept thinking: How do we provide value to hotels?” said Caitlin Zaino von Doring, the chief executive of Porter & Sail, a mobile concierge program, who helped create Hotel Credits, a website selling discounted hotel gift certificates for 21 hotels, from resorts in Thailand to the Sixty SoHo. “We wanted to bring cash flow to owners right now with the incentive to travelers that get a discount.”

Reward — and risk

Most of the discounts offered are substantial, often 25 to 33 percent off. But can you trust the deals?

“Consumers may not want to risk money they can barely afford with the risk of losing it where they have no idea of refund policies if the hotel never reopens,” said Jonathan Treiber, the chief executive of RevTrax, a promotional offer management platform.

Another risk is that hotels may decide to make up the discount by raising their rates in the future; Mr. Treiber said the industry is notorious for raising rates based on demand. “Consumers mistrust travel companies with regard to pricing to begin with, and all of a sudden too good to be true may be too good to be true,” he said.

Though many hotels are closed during shelter-in-place orders, and a few potentially may not reopen, most analysts say the market is reliable in the long term.

“If a consumer feels comfortable and confident enough in their own employment situation, then yes, absolutely, gift certificates are fine,” said Jan Freitag, the senior vice president of lodging insights at STR, a hospitality industry analytics firm.

The structure of hotel financing, he added, means most will reopen rather than be foreclosed upon by lenders.

Card management

While hotel sales are rare, gift cards are common. To maximize their value, travelers must manage them like investments.

“Pick ones you know you will use,” Shelley Hunter, a consumer specialist in gift cards for GiftCards.com, said.

If you receive one as a gift, she added, decide whether you are likely to use it. If not, consider regifting it or cashing it out at a reduced rate at resale sites like CardPool.com and Raise.com.

To ensure you use them, keep gift cards at the top of your mind by putting them next to your credit cards in your wallet or, if it’s an e-certificate, in a folder on your computer.

Gift cards with expiration dates must clearly state those terms.

Otherwise, federal law says the life of a card is at least five years. Put reminders and expiration dates in your calendar.

“The longer you hold onto a gift card, the higher likelihood you’ll forget about it or lose it or something will happen to the vendor,” Ms. Hunter said.

Aggregate sale sites

Among hotel deals currently on sale as gift cards, several can be found on central websites.

Hotel Credits is offering \$300 gift certificates for \$200 at a range of hotels, including Entre Cielos Wine Hotel & Spa, a 24-room boutique hotel amid the vineyards of Mendoza, Argentina, where rooms normally start at \$235 a night. It also sells gift certificates to Acre, a resort set on 25 acres of palm groves, orchards and farm fields in San José del Cabo, Mexico, where treehouse rooms start at \$275 a night, including breakfast and morning yoga.

A group of hotel public relations firms came together to form Buy Now, Stay Later, a website that sells “hotel bonds” at a discount at about a dozen hotels from Nantucket to Paris. Through August, the certificates will sell at increments of \$100 and can be cashed in after a 60-day waiting period for \$150 per \$100 spent. The offer includes LondonHouse Chicago, a downtown hotel with a popular rooftop bar, where rates normally start at \$220.

Independent sales and perks

Most hotels selling gift cards are doing it themselves and represent a wide range of hotels from boutique urban properties to destination resorts.

Near the Blue Ridge Mountains in Lynchburg, Va., the 44-room Craddock Terry Hotel on the Bluff, housed in a former shoe factory with two popular restaurants, is offering \$150 gift cards for \$100 throughout April for any future stay in 2020. Rates start at \$149 a night. Buyers must call the hotel to get the deal: (434) 455-1500.

Some hotels are making extra amenities their value offer. In Burbank, Calif., the 132-room Hotel Amarano is offering \$100 gift certificates to be redeemed for future stays that would include the guests' choice of complimentary valet parking, a room upgrade or a \$25 food and beverage credit, through year end. In Nashville, the 144-room Bobby Hotel has a range of offers with extra benefits. For \$75, buyers get a \$100 gift card and two cocktails; for \$150, they get a \$200 gift card and a bottle of champagne; for \$250, they get a \$300 gift card and a reserved poolside cabana or igloo in winter. (Rooms start at \$249.)

Altruistic funds

Some hotels are tying their gift cards to charitable causes. For example, La Fonda on the Plaza in Santa Fe, N.M., will donate \$10 of each \$100 gift certificate it sells to a first responder support fund that supplies meals to emergency medical workers.

In some instances, donors get a night or two at a hotel and a meal in return for their contributions. In Chicago, the Robey hotel has established a GoFundMe page for raising money for laid-off employees in which a \$500 donor gets a one-night stay and a \$100 food and beverage credit for use in the hotel's restaurants and bars; a \$1,000 donation covers a two-night stay and a \$250 food and beverage credit. (Starting rates average \$240.)

In Washington, Va., the 42-year-old Inn at Little Washington, home to a three-star Michelin restaurant, is offering gift certificates up to \$5,000 and donating 100 percent of proceeds to an employee relief fund. The inn is effectively underwriting the fund by offering to honor the gift certificates at full value once it reopens.

James Lintott, of Great Falls, Va., contributed to the fund and plans to celebrate his son's acceptance to Stanford University as soon as possible.

"My family and I have celebrated numerous important milestones and achievements there for almost 20 years," he said. "I knew we had to do something to say thank you."