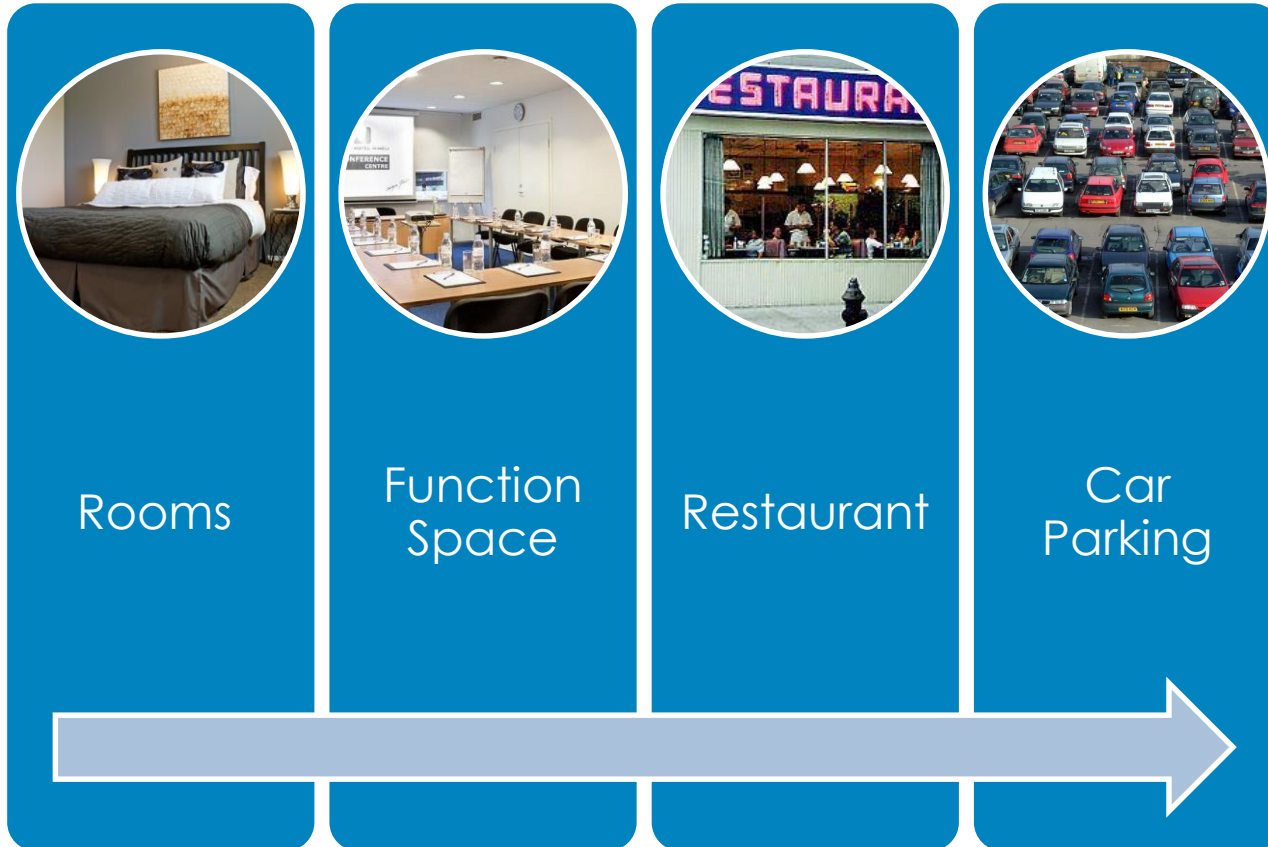




What's the Future Direction of Revenue Management?

Philip Stanley – Regional Director of Sales

Total Revenue Management



Reputation Pricing

IDEAS™

3 most important impacts on Business & Leisure customers value perception?

Ratings

Review Sentiment

Brand Loyalty

Price

STUDY OF THE IMPACT OF USER GENERATED CONTENT ON

PURCHASE DECISIONS OF LEISURE AND BUSINESS TRAVELERS

LEISURE TRAVELER

1 Reviews Critical

Negative reviews remove you from the Leisure Travelers choice set.

1



2 Price Important

Price becomes a factor when all else is equal for Leisure Travelers.

2



3 Ratings Influence

It can't just be OK – it has to be great for Leisure Travelers to notice.

3



BUSINESS TRAVELER

1 Reviews Matter

Business Travelers want to know what their experience will be.

1



2 Loyalty Matters

Business Travelers will put up with good enough for points.

2



3 Price Matters

Business Travelers still recognize a good deal.

3



THE
POWER
TO KNOW.

PENNSTATE

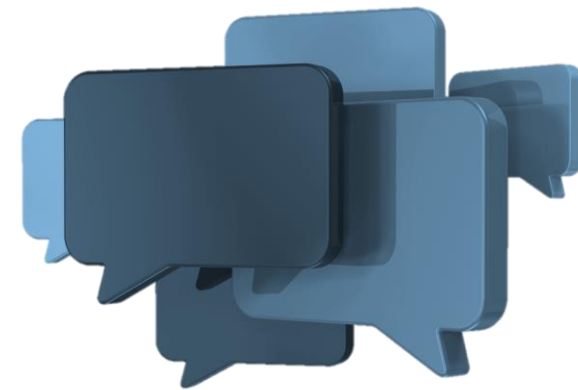


KELLY MCGUIRE & BREFFNI NOONE

IDEAS™

So What!?

- If review AND rating are negative = lowering price will NOT get more business
- Reputation has become more important than location or price
- Good reputation is not a license to charge more – competitive market position still matters



IDEAS™

Function Space

IDEAS™

Function Space Revenue Management



Space



Profit



Time

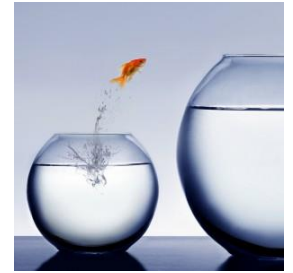
Function Space Revenue Management



The Challenges.....

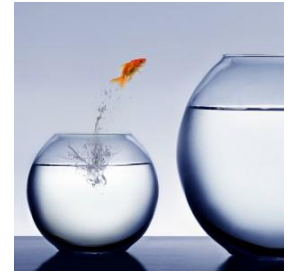
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Challenges



- Continued evolution of OTA's – hotels have no control
- Big data – Not just about fixing customer problems but analyzing trends
- Hospitality industry's reliance on 'legacy systems'
- Where to spend limited resources:
 - Innovation
 - Branding / Marketing
 - Service

My Challenge



- All priceable demand modelling
- Disaggregation of occupancy forecasts
- Creation of analytical market segments using rules
- All around price optimization versus leg based approach
- Controlling the qualified demand and price of unqualified demand simultaneously

Our Job - Demystify RM

- People don't buy what they can't understand
- Strategic vs Proactive
- Show the ROI
- Change the conversation
 - Not just revenue – profit!
 - Not just occupancy or ADR



What do YOU think?

- What are your Key Challenges?
- What Direction is RM going?
- How does RM fit into your hotel?





IDEAS™