

Revenue Management of the Future

Kurien Jacob
Highgate Hotels



And THIS is our totally computer automated robotic Office of Revenue Management!

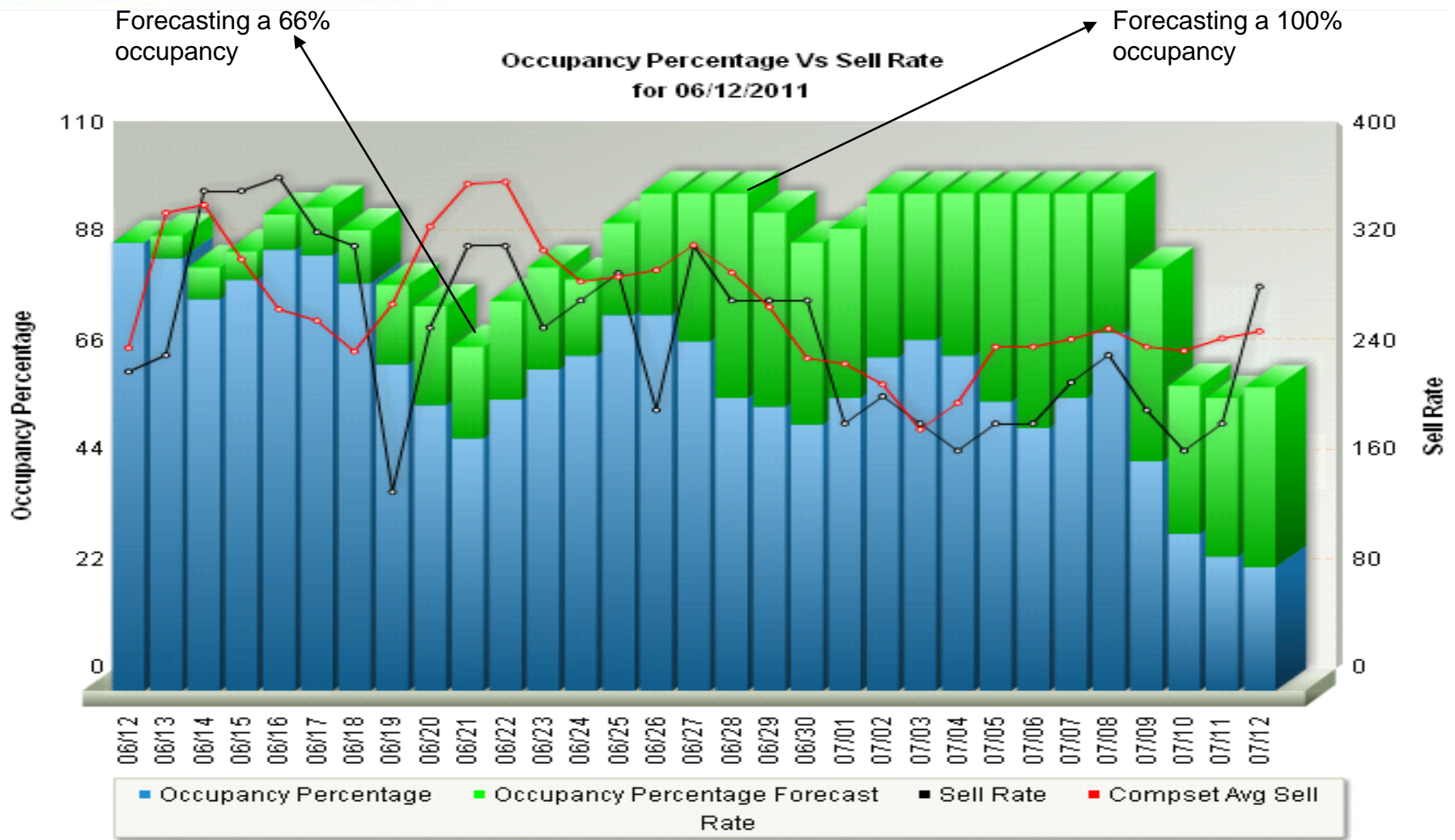


What Revenue Management has to deal
with Today

- Huge Amounts of Data and Information Available
- Data is across various sources
- Complex Distribution and fragmented
- Emergence of new buying behavior and trends
- Social Space



Property Level Data
Compset pricing, pick-up, forecasts, etc



Market Level Data

New York City Market | Switch to another property in this group Switch to

This dashboard provides you a snapshot view of the revenue statistics for the selected property.

View past data for dashboard **05/31/2011**

days snapshot

May 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 81.87% \$274.03	2 92.86% \$302.08	3 96.09% \$313.95	4 98.13% \$311.09	5 94.72% \$288.83	6 88.47% \$246.98	7 90.47% \$238.23
8 70.99% \$250.56	9 89.36% \$289.58	10 96.44% \$311.93	11 96.35% \$316.20	12 95.55% \$298.82	13 95.41% \$276.69	14 97.76% \$278.09
15 87.74% \$287.01	16 98.16% \$329.39	17 98.81% \$349.05	18 98.65% \$350.13	19 96.25% \$318.89	20 96.54% \$287.02	21 97.57% \$282.05
22 86.86% \$279.55	23 96.12% \$311.84	24 97.48% \$325.58	25 93.96% \$313.14	26 83.84% \$280.69	27 88.35% \$255.09	28 95.71% \$247.87
29 81.21% \$234.06	30 59.83% \$238.55	31 81.39% \$263.35				

Current Rooms and Revenue Status as of 05/31/2011															
Month	Actual + On the Books				Actual + On the Books on same date last year				Variance of Current vs Last Year						
	Rooms Sold	Occ %	ADR	RevPAR Revenue	Rooms Sold	Occ %	ADR	RevPAR Revenue	Rooms Sold	Occ %	ADR	RevPAR Revenue			
May(current)	584,761	91.08%	\$ 290.74	\$ 264.82	\$ 170,014,630	621,649	96.83%	\$ 267.64	\$ 259.15	\$ 166,375,745	-36,888	-5.75%	\$ 23.10	\$ 5.67	\$ 3,638,885
June	389,065	62.62%	\$ 284.80	\$ 178.35	\$ 110,805,787	421,728	67.88%	\$ 260.52	\$ 176.83	\$ 109,866,500	-32,663	-5.26%	\$ 24.28	\$ 1.52	\$ 939,287
July	218,982	34.11%	\$ 231.78	\$ 79.06	\$ 50,755,105	222,938	34.73%	\$ 214.12	\$ 74.35	\$ 47,736,419	-3,956	-0.62%	\$ 17.66	\$ 4.71	\$ 3,018,686
August	136,146	21.21%	\$ 230.99	\$ 48.99	\$ 31,448,876	141,944	22.11%	\$ 210.08	\$ 46.45	\$ 29,819,782	-5,798	-0.90%	\$ 20.91	\$ 2.54	\$ 1,629,094
September	83,163	13.39%	\$ 282.06	\$ 37.75	\$ 23,456,909	79,202	12.75%	\$ 257.66	\$ 32.85	\$ 20,407,316	3,961	0.64%	\$ 24.40	\$ 4.90	\$ 3,049,593

days Snapshot - Occ % Vs ADR View this graph for combine with

Budget Vs Forecast Budget Vs OTB

Year End	Budget	Forecast	Variance
Rooms Sold	0	0	0
Occ %	0.00 %	0.00 %	0.00 %
ADR	\$ 0.00	\$ 0.00	\$ 0.00
RevPAR	\$ 0.00	\$ 0.00	\$ 0.00
Revenue	\$ 0.00	\$ 0.00	\$ 0.00

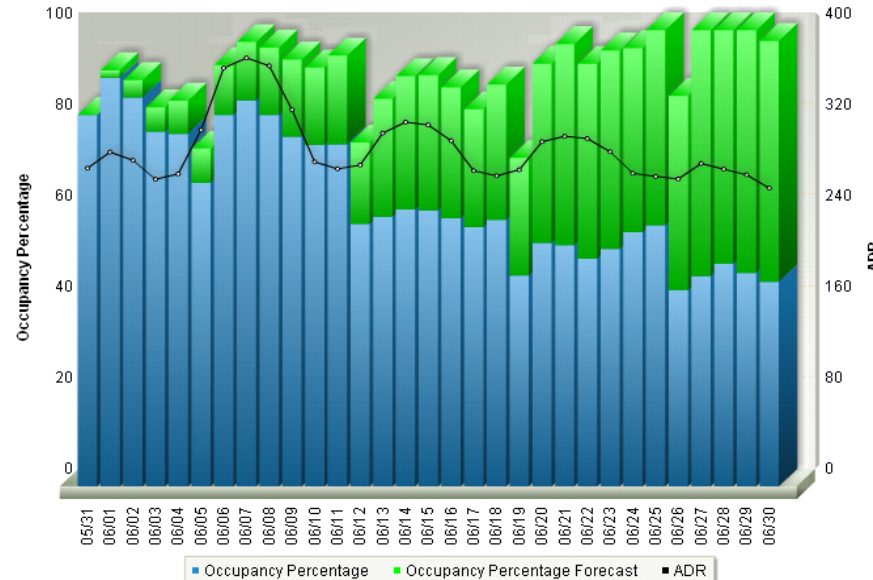
Budget Vs Forecast Budget Vs OTB

Month End	Budget	Forecast	Variance
Rooms Sold	0.00	0.00	0.00
Occ %	0.00 %	0.00 %	0.00 %
ADR	\$ 0.00	\$ 0.00	\$ 0.00
RevPAR	\$ 0.00	\$ 0.00	\$ 0.00
Revenue	\$ 0.00	\$ 0.00	\$ 0.00

Pick up over 05/30/2011

	Rooms Sold	ADR	Revenue
May(current)	682	\$ 175.14	\$ 119,444
June	6,145	\$ 299.81	\$ 1,842,356
July	3,031	\$ 247.91	\$ 751,401
August	1,806	\$ 248.39	\$ 448,598
September	1,001	\$ 309.77	\$ 310,083

Occupancy Percentage Vs ADR
for 05/31/2011



Comprehensive Flight Data

Arrivals history



This page shows the final/definitive arrivals during the last years and includes splits by origin markets, cabins, length of stay, pax per booking, lead time, and distribution channels. Results are sorted by *arrival date* (horizontal axis of the graphs). You may select an area to zoom in and slide the line charts below. Results/graphs are **limited to 15 source markets**.

WORLD	NA	WE	NE	SE	SA	CB	CH	EE	IN	OC	ME	SF	CA	TH	NF
19728396	10842704	2334899	2128478	1775396	889622	286442	282365	232463	214146	164314	133915	124613	98829	82451	14510

[Dates \[change\]](#)

Arrival date: all

Booking date: all

[Filters \[change\]](#)

Source market: all

Length of stay: (filtered)

Pax per booking: all

Booking lead time: all

Cabin: all

Channel: all

[Display \[change\]](#)

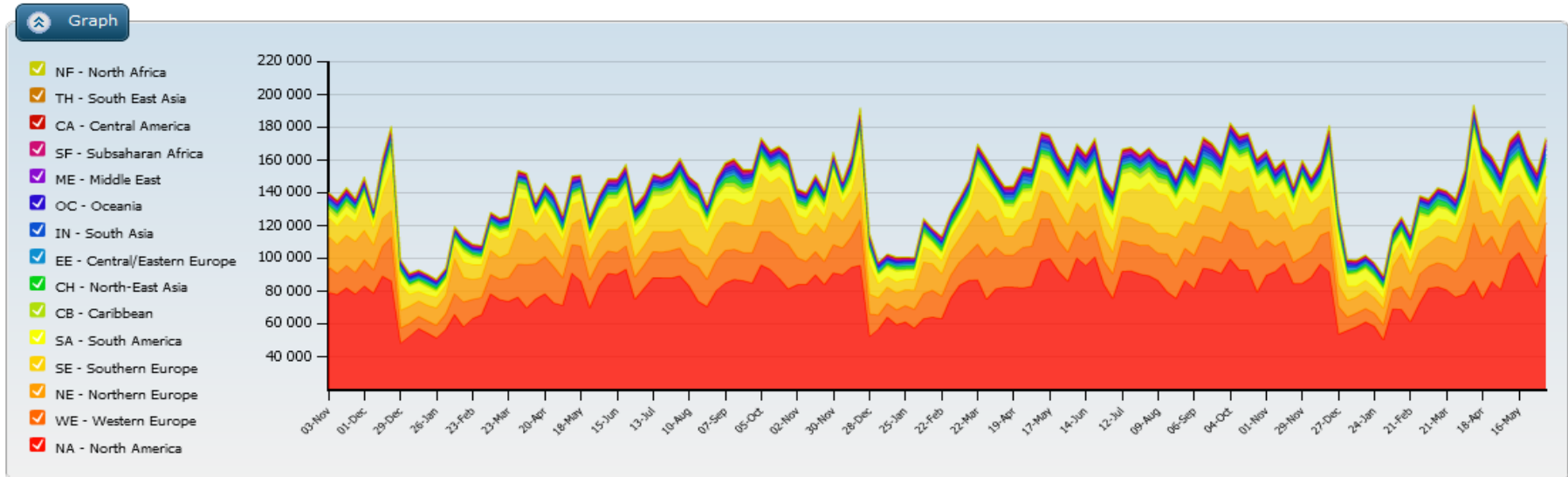
Arrival location: NYC

Analysis type: By origin regions

Analysis scale: Weekly

Graph type: Absolute

People coming from **All found source markets** arriving at NYC, by **Source Markets**



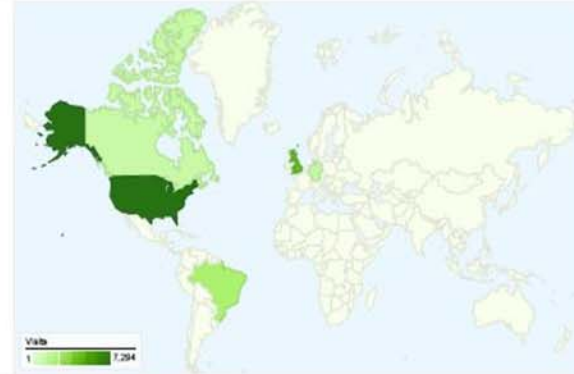
Detailed E-Commerce Analytics

Visitors Overview



Visitors
20,543

Map Overlay



Traffic Sources Overview



- **Search Engines**
14,149.00 (54.18%)
- **Referring Sites**
7,486.00 (28.67%)
- **Direct Traffic**
4,477.00 (17.14%)
- **Other**
2 (0.01%)

Languages

Language	Visits	% visits
en-us	15,470	59.24%
pt-br	1,800	6.89%
es	1,657	6.35%
de	1,191	4.56%
en-gb	875	3.35%

More Detailed E-Commerce Analytics

Site Usage						
Visits	Pages/Visit	Avg. Time on Site		% New Visits	Bounce Rate	
26,114 % of Site Total: 100.00%	3.26 Site Avg: 3.26 (0.00%)	00:03:39 Site Avg: 00:03:39 (0.00%)		74.30% Site Avg: 74.24% (0.09%)	33.06% Site Avg: 33.06% (0.00%)	
Country/Territory	Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate	
United States	7,294	3.06	00:03:04	79.50%	36.54%	
United Kingdom	4,247	3.17	00:03:36	74.85%	29.62%	
Brazil	2,169	3.37	00:04:12	67.91%	33.79%	
Germany	1,075	3.49	00:04:05	73.77%	30.79%	
Canada	1,007	3.25	00:03:15	76.27%	31.38%	
Spain	980	3.53	00:04:08	72.55%	27.96%	
Ireland	942	3.54	00:04:29	74.52%	24.10%	
Sweden	705	3.40	00:03:53	63.40%	32.20%	
Italy	635	3.40	00:03:33	77.48%	28.50%	

Even More Detailed E- Commerce Analytics

Technical Profile

Browser	Visits	% visits	Connection Speed	Visits	% visits
Internet Explorer	16,483	63.12%	Unknown	8,601	32.94%
Firefox	4,309	16.50%	DSL	8,181	31.33%
Safari	3,418	13.09%	Cable	5,880	22.52%
Chrome	1,659	6.35%	T1	2,816	10.78%
Opera	90	0.34%	Dialup	546	2.09%

Screen Resolutions

Screen Resolution	Visits	% visits
1280x800	6,065	23.23%
1024x768	5,248	20.10%
1280x1024	3,022	11.57%
1440x900	2,018	7.73%
1366x768	1,890	7.24%

Browsers and OS

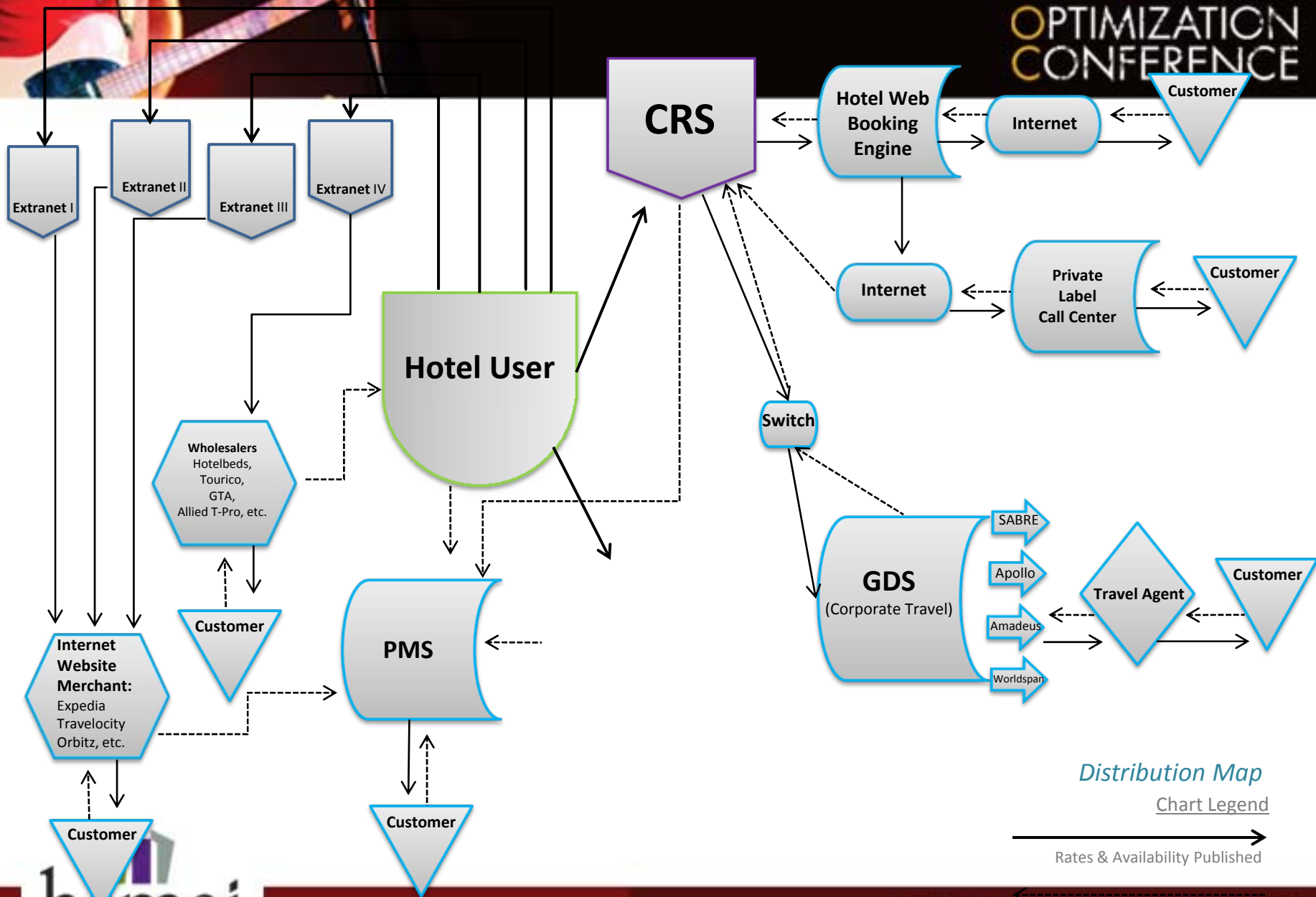
Browser and OS	Visits	% visits
Internet Explorer / Windows	16,483	63.12%
Firefox / Windows	3,457	13.24%
Safari / Macintosh	2,611	10.00%
Chrome / Windows	1,543	5.91%
Firefox / Macintosh	797	3.05%

Detailed Booking Level Data



- Now combine this along with Data from
 - Hotelligence Reports
 - STR Data
 - Social Media Reports
 - Google Insights
 - OTA Positioning Report
 - Hotel and Compset Online Review Ratings
 - Chatter on Hotel terms

AND Add
- Complex Distribution Management



Distribution Map

Chart Legend

—————→ Rates & Availability Published

←----- Reservations

Where Opportunity ROCS!



Revenue Management – 5 Years from Now

REVENUE
OPTIMIZATION
CONFERENCE

- Current Distribution Platforms
- Emergence of closed loop and Private sales through Groupon, Living Social, SniqueAway, Jetsetter etc
- Google Places and convergence into a shopping Tool
- Wholesalers selling rooms to mom and pop websites across the world
- Small Group Sales to take place online
- Specialty websites that focus on travel preferences
- Mobile bookings growing to around 10% of the business
- Robots taking reservation phone calls
- “Hotelville” or “experiencing hotels online”



Roles and Responsibilities in RM

- The RM of the future should be analytical, marketing oriented, tech savvy, great communicator, negotiator and with a great attitude
- Grasp and fully understand the online and mobile space – Make it your business to learn
- Understand the profitability of every channel and understand the inter-connectivity effect of every channel
- Sales could be the most profitable channel for a hotel but it could also be the most costly. Ensure the rules are the same for both external and internal channels

Thank you

Revenue Management of the Future

Ken Gifford

Kerzner International Resorts

Revenue Management of the Future

- Sales Key Results
 - Group
 - Integration of sales and catering with RM systems for better analysis of potential groups
 - Understanding of group win/loss ratios to improve pricing
 - » Further integration of leads into sales systems
 - Competitive data to improve intelligence for pricing decisions



Meeting Profile:

Arrival Date: June-15-11
 Inquiry Date: Mar 16, 2011
 Rooms: 98
 Attendees: 106

Lead Days: 91
 Nights: 2
 Days: 2

Meeting Date: June-16-11
 Catering: Breakfast, Lunch & Breaks, Dinner
 Meeting: Long tables, plus moderator table at front
 Breaks per Day: 2

Atlantis, Paradise Island

Report Currency: USD Standard Tax Rate: 0.00%

All rates shown are excluding normal tax. If an item is quoted as "including tax" the rate, net of the tax is displayed for consistency of comparison

Contact: Sales@GroupMetrix.com

	Room Rates				Per Person		Meeting Rates			Food and Beverage			Comp Rooms		Discounts		Effective Per Person		Overall Total			
	Rate	Fees	Internet	Breakfast	Guest	Non Guest	Room	Internet	LCD	Break	Lunch	Dinner	#	Value	%	Value	Room	Meeting				
<i>Min. Guarantee: 11000</i>																						
Wynn Resort																						
Initial Proposal	179	20	Incl	40	-na-	-na-	Comp	Incl	500	15	60	NR	0	0	0%	0	239	189	66,924			
Price Challenge: Blind Fade	169	20	Incl	40	-na-	-na-	Comp	Incl	500	15	60	NR	0	0	0%	0	229	189	64,964			
1.241	Change	-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-10	4%	-1,960	3%		
Atlantis, Paradise Island Royal Towers																						
Initial Proposal	229	-	15	27	-na-	-na-	Comp	Incl	425	16	29	NR	2	-916	0%	0	266	130	65,982			
Price Challenge: Refused Reduction	229	-	15	27	-na-	-na-	Comp	Incl	425	16	29	NR	2	-916	0%	0	266	130	65,982			
1.240	Change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Venetian																						
Initial Proposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	No availability			
Price Challenge:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
1.082	Change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Mandalay Bay																						
Initial Proposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	No availability			
Price Challenge:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
1.081	Change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
El Conquistador (Puerto Rico)																						
Initial Proposal	155	22	Incl	19	-na-	-na-	Comp	Incl	615	20	39	NR	0	0	0%	0	196	170	56,394			
Price Challenge: Blind Fade	145	17	Incl	19	-na-	-na-	Comp	Incl	615	20	39	NR	0	0	0%	0	181	170	53,454			
1.080	Change	-10	-5	-	-	-	-	-	-	-	-	-	-	-	-	-	-15	8%	-2,940	5%		
Boca Raton Resort																						
Initial Proposal	219	-	Incl	36	-na-	-na-	Comp	Incl	750	15	42	NR	0	0	0%	0	255	158	66,744			
Price Challenge: Blind Fade	199	-	Incl	36	-na-	-na-	Comp	Incl	750	15	42	NR	0	0	0%	0	235	158	62,824			
1.079	Change	-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-20	8%	-3,920	6%		
Westin Diplomat																						
<i>Min. Guarantee: 8000</i>																						
Initial Proposal	199	-	13	25	-na-	-na-	Comp	75	960	16	40	NR	0	0	0%	0	237	164	63,786			
Price Challenge: Blind Fade	179	-	13	25	-na-	-na-	Comp	75	960	16	40	NR	0	0	0%	0	217	164	59,866			
1.078	Change	-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-20	8%	-3,920	6%		
Fontainebleau Miami																						
<i>Min. Guarantee: 23000</i>																						
Initial Proposal	269	18	Incl	36	-na-	-na-	Comp	Incl	450	6	58	NR	1	-538	0%	0	320	148	78,510			
Price Challenge: Blind Fade	269	18	Incl	32	-na-	-na-	Comp	Incl	450	5	52	NR	1	-538	0%	0	316	132	76,030			
1.133	Change	-	-	-4	-	-	-	-	-	-1	-6	-	-	-	-	-	-4	1%	-16	11%	-2,480	3%

Transient Competitive data in RMS

Inventory Date	Market Rate \$	BELLA (20.00 %)	RICAY (20.00 %)	RIMON (20.00 %)	VENET (20.00 %)	WYNLV (20.00 %)
		Bellagio Las Vegas \$	Ritz Carlton Cayman Islands \$	Ritz Carlton Montego Bay \$	Venetian Las Vegas \$	Wynn Las Vegas \$
Sat 06/18/2011	222	209	299	189	189	224
Sun 06/19/2011	191	149	299	189	149	169
Mon 06/20/2011	197	164	299	189	149	184
Tue 06/21/2011	214	204	299	189	169	209
Wed 06/22/2011	248	264	299	169	209	299
Thu 06/23/2011	322.75	414	299	169	409	-
Fri 06/24/2011	372.33	-	399	169	549	-
Sat 06/25/2011	325.67	-	399	169	409	-
Sun 06/26/2011	278	229	399	139	199	424
Mon 06/27/2011	232	219	399	139	169	234
Tue 06/28/2011	211	169	399	139	149	199
Wed 06/29/2011	181	149	299	139	149	169
Thu 06/30/2011	205	179	299	139	179	229
Fri 07/01/2011	268	319	299	139	259	324
Sat 07/02/2011	289	399	299	139	249	359
Sun 07/03/2011	217	214	299	139	169	264
Mon 07/04/2011	181	149	299	139	149	169
Tue 07/05/2011	181	149	299	139	149	169
Wed 07/06/2011	181	149	299	139	149	169
Thu 07/07/2011	208	219	299	139	169	214
Fri 07/08/2011	231	249	299	139	209	259
Sat 07/09/2011	208	199	299	139	189	214
Sun 07/10/2011	198	224	299	139	159	169
Mon 07/11/2011	229	314	299	139	209	184
Tue 07/12/2011	279	329	299	139	429	199
Wed 07/13/2011	273	329	299	139	399	199
Thu 07/14/2011	249	359	299	139	209	239
Fri 07/15/2011	231	209	299	139	229	279
Sat 07/16/2011	217	209	299	139	199	239
Sun 07/17/2011	194	189	299	139	159	184
Mon 07/18/2011	193	179	299	139	169	179
Tue 07/19/2011	191	179	299	139	169	169
Wed 07/20/2011	199	179	299	169	179	169
Thu 07/21/2011	221	204	299	169	209	224
Fri 07/22/2011	245	249	249	169	279	279
Sat 07/23/2011	215	204	249	169	229	224

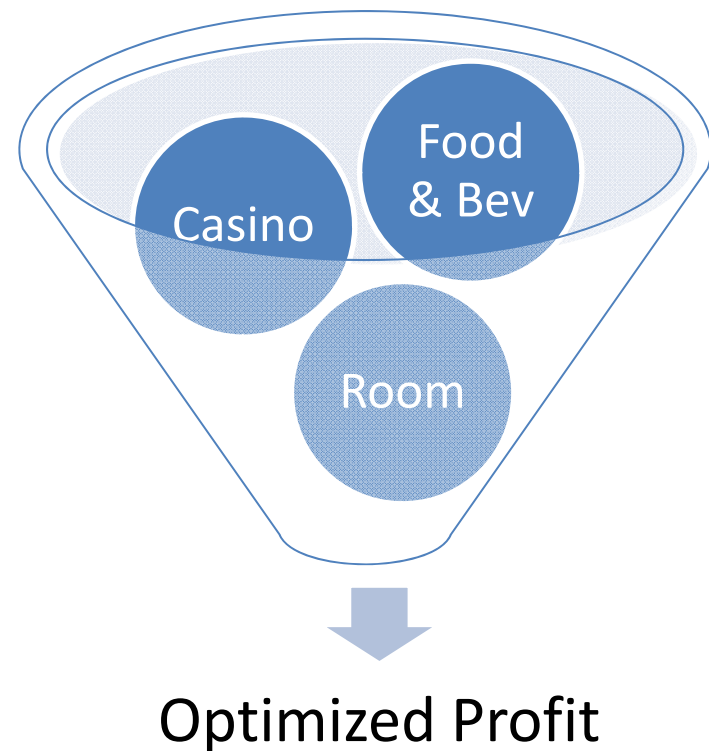
Revenue Management of the Future

- Sales Key Results
 - Incorporation of search and booking information as an additional input to extrapolate unconstrained demand
 - Understanding incented and un-incented demand for more efficient use of marketing dollars and forecast modeling
 - Refinement of segmentation to capture incented business
 - Systematically cluster revenue manage multiple sister properties at same location creating optimal demand for the location/destination

Revenue Management of the Future

Incorporation of ancillary revenues into optimization of demand managing total revenue per occupied room (TotalPar)

- Marginal value by defined segments improves profit performance
 - Rooms
 - Casino Value
 - Average daily Theoretical
 - Food & beverage
 - Retail



Revenue Management of the Future

- Key Results for Revenue Management
 - Operations
 - Better forecast makes for efficient operations
 - Changing segment mix for optimal profit performance and operational efficiencies
 - Improve customer satisfaction through pricing
 - Improved customer service through better forecasting for labor demand
 - More efficient use of marketing funds
 - Owners
 - Improved revenue results in improved shareholder value
 - Win hotel management contract opportunities through demonstrated results

Thank you

The Future of Revenue Management

Paul Wood

Greenwood Hospitality Group

The Future of Revenue Management

*The disciplines of sales, marketing, distribution
and revenue management are converging.*

The Future of Revenue Management

Revenue Generating Department's Converging with Revenue
Management.

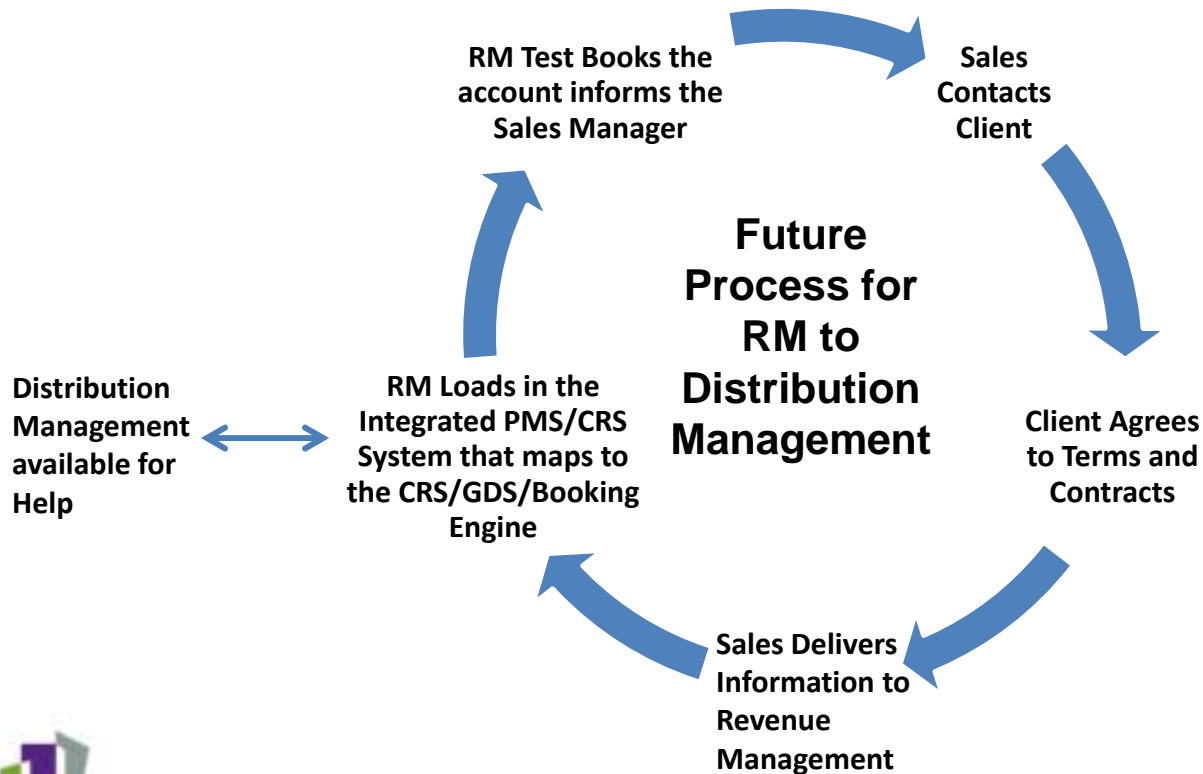
- Distribution Management
- Sales
- Operations
- E-Commerce

The Future of Revenue Management

Distribution Management

- For both branded and non branded hotels alike most have separate entities for on the non hotel level for GDS integration, distribution and mapping.
- National and Local accounts are all loaded through a centralized source.

The Future of Revenue Management



The Future of Revenue Management Sales

- Many major Branded entities are moving toward cluster sales departments.
- Smaller Boutique Hotels and Independents with lower group contribution will depart with the advent of new technology.
- Larger Hotels will no longer need a truly dedicated Director of Sales.

The Future of Revenue Management

Director of Sales and Marketing functions and duties

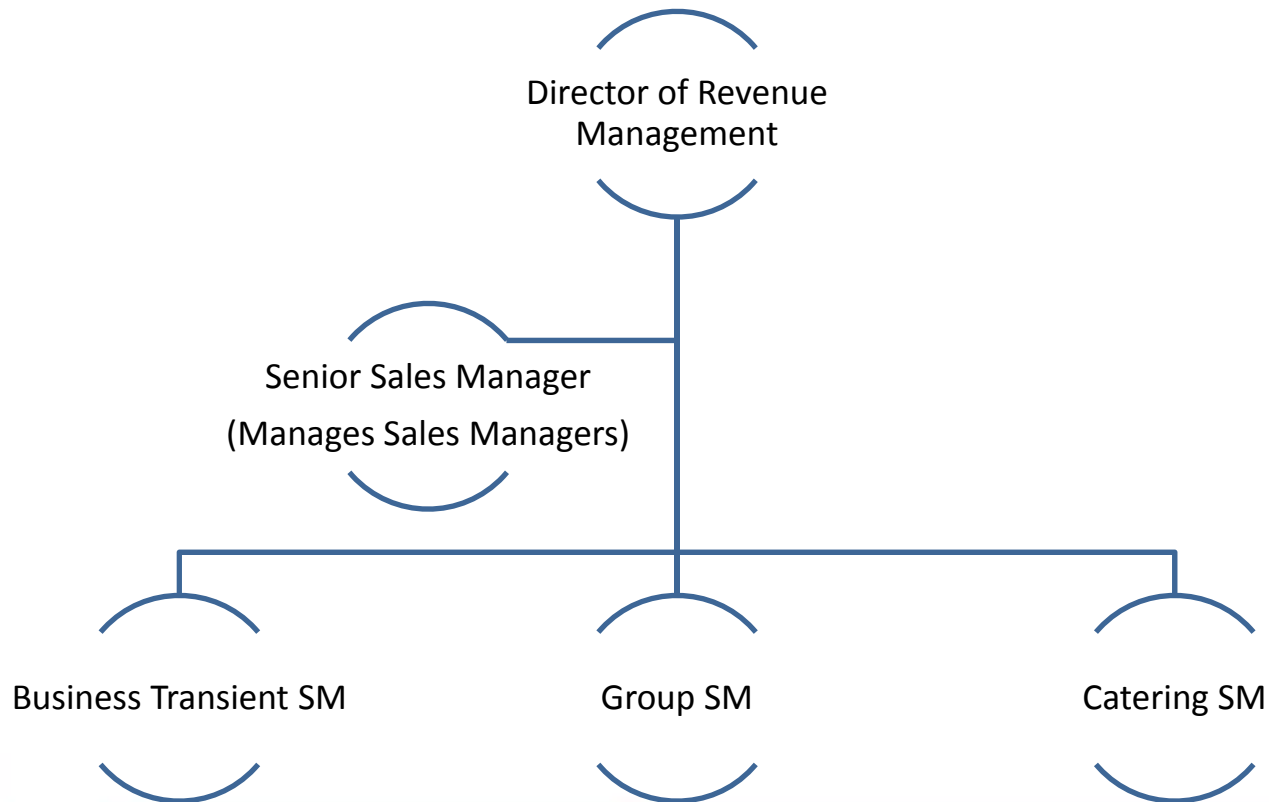
- Hotel and Market Place Marketing.
- Direct Group Forecast and Pace.
- Specify Group Segmentation or areas of Sales Manager involvement.
- Quote rates and group parameters.
- Set Allowances of group targets, floor and ceiling inventory.
- Local and National relationships.

The Future of Revenue Management

Director of Revenue Management functions and duties

- Hotel and Market place Marketing (Primarily E-commerce Driven)
- Direct Group Forecast and Pace.
- Specify areas of Group Segmentation or areas of Sales Manager involvement.
- Quote rates and group parameters.
- Set Allowances of group targets, floor and ceiling inventory.
- Local and National relationships.

The Future of Revenue Management



The Future of Revenue Management Operations

- Most experienced Revenue Management Professionals come from an Operational Background.
- There will continue to be heavy profit optimization involvement from Revenue Management which will include reservations oversight, Room type sell policies and upgrade or feature sales.

The Future of Revenue Management

E-Commerce

- The Revenue Management Skill set will continue to evolve into more e-commerce programs and coding.
- Revenue Management already deploys e-commerce marketing programs at most Hotels.
- Revenue Management tracks production, bounce rates and conversions currently from many sources.
- Revenue Management will require third party e-commerce solutions less than is currently required.

The Future of Revenue Management

What does it take to remain relevant and
successful in the Future as a Revenue
Management Professional?

- Self educate
- Create the Right Culture
- Take Charge
- Be Adaptable
- Be Vigilant

The Future of Revenue Management

What does a successful Hospitality Company do to remain Relevant in in the Industry for the future.

- Make an investment in Revenue Management/Profit Optimization.
- Make an investment in the right kind of technology.
- Make an investment in the right people.
- Create a Revenue Management Culture that allows a top line and profitability base line of empowerment.
- Allow the right people to have the right resources to accomplish the function correctly, efficiently and effectively.
- Structure the Hotels Hierarchy in way that Top line performance is key.

Thank you