Revenue Management – Back to Basics

HSMA Festival 2017

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Europe
Europe – Supply, Demand % Change, RevPAR Actuals
EUR, CC, Full Year 2010 – Full Year 2016

Supply % change  Demand % change  RevPAR

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1 EUR ADR?
SEGMENTATION MIX

DEMAND MARKET SHARE

FORECAST

Season  Day of week  Fairs & events
Wholesaler & tour operator allotments

Last room availability corporate contracts

Committed business groups to fairs & events
Berlin City Centre occupancy – full business weeks 2016

- Monday: 83.6%
- Tuesday: 91.3%
- Wednesday: 92.5%
- Thursday: 90.3%

German Baltic Coast occupancy – High season weekends 2016

- Thursday: 82.7%
- Friday: 89.2%
- Saturday: 90.9%
- Sunday: 69.7%

What to do:

- Switch LRA to NLRA
- Room type yield
- Smaller accounts
- Displacement
- Close outs / Fair rates

- Freesale instead of allotment
- % of BAR instead of fixed rates
- Displacement
- Close outs
- Smaller accounts
Selling prices

9 months 3 months 6 months

Occupancy

100%

200 hotels 120 hotels 60 hotels 10 hotels

What to do?

• Know your high impact days
• Know your booking pattern
• Know market price points
• Don’t sell too early
• Carefully select your groups
• Be brave & stay flexible
RMS usage

20 rooms  $20 = 400€  200 = 80.000€  6 = 480.000€

Done by:

- Statistics
- Forecasting daily
- Automated price and yield management
- Optimization of shoulder days
- Optimal overbooking
- Data used for displacements
- Reporting tool

Essence is the collaboration between humans and machines
Human + Machine

Capture the big wins

Professional Revenue Management

Segmentation

Control your inventory
Thank you!