Embrace the Shift

Pricing technology in the modern era.

Are you In or Out?

room price genie
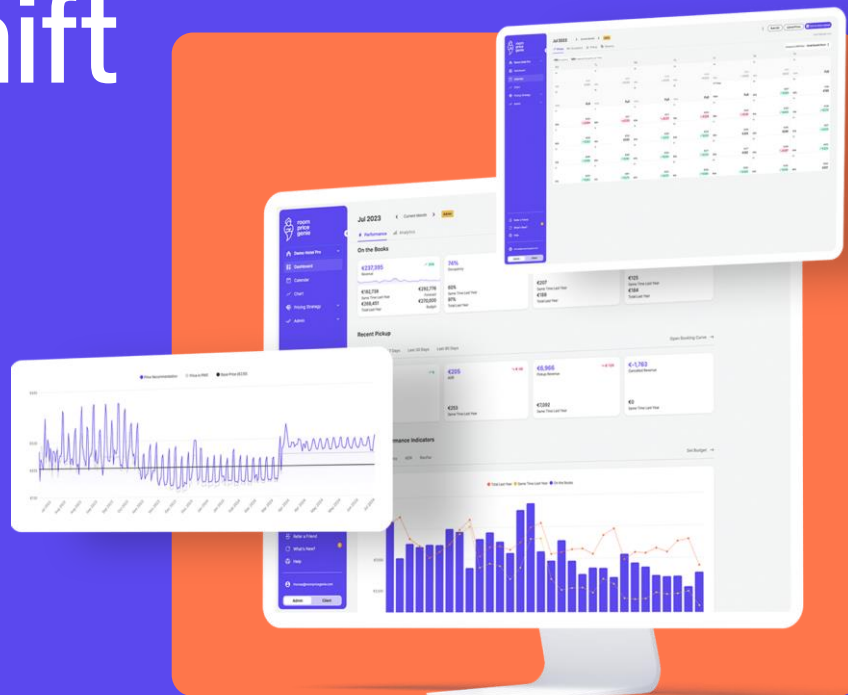
These #1

*RMS
wird vom
nice-to-have
zum
must-have
<u>für alle</u>*

room price genie

ChatGPT

"That's a good question, but not an easy one to answer. There is no definitive data on the global adoption of revenue management systems (RMS) by hotels [and casinos].."

Frage:
Wie viele Hotels weltweit nutzen ein Revenue Management System?

Automatisiertes Revenue Management Nutzerzahlen weltweit

2019

2024

600.000 – 1 Mio. Hotels

~29.000 Hotels

~55.000 Hotels
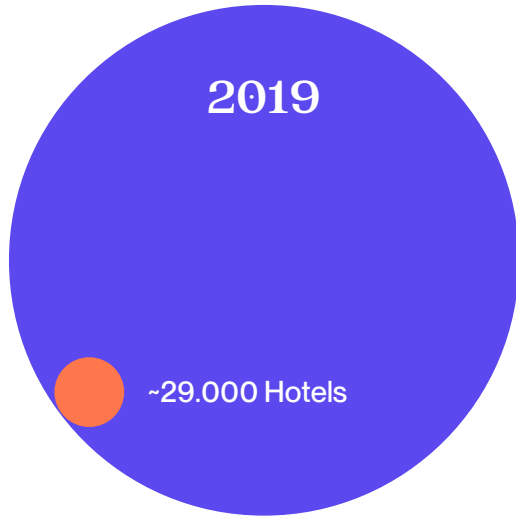
Source: Skift
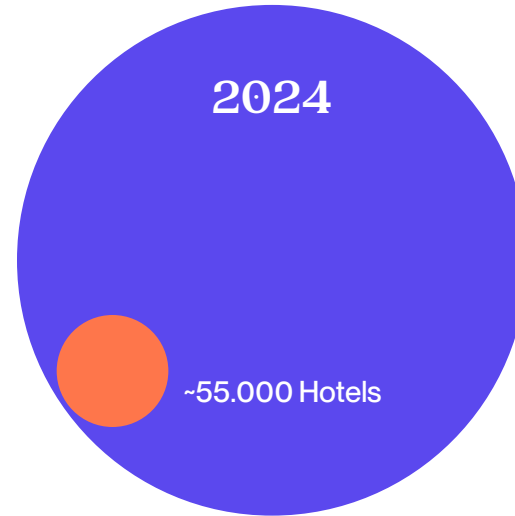
Source: Websites

Technologie Adoption Curve by Everett Rogers
(below, according to G. A. Moore)

EARLY MARKET   THE CHASM   MAINSTREAM MARKET

TECH ENTHUSIASTS

VISIONARIES

PRAGMATISTS

CONSERVATIVES

SKEPTICS

INNOVATORS
2.5%

EARLY
ADOPTERS
13.5%

EARLY
MAJORITY
34%

LATE
MAJORITY
34%

LAGGARDS
16%
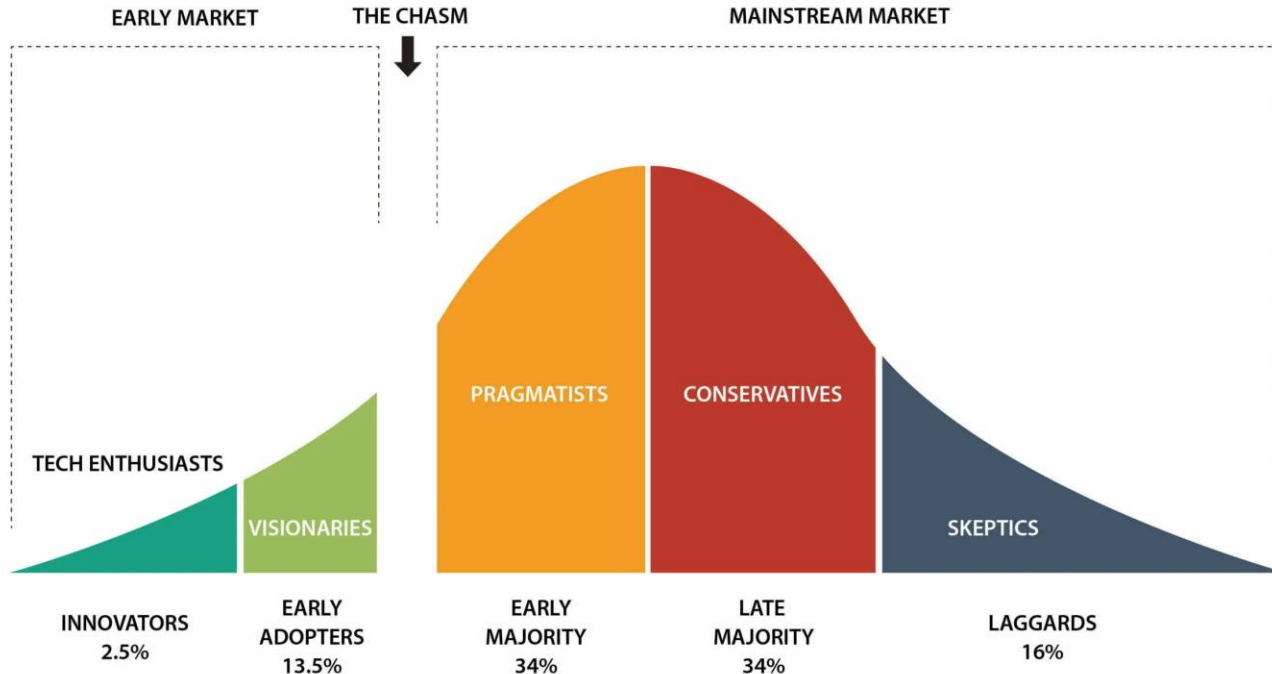
Automatisierte Revenue Management Lösungen sind im Massenmarkt angekommen.

1. Wachstumsraten werden weiter zunehmen.

2. Märkte sind unterschiedlich weit fortgeschritten. Europa als Vorreiter.

3. Wird in den kommenden Jahren zum Standard in jedem Hotel-Tech-Stack.

These #1

RMS
vom
nice-to-have
zum
must-have
für alle

These #2

Automatisiertes Revenue Management funktioniert!

#GetBackOnTrack
Innotour-Projekt

Participating hotels
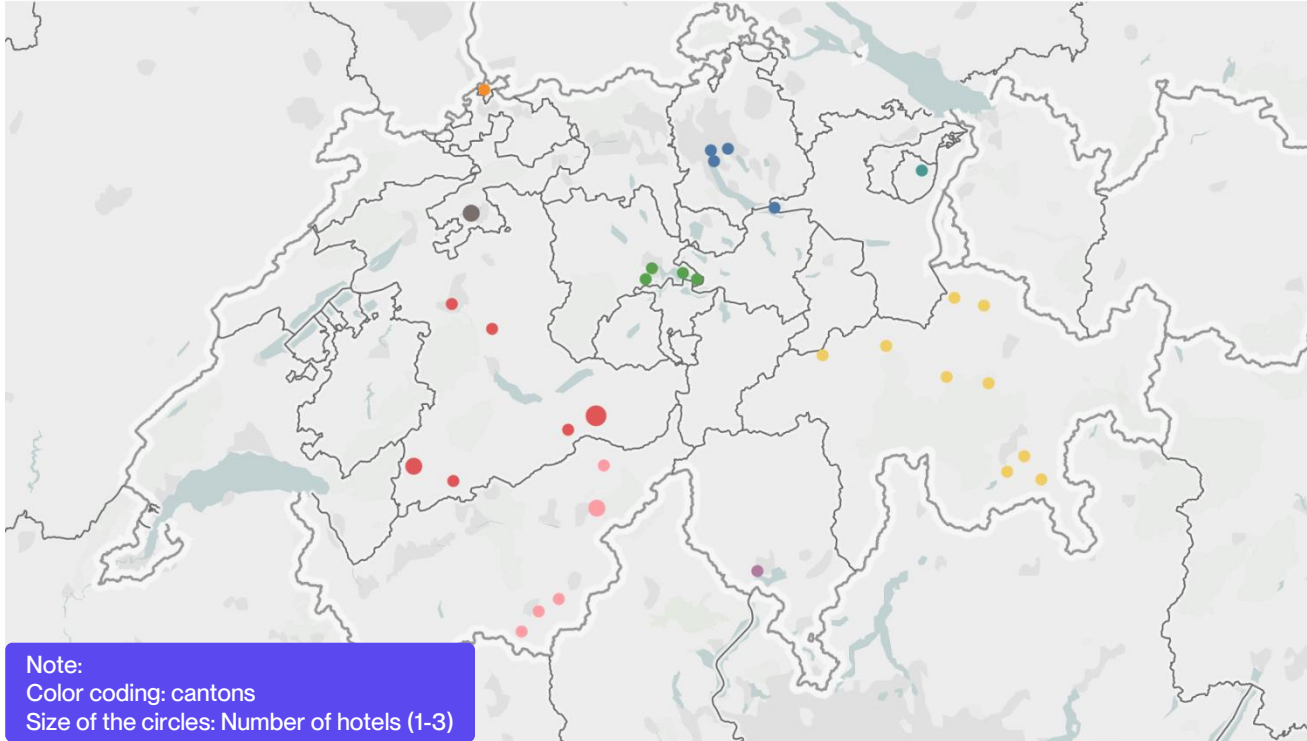
In total, **37 hotels** provided data on at least one perspective

Note:
Color coding: cantons
Size of the circles: Number of hotels (1-3)

Exemplary challenges of the hotels before the introduction of the software

Price flexibility

Flexible and immediate adjustment of prices is not possible (if management / deputy is absent)

Best possible price

Generally low prices to be raised again to appropriate level

Pricing: I have a hard time with setting prices (except in the F&B area, where you can clearly calculate).

Pricing: Here the challenge is also that with increasing prices we might not even become too high-priced and thus lose our regular guests

Getting guests used to dynamic prices

Increase prices

Zusammenfassung der Ergebnisse

Die Auswirkungen der Einführung einer dynamischen Preisgestaltung wurden unter drei Gesichtspunkten gemessen:

| Guest Survey	Hotel Peformance Measures	Key Performance Indicators
• Bei der Gesamtzufriedenheit, der wahrgenommenen Preisfairness und der Weiterempfehlungsabsicht ist nach der Einführung der Software keine signifikante Veränderung festzustellen.	• Die Hotels schätzen ihre Preisgestaltungskompetenz und ihren relativen Erfolg nach der Einführung der Software als deutlich höher ein.	• Die Zimmerauslastung stieg nach der Einführung der Software deutlich an.
• Der NPS nimmt nach der Einführung der Software leicht ab.	• Die Preisgestaltung war für viele Hotels vor der Einführung der Software eine Herausforderung.	• Auch RevPAR und Durchschnittspreis verzeichneten nach der Einführung der Software höhere Werte.
• Die Preise werden nach der Einführung der Software nur geringfügig häufiger als dynamisch wahrgenommen.	• Nach der Einführung der Software gaben einige Hotels an, dass der Einsatz der Software für dynamische Preisgestaltung eine ihrer Stärken ist.	• Allerdings können andere Faktoren, die die Vorher- und Nachher-Durchschnittswerte beeinflussen, nicht ausgeschlossen werden.

Perspektive #1

Umfrage Gästezufriedenheit

Extern

Methodology: Guest Survey

Methodology	Online survey
Distribution	Distribution of the survey by the hotels
Target group	Hotel guests who visited the hotel before and after the introduction of the software

Measures

Overall satisfaction	**Overall, how satisfied were you with your stay at this hotel?** ○ 1 – very dissatisfied to 6 – very satisfied
Price fairness (3 questions)	**„I consider the pricing of this hotel as…"** ○ 1 – very unfair to 6 – very fair ○ 1 – very unethical to 6 – very ethical ○ 1 – very unacceptable to 6 – very acceptable
Recommendation intent	**How likely is it that you would recommend this hotel to friends or colleagues?** ○ 1 – very unlikely to 6 – very likely
Perceived pricing	**How do you think the prices are set in this hotel?** ○ The prices are fixed per season ○ Prices are dynamic - i.e., they are constantly adjusted based on various factors ○ I don't know
Analysis notes	• The focus of the analyses is on the comparison between the responses of guests who visited the hotels before or after the introduction of RPG. • Prerequisite for including hotels in analysis: at least 10 responses each before and after the introduction of RPG

Participating hotels

A total of **16 hotels** participated in the Guest Survey, over 2.600 guest participations

Note: Color coding: cantons
Size of the circles: Number of hotels (1-3)

16
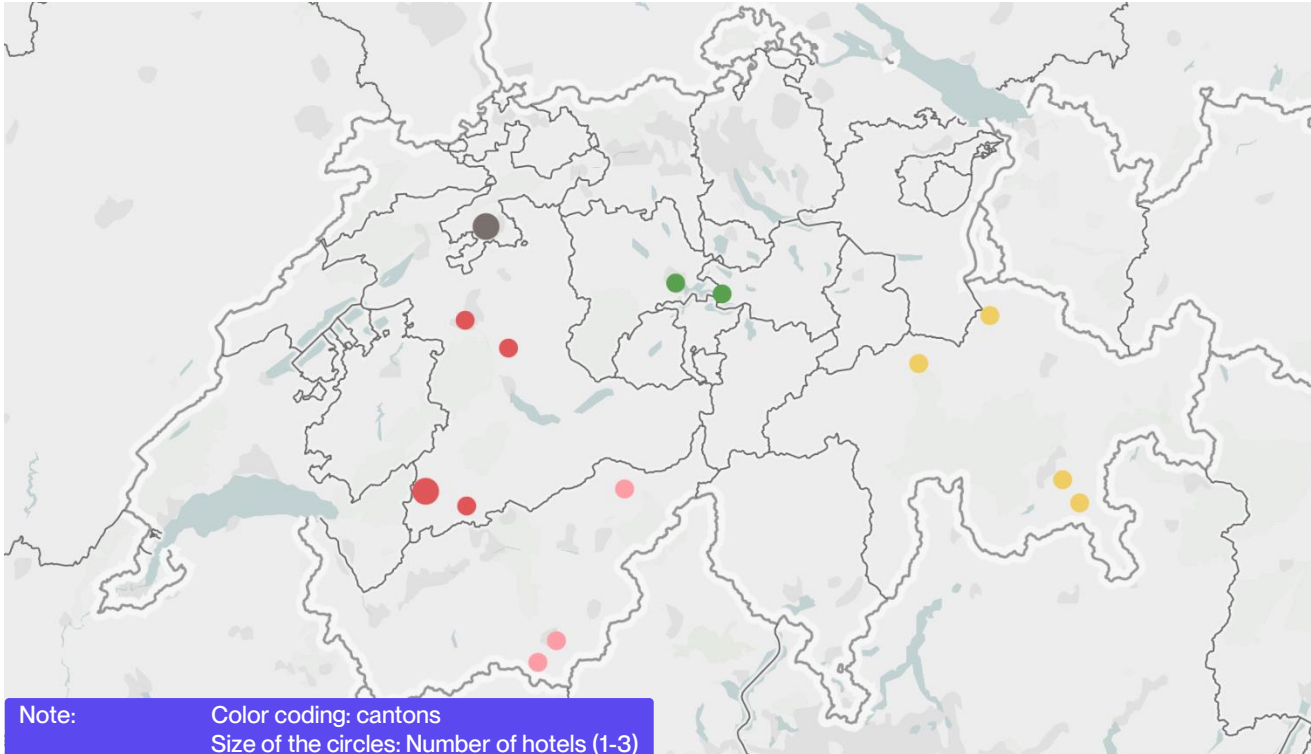
Average mean scores of overall satisfaction, price fairness and intention to recommend
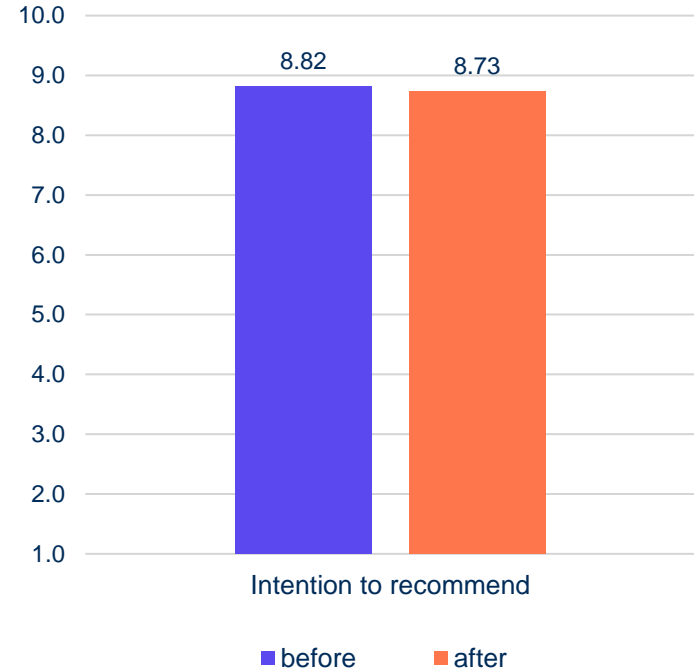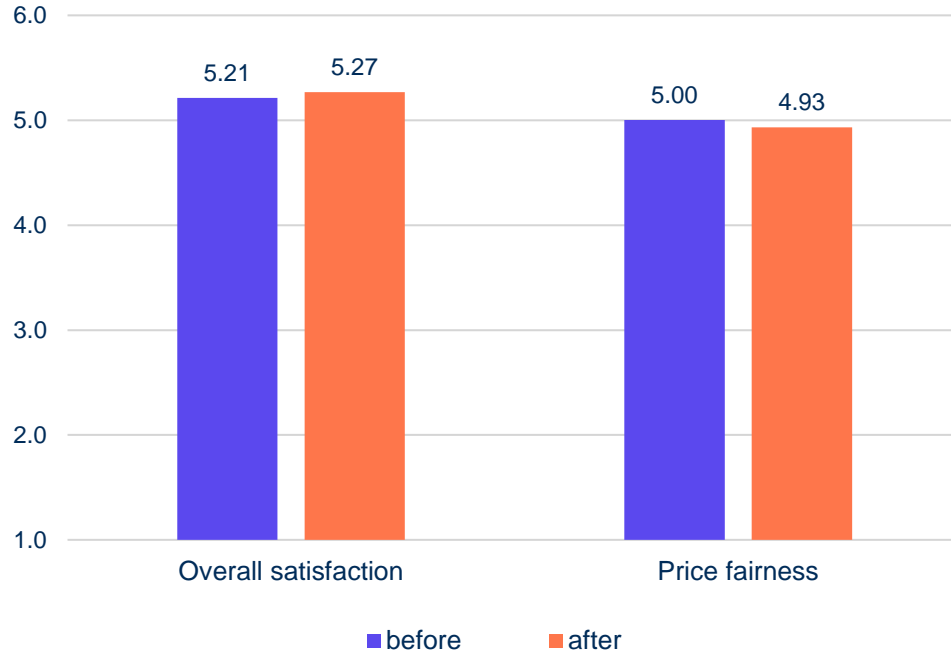
Note: Weighted mean values are identical to average mean values

17

Perceived pricing – fixed or dynamic?
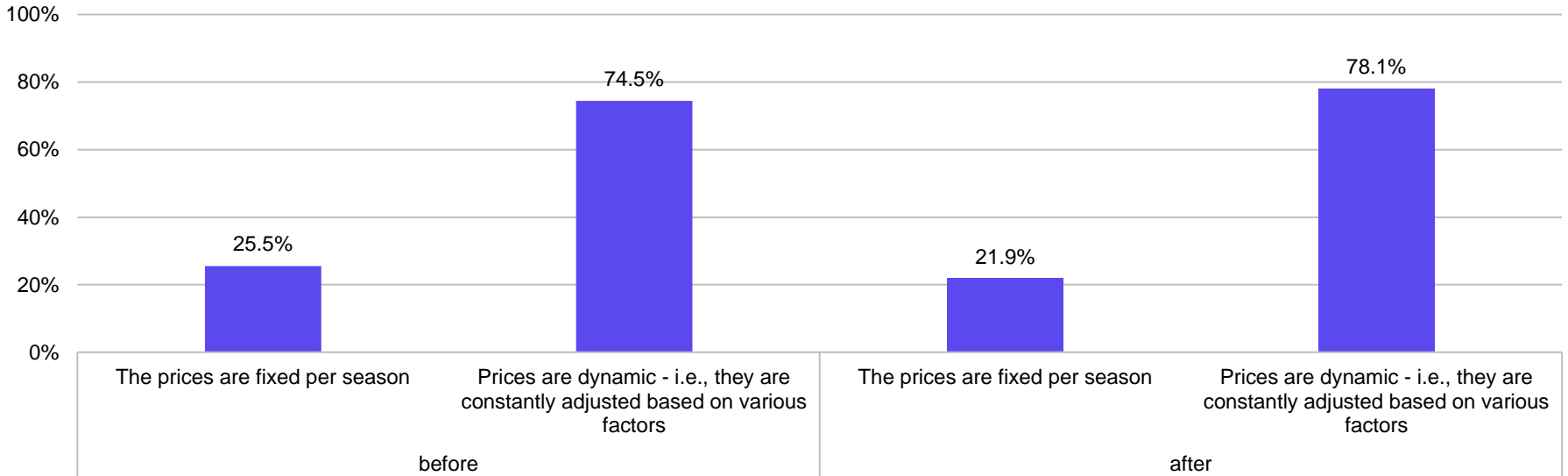
N = 1732

Note: Exclusion of the answer "I don't know"

Perspektive #2

Umfrage
Hotel Performance
(intern)

Methodology: Hotel Performance Measure I

Methodology		Online survey
Distribution		Distribution of the survey through RPG
Target group		Hotel management
Measures	**Strengths**	When you think about your marketing, communications and pricing activities, where do you see your three greatest strengths? ○ Open question
	Challenges	When you think about your marketing, communications and pricing activities, where do you see your three biggest challenges? ○ Open question
	Perceived pricing competence	Assessment of the following statements: ○ 1 – do not agree at all to 6 – fully agree We can assess the added value of our services compared to the competition. We use our pricing capabilities and systems to respond quickly to changes in the market. We use systems and tools to support pricing decisions. We can assess our guests' willingness to pay. We conduct training related to pricing. **We practice effective pricing.** We develop an internal pricing process. We know the price elasticity of our services. We know the pricing tactics of our competitors. We monitor the prices and adjustments of the prices of our competitors.

Methodology: Hotel Performance Measure II

Measures

Perceived relative success

Assessment of the following statements:
- 1 – do not agree at all   to   6 – fully agree

We have a better capacity utilization than our competitors.
We defend our margin better than our competitors.
We attract more new guests than our competitors.
We increase our revenue more than our competitors.
We have more pricing power than our competitors.
We have higher revenue per available room (RevPAR) than our competitors.

Analysis notes

- Focus of the analyses is on the comparison between the answers of the hoteliers before and after the introduction of the software
- Prerequisite for inclusion of hotels in analysis: participation before and after the introduction of RPG

Participating hotels

room price genie
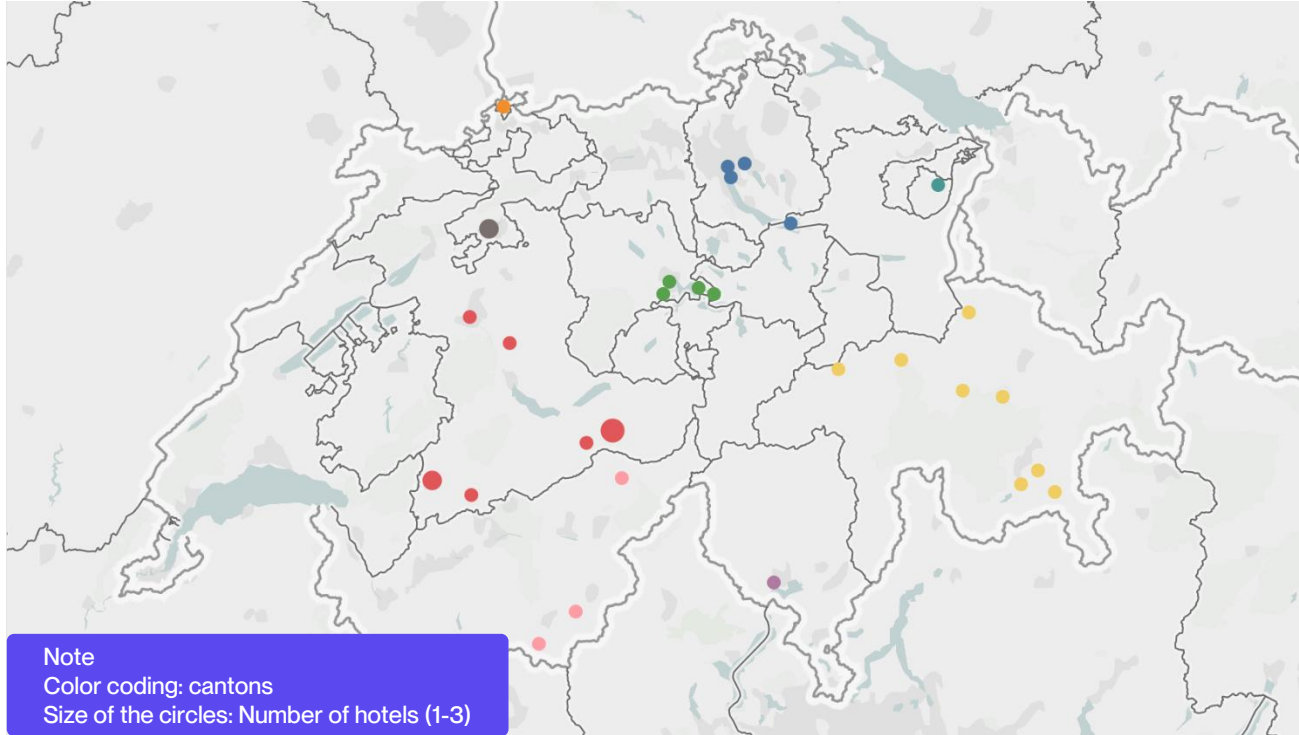
A total of **33 hotels** participated in the Hotel Performance Measures Survey

Note
Color coding: cantons
Size of the circles: Number of hotels (1-3)

Significantly higher perceived pricing competence and relative success after the launch of RPG

Perceived pricing competence: before 3.6 → after 4.2

Perceived relative success: before 3.4 → after 4.0
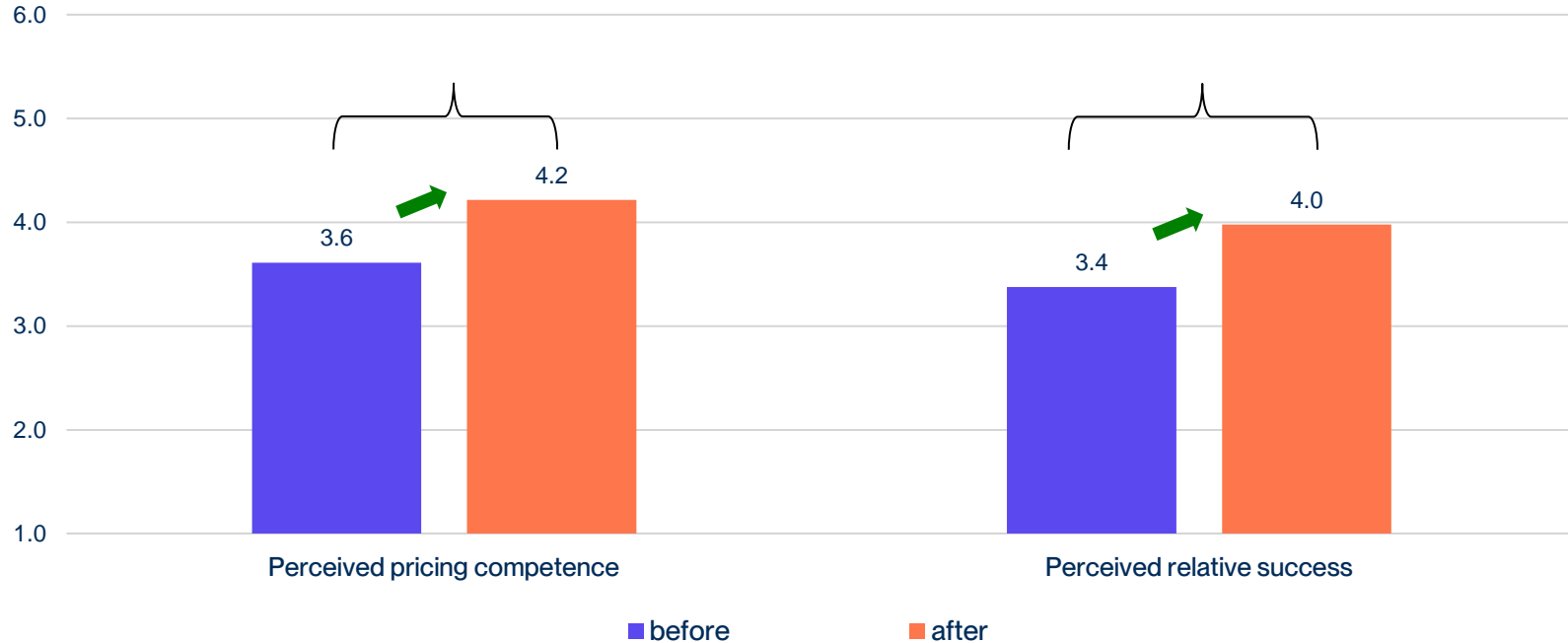
before ■ after ■

Relative success and pricing competence: item level

room price genie

| Items perceived relative success	mean before	mean after
1 We attract more new guests than our competitors.	3.57	3.92
2 We have higher revenue per available room (RevPAR) than our competitors.	3.00	3.70
3 We increase our revenue more than our competitors.	3.46	4.03
4 We defend our margin better than our competitors.	3.51	3.95
5 We have more pricing power than our competitors.	3.09	4.16
6 We have a better capacity utilization than our competitors.	3.63	4.11
Items perceived pricing competence	**mean before**	**mean after**
1 We use our pricing capabilities and systems to respond quickly to changes in the market.	3.49	4.89
2 We practice effective pricing.	3.46	4.62

significant mean difference

Perspektive #3

KPIs
(RevPAR, ADR, Occupancy)

Methodology: Key performance indicators

room price genie

Methodology	Hotel system excerpts
Distribution	KPIs were sent by the hotels to ZHAW via RPG
Target group	Hotels

Measures	RevPAR (= Revenue p. available room)	Revenue p. available room = Total revenue / Total number of available rooms. = RevPAR = ADR x occupancy rate
	ADR (=Average Daily Rate)	Average room rate in a given period = total revenue / number of rooms sold
	Occupancy (%)	Room occupancy = occupied rooms / total number of rooms x 100

Analysis notes	- Prerequisite for inclusion of hotels in analysis: key figures supplied at least 6 months before and at least 8 months after the introduction of RPG. - T= Time of introduction of the software - Comparison 6 months before with 6 months after introduction of RPG (with 2 months buffer)

Participating hotels

room price genie
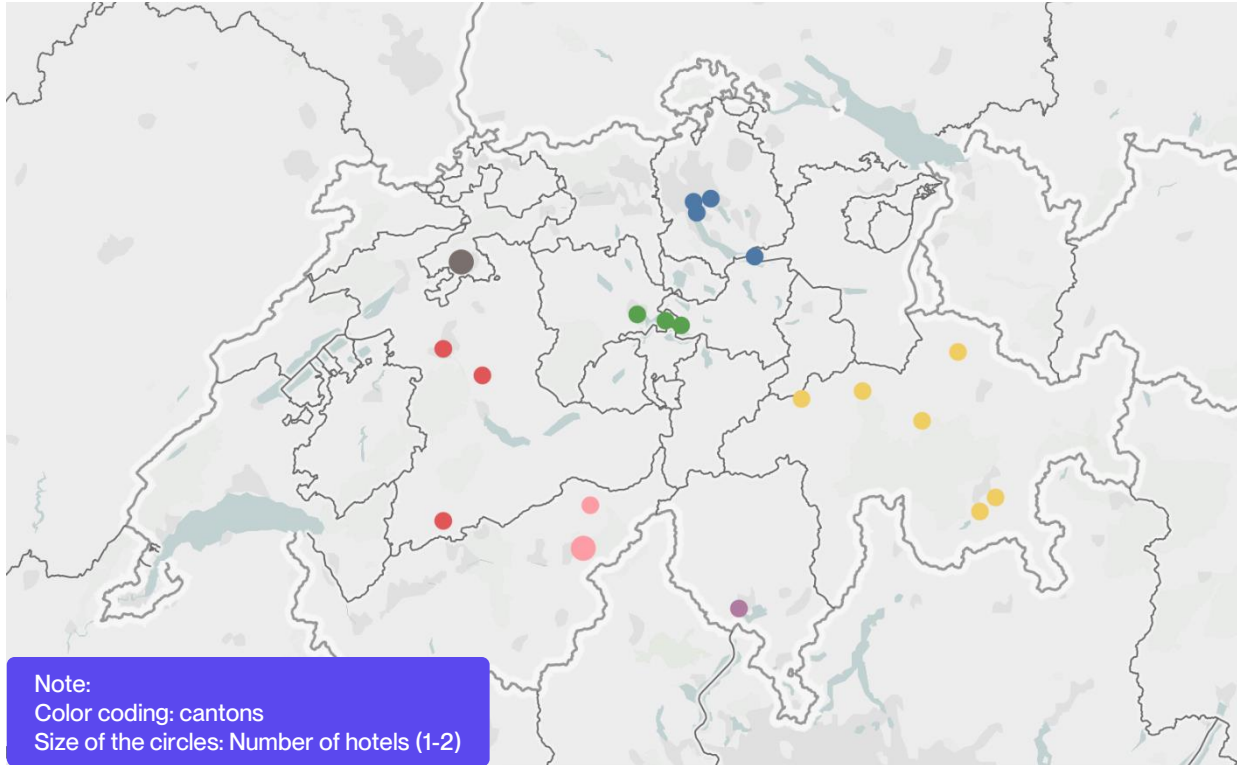
In total, **21 hotels** have shared their KPIs

Note:
Color coding: cantons
Size of the circles: Number of hotels (1-2)

Mean value comparison before and after the launch of the software

T-test for independent samples			
Variables	**before**		**after**
RevPAR	89.13	➔	107.27
Average Daily Rate (ADR)	166.01	➔	172.59
Occupancy	47.21%	➔	59.09%

Note: other factors that might influence the before- and after-averages cannot be excluded

28

Exemplary strengths of the hotels after the introduction of the software

room price genie

Use RoomPriceGenie to get higher prices when a hotel has a high occupancy rate

Thanks to Room Price Genie, we can react flexibly to developments in the market and achieve the best possible price.

Dynamic pricing allows us to sell our rooms at the optimal price.

Pricing, no more fear of flexible pricing, good response from guests.

With RoomPriceGeenie we have a system that automatically regulates demand and price.

Our prices are attractive, despite RoomPriceGenie's price increase, and it helps that we are centrally located but in a quiet area.

Qualitative und quantitative Daten bestätigen die Effektivität von RM Systemen.

1. Der Gast geht bereits davon aus, dass Eure Preise dynamisch sind.

2. Einführung dynamischer Preise hat keine signifikante Auswirkung auf die Kundenzufriedenheit.

3. Automatisiertes Revenue Management verbessert KPIs sowohl in der Stadt- als auch der Ferienhotellerie.


These #2

Automatisiertes Revenue Management funktioniert!

room price genie

These #3

Der frühe Vogel fängt den Wurm!
Are you In (yet) or (still) Out?

198X is now!

Die Geschichte wiederholt sich

room
price
genie

We don't need technology!

Technology is my secret weapon!

Adaption von Hotel-Tech kommt in Wellen

room
price
genie
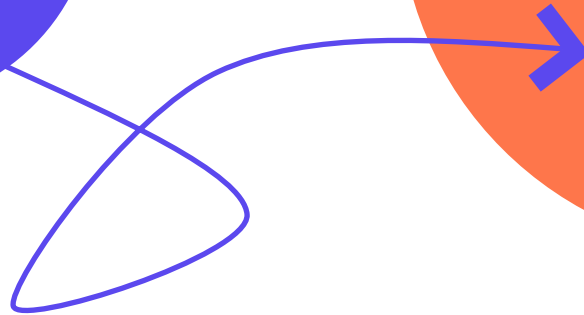
Revenue Management ist das am stärksten wachsendes Technologie-Vertical für viele PMS-Anbieter.

Beispiele:

1. *Cloudbeds: RMS das am schnellsten wachsende Integrations-Vertical*
2. *Mews: 50% der Mews-Nutzer haben eine RM-Lösung im Einsatz*

And what's next?

room
price
genie

Die frühen Beginner sind (in allen Belangen) die Gewinner.

1. Technologieadaption für Kernlösungen passiert schnell und mit hoher Durchdringung.

2. Early Adopter haben Vorteile – *Stay ahead of the curve*.

3. In ein paar Jahren wird jeder hier im Raum ein RMS im Einsatz haben müssen.

These #3

Der frühe Vogel fängt den Wurm!

Are you In (yet) or (still) Out?

Danke!

Meldet Euch gerne bei Fragen:

Email: marvin@roompricegenie.com