

Technology and Revenue Management Infrastructure

VRM Intel Live! Sandestin 2020

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Agenda

- Hotel RM History
- Hotel RM Processes
- Modern Vacation Rental RM
- Emerging VR RM strategies

Hotel Revenue Management History

30+ years ago

- Front Desk responsibility
- Reservationist lead

10-20 years ago

- Sales & Marketing responsibility
- Dedicated revenue manager
- Basic stats & reporting

Today

- Dedicated RM team
- Integrated systems
- Automation

Revenue Management Systems



Rates

- Best Available Rates (BAR, Retail)
 - Direct reservations
 - Low cost
 - Most popular rate
- Corporate Rates
 - Volume discounts
- Discounted Rates
 - AAA, AARP, Employee
 - Fencing
- Third-Party Rates
 - Factor in commission, fees

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AAA Discount
from
\$756 USD

Standard Rate
from
\$795 USD


Bed And Breakfast
At The Park
from
\$870 USD

Double Your
Points
from
\$875 USD

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[Rate Rules](#) >

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1 King Bed

Unwind in a room that offers 500–625 square feet of space, with luxurious features including a rainfall shower, deep soaking marble bath, and floor-to-ceiling windows.

[More Details](#) >

\$756
Avg/Night (USD)

SELECT

Yielding

- Hurdle method
 - Rate
 - Revenue
- Stay restrictions
 - House level
 - Rate level
- Bucket or tier method
 - Restricting based on value

	Brand.com	Expedia.com
Rack Rate	\$100	\$100
Commission	3%	16%
Net Rate	\$97	\$84
Hurdle Point	\$90	\$90
Can the guest book?	Yes	No

Process

- Assessing Market Demand
 - Internal & external reporting
 - Booking pace & lead time
 - Mix of business
- Rate Strategy
 - Day-level BAR
 - Discounted rates
 - Rate negotiations
- Yielding Strategy
 - High demand, strong pace: high rates/restrictions, drive revenue
 - Low demand, weak pace: low rates/minimal restrictions, fill occupancy



Additional Hotel Revenue Management Scope

- Channel Management
 - Promotion strategy
 - Mix of business
- Digital Strategy
 - Channel maintenance
 - Photo reviews
 - Content updates
- Forecasting
- Sales Strategy



How do we define revenue management in vacation rentals?

Modern Vacation Rental RM

- Dynamic Pricing
- Inventory Management
 - Automation
- Additional Factors
 - Who is responsible for your RM strategy?
 - Cohesive & efficient strategy



What's Next?

- Channel Management & Expansion
 - Increase booking audience
- Rate & Channel Yielding
 - Dependent on technology
- Digital Strategy
 - Online channel maintenance
 - Perception maintenance



Conclusion

- Hotel Revenue Management
 - Rates & yielding
 - Channel management
 - Digital strategy
 - Responsibility - one person or team
- Modern VR Revenue Management
 - Dynamic Pricing
 - Defining Responsibility
- What's Next?
 - Expanded channel management & yielding
 - Digital strategy

Questions?



Thank You

An aerial photograph of the San Francisco skyline at dusk. The city's dense collection of skyscrapers is silhouetted against a sky with soft orange and blue hues. The Golden Gate Bridge is visible in the distance, and the city's waterfront, including the Embarcadero and the bay, is in the foreground.

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