

A Study Powered By RateGain



# UNLOCKING REVENUE IN HOSPITALITY



IDEAS THAT

A ROOM OF CREATORS BELIEVE CAN  
CHANGE REVENUE MANAGEMENT  
AND DISTRIBUTION IN HOSPITALITY

**Travel and Hospitality** are undergoing a pivotal shift at the moment, as the entire industry converges around the connected traveller in an attempt to increase mind share and result-antly wallet share. Today, the industry is witnessing the largest number of travellers taking the most number of trips per traveller with the average traveller making four averages trips every year.

This, of course, is good news for the industry, as it welcomes investments of more than **\$ 800 billion** and steadily budgets more for technology enhancements, making it easier for revenue managers and distribution teams with access to data and insights to know the trav-eller, understand the traveller and engage the traveller.

## THE PROBLEM OF THE NEVER-ENDING CATCH-UP

The industry has traditionally been vulnerable to political, geographic and economic shifts impacting growth and performance. However, in the last two decades the single biggest challenge today which has been the constant disruption of consumer technology and the explosion of data.

As the new age traveller looks for the perfect experience, with 182 digital touchpoints and visiting more than 38 websites their consumption of data and applications increases every day to make travel-related decisions.

## DECISIONS ALONG THE TRAVELLER JOURNEY

92%

Search for a better deal

60%

Impulse Travel

70%

lesser spends on accommodation

71%

Travel Is No. 1 Priority

35%

trust word Of mouth



Search

182

Digital touchpoints



Book

89 Days

38 Websites



Stay

76%

Prefer staying at a home



Experience

75%

Create own itinerary



Review

135,000

photos added every day

This power shift in favour of the traveller is making it difficult for traditional hospitality giants to remain at ease, as new entrants like AirBnB create niche spaces and existing technology enabled players expand their offerings to cover the entire value chain. In today's world, with a networked ecosystem, scalable tech infrastructure and the explosion of social media everyone is trying to become the **"Amazon of travel"** trying to capture and capitalise on new demand.

However, the endless run to get access to the latest travel technology to gain market share is like a finite player with daily revenue goals trying to win an infinite game against the new-age traveller. Leaders today need to stop looking at smaller gains and look on how they innovate and move forward by co-creating the solutions of tomorrow.

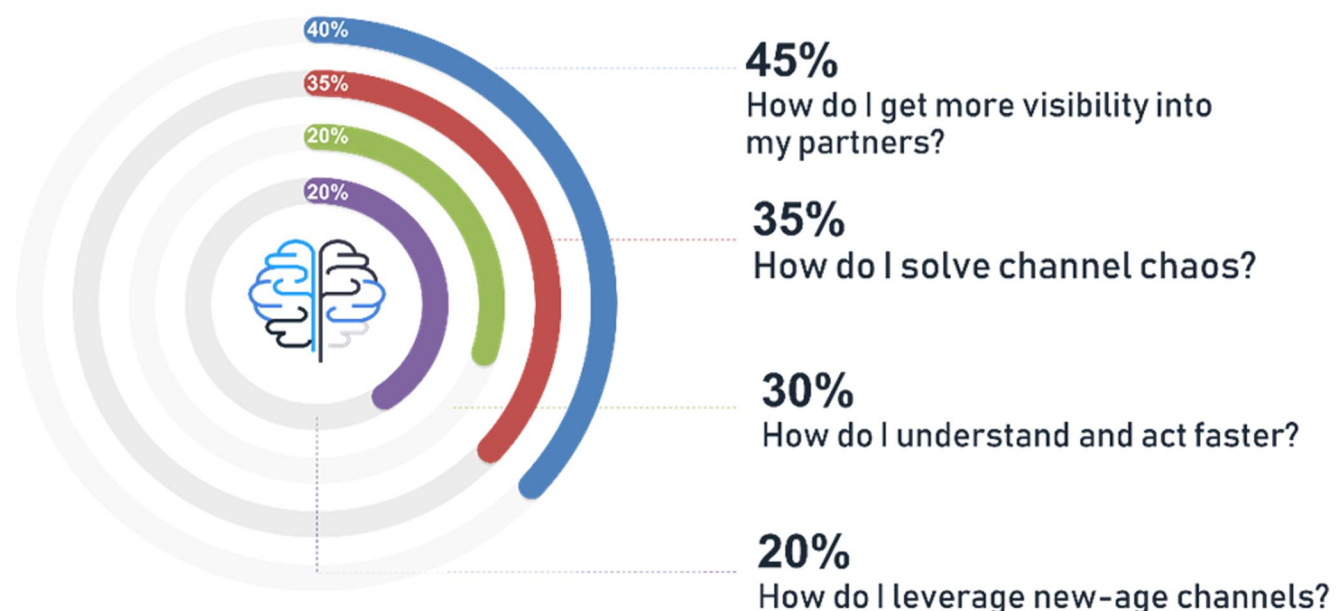
# CO-CREATION BRINGS INDUSTRY PLAYERS AND PROVIDERS TOGETHER

To collectively address this, senior leaders from Hospitality comprising of Distribution Heads, General Managers, CROs from hotel chains, OTAs, new-age channels and Industry analysts brainstormed to capture challenges in a design thinking workshop that are keeping them awake and ideated on solutions that they, as one industry feel, can solve their problems for the industry as a whole.

## WHAT'S ON THE MIND OF A HOSPITALITY LEADER?

While there are many pressing problems that the industry as a whole faces today, our discussions identified more than 35 pain points by focussing on five different personas. There was no consensus on one single problem truly showing that the new-age traveller is posing multiple challenges:

## THE TOP FOUR QUESTIONS THAT MOST LEADERS AGREED WITH



These challenges were not only applicable to traditional personas of cluster revenue and distribution managers but also new-age revenue managers, aspiring distribution strategists across different markets. A deeper inspection of these challenges helped us etch out the problem statements that these questions were trying to answer

## PROBLEMS FOR REVENUE MANAGERS

- My decisions are not accurate because I don't have access to 360 degree insights
- The metrics today reported are not standardised and requires much manual effort
- I don't get clarity on how my bottom line metrics using existing tools

## PROBLEMS FOR DISTRIBUTION MANAGERS

- It takes too long to go-live between B2B and B2C players
- I don't have access to the right demand attributes for analysing new demand
- The current contracting process has too many steps and documentation involved

# THE ROADMAP FOR REVENUE MANAGEMENT

## 1. GIVE US ACTIONABLE RECOMMENDATIONS INSTEAD OF DATA ANALYSIS OR INSIGHTS

Revenue managers today, need analytics not to be an information source but become an advisor that tells them what to do rather than just knowing the why. This can be achieved by



Auto-generated recommendations based on external data and historical performance



Index metrics to make them queryable through a simple search bar



A mobile-friendly, personalised dashboard allowing quick access and actions

# THE AHA MOMENT

GET RECOMMENDATIONS THAT SUGGEST IMPROVING A SPECIFIC METRIC BY 1% CAN DIRECTLY IMPACT BOOKING BY 3%

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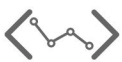
The user experience of the product should be as easy as putting a keyword in a google search allowing you to do custom searches, apply filters and customise the dashboard for every role.



—Jagdish Sandhu, Chief Executive Officer  
Frozen Lime Asia

## 2. TRACK BOTTOM LINE METRICS IN REAL-TIME

Revenue Managers often do not have access to the right metrics to judge the health of their performance, making it more time consuming for them to measure success and do course correction. Technology can solve this by:



Investing focus on bottom line metrics



Help in showing business on the books and budget utilisation comparison



Track NETRevPAR, TrevPAR, Distribution costs as well as how we attribute cost

# THE AHA MOMENT

SEE HOW DID MY PRICING START AT 8.00 AM AND END AT 6.00 PM, EVERY DAY!

### 3. SIMPLIFY DATA ACQUISITION AND DISSEMINATION

Today, hotels know much more about their guests, but are unable to transfer the intelligence quickly enough to various other departments and move from strategy to execution. Ideas that can help achieve this



Get insights from external sources such as weather, airlines, events, OTA bookings, nationality to understand what impacts your demand



Co-relate the external data to potential demand and provide insights



Make Automated alerts to be shared with relevant stakeholders for faster intimation and action

## THE AHA MOMENT

A SINGLE CLICK TO SEE THE FACTORS IMPACTING DEMAND



We should not look at a hotel point of view but look from an individual point of view. Instead of you telling system what segments to look, the system suggests the persona or buckets by intelligently mapping travellers journey & variable data. We could take it from the traveller's journey, and we only see PMS data we only see searches, we do not cover the planning or dreaming stage.



— Cristina Polo  
Senior Consultant, Insight Out Consultancy

# THE ROADMAP FOR DISTRIBUTION

## 1. CREATE THE UTOPIAN DISTRIBUTION MARKETPLACE

Most suppliers are looking to connect to new channels as a solution to augment their demand intake quickly and impact RevPAR by improving ADR and occupancy through these new channels. However, the effort and time invested in connecting results in delaying the monetisation of demand.



A single platform that lists hotels and channels as well as their demand parameters



Standardised content, pictures, descriptions for easy understanding



Allow easy connect by clicking Yes/No and share digital contracts



Provide rate parity violations to disconnect or warn channels easily

## THE AHA MOMENT

A YES/NO BUTTON TO CONNECT TO A CHANNEL IN ONE DAY



The platform should allow us to see statistics of a new partner, including on how much effort it would require to connect with them. Today neither supply nor demand partners have any standards to make it easy for either of them to know how to connect faster.



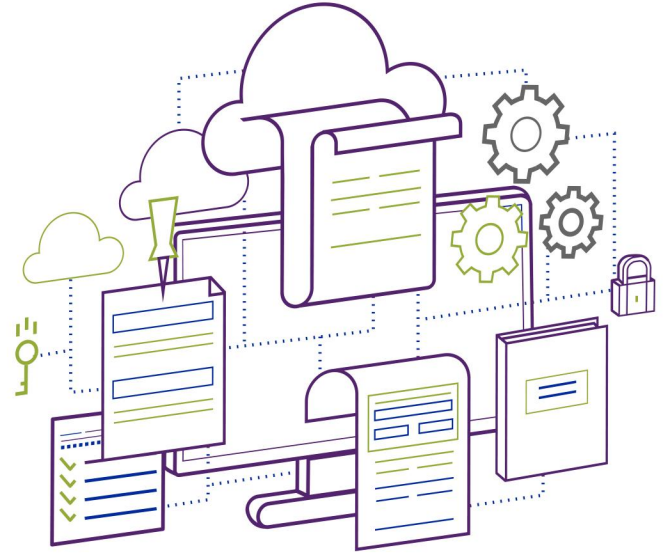
— Nicolas Durand, Senior Director  
Distribution, Jumeirah Hotels and Resorts



## 2. GIVE DEMAND HEALTH INSTEAD OF A SCORE OR INSIGHTS

Just like in revenue management, distribution managers also need quick insights that helps them analyse channel performance and provide the scope of improvement. They should not only get a score but see the actual health report with metrics such as

- a. B2B vs B2C
- b. Customer Behavior
- c. Online vs Offline (b2b)
- d. Number of agents (b2b)
- e. Source markets



## THE AHA MOMENT

MANAGE CHANNEL MIX INSTANTLY BY ANALYZING DEMAND HEALTH

## 3. INTEGRATE OTA PROMOTION MANAGEMENT

Distribution today does not tie in effectively with marketing as the activation of campaigns or offers on channels is not handled by the same system. Therefore, taking time to activate a campaign, measure it and then recalibrate it in time to tap into peak demand.

Teams can achieve this by having information on



Source market-based events and holidays customised promotions



Recommend promotions and change in rates



A content capability to push and customise promotion

# THE AHA MOMENT

YOU MISSED A PROMOTION, THIS IS WHAT YOU CAN DO,  
THIS A ROOM YOU CAN APPLY THE RATE CHANGES TO  
INSTANTLY

“

The platform needs to make connectivity simple and fast, and move away from long hours required for mapping and testing.



— Sam El Asmar, VP Revenue and Distribution  
Rotana Hotel Management Corporation

## CLOSING REMARKS

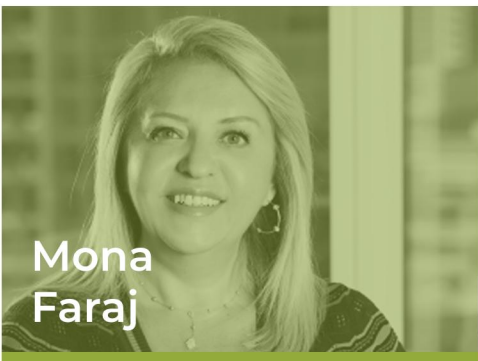
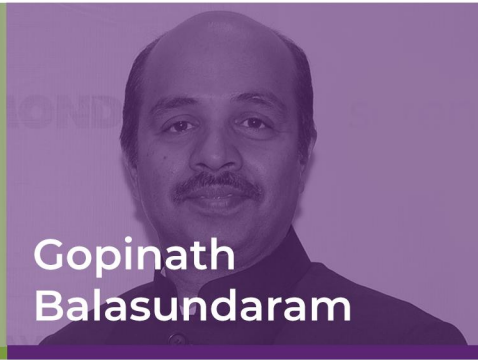
Technology shifts in hospitality are experiencing shorter life cycles and are getting disrupted much faster. We are now experiencing a technology revolution every five years. Keeping pace with technology will continue to be difficult, and the only way forward is to solve end-to-end problems instead of creating point solutions. These six ideas focus on the convergence of the two functions pushing forward the idea that existing problems cannot be solved for any persona or department but need to be solved for both revenue management and distribution together.

RateGain is the #1 provider of SaaS products, which help hospitality companies make more revenue every day. RateGain offers products helping more than 125,000+ hotels with cognitive revenue management and smart distribution for finding new demand by connecting them with 700+ channels in over 191 countries.

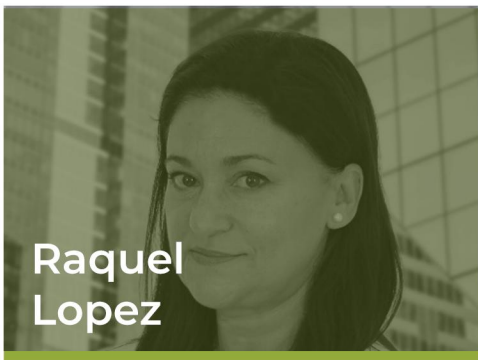
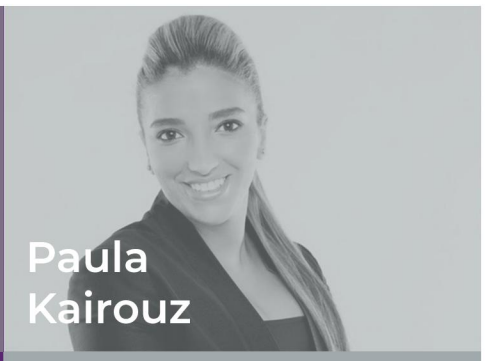
# INDUSTRY PARTICIPANTS



INSIGHT | OUT



INSIGHT | OUT



INSIGHT | OUT



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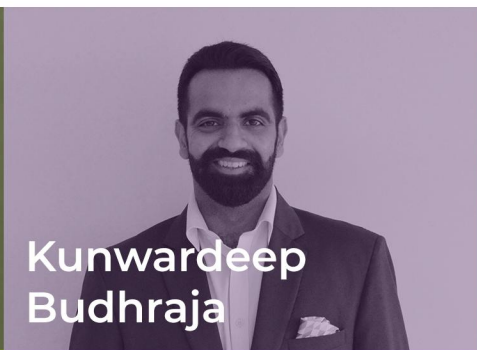
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