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COMMERCIAL STRATEGY CONFERENCE

Strategize, Optimize, Capitalize

hsmai

26 July 2024

THE LEELA AMBIENCE GURUGRAM HOTEL, DELHI NCR, **INDIA**

lighthouse
FORMERLY OTA INSIGHT

Unlocking Profit Potential

Data Insights for Indian Hotels

- General Manager - APAC & Oceania at <u>Lighthouse</u>

- Based out of Brisbane

- 25 years in the Hotel & Consulting vertical

Also ABOUT ME:

- Father of 2 wonderful kids, Valmik & Namya

- Love cooking to clear my head

- Enjoy travelling, music and gardening

Amit Peshawaria

HOSPITALITY SALES & MARKETING ASSOCIATION INTERNATIONAL

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FUEL SALES ✦ INSPIRE MARKETING ✦ OPTIMIZE REVENUE

Agenda:

We are now
Lighthouse

Our Rebrand Story

A Forward
Glance

Market Demand in India

Illuminating the
Path

Pricing Trends in India
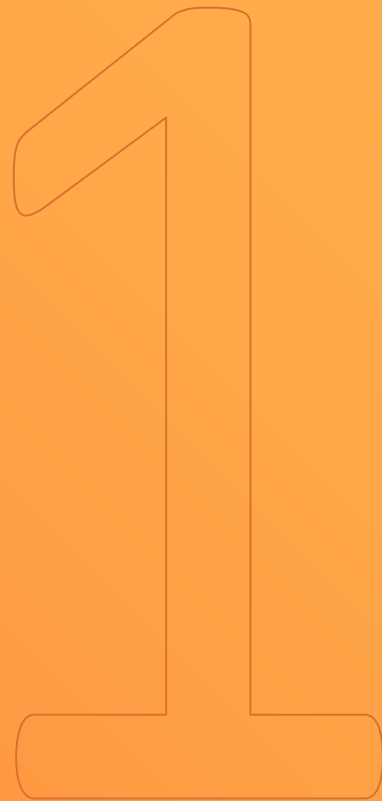
AI in Revenue
Management

Invest in the right technology

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We are now
Lighthouse

01

The commercial platform trusted by over 65,000 hotels

DISTRIBUTE
Parity Insight
Distribution Insight

ANALYZE
Business Intelligence
Revenue Insight

BENCHMARK
Benchmark Insight

PREDICT
Market Insight
Destination Insight

PRICE
Rate Insight
Pricing Manager

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Market Demand

Demand Heatmap

New Delhi

Demand Level

Gandhi Jayanti

India Mobile Conference

Diwali

India Art Festival

Stay Date

Jun 24 · Jul 8 · Jul 22 · Aug 5 · Aug 19 · Sep 2 · Sep 16 · Sep 30 · Oct 14 · Oct 28 · Nov 11 · Nov 25 · Dec 9

● very low ● low ● normal ● elevated ● high ● very high

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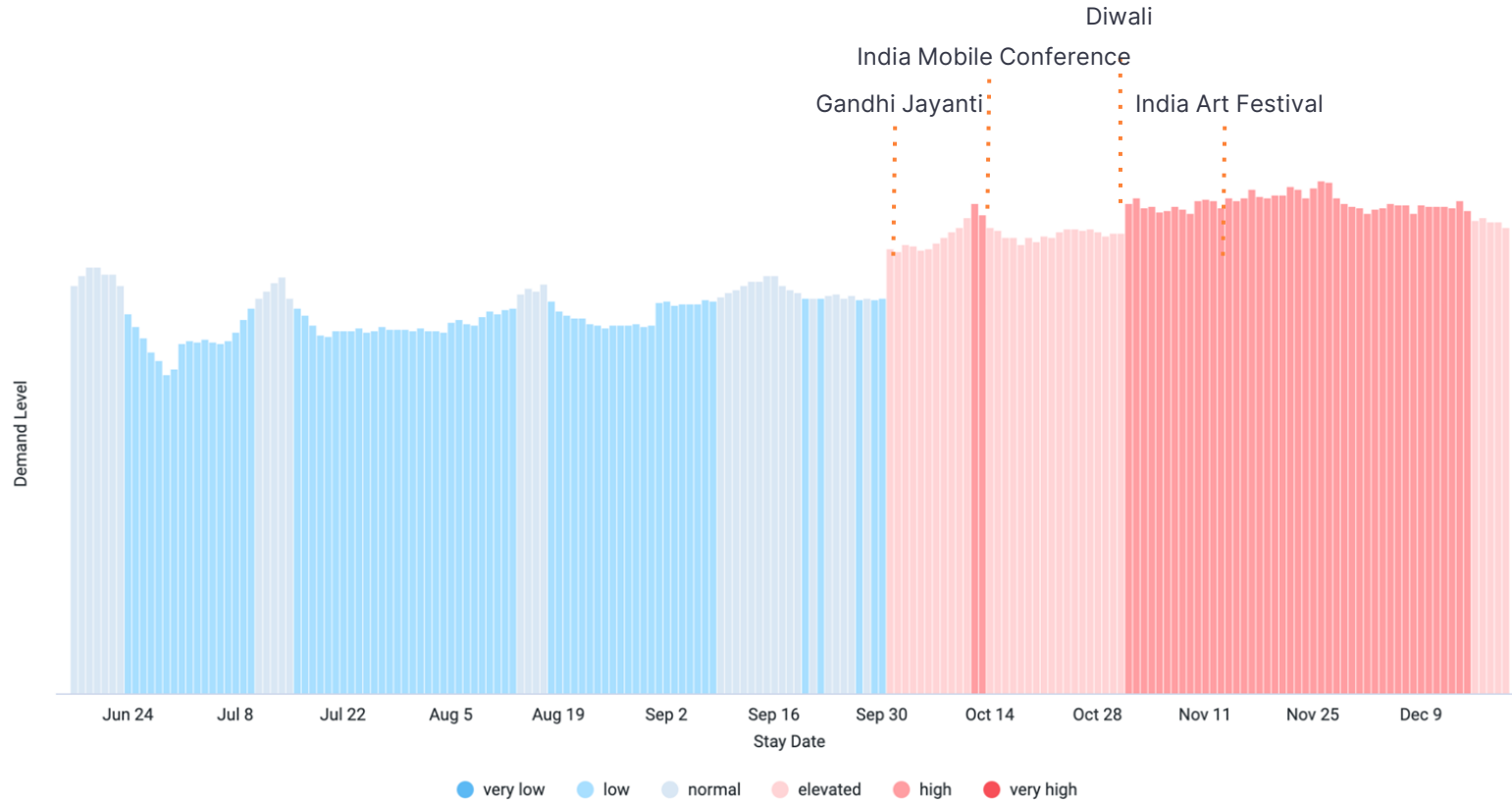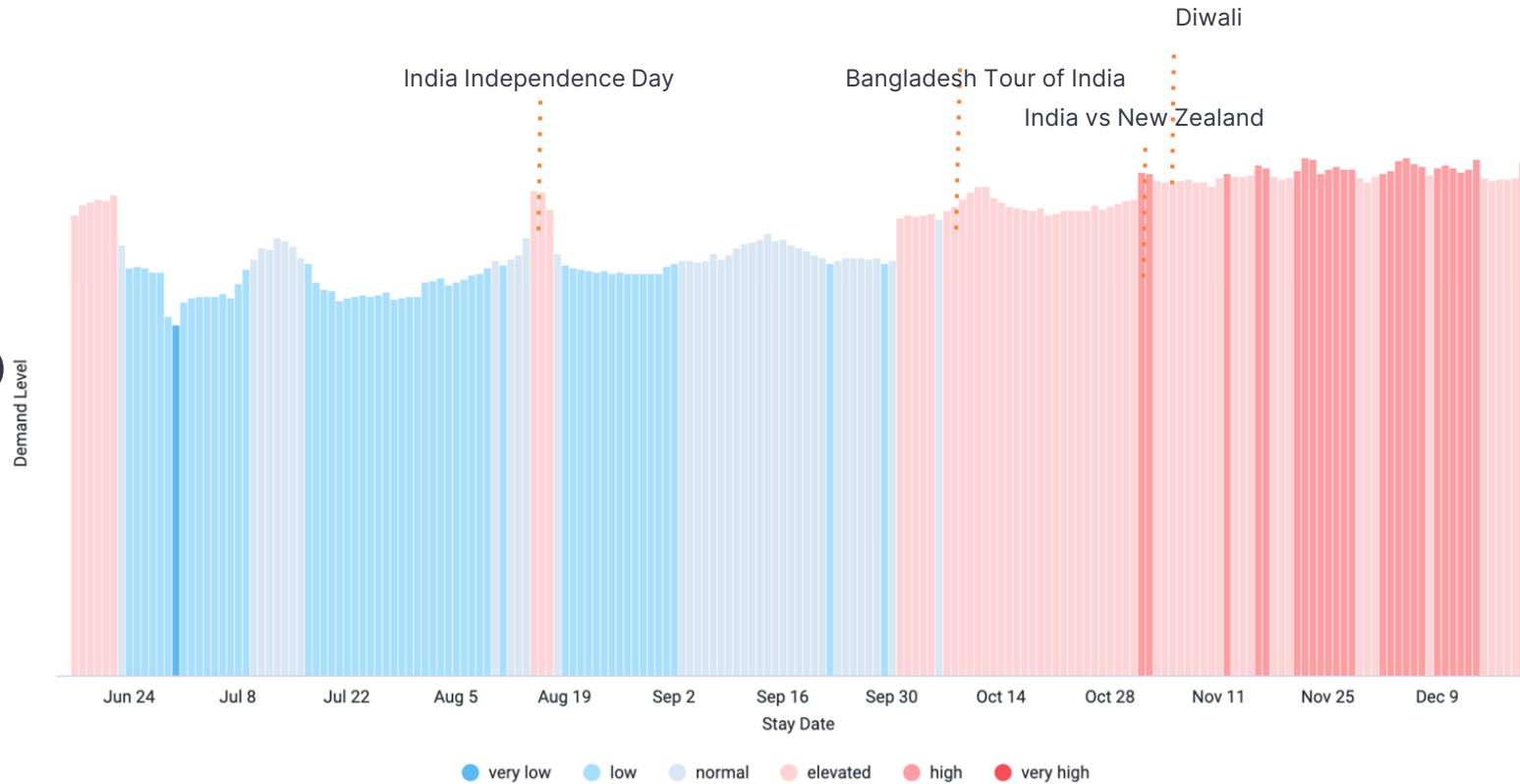
The impact of Market Demand data on a leading RMS Forecast

Forecast MAPE Improvement

by lead time through Market Insight Demand data

0-60 days: up to 2.0%

60+ days: 11.4%

Highlights

- Market Insight increases certainty when forecasting uncertainty is at its highest.

- Research has proven that Market Insight particularly adds value for lead time 60+ days (11.4% MAPE improvement) which is remarkable compared to other data the leading RMS has assessed.

- Market Insight also adds a lot of value for peak days such as holidays & events

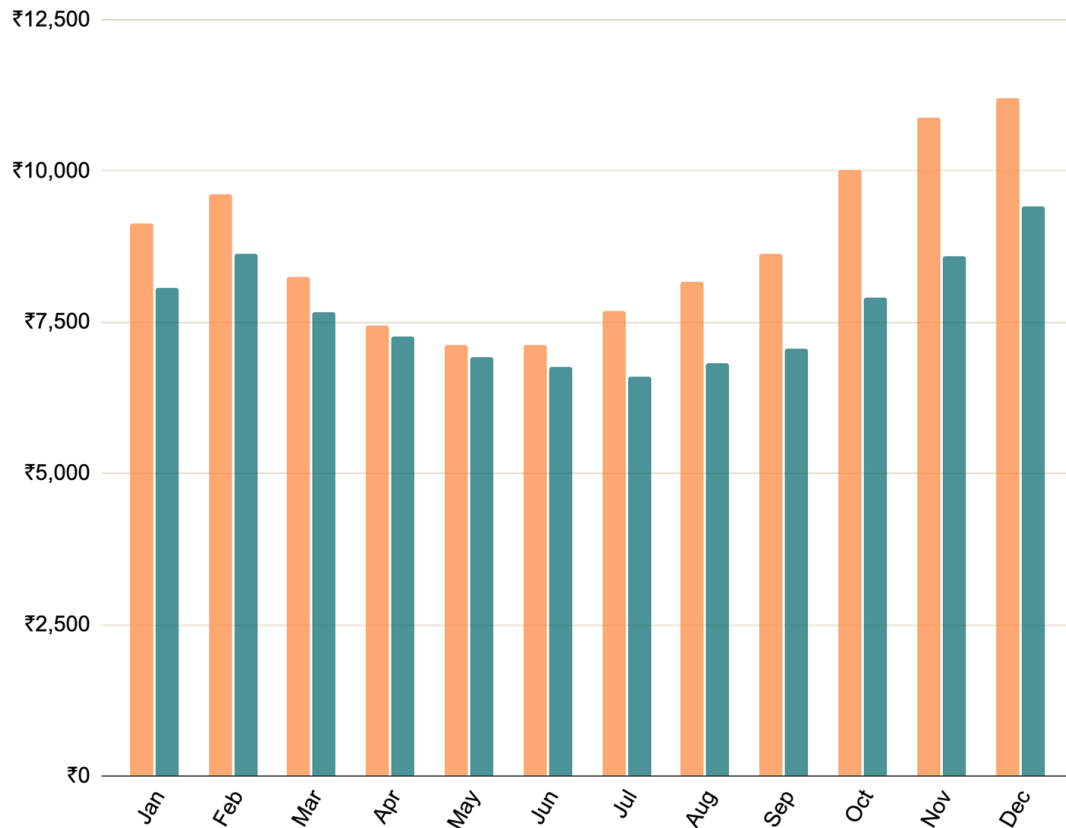- Enhanced forecasting can lead to significant revenue opportunities

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Pricing Trends

India Hotel Pricing: 2024 vs. 2023

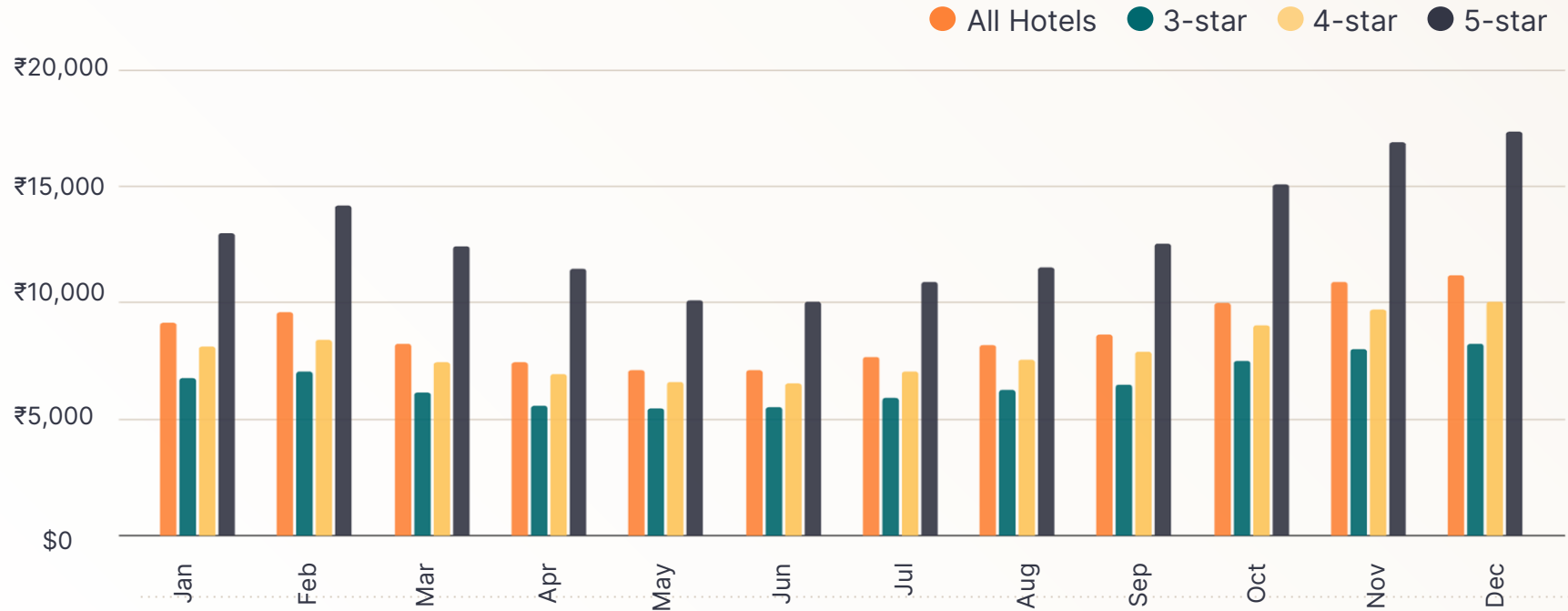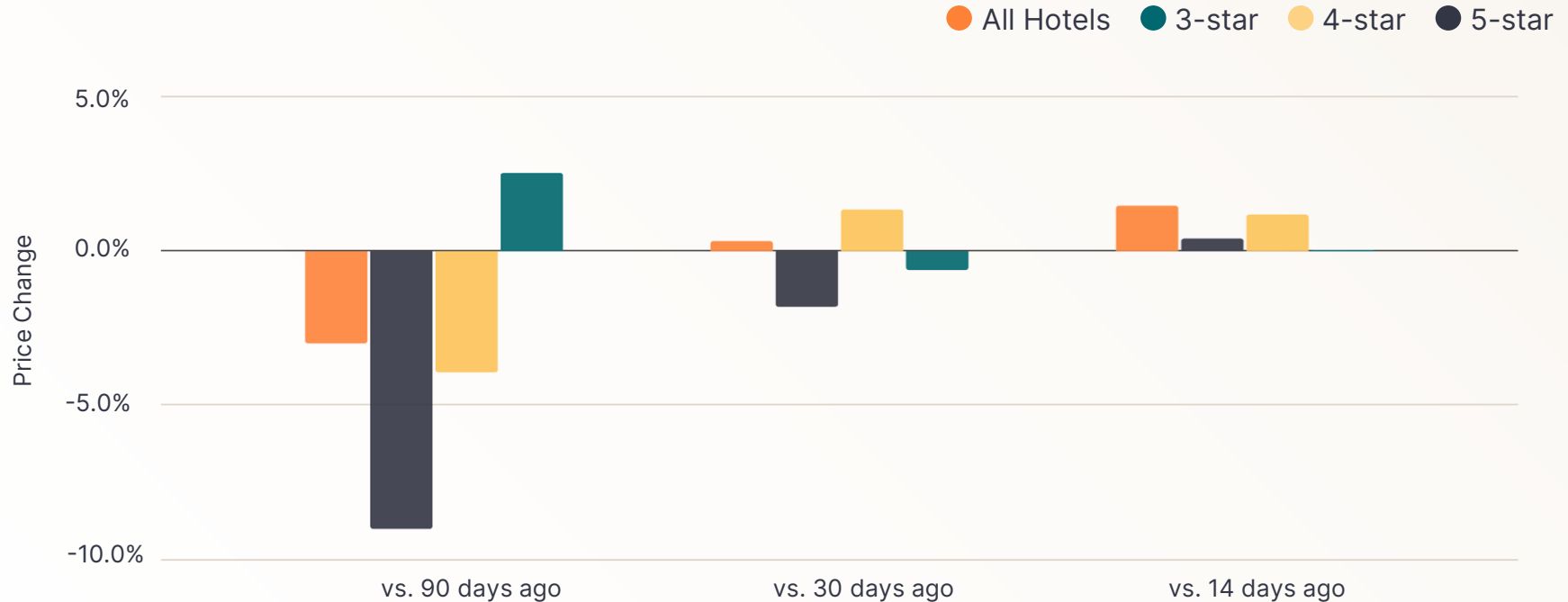Actualized (2023 through May '24) and Advertised (June '24 onward)

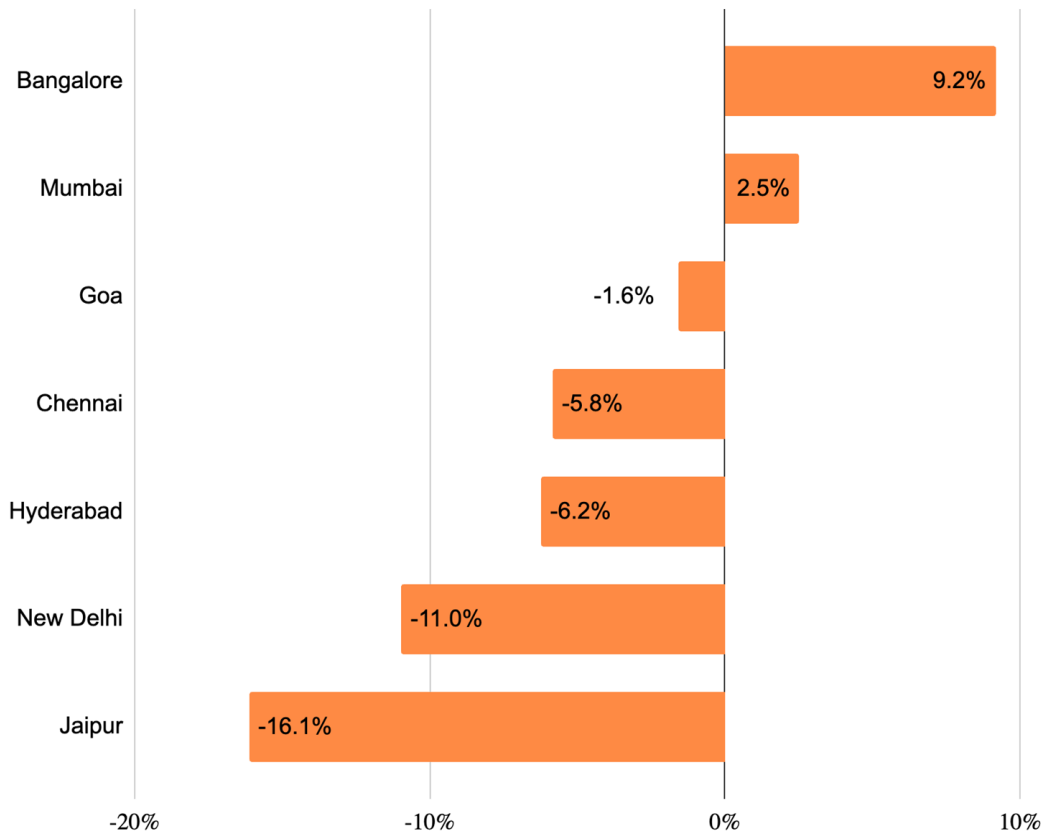# India Hotel Price Evolution by Class

Stays beginning in next 180 days

Key India Markets: Pricing for Stays Beginning Within 180 Days

Versus Pricing 90 Days Ago

Market	Change
Bangalore	9.2%
Mumbai	2.5%
Goa	-1.6%
Chennai	-5.8%
Hyderabad	-6.2%
New Delhi	-11.0%
Jaipur	-16.1%

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LOS Ratio by Lead Time

Mumbai: 60-Day Outlook

LOS Ratio by Lead Time - 60-day Outlook

Legend: LOS1, LOS2, LOS3, LOS4-7, LOS8-14

Y-axis: Radio of Searches (0% – 100%)
X-axis: Lead Time (0 – 60)

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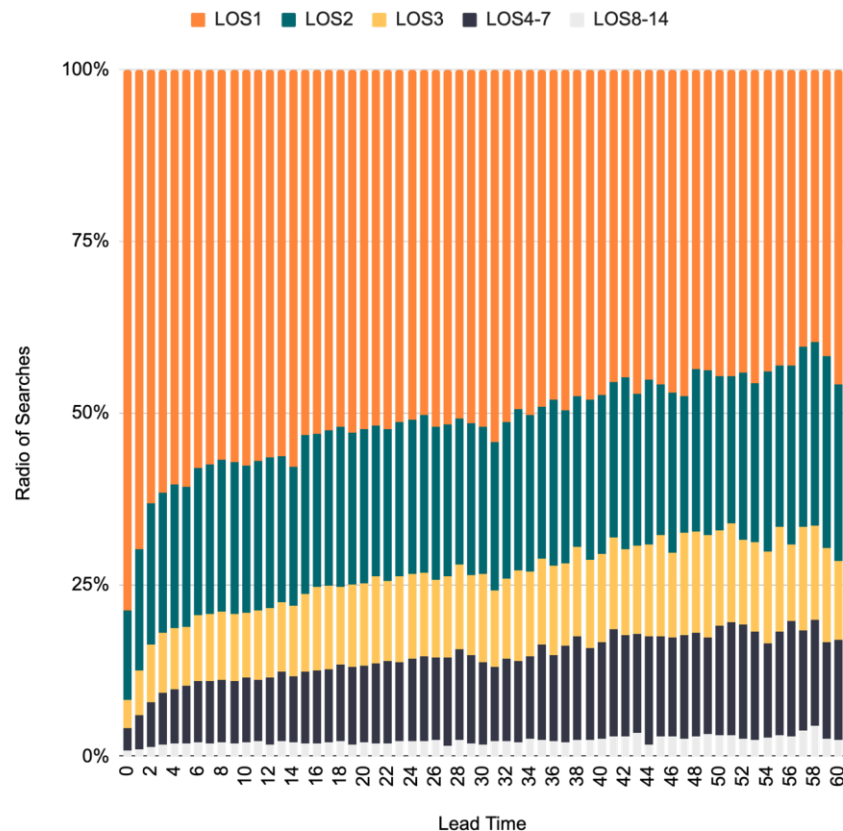
LOS Ratio by Lead Time

Jaipur: 60-Day Outlook

Confidential

LOS Ratio by Lead Time - 60-day Outlook

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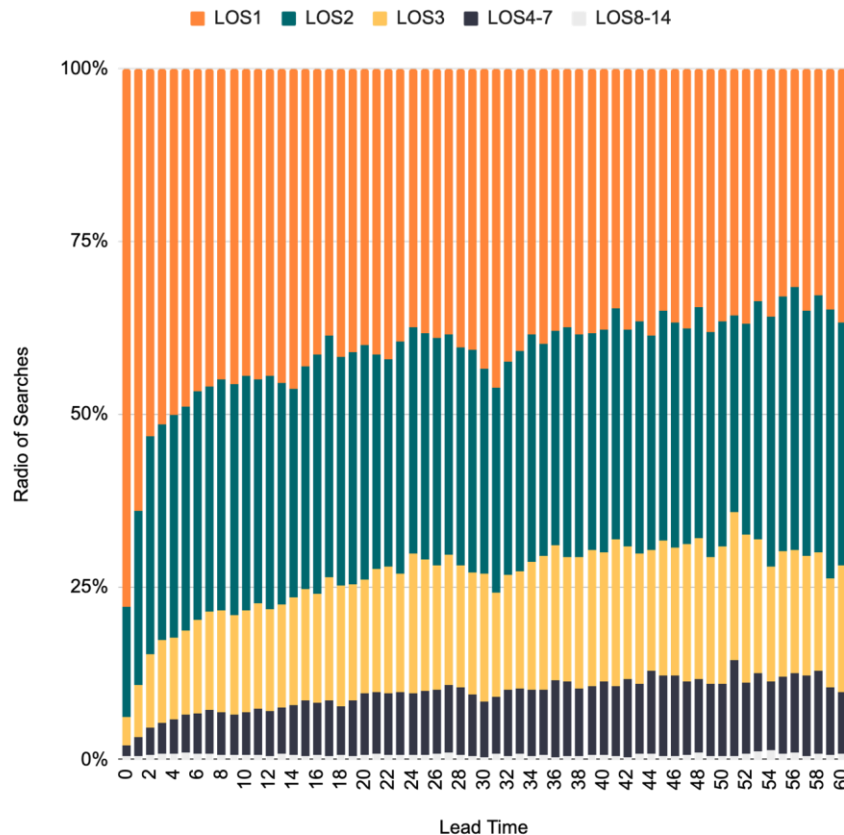
LOS Ratio by Lead Time

New Delhi: 60-Day Outlook

Confidential
LOS Ratio by Lead Time - 60-day Outlook

Legend: LOS1 | LOS2 | LOS3 | LOS4-7 | LOS8-14

Y-axis: Radio of Searches (0% to 100%)
X-axis: Lead Time (0 to 60)
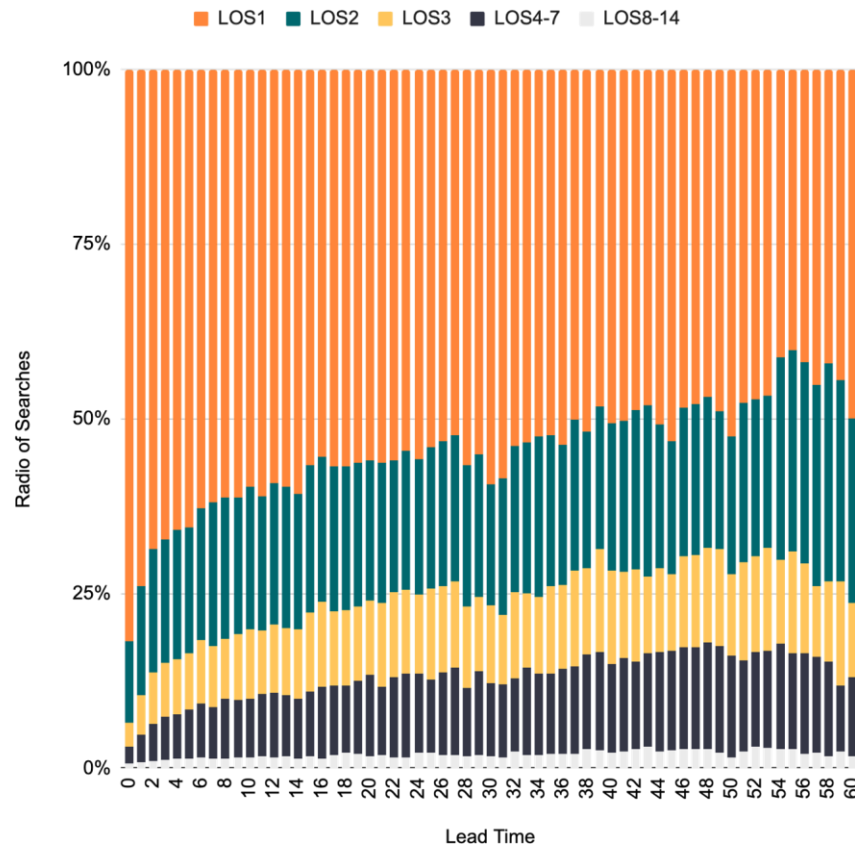
Artificial Intelligence in Revenue Management

Just 13% of travel companies have the AI maturity today to unlock its full potential. We call them the AI Achievers.

AI Achievers - Companies that have differentiated AI strategies and the ability to operationalize for value

Accenture, 2022

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The most common users of AI are with the Global Chains (for now)

We use AI for Data Analytics

!	Global Chain Hotel	40%
	RM Consulting Company	36%
	Regional Chain Hotel	31%
	Ownership Group / AM	31%
	Management Company	28%
!	Independent Hotel	27%

We use AI for Pricing Decisions

!	Global Chain Hotel	40%
	Regional Chain Hotel	34%
	Ownership Group / AM	31%
!	Independent Hotel	28%
	Management Company	27%
	RM Consulting Company	18%

We don't use AI

!	Independent Hotel	45%
	Ownership Group / AM	44%
	Management Company	38%
	RM Consulting Company	36%
	Regional Chain Hotel	34%
	Global Chain Hotel	30%

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Concerns Surrounding Use of AI in Revenue Management

Job Security

Lack of Local Knowledge and Intuition

Inaccuracy and Reliability Issues

Absence of Personal Touch

Limited Functionality & Understanding

Trust and Comfort

Benefits of Using AI in Revenue Management

Increased Efficiency

Improved Demand Forecasting and Pricing

Learning and Adaptation

Enhanced Competitive Analytics

Cost Reduction

Personalized Pricing and Marketing

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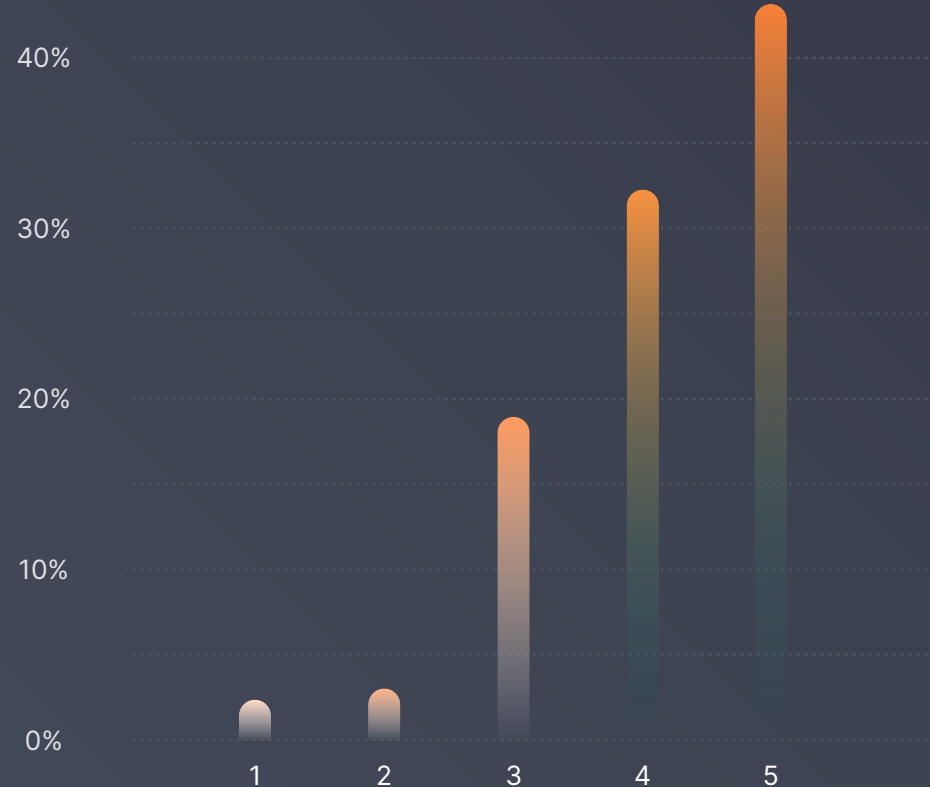FUEL SALES ✦ INSPIRE MARKETING ✦ OPTIMIZE REVENUE

The future of AI

On a scale of 1-5, how much of an impact will AI have on your company's revenue management strategy in the next 5 years?

Weighted Average: 4.1

1 – Not Impactful
5 – Very Impactful

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Let's Unlock your Profit Potential Together

The **complexity** of data management is increasing

Opportunities through demand forecasting to capture your target market and maximise profits

Changing Pricing and Promotion Strategies can be key to capturing extra demand

Larger players are ahead of the curve in AI adoption and are seeing productivity gains in terms of managing more properties per head

We are early in the **AI adoption lifecycle** but there is real risk in failing to train and equip teams for the future