



# Revenue Optimization

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# { Revenue Optimization

Maximizing  
Product Availability  
and  
Pricing  
to  
Produce Revenue Growth

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## { Resource Management

Managing Resources  
to produce  
Maximum Yield

## { Yield Management

### Management or Balancing of ...

- Resources
- Time
- Price

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Hotels  
Airlines  
Car Rentals

Typically applies to products where there is a finite or set number available for use.  
Their value diminishes at a point in time.

Head in beds

## { Yield Management

- Product with finite availability
- Product value diminishes at a point in time
- Strategies to get the maximum rate based on the current demand
- Implementing combines components of sales, marketing, operations and revenue management

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- Hotels
- Airlines
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## { Resources

- ✓ Beds/Overnight Rooms
- ✓ Meeting & Event Space
- ✓ Dining/Catering
- ✓ Staff
- ✓ Services Providers
- ✓ Other

## { Time or Availability

- ✓ Summer
- ✓ Academic Year
- ✓ Year-Round

## { Price

- ✓ \$ per bed night or room night
- ✓ \$ per meeting space rental
- ✓ \$ Dining/Catering

## { How Many of You Know....

...# of sellable beds/rooms in your inventory?

...occupancy rate?

...meeting space usage?

## { Challenges

- Policies
- Internal vs. External
- Price Flexibility
- Systems
- Marketing & Sales
- Other

## { Strategies

- Determine your occupancies
  - Overnight rooms
  - Average daily rate
  - Meeting & event space usage
  - Growth potential – how much and where you can grow

## { Strategies

- Price negotiation
  - Ability to set price points based on demand
- High demand vs. low demand
  - Limit negotiation
  - Negotiable
  - Booking patterns

## { Strategies

- Booking window
  - Sell off or hold off
  - How far out are planners booking
- Suitable market segments
  - Fill in the blanks
  - Best fit
  - Marketing & sales strategy to reach
- Profitable market segments
  - Greatest net revenue

## { Strategies

- Large groups vs. small groups
  - Net revenue
  - Manage cost
- Volume discounts
  - Large group
  - Multi-event booking
  - Multi-year booking

## { Strategies

- Bed/Space Assignments
  - 1 Group/Building
  - Multi-groups/building
  - Hotel assignment model
- Current Customers
  - Repeat business
  - Cheaper to keep a client than to sell a new one
  - Re-booking discount/offer

## { Strategies

- % held vs % booked
  - Track block pick up
  - Rebook using history
- Internal Market
  - Track freebies & assign a \$ value
  - Educate on the services you provide
  - What are you losing to off campus?
- Other

## { Revenue Optimization

Managing your **resources, time and pricing** to maximize the revenue yield.

## { Revenue Optimization

Questions?

## { Revenue Optimization

thank you!



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