

# How To Build A Net New Revenue Strategy

Your Essential Guide To Proactive Revenue Management Post-COVID-19: Discover The Measures You Need To Take 90, 60 & 30 Days Out



# Hotels around the world are facing the unique situation of opening or ramping up business after COVID-19 closure.

This is not a traditional 'soft' or 'grand' opening. There is little to no sense of celebration. Yet there should be.

How a hotel approaches this re-opening period could determine how they place within their market and comp set for the near to mid-term.

Making the right decisions and adopting the right tactics early on will give strategic hotels the edge.

But how can you plan ahead when many properties around the world are still unclear on when they can open their doors once again?

And how can you forecast when historical data for 2020 is effectively null and void?

Revenue, unlike other hotel disciplines, never closes because the long-term forward booking window is always active and this needs to be carefully managed. This means, even if your hotel is still closed or running on very low occupancy, there is work to be done.

# It's Never Too Late To Plan Ahead

Hotels now need to get back to actively planning ahead, even if those plans have to change further down the road.

By having the ability to plan and forecast, hotels can not only optimize on rates, but they can also optimize on operations. Accurate staffing levels, ordering perishable inventory, and – for larger hotels and resorts – being able to plan a phased re-opening strategy by building in a spread-out campus, can all have an impact on the bottom line. But these can only be achieved if you are planning ahead and can paint a picture of where demand is coming from. Being able to recognize demand sooner, and act on it, will set your hotels apart.

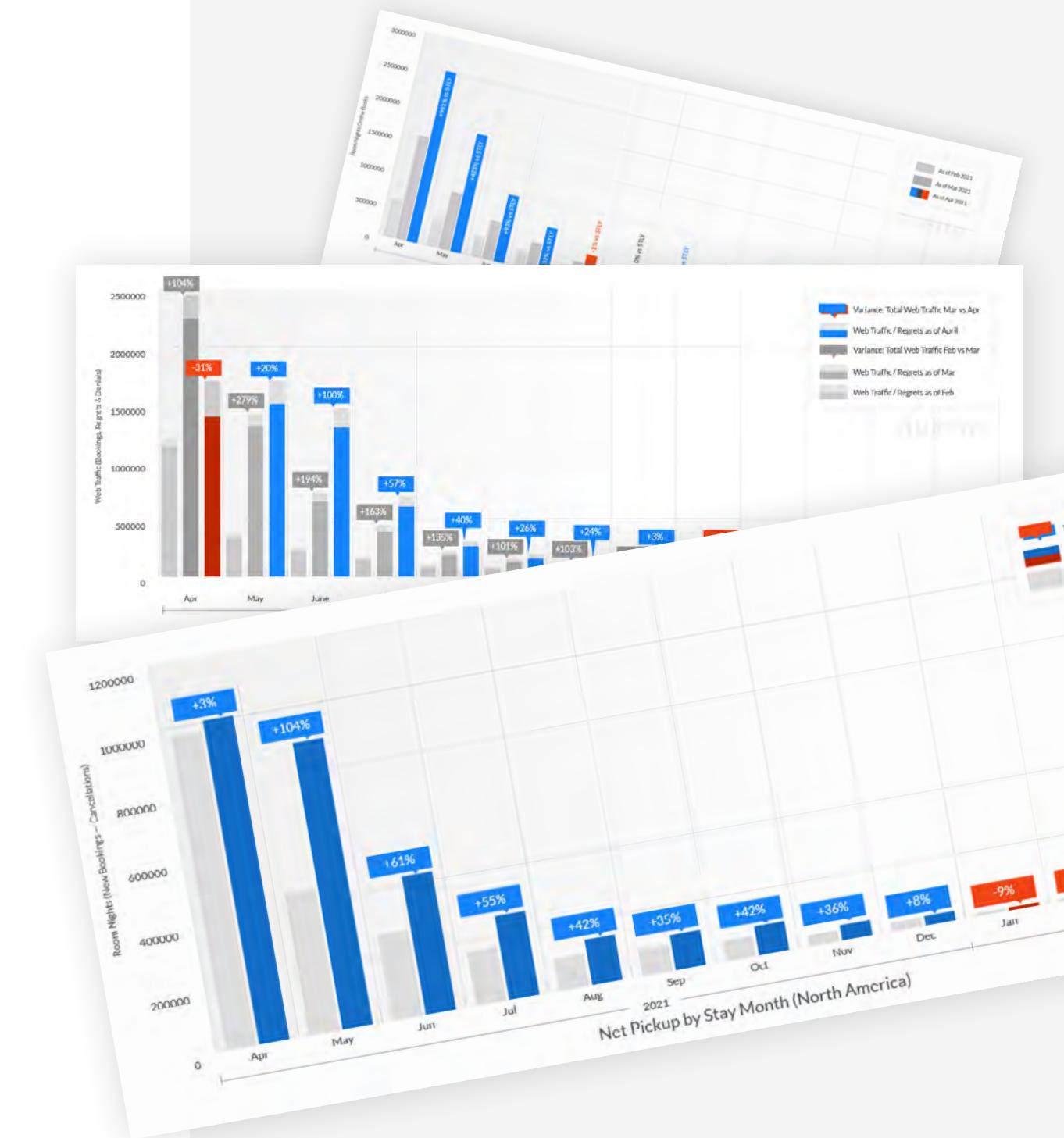
Hotels now need to reset their mindset to the fact that demand is back. But you need to be able to identify the new, shorter booking window and people's willingness when it comes to prepaid bookings.

You need to be flexible and offer fair cancellation terms because there are consumers out there willing to book and pay in advance. Now your cancellation policy may be to take a one-night deposit rather than payment for the full booking. Simply offering a choice between a refundable or a non-refundable rate is not enough right now. Look at offering a credit against a future stay, offering alternative dates, or an alternative property if you are part of a cluster or group.

For some properties, projecting a full recovery can be a difficult task while demand remains volatile. However, unlocking your data through Duetto's reporting can give you some clues. Understanding how you are pacing for farther out against ST2Y or ST3Y, reviewing your lost business and comparing booking windows to previous years are good places to start.

Whatever stage of recovery your market is in, our [Pulse Report](#) shows that there is global demand for hotel stays, with web traffic data showing strong intent to travel in the short-term booking window.

In this Special Report we will look at what measures you need to take to shore up your revenue strategies 90, 60 and 30 days from guest arrival or reopening date. Some of this may feel like a refresher course, but we hope the content helps you be proactive in your approach to revenue in 2021 and beyond.



# Planning 90, 60, and 30 Days Out

In this Special Report we want to give you actionable ideas and refreshers on how to prepare to reopen or resume businesses at a consistent level of demand

We will break this down by 90, 60 and 30 days. After all, many hotels are still uncertain when they will either open or business will resume.





## Group Business

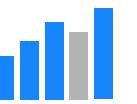
Hotels are now slowly starting to see the return of SMERF and weddings and, in some scenarios, this business is actually doubled up for 2021 versus what we would have seen for a normal year.

Layer in as much group business as possible and keep in constant contact with these groups so that you can help move their reservation should the need arise. It is a lot easier to call one group to reschedule, than call 50 separate reservations.

Double down on the segments that you know are going to come back first, such as weddings, and then look at other verticals such as government and wholesale. Furthermore, booking behavior is different.

Traditionally, you may expect only a small percentage of wedding guests to book a room. In 2021, the pent up demand to get out means that more of the party are likely to want accommodation.

Hotels need to be aware of this added demand and changing consumer behavior



## Understand Cancellation Business Mix

Understanding your wash factor on a group and being able to forecast it is nothing new to revenue managers. But for 2021, this is just a little more volatile.

By being able to view the cancellation business mix metric in ScoreBoard, revenue teams can get a better idea of what they might reasonably expect to cancel or materialize. You have to make decisions based on these data points.

Building your base business enables you to shrink the box and be strategic with what inventory is left.



## Be Aggressive with Remaining Inventory

With this baseline business in place, you can then start to get very aggressive with the remaining inventory, using Open Pricing to continually flex rates in line with demand and based on room type and other variables.

# Planning 90 Days Out

Where possible, proactively planning and adjusting strategy 90 days out can set you apart from your competition. But beware:

- 🚫 Don't fall into the trap of relying on OTAs
- 🚫 Don't expect transient demand to be the same vs last summer

Traditionally, the 90 day window to stay date would give a good indication of expected business on the night. On the books business (OTB) would be swelled by a nice base layer of group bookings – whether business or leisure.

But the lack of convention and corporate group business – often the bread and butter of hotels – makes things more difficult.

# Planning 60 Days Out

Consider how you can best forecast last-minute demand and capitalize on the demand opportunities accordingly.

Following on from your 90-day strategy, consider how groups (social in particular) are going to impact your ability to accept last-minute travelers and how you can avoid having to rely upon last-minute demand once groups are back in the mix.

Consider these tactics:



## Upsell

With booking windows remaining fairly short-term, hotels need to really double down on upsell efforts to maximize on rate and profit. You cannot create more demand, but you can find ways to get additional revenue out of the people that do book with you.

[Book Now](#)

## Drive Direct

What is also more important than ever is, how do you obtain that guest's loyalty, so that next time they visit they book direct with you instead of through an OTA? That requires a doubling down of efforts in digital marketing. For example, having a strategy for your meta search and distribution is vital. Make sure you are strategic about where you have a presence and when. Look at the periods of low demand and be sure to invest where appropriate. The consumer is now trained to shop around. They may be searching by your hotel name, but it will most likely be an OTA listing that shows up first in the search engine results. Make sure that all your listings are optimized.



## Target Packages

Target sources of business that are less likely to cancel and book further in advance, perhaps because they have an airline or car rental associated with their booking.



## Review Min/Max Bounds

Considering the impact of COVID-19, it is likely that changes were made to your Min/Max Bounds in the last year to account for the "new" market conditions. With demand gradually returning and in sight, it is recommended that you review your Min/Max Bounds and seasons to ensure that they are updated to reflect the recovery that is to come.

## Planning 30 Days Out

This is really about concentrating your efforts on those segments that are producing last-minute demand and looking at how you can react to them.

We all know hotel teams are having to do ‘more with less’, so now might be the time to consider controlled automation. After all, you cannot be monitoring pick up 24/7.



### Enable Automation

Duetto users can opt to set a conditional AutoPilot, for example to run for weekends when you are not in the office but very last-minute demand could be coming through. AutoPilot enables revenue teams to unlock more efficiencies. As well as turning it on for the entire property, revenue managers can specifically control when AutoPilot runs and for what segments/sub rates it runs for.

For example, if you have a Discount segment that you are yielding from Duetto, with relevant pricing rules created that are guiding that segment, then you can consider creating an AutoPilot rule for just the Discount segment so that rates for that segment are published automatically at each Duetto optimization (assuming AutoPilot rule conditions are satisfied).

You may also opt to create AutoPilot rules to account for future dates, in line with your 30/60/90 day outlook.

You may also leverage AutoPilot to only publish rates beyond 30 days, giving you more time in your day to focus on your immediate booking window.



### Drive Loyalty & Ancillary Revenue

Your 30-day strategy should also focus on upselling and encouraging direct booking for that second visit. Encourage guests to stay on-site. Reward your book direct customers with a food and beverage credit voucher and preferential treatment at the restaurant and spa so that they get the reservation slots they want.

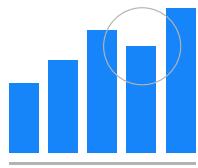
Similarly, a ‘buy one get one free’ on drinks does not really cost you much if your average check is \$100. Giving people the incentive to spend on property is always a great strategy. And for the immediate short-term window, target your local drive markets.

## 3 Ways To Track Demand



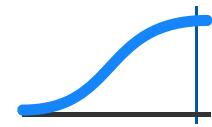
### Create a custom report

Consider creating a report that covers the next 6-12 months and use a ST2Y comparison. Some of this report may show depressed numbers, but as we are seeing from the Pulse Report, the number of net new bookings does continue to grow. Check for months where pace is not too far behind ST2Y or is on pace or outpacing ST2Y. This should give you a projected recovery period.



### Look at website traffic

Many inquiries on brand.com websites are actually outpacing 2019. The website activity report and lost business report in GameChanger can help you gauge date ranges where inquiries may be high. You may also opt to build a report in Custom Reports that compares regrets, denials, web bookings and conversion % compared to ST2Y. Look for links between high web searches and things like vaccination rates or future dates in which restrictions are softened, to give you a clue for when demand is likely to spike.



### Check your booking window

Lastly, checking whether your booking window has returned to “normal” can also be an indicator. By checking the Cumulative Booking Curve in GameChanger, you can see your final bookings over time for 2021 and compare against previous years such as 2019 and earlier. Consider whether the curves are beginning to match up - yet another clue that your property may be heading into recovery.



## Make everyone part of revenue

Now is the time to break habits and make new standard operating procedures. We need to empower staff and make all team members a part of revenue.

For example, make sure your front desk team is trained and feels confident to upsell on arrival. Empower them to deviate from stringent lock-step rates between room categories and find the price point of the customer in front of them. Giving \$5 or \$10 off the rate on a suite or a superior room should still bring in more revenue than the standard double they had originally booked. Incentivize the front desk for sell out nights or highest upsell. That could be a cash bonus or why not strengthen that team spirit and give them a pizza party or team dinner?

Similarly, train your housekeepers to recognize that somebody is going to be a late checkout. Create an incentive for the housekeeping team to notify the front desk so that they can step in with a call offering the guest a late checkout at a fee of \$10.

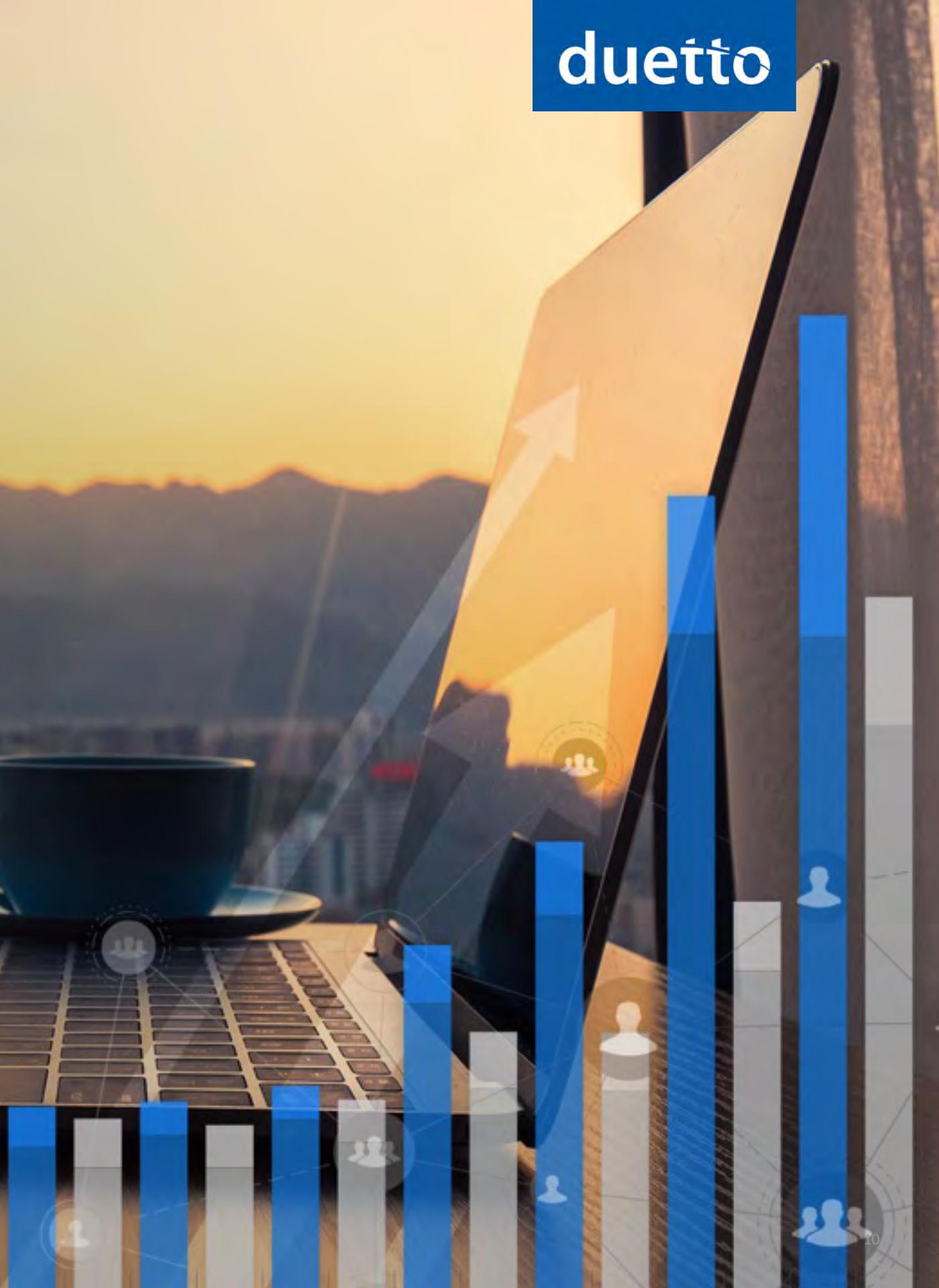
It's about connecting the operations team to revenue. You may have had to discount the original room rate to get the booking, but these ancillary spends can help recoup that lost revenue.

## Conclusion

# There is a lot of pent up demand.

Be ambitious with your transient rates and you may see them go up to levels you have never seen before. Secure a good level of base business with opaque rates that are not available to the general market and then yield aggressively on the remaining inventory for transient travel. This protects your public rate.

There is demand out there and there is a willingness to pay. But you need to be strategic. And this is where revenue technology comes into play. You do not have the time to be sitting monitoring every change in the market right now. You need a solution that can monitor it for you. One that enables you to set a strategy and that then executes on that strategy. It's about less lever pulling and more results analysis.



Duetto delivers a suite of cloud applications to simplify hospitality revenue decisions and allow hoteliers to work smarter, increasing organizational efficiency, revenue, and profitability. The unique combination of hospitality experience and technology leadership drives Duetto to look for innovative solutions to industry challenges. The software as a service platform allows hotels and casinos to leverage real-time dynamic data sources and actionable insights into pricing and demand across the enterprise. More than 4,000 hotel and casino properties in more than 60 countries have partnered to use Duetto's applications, which include GameChanger for pricing, ScoreBoard for intelligent reporting and BlockBuster for contracted-business optimization.

For more information, visit [duettocloud.com](https://duettocloud.com)

The logo for Duetto, featuring the word "duetto" in a lowercase, sans-serif font. The letter "d" is lowercase, while the letters "uetto" are lowercase with a small dot over the letter "e".