

How to Run a Successful Revenue Strategy Meeting

DARM Conference, August 2021

Hosted By: Heather Richer and Dwight Yang



About Us



REVENUE MANAGEMENT, DISTRIBUTION, AND COMMERCIAL STRATEGY

25+ YEARS AND GRADUATE-LEVEL REVENUE MANAGEMENT DEGREES

VACATION RENTALS, HOTELS, CASINOS, RESORTS, AND RESTAURANTS



OUR PURPOSE

Provide expert, agile, and cutting edge revenue management and distribution support,.



OUR POSITION

We're an extension of your team, helping optimize your technology and business processes.



OUR PROMISE

Our super power is our ability to bring tech, revenue management, and distribution together.

What You'll Learn Today

Agenda

- 01 Importance of a Strategy Meeting
 - 02 Finding Your Data + Market Data
 - 03 Revenue Management Cycle
 - 04 Effectively Using Data
 - 05 Sarah's Story - Q+A
-

01

Why is a Revenue Strategy Meeting Important?



DO YOU HAVE 20 OR 2,000+ PROPERTIES?

01

"I want to optimize my tools and business processes so I can grow revenue faster than the competition."

- Every Smart Vacation Rental Manager



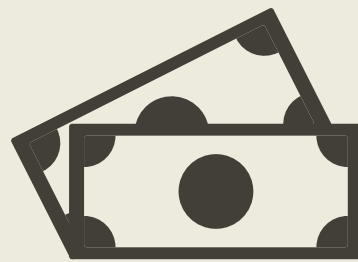
**Every size
applies.**



LEADERSHIP COLLABORATION
Leadership and building an RM culture



MAKE TIME
Find 1 hour (weekly, biweekly)



REVENUE STRATEGIST
Identify team member or expert support person to prep the data, lead the meeting



Holistic, Commercial Approach

02

Reports and Tools to Run Your Meeting



Our company



Business items



EXPERIENCE

POSITION TITLE for company tid
Present
Short description of the position and the responsibilities you had in this position.

POSITION TITLE for company tid
2013 - 2016
Short description of the position and the responsibilities you had in this position.

POSITION TITLE for company tid
2012 - 2013
Short description of the position and the responsibilities you had in this position.
Lorem ipsum dolor sit amet
inssani qui spe volur new.

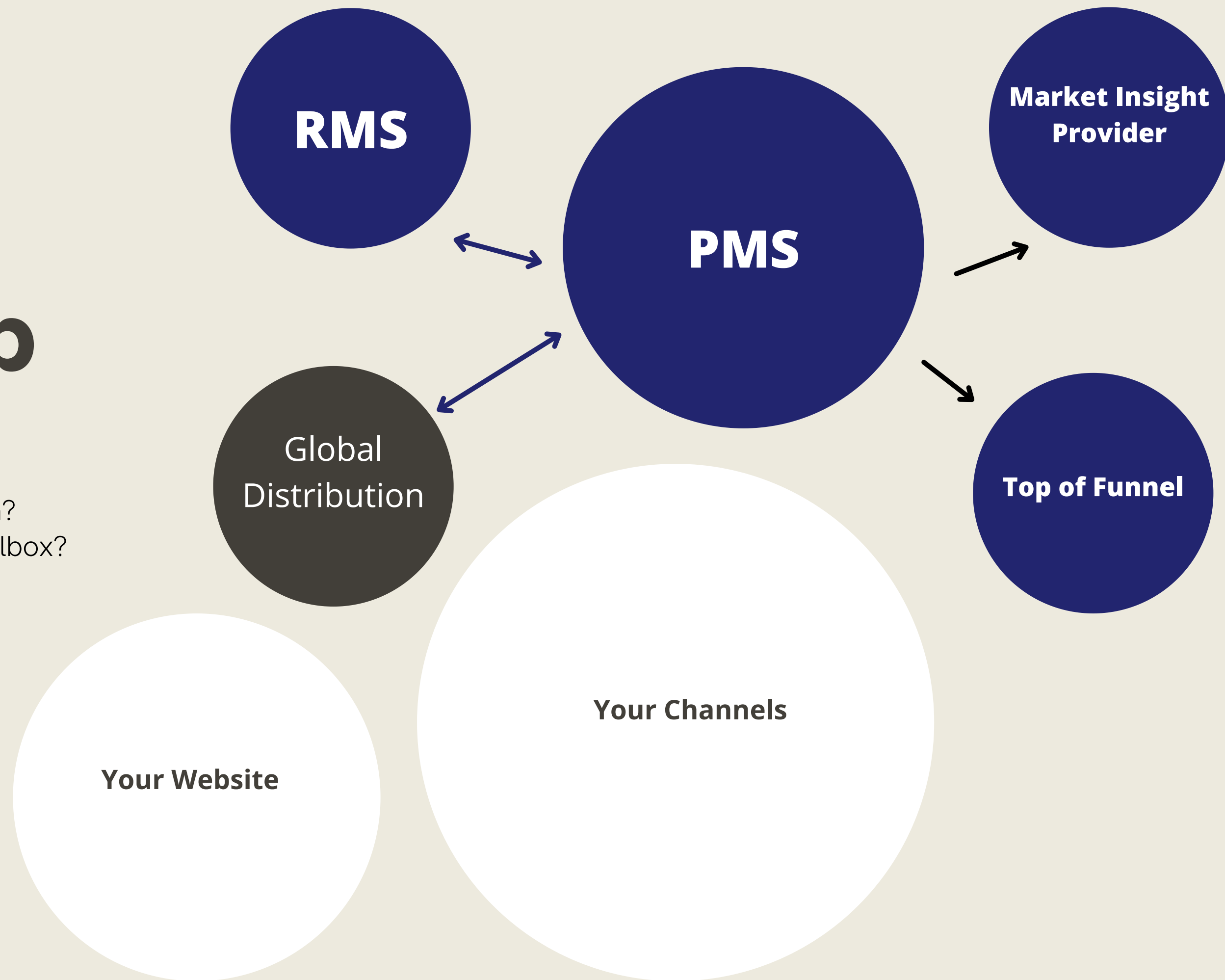
POSITION TITLE for company tid
2003 - 2010
Short description of the position and the responsibilities you had in this position.

REFERENCE

02 Data + System Map

Integrations + Data Flow

- Where is your data and the market data?
- What commercial levers are in your toolbox?



02 Reading The Data

YOUR DATA



- The right filters
- Meaningful views

MARKET DATA



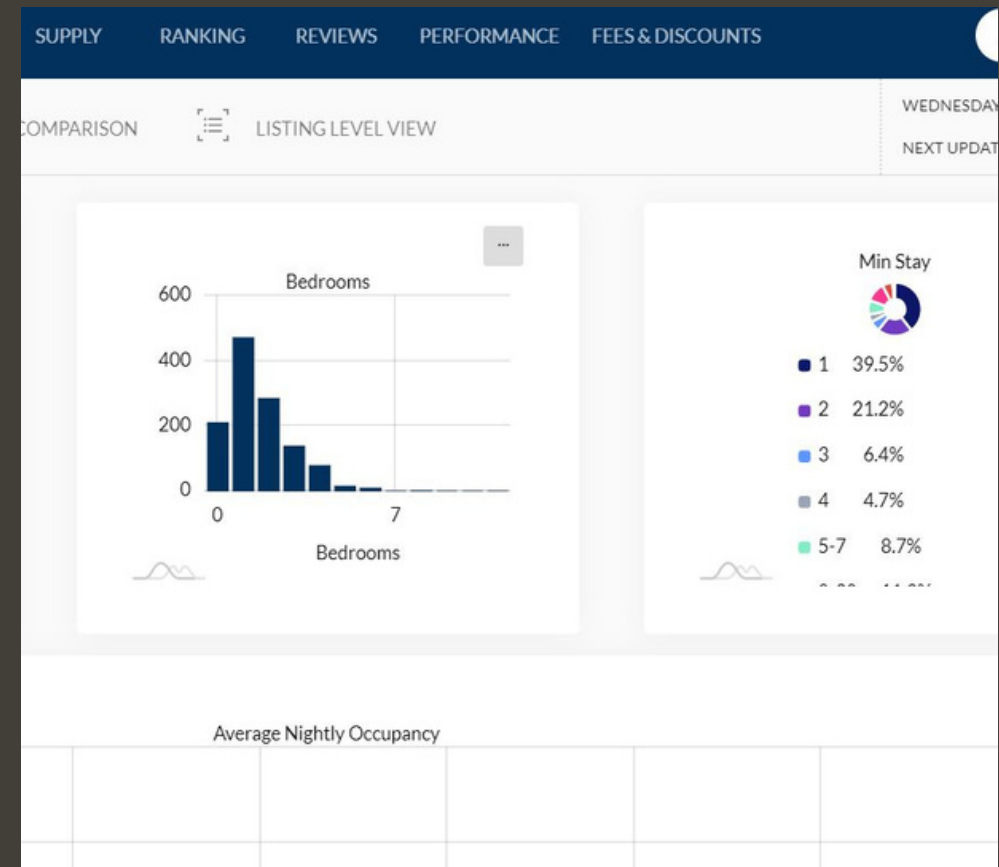
- Comparable benchmarking
- Trends

OCC, ADR, REVPAR



- Diagnosing the opportunities and the problem areas

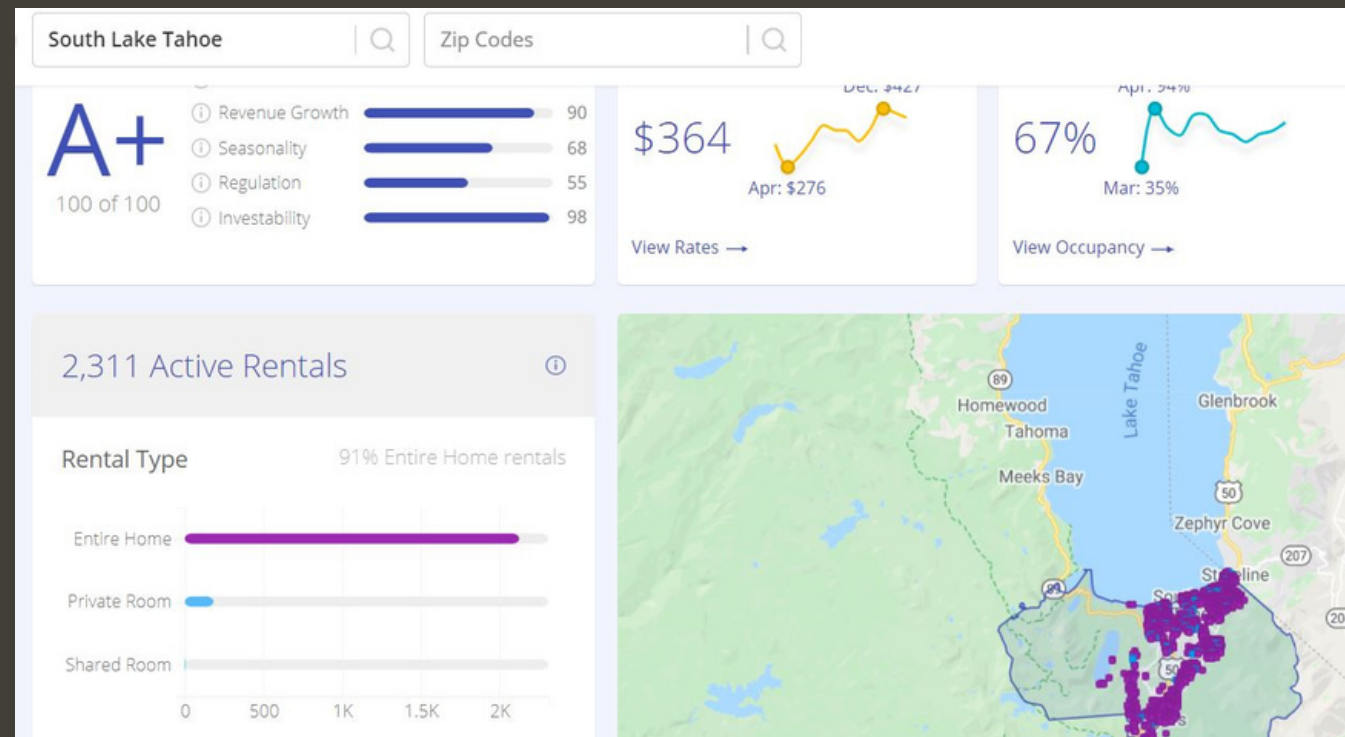
02 Consuming The Data



Bookings	Health	Hit min	Blocked	Price	Details
4 < 14 days	Good 95 80% / 31%	- % 90 day	4 % 90 day	\$222 Min: \$111	Needs review Review Confirm details
0 < 14 days	Good 94 83% / 27%	4 % 90 day	21 % 90 day	\$401 Min: \$200	Needs review Review Confirm details
—	Good 91	- %	- %	\$301	Needs review Review



SUN	MON	TUE	WED	THU	FRI	SAT
						↑ \$138 \$400
2 ↑ \$126 \$400	3 ↑ \$125 \$400	4 ↑ \$128 \$400	5 ↑ \$131 \$400	6 ↑ \$132 \$400	7 ↑ \$140 \$400	8 ↑ \$144 \$400
9 ↑ \$129 \$400	10 ↑ \$130 \$400	11 ↑ \$134 \$400	12 ↑ \$138 \$400	13 ↑ \$138 \$400	14 ↑ \$143 \$400	15 ↑ \$144 \$400
16 ↑ \$132	17 ↑ \$134	18 ↑ \$135	19 ↑ \$139	20 ↑ \$139	21 ↑ \$145	22 ↑ \$148



Filters [Cancel] [Apply]

Benchmark a Unit: [Reset]

Bedrooms: 2 x

Unit Type: Please Select

Sleeps: Please Select

Unit Location: Please Select

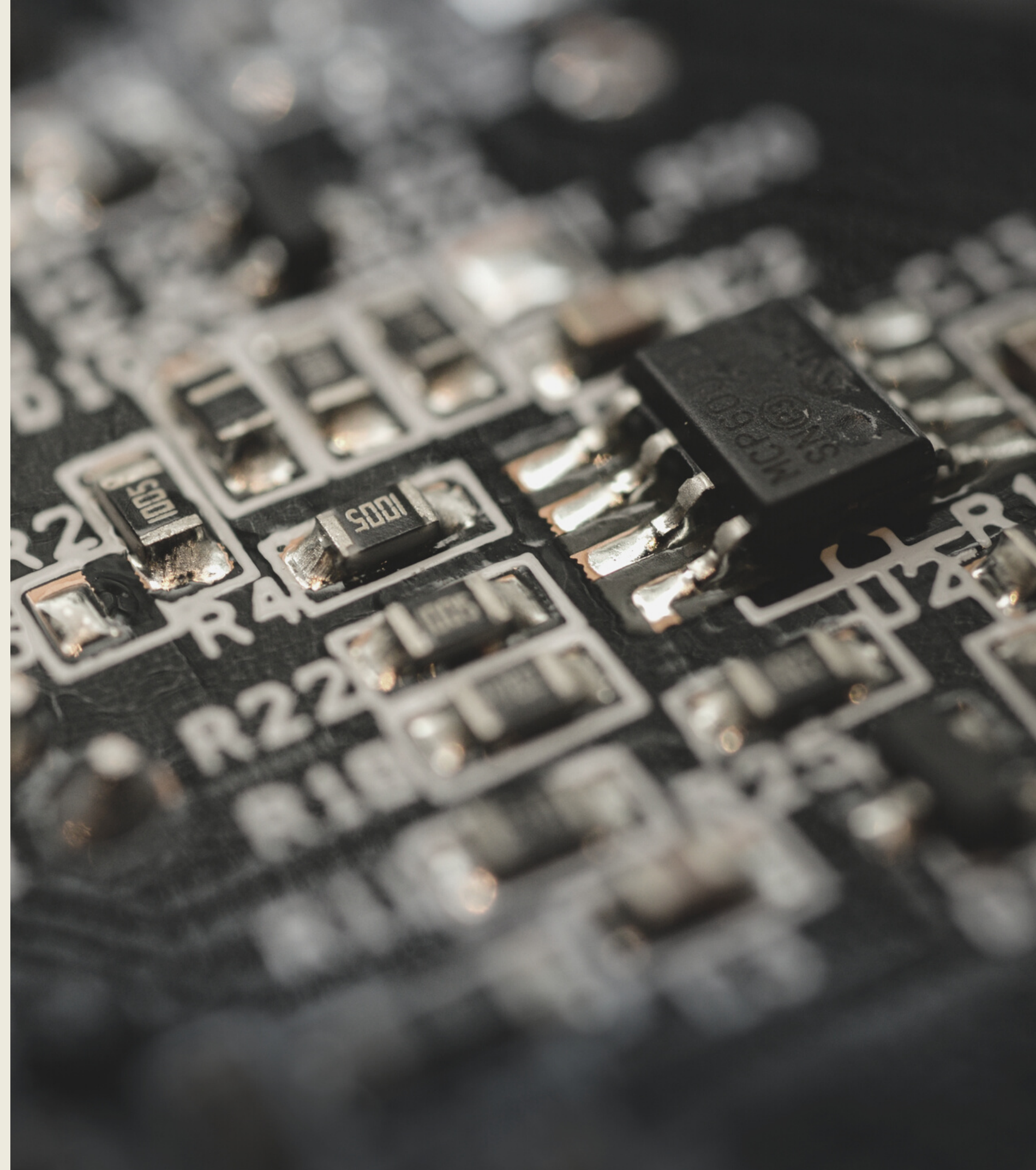
Amenities: Please Select

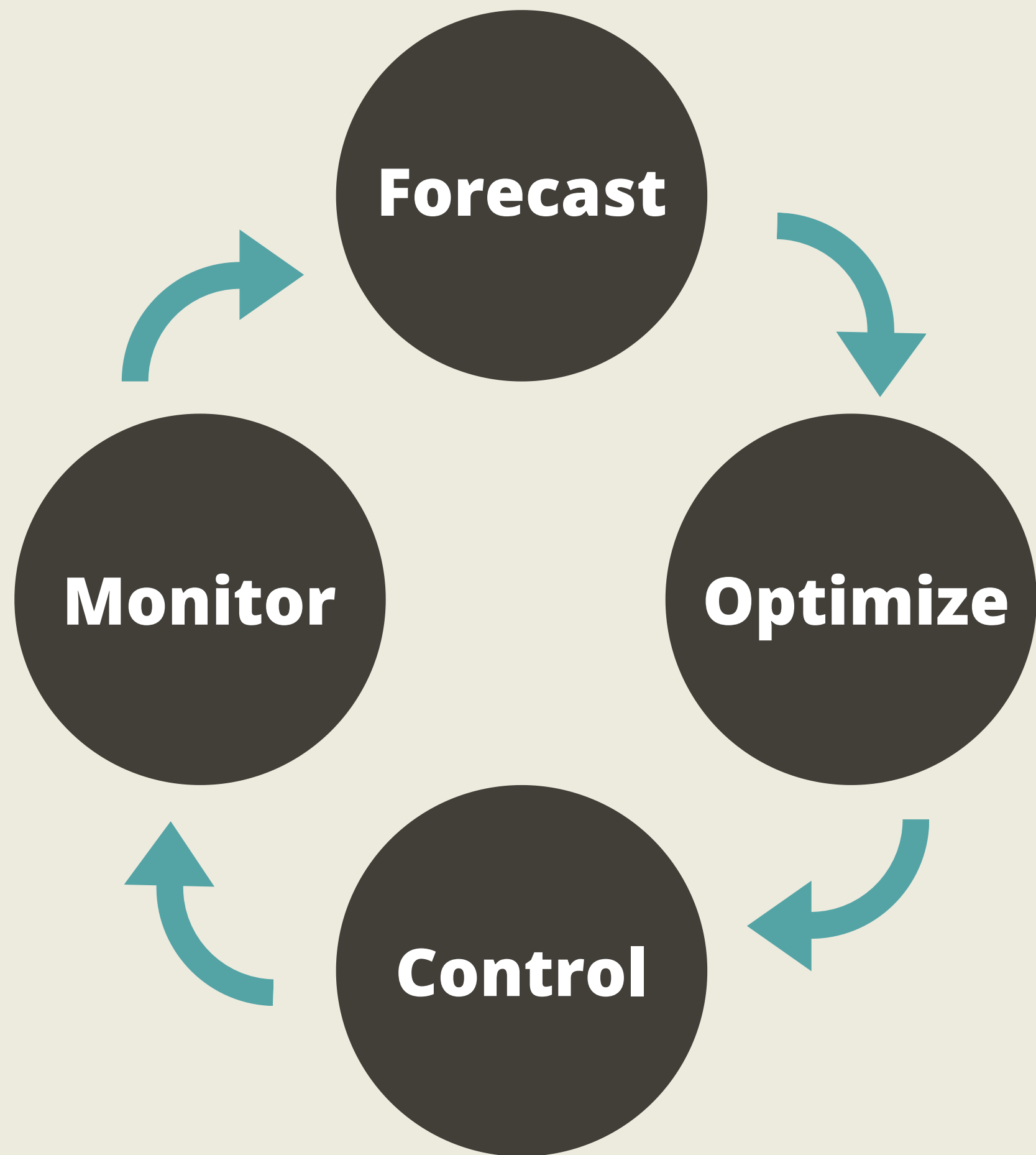
Custom Unit Groups: Please Select

For this screen the 'Areas' and 'Custom Unit Groups' filters will be limited to your property manager data only.

03

**Four Key
Meeting
Components**





FOCM: Revenue Management Cycle

FORECAST

YOUR PERFORMANCE OUTLOOK BASED ON BENCHMARKING AND TRENDS

- What days am I ahead or behind the market?
- Are there any differences within my sub-markets?
- Are there any differences in unit type?
- What is the market doing and what am I doing? Rate shops.
- How am I going to perform?



OPTIMIZE

03

- What are my findings?
- Generate Demand Periods
- Yield Demand Periods



CONTROL

PULLING LEVERS: PRICE, AVAILABILITY, PROMOTIONS, CONTENT, AND CHANNEL MANAGEMENT

03

Generate Demand

- VRBO - do I have Boost opportunities?
- Airbnb - can I make any of the promotional levers work?
- Other channel levers?
- Direct Book: coupon codes, email past guests, social, digital media
- Fundamental issues - content or review challenges?
- Do the overall LOS or cancel policies still make sense?



Yield Demand

- Increase rates
- Validate LOS patterns, orphan nights - sellout efficiency
- Is there an outlier unit or two skewing the results?

- Are my promotions working?
- Effectively raising rates, pace ok?
- Stick to the strategy, revise the strategy, repeat the cycle



04

Effectively Using Your Data



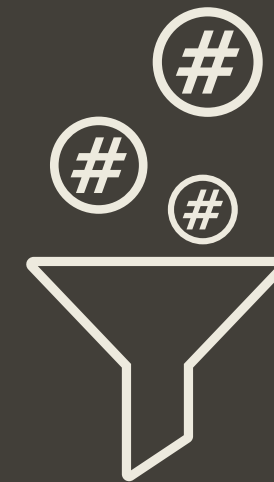
04 What is an index?

Index is a relative score / ratio
between your performance metrics
and the market metrics

It is a measurement relative to your
“fair share”.



Occupancy
ADR
RevPAR



Portfolio, cluster, unit
type, neighborhood

04 Example

Last Year	Occ%	ADR	RevPAR
	60%	\$100	\$60
Market	40%	\$125	\$50
Index	1.5	0.80	1.20

This Year	Occ%	ADR	RevPAR
	65%	\$110	\$72
Market	50%	\$143	\$72
Index	1.3	0.77	1.00

YoY Change	Occ%	ADR	RevPAR
	5%	\$10	\$12
Market	10%	\$18	\$22
Index	-0.2	-0.03	-0.20
%Index ("Share")	-13%	-4%	-17%

- Last Year:
 - We had 60% occ vs. the market at 40% for an occ index of 1.5
- Our ADR of \$100 was down to the market ADR of \$125 and an index of 0.8
- Our stronger Occ% offset our ADR weakness and resulted in a RevPAR of \$60 vs. \$50 to the market and an index of 1.2

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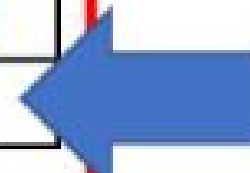
- This Year:
- We increased Occ% YoY from 60% to 65% and had higher occupancy than the market at 50%, however our index declined from 1.5 to 1.3 (WHY?)
-
- Our ADR at \$110 was also higher than previous year (\$100) but still we lost ground to the market dropping in share slightly with an index of 0.77 from 0.8 (WHY?)
-
- Our resulting RevPAR of \$72 was +\$12 to last year, but with declines in both Occ and ADR index we ended up a RevPAR index of 1.0 from 1.2. However this still represents a fair share

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- YoY Change:
- This example shows that even though we increased occ and ADR YoY and held a premium in RevPAR (1.2), the market caught up by driving more occupancy (even though we had higher occupancy overall) and slightly beating us out in better rate
- These "subtle" changes in the market resulted in a RevPAR decline of -17% !





STEP 1

Select a Revenue Management Leader



STEP 2

Establish meeting and reporting tools and cadence



STEP 3

Begin your journey to eating the competition's lunch

Summary

05

**Sarah's Story -
Q+A**



Thank You

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LOGIC



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