

BUSINESS INTELLIGENCE: A STRATEGIC PRIORITY



By Sara Duggan, Director, Marketing | TravelCLICK Inc.

WHITE PAPER

FROM SURVIVING TO THRIVING: IN A DOWN TIME, HOTELS ARE USING BUSINESS INTELLIGENCE TO BEAT THE COMPETITION

Q: In these trying economic times, how can hotels surge ahead of their competitors?

A: By using business intelligence (BI) tools.

In today's economy, business intelligence should not be considered a luxury that hotels can defer when times get rough. Rather, it should be viewed as an essential tool for protecting market share, identifying unproductive rate strategies, and uncovering new revenue opportunities. Whatever your property type, if you are not leveraging these tools, it will cost you.

At TravelCLICK, in fourth-quarter 2008 and first-quarter 2009, our BI customers worldwide realized a 39% increase in revenue performance over non customers. The benefits were experienced across all property types: brand customers realized a 42% increase, small-chain customers realized a 53% increase, and independent customers realized a 34% increase. (See chart below for regional breakdown.)

Revenue Performance of TravelCLICK BI Customers Over Non Customers, Q4 2008 and Q1 2009

Region	Property Type	Percent Increase over non customers
Americas	Brand	42%
	Small-chain	55%
	Independent	41%
Asia-Pacific	Brand	43%
	Small-chain	21%
	Independent	24%
Europe, Middle East, and Africa	Brand	38%
	Small-chain	66%
	Independent	38%

Based on properties using TravelCLICK Hotelligence® and/or FuturePACE® and GDS

A key part of managing through a downturn is reassessing your competitor set to keep abreast of the changes in consumer and marketplace behavior. Use all the BI tools available—for example, Hotelligence reports to understand your current market position and FuturePACE to illuminate future performance trends. Compile a detailed picture of the competitive environment, including who is traveling and from where, as well as what business your competition is getting. For example:

- Compare your hotel's arrival patterns with those of the competitor set. Does the competitor set enjoy strong Sunday arrivals? If so, find out why and work to target those accounts.
- Look at the bookings history for the travel agents worldwide using the Global Distribution System (GDS), including information on booking sources, rates, and length-of-stay patterns for you hotel and your competitive set. Use this information to target your sales efforts to specific GDS or travel agencies.
- Use the length-of-stay pattern information to understand any negative effects that minimum length-of-stay restrictions may be having on your business.
- Determine high, medium, and low price points in the market. Are they moving your business? Mine the report for agencies in specific price points.
- If you are considering discounting, use responsible discounting to respond to market conditions instead of blindly following panic rate cuts. For example, in corporate business, will reducing a rate result in increased room nights? Or will it simply dilute revenue? Does the company have the volume to offset the rate decrease?
- Sort to narrow your target market and filter by year-to-date (YTD) to eliminate seasonal anomalies.
- Mine the agencies that have increased room night volume with your competitors but have provided no reservations to your property.
- Consider day-of-week (DOW) patterns. Drill down to understand weekend-only stays, peak nights, lowest days, week-day stays, and arrivals Sunday through Wednesday.



Knowledge is Power Series
Distribution Series - Part One

Corporate Headquarters
Chicago +1 847 969 0820

Europe Office - Barcelona
+34 93 520 80 08

Asia Pacific Office - Melbourne
+61 3 9699 9969

www.travelclick.net

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- Monitor future patterns and pace. Forward-looking BI tools like FuturePACE let you understand the impact of current revenue management strategies on future bookings and measure the effectiveness of pricing changes on market share.

Smart hoteliers recognize that today's down time is exactly the time to think strategically, not reactively. Regardless of the economic climate, business intelligence tools can help you make more informed and responsive decisions quickly—to leverage opportunities before your competition and dramatically improve your revenue performance.



Drawing on global experience in Operations, Distribution, Revenue Management & Marketing, Sara Duggan is currently Director of Marketing for TravelCLICK. Born and raised in Southern Africa, she received her Post Graduate degree in Business Hospitality at IHTTI Hotel School in Switzerland. Prior to joining TravelCLICK and moving to Canada, she worked extensively as a consultant in both Revenue Management

and Marketing. She has created and led the Revenue Management and Distribution Departments for Blackstone's European properties. Sara also holds the designation of Certified Revenue Management Executive from the Hospitality Sales and Marketing Association. A recognized expert in her field, she is a frequent speaker and writer on revenue management and distribution at industry conferences and hospitality schools.



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