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10 WAYS YOUR HOTEL IS LOSING REVENUE

It's easy to succumb to the common revenue management pitfalls, but these snafus could really cost you. Here are **10 reasons** it's finally time to break up with your bad revenue strategy habits.

1 NOT UNDERSTANDING YOUR CHANNEL COSTS

To accurately track costs, effective best practices and standards should be structured around the proper use of business coding and data collection. This helps ensure your available data is accurate and suitable for digging into new channel performance opportunities.

2 NOT MEASURING THE IMPACTS OF YOUR PRICING STRATEGY

Do you understand and measure the impact of a pricing change? If you're lowering your rate, will your discounted offer produce enough incremental reservations to exceed the revenue expectations of the previous or non-discounted rate? Revenue technology and booking reports are great tools to help you measure these types of pricing impacts.

3 NOT UNDERSTANDING WHAT MARKET TO PUT YOUR MARKETING DOLLARS IN

Travel intent data uses search and booking data from third-party booking sites and OTAs to help quantify the demand your hotel can expect for future dates. This type of predictive demand intelligence provides you with human-focused insights that allow you to market strategically.

4 STIMULATING OFFERS WITHOUT UNDERSTANDING THEIR TYPICAL BOOKING

Setting a discount offer that doesn't fall into the typical booking window of a targeted segment won't help you produce your desired revenue results. This is where the dashboard and reporting features in your RMS can help you understand the booking windows of your different market segments.

5 CONTRACTING NEGOTIATED ACCOUNTS ON RELATIONSHIP, RATHER THAN PRODUCTION AND REVENUE TECHNOLOGY

Nearly every hotel has that company they've negotiated contract rates with for 10-plus years. Revenue technology helps you hash out the booking history and details of rate discounts so you can maximize revenue and still offer an attractive rate for repeat business year after year.

6 NOT HAVING ENOUGH COOKS IN THE REVENUE MANAGEMENT KITCHEN

In addition to your general manager, are you including group sales, the director of sales, marketing, front office and e-commerce? Having the right constituents in your corner leads to a broader understanding of your hotel's overall revenue goals—and cascades into their respective departments.

7 OVERPLAYING YOUR DEMAND HAND

In situations with extraordinary demand, it's important to recognize that a special event or city-wide conference may cause a reduction in your market's typical demand. It's vital to understand that your market's extra demand is not necessarily going to be on top of your typical business demand.

8 NOT FOCUSING ON FILLING OCCUPANCY VALLEYS

Revenue managers often have a dedicated focus on maximizing demand peaks, rather than minimizing their demand valleys. This common oversight represents a lost revenue opportunity for many hotels and revenue managers.

9 NOT UNDERSTANDING THAT DEMAND IS ALSO A FUNCTION OF PRICE

Demand for your property fluctuates with the price point in the market. Raising your rates may not see the full demand come to fruition and lowering your rates does not necessarily increase market demand.

10 NOT FOCUSING ON THE REAL GOAL AT HAND: MAXIMIZING PROFIT

Too often the message to revenue managers is to increase revenue through occupancy or targeted ADR goals. Neither of these necessarily "cash at the bank," and overall profitability and GOP should be your hotel's focus and revenue strategy.

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