

# Revenue management

Protecting yield in a market with more supply than last season.

- 01 Where revenue disappears before pricing even starts
- 02 Why the booking you accept can cost more than the one you refuse
- 03 Reading your own numbers weekly, not quarterly

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SAME MARKET. SAME SIZE.

# Which one would you rather own?

## PROPERTY A

**90%**

occupancy

**Rp 1,000,000**

average nightly rate

## PROPERTY B

**60%**

occupancy

**Rp 1,600,000**

average nightly rate

**Hands up.**

$$\text{RevPAR} = \text{occupancy} \times \text{rate}$$

PROPERTY A

**Rp 900,000**

RevPAR

PROPERTY B

**Rp 960,000**

RevPAR

**B wins — with nine fewer nights sold.**

27 nights at a million, against 18 nights at 1.6. Half this room disagreed with the other half, and neither number could settle it alone.

# Three questions, and a habit to take home.

## 1 Which number tells the truth?

Why your owner and your manager are both right, and both wrong.

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## 2 How do I see a bad month coming?

Finding it in August, while you can still do something about it.

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## 3 When is saying no the right answer?

A booking you accept can cost more than one you turn down.

**You leave with a thirty-minute routine you can run every Monday.**

## THE SCOREBOARD

# Three numbers, and only one of them is **honest**.

1

### Occupancy

How full you are.

Easy to cheat — fill the villa by giving it away.

2

### Average rate

How expensive you are.

Easy to cheat — sell three nights a month.

3

### RevPAR

Occupancy  $\times$  rate.

**The one you cannot cheat without losing money.**

### Your commission probably isn't 15%.

If 60% of guests come through a 15% channel and 40% book direct, your real cost is 9%. Run your own split — and price the difference: on Rp 1 miliar of room revenue, every ten points you move to direct is Rp 15 juta you keep.

PACE

# How to see October slipping — in August.

On the books for October, today

42%

Same point last year

58%

Where last year actually finished

81%

## 81% is the trap

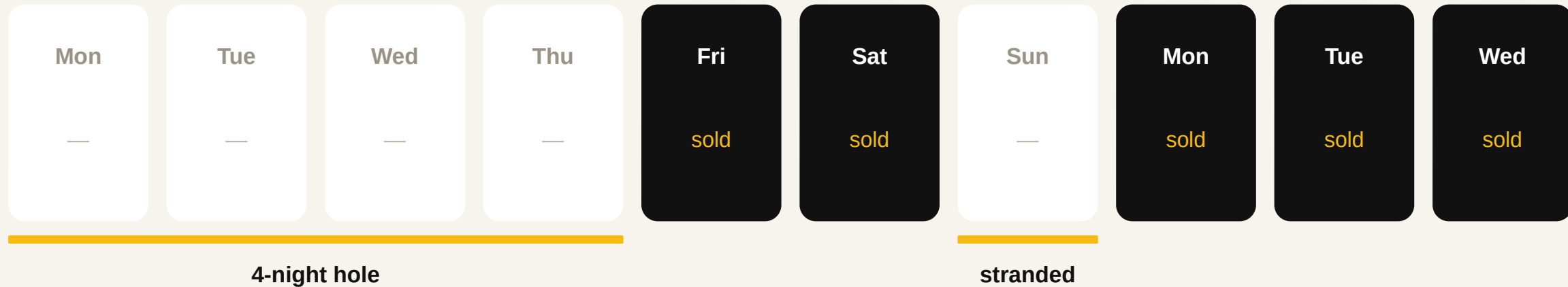
Compare to the same point last year, never to last year's final result. By the time this October reaches 81% the month is over and there is nothing left to decide.

**Sixteen points behind, with sixty days to fill them.**

An empty calendar isn't a problem. **An empty calendar that was fuller last year is a problem.**

LOOK AT NIGHTS, NOT PERCENTAGES

## Six of ten nights sold. **And still a problem.**



A 60% month reads fine in a report. On the calendar it is a four-night hole nobody will book and one orphaned Sunday between two stays.

Monthly occupancy tells you whether to worry. **Only the nightly calendar tells you what to do.**

## WHAT DOES THIS BOOKING COST YOU?

**Every booking you accept destroys the option to sell those nights differently.**

### ACCEPT

2 nights × Rp 2,000,000

**Rp 4,000,000**

Money now.

### HOLD

5 nights × Rp 1,700,000

**Rp 8,500,000**

Only if the guest shows up.

**Your break-even is 47%.  $\text{Rp } 4,000,000 \div \text{Rp } 8,500,000$ . Above it, hold. Below it, take the money.**

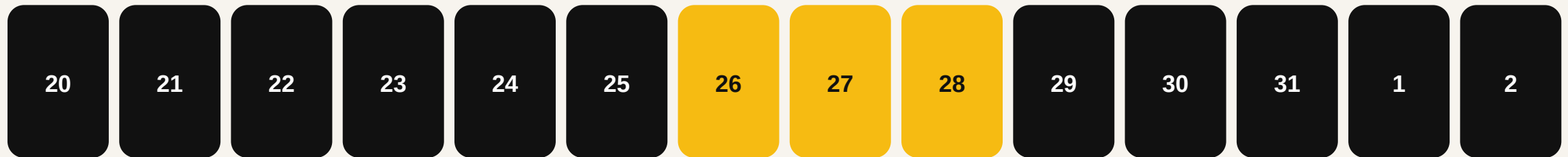
|             |            |   |                       |                |
|-------------|------------|---|-----------------------|----------------|
| 90 days out | 60% likely | → | Rp 5,100,000 expected | hold           |
| 45 days out | 47% likely | → | Rp 3,995,000 expected | the coin flip  |
| 21 days out | 30% likely | → | Rp 2,550,000 expected | take the money |

*The probability decays as check-in approaches. Displacement logic has an expiry date.*

YOU ARE NOT DISPLACING THREE NIGHTS

# You are displacing **the whole fortnight.**

Dec 20 — Jan 2 · last year: one 14-night stay at Rp 4,200,000 a night



A 3-night request at Rp 3,000,000, landing in the middle — and leaving a 6-night stub and a 5-night stub either side.

**Rp 9,000,000**

the 3 nights, plus two stubs to sell over the busiest fortnight of the year

**Rp 58,800,000**

14 nights, one stay, one turn

Now sell both stubs at the full Rp 4,200,000 — every night, no gaps. **You reach Rp 55,200,000. Still Rp 3,600,000 short, for two extra guests and two extra turns.**

AND IT IS NOT ONLY PRICE

# Price is the **last gate**, not the first.

01

## IMPRESSIONS

**Are you shown at all?**

Visibility boosters, promotion and Genius participation, and the restrictions that quietly take you out of the results.



02

## CLICKS

**Shown, and not clicked.**

The first photo. The title. How your rate reads next to the six listings sitting beside you.



03

## CONVERSION

**Clicked, and not booked.**

Review score and review count, per channel. The description. Minimum stay. What appears at checkout.



04

## PRICE

**Only now.**

And only once the three gates in front of it come back healthy.

**A listing shown and not clicked has no price problem.**

This is the rule behind the revenue engine we are building: it reads MyDataValue, PriceLabs, Channex and Elev8, and returns one recommendation per room with the evidence behind it — including the case against it. Nothing reaches a channel without a snapshot first, so every change can be undone and its effect measured.

**Every decision you make in your inbox  
is one your rules should have made  
for you **in advance.****

Set the minimum stay. Close the arrival day. Price the peak properly.

**Then the bad request never reaches you.**

THIRTY MINUTES, EVERY MONDAY

# The habit, **not the theory.**

**01**

## **Check pace**

Next 90 days, on the books versus the same point last year. Where am I bleeding?

**02**

## **Scan nights**

Not the monthly percentage. Find the orphans and the fragmentation.

**03**

## **Rules before rates**

Minimum stays, arrival rules, gap fills. Only then touch price.

**04**

## **One post-mortem**

Anything that sold instantly was mispriced. Feed it into next year.

**Look at nights before you look at percentages.**

UP NEXT AT THIS EVENT

# Every lever today sits on somebody else's shelf. The next one doesn't.

## The commission you just worked out

Nine per cent blended was the honest number. On a direct booking it is the one cost you can price all the way down.

## The fight for impressions

On a channel you compete for visibility against six listings beside you. On your own site there is no shelf to be ranked on.

## The guest, afterwards

Reviews, content and the second stay belong to whoever owns the relationship. On an OTA that is not you.

### NEXT SESSION

## Direct booking playbook

Reaching 40%+ direct bookings without an agency or a developer.

**Reto Wyss**

Elevate Software AG

# Testing price elasticity

01

## Change one thing

Move price. Hold min-stay, photos, channel mix and promotions still.

02

## Compare like with like

Two similar units in the same period, or one unit across two similar periods.

03

## Score it on RevPAR

Occupancy always rises when you cut price. That is not the question.

04

## Give it enough nights

A fortnight of data is noise. Judge over a season.

## Elasticity isn't constant

### Far from check-in

The guest has plenty of substitutes but no urgency. Demand is thin and price-sensitive.

### Close to check-in

The guest still searching has fewer options and more urgency. Far less price-sensitive than most operators assume.

**Which is why reflexive last-minute discounting destroys more revenue than it rescues.**

# Pace, forecast, budget

**Forecast = on the books + expected remaining pickup**

## Pace

Where you stand versus the same point in history. Diagnostic — it tells you something is wrong.

## Forecast

Where you will actually land. Predictive — pace plus what your pickup curve says is coming.

## Budget

What you promised the owner in January. Fixed. The variance against forecast is the conversation.

### Careful: your history is constrained demand.

If a period sold out sixty days early, you never saw the guests you turned away. Your data records what you sold, not what you could have sold.