

Amadeus Hotel Platform - Revenue Management

Which rooms should I sell to whom, when and at what price to achieve maximum profitability for my hotels?

Don't just settle for an educated guess. With **Amadeus Hotel Platform - Revenue Management**, you can **transform your business performance** by making informed inventory and rate management decisions based on concrete business intelligence.



Amadeus Hotel Platform - Revenue Management is a state-of-the-art solution that works to fill your hotel rooms at the most profitable price according to learned demand patterns. Using advanced forecasting models combined with detailed historical and future booking data, Amadeus Hotel Platform - Revenue Management makes intelligent rate and inventory recommendations to maximize your hotel's revenue contribution and increase profitability. The proposed optimization strategies are calculated in real-time and can be adjusted dynamically to changes in the hotel environment, ensuring accurate and reliable business intelligence is accessible 24/7.

This web-based solution is available as a stand-alone solution and will also be fully integrated into Amadeus Hotel Platform.

With one solution, transform business performance in 4 key areas:

Anticipate future room sales with advanced forecasting technology that can predict demand patterns.

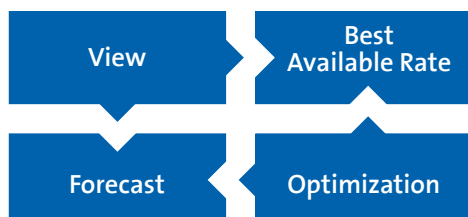
Define optimal room allocation and rate strategies to maximize revenue contribution based on intelligent recommendations.

Respond quickly to changes in the market with automated and customizable system alerts, monitoring the macro and micro environment.

Track and evaluate room sales and customer behavior with advanced, centralized reporting providing a 360° view of cross-company activity.

The Amadeus Revenue Management solution is a comprehensive revenue optimization tool, which is both flexible and scalable. It is comprised of four core components which can be complemented by two optional modules:

Core offer



Options



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Your technology partner

1. View component: provides detailed performance statistics for all or a selection of hotels

Tracking detailed activity data for a hotel is time-consuming but essential in order to effectively monitor historical and 'on-the-books' business. Multiply this process to a cluster of hotels, and it is clear that automation and improved visualization can bring important benefits to hoteliers.

Using historical and future data collected from the hotel PMS or CRS, the View component of Amadeus Hotel Platform - Revenue Management imports booking information for single and/or multiple properties into the following categories: occupancy, guests, revenue, denials, no-shows, walk-ins, ins and outs, length of stay, reservations pattern and groups.

With this data, the View component produces a detailed analysis of a hotel's performance, which presented in the form of graphical dashboards and charts, is easier to view, interpret and react upon. Hotel activity reports can be generated:

- **By time:** data is shown day by day in a date-period graph.
- **By day of the week:** data is grouped by day of the week in a date-period graph.
- **By cross analysis:** data is grouped day by day in a date-period graph, and crossed with other axis such as source of business, yield class, segments, country channels.
- **By another dimension:** data is presented in a pie chart.
- **By day of the week and axis:** data is grouped by day of the week in a date-period graph, and crossed with other axis.

The View component enables Hotel Managers to follow the evolution of each sale, and produce dynamic statistics and reports on bookings, occupancy and profits, making it an ideal commercial and marketing tool.

Key Benefits

- Assists Hotel Managers with timely and strategic decision-making, helping to stay one step ahead of the market.
- Hotel Marketers can use the reports to identify needs and market trends, which can be translated into future promotional and communication activities.
- The number of screens/reports available is the highest in the industry with 250 versus an average of 100, providing more in-depth business analysis opportunities.
- Produces a daily capture of each property's business to make more relevant and informed revenue management decisions.
- Reports can be aggregated and customized to each hotel company's requirements (e.g. per region).

2. Best Available Rate component: provides dynamic best available rates

The Best Available Rate (BAR) component computes best rate recommendations for each hotel according to the following business rules. It will also highlight the specific rate which a hotel should sell by arrival date, helping hoteliers to drive their pricing strategy.

- **Maximum sales:** number of 'on-the-books' reservations
- **Lead time:** the number of days before arrival
- **Forecast:** the projected unconstrained (or constrained) occupancy

The Best Available Rate component analyzes demand fluctuation when rates are increased or decreased, and proposes optimal daily price and inventory recommendations based on these variations. However, it is also possible for Revenue Managers to override BAR recommendations, in order to apply special conditions or to protect a particular rate at property level.



Key Benefits

- A highly configurable tool which can be customized to provide optimal price recommendations according to each hotel's individual requirements.
- Provides real-time pricing recommendations based on price elasticity calculations.
- Offers complete flexibility for Revenue Managers to accept or reject BAR recommendations.

3. Forecast component: provides detailed forecast statistics on future business

The Forecast component uses dynamic models, 'on-the-books' reservations and business trends to compute the future demand for a hotel for the upcoming 365-day period.

When forecasting for distant dates, the Revenue Manager can use the budget information available to calculate the forecasted demand. The budget is used as a scenario analysis, with several budgets

being tested for simulation purposes. The Forecast component will then evaluate the operational impact of each budget on RevPar, ADR, Occupancy etc. All budget scenarios are tested in isolation to ascertain the potential operational outcome when transmitted to the live system. The budget module adds value in helping hotels to produce more accurate forecasts, especially when 'on-the-books' reservations are not available for far-away dates.



Key Benefits

- Using robust statistical algorithms, forecast accuracy can be measured within a +/-20% average error range.
- Scenario forecasting:
 - No other RM solution provides Revenue Managers with 365-day ahead forecasting capabilities using multiple budget scenarios.
 - The mix of strategic and day-to-day/operational data helps hoteliers evaluate in real-time the impact of changes compared to actual budget on the operations themselves.
- Group forecasting: historical group booking data is recorded, segmented and analyzed to compute future group forecasts. This enables hoteliers to understand group patterns and behavior (e.g. cancellation or extra booking trends).

4. Optimization component: provides dynamic daily recommendations to maximize revenues and profitability

The Optimization component provides Revenue Managers with daily recommendations, calculated to optimize sales and achieve the highest possible revenue contribution across room types and rate categories.

Recommendations can be applied to an individual hotel, a defined sub-set of properties, or across the whole group, and include:

- **Bid price (hurdle rate):** refers to the revenue trade-off between selling a room now versus selling at a later stage, and is calculated dynamically based on the current hotel price structure and the probabilistic forecast demand.
- **Length of stay:** proposes the most beneficial length of stay per yield class.

- **Booking limits:** recommends room sale thresholds by price according to demand forecasts.
- **Overbooking:** suggests by how much to overbook each hotel in order to reduce loss of revenue from unexpected no-shows and cancellations.
- **Deal quotations:** quantifies whether the acceptance or denial of groups is more beneficial to the hotel in terms of overall revenue generation.

In order to compute the most accurate recommendations, the Optimization component calculations are based on unconstrained demand.

Key Benefits

- Length of stay can be calculated in 2 ways: based on day of occupancy, and day of arrival forecast. This is done using cutting-edge algorithms.
- The 'deal quotations' recommendation gives hoteliers true competitive advantage to propose alternative accommodation options to groups. It can also easily quote repeat groups with the same booking pattern.
- This component proposes true pricing optimization, using both BAR and dynamic price recommendations.

Amadeus - a Technology Partner you can trust

When you select Amadeus Hotel Platform - Revenue Management, you are guaranteed a superior technology solution that has been custom-built to optimize hotel room revenues, and a dedicated team of hotel specialists who will work with your hotel management to ensure a successful partnership from signature to implementation and beyond. Our credentials speak for themselves:

- Amadeus is the **leading technology provider to the travel and tourism industry**, delivering unlimited distribution capabilities, mission-critical and scalable IT solutions to the world's biggest travel brands. Over 10,000 employees develop and commercialize our extensive portfolio of travel solutions in some 195 countries worldwide, of which 170 are hotel experts.
- Amadeus offers **open architecture and ASP solutions** to our community of users, enabling them to benefit from constant technology evolution and innovation. With over 20 patents filed every year, Amadeus is committed to providing innovative technology to hoteliers.
- Amadeus owns and operates one of the **largest civil data centers in the world**, bringing massive computational power and the highest level of reliability and security.
- Amadeus works in **close partnership with our customers** to help them succeed in today's challenging market.
- Amadeus is committed to delivering and investing in technology solutions to **drive business transformation** by giving hotel chains the tools to build brand value, modernize operations, increase revenues and reduce costs with IT and distribution solutions.
- A **pioneer in hotel revenue management** since the mid 1990s, Amadeus has over 1,250 properties installed with Amadeus Hotel Platform - Revenue Management, ranging from major multi-national chains of 500+ hotels to small hotel set-ups (May 2011 figures).

Optional Component

Amadeus Hotel Platform - Revenue Management offers two additional components that complement the core package. To learn more about these products, please request the Sales Sheet on Market Pricing and Customized Services.



Contact Us

For more information on Amadeus Hotel Platform - Revenue Management, please contact: hospitalitymarketing@amadeus.com or visit: www.amadeus.com/hotelit