Contents

Foreword  xiii

Acknowledgments  xvii

About the Author  xxi

Part One  New Analytics for a New Environment: The Evolution of Hotel Revenue Management Analytics, Technology, and Data........................................... 1

Chapter 1  The Social World Has Changed Revenue Management Forever  3
  The Changing Marketplace  6
  The Evolution of the Revenue Management Function  7
  What to Expect from This Book  10
  What’s in This Book  13

Chapter 2  Demystifying Price Optimization  17
  A History Lesson: Yield Management in the Airlines  20
  Then Things Changed . . .  22
  Price Optimization  24
  What Is Optimization?  27
  And the Money Came Rolling In . . .  36
  Additional Reading  40
  Revenue Management Perspectives  41
  Notes  45

Chapter 3  Big Data, Big Analytics, and Revenue Management  47
  What Is Big Data?  50
  Where Big Data Meets Big Analytics for Revenue Management  61
  Data Visualization and Big Data  63
  Responsible Use of Big Data  67
  Conclusion  76
  Additional Reading  77
Revenue Management Perspectives: The Role of Big Data in Revenue Management Science 78
Note 82

Part Two  The Expanding Role of Revenue Management ........................................... 83

Chapter 4  Hotel Pricing in a Social World: Price, UGC, and Buying Behavior 85
Price, Ratings, and Reviews: How Consumers Choose 87
Business Travelers Loyalty and Demographics 101
User-Generated Content and Lodging Performance 109
Conclusions from This Research 111
Reputation and Revenue Management Systems 113
Conclusion 119
Additional Reading 120
Revenue Management Perspectives: A Case for TripAdvisor Rank 120

Chapter 5  Integrating Revenue Management and Marketing 127
A Vision for Integrated Marketing and Revenue Management 130
Limitations of the Revenue Management Approach 134
Understanding Marketing Data and Analytics 136
Integrating Revenue Management and Marketing Decisions 137
Achieving the Vision 140
A Word of Caution 143
Conclusion 145
Additional Reading 146

Chapter 6  Total Hotel Revenue Management 151
Revenue Management Beyond Rooms: A Process 155
Guest-Centric Revenue Management 169
What Is the Goal of Total Hotel Revenue Management? 172
Putting It All Together 175
Conclusion 178
Additional Reading 181
Part Three  The Future of Revenue Management: Pricing as a Business Strategy ................................. 189

Chapter 7  Pricing as a Strategic Tool  191
  Strategy Considerations  194
  Pricing to Support Business Strategies  203
  How to Be More Strategic in Pricing  206
  Benefits of Strategic Pricing  209
  Conclusion  214
  Additional Reading  215
  Revenue Management Perspectives:
    ADR versus Market Share  215
  Notes  219

Chapter 8  The Path to Personalization: Revenue Management’s Contribution to the New Guest Experience  221
  Personalization, a Vision  224
  Moving Past Traditional Web Analytics to Digital Intelligence  229
  Integrated Data for Digital Intelligence  231
  Revenue Management Supporting the Personalization Vision  233
  How Do We Get Started?  239
  Examples of Starting on the Path to Personalization  242
  Profiling versus Tracking Behavior:
    A Cautionary Tale  245
  Final Advice for Revenue Managers  246
  Additional Reading  247
  Revenue Management Perspectives: Convergence of Digital Marketing and Revenue Management  247
  Notes  249

Chapter 9  The Future of Revenue Management  251
  Profile of a Revenue Manager  254
  Revenue Management Career Paths  261
  Revenue Management Organizations  264
  Final Thoughts  277
  Additional Reading  279
  Revenue Management Perspectives:
    A Case Study in Organizational Structure for Revenue Management  280
  Notes  282
CONTENTS

Appendix 283
Discussion Questions 309
References 315
Index 321