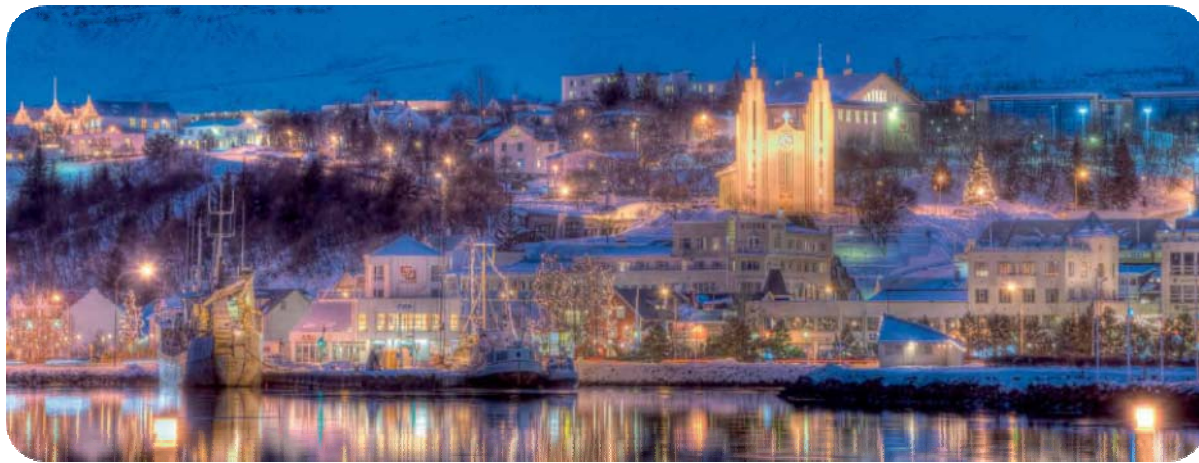
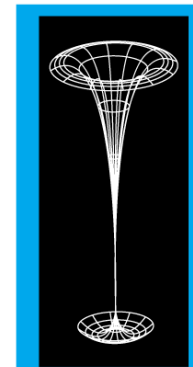


# Yield and Distribution Management

For Icelandic Hoteliers and Hospitality Providers



In Conjunction with SAF - 2010



E-COMMERCE - TRAVEL SPECIALISTS

**TIME COMMUNICATIONS Group**

Reykjavik - Iceland

March 23<sup>rd</sup> 2010

# Today's Agenda

## Morning Hoteliers Session

**Yield and Distribution Management – The 5 C's**  
How do you apply it to your organisation to optimise revenues & maximise channel reach?

**Simple Yield & Revenue steps you can adopt up to more complex strategies**

**Understanding “Variable Rates” and “Fences”**

**Market Mix Metrics – The 4 Quadrants**

**Distribution Management and Online Channel Control**

## Afternoon Plenary Session

**The Social Media Revolution**  
On-line reputation, virtual presence and digital identity today are crucial points in the business world

**Communication 3.0 – The ability to think differently – Monitor and keep in touch**

**The culture of APP – Use theirs to build yours**

**Winter tourism opportunities in Iceland**

**Conclusions and next steps**

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# Time Communications Group



- ➔ Established in April 1997
- ➔ Electronic Marketing, Distribution & Yield consultants to the travel industry
- ➔ Providing:
  - ➔ **Creativity** – innovative & targeted
  - ➔ **Capability** - technical know-how, evaluation & technology watch
  - ➔ **Service** - convenience, empathy & commitment
  - ➔ **Consistency** - objectives, values & vision
  - ➔ **Discipline** - scheduling, cost control & management training

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# **Hotel Yield and Distribution Management**

**How do you apply it to  
your organisation to optimise  
revenues and maximise  
channel reach?**

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# Distribution is Changing

Customers are Buying via Multiple Shop Fronts Today



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# What is Yield Management?

- ⇒ **A discipline**
- ⇒ **A culture**
- ⇒ **A way of doing business**

# What is Yield Management?

Yield Management is the umbrella term for a set of strategies that enable capacity-constrained service industries to realize optimum revenue from operations

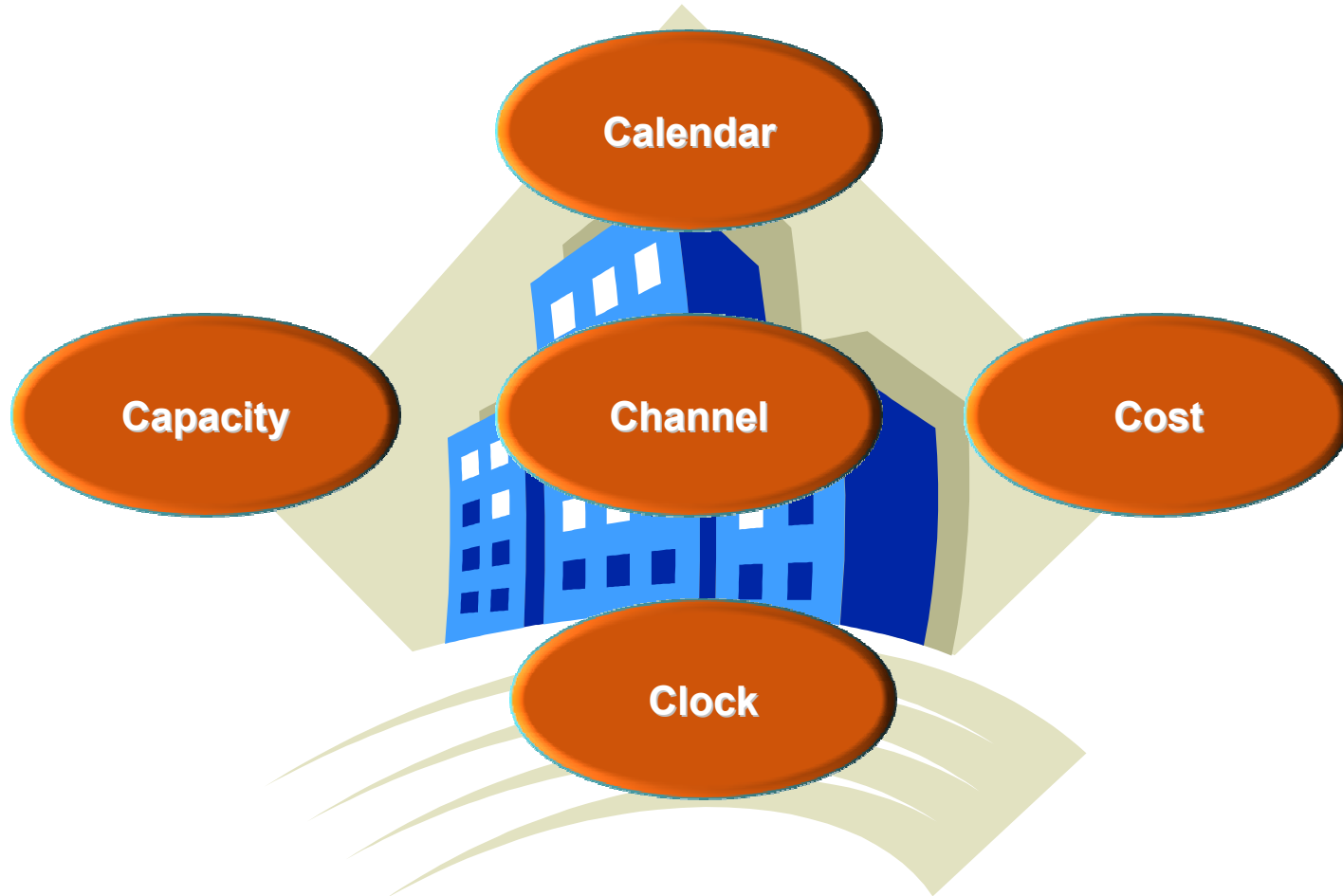
*Centre for Hospitality Research Cornell University*

Providing the right service to the right customer  
at the right time at the right price!

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# The Strategic Levers of Yield Management – The 5 C's

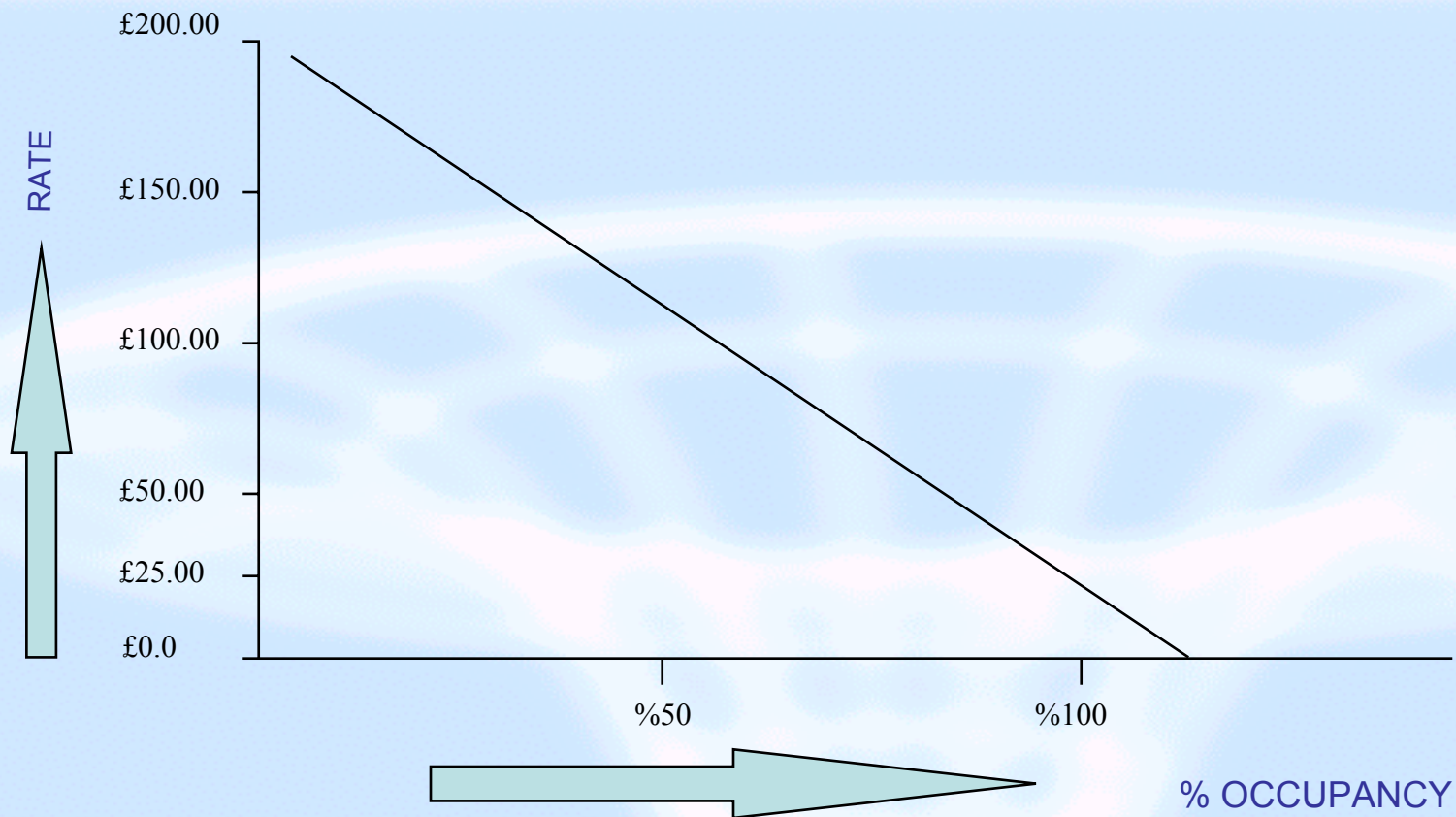


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# How does Yield Management Work?

## How Could it Make Your Product More Profitable?

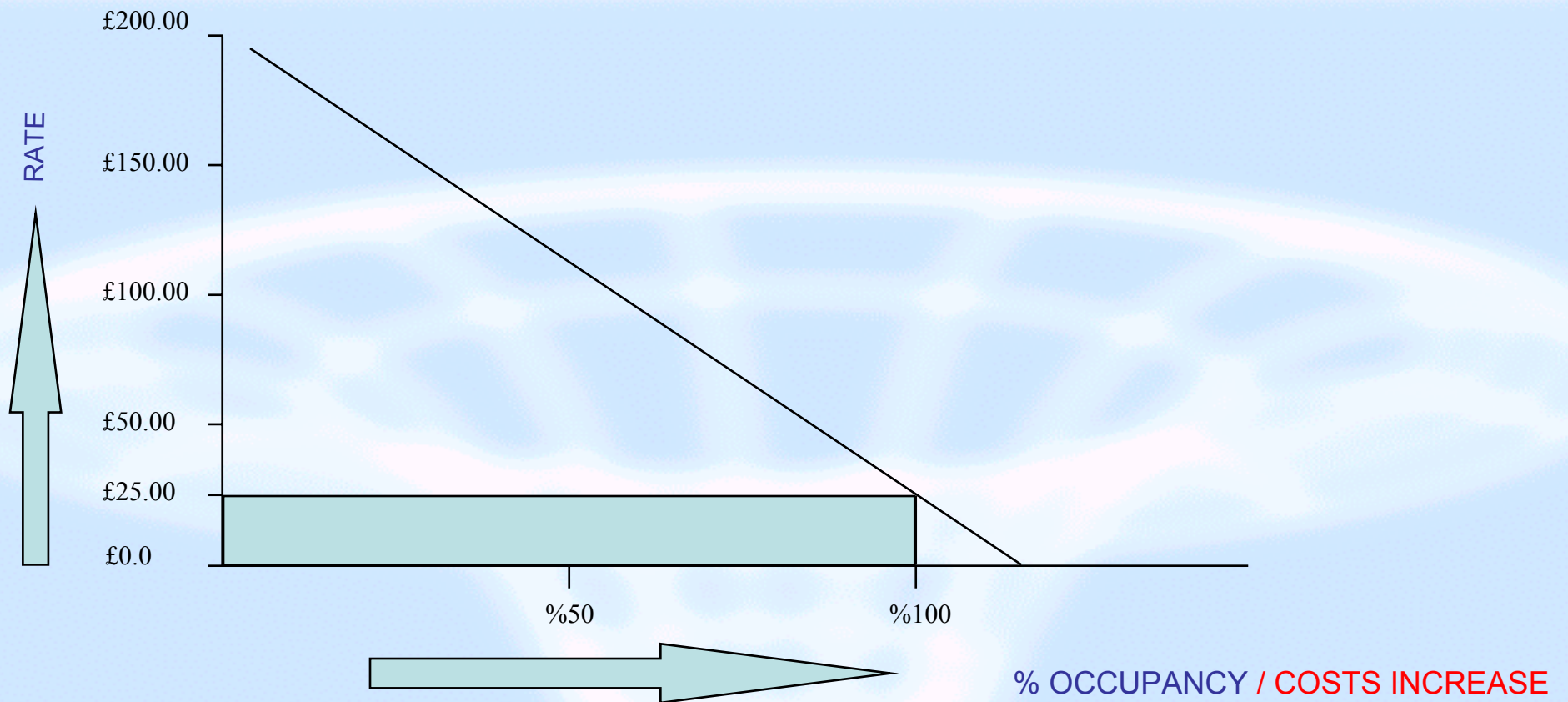


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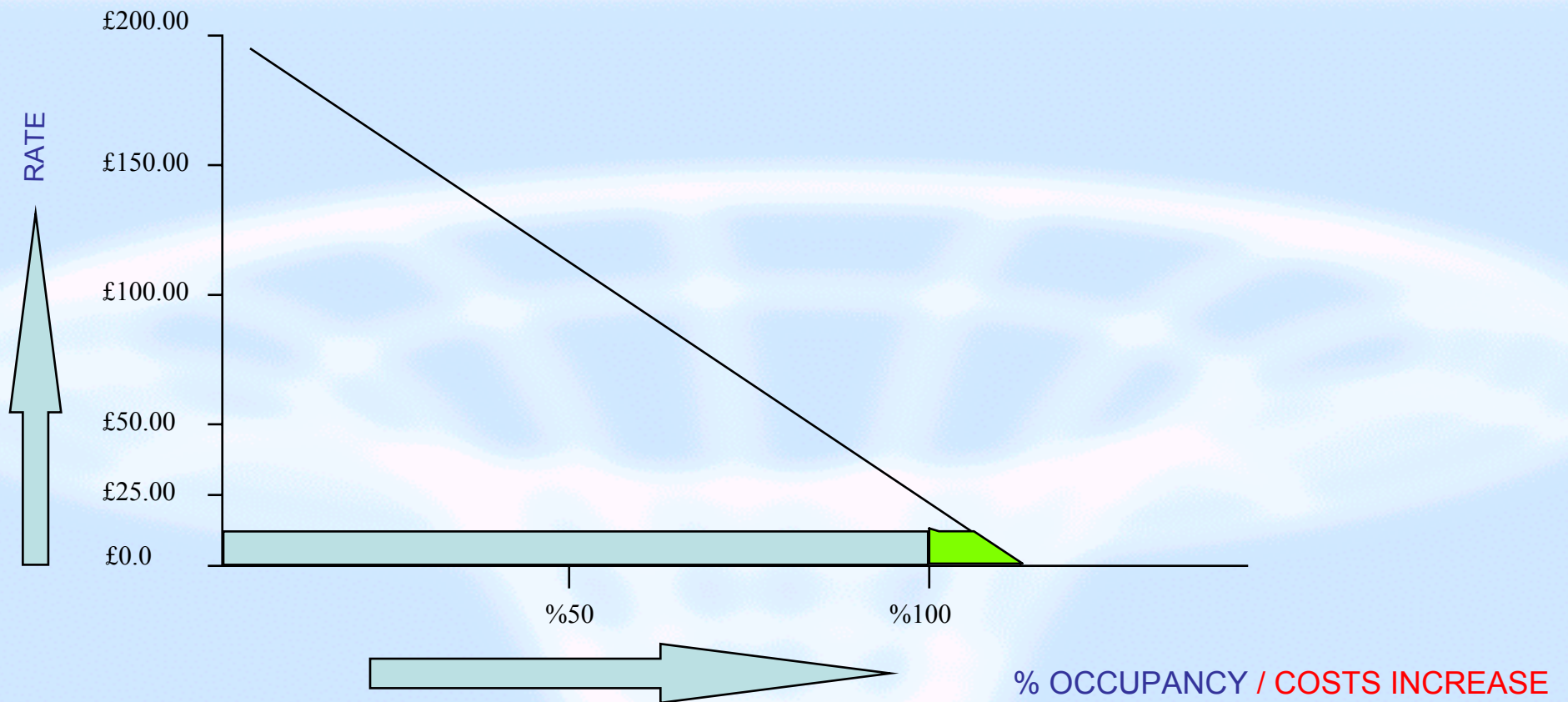


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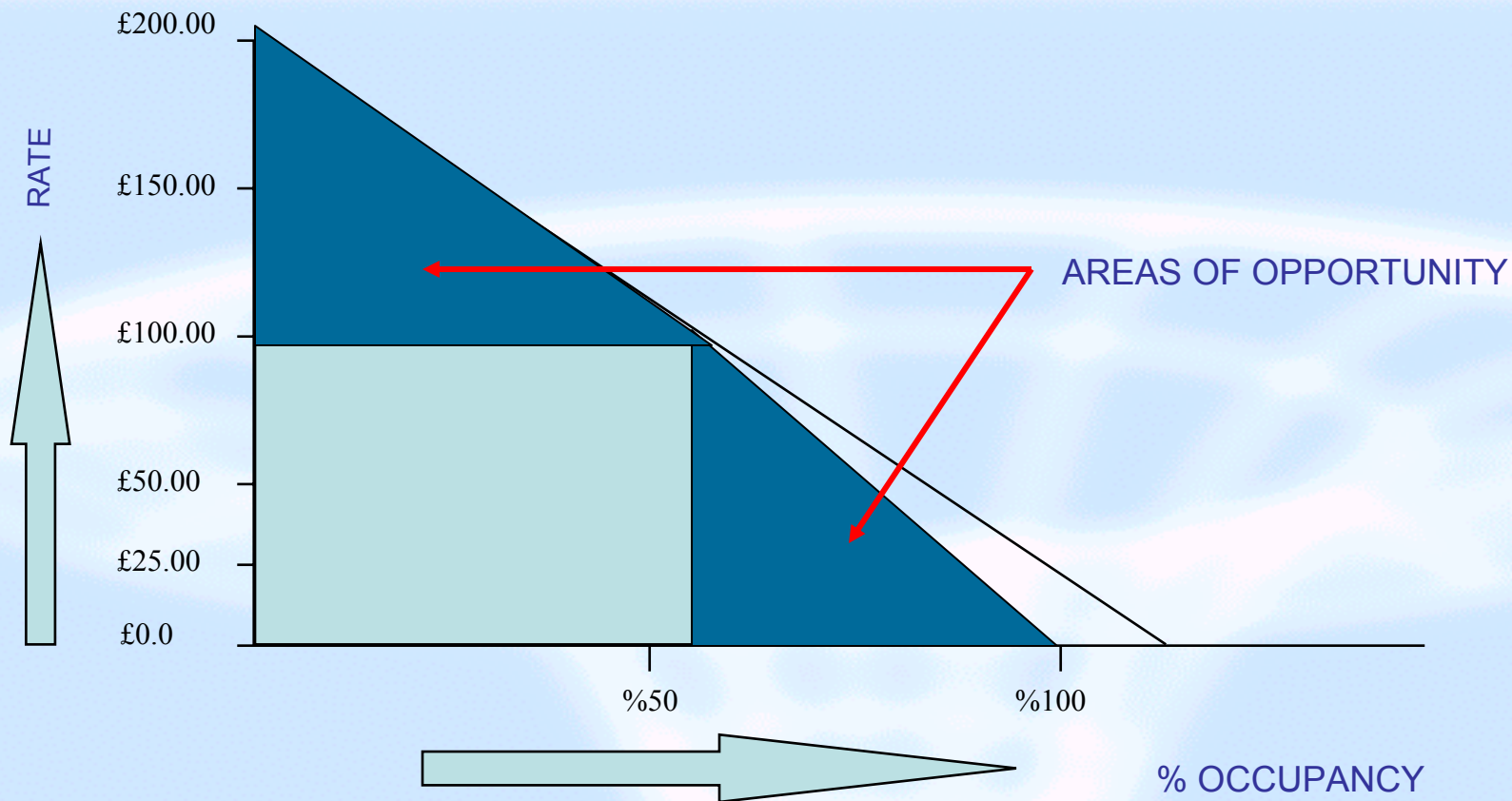


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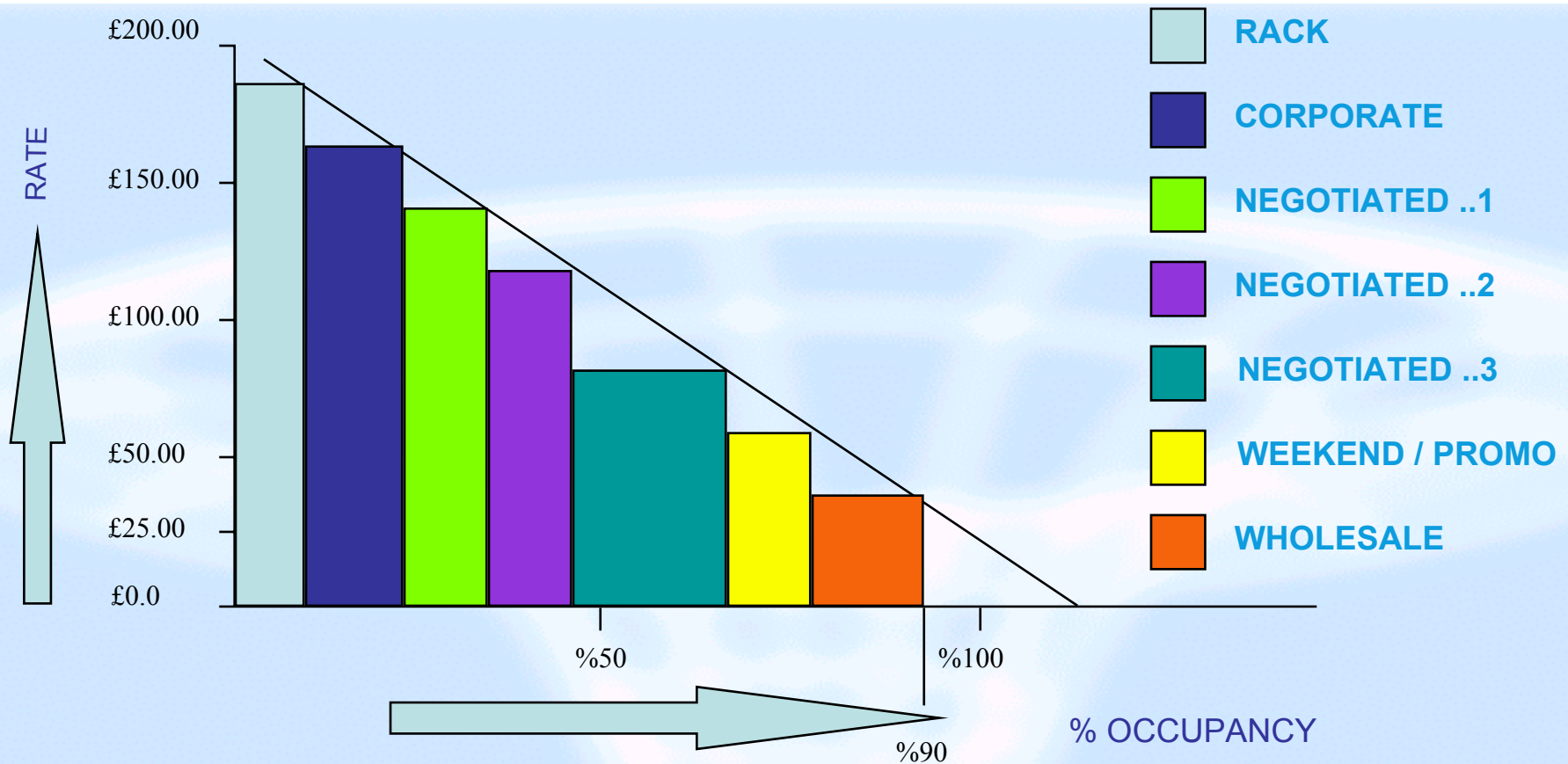


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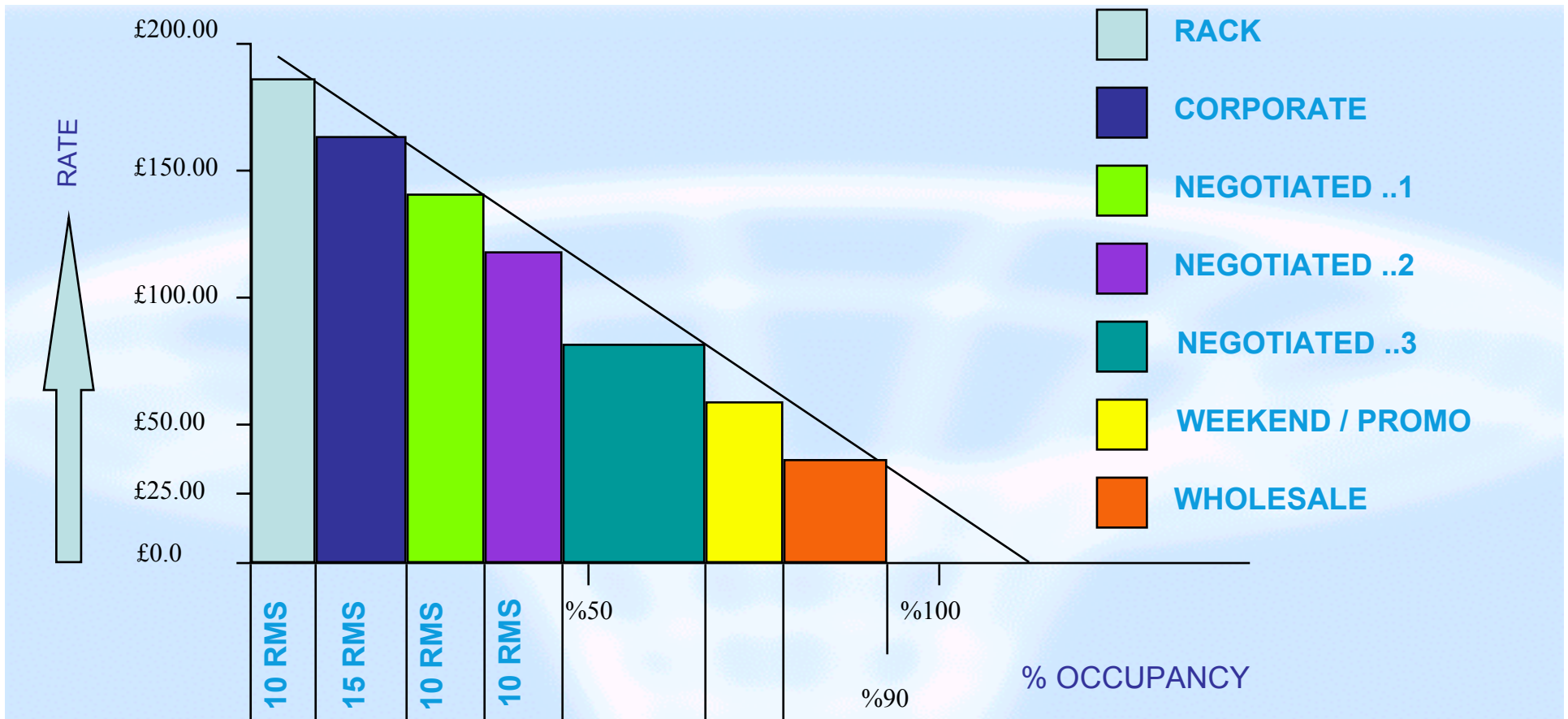


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# How does Yield Management Work?

## How Could it Make Your Product More Profitable?



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# Who uses Yield Management?

- ➔ Many of the major hotel chains now use Yield Management systems and practices
- ➔ Among the first was Marriott with others such as Hyatt and Radisson following suit
- ➔ Smaller hotel companies and independent hotels are still reluctant to invest in Yield Management Systems and practices, believing that their tried and tested methods are better

# **Hotel Yield Management is...**

- 1. A scientific approach to rate management**
- 2. Revenue maximisation by forecasting demand**
- 3. Setting of thresholds and target rates in each market segment**

# Hotel Yield Management 1

**A scientific approach to rate management**

**How?**

**By forecasting accurately we are able to ensure the right product is sold to the right customer at the right time and in line with the hotels selling strategy**

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# Hotel Yield Management 2

Revenue maximisation by forecasting demand

How?

Realising the best possible revenue from room reservations, whilst pro-actively managing the risks that are associated with the fluidity of room demand

# Hotel Yield Management 3

**Setting of thresholds and target rates in each market segment**

**How?**

**Making the correct 'yield' decision to help deliver optimum returns to the property by achieving revenue and occupancy goals**

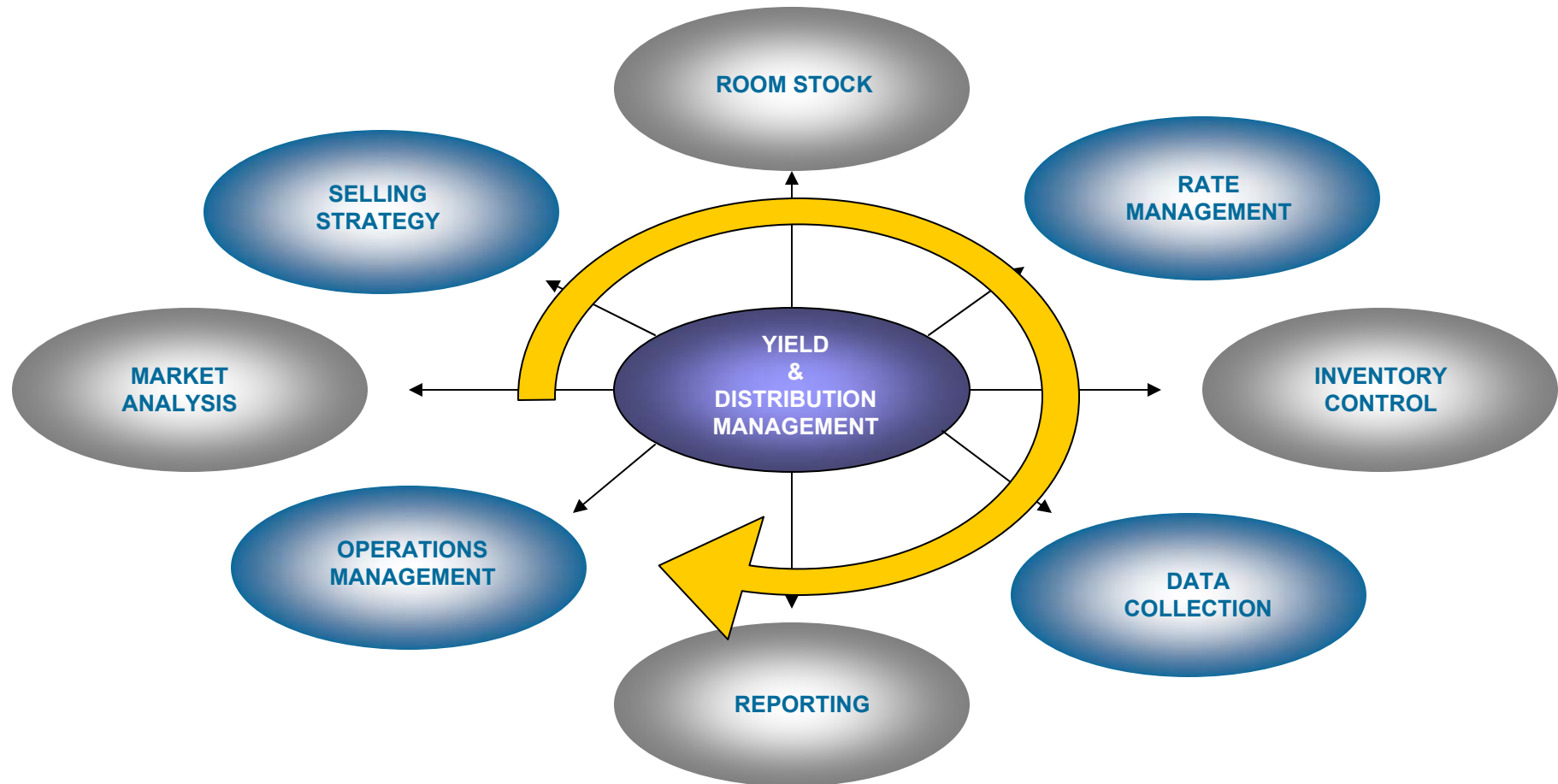
# Pricing: Rates

- ➔ In Y.M. Systems, rates do not change, however, the availability of rates will change
- ➔ Objective is to provide flexibility whilst maintaining simplicity

# What is Yield and Distribution Management?

A disciplined process that  
assists in the optimisation of  
**Revenue, Occupancy and Distribution**  
But also takes into account differing variables  
such as:  
**Competition and  
Distribution Channel Control**

# What is Yield and Distribution Management?



# Yield & Distribution Cycle

The cycle can be thought of as having four components:

- ➔ RATE MANAGEMENT
- ➔ DATA COLLECTION
- ➔ OPERATIONS MANAGEMENT
- ➔ SELLING STRATEGY

# Distribution: What to Look for

Reykjavik hotels - Windows Internet Explorer  
http://directrooms.com/cgi/compare/portal.cgi?hotel\_id=7090&checkin=2010-03-23&checkout=2010-03-24&room\_amount=1&room1\_adult=1&room1\_child=0&inquiry\_type=hotel

## Looking for Cheap Reykjavik hotels?

**BEST DEALS** Search the best hotels deals with one click!

**Compare Hotel Rates**

**Enter travel information:**

Country: Iceland  
City: Reykjavik  
Check in: Tue 23 Mar 2010  
Check out: Wed 24 Mar 2010  
Rooms: 1  
Adults: age 13+ 1  
Children: age 2-12 0

**Select sites to compare rates:**

- BOOKING.COM
- agoda
- hotels combined
- LateRooms
- venere
- lastminute.com
- otel.com
- Expedia
- travelocity
- priceline europe
- Hotels.com
- zuji

Search all sites. Each site will open a new window.

**Search selected sites**

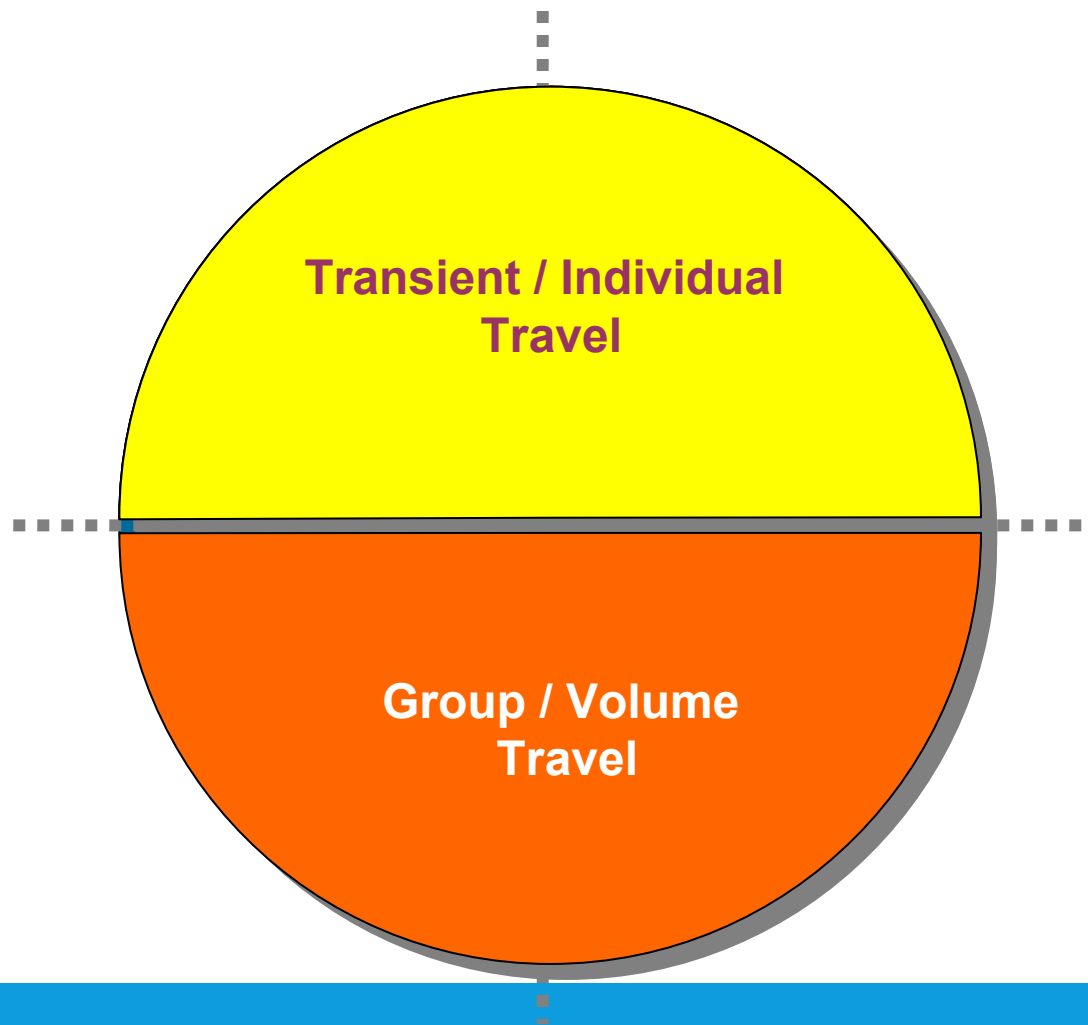
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# Hotel Business Mix Metrics

100% Hotel Market Mix

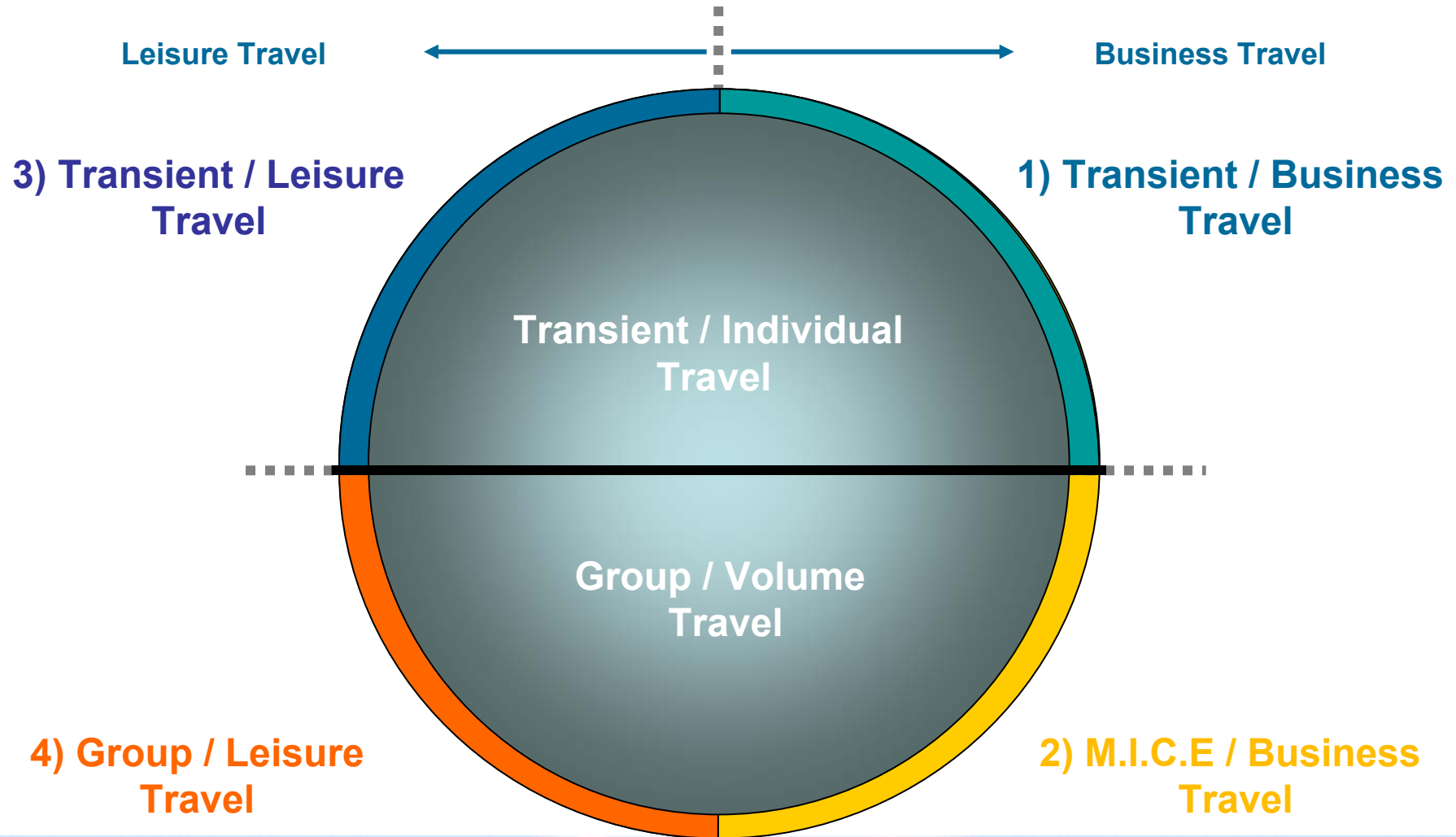


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# Hotel Business Mix Metrics

## The 4 Quadrants



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# Yield & Distribution Management

For Icelandic Hoteliers & Hospitality Providers

**THANK YOU**

**I WISH YOU EVERY SUCCESS !**

**[Peter.dennis@timecg.com](mailto:Peter.dennis@timecg.com)**

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