

# 10 Easy Steps to Maximizing Revenue Opportunities

**Every hotel, motel, inn or B&B can maximize revenue opportunities by following these simple business processes.**

## **Know Your Business**

- Know the average number of no shows and cancellations by day of week. This helps to set your overbooking levels.
- Know your arrival patterns, booking pace and peak or need days.
- Know what is happening in your city. Are there any events that will affect occupancy?
- Identify seasons (peak vs low) and create rates to maximize revenue opportunities based on demand.
- Know your competitors rates, policies and peak dates.

## **Review Your Correspondence**

- Review all correspondence (reservations, faxes, emails) for sales leads and to identify booking trends. Are there an increased number of bookings for certain dates? If so what is causing the change in pattern?
- Review future date arrival lists for duplicate reservations and non-guaranteed reservations.

## **Review Booking Policies**

- Review reservation policies and procedures. Do you require a guarantee at the time of booking or apply cancellation policies during peak periods?
- Apply booking conditions for discount or package rates. Non-refundable deposits, length of stay requirements, or booking lead time will reduce dilution of corporate and convention rates.
- Know the reservation policies your competition enforces over the same period.

## **Historical Data**

- Keep good historical records. This will help set availability controls for future dates as you will be able to review what happened on the same date last year.
- When reviewing historical occupancy and rate trends make sure that you are comparing same day of week. Compare Monday of this year to Monday of last year.

## **Rates**

- Rate Levels enable you to optimize available rates by restricting lower rate sets during potentially high occupancy periods.
- Make sure that all booking sources are selling the same rates.
- Inform reservations and the front desk of new rates, packages and promotions.

## **Availability Controls**

- Control the number of rooms to sell and at what rates.
- Manage the flow of reservations using Length of Stay controls. This will allow you to minimize the need to apply Close to Arrival or Close controls. Length of Stay controls assist in building shoulder nights during periods of high occupancy.
- By applying Close controls you are effectively closing your hotel to every booking source, this can be very damaging if not managed correctly.
- Monitor Closed controls daily to ensure changes in availability are noticed immediately.
- If you Closed your packages in order to drive the rate up, did you anticipate your market correctly? Would a lower rate have been better than no rate?
- Did you anticipate the demand correctly? If not what factors changed and why did you not change your strategy?

## **Overbooking**

- Determine your overbooking level based on business on the books, historical information, expected no shows and cancellations. Overbooking compensates for expected "Washdown" of reservations.
- Make sure you are comfortable with the level of risk.

## **Regrets**

- Monitor regrets to ensure that the controls put in place are not having a negative affect on the business.
- Every room refused indicates the volume of demand. Evaluate demand against the revenue achieved to determine whether the controls applied attained the desired RevPAR.
- Remember that a restriction on one day can cause regretted business on surrounding days.

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## Groups and Allotments

- Review historical information about the Group. Did they fill their block or did they release rooms? This will affect overbooking levels and selling strategies.
- When rooming lists are due or release dates are approaching, is there a system in place to follow-up with organizers?
- Are group blocks and allotments being released on time?

## Guest Recognition

- Without the guest, you can have the best setup for rates and rooms and still no revenue.
- Ensure that guest profiles are maintained so that the guest does not have to repeat address and company information.
- Acknowledge the guest by welcoming them back at check in. Excellent customer service encourages repeat business.
- Ensure that corporate and travel agent profiles are updated, so that the guest receives the correct rate.

Whether you are applying availability controls during peak season or identifying selling strategies for low demand periods; following these business processes will allow you to recognize revenue opportunities and show a positive result in your RevPAR.