

ROOMS—REVENUE MANAGEMENT



Dr Nicolas Graf

MODULE LEADER

Nicolas Graf, Ph.D., is Professor of Finance at the Hilton College of Hotel and Restaurant Management, University of Houston, USA. Prior to joining the Hilton College faculty, Nicolas served on the faculty of the Pamplin College of Business at Virginia Tech, USA, and was Professor of Finance and Strategic Management at Ecole hôtelière Lausanne, where he also carried out several consulting projects and was responsible for the development of the EHL Institute of Technology and Entrepreneurship (EHLITE).

RECOMMENDED READING

- Cross, R. G., (1998), *Revenue Management, Hard-Core Tactics for Market Domination*, Broadway Books, New York, ISBN 0-7679-0033-2
- Ingold, A. et al (Ed), (2000), *Yield Management, Strategies for the Service Industries, 2nd Ed.*, Continuum, London, ISBN 0-8264-4825-9

PRICE

CHF1,800 (~€1,100)

Prices in Euros (€), as at September 2007, are only an indication; payment will be in Swiss Francs (CHF)

MODULE DESCRIPTION

Time is money! Though a given in any business setting, the statement is even more valid in the hospitality industry—managing a perishable capacity like hotel rooms is critical when most of our costs are tied up in real estate. A room not sold today is not only a revenue opportunity lost forever; it is more importantly, a fixed cost that can no longer be recuperated. Revenue management is the science of maximizing income growth through the application of disciplined tactics that predict customer behaviour at micro-market level and optimizing product availability and price (Cross, 1997). It is about offering the right service, at the right time, to the right customer, at the right price and through the right channel.

In this Module, discover how simple forecasting techniques can help us predict customer purchasing patterns and develop tactics to maximize revenue growth. We will explore how groups and distribution channels can be best managed and how to develop and manage overbooking. We will also delve into the key components of revenue management from a strategic perspective.

LEARNING OBJECTIVES

By the end of the Module, participants will be able to:

Knowledge

- Identify key data and information required for revenue management application
- Explain building blocks and key concepts in revenue management
- Elaborate the development of revenue management systems and processes

Competencies

- Develop pricing and product strategies
- Apply basic forecasting techniques
- Apply overbooking policies

Mindset

- Quantify the impact of revenue management
- Appreciate the customer price-value relationship and pricing on demand
- Evaluate the daily tasks of revenue management and their influences

METHODOLOGY

Interactive lecture-discussions and hands-on exercises

PARTICIPANTS

Managers and executives in rooms division, sales and marketing and general management, vested with the responsibility of optimizing revenue and integrating it throughout the company