

How to increase **your** **Revenue?**



Introduction to Hotel Revenue Management and Revenue Management Software / *an ebook by RoomRaiser - 12.04.2024.*

Welcome to RoomRaiser's new e-book, **Introduction to Hotel Revenue Management and Revenue Management Software!**

With this e-book, we'd like to help you understand why revenue management is important for hotels and how revenue management software (RMS) can help. We give some tips on how to choose the right software and what to look out for during implementation.

We hope, that by the end of this e-book, you will have a better understanding of revenue management software, their benefits, and the long-term advantages that revenue management can offer.

1. Understanding Hotel Revenue Management

In the competitive landscape of the hospitality industry, the effective management of revenue is essential for the success of any hotel, regardless of its size. Revenue management, sometimes incorrectly known as yield management, is the strategic **practice of optimizing pricing, inventory and distribution strategies** to maximize **revenue** and profitability. This practice involves understanding market demand, consumer behavior, and competitive pricing to make data-driven decisions that drive revenue growth.

For small and medium-sized hotels, implementing revenue management practices can be particularly challenging due to

- *limited resources and expertise,*
- *limited access to information about the market,*
- *uncertainty about when to change prices and by how much,*
- *fear of upsetting guests with too high prices or with dynamic pricing itself (like selling a room at a certain price and later selling a similar room at a lower price),*
- *difficulties of trying to do dynamic pricing manually.*

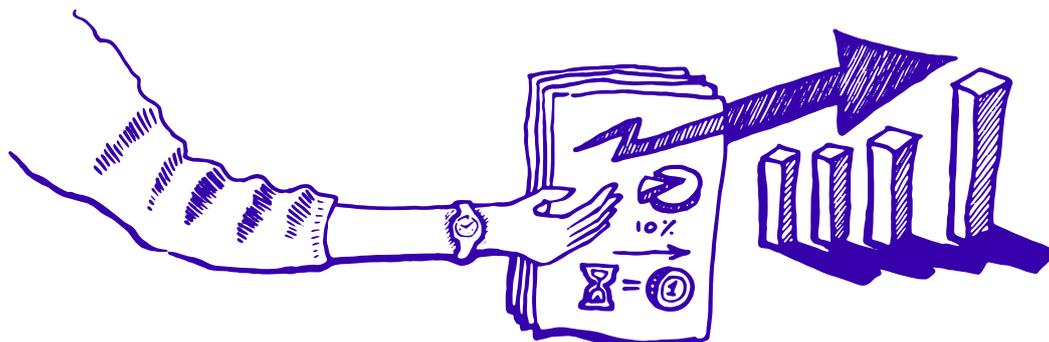
However, with the advent of technology, specifically revenue management software, these hotels now have access to powerful tools to streamline and automate revenue management processes. And, as you might already know, the **RoomRaiser** software was **specifically designed** to enable the above-mentioned **small and medium-sized hotels** to use the same **advanced yet personalized technology** as the largest and most expensive hotels.

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So what is Revenue Management?

Revenue management is a broad concept that involves analyzing data, predicting consumer behavior, and implementing pricing strategies to maximize revenue from available inventory. It encompasses various aspects such as demand forecasting, inventory management, pricing optimization, and distribution channel management (including OTAs, like Booking.com).



There is a defining phrase, often used to describe what Revenue Management does: selling the right room to the right guest, at the right price, at the right moment, on the right distribution channel – and in this way, making sure that the maximum possible revenue is realized.

It is important to see that Revenue Management does not create more demand in a certain city or region, as it is not a marketing tool. On the other hand, it helps maximize revenue from the given size of the demand and it might help to attract a larger portion of the demand to a hotel through its competitive prices.

A very important part of Revenue Management is the pricing of our rooms. This is optimally dynamic, helping the hotel to stay competitive with the prices always defined by demand and supply. A good dynamic pricing considers the following among others:

- *reservations patterns and pick-up (how reservations are supposed to arrive and how they are actually arriving)*
- *defining and continuously analyzing competitors (who might not be the hotels closest to you!)*
- *sources of reservations*
- *events and holidays in the region*
- *the reputation of your hotel and your competitors*
- *historical data (it is important to know when historical data is helpful, because many times it is not!)*
- *setting correctly the minimum sales rate and the starting price of each date*

If we have a good Revenue Management and pricing strategy in place, you can confidently answer the following questions at all times:

- *“Am I not charging enough/too much?”*
- *“Are my prices competitive?”*
- *“Am I not missing out on bookings?”*
- *“Why are my competitors selling rooms at higher/lower prices?”*
- *“Is it fair to charge less for the same room? Am I not upsetting my guests, thus scaring them away?”*

Technological advances have made it difficult to separate revenue management activities from revenue management software, but both have the same underlying objectives. Now, let's examine its importance for hotels.

Effective revenue management is crucial for hotels for many reasons:

- *It can **maximize revenue potential**. By implementing revenue management strategies, hotels can **optimize pricing** and inventory to capitalize on periods of high demand and maximize revenue potential. If you sell your rooms at the highest possible price at any given time, you will achieve the **highest possible revenue**.*

- It offers a **competitive advantage**. In a competitive market, revenue management allows hotels to stay ahead by offering competitive prices while still maximizing profitability. The highest possible price also means, of course, that you are **priced in line with the market**, so you are not at a disadvantage compared to your competitors.
- It **improves decision-making**. Revenue management and revenue management software provide **valuable insights** and **data analytics** that enable **informed** decision-making, supporting strategic pricing and distribution decisions. This also means that not only will you have good prices for the moment, but you'll be able to **see market movements** that affect you more easily and incorporate them into your pricing strategy.
- It **enhances profitability**. By optimizing pricing and inventory, hotels can increase profitability without necessarily increasing operational costs. Spending on pricing should not be viewed as an additional cost, as the resources allocated to it can often yield **multiple returns on the revenue side** – this is especially true for RoomRaiser's competitive prices.
- It helps hotels **adapt to market changes**. An effective revenue management strategy and revenue management software allow hotels to quickly adapt to changing market conditions, such as fluctuations in demand or shifts in consumer preferences. The hospitality sector has been very **turbulent** in recent years, with prices immediately affected by events affecting people's financial lives. It is better **to be prepared** for this all the time, not only in terms of pricing but also your human resources.

In summary, revenue management is a critical component of modern hotel operations, which is equally true for small and medium-sized establishments aiming to optimize revenue and profitability in a competitive market. **Manual revenue management is complex and costly**, but revenue management **software** serves as a **powerful tool** to streamline and **automate** revenue management processes, enabling hotels to make **data-driven decisions** that drive business success. In the following chapters, we will **delve deeper into the benefits** of revenue management software and **explore key considerations** for choosing the right provider for your hotel.

So, in short, what do we **suggest to a small, independent hotel**, that – up until now – has been trying to do dynamic pricing manually or hasn't even had the resources at all?

First, we suggest laying down the **Revenue Management basics** and a useful **strategy** covering these **topics**:

- *Analyze competitors and position yourself among them based on location, services, price, and (online) reputation*
- *Analyze and try to understand your customers and their buying behaviour*
- *Examine used and potential distribution channels*
- *Analyze your historical data and its relevancy in the future*
- *Establish a pricing strategy including base prices and minimum prices*

Next, we suggest to **try and find a revenue management system** that can support your pricing strategy in the best possible way. Factors to consider how you can find the right software will be presented later in this e-book.

Finally, start using the software and **fine-tune its parameters** to follow your strategy as well as it can. The benefits of a well-working RMS will be listed later but do remember to supervise its performance and settings from time to time!

2. Revenue Management Software: Evolutions and Advancements

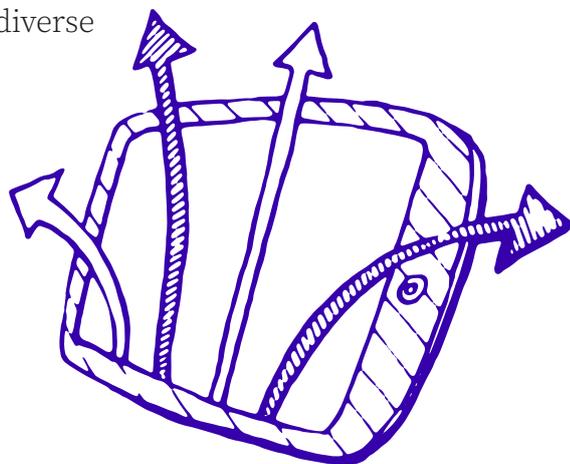
The intricate dance of revenue management within the hospitality industry has undergone a significant evolution over the decades. From the pioneering efforts of American Airlines in the 1980s to the dominance of big hotel chains, the landscape has continually evolved, now reaching a point where even small and medium-sized hotels can access powerful revenue management tools.

In the nascent stages of revenue management, American Airlines sparked a revolution by introducing dynamic pricing, a strategy based on fluctuating prices in response to demand. This groundbreaking concept soon found its way into the hotel industry, where revenue management became a critical component of maximizing profits.

Traditionally, revenue management systems were the domain of large hotel chains equipped with substantial resources to invest in sophisticated software solutions. These systems relied heavily on historical data and complex algorithms to forecast demand and adjust pricing accordingly. However, with the advent of technological advancements in recent years, the landscape has shifted dramatically. Cloud-based revenue management solutions have emerged as a game-changer, democratizing access to powerful tools once reserved for industry giants. These modern systems, accessible through a web browser, are seamlessly integrated with Property Management Systems (PMS) and Channel Managers, streamlining operations and enhancing efficiency. Nowadays, more and more small and medium-sized hotels have started to use RMS to take care of their pricing, most of them in the US and Western Europe but other regions are picking up too. One of the hallmarks of these contemporary solutions is their user-friendliness. Designed to be intuitive and easy to navigate, they empower hoteliers of all sizes to harness the power of data-driven decision-making with minimal training. Monthly subscription models offer flexibility and scalability, catering to the diverse needs of the hospitality sector.

Transparency and control are paramount in these systems, ensuring that hoteliers retain autonomy over pricing strategies. With a focus on empowering users, these platforms offer features such as free trials and robust customer support to facilitate seamless integration and optimal utilization.

So, **how** do these cutting-edge **revenue management systems work?**



The process can be distilled into three main steps:

1. *Collect Data:* The software aggregates pricing and demand data from both internal and external sources. Internal data sourced from the PMS includes metrics such as occupancy rates, booking pace, and the booking window. External market data encompasses rates from competitors, nearby hotels, and even alternative lodging options like Airbnb. Additionally, factors such as upcoming events and holidays are factored in to provide a comprehensive view of market dynamics.
2. *Calculate Pricing:* Leveraging sophisticated algorithms, the software analyzes the collected data to generate optimal pricing recommendations. These calculations are fine-tuned based on the hotel's specific settings and preferences, ensuring alignment with strategic objectives.
3. *Update Pricing:* Once pricing decisions are formulated, rates are seamlessly updated within the hotel's PMS or Channel Manager. Hotels have the flexibility to choose between Auto-Pilot mode, where pricing adjustments are automatically implemented, or Co-Pilot mode, allowing users to review recommendations and make manual adjustments as needed. This flexibility ensures that hotels maintain ultimate control over their pricing strategies, with the ability to override recommendations or set fixed rates if desired.

In essence, modern revenue management systems empower hotels to navigate the complexities of pricing dynamics with confidence and precision. By leveraging data-driven insights and intuitive interfaces, these solutions represent a quantum leap forward in the quest for profitability and sustainability within the hospitality industry.

3. Benefits of Revenue Management Software

In today's competitive hospitality industry, small and medium-sized hotels must continually find ways to optimize their revenue streams and enhance profitability. Revenue management software has emerged as a powerful tool to help hotels achieve these objectives. In this chapter, we will explore the **various benefits** that revenue management software offers with many parallels to the previous chapter since this is still **revenue management** but made **simpler and a lot more cheaper**.

Maximizing revenue potential:

Put simply, revenue management software enable hotels to maximize their revenue potential by implementing dynamic pricing strategies – more or less automatically – based on real-time demand and market conditions. By analyzing historical data, current booking trends, and competitor pricing, the software can recommend op-



timal room rates and inventory allocations to maximize revenue during peak periods and minimize losses during low-demand periods.

An example of this is one RoomRaiser user who achieved a **19% increase in revenue** during the January-February **off-peak period**, all while starting with **decent pricing practices**.

“So just **how much** this means if I have a hotel of 55 rooms with a yearly occupancy of 70% and an ADR (Average Daily Rate) of EUR 140?”

The increased revenue of 19% **adds up to EUR 368,700 / year** with the approximate cost of the software being **around EUR 380/month!** Not to mention the **working hours you're saving**, all of which **you can spend on** what is more important: ... **your guests :)**

Optimizing room rates:

One of the primary functions of revenue management software is to optimize room rates to ensure maximum revenue generation. The software uses advanced algorithms and pricing models to adjust room rates dynamically based on factors such as demand, seasonality, booking lead time, and guest preferences. This dynamic pricing approach allows hotels to capture the full value of their inventory and increase revenue per available room (RevPAR). Of course, **you could do** all this **manually**, much more **slowly**, and with much **less efficiency**. **We recommend** sticking with **RoomRaiser**. ;)

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Forecasting demand

Accurate demand forecasting is crucial for effective revenue management, especially for small and medium-sized hotels with limited room inventory. Revenue management software utilizes historical booking data, market trends, and predictive analytics to forecast future demand accurately. By understanding demand patterns and trends, hotels can adjust pricing and inventory strategies proactively to capitalize on revenue opportunities and minimize revenue loss. In such cases, it's also worth **leaving room for manual intervention**, as we may come across unique information that can influence pricing strategies; **this option is available in RoomRaiser** as well.

Enhancing decision-making:

Revenue management software provides hoteliers valuable insights and data analytics that enable informed decision-making. The software generates comprehensive reports and dashboards that provide visibility into key performance metrics such as occupancy rates, average daily rate (ADR), revenue per available room (RevPAR), and revenue by market segment. These insights empower hoteliers to make strategic pricing and distribution decisions that optimize revenue and profitability. As we mentioned in the introduction, by **applying revenue management** practices (and revenue management software), not only will your current pricing improve, but **your pricing strategy** can also reach **new heights**.

Improving efficiency:

Automation is a key feature of revenue management software that improves operational efficiency and reduces manual workload. The software automates repetitive tasks such as pricing updates, inventory allocations, and distribution channel management, allowing hotel staff to focus on other strategic initiatives. By streamlining revenue management processes, hotels can operate more efficiently and effectively, leading to increased productivity and profitability, not to mention the **ongoing labor shortage** affecting the sector, which is also **alleviated by automating processes**.

In summary, revenue management software offers a multitude of benefits to small and medium-sized hotels, including maximizing revenue potential, optimizing room rates, forecasting demand accurately, enhancing decision-making, and improving operational efficiency. By leveraging the capabilities of revenue management software, you can gain a competitive edge in the market and achieve sustainable revenue growth. So **the software you choose** to help you with your pricing is equally important.

"With RoomRaiser, we successfully transitioned to truly dynamic pricing. It's a genuine digital solution, offered at an affordable price, yielding excellent results."

In the following chapters, we will delve deeper into **key considerations for choosing** the right revenue management software provider for your hotel.

4. Choosing The Right Revenue Management Software

Selecting the right revenue management software provider is a critical decision for every hotel looking to optimize its revenue and enhance profitability. With a plethora of options available in the market, it's essential for hoteliers to carefully evaluate their needs and objectives before making a choice. In this chapter, we will discuss **key considerations** that you should keep in mind before **choosing revenue management** software for your establishments.

Assessing needs and objectives:

Before selecting a revenue management software provider, you should assess your specific needs and objectives. This involves identifying the unique challenges and opportunities facing your hotel, such as seasonality, market demand, competitive landscape, and target guest demographics.

By understanding these **specific requirements**, you can narrow down the options and choose a software provider that aligns with your business goals. That's why it's **not necessarily the best choice to use the same system as the major hotel chains**, even if you can afford it or understand how to use it.

Compatibility and integration:

Revenue management software needs to be compatible and seamlessly integrated with other systems and software used by the hotel, such as property management systems (PMS), central reservation systems (CRS), and channel managers. Integration ensures smooth data flow and real-time synchronization of information across different platforms, enabling accurate pricing and inventory management. These all **enhance the convenience of automation** and ensure **accurate operation**.

By the way, RoomRaiser operates seamlessly with Previo PMS.

For more information about the symbiotic operation of the two systems [click here!](#)



User-friendly interface:

The usability and user interface of revenue management software play a crucial role in their adoption and effectiveness. You should look for intuitive and easy-to-use software, with features such as customizable dashboards, interactive reports, and user-friendly navigation. A user-friendly interface facilitates efficient decision-making and reduces the learning curve for hotel staff. **RoomRaiser** has been designed with input from **current and former hoteliers**, not to mention our **own experience in the hotel industry**, both past and present.

Pricing and affordability:

Cost is an important factor to consider when choosing revenue management software, especially for small and medium-sized hotels with limited budgets. You should evaluate the pricing structure of different software providers, including upfront costs, subscription fees, and additional charges for premium features or support services. It's essential to consider the long-term value and return on investment (ROI) offered by the software, rather than focusing solely on the initial cost. Regarding prepaid expenses, it's good to know that **with RoomRaiser, you don't have to pay upfront**, and you can **try the system for free!**

"I highly recommend RoomRaiser to every hotel present on online channels! For those who have been wanting to try dynamic pricing but haven't had the capacity for it until now, this offers a great solution. And the cost of the system is just a fraction of what consulting firms charge!"

Customer support and training:

Effective customer support and training are essential for the successful implementation and utilization of every hotel management software. You should always inquire about the level of support offered by the software provider, including training resources, technical assistance, and ongoing customer support. A responsive and knowledgeable support team can help resolve issues quickly and ensure that hotel staff are equipped to maximize the benefits of the software.

Our customers generally **don't ask for much assistance**, but they have **spoken very positively** about the **initial consultations** so far. Read about their experiences in our [article here](#).

In summary, choosing the right revenue management software requires careful consideration of factors such as hotel needs and objectives, compatibility and integration, user-friendliness, pricing and affordability, and customer support and training. By evaluating these key considerations and selecting a software provider that aligns with your business goals, you can effectively optimize your revenue management processes and drive business success. In the following chapters, we will **explore strategies for implementing** revenue management software and **overcoming common challenges**.

At **RoomRaiser** we pride ourselves on giving our hotels as much valuable **hospitality-related professional advice**, which means that **setting up the parameters** of the software and **defining your competitors** will be much easier! Also, we have an extensive **knowledge of the CEE region**, while our customer support is second to none! :)

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5. Implementation and Onboarding

Implementing revenue management software is a strategic initiative that requires careful planning, effective communication, and proactive engagement from all stakeholders within the hotel. In this chapter, we will discuss **key strategies** and **best practices** for successfully implementing new revenue management software.

Planning:

Effective planning is essential. You should establish clear goals and objectives for the implementation process, including timelines, milestones, and key performance indicators (KPIs) to measure success. It's important to involve relevant stakeholders, including the hotel management, revenue managers, front desk staff, and IT personnel. In a smaller hotel, of course, these job roles may not necessarily exist, which is not a problem because, partly for this reason, we created RoomRaiser. However, it is important to **examine the introduction** of new software from **every dimension**, for better operation and easier acceptance and learning.

Training your staff:

Training is a critical component of the implementation process, as it ensures that hotel staff are equipped with the knowledge and skills to effectively use the revenue management software. You should receive comprehensive training sessions for staff members involved in revenue management, including front desk staff, reservations managers, and revenue managers. Training should cover key functionalities of the software, best practices for pricing and inventory management, and troubleshooting common issues. Revenue management software are primarily **expert systems**, so those who **understand hotel pricing** in the first place can achieve **better results**. This does not mean that those who are not proficient in pricing cannot learn these practices. The **RoomRaiser team** will also **support you** in this.

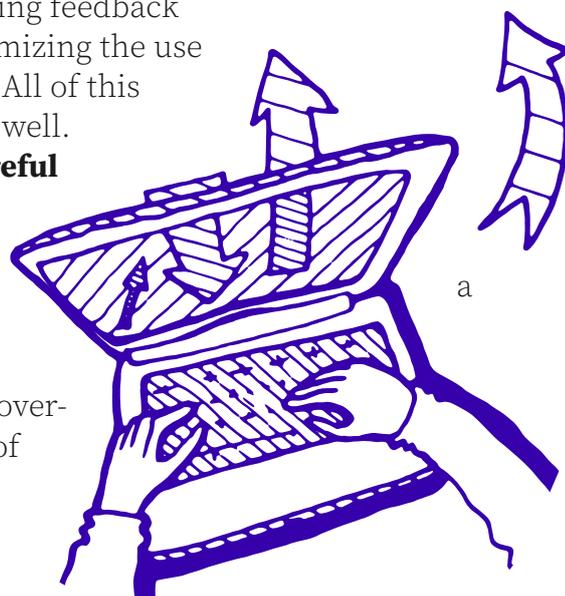
Overcoming initial challenges:

The implementation of new software may pose various challenges, such as resistance to change, technical issues, and data integration issues. You should proactively address these challenges by fostering a culture of change and innovation within the organization, providing adequate technical support and resources, and collaborating closely with the software provider to resolve any issues that arise. Effective communication and regular updates are essential for keeping stakeholders informed and engaged throughout the implementation process. We also consider this extremely important because every hotel is different. Maybe you had negative experiences with pricing systems in the past, which may have stemmed from a lack of proper settings. At RoomRaiser, **we embrace challenges and work together** with each of our clients **to find the right pricing strategies** that are easily sustainable after the first few (sometimes challenging) weeks.

Monitoring and evaluation:

Once your revenue management software is implemented, it's important to continuously monitor and evaluate its performance to ensure that it is delivering the expected results. Hoteliers should regularly review key performance metrics such as revenue, occupancy rates, average daily rate (ADR), and revenue per available room (RevPAR) to assess the effectiveness of the software and the applied pricing strategy. Additionally, getting feedback from staff and guests can provide valuable insights for optimizing the use of the software and addressing any areas for improvement. All of this is extremely valuable feedback for the software provider as well. Successfully **implementing an RMS system** requires **careful planning**, effective training, proactive engagement from stakeholders, and ongoing monitoring and evaluation. By **following the simple tips** we shared, you can do a lot for successful implementation.

In the following chapters, we will **explore strategies** for overcoming **common challenges** and maximizing the benefits of an RMS system.



6. Long-term investment in an RMS system

Implementing an RMS system is not just a short-term solution for hotels; it represents a strategic long-term investment in the future success and profitability of the business. In this chapter, we will explore the various reasons why revenue management software is a worthwhile long-term investment.

Cost-effectiveness:

While there may be upfront costs associated with implementing an RMS system, the long-term benefits often outweigh the initial investment. Revenue management software helps hotels maximize revenue potential and improve profitability over time by optimizing pricing and inventory management. The increased revenue generated through the software can more than offset the initial costs, making it a cost-effective investment in the long run. Put simply, you'll probably gain a lot more than you pay for the software. By the way, at RoomRaiser, there are **no upfront fees** to be paid, and in fact, you can try the system completely **free for one month**, so you only need to consider the alternative costs.

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Scalability:

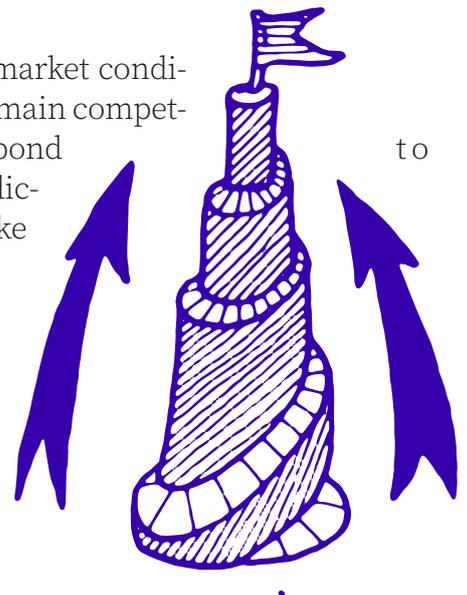
A good RMS is designed to scale with the growth of the hotel, making it suitable for small and medium-sized hotels as well as larger properties. As the hotel expands and adds more rooms or facilities, the software can accommodate increased demand and complexity, ensuring continued effectiveness and efficiency in revenue management processes.

Future-proofing your hotel:

In today's volatile hospitality industry, you must adapt to evolving market conditions, consumer preferences, and technological advancements to remain competitive. RMS systems provide you with the agility and flexibility to respond to changes in the market quickly. By leveraging data analytics and predictive modeling, the software helps you anticipate trends and make proactive decisions to stay ahead of the competition.

Improved decision-making:

A good RMS empowers you with valuable insights and data analytics. By analyzing historical data, market trends, and competitor pricing, you can make strategic pricing and inventory deci-



sions that optimize revenue and profitability. Over time, the software becomes an invaluable tool for guiding strategic planning and decision-making processes, leading to sustained long-term growth and success.

Enhanced guest experience:

Ultimately, the goal of revenue management software is also to enhance the overall guest experience while maximizing revenue and profitability. By optimizing pricing and inventory management, you can offer competitive rates and availability, leading to increased guest satisfaction and loyalty. A positive guest experience not only drives repeat business but also generates positive word-of-mouth referrals, contributing to long-term success and sustainability. When introducing RoomRaiser, in addition to setting prices, our colleagues also **provide valuable information on reputation management** because proper pricing is not the only key to ongoing success.

7. RMS vs Consultants: Who's Better for You?

In the realm of revenue management, there's often a decision to be made between implementing revenue management software and working with revenue management advisors or consultants. Each approach has its pros and cons, and in this chapter, we'll delve into the comparison to help you make an informed decision.

Team Automation: RoomRaiser

It is important to emphasize that initially at RoomRaiser, we also provided consultancy services where we took over the entire pricing or conducted comprehensive audits preceding the introduction of the software. After a while, we noticed that with adequate minimal support, our clients could manage on their own. Therefore, we focus more on teaching them to use the software and guiding them towards automation. Human labor is the most expensive aspect, which holds true for the hotel sector as well, so it is particularly important to minimize this, especially for small and medium-sized hotels. Since we deal with revenue management, ultimately, it is important for us too that our clients increase revenue and reduce costs.

Cost analysis

An RMS typically involves an initial investment for implementation and ongoing subscription or licensing fees. On the other hand, working with revenue management advisors incurs consulting fees or revenue-sharing agreements. You should always conduct a thorough cost analysis to compare the total costs for both options over the long term.

Level of Control

An RMS provides you with direct control over pricing and inventory management decisions. You can customize pricing strategies, adjust rates based on demand, and monitor performance in real time. In contrast, working with advisors involves relinquishing some control to external experts who make recommendations based on their expertise and analysis. Of course, **the software** also has some **autonomy**, especially when it operates in **automatic mode**. It's a bit like driving your **self-driving car with cruise control** and lane-keeping assist. If you think so, you can intervene at any time, but if someone slows down in front of you, the autopilot will also slow down.

Customization

One argument in favor of consultants is flexibility, however, an RMS can offer a high degree of customization, allowing you to tailor pricing and inventory strategies to suit specific needs and objectives. You can adjust parameters, set rules, and implement personalized strategies based on unique market conditions and business goals. Working with advisors offers customized recommendations which are typically based on a broader understanding of industry best practices rather than hotel-specific data.

Accuracy and insights

Revenue management software leverages data analytics and algorithms to provide accurate demand forecasts, pricing recommendations, and performance insights. The software aggregates data from various sources, including historical booking data, market trends, and competitor pricing, to generate actionable insights. While revenue management advisors offer valuable expertise, their recommendations may not always be based on the most up-to-date or comprehensive data, and if they use software in their work - which is likely inevitable - the costs of these software are factored into the fee you pay.

Choosing between revenue management software and working with advisors is ultimately a decision that depends on the specific needs and resources of the hotel. An RMS offers direct control, customization, data accuracy, and long-term cost-effectiveness. It empowers you to take a hands-on approach to revenue management and make data-driven decisions.

On the other hand, working with revenue management advisors provides access to expert guidance and industry best practices, albeit at a potentially higher cost and with less direct control.



8. Making the Right Choice for Your Hotel

In this guide, we've explored the world of revenue management software and its significance for small and medium-sized hotels. From understanding the basics of revenue management to evaluating the benefits of software solutions and comparing them to working with advisors, we've covered a range of important topics to help hoteliers make informed decisions.

Key takeaways:

- *Revenue management is crucial for maximizing revenue potential and profitability in the hospitality industry.*
- *Revenue management software offers numerous benefits, including dynamic pricing, demand forecasting, and improved decision-making.*
- *When choosing revenue management software, you should consider factors such as compatibility, user-friendliness, pricing, and customer support.*
- *Implementing revenue management software requires careful planning, effective training, and proactive engagement from all stakeholders.*
- *Revenue management software represents a long-term investment in the future success and sustainability of hotels.*

Actionable recommendations:

- *Evaluate your hotel's specific needs and objectives to determine the best revenue management solution for your business.*
- *Research and compare revenue management software providers based on factors such as compatibility, user-friendliness, pricing, and customer support.*
- *Develop a comprehensive implementation plan and provide thorough training for staff members involved in revenue management.*
- *Monitor and evaluate the performance of the revenue management software regularly to ensure that it is delivering the expected results.*
- *Consider revenue management software as a long-term investment in the future success and profitability of your hotel.*

Thank you for reading this guide, and we wish you success in your revenue management endeavors! Elevate your pricing strategy to the next level with RoomRaiser! [Click for details.](#)



Case studies of RoomRaiser

Read our latest interviews where two RoomRaiser **users share their experiences** from the recent period.

The RoomRaiser software, designed to assist with dynamic pricing, was introduced to the market in July 2023. Since then, an increasing number of hotels have begun using the system specifically tailored for small and medium-sized accommodations. We've examined the experiences and outcomes during this period.

As is common with digital solutions, **the goals of using RoomRaiser** include:

- *Increased revenue*
- *Reduced hours of work*
- *Greater accuracy with fewer opportunities for human error*

Among these, revenue growth is perhaps the most easily measurable, so this article primarily focuses on this aspect. We've analyzed the results of all our users and found an average revenue increase ranging between 15% and 45% over the past few months.

In the following section, we'd like to showcase the benefits of using RoomRaiser through the experiences of two of our clients, [AR Forte Apartments](#) (Central Capital Apartments) and [Panoráma Hotel Noszvaj](#).

AR Forte Apartments, Gozsdu court and its surroundings, Budapest

AR Forte Ltd. operates **41 apartments in Budapest**, in and around Gozsdu Court. We asked **Ádám Kozsuch**, Operations Manager, about his experience with RoomRaiser (Ádám and his team have been using our software **since October 2023**).



The challenge

"The competition in the area is fierce, and dynamic pricing is nowadays a necessity. However, due to our numerous apartments and the multitude of competitors, manually managing it is impossible and consumes a lot of time. Developing a professionally sound pricing strategy and consistently implementing it is a highly complex task." Occupancy was low, and they often only noticed too late that they could have sold at higher prices due to increasing demand, thus missing out on significant potential revenues.

Getting started with RoomRaiser

"We use Previo PMS, and they suggested RoomRaiser. We had a meeting with them where they were professionally convincing, and the promises sounded very appealing. We thought we'd give the free trial period a try, see what they can do, we can't lose anything! :) Optimizing prices always and saving work hours sounded very promising!"

Working together

"The implementation and integration of systems took a few days. We practically received a free professional consultation regarding competitor analysis, which proved to be very useful." The next 1-2 weeks were spent fine-tuning pricing. "Since then, using the system has been straightforward, while the tasks of constantly monitoring competitors' prices and manually calculating our prices have been essentially eliminated"

The results

Between the beginning of November 2023 and the end of February 2024, occupancy increased by 25% compared to the same period a year ago, and revenue increased by 19%. "Based on these results, we are eagerly awaiting what RoomRaiser can achieve in the season! One non-quantitative result is that we can consistently be at ease, knowing that pricing is always in order. We can sleep soundly!"

Panoráma Hotel Noszvaj

At the Panoráma Hotel Noszvaj, **Ágnes Kovács-Muhel** and her team have been using RoomRaiser **since July 2023**. With the assistance of an external consulting firm in the past, they had already attempted dynamic pricing for their **45 rooms**. We also did **an interview with Ágnes** earlier, which you can read here.



The challenge

"Our online booking rate ranges between 50-60% annually, making it a crucial revenue stream. Continuing dynamic pricing was important for us, but we also aimed to reduce costs and improve quality simultaneously. We were searching for a genuine, well-functioning digital solution."

Getting started with RoomRaiser

"We decided to give the system a try based on the recommendation of the Previo PMS team. After a discussion with David and his team, we were persuaded by the software and the pricing strategy they presented. Just like AR Forte Apartments, the integration between Previo PMS and RoomRaiser proved beneficial. For further details on how these two systems collaborate, you can find [more information here.](#)"

Working together

"RoomRaiser delivers what it promises: our prices remain consistently competitive, and we practically forget about monitoring competitors because they handle it for us. The RoomRaiser team provides professional added value, and we always receive appropriate support whenever we have questions. Setting parameters was done with professional support, based on the unique characteristics of our hotel. The integration between systems works well, and the software is easy and transparent even for beginners."

The results

"Analyzing data from September 2023 to February 2024, our bookings from online channels **increased by 45%** compared to the previous year, while revenue from these bookings **surged by 60%**. **Using RoomRaiser** has practically **reduced the time spent on pricing** by tenfold. I can now complete the pricing for a year ahead in less than half an hour, mostly just reviewing RoomRaiser's prices. Previously, this took about 4 hours. The software completely relieves us of data collection and processing, minimizing errors. We can always be confident in our pricing."

Based on the above, we can say that the technology, which is already more widely adopted in Western Europe, is also working for the above mentioned accommodation providers. RoomRaiser brings automated hotel revenue management solutions for small and medium-sized hotels to Hungary and neighboring countries first, complemented by regional expertise and professional consultancy.

Streamline monotonous workflows and boost your hotel's revenue with RoomRaiser!

[Get in touch today!](#)



Glossary

Revenue Management: The strategic practice of optimizing pricing and inventory to maximize revenue and profitability.

Revenue Management Software: Technology solutions that automate and streamline revenue management processes, including pricing optimization, demand forecasting, and inventory management.

Yield Management: Another term for revenue management, focused on maximizing revenue from perishable inventory.

Demand Forecasting: Predicting future demand for hotel rooms based on historical data, market trends, and other factors.

Dynamic Pricing: Adjusting prices in real-time based on demand, seasonality, and other factors to maximize revenue.

Inventory Management: Optimizing the allocation and distribution of available rooms to maximize revenue potential.

Average Daily Rate (ADR): The average rate paid per occupied room in a hotel over a specific period.

Revenue per Available Room (RevPAR): A key performance metric calculated by dividing total room revenue by the number of available rooms.

Property Management System (PMS): Software used by hotels to manage guest reservations, check-ins, check-outs, and other front-office operations.

Central Reservation System (CRS): A system that allows hotels to manage and distribute room inventory across multiple distribution channels.

Channel Manager: Software that synchronizes room inventory and rates across various distribution channels, such as online travel agencies (OTAs) and hotel websites.

Data Analytics: The process of analyzing large datasets to uncover insights and trends that inform decision-making.

Predictive Modeling: Using statistical techniques to forecast future outcomes based on historical data and trends.

Customization: Tailoring revenue management strategies and software configurations to suit the specific needs and objectives of a hotel.

ROI (Return on Investment): A measure of the profitability of an investment, calculated by dividing the net profit generated by the investment by the initial cost.

Consulting Services: Providing expert advice or guidance to businesses or individuals in a particular field or industry.

Consulting Fee: Compensation paid to revenue management advisors or consultants for their expertise and services.

Revenue-Sharing Agreement: An arrangement in which revenue management advisors receive a percentage of the additional revenue generated by their recommendations.

Total Cost of Ownership: The total cost associated with acquiring, implementing, and maintaining revenue management software over its lifetime.

Agility: The ability of revenue management software to adapt to changing market conditions and business needs.

Long-Term Investment: A strategic decision to invest in revenue management software for sustained growth and profitability over time.

Competitive Advantage: A set of unique attributes or strategies that allow a business to outperform its competitors.

User Interface (UI): The visual interface that allows users to interact with software or technology.

Integration: The process of combining different systems, software, or components to work together seamlessly.

Subscription Model: A pricing model where users pay a recurring fee at regular intervals (e.g., monthly or annually) to access a service or software.

Automation: The use of technology to perform tasks or processes with minimal human intervention.

Data Synchronization: Ensuring that data across different systems or platforms is consistent and up-to-date.

Cost Analysis: Evaluating the costs associated with a particular decision or investment.

Sustainability: The ability to maintain or sustain something over the long term without causing harm to the environment or depleting resources.

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