



CASE STUDY: 90+ BED BACKPACKERS, WANAKA



GOALS

1. Improve online presence with key third-party booking agents
2. Carry out effective yielding of online bookings by implementing dynamic pricing
3. Increase revenue without pricing too high and tarnishing reputation within the backpacker market

CHALLENGES

This client came to us wanting to see whether we could make any difference to their overall revenue results. They are in a popular tourist destination for the backpacker market and their challenge was not to fill beds, it was rather to ensure that they weren't leaving too much money on the table by selling too easily.

They previously had fixed seasonal rates and had some hesitations about whether dynamic pricing would work for the backpacker market. Like so many of our clients, they didn't want to get a bad reputation or start receiving poor value for money reviews. We took this onboard and carefully rolled out flexible pricing that ensured their new rates were only ever a fair reflection of demand, without crossing the line toward greed.

RESULTS

This client had been working with Rooms Online for a period of just 3 months at the time we analysed these results. The comparisons are reflective of the same time of year prior to working with Rooms Online vs. the same 3 months of working with Rooms Online, i.e. year on year (YOY) data. Results are reflective of online business only and exclude direct booking data.

We managed to use flexible pricing to maximise on strong demand and increasing rates as occupancy increased. This strategy allowed for improved visibility with the OTAs in the first instance and from there we managed to increase overall revenue and occupancy.

Prior to Rooms Online (01 Nov 2017-31 Jan 2018)		With Rooms Online (01 Nov 2018-31 Jan 2019)	
Room Revenue	\$100,753.89	Room Revenue	\$167,851.91
Average Daily Rate (ADR)	\$56.86	Average Daily Rate (ADR)	\$58.98
Online Room Nights	1772	Online Room Nights	2846

- Room revenue growth vs same time last year: \$67,098.02
- Cost of Rooms Online services during these 3 months: \$2,142.33 inclusive of GST
- Average rate growth (per bed) for online bookings YOY for the same time-period: \$2.12
- Online room night growth YOY for the same time-period: 1074

REVENUE MANAGERS COMMENTS

"This has been a strong period for Wanaka in general, but this property has performed much better with consistent rate management. A much more structured focus on rate movement as and when demand grew has seen sales increase in bookings and stays. In simple terms – we ensured the property didn't fill too quickly and easily and leave money on the table during this strong demand period"

JANFERIE BOWRING, ROOMS ONLINE REVENUE MANAGER



3
Months

\$67K
Online Revenue
Growth

\$2.12
Average Rate
Growth

1074
Room Night
Growth