



CASE STUDY: 6 APARTMENTS, BAY OF PLENTY

GOALS

1. Tidy up and optimise online presence with key third-party booking agents
2. Increase room revenue through effective yielding, including implementing dynamic pricing
3. Avoid sacrificing rate to achieve revenue growth

CHALLENGES

This business has offsite owners and an onsite manager who was new to the accommodation industry.

The manager joined Rooms Online as she admitted she lacked confidence with making the most of her channel manager and the online third-party sites. Small tasks would take her a long time and plenty of frustration, so she'd often put them in the 'too hard basket' which she acknowledged was not a great way to manage this important part of the business.

The client was not confident with her knowledge of her market mix or how to extract or understand the reporting tools available to her and she felt overwhelmed by it all. Prior to using Rooms Online, they had fixed high and low season rates and rarely deviated from these rates. The client was hesitant to run any promotions with online travel agents and made rate decisions purely on what their competitors were doing, rather than pricing as per their own demand.

RESULTS

This client has been working with Rooms Online for a period of nearly 9 months at the time we analysed these results. The comparisons are reflective of the same time of year for the same months prior to working with Rooms Online vs. the 8.5 months of working with Rooms Online, i.e. year on year (YOY) data.

Prior to Rooms Online (01 Feb 2017-31 Jul 2017)		With Rooms Online (01 Feb 2018-31 Jul 2018)	
Room Revenue	\$165,663	Room Revenue	\$201,097
Average Daily Rate (ADR)	\$182.16	Average Daily Rate (ADR)	\$199.15
Average Room Nights	47.90%	Average Room Nights	61.6%

- Room revenue growth with Rooms Online (Feb-July 2018) vs same time last year: \$35,434
- Cost of Rooms Online services during this time: \$2,562.69 inclusive of GST
- Average rate growth year on year for the same 8.5 months (Feb-Jul): \$16.99 (per room)
- Average occupancy growth year on year for the same 8.5 months (Feb-Jul): 13.7%

REVENUE MANAGERS COMMENTS

"This property sits in a prime location and had so much opportunity to leverage further. They weren't the easiest to find online and their rates were not moving in line with supply and demand. This meant they were either not charging enough in busy times and leaving money on the table, and in quiet times they were charging too much and pricing themselves out of the market which impacted their visibility.

By optimising the online listings as well as putting in place a good plan, we were able to achieve a much higher average rate as well as increase occupancy"

LAURA BROWN, REVENUE MANAGER

