



CASE STUDY: 16 ROOM LODGE, CENTRAL OTAGO



Our Motel Minders suggested Rooms Online when we realised we had been paying too much attention to developing the physical aspects of our motel and not to increasing revenue.

They're fun and efficient nothing seems to be a problem.



GOALS

1. Optimise online presence with key third-party booking agents.
2. Decrease dependence on low rate paying business and leverage higher paying business.
3. Increase average rate in line with demand to achieve best yield.

CHALLENGES

This property is situated in a destination that has very few quiet periods, however the business had not reviewed or increased their rates in many years and took in far too many tour groups at low rates.

The previous strategy of chasing high occupancy at low rates was reflected in the previous average daily rate (ADR) which sat well below what could otherwise be achieved given the level of high demand.

Our first challenge was decreasing dependence on contracted tour groups and re-balancing the properties market mix.

RESULTS

This client has been working with Rooms Online for a period of 6 months at the time we analysed these results. The comparisons are reflective of the same time of year for 6 months prior to working with Rooms Online vs. the 6 months of working with Rooms Online, i.e. year on year (YOY) data.

Prior to Rooms Online (01 Sept 2016 – 28 Feb 2017)		With Rooms Online (01 Sept 2017 – 28 Feb 2018)	
Room Revenue	\$615,148	Room Revenue	\$656,435
Average Daily Rate (ADR)	\$180.29	Average Daily Rate (ADR)	\$201.98
Average Occupancy	98.40%	Average Occupancy	93.73%

- Room revenue growth with Rooms Online (Feb-Nov 2018) vs same time last year: \$41,287
- Cost of Rooms Online services during this time: \$3,250 inclusive of GST
- Average rate growth for time contracted vs. same time prior year (YOY): \$21.69
- Occupancy for time contracted vs. same time prior year (YOY): -4.67%

REVENUE MANAGERS COMMENTS

"Fortunately for us, shortly after Rooms Online started working with this property, many of the pre-existing tour groups cancelled their booking over the upcoming peak period, therefore freeing up rooms to be sold at much higher/fairer rates reflective of demand.

This is reflected in the decreased occupancy and significant growth to the average rates and overall room revenue. This owner is extremely happy as they have simultaneously lowered costs significantly."

JODY SHARRAT, ROOMS ONLINE DIRECTOR OF OPERATIONS



\$41K

Revenue Growth

\$21.69

Rate Growth

-4.67%

Occupancy Decrease
(lower costs)