



CASE STUDY: 14 ROOM MOTEL, BAY OF PLENTY

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 sacrificing average rate

CHALLENGES

When this property joined us, they were listed on two booking sites only (Booking.com and Bookit) despite being in the business for six years, purely due to self-confessed laziness and struggling with the online booking systems.

They are an attractive option for corporate visitors as they remain one of the few motels in the area which has limited choices. However, this meant that our client had become complacent with corporate businesses and hadn't had to consider reviewing rates or optimising their online visibility.

To put it simply, they could be doing so much more and making a lot more money. They had static rates previously and knew dynamic pricing was an option, yet had no idea knowing where to start.

RESULTS

This client had been working with Rooms Online for a period of 6 months (July-December) 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 6 months of working with Rooms Online, i.e. year on year (YOY) data.

We managed to hold rate yet increase both revenue and occupancy during these 6 months. This meant that despite running promotions to improve visibility, we managed to make up for rate by using flexible pricing and increasing rates as occupancy increased. This strategy allowed for improved visibility in the first instance and from there we managed to increase overall revenue and occupancy.

Prior to Rooms Online (01 Jul 2017 – 31 Dec 2017)		With Rooms Online (01 Jul 2018 – 31 Dec 2018)	
Room Revenue	\$138,523.51	Room Revenue	\$175,303.16
Average Daily Rate (ADR)	\$124.74	Average Daily Rate (ADR)	\$127.40
Average Occupancy	46%	Average Occupancy	53%

- Room revenue growth vs same time last year: \$36,000
- Cost of Rooms Online services during these 6 months: \$2,876.38 inclusive of GST
- Average rate growth for online bookings YOY for the same time period: \$0.66 \$0.66
- Average occupancy growth YOY for the same time period: 7%

REVENUE MANAGERS COMMENTS

"It was great to have an opportunity to meet the owners over coffee at their conference and they were very excited at this time to be joining Rooms Online. They gave me their trust to do what I needed to do for success. They did get a little nervous about participating with OTA Promotions/Deals but allowed me to proceed. This ended with a great result, securing gross revenue of \$12K in just 3 months."

JANFERIE BOWRING, ROOMS ONLINE REVENUE MANAGER

