



# CASE STUDY: 20 ROOM MOTEL PALMERSTON NORTH



*I was scared. I did not know the staff and I was not sure if they would have my business at heart or if they knew what they were doing!! How silly my fears were!!*

*I can see how well they manage the prices, something that I did not do very well. They advise me every week what they are planning, and I am very happy with that.*



## GOALS

1. Full audit and update to optimise online presence with key third-party booking agents.
2. Increase online room revenue and average rate through effective yielding.
3. Increase visibility and bookings through savvy use of promotions, without impacting bottom line.

## CHALLENGES

This client had owned the motel for three years with no previous accommodation experience at the time of joining Rooms Online. They lacked confidence knowing how and when to do any discounting as they felt they might do it at the wrong time and dilute their revenue.

Their room types were mapped and listed online incorrectly. For example, their entry level room which should have been the lowest rate was mapped as their most expensive and therefore their bookings were being impacted.

They felt bullied by the online travel agents (OTAs) and overwhelmed as to what promotions to do, and they lacked an overall strategy with revenue targets or how to get the most out of their third-party sites.

## RESULTS

This client had been working with Rooms Online for a period of 4 months (Apr-Jul) 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 4 months of working with Rooms Online, i.e. year on year (YOY) data.

This property does not use a cloud-based property management system (PMS), so figures shown are purely from bookings made across all online channels only and do not account for any direct bookings revenue.

Prior to Rooms Online (01 Apr – 31 Jul 2017)		With Rooms Online (01 Apr – 31 Jul 2018)	
Room Revenue	\$26,441	Room Revenue	\$54,233
Average Daily Rate (ADR)	\$126.50	Average Daily Rate (ADR)	\$140.50
% of total available rooms that were booked online prior to Rooms Online	8.6%	% of total available rooms that were booked online prior to Rooms Online	15.8%

- Room revenue growth for time contracted with Rooms Online vs same time last year: \$27,602
- Cost of Rooms Online services during these three months: \$1,734.20 inclusive of GST
- Average rate growth YOY same time period: \$13.57
- Increase in online bookings YOY same time period: 54%

## REVENUE MANAGERS COMMENTS

*"This property would always sell-out over times where there were big sports events in town (which are quite frequent!).*

*By monitoring bookings as they came in and maximising on revenue opportunities, especially over these busy events – we have experienced significant growth in rate, room revenue, and room nights (especially through OTA's)"*

ALICIA SCARF, ROOMS ONLINE REVENUE MANAGER



**\$27K**

Online Revenue Growth

**\$13**

Average Online Rate Growth

**54%**

Booking Growth