



CASE STUDY: 19 ROOM MOTEL, INVERCARGILL

GOALS

1. Full audit and update to optimise online presence with key third-party booking agents
2. Increase online room revenue through effective yielding
3. Increase average rate without sacrificing guest feedback and reputation

CHALLENGES

We were referred to these new owners by another motelier as they were new to the industry at the time. They initially joined Rooms Online for the minimum contract period of three months in order to learn as much as they could and get an audit of their online listings done without the headache of doing so themselves.

Initially, they were very nervous about charging higher rates, despite the increment being only slightly more than their previous fixed rates. They wanted to avoid getting a bad reputation for 'ripping people off' and were afraid higher rates would price themselves too much higher than their competitors.

They now accept their highest best available rate (BAR) is more than acceptable to charge for events, and they continue to gain confidence with the fluctuating rates as demand changes.

RESULTS

This client had been working with Rooms Online for a period of 6 months (Feb-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 6 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 Feb – 31 Jul 2017)		With Rooms Online (01 Feb– 31 Jul 2018)	
Room Revenue	\$147,347	Room Revenue	\$203,261
Average Daily Rate (ADR)	\$140.74	Average Daily Rate (ADR)	\$149.64
% of total available rooms that were booked online prior to Rooms Online	31%	% of total available rooms that were booked online prior to Rooms Online	42%

- Room revenue growth for time contracted with Rooms Online vs same time last year: \$ 55,434
- Cost of Rooms Online services during these three months: \$2,511.60 inclusive of GST
- Average rate growth YOY for the same time period: \$8.89 (per room)
- Increase in online bookings YOY for the same time period: 26%

REVENUE MANAGERS COMMENTS

"This client initially said they would only sign up for 3 months – and here we are nearly a year later!! With a very heavy corporate market, their public demand really needed to grow which we have done, this has been helpful not only to 'top up' corporate heavy months, but to also still have bookings in while the corporates are not travelling (e.g. the weekends, or over the Christmas/New Year period). By using dynamic pricing, we have been able to grow their corporate rates significantly and also build in a lot more public demand"

ALICIA SCARF, ROOMS ONLINE REVENUE MANAGER

