

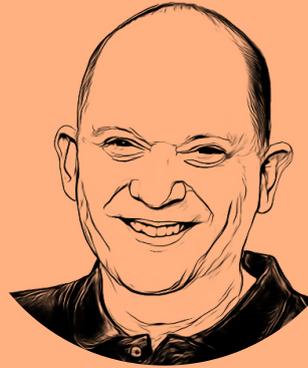
2024

The Fast-Forward Tech Stack for 2024

The Hotel Yearbook Technology 2024

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Revenue Management Trends and ROE takeaways to Watch for 2024

Distribution & Revenue

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Synopsis

The hospitality industry in 2022 experienced a major shift towards cloud-based technologies due to staffing pressures and market variability. The coming year will see hotels further adopting technology to drive efficiency and adapt to various revenue management trends. These include adapting to variable demand and short-term booking windows, dynamic pricing, using real-time and predictive data, promoting data transparency across departments, and offering profitable personalization to guests. The investment in technology has become a crucial priority for the sector in 2023 to keep up with modern customer demands, deliver exceptional experiences, and retain top talent.

2022 was a year when we saw a significant move to cloud-based technology. Staffing pressures and market variability meant that hotels needed to implement systems that could harness and process extraordinary amounts of data without having to hire large teams of specialists or increase workloads for existing staff.

The interoperability of HTNG-spec, cloud-based technology has meant that tech stacks have evolved rapidly across a range of areas of critical importance to hotels.

Looking at the results of [Duetto's recent Trends & Predictions survey](#), 2023 is a year of increased tech adoption, as hotels look for ways to drive efficiency, boost profitability, and adapt to the challenges of the year ahead. Here are six revenue management trends to watch for in the year ahead:

1. VARIABLE DEMAND

Demand will continue to be variable because we will continue to experience multiple overlapping market crises on a recurring basis - from pandemics to wars to recession - as such hotels will need to adopt very flexible pricing models, especially in the high-volume hub city destinations.

However, there are opportunities here. This variable demand should drive hotels to focus more on the repeat customer, using personalization and emotional trust appeal to build closer connections and loyalty with the individual guest. These connections lead to guests who stay longer, spend more money on-site, and leave stronger reviews.

Return on Experience (ROE) takeaway: By defining the different guest loyalty types needed, such as individual, family, group, or corporate account, properties can control their loyalty programs and define the right program parameters for each.

2. SHORT-TERM BOOKINGS WINDOWS

The short-term booking window will continue to challenge hotel teams operationally and from a revenue perspective. However, a short-term booking window represents an opportunity to connect with a more mobile, more astute, and engaged traveler, switching seamlessly between business and leisure profiles. Hotels are learning to integrate customer data and loyalty profiles across the entire spend onsite to curate personalized offers for a more discerning guest. This is a guest that is used to shopping in a short-term booking window and making direct decisions with their hotel supplier.

ROE takeaway: A booking engine should move guests effortlessly through the booking process while providing real-time room availability to sell every last room, seamless confirmations to avoid confusion that may stem from multiple confirmations, and instant PMS data access which removes the need to needlessly configure systems.

3. DYNAMIC OPTIMIZATION

Hotels can no longer rely on fixed pricing models to deliver consistent and reliable volumes across their hotel real estate. Dynamic pricing and rate flexibility have become essential, not just for the hotel, but also to attract the new breed of engaged traveler. Real-time dynamic optimization enables hotels to react instantly to changes in demand, accelerating go-to-market strategies and promotions. In a world where everything is in an instant, a lack of speed can kill profit. Be ready for agile pricing - what we may come to refer to as 'situational pricing' - as this assists hotels in driving advantage in short-term windows or limited seasonality by using flexible data models based on forward-looking predictive models.

ROE takeaway: The right integration between systems enables a property's PMS to share the rate, availability, and inventory details with the RMS - allowing it to modify rates based on availability, market demand, competitor pricing, and historical pricing, before sending them back to the PMS.

4. REAL-TIME FORWARD-LOOKING DATA

Historic data is no longer sufficient to build a hotel revenue strategy. Moving forward, hotels need to look beyond the booking engine and start considering wider demand intelligence, such as how upcoming events (sports, concerts, conventions, etc.) may boost demand, and on the flip side, be aware of how other external factors, such as severe weather, may change the demand curve. If you measure it, you can manage it.

A great example is Virgin Hotels Edinburgh, which opened in the middle of the summer season of 2022 and just ahead of the busy festival period. The hotel needed to enter the market competitively on price without underselling. However, as a new property, the hotel had no historical data. Therefore, the revenue team used short lead market demand data and pick up data to be able to price and forecast more accurately. Having access to forward-looking demand data, was important in enabling the hotel team to identify small market trends, making sure they didn't miss out on any opportunities.

ROE takeaway: When systems are integrated across a property, this data can be used to help ensure inventory levels will meet forecasted demand and staffing levels are sufficient to delight guests. Being able to tap into the data provided by this type of demand intelligence will help reduce stress on staff and ensure guest expectations are met, leading to a higher ROE for both.

5. DATA TRANSPARENCY AND CO-OPERATION

Forward-looking data, such as web traffic data, provides hoteliers with a vital heads-up on what is to come in terms of bookings and consumer demand, and this is even more important while that booking window remains truncated.

Sharing this data with the relevant teams and making sure that all departments have access to the same data, in real-time, means that operations teams can better schedule staff and order perishables, while revenue, sales, and marketing can work together to fill any gaps in demand through tailored packages and personalized pricing.

ROE takeaway: A sizable portion of operating cost is tied up in the items a property purchases. The right inventory management tool ensures properties maximize every dollar by having all the ingredients for food & retail management success while reducing waste, spoilage, theft, and overstock.

6. MAKING PERSONALIZATION PROFITABLE

Expectations have evolved and guests that provide their data to properties expect bespoke, personalized experiences to be provided in return. Personalized pricing and packages can be assigned to guests based on upsell demand or loyalty profile directly from the inventory through revenue management. We will see hotels working in a more fluid and more targeted way with their individual guests and business partners in 2023. The more personalized your offers, the higher your conversion rate. The best way to drive this is to link personalization directly to revenue. Hotels will see this trend continue through loyalty and profile-based offers targeted directly to individual guests in the shopping and confirmation process.

ROE takeaway: Personalized experiences are a must. To personalize, properties must digitize. Systems that help properties retain staff, as well as delight guests, are essential. Guests and customers are in charge.

Some want digital interactions, some want in-person ones, and some want both, depending on circumstances. Knowing and acting on these differences sets hospitality leaders apart from the rest.

WHY MAKE TECH INVESTMENT A PRIORITY IN 2023?

Still unsure about the need for a technology upgrade? Ask yourself, are your customers still carrying around a Nokia 3310 out of loyalty? The phone was great in its day, but the world has moved on. Technology has advanced. The customer has advanced. And hotel businesses that don't keep up with this change will slip behind at a rapid pace.

When your current technology is limiting your options, the replacement cost must be compared to the revenue lost from not implementing technology in the first place.

In addition, modern solutions help attract and retain the brightest staff, who don't want to have to perform mundane tasks such as data entry. They want a system that offers the efficiencies of controlled automation so that they can work to influence the direction of business and strategy of a hotel business and help deliver exceptional experiences to guests.

- Trends by Chris Crowley, Duetto
- ROE takeaways by Frank Pitsikalis, Agilysys

*Discover more trends & predictions from hotel industry leaders in Duetto's eBook: **Targeting Greater Profitability in 2023**. [Download a FREE copy here.](#)*

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Frank Pitsikalis — Vice President, Product Strategy, Hotels, Agilysys

Frank brings a wealth of professional and personal experience to his role as Vice President, Product Strategy, Hotels at Agilysys. Previously the Founder & CEO of ResortSuite, he has advised Fortune 1000 companies regarding the strategic use of technology to help achieve organizational objectives and worked at top consulting firms including, Ernst & Young, USoft (Unisys), and MERANT. Combining his knowledge of the hospitality field with his background in enterprise technology, Frank founded ResortSuite, establishing it as a leading provider of integrated, guest-centric, hospitality technologies. Frank has served 13 years on the ISPA Board of Directors and serves as Chairman of the ISPA Foundation.

Chris Crowley — Chief Revenue Officer, Duetto

Chris Crowley joined Duetto in April 2021 as Senior VP of Sales and was promoted to Chief Revenue Officer in April 2022. Chris leads the global sales organization, which operates offices in the US, Argentina, London, Germany, and Singapore. Before Duetto, Chris established his Nina & Pinta business travel consultancy in late 2017, working with a wide array of clients, including hotel technology specialist HRS Group. An experienced travel industry professional, Chris also worked as Senior Vice President at BCD Travel. And he enjoyed hospitality tenures with Accor, Radisson, Concorde Hotels, Grange Hotels, and 47 Park Street Hotel in London.

Agilysys, Inc. — agilysys.com

Agilysys is well known for its long heritage of hospitality-focused technology innovation. The Company delivers modular and integrated software solutions and expertise to businesses seeking to maximize Return on Experience (ROE) through hospitality encounters that are both personal and profitable. Over time, customers achieve High Return Hospitality by consistently delighting guests, retaining staff and growing margins. Customers around the world include: branded and independent hotels; multi-amenity resort properties; casinos; property, hotel and resort management companies; cruise lines; corporate dining providers; higher education campus dining providers; food service management companies; hospitals; lifestyle communities; senior living facilities; stadiums; and theme parks. The Agilysys Hospitality Cloud™ combines core operational systems for property management (PMS), point-of-sale (POS) and Inventory and Procurement (I&P) with Experience Enhancers™ that meaningfully improve interactions for guests and for employees across dimensions such as digital access, mobile convenience, self-service control, personal choice, payment options, service coverage and real-time insights to improve decisions. Core solutions and Experience Enhancers are selectively combined in Hospitality Solution Studios™ tailored to specific hospitality settings and business needs. Agilysys operates across the Americas, Europe, the Middle East, Africa, Asia-Pacific, and India with headquarters located in Alpharetta, GA.