

Chapter 13 Outline

The Concept of Revenue Management
Hotel Industry Applications
Measuring Yield
 Formula 1: Potential Average Single Rate
 Formula 2: Potential Average Double Rate
 Formula 3: Multiple Occupancy Percentage
 Formula 4: Rate Spread
 Formula 5: Potential Average Rate
 Formula 6: Room Rate Achievement Factor
 Formula 7: Yield Statistic
 Formula 8: RevPAR
 Formula 9: Identical Yields
 Formula 10: Equivalent Occupancy
 Formula 11: Required Non-Room Revenue per Guest
 RevPAG and GOPPAR
Elements of Revenue Management
 Group Room Sales
 Transient Room Sales
 Other Revenue Opportunities
 Local and Area-Wide Activities
 Special Events
 Fair Market Share Forecasting
The Revenue Manager
Using Revenue Management
 The Revenue Meeting
 Potential High- and Low-Demand Tactics
 Implementing Revenue Strategies
Revenue Management Software
Summary

Competencies

1. Explain the concept of revenue management, and discuss how managers can maximize revenue by using forecast information in capacity management, discount allocation, and duration control. (pp. 479–484)
2. Discuss common formulas managers use to measure and manage revenue. (pp. 485–498)
3. Explain how revenue management decisions are affected by group room sales, transient room sales, other revenue opportunities, local and area-wide activities, special events, and fair market share forecasting. (pp. 498–508)
4. Discuss the revenue manager's role and position, summarize typical revenue meetings, outline potential tactics to use in periods of high and low demand, discuss revenue management tactics, and explain how revenue management software helps hotel managers. (pp. 508–521)