

hotelier *india*

A DEFINITIVE GUIDE TO SUCCESSFUL HOTEL MANAGEMENT

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Using
**BUSINESS
INTELLIGENCE**
A boon to
**HOSPITALITY
INDUSTRY**

Technology

Using Business Intelligence



“With BI, hospitality businesses can increase efficiency, enhance revenue, retain customers, consolidate businesses, improve productivity, and lower operating costs”

Sanjay Mehta is CEO of MAIA Intelligence Pvt. Ltd.

A boon to the hospitality industry, BI helps to profile guest and business segments by any combination of criteria through easy point-and-click steps

Over the past years, companies in the hospitality industry have spent millions on technology systems to optimise business processes. These disparate systems generate enormous amounts of transactional data in multiples. However, senior executives and operational managers are now asking for enterprise reports that correlate data from distributed systems across multiple periods.

Single enterprise wide view becomes a challenge. Revenue management is dynamic and constantly changing. The pricing optimisation and forecasting strategies are complex and difficult. There is also a tremendous challenge in meeting customers' expectations and preferences. Apart from that there is constant pressure of capturing, analysing, and creating the right message/offer using the right medium and at the right time.

Organisations in the hospitality industry can use Business Intelligence (BI) to protect its market share, identify unproductive rate strategies, uncover new revenue opportunities or beat the competition. Dynamic MIS and ad-hoc reports from BI help understand current market position, illuminate future performance trends and compile detailed picture of competitive environment (who is travelling and from where), etc.

BI helps business in hospitality to profile guest and business segments by any combination of criteria through easy point-and-click steps. Easily break out, analyse and compare these segments on demographics, stay patterns, etc. They can identify

best guests and uncover those with the highest potential for additional nights or services. They can also track performance across time, guests, return rate, length of stay, frequency, recency, room rate, upgrades, etc. Track by division, product line, guest segment, booking source/channel, geography/property...any variable on file. BI allows management to identify challenges and opportunities. Quickly spot where business or guest segments are excelling or under-performing. They can monitor changes and easily drill down to see the factors driving this performance.

From hotel and revenue management BI can be used throughout the enterprise (front, middle and back office operations) including hotel revenue management, POS, and CMS systems for patrons' worth and profitability, guest satisfaction, market analytics, customer segmentation, and campaign management.

With BI, hospitality businesses can increase efficiency, enhance revenue, retain customers, consolidate businesses, improve productivity, and lower operating costs.

Hotel Operations

- Manage revenue and understand price optimisation trending
- Analyse room maintenance and inventory allocation, food, and beverage controls

Financial Analysis

- Determine long term value of customer segments with BI
- Track performance of venues such as room bookings, dining, entertainment, and retail outlets,

to determine the percentage contribution to total revenue

Marketing Analysis

- Offer products and services that match customer preferences
- Target different cross-sell and up-sell offers based on prior purchase behaviour
- Determine reinvestment levels and offer benefits according to customer value and profit

BI Usage

- Analyse hotel's arrival patterns
- Look at the bookings history for the travel agents including information on booking sources, rates, and length-of-stay patterns
- Use the length-of-stay pattern information to understand any negative effects that minimum length-of-stay restrictions may be having on your business
- Responsible discounting to re-

BI empowers business users and decision makers of the Hospitality business to

- Increase RevPAR (Revenue per available room) and customer profitability
- Measure and predict guest lifetime value
- Understand guest behaviour, trends and travel needs
- Increase share of wallet for loyalty members
- Accurately forecast group and transient demand and establish rate and availability controls
- Develop price optimisation models
- Optimise usage and scheduling of resources

spond to market conditions instead of blindly following panic rate cuts

• **For example, in corporate business:**

- Will reducing a rate result in increased room nights?
- Or will it simply dilute revenue?
- Does the company have the volume to offset the rate decrease?
- Mine the agencies that have highest room night volume or analyse dealers who have provided no reservations to your specific property
- Consider day-of-week (DOW) patterns with drill down to understand weekend-only stays, peak nights, lowest days, weekday stays, and arrivals Sunday through Wednesday
- Monitor future patterns and pace, which lets you understand the impact of current revenue management strategies on future bookings and measure the effectiveness of pricing changes on market share

What's happening, why it's happening and what's going to happen (the trend) and determine what you want to happen.

Hospitality business can stay ahead with timely action based on the meaningful information provided by the BI.

• **Get accurate insights from BI dashboards and also understand why**

- Analyse period-to-date figures, year-over-year changes, and budget variances
- Compare property sales with those of other properties, brands, chains, and regions
- Identify high yielding market segments, rate plans, and business sources
- Analyse effectiveness of marketing campaigns, promotions and package plans
- Identify most/least profitable guests, corporate accounts, and travel agents

• **Pinpoint the facts with flexible analytics**

- Perform ad-hoc analysis with the ease of drag-and-drop
- Measure impact of various business drivers with multi-per-

segment by rate plan, or corporate account by sales manager

- Drill down to details to uncover trends and relationships, understand anomalies, and investigate lost opportunities
- Create your own interactive reports and charts

• **Act on the intelligence and leverage your knowledge**

- Respond to demand fluctuations early on
- Discover and seize opportunities before they are gone
- Optimize marketing funds by targeting the likely responders
- Reward your most profitable customers to ensure repeat business

Advantages of BI for Hospitality Industry:

- Monitor performance with different criteria
- Identify and get insights into weaker units for corrective measures
- Analyse data by time, product, category, region and unit
- Help design special promotion campaign and evaluate performance output
- Cultivate loyalty amongst customer by analyzing customer behaviors and developing customer profiling
- Identify potential properties for acquisition
- Self-served ad hoc querying and business intelligence reporting tool for end users to assess their role in success
- Top management can consolidate data from different spheres and get single and simple view of complex financial metrics
- Save Time - Stay connected to your businesses and reduce the time to action by spending less time gathering information and more time on improving performances
- Enhance Communication - Provide 360 degree insight into operation and share data across the organisation. Improve speed and quality of decision-making, enabling rapid delivery of intelligent, relevant information to key decision-makers in organisation
- Better Decisions - Quickly and easily identify strengths or weaknesses and make proactive

• Grow the Top and Bottom Line - Tighter control of KPI will enable the operation to decrease costs and increase revenue

- Improve operations and business processes related to revenue generation, customer satisfaction/retention, cross-selling opportunities, room inventory management and new market opportunities

BI helps eliminate a plethora of manually managed spreadsheets by stopping its proliferation, which leads to multiple versions of key indicators. BI helps pre-deliver standard reports, automating the process and ensuring accuracy of the data for a measurable decrease in cost and increase in productivity.

Remove Resource Constraints in IT:

Customised reports and data exports from one or multiple systems drains the resources of IT department, and it can result in a waiting game as IT prioritises which requests to fulfill. In contrast, BI multi-dimensional reports put data directly in the hands of the user, allowing each department to create made-to-order reports without the assistance of IT.

Provide Complex Reports for Ad-hoc Analytics:

For most organisations, predicting customer attrition or revenue is a process of single dimensional reporting, internal knowledge and gut business instinct. With BI, you can make an informed management decision and know how to maximise revenue and enhance guest services

Who gets what?

Property GMs can receive audited performance data and labour numbers once each day. Regional controllers may have a customised daily flash reports emailed first thing each morning. Revenue managers can get property performance data weekly. Investors may opt to receive property or entity performance every morning in their mailbox. Asset managers can have property-group flash, labor data and P/L output delivered in the form of a colour coded KPIs in their dashboard daily. All the business users across the hospitality business get their share of BI reports and analysis with either the KPIs displayed on the dashboard or the alert in the mailbox. **H**

