



RevPAR **HACKING**

Creating a team-oriented, growth-minded revenue culture that aligns hotel marketing & revenue management

INSIGHTS FROM

Hilton &
Nickelodeon

INSIDE



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Your guests, your team, and your hotel's bottom line all win when you aspire to generate the most revenue

Weave revenue strategy into everyone's strategy

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Why revenue culture matters

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A thriving hotel economy relies on happy guests. And revenue. In fact, revenue is critical to a satisfied guest; it allows hotels to better serve their staff, and their staff to better serve their guests.

Revenue considerations must filter through every level of the organizational chart and every strategy. This creates a revenue culture that spans revenue management, marketing, e-commerce, sales, and any person responsible for driving your hotel's bottom line.

This revenue culture is one where guest data and revenue data inform one another at every level. It focuses on the strategic and detailed exploration of profitable channels, demand and need, yield management, and cost structures.

Creating a revenue culture that is both team-oriented and growth-minded starts by rethinking conventional hotel revenue and marketing operations.



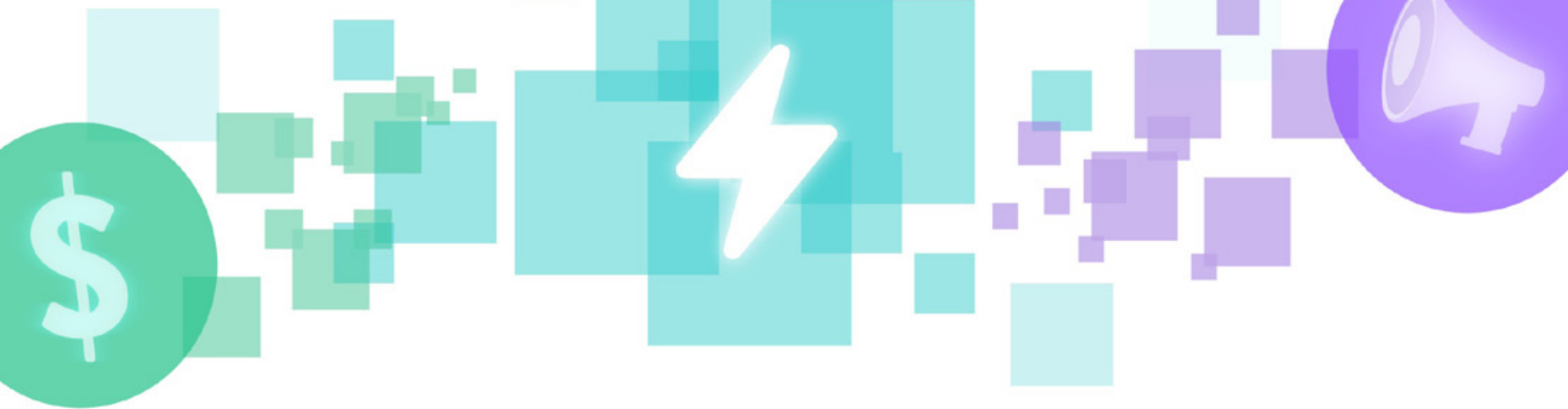
“Revenue culture doesn’t simply drive more business; it aspires to drive smart business that will generate the most revenue at the lowest cost.”

Traditionally, revenue management set the price and handled the OTAs, while marketing reached the guest, tracked the time on site, and created content about the property. To some degree, revenue management has owned channel and price, and marketing has owned hotel and guest.


However, marketing cannot successfully target the most profitable business without revenue management to guide demand, rate, and distribution. Conversely, revenue management can benefit from marketing’s input regarding content and messaging. By creating a revenue culture that integrates these functions, a synergy is built between the two—or sometimes between many in cases where sales, marketing, and e-commerce are separate departments.

Revenue culture doesn’t simply drive more business; it aspires to drive smart business that will generate the most revenue at the lowest cost. When all team members understand the data necessary to do this, they are better strategists.

In turn, measuring campaign results becomes more than meeting the budget, or generating web visits, or even how many bookings come in. A culture centered on revenue will encourage KPIs such as NetRevPar—revenue per available room less the cost of distribution fees, commissions, and transaction fees—and will do so against different campaigns, channels, market segments, and corporate accounts to have the clearest understanding of the path to profitable business.

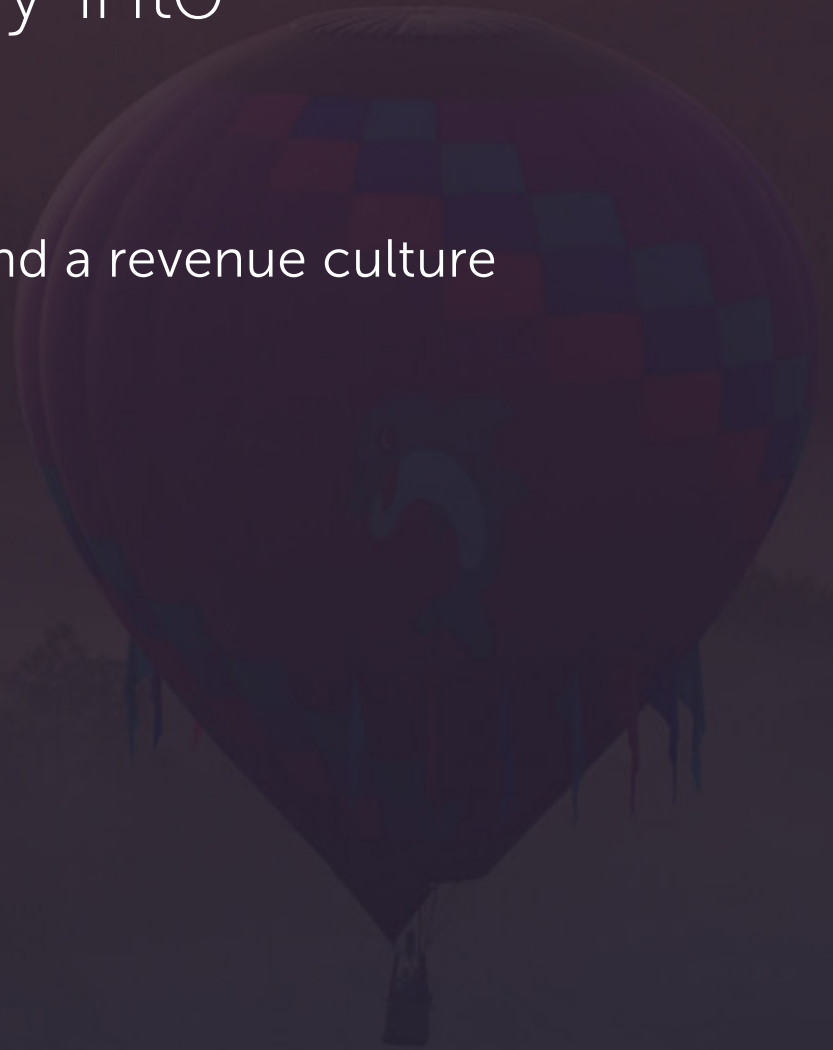


While this approach may seem more profit-centric than guest-centric, at the end of the day, a revenue-based marketing approach reaches the right guest for the right hotel, which is the path to success. Revenue can also offer hotel staff more latitude to serve. At the Ritz-Carlton, employees have a certain amount of money they may allocate toward making a guest happy or resolving issues—and they have the discretion to do it in the best way for the circumstance. With revenue comes staff empowerment and exceptional guest service.

While a revenue culture that spans multiple disciplines is innovative today, it is an inevitable reality for hotels continuing to seek optimized growth. This is especially true as the landscape of digital, social, and content marketing is ever-changing. [A revenue culture that aligns your hotel's goals will be a key driver of success—your team, your guest, and your bottom line will all win.](#) 

Weave revenue strategy into everyone's strategy

Models of successful teams built around a revenue culture and the paths to get there



In a revenue-based model, marketing and revenue collaborate on a level that can only be achieved by a cultural shift in the organization. In this culture, revenue strategy becomes a part of every conversation, and topics such as demand, need times, and rate strategies are commonplace. However, there isn't one right path to a successful model. Different scenarios are appropriate depending on hotel category, brand affiliation, and staffing resources.

Todd Arviso, VP Revenue Management Americas at Hilton Worldwide, says that across the enterprise, the various regions, and in the hotels, sales, revenue management, marketing, and e-commerce collaborate on revenue strategy across departments while maintaining their structure. Arviso notes, "For Hilton, each of the disciplines has an expertise that is relevant in all of our discussions, and with the enterprise totally aligned in our goals, we are able to harness that expertise to drive results together."

Nickelodeon Suites Resort, on the other hand, combines these efforts under the leadership of a Director of Sales, Marketing, and Revenue Strategy. Tony Aslanian brings a marketing degree and a professional revenue background to this role.

According to Aslanian,

"In the present environment where marketing has evolved from print to digital, what I want to talk about in our marketing meetings isn't just price point. We need to be creating trackable numbers with unique URLs, using QR codes so we can re-target, looking in detail at our Facebook and demographic profiling and matching our database against Facebook usage, and determining how and when to e-blast and re-market.

I'm touching anything that's involved with generating revenue. I don't flip all the switches. Instead, I bring revenue strategy to both our sales and marketing teams.

Here are a few other scenarios that successfully integrate revenue with sales and marketing:

The Fully Integrated Hotel



This hotel carefully tracks demand and designs promotions (i.e. setting a rate or adding value) for an identified audience to be delivered through a defined channel to drive a specific kind of booking. In this scenario, revenue management and marketing function within the same department, or as nearly as possible.

For example, an early forecast of low occupancy in the high season might be flagged by a revenue manager who, after reviewing the competitions' rates and market demand, asks marketing to write a package promotion to a target audience. Together the teams determine how to reach this audience digitally and otherwise. Revenue Management will give input about distribution channels and whether the package will generate enough revenue after commissions. Marketing will

guide messaging and content-heavy pieces while revenue management is empowered to deliver the promotion through digital channels such as social media.

Revenue Advisor



A revenue advisor can act as a liaison between revenue and marketing. This scenario maintains a revenue director's focus on forecasting and demand while appointing an advisor to be present for all sales and marketing meetings, daily debriefs, and so on. At the same time, a marketing director maintains full immersion in branding, content and campaigns while staying informed of need periods, rate, and other factors through the advisor. A revenue advisor can also advise the front desk and other outlets of ongoing marketing and demand initiatives.

The Digital Revenue Manager



This scenario is based on a content (marketing) and data (revenue) division of labor. Revenue managers review demand and forecasts, web conversions, social media results, and bookings per campaign. Marketing managers oversee branding, messaging, and content—everything from video distribution to large-scale campaign strategies. All managers are responsible for tactics collectively dependent on their skill sets, and while not in the same department, they are working in tandem for shared goals.

A common problem for many hotels is that while focusing entirely on generating demand and shifting market share, post-stay outreach falls flat. There’s quite a bit of potential future revenue in maintaining a connection with guests after their departure. For example, a Flip.to Photo Advocacy campaign encourages guests to share favorite moments of their stay with their friends and family on their social networks. The campaign requires a minimal time investment and can easily be handled by a revenue manager acting as a marketing manager.

This type of advocacy not only serves as post-stay outreach to past guests, it also provides valuable brand exposure to the hundreds or thousands of connections in a guest’s network—typically travelers in a similar socioeconomic and geographic category. A revenue manager acting as a marketing manager can pull the trigger on a campaign with ease, creating an entirely new channel of future guests while building a library of fresh, approved, user-generated content for other marketing campaigns.

Tactics of high-flying, collaborative teams

Thoughtful approaches to forging alliances and aligning
teams with the organization's goals

Whether sales & marketing and revenue management are in the same department or collaborate across independent teams, the same tactics may be used to create a successfully integrated revenue culture.

1) Employ a tool that the entire team can access to review demand and forecasts



As many people in a hotel organization as possible should understand the metrics used to evaluate the property's success. At some hotels, marketing has only minimal exposure to the relationship between occupancy and rate, yield management, and profit channels. Tools that offer a visual calendar of demand, competition, and rate performance are beneficial.

2) Cross-train



Sales & marketing should understand revenue management fundamentals, and revenue management should understand marketing metrics and key brand messages. Tony Aslanian, Director of Sales, Marketing, and Revenue Strategy at Nickelodeon Suites Resort, says, "In my experience, either someone comes from a marketing background and picks up revenue management along the way or vice versa. Rarely does someone come along who understands both fields until they are at the executive level."

3) Align strategies with collective goals



The entire sales, marketing, and revenue team should be accountable for goals such as RevPAR, occupancy, website analytics, social media metrics, OTA successes, and overall campaign lead generation. Determine the most valuable metrics for this combined team based on overall organizational goals.

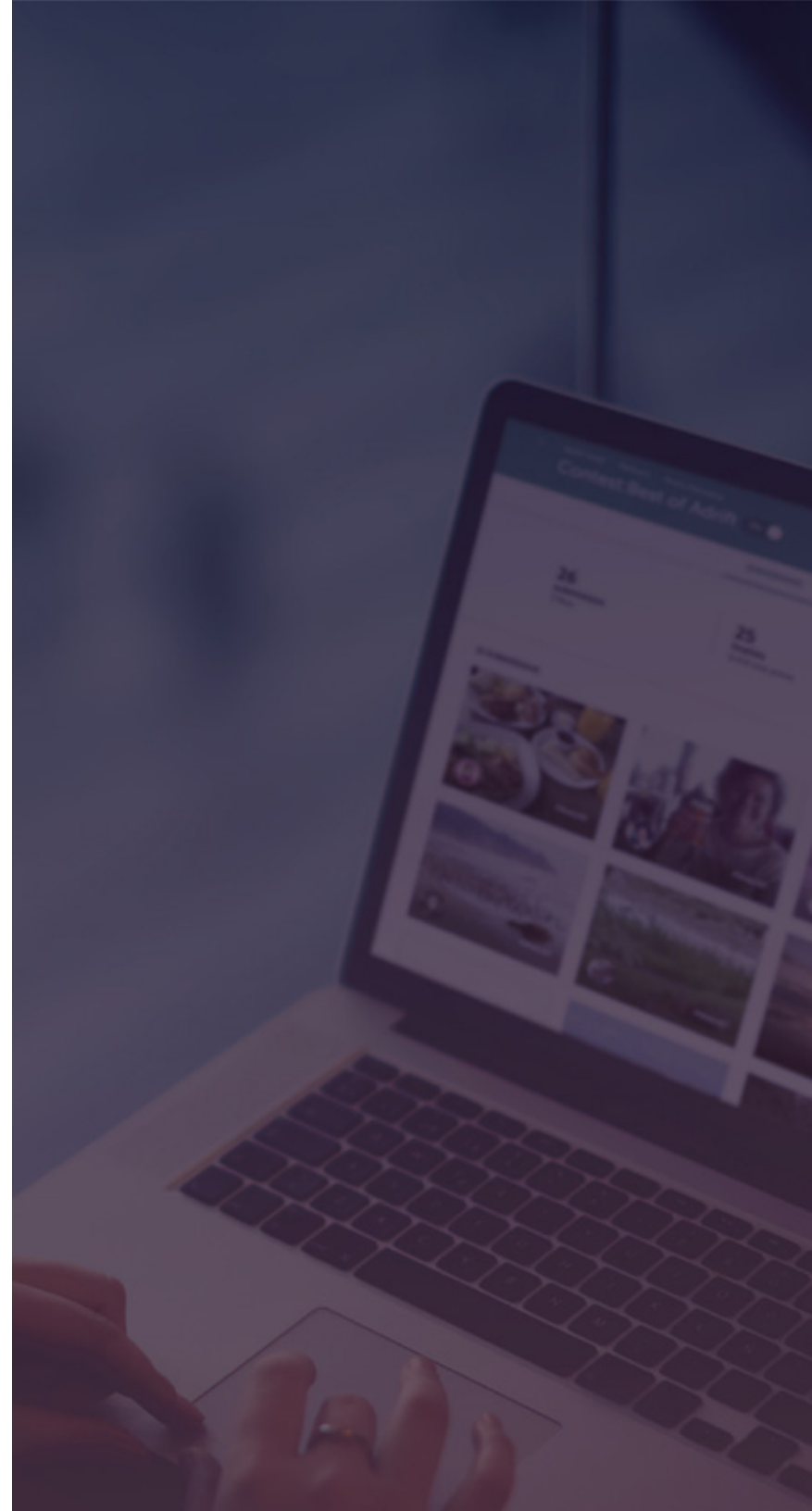
4) Prioritize channels based on net revenue potential



Metrics need to support clear revenue goals, and channels should be prioritized based on profit potential. Increasing net revenue (the profit after commissions, distribution fees, and transaction fees are deducted,) is the ultimate goal. Tactics that support shifting share to direct bookings, for instance, are a priority. They may include mobile click-to-call campaigns with phone numbers that can be tracked, or value-added promotions delivered through e-channels such as landing pages,

e-news, meta-search, review sites, and more.

Lowering the cost of customer acquisition—and especially offsetting the cost of those acquired through more expensive channels—is a focus for hotels. An incredibly effective way to do so is not only to acquire more guests through direct bookings, but also to reach a new audience of potential guests that typically goes untapped—their friends, relatives and colleagues. Many hotels use Flip.to, the advocacy platform for hotels, to do just that in a way that leads to immediate, trackable results to a hotel's bottom line.




“Respect everyone’s intellect. Everyone has something to bring to the table. Know when you don’t have the answers, become more investigative, and learn.”



5) Create a culture of respect

Todd Arviso, VP Revenue Management Americas at Hilton Worldwide, who successfully collaborates with Hilton’s sales, marketing and e-commerce teams, says his top tip for hotels looking to create an alliance between marketing and revenue management is to foster an environment of mutual respect.



Arviso notes, “[Respect everyone’s intellect. Everyone has something to bring to the table.](#)” 

Know when you don’t have the answers, become more investigative, and learn. In many cases, the most brilliant ideas come out of simple discussions.”

Making the transition to a revenue culture that integrates revenue management, marketing, sales, and e-commerce will likely put staff outside their comfort zones. However, merging these functions will reap rewards for the entire organization. Encourage flexibility and acknowledge the challenges this poses to the team, then set attainable goals that drive success within the team.

Tools of the trade

Marketing tools for revenue managers, or revenue-generating tools for marketers—(further reason an integrated revenue strategy makes sense)

Not long ago, a digital marketing strategy entailed SEO and PPC campaigns. Now, digital marketing can encompass upwards of 75% of a hotel's entire marketing budget, and includes an array of campaigns across a variety of channels on a range of devices.

Hotel marketing managers are increasingly trying to improve their visual storytelling, digital content, and brand awareness. With marketing teams increasingly focused on content, a revenue manager—or revenue team—can reasonably handle a range of tactical revenue-centered digital marketing campaigns.

Many revenue managers are already managing OTA distribution and the content, rate and yield management, and commissions that accompany it.

They are familiar with the GDS, PMS, and CRM platforms. Many digital tools now integrate with these systems to better track incoming data and automate outreach to both previous guests and potential or un-booked guests. Given a revenue manager's in-depth understanding of hotel and guest data, the following collection of tools naturally fall within their domain.

Social Media: Driving Bookings



Despite the enormous number of travel sites, prospective guests still trust the recommendations of family and friends more than any other source. The conversation has moved, however, from the dining table to social media.

Hoteliers are looking for tools to capitalize on the growth of these networks and harness this channel to drive direct bookings. For example, the Flip.to advocacy platform scales this word of mouth marketing. By allowing existing guests to share their stay with family and friends, they become a growing extension of the hotel's marketing force.

[Near the end of 2014, travel was the most often shared topic across the web, ahead of politics, home updates, and sports.](#)

When guests post about their upcoming hotel stay, they become trusted advocates to their friends and family—often like-

minded connections that fall into the right demographic for a future guest. The hotel's reach is extended to travelers across the world, building trusted brand connections and moreover, increasing direct bookings.

Revenue managers like this data-oriented approach to social media because it allows them to impact the conversion funnel of this entirely new channel in a measurable way, right down to the number of booked room nights.



Social Listening: Trending & Revenue



In addition to gathering inspiration on social media and sharing details about an upcoming trip, almost all connected consumers post on social media at least once while traveling and 75% post during their hotel stay.

Hootsuite conversation maps allow revenue managers to track conversations about a property or a destination during all phases of the travel cycle. This can shed light on the level of demand at different periods, customer service related comments that might need to be addressed, and conversations about rate, which means a revenue manager can make better-informed rate strategy and yield management decisions.

Mobile Campaigns



According to Travel Weekly, 38% of travelers purchased travel from a mobile device in 2014, up from 23% in 2012. In addition to booking on mobile, click-to-call campaigns are increasingly profitable with 52% of travelers saying they'd be likely to call a hotel directly from a mobile search. As revenue managers typically work closely with the reservations team, it makes sense for revenue management to take a supporting role in mobile campaigns.

Reputation Management



Hotel News Now recently reported that when potential guests are presented with two similar hotels, they are willing to pay more for the hotel with higher ratings. As a result, reputation management providers are beginning to integrate with distribution software so that revenue managers can make strategic price adjustments based on real-time data.

With a direct tie between guest feedback, hotel responses—including service and facilities improvements—and occupancy/rates, revenue management should have a close relationship with marketing to assess reputation management.

Re-targeting



Approximately 81% of online travel bookings and 70% of phone bookings are abandoned or un-booked. With the right technology, revenue managers are in a prime position to implement online and phone tracking, determine the reasons for booking abandonment, and head up a reservation re-targeting program, whether that's via web ads, direct email, or outbound calls.

Hilton's Approach to Revenue Management and Marketing

Insights on collaboration, teamwork and creating a "we-archy" from their leaders of revenue growth

Hilton has successfully integrated marketing, e-commerce, and revenue management on their Americas team, which serves owned and managed hotels, all Hilton brands, from Canada to Buenos Aires and from the Bahamas to Hawaii. The following interview with key members of the Americas team explores how they have integrated marketing and revenue management, and where they believe the future of integrating these disciplines lies.

INTERVIEW WITH:

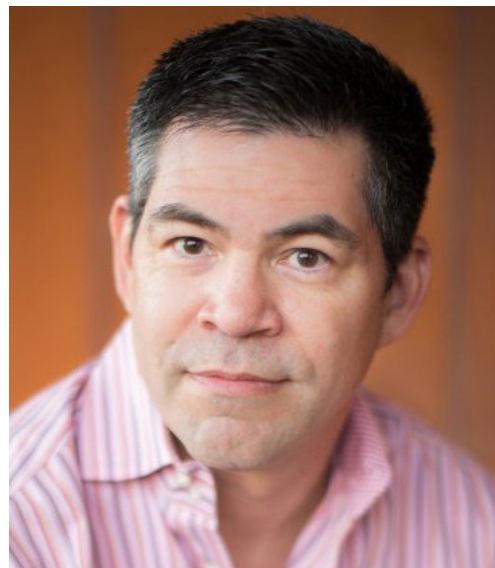
Todd Arviso, Hilton's Vice President of Revenue Management Americas
Chris LaRose, Hilton's Vice President of E-commerce Americas

The value of a close relationship between revenue management and marketing is becoming clearer in the hotel industry. How did your collaboration come about at Hilton?

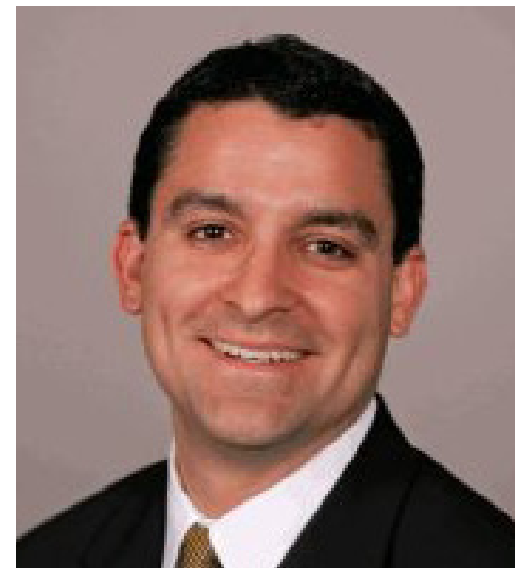
Todd: Hilton's revenue analytics team is sophisticated in bringing data from many locations, allowing revenue management to understand and communicate our business needs. When I came into my role as VP of Revenue Management, I felt that we had so much valuable data. If revenue management could leverage this data and expand the relationship with marketing and e-commerce, we could really harness the power of that information and the team's expertise.

Chris: While I'm currently on the e-commerce team, nearly half of my hotel background is in revenue management. I've been able to see

the parallels between e-commerce channel execution and revenue management segment strategy in a hands-on way.



TODD ARVISO



CHRIS LAROSE

Many hoteliers aren't certain where to start when merging disciplines, such as marketing revenue management, e-commerce, distribution and so forth. Is it consolidation, a merger, integration of information? How does your team work together?

Todd: There is an obvious synergy amongst the disciplines, and when each of the disciplines aligns, there is clarity to a shared objective. We engage weekly to discuss our business and talk about our needs.

Marketing understands the path to purchase, such as when people are shopping for a Hawaiian vacation and where they're most likely to be influenced, while e-commerce has the power to drive impressions or a higher click-through rate to help boost the promotions and campaigns that marketing has created.

Chris: If you understand performance results and know that something is coming your way, you have a pretty good idea where you need to focus attention and resources. Effectively, I work with Todd from an aggregate perspective and my team works with the

hotel teams on a local level to see where both channel risks and opportunities exist.

Todd: From there, Chris and his team determine how to work with those particular hotels or destinations to capitalize on demand that's there or stimulate demand that's not.

Chris: One tie that really binds Todd and I is that both revenue management and e-commerce review performance data across multiple channels. We're trying to find the consumer and connect with them at various stages of the purchase by intersecting with awareness marketing and tactical marketing. We use data to get at what those actions are in the same way that revenue does. We're using different areas of research, but the output is similar.

How does this look organizationally?

Todd: We are still three separate departments; we're just working with a common vision.

Chris: I completely agree with Todd that organization is less important than alignment. For us it is more important we work as one team, and operate toward aligned goals.

To that end, what kind of communication tools do you rely on to align your teams?

Chris: Again, not sure the communication tools are as important as much as the open communication lines. Much of this is based in trust and solid relationship to drive the alignment forward. From a data analysis perspective we can communicate in as simple a tool or language as Excel and layer on as needed from there. Think in the Forrester POST method and operate in that order (People, Objectives, Strategy Technology). The medium is the last element.

Todd: In revenue management, we've built a proprietary tool that integrates what Chris and Kieran Donahue, Hilton's VP of Marketing, need so that we are all educated on the metrics each other uses, position, pace, and completion of target.

How do your data needs differ?

Todd: I'm looking at position, pace, and completion of target.

Chris: For me, I feed off Todd's pace and position, and layer on search demand potential, query volume and ultimately conversion.

What is the future of integrating revenue management, marketing, and e-commerce?

Chris: There's no one-size-fits-all approach. Each of our departments has different levels of engagement and different needs; there are clear intersections and should be managed based on the market and asset.

Todd: I think there's also another way to look at this. Everyone is an extension of digital at Hilton, so in this way, we're already integrated. We won't be consolidating positions or people, but we are bringing all the pieces together into tighter alignment.

Chris: On the whole, we have developed some very clear, shared goals, and we're getting better at addressing the longer booking cycle. A longer lead-time means we have the potential to impact more consumer interest. The closer to the date you get, the more constricted you get. Additionally, we're getting closer to real-time performance analysis regarding availability, demand and

expected business on books. The better you manage the plan, the better the result.

To what do you attribute your success at integrating your departments?

Todd: In our organization, we have a "we-archy." If numbers are off in a given month, we don't point fingers looking for someone to blame. Instead, we get together and figure out what we can do together to reverse the trend.

Chris: I agree. A few years ago the e-commerce team would have said, "Let's get with sales and marketing to see what's going on." Now, we don't have to go looking for them because they are already in the room. The strategy is very clearly articulated and understood.

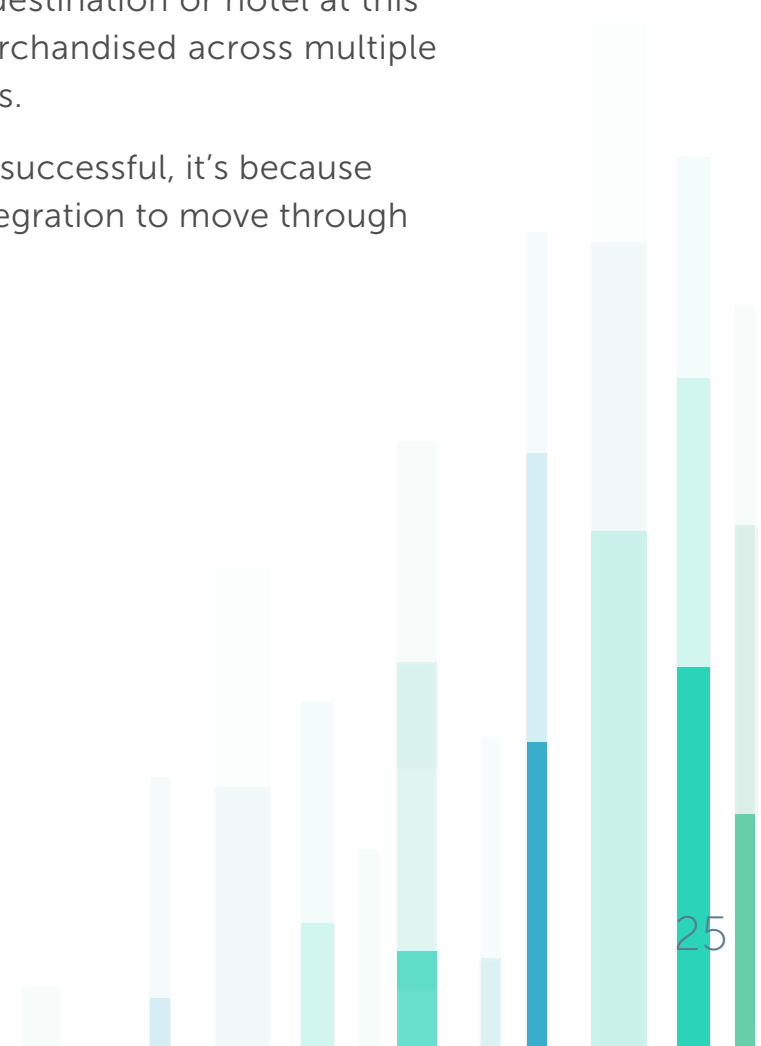
Can you give us a specific example of a revenue management-marketing success?

Todd: We can speak to a successful process. The process works well when we can identify that we have a need with the right amount of lead-time. Revenue management might say we have a gap for a hotel or market and ask, what are we going to do to fill it? Marketing and e-commerce are then engaged to define the relevant channels and customers to target and develop the right message and offerings.

Chris: E-commerce would follow up by exploring how we can get the message out in the aggregate view from a digital

perspective, how does it connect with travelers, and what the lead time is. Then a comprehensive digital marketing plan would be drafted, one that's not necessarily about discounted rates but about telling the story for this particular destination or hotel at this particular time merchandised across multiple digital touch points.

Todd: When we're successful, it's because we have a tight integration to move through those disciplines.




Conclusion & Insights

A person wearing a red jacket and a dark cap is operating a surveying instrument, likely a total station or theodolite, mounted on a tripod. The person is holding a control panel or a similar device. The background shows a boat's interior with a white ceiling and a yellow panel. The entire image is overlaid with a semi-transparent dark blue and purple gradient.

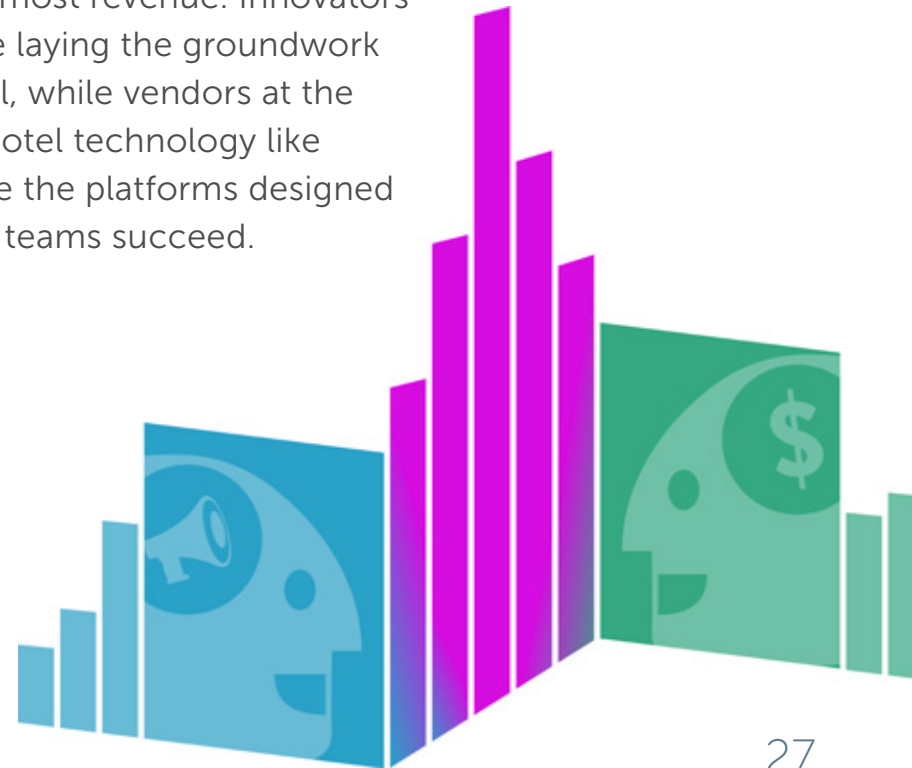
A revenue culture spans the teams responsible for driving your hotel's bottom line. Revenue management, marketing, e-commerce, and sales share revenue considerations at every level of their strategy.

A comprehensive revenue approach at this level will not only align your teams, it will also successfully target the most profitable business for your hotel.

Although there are many differences in team size, structure, market segment, and brand affiliation, creating a revenue culture comes from the top. Weave revenue-centric principles throughout your hotel's strategy and share a common goal across teams to ultimately lead to optimized demand and more converted revenue by way of higher profits.

Plus, keep in mind that a revenue-centric model is a guest-centric model, as more revenue allows staff to serve at a higher level. [This culture will create actionable goals that empower staff to achieve more.](#) 

While being cutting-edge by today's standards, a revenue culture that integrates revenue management and marketing will one day be a requirement for hotels that aspire to generate the most revenue. Innovators like Hilton are laying the groundwork for this model, while vendors at the forefront of hotel technology like Flip.to provide the platforms designed to help these teams succeed.



About & Contacts

Flip.to is the advocacy platform for hotels, and the most trusted way to earn new guests. With Flip.to, hotels increase direct bookings, build trusted brand connections and reach travelers across the world.

Launched in 2010, the platform is designed to reach potential future guests in a natural, trusted way. By harnessing the excitement of travel, Flip.to encourages guests to advocate on the hotel's behalf. This creates an entirely new channel of revenue and helps hotels earn direct bookings through their massive, largely untapped marketing force—their existing guests.

Thoughtfully designed to have an impact at every level of the guest experience, Flip.to is built with hoteliers in mind. With the help of their advocacy experts, the platform is

live within days to a few weeks, leading to a significant, measurable impact on a hotel's bottom line.



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Discover more about Flip.to,
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