



# IDEAS Rate Optimization Service



Your Rates, Optimized.

# IDEaS Rate Optimization Service

Grow your hotel revenue by optimizing your rate spectrum based on the price sensitivity of your business

Around the globe, hotel operators, managers and owners are increasingly looking for confidence and validation of their room pricing strategies. With an understanding of the price sensitivity in your market, you can configure pricing which encourages purchase by more price sensitive market segments, while making sure that less price sensitive market segments are protected. Knowing the price sensitivity of your various market segments has become critical in today's economy.

IDEaS Revenue Optimization is offering the Rate Optimization Service to assess your current room rate spectrum and recommend changes that will drive increases in revenue. Based on the calculation of price sensitivity of your market segments, this service will provide you with optimized room rates aimed at maximizing overall revenues, without the need to install software or make changes to your existing revenue management practices.

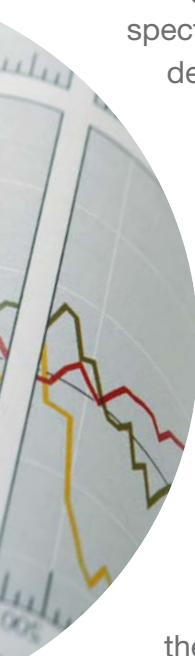
The Rate Optimization Service enables you to get the answers you need fast. Simply provide your hotel data and IDEaS will create an easy to understand report unique to your hotel and market environment.



## Key Benefits

- Maximize your revenue without changing your existing revenue management practices
- Optimize your rates and rate spectrums by incorporating the price sensitivity of your hotel's market segments
- Realize the revenue uplift you will experience through the implementation of optimized rates and rate spectrums

## Why Optimize Your Rates?



Many hotels today are practicing variable pricing where a best available rate is offered for a given day selected from a defined rate spectrum. If the rate offered is too low, the demand for the room type may be large; however the revenues from the sale of the room type may be small. In turn, if a rate offered is too high, there is a risk that not enough demand will materialize. The lack of demand for the room type at the high rate may result in a reduction of potential revenue.

Between these two extremes is a rate that will capture the optimal demand and maximize the overall revenue.

It is crucial to determine in advance the correct rates to be used when there is excess capacity or excess demand. An incorrect determination of the rate to offer is likely to affect your overall revenue for a set of room types.

In addition, incorporating the price sensitivity of your market segments into your new rate spectrum will allow you to create effective fencing strategies. This will protect your least price sensitive market segment from taking advantage of reduced rates directed at your most price sensitive market segment.

Price sensitivity is measured by calculating the change in demand as a result of a change in price. IDEaS now offers a service which calculate the optimized rates and rate spectrum for a particular room type based on price sensitivity derived from your hotel data.

IDEaS' Rate Optimization Service increases revenue by optimizing the rates offered for room types by rate period for weekdays and weekends based on the price sensitivity of your business.

## How it Works

The goal of the Rate Optimization Service is to understand the demand characteristics of a set of room types, the price sensitivity of the demand and recommend an optimized rate spectrum to capture the maximum revenue over a period of time.

By providing you with the answers in an easy to understand format, you only need to view and implement the recommendations to maximize your revenues. There is no need to install, configure or run a piece of software. Hoteliers follow a simple three-step process:



### 1) Submit

Submit the hotel data to IDEaS



### 2) Optimize

Execute the recommendations to achieve greater revenue



### 3) Benefit

Maximize your hotel revenue

## Headquarters

8500 Normandale Lake Blvd, Suite 1200  
Minneapolis, MN 55437 USA  
Phone: + 1 952 698 4200

## Americas

Seattle, WA  
Phone: + 1 206 767 2289

Minneapolis, MN  
Phone: + 1 952 698 4200

Washington, DC  
Phone: + 1 202 232 3839

Naples, FL  
Phone: + 1 239 594 9701

## Europe/Africa/Middle East

Munich, Germany  
Phone: + 49 8106 303253

Dusseldorf, Germany  
Phone: + 49 8106 303254

United Kingdom  
Phone: + 44 (0) 118 982 8100

## Asia/Pacific

Beijing, China  
Phone: + 86 10 5913 2755

Sydney, Australia  
Phone: + 61 (0) 2 94160466

Singapore  
Phone: + 65 6398 8988

New Delhi, India  
Phone: + 91 11 4143 6824

Pune, India  
Phone: + 91 20 2 567 9499



For more information on the  
benefits of IDEaS Rate Optimization Service  
for your organization, contact IDEaS at:

[www.ideas.com](http://www.ideas.com)



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