



Ahead of the Curve: Kempinski Hotels Benefits from IDeaS Revenue Management Tool

Upgrade to IDeaS V5i 3.2 increases revenue; brings greater global connectivity, intelligence, efficiency to luxury hotel group

Kempinski Hotels, Europe's oldest and most established luxury hotel collection, maintains a leading position in the business travel market with a portfolio reaching across Europe, the Middle East, Africa, South America and Asia. As a company that is synonymous with distinctive luxury, Kempinski strives for continued global growth in an increasingly competitive luxury segment.

An IDeaS Revenue Optimization customer since 1999, Kempinski recently upgraded its revenue management system to IDeaS V5i 3.2. The hosted revenue management system allows for seamless integration with Kempinski's existing operations, including the central reservation system (CRS), property management system (PMS) and channel management system (CMS). Additionally, IDeaS V5i 3.2 interfaces with TravelClick's RateView product incorporating RateView's shopped competitor rates into IDeaS V5i Best Available Rate (BAR) recommendations. With visibility of the shopped rates alongside IDeaS BAR recommendations through the IDeaS V5i application, Kempinski are able to maintain close control and have absolute confidence in the public rates they place in the market, for each length of stay requested, right up to the day of arrival.

"Our revenue managers once spent about 90 percent of their time pulling together reports, and logging in and out of our various required hotel systems to achieve the intelligence that IDeaS V5i offers," said Rex Demanser, Vice President of Revenue Management and Distribution, Kempinski Hotels. "With the automated system from IDeaS Revenue Optimization, we have the ability to quickly see in one screen our position in the market and efficiently set the best available rate."



Clarity.
Confidence.
Control.

FAST FACTS

About Hotel Group

Kempinski Hotels is Europe's oldest and most established luxury hotel collection, founded in 1897.

Solution – IDeaS V5i™

- Decisions Module
- Group Pricing Module
- Centralized Control Module
- Custom Reports

Challenges

- Seamless integration with Kempinski's existing hospitality technologies, such as CRS, PMS and CMS systems.
- Automate revenue management strategies across multiple properties.
- Focus time and energy on strategic planning instead of consolidating data from multiple systems.

Hotel Properties Experience Revenue Increases

Kempinski has enjoyed great returns on investment since upgrading to IDeaS V5i 3.2. For example, through the use of IDeaS V5i Best Available Rate module, and pricing review Kempinski's Hotel Baltuschug in Moscow has increased its average room rate 22 percent year on year, with no discernable impact on occupancy. This has equated to more than US\$ 4 million increase in revenue for the year. In Dubai, Kempinski's Mall of the Emirates enjoyed a 28 percent growth in ADR following a pricing review, and enhanced use of IDeaS V5i.

"The growth and revenue boost we've seen in Hotel Baltuschug in Moscow is a fantastic benchmark for what we hope to achieve worldwide with the help of IDeaS V5i," said Demanser.

The solution has also allowed Kempinski Revenue Management team to spend more time focusing on strategic issues because of their confidence in the system's accuracy.

"Today, we're sending rates to market in 3.3 seconds and tackling new goals every day because we have the time to be strategic," added Demanser. "While it's important for us to do this quickly and stay ahead of the competition, we find comfort in knowing we have the accuracy of the IDeaS V5i system behind us."

A Company Connected

As part of the upgrade, Kempinski incorporated IDeaS V5i Custom Reports service to address its need for revenue management continuity on a global level. The decision was driven by a need to consolidate multi-property data for approximately 10 currencies across the globe and to accurately and efficiently anticipate hotel performance changes in the distant future.

"Our corporate office can now see a global snapshot of where we stand at any time through our dedicated Custom Report delivered directly through the system," said Demanser. "All we have to do is enter the exchange rate for any location, press a button, and immediately we receive a consolidated report against budget."

"Not only can we quickly see the global overview with our Custom Report, but we can view it against the appropriate competitive set as needed," added Demanser.

An Accurate View of the Future

Kempinski's secret for revenue success is supported by IDeaS V5i's core functionality to accurately and efficiently forecast the market. With IDeaS V5i and the business intelligence available through the system, the company can extend intelligence to various departments, especially to sales and marketing, for example, warning of anticipated challenges.

"Through simple reporting across the organization, I can clearly communicate information about certain months we may be underperforming and immediately put programs in place to correct the situation for the upcoming period," said Demanser.

As an organization that approaches business with a constant desire to reach the next level, Kempinski prides itself on its ability to utilize technology to maintain effective processes, stay ahead of the competition and be as efficient as possible.

"We decided to implement IDeaS and will continue to rollout IDeaS V5i across our portfolio because it is a proven tool that not only drives significant revenue growth, but supports both our strategic and tactical decision making," said Demanser.

"We now have a better picture of the future, and the overall business demand of our company."

