



Kimpton Hotels Increases Market Share with IDEaS Revenue Management Solution

Kimpton Hotels & Restaurants, the first and leading boutique hotel group in the United States and Canada, is rapidly growing with more than 40 existing hotels and plans to build an additional 20 over the next several years in New York, Florida, Philadelphia, Virginia and other major urban cities. In light of the expansion, Kimpton sought to align its properties from a technological and financial standpoint, in hopes to establish a stronger revenue management culture. In order to do so, Kimpton determined it needed to simplify its management of data and distribution channels by deploying the IDEaS V5i revenue optimization system. Kimpton uses the system to help organize market data and ultimately stay ahead of the competition.

“We needed a powerful revenue management system to complement our existing revenue management culture, as we were experiencing dramatic growth nationwide,” said Megan Wille, director of revenue management for Kimpton’s Salt Lake City Hotel Monaco and IDEaS systems expert. “We felt that restructuring the revenue management department, in terms of adding an automated system, would help guide us at both corporate and local levels in this dynamic environment. The IDEaS system was something we considered ‘mission critical’ to our continued success.”



Clarity.
Confidence.
Control.

FAST FACTS

About Hotel Group

San Francisco-based Kimpton Hotels & Restaurants is the first and leading collection of boutique hotels in 19 markets throughout the United States and Canada.

Solution – IDEaS V5i™

- Decisions Module
- Group Pricing Module
- Centralized Control Module

Challenges

- Automate revenue management strategies across multiple properties.
- Acquire additional market share and increase RevPAR by tapping distribution channels not considered before.
- Anticipate upcoming needs and develop pricing and promotion to drive incremental revenue during a softer demand period.

Information Overload

Kimpton's decision to automate its revenue management across properties was largely due to the daunting task of managing data among multiple market segments and distribution channels. The heightened level of data entry significantly subtracted from revenue managers' ability to spend time analyzing and reflecting on the market. The increased functionality of the IDeaS system provided a higher level of detail, in terms of length-of-stay pricing and managing multiple tiers of numbers manually.

"The IDeaS tool is an essential partner for our revenue management and distribution teams," said Kathleen Reidenbach, vice president of revenue management and distribution, Kimpton. "Yielding 365 days ahead and having a sense of the booking pace and consumer behavior is something no human can accomplish for our hotels multiple times a day."

"We hire our revenue management team not to perform data entry tasks, but to be intuitive and strategic in combination with the technology and the reporting tools we have available to them to stay ahead of the competition," she continued.

Forecasting Success

Two years since the first property was deployed, Kimpton today believes it has separated itself from the competition. From an efficiency perspective, revenue managers save significant hours once spent on data entry and are able to take a more thoughtful approach to pricing strategy and forecasting.

"There are only so many hours in a day to manage market data," said Reidenbach. "Now we have a system sitting on our shoulder, waving the flag and alerting us in advance to warn us of future opportunities. We're able to anticipate upcoming need and spend the time developing the pricing strategies and promotions to drive more incremental revenue during a softer demand period."

An additional noticeable benefit is the company's ability to acquire market share and increase RevPAR by opening up distribution channels with favorable stay patterns that may not have been considered in the past. Kimpton now captures more business over off-peak demand periods, thus flattening out the demand pattern and growing overall RevPAR.

"We had a strong team and did a great job with our existing technology, managing the yield strategy and variety of distribution channels manually," said Reidenbach. "However, we had a desire to take things

to the next level and continue to compete well against major brands, as well as independent hotels. It was critical for us to have the IDeaS tool in our back pocket to achieve that."

The combined efforts of Kimpton and IDeaS to effectively educate and excite employees about the technology continue to set Kimpton apart from its competition.

"We understood that implementing the system would be a major cultural change, and we felt it was important that sales and operations teams were involved in the training with IDeaS," said Reidenbach.

Since deployment, Kimpton conducts formal annual system evaluation meetings with IDeaS to ensure the system is effectively meeting its needs, in conjunction with regular maintenance and configuration modifications.

"The system has really helped us fine tune our yield strategy, improve our performance and gain market share during our shoulder periods and our need periods," said Reidenbach. "Our hotels are performing well, and we've exceeded the expectations of our home office from a financial and performance perspective, which is helped by the partnership with IDeaS."