



Home Industries Companies Services > My Homepage > My Account

Help | Contact Us

SEARCH OUR PRODUCTS

USING Full-Text



Advanced Search

You are here: [Home](#) > [Industries](#) > News Overview

## AnalystWatch: SAS Gets Hospitality Ideas

News

Publication Date: 18 August 2008

### Related News



#### Terms & Conditions of Use

By accessing research on this web site you are accepting Datamonitor's [Terms and Conditions of Use](#)

### By Sarah Burnett, Butler Group analyst

SAS has acquired IDEaS, a provider of advanced revenue management software for the hospitality industry. IDEaS' products are designed to optimize prices to stimulate demand and maximize take-up of products and services.

Although the current sluggish economic climate has started to bite into demand for services in the hospitality sector, it actually presents opportunities for revenue optimization management as hotels and hospitality companies compete more aggressively for a share of the diminishing market.

The travel and hospitality sector is easily affected by economic uncertainty. For example, this summer many hotels have already dropped their prices as the downturn starts to affect them.

The sector is also facing challenges from the green lobby over the adverse effects of air travel on the environment and growing demand for sustainable development.

Faced with such challenges it has to look to tools and solutions that enable it to optimize revenue and make the most of its resources. Revenue optimization tools, such as those offered by IDEaS, enable hotel, travel, and hospitality businesses to keep abreast of changing conditions and adjust their prices accordingly.

These types of products also allow users to gain insight into customer behavior, and anticipate and react in a timely manner. This would enable a hotel chain, for example, to optimize room rates or provide special offers to improve occupancy levels, or an airline to manage the number of full-price versus discounted tickets, to increase passenger numbers and profitability per flight.

Revenue optimization tools have a lot in common with business intelligence. They provide modeling and forecasting capabilities as well as reporting functionality. The convergence of the two can therefore simply take the applications of BI further. The principles of revenue optimization can apply to other areas such as e-commerce, retail, and supply chain management.

The acquisition of IDEaS extends SAS's vertical product range which helps it differentiate itself more from its competitors. The competitive landscape became a lot tougher last year with Oracle, SAP, and IBM all acquiring major BI vendors, and Microsoft releasing its own performance-management solution. Therefore, the bigger the differentiation, the better it is for SAS.

There is some overlap in product functionality: SAS has a price optimization package for the retail sector and also its own hospitality product. The latter is based on SAS Customer Intelligence, but that package offers a broader performance-management type functionality rather than purely revenue optimization management.

Furthermore, IDEaS offers real-time capabilities and hosted services that are growing in popularity. IDEaS is a small, niche vendor and as such fits the profile of companies that SAS buys.

### Welcome

If you have an account

[Please log in](#)

Alternatively...

[Register with us](#)

### This article is...

part of the following services:

[Computergram - 18 August 2008](#)

and in the following industry sectors:

[Issues in Technology and Services > Vendors > Mergers and Acquisitions \(M&A\)](#)

[Software > Business Applications > Commerce Applications](#)

[Software > Business Applications > Customer Relationship Management \(CRM\)](#)

[Software > Information Management > Business Intelligence](#)

[Software > Integration > Business Process Management](#)

[Vertical Industry > Travel, Transportation, Logistics and Hospitality](#)

This acquisition, coming soon after that of Teragram back in March 2008, signals a change of approach by SAS to product development, from internal development to acquisition.

Although this is a good idea for vertical solutions that require a lot of expertise, it does create product integration issues, something that the BI giant has to address as it gains a patchwork quilt of non-integrated, acquired solutions.

[About Datamonitor](#) | [Investor Relations](#) | [Careers](#) | [Help](#) | [Contact Us](#)