



# The Hotel Power Couple

Unlock Profitable Relationships  
Between Revenue Management  
and Marketing







By opening up dialogue and working in sync, hotel marketing and revenue management teams can collaborate to win a larger share of today's travelers. Here's how to optimally align to compound value of each department and ultimately enhance your hotel's revenue opportunities.

All too often, revenue management and marketing teams operate in silos. Although the two disciplines use different tool sets and metrics to execute their strategy and measure their performance, they have a common goal: **driving net revenue**.

We've teamed up with hospitality experts to examine the challenges and methods to making revenue management and marketing teams powerful partners in profitability.

## Pairing Up for More Profits

“Revenue Management and Marketing have evolved into very specific and sometimes dissonant entities that don't always connect. The consequence of this disconnect is a failure to meet the hotel's full revenue potential.” said Johnathan Capps, vice president of revenue for Charlestowne Hotels, a hospitality management company based in Charleston, S.C.

While both marketing and revenue management are vital to a hotel's success, they typically operate with different perspectives and different tools to achieve the same goals. The question becomes, how much more powerful could the sum be, if these two groups practiced their disciplines in concert?

Jennifer Pochedly, corporate director of revenue management at OLS Hotels and Resorts agrees.

“If marketing and revenue management teams don't communicate, they can end up working at cross purposes,” she said. “Communication is absolutely critical to success.”

With increasing levels of competition, more and more properties are vying for the same share of travel spending. Establishing a synergy between marketing and revenue management is the strongest weapon hotels have – allowing them to deftly capture new guests, retain existing customers and maximize spend from every stay.

Bringing together marketing teams and revenue managers could be an unexpected amplifier to profitability.





# Stop Sleeping in Separate Beds

By knocking down departmental walls and silos, revenue management and marketing teams can compound their value and significantly enhance the hotel's revenue opportunities, particularly by partnering together to drive direct bookings from the hotel's most valuable guests.

Their roles, by nature, make them the perfect pair:

- **Revenue managers** can identify gaps in demand and pinpoint which guest segment – transient, corporate or group – is the most likely to generate more revenue during a property's need periods and whether any offer or promotion should be created
- **Marketing teams**, in turn, can create timely, targeted campaigns and execute segment and timing strategies to drive the required demand, powered with thorough knowledge of customer preferences and outreach vehicles



## INDUSTRY EXPERTS



MISTY WISE  
Corporate Director of  
Ecommerce Strategies,  
Atrium Hospitality

Misty Wise has 17 years of hospitality experience, including corporate level revenue management and most recently as the corporate director of ecommerce strategies. In her current role at Atrium Hospitality, she is responsible for strategically leveraging digital platforms and new technologies to drive business to 50 hotels. Previously, she served as corporate director of digital strategy and ecommerce at John Q. Hammons Hotels and Resorts.



JOHNATHAN CAPPS  
Vice President of Revenue,  
Charlestowne Hotel

Johnathan Capps oversees internal and external revenue management strategies at Charlestowne Hotels and works with corporate leadership to establish profitability enhancement methods for the company's portfolio of properties. Prior to joining Charlestowne Hotels, Capps was director of revenue at Wild Dunes Resort in Isle of Palms, S.C.



JENNIFER POCHEDLY  
Former Corporate Director of  
Revenue Management,  
OLS Hotels & Resorts

Jennifer Pochedly oversees all on-site general managers and revenue managers at OLS properties, makes pricing and distribution strategy recommendations, and works closely with corporate resources and external research organizations to project market trends. Prior to joining OLS Hotels & Resorts, Pochedly was revenue manager at Le Parc Suite Hotel in West Hollywood, Calif.

### PRO HOTEL MARKETING TIP

Hotel owners and asset managers are now holding marketers accountable for generating revenue. So, it's vital to have the right pricing data to generate the most revenue from your marketing offers.



# Align & Win Back Bookings

Together, revenue managers and marketers are the strongest team to drive business to the hotel's own direct-booking website, its most profitable channel.

Direct business has a major impact on hotel revenues. It can deliver a full package of benefits:

Guests who book directly can be exposed to more of your brand, as your website guides them through your amenities and your imagery sparks their imagination. An obvious plus is you reduce potentially pricey third-party commissions. But, most importantly, you own all the customer data when guests book direct. This results in a robust guest database that could stimulate recurring revenue for years to come.

We spent time with Misty Wise, corporate director of ecommerce strategies at Atrium Hospitality to get some “in the trenches” perspective on the real power of the marketing and revenue management power couple.

“Teams who identify, then bridge, the gaps in data between marketing and revenue management will have a distinct advantage in driving market share.”

MISTY WISE  
Corp. Director of Ecommerce  
Strategies, Atrium Hospitality





# A Partnership in Progress

Wise acknowledges that the partnership between hotel revenue management and marketing is still evolving.

Different hotels and hotel management firms have various programs in place. One of the hurdles many companies face is the absence of on-property hotel marketing managers. A rare crossover of both hotel marketing and revenue management skills and insight, Wise was candid about the need to educate herself when moving from revenue management responsibilities to digital marketing.

“Revenue management and marketing are two different worlds – revenue management is well-established, while marketing continues to evolve.” Wise said. “Moving from one discipline to another is similar to immersing yourself in a new culture and learning a new language.” For the best synergy, she advocates for both revenue managers and marketers to carve out time to educate themselves on their counterpart’s work.

“If these roles continue to operate in different worlds, without shared data, objectives won’t be achieved and results will fall short of expectations.”

“Today, revenue managers are tasked to think like marketers and marketers need to think like analysts,” says Wise.

“Revenue managers are tasked to think like marketers and marketers need to think like analysts.”



Capps supports this position, acknowledging that the relationship between revenue management and marketing has come a long way in recent years, both industry-wide and at his company, Charlestowne Hotels.

“Here [at Charlestowne Hotels], we evaluate the relationship often and our hotels succeed as a result of our commitment to fully integrate revenue and marketing efforts.” he said. He also noted that Charlestowne’s corporate office is set up so that the marketing and revenue management departments are next to each other. “My team and I cross paths with marketing counterparts multiple times throughout the day” said Capps. “Together,

our blended teams work together through many shared applications and develop comprehensive strategies that merge revenue’s detailed analysis with marketing’s experiential creative.”

Underscoring the point, Pochedly said OLS Hotels & Resorts is constantly working to get the revenue management and marketing departments in sync.

“When we meet with our hotel properties, we’re doing it together, so we can talk about how we’re branded, whether we need to make changes, what promotions we need, and how we can dive in to make things better.”



## The Danger of Staying Solo

**Wise presented a likely scenario:** Imagine a property that is battling dwindling revenue share. In response, the revenue manager and the marketing manager spend days preparing separate strategies, without collaborating or understanding the other’s insight or knowledge.

The **REVENUE MANAGER** uses revenue management data to determine a low average rate index is at fault. As a result, the revenue manager decides to manage demand to optimize rate efficiency.

The **DIRECTOR OF MARKETING** uses marketing data to determine that there is high demand for discounted business. So, the marketing team allocates marketing dollars to new strategies and targets this lower rated demand through advertising.

“While they are both working towards the same goal of increasing market share, they’re both headed to failure,” Wise said.

The director of marketing will drive occupancy, but see low conversions since the revenue manager placed fences on lower rated demand, therefore wasting marketing dollars. The revenue manager will not realize the full potential of their strategy without the proper support from marketing analytics.



# Leverage Each Other's Strengths and Intelligence

What is at the foundation of a profitable hotel?  
“It all starts with strategy and great strategies start with data,” Wise explains.

Each department holds keys to data that could drive more hotel revenue. Often, however, revenue managers and marketing managers keep this intelligence within their own departments. Bridging those data gaps and removing barriers that separate the two groups will allow for enhanced performance across the revenue continuum.

Hotel marketers need to implement a data-driven approach to their marketing campaigns, and understand the profitability behind them. Successful marketing relies on greater insight into purchasing patterns and the history of demand from each core market segment.

Both departments need to be equipped, informed and in solid agreement on how to maximize the hotel's profitability through strategic revenue management and marketing initiatives.

“Ideally, marketing has a seat at the table for all revenue optimization meetings and a voice in strategy. Revenue management has a seat at the table for all marketing meetings, access to relevant marketing analytics and a voice in where to deploy marketing strategies,” said Wise.

Marketing data and analytics should drive a revenue manager's strategic decisions. Revenue Management data and analytics should drive the targeting and timing of marketing campaigns

## UNDERSTAND EACH ROLE

**Marketing** connects with customers directly to drive demand and focuses on customer acquisition and retention, the guest experience, marketing channels and the brand.

**Revenue Management** tracks historic demand and buying patterns, and analyze current pick-up behavior, then targets areas of priority with profitable pricing strategies.

The exchange and flow of information between marketing and revenue management should be constant. Revenue management and marketing both have data that could prove valuable to their sister group.

Explore a few specific data points that revenue management can share with marketing and vice-versa, to increase the efficiency of both departments and ultimately result in a more effective cross-pollination to drive measurable revenue growth.



# The Big Eight: Revenue Management Has It, Marketing Needs It

## 1. Trends in purchasing behavior

Our experts agree that technology is changing the marketing and revenue management landscapes. Consumers are increasingly turning to mobile devices to make travel decisions on the fly.

Although mobile research is on the rise, consumers continue to book via desktop. Due to this purchasing behavior it is not necessary to execute a campaign focused on mobile discounts.

Hotels that want to position themselves for success must take this into consideration, asking the following questions:

- Do I have the right website to adequately support mobile-first users?
- Do I have the right offers?
- Is my highest value guest truly a last-minute guest?

For example, marketing may execute a campaign that is focused on driving demand 90 days out, when in fact, the hotel is in general, a 30-day-out property.

## 2. Identifying periods of weakness to avoid a last-minute crisis

Clearly, identifying your property's periods of weakness in advance helps you avoid crisis-driven rate-cutting and last-minute campaigning. Pochedly says that identifying periods of weakness in order to avoid crisis situations is critical.

“We know if we can have more on the books seven days before arrival, we won't have to drop rates,” she said.

### Sample scenario:

Christmas is slow in Los Angeles, so OLS creates package promotions and 'members-only' promotions. *“You layer it and try to get the most business you can,”* according to Pochedly.

Capps said Charlestowne Hotels also plans well in advance for slow periods. *“We know what's in the pipeline, so when there's a period of weakness, we can just tweak an offer or adjust a campaign to make it more targeted.”*

He said it's also important to identify trends and patterns, both in demographics and geographic regions. It may be that certain patterns emerge at the same time each year, for example, and the property can make the necessary adjustments.

Yet, even with the best planning, emergency situations can occur.

“We've learned that as much as you try, things happen,” said Capps. *“That's why it's so important for revenue management and marketing to have a close working relationship. If you have that, then dealing with a crisis becomes much easier.”*



## 3. Data to help marketing target more effectively

Capps says it's critical for the revenue management department to share data that can help the marketing team target customers more effectively. Which dates, segments, seasons, and channels are performing the best? Which rooms are bringing in the most revenue?

“Revenue management must keep marketing in the loop at all times,” he says. And, while revenue management and marketing have different perspectives, they must ultimately set a common goal if they are to be successful, *“In the revenue world, it's about following the data; in the marketing world, it's about A-B testing. Merging these two worlds means starting with a goal and then checking in often so that adjustments can be made in order to reach that goal.”*

Capps also notes that many disparate elements are involved in this process. For example, if the hotel's goal is to grow its 'book direct website' channel, then the funds, the content, and the vendors that go behind it must line up, as well as the pricing strategy, booking engine strategy and promotion strategy.



## 4. Analytics to help marketing tailor campaigns to the hotel's most valuable targets at the right time through the right marketing channels

Data, not intuition, enables the marketing team to craft campaigns. And the better the data, the more accurately the property can target its most valuable guests at precisely the right time and through the most effective marketing channels.

Strategic revenue management considers the total value of each guest based on all available revenue streams, including food and beverage, wellness, gaming and retail. Analytics that provide a 360-degree view of the guest enable the property not only to predict future behavior but also to tailor marketing campaigns that hit the right note at the appropriate time and through the most effective channels.

At OLS, the revenue management and marketing teams meet weekly to review the data.

“We look at rate code analysis and country analysis. Most importantly, we look at the market-to-market code analysis to make sure they are all producing properly.”





## 5. The reports RM works with each day

Both Capps and Pochedly work with a variety of reports each day, including property management system and revenue intelligence reports, analytics reports, CRM data and social media data, blog pickup, forecast vs budget pacing, STR Report.

## 6. The details and timing of revenue management-driven campaigns executed in partnership with OTAs and other third parties

Pochedly says she sees a dip in the brand whenever she runs campaigns on the OTAs.

“If you want to focus on brand, then running campaigns on OTAs is obviously not a great idea. I only utilize these strategies when absolutely necessary.” She says she always keeps marketing in the loop, so they are aware of what’s going on. “I always tell ownership, too, and let them know that we’re fighting for business right now.” For Capps, it goes back to sharing at key points and having overlapping data. “Marketing is aware of any promotions happening via third parties; and, we’re doing things with partners that we wouldn’t offer to guests directly.” Again, it’s keeping marketing in the loop. They should always be aware of promotions happening via third parties.



## 7. Knowledge of research and booking window

Pochedly, Capps and Wise agree that it’s critical for the marketing and revenue management departments to share information about booking pace.

“We discuss how many reservations are coming in during our regularly scheduled calls,” said Pochedly. Capps extends on that adding that it’s important to understand that the booking window is constantly changing and shortening. “Understanding the booking window allows marketing to target messages to guests at exactly the right time,” he said. “It’s also important to understand the difference between a searching guest and a guest with intent to book,” he said “It all goes back to when a guest books and how far out.”

## 8. Which segments need more attention and when – leisure, group or corporate?

Pochedly says the time of year plays a big role in the segments OLS targets. During December, for example, the company focuses on leisure travelers.

She said the day of the week also factors into the decision-making process. Most corporate travelers arrive on Tuesday and Wednesday, whereas most leisure travelers arrive on the weekend.

She also notes the industry is seeing an increasing number of ‘bleisure’ travelers – people who combine business with leisure. There’s opportunity to market to these consumers with special weekend promotions.

Capps said Charlestowne Hotels is heavy in the leisure market. “We keep up with all the trends, but especially those in that segment.”



# What Marketers Need to Share with Revenue Managers

Marketing focuses on customer acquisition and retention, the guest experiences and the brand.

“The analytics behind marketing are undeniable,” said Wise. “Once you start aligning with your revenue manager, you can have a significant impact on your bottom line.”

According to Wise, hotel marketers should inform revenue managers of:

## 1. New and Emerging Marketing Methods

Supply your knowledge of all viable hotel marketing methods and opportunities. Then, Wise says work with your revenue managers to decide which methods and target audiences are best to drive revenue through these new sources.

**Sample scenario:**

You suddenly have distressed inventory. In the past, a hotel may turn to deeply discounting rates to occupy rooms. Today, a digital marketer can offer advertising solutions to promote retail or marginally discounted rates to targeted audiences with an immediate call to action.

## 2. Current Customer Buying Behaviors

Use industry tools to track online visitor behaviors, then deliver relevant marketing



messages to the right audience, at the right time, to the right place, and – with the help of your revenue manager, the right price. Keep revenue managers up-to-date with what your customer data reveals, like purpose of guest visits, preferred methods of booking, influences and expectations.

**Sample scenario:**

Marketing can be delivered to finely detailed audiences. Consider a hotel that boasts high demand for ethnic celebrations. Their marketing analytics revealed the geographical region where searches for these types of events originated. The hotel combines this intelligence with other analytics, which now allows the property to tailor promotions specific to the demand driver, market to them and track results.

## 3. Most Lucrative Marketing Channels

Track which channels are bringing in the most traffic at the highest rate with the lowest overhead and then work with your revenue manager to leverage these channels to grow revenue by segment.

## 4. Demographics of Most Engaged Guests

Report back to your revenue management team with traffic source details, including where guest travel from, how long they stay and what they purchase on property.

This gives revenue managers the insight to create profitable pricing strategies targeting these audiences.

**Sample scenario:**

If 75 percent of your followers are women aged 35-40, a package or promotion that targets demographics outside of that is less likely to produce revenue.

## 5. International vs domestic booking trends

Capps said he looks to marketing to tell him about the geographic composition of guests.

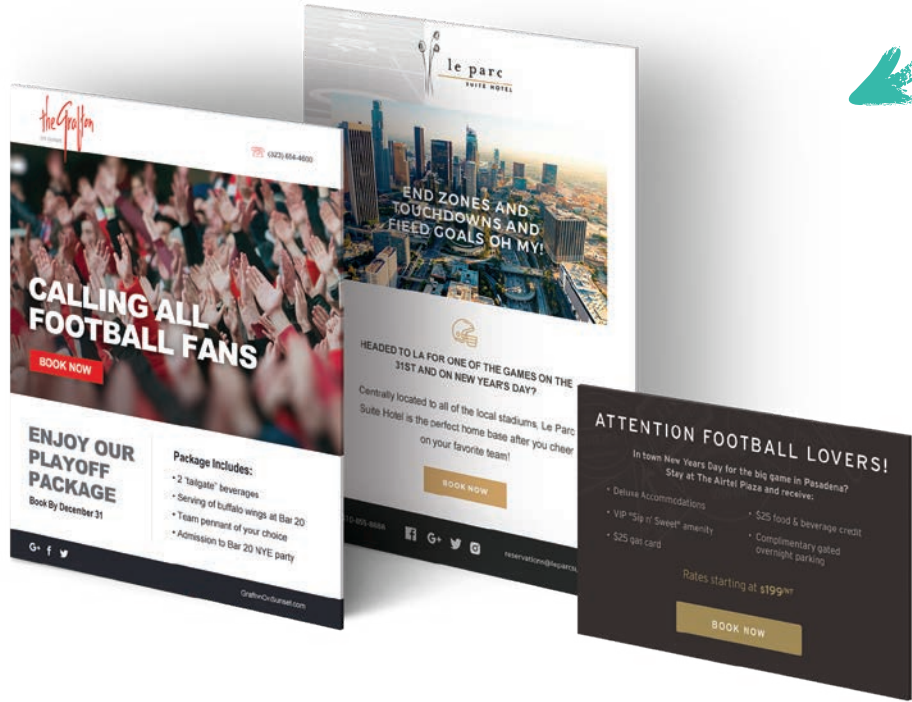
Pochedly says that OLS uses geo-targeted ads to target both domestic and international consumers, particularly surrounding major events.

Contrary to domestic consumers, International consumers have a higher length of stay and a lower cancellation rate. Domestic consumers are a more appropriate target to capture last minute business.

**Sample Scenarios:**

OLS pushed out a geo-targeted ad to Brazil when a major soccer tournament was held in Los Angeles that brought in many Brazilians.

Prior to the 2018 Rose Bowl, OLS sent geo-targeted ads to the states of Georgia and Oklahoma, both of which had teams playing in the game.





## 6. Current and Upcoming Marketing Campaigns

Wise advises against moving forward with new marketing campaigns without collaborating with the revenue optimization team. “Sales and revenue can share data and contribute insights on key points including booking and stay pattern data. Many times marketing and revenue analytics have similar data reported on booked vs stayed and paid. Both are valuable. You lose the full power of the data without collaboration.”

## 7. Marketing Reports

Show revenue managers the “whole picture” by disclosing these vital marketing metrics and reports:

- a. Website traffic and analytics
- b. Paid search results
- c. Search engine ranking results
- d. Traffic summary
- e. Email marketing campaign results
- f. Social media activity and results
- g. Channel contribution
- h. Guest review/sentiment
- i. OTA analytics
- j. Historical and future performance compared to competitive set (using a modern rate shopping solution)



# Driving Revenue Together

## Keys to a Powerful Revenue Optimization Team

The lines between both departments are blurring.

“Both marketers and revenue managers must take the initiative to educate themselves on the others’ world,” Wise recommends. This includes trends, technology, and tactics. Her tips include: Follow influencers from both fields, join organizations such as HSMAI, find free resources online, listen to podcasts. “Spend time understanding your counterparts,” she advises, “and it will enhance strategy and drive results.”





# Build the Optimal Revenue Management/Hotel Marketing Power Couple

## • Attend Industry Tradeshows Together

Present a unified front at industry events. Work together to showcase comprehensive insight into your markets and profit potential to partners and clients. Brainstorm how to best reach out to customers, then offer marketing knowledge and tools to revenue management customers and revenue insights and tools to marketing partners.

## • Share Expectations and Frustrations

Not only does frequent face-to-face interaction between colleagues facilitate trust, it ultimately creates greater collaboration and understanding. These benefits do not occur through email or text, but through authentic in-person interactions.

## • Bring The Group Together for Teambuilding

One of the best ways to see more ROI from your team is to have fun. Teambuilding can mitigate conflicts, boost trust, encourage communication, and improve collaboration – making it one of the smartest investments towards boosting your hotel's bottom line. Spending time outside the office and sharing a memorable experience allows bonding to happen effectively and organically.

“There is no final destination. You should continue to educate and empower your teams to collaborate and align strategies.” said Wise.

## WE RECOMMEND:



### HOTEL DATA CONFERENCE

August 14-16, 2019 | JW Marriott Nashville

Hosted by STR and Hotel News Now

Sponsored by rainmaker

learn more at  
[hoteldataconference.com](http://hoteldataconference.com)



### HSMIA ROC 2019 Take The Lead in Revenue Strategy

June 18-19, 2019 | Minneapolis Convention Center

Sponsored by rainmaker TAMBOURINE

learn more at  
[hsmia.org/events](http://hsmia.org/events)

## SUMMARY: Best Practices

### 1) Live in your 'go-to' data and routines:

Have a set routine to start your day, especially when it comes to reviewing the daily numbers for your property.

### 2) Find time to challenge the norms

This refers to things like segmentation, room types and channel performance. It takes some deep dives into those. Analyze what you're seeing and make sure the behavior you're seeing there is what you're accustomed to seeing.

### 3) Cross-collaborate

Make sure the revenue management and marketing teams regularly review all the data, not just the metrics from their own departments. Also, get input from the sales and operations teams. Everyone should be on the same page.

### 4) Understand the acquisition cost and impact of OTA commissions on the property

It's important to know how the revenue flows to the bottom line.

### 5) Be willing to take chances

Although systems and data can point you in a particular direction, the revenue manager must be willing to take an occasional chance.

“Revenue managers are often gun-shy rather than trigger-happy,” Capps said. “Sometimes, you need to strike while the iron is hot. If you're not willing to take a chance, you'll miss a lot of opportunities.”

### 6) Build revenue & expense budgets together

According to Capps, at Charlestowne Hotels, revenue and expense budgets are created in tandem. Then, there are required working sessions where the departments get together and review everything. Pochedly also says it's especially important for revenue management and marketing to work together to build budgets at OLS.







7) *Agree on monthly and rolling forecasts together*

When it comes to monthly and rolling forecasts, Capps said there should be collaboration on reviewing and completing them. Pochedly agrees that both the marketing and revenue teams, along with the general manager and controller, should be involved in the process.

“You have to work together to have a successful forecast,” she said. “You also have to know what’s in the pipeline – groups, promotions, F&B components. It’s hugely important to be as complete and accurate as possible.”

8) *Conduct on-going business reviews together*

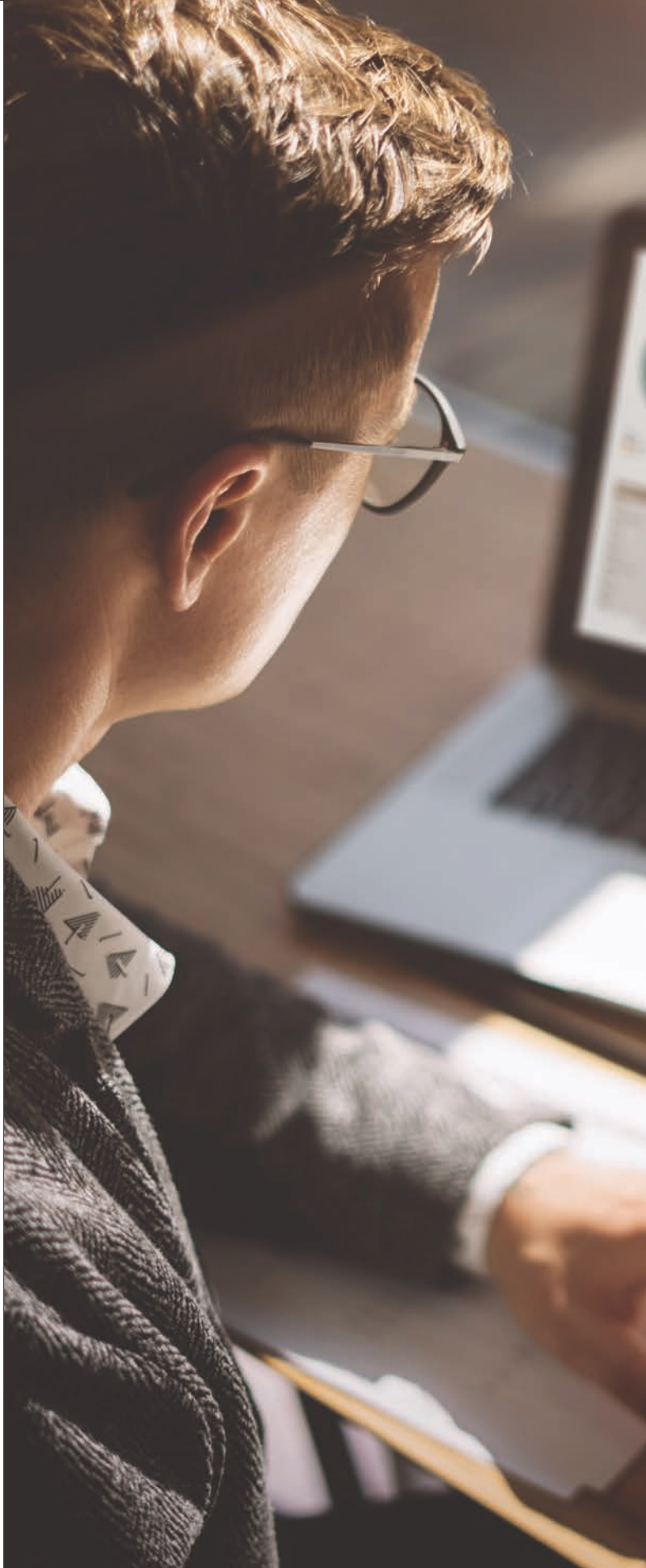
As a management company with many properties, Charlestowne Hotels uses online support systems that enable teams to communicate and share with each other or to ‘tag’ someone on a to-do list. Capps notes that one of the company’s best practices is to use tools to communicate.

“A weekly in-person meeting isn’t always possible. So, having technology that facilitates communication is critical to success.”

OLS holds weekly meetings where revenue management and marketing review everything:

i. *Examine periods of weakness*

All of our experts note the importance of knowing the property’s down periods and being prepared. “Organization is essential,” said Capps. “So often, people are scrambling to get on the same page. But, if you have



the right tools and systems in place, then it’s all about what the response will be versus who is going to handle it.”

ii. *Identify segments that are causing the shortfall* - Pochedly says it’s critical to keep an eye on trends. “Otherwise, you can end up in trouble.”

For Capps, it goes back to goals and budgeting. “Don’t just check in at the beginning and the end,” he advises. “There must be key scheduled dates in-between, at least a monthly meeting between marketing and revenue management.” He also notes the importance of not having to search for information. “Internally, there should be a place to access data in some sort of presentation format.”

9) *Determine what can be done as a unified team. Then, do it.*

Wise, Pochedly and Capps all agree that organization and systems are critical for success. At Charlestowne Hotels, efficiencies in reporting make it easy for marketers and revenue managers to see what’s going on at a given property.

“A segmentation report for a hotel in California is formatted exactly like the segmentation report for a resort in South Carolina,” Capps said. “So, people know where to look and they know what they’re looking at, regardless of the property.”





The Rainmaker Group is the premier provider of revenue and profit optimization solutions to the Hospitality and Gaming industry.

Our intelligent profit platform helps you optimize your revenue, drive increased profitability, save valuable time & outperform your competitors.

**Atlanta | Las Vegas | Singapore | Dubai | 678-578-5700 | [www.letitrain.com](http://www.letitrain.com)**

#### AWARDS AND AFFILIATIONS



Tambourine is transforming hotel ecommerce. The firm has become an instrumental partner for elite hoteliers, hotel management and asset management firms seeking to outperform their compset.

We deliver an all-inclusive managed service program that ensures maximum traffic and conversions across all digital channels. Our team utilizes our own best-in-class technology to empower your property... giving you the confidence and ability to achieve your ownership's revenue goals.

The firm is celebrating its 35th year in business. For more information about Tambourine, visit [Tambourine.com](http://Tambourine.com)

**New York City | Fort Lauderdale | Bogotá | 954-975-2220 | [Tambourine.com](http://Tambourine.com)**

#### AWARDS AND AFFILIATIONS





