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INDUSTRY WEEKLY DIGEST

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COVID-19 IMPACTS ON REVENUE MANAGEMENT

CHALLENGES FOR HOTELIERS

What a year it has been for the world, for humanity, and particularly for the Hospitality industry. Traditionally, this global industry has always been the quickest to bounce back after any external shocks. However, not knowing when demand will return, hoteliers had to make very difficult decisions in 2020. [Sylvia Ganbert](#) shares her view on what this all means for revenue management.

Have a great weekend!

What's in this issue:

**COVID-19 AND
REVENUE
MANAGEMENT
CHALLENGES**

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Covid-19 and Revenue Management Challenges

SYLVIA GANBERT

As the world is at a standstill, hoteliers are facing tough human resource decisions and challenged to find the answers to the many 'how to' questions: how to close down hotels, how to maintain facilities in the meantime, how to re-open safely, etc. The positive in all of this is the increase in domestic demand. Travellers who typically head overseas are now looking domestically for their much-needed break, increasing demand substantially. Consequently, hotels throughout the country serve new clientele they have not seen before.

The basic Revenue Management strategy is for hotels to capitalise on this increased domestic demand by setting higher prices. But is this the right strategy? It is all good only if the short term vision is considered. But what is fundamental to Revenue Management practices is the consumers. To have a long term vision means to have effective strategies to turn the migrating overseas travellers into long-term domestic travellers.

This is the time to analyse our customer base further and see the long-term value of each guest. This is the time to consider long term goals and not just attempt to fill our hotels in the immediate future. As always with Revenue Management, we should put the customer first and know what their reference price is. With the dichotomy between Revenue Management practices and Customer Relationship Management branching further apart, is this not the time to bring the two closer together?

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**NEVER LET A SHORT
TERM DESIRE GET IN
THE WAY OF A LONG
TERM GOAL**
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