

# The Flipside of Yield

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# Conferma's Exposure To Yield

- **Through booking channels**
  - Increase in managed RFP's
  - Larger number of client specific rates
  - Demand for access to multiple channels
- **Through settlement**
  - Growth in centrally settled business
  - Increase in inclusive rates
  - Greater emphasis on policy compliance
  - Settlement days is a key component of yield

# To review booking Data Conferma provides Rate Analyser

- A web-based service checking rates on all live bookings
- Automatic comparison of all booked rates until day of arrival
- Detailed nightly rate report showing all available rates
- Configurable to ensure comparison data is relevant
- Analysis across all inventory providers
- Ability to compare rates against alternative properties in specific locales

# Data Analysis (sample of 8,600 bookings)

## Potential Savings

- 19% bookings offered lower rates
- Average saving of 14% of booking value
- Average 5.4 cheaper rates per booking

Saving %	% of Bookings
50+	1
50 – 30	6
29 – 20	13
19 – 10	47
9 – 1	33

## Rate Increases

- 86% increased rates post booking
- Total price increased by 135%
- Average 48 higher rates per booking

Increase%	% of Bookings
100+	34
100 – 50	22
49 – 20	22
20 – 10	12
10 – 0	20

# Booked vs Billed Analysis

(Sample of 100,000 bookings)

## All bookings

Booked value	£14,700,000
Billed value	£16,480,000
Average Stay	1.7 nights

Booked / billed differential = £1.7M  
Average differential = 12%

## Billed higher than booked

Booked value	£7,280,000
Billed value	£9,450,000
Average Stay	1.8 nights

Booked / billed differential = £2.1M  
Average differential = 30%

# Conclusions

- **Through booking channels**
  - Agencies can reduce rates via rebooking
  - Booking in advance offers best saving potential
  - There is cost for Agency & Hotel to manage rate changes
  - Does cost saving outweighed the cost of changing rate ?
- **Through settlement**
  - Managing payment terms provides a better commercial model
  - Discretionary spend is an average of 30% of room rate
  - Does increasing room rate drive away potential revenue ?