

The Ideal Revenue Strategy for Hotel ICON

Luxury property in Hong Kong leverages technology to bolster rate-driving strategy and maintain market-leading occupancy

Full-Year Results (2016-2017 fiscal year vs. 2015-2016)

RevPAR Index +5.7% | Average Rate Index +0.4% | Market Penetration Index : +5.3%

The Challenge

In a Hong Kong market with many chains, luxury independent Hotel ICON had the flexibility to outmaneuver many hotels racing to cut rates when the city had to fight through a lodging slowdown. But the property also sought an edge in technology that would further improve future prospects by refining its pricing and distribution strategies to grow both occupancy and, in the next phase, average daily rate.

The Solution

Just before the start of Hotel ICON's fiscal year, a new revenue management team reset the property's Revenue Strategy and pricing rules within Duetto's GameChanger application, contributing to consistent occupancy growth. Using data-driven insights into demand by market segment, the hotel yielded rates independently – particularly by room type – to also boost profitability.

“Duetto enabled a blue-ocean strategy for us to do our own thing and lead our competitive set in terms of yielding. They provided us a whole toolbox to have a technological advantage over other hotels.”

— **Richard Hatter**
General Manager, Hotel ICON



The Results

Hotel ICON was better prepared to analyze the data about its incoming demand, and it used the GameChanger application to put those insights into action. By setting optimal rates for each room type based on customer segments, the channel they used, and the season of the Hong Kong market's very cyclical year, Hotel ICON ran occupancies above 90% every month of its fiscal year, officials said. It also maintained a positive Average Rate Index with a room type pricing strategy it will bolster in the coming year.



How it Happened

- New revenue management leader worked with Duetto's Customer Success team to set up new pricing rules in GameChanger application
- Analyzed robust data sets like reviews, competitor rate shops and booking pace to understand future demand by market segment
- Drove occupancy without sacrificing ADR by shifting distribution to get more high-rate business from most profitable channels
- Deployed room type pricing strategy, adjusting rates or price differentials to fill rooms profitably in either high or low season

"We're trying to lead our industry and innovate many ideas at our hotel, and Duetto is a good partner for that. We chose to work with Duetto not only for its Revenue Strategy solution, but also because it's a constantly evolving and innovative company working toward goals just like ours."

— Patrick Sin

Director of Sales, Marketing and Revenue Management, Hotel ICON