



**COAST**  
hotels™

*how to maximize & increase top-line revenue*  
*revenue management by coast hotels*

**Case Study | Feb 2024**

## *coast hotels revenue management services*

An essential aspect of effective revenue management involves comprehending, anticipating, and shaping consumer behavior by strategically managing the distribution of hotel inventory. Our rigorous strategic systems create nightly demand forecasts to ascertain the most advantageous selling strategies for both the short and long term. The primary objective is to generate additional revenue, ultimately leading to heightened profitability, all while aiming for steady month-to-month and year-to-year market share growth.

Coast Hotels revenue management approach tailors itself to the distinct requirements of each property. This encompasses not only technical support but also strategic guidance regarding inventory and pricing. The primary focus revolves around identifying the optimal selling approach for each property, employing analytical tools to craft proactive, data-driven strategies with confidence, rather than reacting to market shifts.

By strategically leveraging performance data, local market insights, competitor rates, and other applied analytics, we predict consumer demand and behavior, thus optimizing pricing and distribution in a manner that maximizes revenue and profits.

### **A Word from our Franchisee**

**“Coast Tsawwassen Inn has relied on Coast Hotels Revenue Management Services since 2018, and they have been an invaluable partner, especially during challenging times like the pandemic. Thanks to their expertise and guidance, we’ve experienced remarkable growth, with our Average Daily Rate (ADR) increasing by an impressive 45% and our Revenue per Available Room (RevPAR) soaring by 54%. Their dedication to optimizing our revenue streams has truly made a significant impact on our success.”**

**Emma McDonald, General Manager of Coast Tsawwassen Inn, Delta, BC**

### **Coast Tsawwassen Inn**

Coast Tsawwassen Inn offers an experience that is anything but ordinary. The hotel is nestled in Delta, BC’s friendly Tsawwassen community, just minutes away from the BC Ferry terminal, and offers spacious suites.

### **The Challenge**

The hotel consistently fell short of capturing its fair portion of the market’s business. Over successive years, they witnessed a decline in their occupancy rates and average daily rates (ADR), leading to a notably low Revenue per Available Room (RevPAR). Consequently, the period spanning from 2016 to 2019 translated into a substantial revenue shortfall for the hotel. Recognizing the need for improvement, the owners expressed a desire to make investments in the property, but they required a clear understanding of the potential return on investment.

**“Opting for the revenue management service provided by Coast Hotels at the Coast Tsawwassen Inn allowed us to streamline the implementation of a more sophisticated approach to rate management and strategy. Before adopting this service, we handled our rates manually across different bars, resulting in minimal rate growth over the years. Due to the lack of dedicated time or personnel for rate management, we missed numerous opportunities. Additionally, our competitive position within our market consistently fell behind the other hotels.”**

**Emma McDonald, General Manager of Coast Tsawwassen Inn, Delta, BC**

## The Solution

The hotel has a firm commitment to investing in the field of revenue management. Their dedicated Revenue Management (RM) Manager has taken charge of leading this initiative and has embraced all the educational opportunities to foster the development of a robust team. This commitment led to the establishment of a RevMax team, where various strategies and tactics were thoroughly deliberated upon, culminating in the formulation of a comprehensive action plan.

**“Since implementing this service we have seen a 5% increase in our occupancy, but more significantly, a 45% increase in our Average Daily Rate and a 54% increase in our Revenue Per Available Room. I can confidently say we would not have achieved these impressive results without the invaluable assistance provided by Coast Hotels revenue management service.**

**The intuitive nature of the system, capable of autonomously adjusting rates based on algorithms and our predetermined floor and ceiling rates, has been a game changer. Regular meetings with our Revenue Manager have enriched our rate strategy and decision-making processes. This collaborative approach has not only yielded exceptional results but has also served as an invaluable learning experience for both myself and members of my team.”**

**Emma McDonald, General Manager of Coast Tsawwassen Inn, Delta, BC**

## The Results & Benefits

With the world reopening and travel resuming, the hotel’s RevMax team was well-prepared to leverage their Revenue Management System (RMS) and apply the skills they had acquired. By the end of 2022, the hotel not only regained its fair share of occupancy but also exceeded expectations with a remarkable increase of +4.2%. They achieved more than their fair share in rate as well, with an impressive +11.2% growth, ultimately leading to a remarkable +15.8% increase in Revenue Per Available Room.

Year over year, the hotel experienced substantial growth, enhancing its occupancy by +4.9%. Their rate saw remarkable growth of +26.4%, while Revenue Per Available Room exhibited an impressive +32.5% increase. These outstanding results translated into significant revenue growth, leaving the owners exceedingly pleased with the return on their investment in the renovation work carried out during the pandemic.

**“Reflecting on the results we’ve achieved, I consider the decision to improve our hotel’s financial results through this partnership as one of the most impactful choices we’ve ever made. The success, in my opinion, stems largely from the straightforward setup and seamless initiation made possible by the Revenue Management Team at Coast Hotels. They manage all systems’ practical aspects, which ensures that the implementation and management processes are not burdensome or overwhelming for our hotel team. We have utilized this service for four years now without any concerns and with great success. There is nothing I would change about it.”**

**Emma McDonald, General Manager of Coast Tsawwassen Inn, Delta, BC**

## Conclusion

As we embrace advancements and acknowledge the wealth of data readily available today, the synergy between revenue discipline and a robust Revenue Management System (RMS) enables hotels to assert better control over inventory, optimize staffing levels, and effectively target their marketing efforts. Simultaneously, today’s informed customers are more connected than ever, utilizing

various sources such as social media, review platforms, and search engines to research room availability and competitive pricing.

Dedicated Revenue Managers stay attuned to emerging trends and harness these same tools to gauge their competitive positioning within the hotel industry. Furthermore, the ability to access comprehensive customer data from digital channels greatly enhances revenue management strategies. Therefore, it is no surprise that many hotels grapple with determining the potential return on investment for an RMS. Our proficient managers not only decipher the numerical data generated by an RMS but also discern the contextual significance of local factors, like conventions and regional events, or broader economic conditions, such as increased business travel, which influence demand.

In this dynamic landscape, a hotel's RMS must efficiently process an ever-expanding stream of data from diverse sources, often in real-time. Our Revenue Managers excel in collaborating with our E-commerce team, in swiftly and meaningfully analyzing data, thus leading the RevMax team to identify fresh customer segments and capitalize on new selling opportunities that emerge daily.