

Course Description**HFT4468 | Revenue Management in the Hospitality Industry | 3.00 credits**

This course prepares the student with revenue management practices in the hotel industry, which include capacity management, demand and revenue forecasting, discounting, overselling, displacement, rate management. How to apply pricing and length-of-stay tools and how to measure revenue management performance. Management from a focus on occupancy and average room rate to a focus on revenue per available room (RevPAR). This course prepares students to accurately forecast guest arrivals at hotels, examine pricing models in accordance with revenue management principles, and to manage overbooking. Prerequisite: ACG2021, ACG2021L or HFT2421.

Course Competencies:

Competency 1: The student will articulate knowledge of the key concepts of the revenue management system by:

1. Compiling the components of hotel revenue management and pricing
2. Considering the concepts of relatively fixed capacity, perishable inventory, and time-variable demand
3. Comparing demand and revenue forecasting, discounting and pricing, and capacity management
4. Recommending non-traditional ways in which revenue management techniques can be applied to increase revenue in the hospitality industry

Competency 2: The student will evaluate the process of balancing demand and capacity by forecasting prices to maximize the effectiveness of hotel resources by:

1. Simulating tools and techniques to make revenue management decisions in a learning environment
2. Designing demand and revenue forecasts and measuring their accuracy
3. Anticipating how to improve forecast accuracy and comparing forecasted results with actual results
4. Creating a successful pricing strategy and using available public pricing products correctly

Competency 3: The student will test the importance of occupancy and average room rate management as it applies to optimizing revenue per available room (RevPAR) by:

1. Evaluating the concept of RevPAR and how it is used as a performance metric in the hotel industry
2. Analyzing how RevPAR is calculated and how this information is used to increase revenue
3. Considering how online travel agency commissions for bookings impact RevPAR
4. Choosing technology tools for calculating and monitoring RevPAR

Competency 4: The student will outline the concept of yield management as it applies to the hotel industry by: Formulating how yield management strategies can maximize the average revenue per available room per night

1. Managing variable pricing strategy
2. Anticipating how to influence consumer behavior to maximize profits from a fixed, time-limited resource
3. Simulating maximizing revenues on high-demand days by correctly yielding lower-priced segments

Competency 5: The student will assess historical price/demand data to target distinct customer segments by:

1. Critiquing "Selling the Right Room to the Right Guest at the Right Moment at the Right Price on the Right Distribution Channel"
2. Testing the strategic levers of hotel revenue management and how they can be manipulated to increase revenue
3. Constructing a budgeting process and a budgeting control system
4. Demonstrating the different types of distribution channels, including direct sales, agencies, the Internet, and opaque pricing channels

Learning Outcomes:

- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Formulate strategies to locate, evaluate, and apply information
- Use computer and emerging technologies effectively
- Demonstrate an appreciation for aesthetics and creative activities