



PRELIMINARY STUDY OF HOW EZYIELD CAN HELP TO MANAGE OTAS
EXTRANETS IN REVENUE MANAGEMENT IN HOSPITALITY:
A CASE STUDY IN A 5 STAR HOTEL IN THAILAND

By

Prae Klaythong

มหาวิทยาลัยศิลปากร สงวนลิขสิทธิ์

An Independent Study Submitted in Partial Fulfillment of the Requirements for the Degree

Master of Business Administration Program in Hotel and Tourism Management

Program of Hotel and Tourism Management International program

Graduate School, Silpakorn University

Academic Year 2011

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The Graduate School, Silpakorn University has approved and accredited the independent study title of “Preliminary Study of How EZYield Can Help to Manage OTAs Extranets in Revenue Management in Hospitality: A Case Study of A 5 Star Hotel in Thailand” submitted by Miss Prae Klaythong as a partial fulfillment of the requirements for the degree of Master of Business Administration in Hotel and Tourism Management.

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53501305: MAJOR: HOTEL AND TOURISM MANAGEMENT

KEY WORD: MANAGE, LEAD TIME, EFFECTIVE, AND PRODUCTIVITY

PRAE KLAYTHONG: PRELIMINARY STUDY OF HOW EZYIELD CAN HELP TO MANAGE OTAS EXTRANETS IN REVENUE MANAGEMENT IN HOSPITALITY: A CASE STUDY IN A 5 STAR HOTEL IN THAILAND: INDEPENDENT STUDY ADVISOR: ARDIPORN KHEMARANGSAN, PH.D. PP.106.

Revenue Management is a business practice which aims to maximize revenue, especially for perishable products such as airline and hotels, by yielding the selling rate according to demand and supply. Talking about hotels, it has several distribution channels which stimulate demand. Since an emergence of internet and wireless technology, hotels has wisely taken advantage to use it as low cost distribution channel, they set up their branded website and cooperated with Third party as Online Travel Agents (OTAs). Due to limited research and information on the usefulness of IT software program on revenue management, case study is considered to be an appropriate method for this research. In this case study, the researcher has spent half a year of observation, participated in a Revenue Department of a hosted hotel. Through observation, there are many yielding room rates for several room types for all Best Available Rates (BAR) and promotions through its branded web and 10 OTAs that a revenue manager has to manage or change its rates. To do it all manually, it has consumed so much time as much as 2 hours. Moreover, changing rates manually has leaded to some errors. It was because of work load, exhausted and lacking of manpower. While there is software which is a compulsory to apply by the hosted hotel chain company, to use for supporting yielding process to branded web and all OTAs. The software calls EZYield. After applying EZYield, it contributed significant result, decrease time to change rates tremendously; from hours to be a few minutes. The result showed that IT software can enhance the productivity of the employee. However, some obstacles were discovered after interview 4 revenue practitioners who work for 4 different city hotels. Some of them have no idea how to start using the EZYield thus she has never used it, but change rates manually instead. Without any training course for a new user, creating an EZYield user guide book is an appropriated solution. At the end of the research, user manual has been produced; it shows how to use the tool step by step, which helps user to change rates effectively.

Program of Hotel and Tourism Management Graduate School, Silpakorn University Academic Year 2011

Student's signature.....

Independent Study Advisor's signature.....

ACKNOWLEDGEMENTS

I am heartily thankful to my supervisor, Dr. Ardiporn Khemarangsarn, whose encouragement, supervision and support from the preliminary to the concluding level enabled me to develop an understanding of the subject.

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Lastly, I offer my regards and blessings to my family who always understand, support and cheer me to undertake this master degree successfully

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CHAPTER 1

INTRODUCTION

1.1 Starwood Hotels & Resorts profile

Starwood Hotels is one of the leading hotel and leisure companies in the world with more than 1,000 hotels reaching across nearly 100 countries through nine world-class brands, backed by the dedication of 145,000 employees. Starwood is a fully integrated owner, operator and franchisor of hotels, resorts and residences with the following internationally celebrated brands: St. Regis[®], The Luxury Collection[®], W Hotels[®], Westin[®], Le Méridien[®], Sheraton[®], Four Points by Sheraton[®], and the recently launched AloftSM and ElementSM. Starwood Hotels also owns Starwood Vacation Ownership, Inc., one of the premier developers and operators of high quality interval ownership resorts.

As one of the largest operators of upper upscale and luxury hotels, our global portfolio is unmatched. Starwood remains on track to increase its worldwide footprint by 20% over the next five years through smart, carefully targeted growth that will expand our presence in the upper upscale and luxury hotel categories, as well as in the vital limited service segment.

Our international portfolio of more than 1,000 hotels is one of the strongest and most coveted in the industry, with 60% of our properties less than three years old or newly renovated.

Distribution: 1,071 hotels worldwide

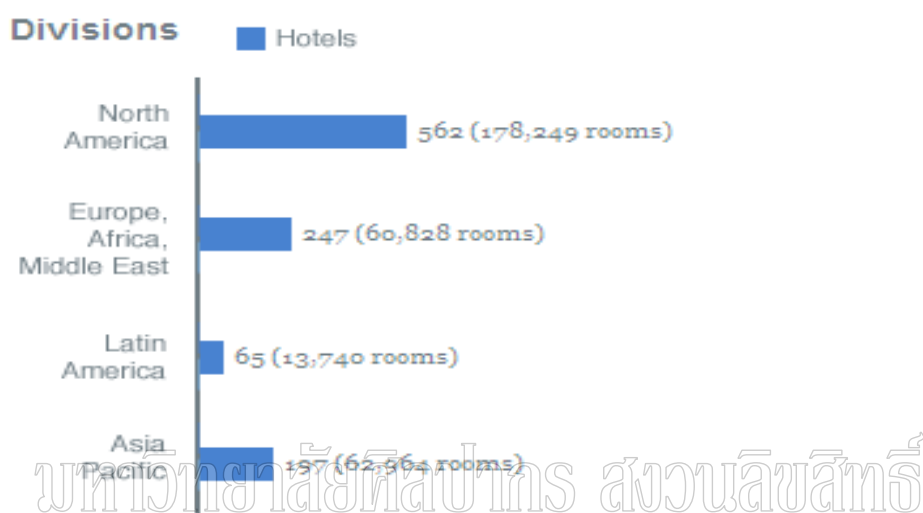


Figure 1: Number of Starwood's property globally as of March 9, 2011

Source: <http://development.starwoodhotels.com/about/>

Brand	Hotels	Rooms
Sheraton	407	141,621
Westin	183	71,003
Four Points by Sheraton	158	27,479
Le Méridien	99	25,707
The Luxury Collection	75	14,483
Aloft	52	8,012

W Hotels	41	11,940
St. Regis	24	4,654
Element	9	1,432
Vacation Ownership	14	7,000

Ownership

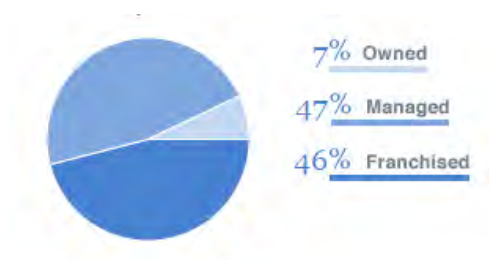


Figure 2: Ownership Starwood Hotels & Resorts Worldwide as of March 9, 2011

Source: <http://development.starwoodhotels.com/about/>

Starwood's operations are in geographically diverse locations around the world. The following tables reflect our hotel and vacation ownership and residential properties by type of revenue source and geographical presence by major geographic area as of December 31, 2010:

	<u>Number of</u>	
	<u>Properties</u>	<u>Rooms</u>
Managed and unconsolidated joint venture hotels	463	159,200
Franchised hotels	502	121,400
Owned hotels(a)	62	21,100

Vacation ownership resorts and stand-alone properties	<u>14</u>	<u>7,000</u>
Total properties	1,041	308,700

(a) Includes wholly owned, majority owned and leased hotels.

At December 31, 2010, approximately 145,000 people were employed under Starwood Company.

Starwood History

Starwood Capital Group was founded by Barry Sternlicht in 1991, with backing from the Ziff and Burden families. However, the company did not make its first big bid into the hospitality industry until 1995 when Starwood, with backing from Goldman Sachs and Nomura Securities, purchased Westin Hotels (now Westin Hotels and Resorts) from the Japanese construction firm Aoki.

Starwood bought Hotel Investors Corp (now Starwood Lodging Corp.), a rare pair-shared REIT called Hotel Investors Trust, in 1995 and renamed it Starwood Lodging Trust. The Pair-Shared REIT allowed Starwood to take advantage of grand-fathered tax breaks that had otherwise been outlawed. ¹

² M. Cox, E. Jacobs, J. Mayer, L. Wei and M. Nouralla, 2003. Starwood hotels & Resorts, A case study: The Center for Hospitality Research AT CORNELL UNIVERSITY : 2-3

Starwood Values

At Starwood, we call our shared values “promises.” These promises guide our everyday actions and ensure a common understanding of what we can expect from one another.

Starwood’s values are:

- **Go the Extra Step** by taking actions that build lasting connections and loyalty
- **Play as a Team** by working globally and across all teams in the company
- **Do the Right Thing** by using good judgment, respecting our communities, associates, owners, partners and the environment

We’re committed to creating a company that is a great place to work and provides wonderful guest experiences, great returns to shareholders and is:

- Growing
- Strong
- Stable

Sheraton profile

Sheraton®



(luxury and upscale full-service hotels, resorts and residences) is Starwood's largest brand serving the needs of upscale business and leisure travelers worldwide. For over 70 years this full-service, iconic brand has welcomed guests, becoming a trusted friend to travelers and one of the world's most recognized hotel brands. From being the first hotel brand to step into major international markets like China, to completely captivating entire destinations like Waikiki, Sheraton understands that travel is about bringing people together. In Sheraton lobbies you'll find the Link@Sheraton experienced with Microsoft, which fosters connections, whether face-to-face or webcam-to-webcam. The Sheraton Club is also a social space where guests indulge in the upside of everything with likeminded travelers. Sheraton transcends lifestyles, generations and geographies and will continue to welcome generation after generation of world traveler, because we believe, as strongly as ever, that life is better when shared.³

³ http://www.starwoodhotels.com/corporate/company_info.html

Sheraton and Four Points History

The Sheraton Hotel story is similar to Westin in terms of the introduction of a number of significant industry-shaping firsts, Sheraton was the first hotel listed on NYSE, the first hotel with an automated reservation system, and the first hotel with a toll-free reservation number. The story is slightly different however, in terms of this hotel's great international expansion to 500 hotels in 50 years. The company was founded in 1937 by Ernest Henderson and Robert Moore when they purchased the Stonehaven in Springfield, Massachusetts. An interesting side note is the name Sheraton which was adopted because the founders did not have the money to take down a large electric "Sheraton" sign on the rooftop of one of their first properties.⁴

- 1939- Bought two hotels including a small residential unit named "Sheraton Hotel" the largest electric "Sheraton" sign on the roof was too expensive to take down, so the rest of the hotels took on the Sheraton name
- 1941- Bought 50% of Boston's failing Copley Plaza for \$1.00 a share
- 1946- Merged with U.S. Realty, and began expansion
- 1949- Became the first Hotel Corporation to be listed on the New York Stock Exchange, barely edging out Travelodge⁵

⁴ M. Cox, E. Jacobs, J. Mayer, L. Wei and M. Nouralla, 2003. Starwood hotels & Resorts, A case study: The Center for Hospitality Research AT CORNELL UNIVERSITY : 2-3

⁵ American Hotel & Lodging Association, "History of Lodging Industry" online at http://www.ahla.com/products_lodging_history.asp (viewed 11/14/2003).

- 1955- Became the first hotel to incorporate closed circuit TV's ⁶
- 1958- Introduced Reservation, the industry's first automated reservation system and the world's first toll-free reservation number ⁷
- 1966- Purchased the St. Regis in New York City ⁸
- 1968- Acquired by ITT Corporation ⁹
- 1973- Introduced industry's first central reservation telephone number ¹⁰
- 1973-1986 - Expands heavily to 500 hotels worldwide ¹¹
- 1985- Built a branch of an international hotel chain in China ¹²
- 1995- Introduced the mid-scale brand "Four Points by Sheraton" ¹³
- 1998- Acquired by Starwood ¹⁴

Sheraton is the global hotel brand that brings people together and helps them realize the opportunities that travel creates, whether for business or pleasure. Our mission is to create a feeling of community so that no matter where you are in the world, at Sheraton you belong.

⁶ Sheraton Corporation, Sheraton 50, One Company, One Future, Sheraton World, The, (1987), pp2-11.
 . American Hotel & Lodging Association, "History of Lodging Industry" online at http://www.ahla.com/products_lodging_history.asp (viewed 11/14/2003).

⁸ Sheraton Corporation, Sheraton 50, One Company, One Future, Sheraton World, The, (1987), pp2-11.

⁹ Ibid

¹⁰ American Hotel & Lodging Association, "History of Lodging Industry", online at http://www.ahla.com/products_lodging_history.asp (viewed 11/14/2003).

¹¹ Sheraton Corporation, Sheraton 50, One Company, One Future, Sheraton World, The, (1987), pp2-11.

¹² Ibid.

¹³ Starwood Hotels and Resorts, "Sheraton History at Starwood" online at www.starwood.com/sheraton/about/history.html (viewed 11/14/2003).

¹⁴ Ibid.

Sheraton Core values

- **Warm**

Associates are genuine and welcoming, conveying a generosity of spirit and caring for and about your needs. You can be comfortable being yourself.

- **Connected**

Even far from home, you are able to connect with what matters most through our signature spaces, amenities and services.

- **Community**

Our hotels provide a social place for people to come together and share experiences. No matter where you are around the world, at Sheraton you belong.

Sheraton Service Culture

Genuinely sharing a generosity of spirit with each other and with our guests, our associates believe in our core values and truly live our brand positioning “ Life is better when shared.” They also appreciate the power of customer loyalty and seek out opportunities to create experiences that will drive that loyalty.

Sheraton Target Guest

Our guests are Life, Enthusiasts who seek experiences that provide a story they can share

In 2011, Sheraton will continue to build upon this momentum and major focus areas will include:

- Continued global rollout of core initiatives: Sheraton Sweet Sleeper bed and Sheraton Fitness programmed by Core Performance
- Turning Club from an amenity to a profit center
- Reaching our goal of 45% SPG occupancy
- Launching a new marketing campaign that brings to life our lifestyle positioning
- Identifying and piloting ways to enhance the experience in its signature social spaces, in ways that drive revenue and support the brand's core values. ¹⁵

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¹⁵ <http://one.starwoodhotels.com>

1.2 Royal Orchid Sheraton Hotels & Towers, Bangkok profile

Background & overview¹⁶

Brief history

Officially inaugurated by Her Majesty, Queen Sirikit of Thailand, on July 22, 1983 as “The Royal Orchid Hotel”, the company became listed as a public limited company on 15 April 1994 and is now named "Royal Orchid Hotel (Thailand) Public Company Limited".

The shareholders of this joint venture company are:

Starwood Hotels (Thailand) Co., Ltd.	44%
MBK Properties & Development Plc.	29.39%
Thai Airways International Plc.	24%
Others	2.61%

Overview

Since it was established on the legendary Si Phraya Pier 28 years ago, the Royal Orchid Sheraton Hotel & Towers has earned the title of one of Bangkok's best luxury resort-style hotels on the riverside. The hotel's numerous awards and accolades include 2 awards in 2007 World Travel Awards as Thailand’s Leading Conference Hotel and Thailand Leading Hotels, being voted into the Top 50 World's Best Hotels in Asia 2007 by the readers of Travel + Leisure magazine, and also being counted to the Condé Nast Traveler (USA) Gold List for the ninth consecutive year in 2010.

¹⁶ Back Ground & Overview: Royal Orchid Sheraton Press KIT (2010)

Thanks to its unique “Y” shape and location on a bend in the Chao Phraya River, the majestic 28-storey property offers breathtaking, uninterrupted, panoramic views of the historic Thonburi-side of Bangkok as well as Bangkok from every one of its large, luxurious guestrooms and suites.

Inside, the serenely elegant interior of the golden Main Lobby, with its high ceiling and awe-inspiring Pra Kaew Morakot Buddha, is a haven of tranquility.

The Hotel has been consistently implementing new facilities and services for the guests. Since January 2006, the Sheraton’s renowned “Warm Welcome” makes guests feel at home from the moment they enter the hotel. Upon arrival they are greeted by a Sheraton Ambassador who offers a personal welcome and introduces them to the unforgettable Thai hospitality. Adding to the experience is Sheraton’s new signature lobby scent “Open Sky”, a relaxing natural and hypoallergenic blend of fig, bergamot, jasmine and freesia that was custom-designed by a leading fragrance house.

Guest Room

All 726 spacious, well-appointed guestrooms overlook the Chao Phraya River and offer magnificent views. They are comprised of 670 Standard Rooms, 63 Specialty Suites, and 1 Luxury Suite.

Since June 2006, each room has been equipped with the famous Sheraton Sweet Sleeper™ Bed — a luxurious multi-layered, lavishly plush custom-designed bed that features an 11.5 inch thick, high coil Sealy Posturepedic Plush Top mattress. Sweet Sleeper Beds are topped with four sumptuous feather down and hypoallergenic pillows, crisp cotton sheets, and a characteristic, cozy fleece blanket and duvet. The combination creates ideal posture and comfort in bed.

The Deluxe Rooms have an area of 36 square meters and feature an elegant Thai design with full use of natural materials and traditional motifs such as silk and teakwood.

Junior Suites (55m²) and Executive Suites (70m²) consist of a living area with separate washroom and restroom. Special accommodation for disabled guests is available, as are non-smoking floors.

Towers Floors

For an extra degree of luxury, in 1986 the hotel added its Towers Executive Floors and Towers Lounge — a “hotel within a hotel” concept. In 2008, the Royal Orchid Sheraton announced the newly renovated Towers Lounge, located on the 27th floor, exclusively for the use of Towers Executive Room guests (25th to 28th floor). The lounge features a luxurious design combined with the latest business amenities. Besides providing with personalized check-in/check-out services, the Towers Lounge offers many business center services including broadband wireless Internet access, use of terminal and fax facilities as well as secretarial services and a boardroom. As part of the benefits, guests can enjoy complimentary breakfast, afternoon tea and evening cocktails, international menus on our widescreen TV, a choice of International newspapers and magazines, or just sit back and enjoy the magnificent views of Bangkok along the Chao Phraya River.

Meetings and Conventions Service

Deftly combining business and pleasure, the hotel has over 4,090 square meters of function space featuring 21 function rooms, many with river views. The

newly renovated Royal Orchid Grand Ballroom, considered to be one of Thailand's most technologically advanced ballrooms, offers panoramic views of the Chao Phraya River and can accommodate up to 1,250 delegates in a meeting setting, 1,400 people for a cocktail reception or 800 people for a sit-down dinner. The 1,080 square meter room can also be divided into three sections with sound-barrier partitions that are capable of blocking noise up to 53 decibels.

The high-tech digital equipment includes five drop-down screens, LCD projection, broadband Internet, 20 JBL speakers, and a state-of-the-art sound system. The Ballroom has an intelligent lighting system controlled by DMX 521 software from Colour Kinetics, the World's leading lighting experts from the United States. The system is capable of displaying 16 million colors, of which the application can be timed to the microsecond. The intelligent, flexible X-lighting system is also designed to give high luminance in usually dimly lit spaces. Intelligent moving lights allow preset banquet layouts and color control, and can project up to 65 logo engines to each table. Thanks to hidden leads, the ballroom retains its elegance with no clutter.

The Grand Ballroom is supported by 13 smaller meeting rooms, of which seven feature full views of the Chao Phraya River, ranging in size from 44 square meters to 200 square meters.

Link@Sheratonsm Experienced With Microsoft®

As part of Sheraton's new Warm Welcome experience, "Link" provides a place within the Royal Orchid Sheraton Hotel & Towers where guests can keep up with what is important to them and work, relax and feel part of a community. More than just a business center, "LINK@SHERATONSM experienced with Microsoft®"

invites guests to come out of their rooms to enjoy the energy and social aspects of the hotel.

Designed to deliver a sensory experience that represents Sheraton's new core value to our guests, "Link" offers useful features and amenities that instantly connect guests, so "out of town" does not mean "out of touch". Specific benefits include:

PC workstation with high-speed Internet connectivity (20Mbit/s)

Network access points

Free wireless Internet access

Availability of top national and international newspapers and magazines

PrintMe, a remote printing service available to guests at minimum charges

Dining Experiences

The Royal Orchid Sheraton Hotel & Towers is home to 4 award-winning restaurants and a bar, offering a wide range of cuisines including Thai, Continental, Italian and Seafood as well as expertly mixed cocktails and fine wines. If you are in the mood for international cuisine, stop by at etc...On the River, an all-day contemporary restaurant that offers an extensive menu ranging from Western to Chinese or Japanese to Indian. For local fare, Thara Thong serves Royal Thai cuisine in an elegant atmosphere of low tables, Celadon china, bronze cutlery, and classical Thai music. During the day, try à la carte snacks, salads, sandwiches, ice cream and cocktails at the Terrace or Garden Pools. In the evening, taste authentic Italian dishes at Giorgio's, Bangkok's first Italian restaurant inside a hotel. Later, the revamped Lobby Lounge provides a more casual setting where guests can relax over music, light snacks and a full range of alcoholic and non-alcoholic drinks, or experience the new stylish al fresco

grill dining and bar by the river front, Sambal with selection of exotic cocktails from the riverside bar while chilling to the sultry sound spun by top DJs.

Other Facilities

The Royal Orchid Sheraton Hotel & Towers Bangkok has two outdoor swimming-pools: one terrace pool, excellent for exercise, and one magnificent garden pool with Jacuzzi, surrounded by tropical trees. Other facilities include a sauna, jogging track, tennis court and a modern and well-equipped fitness center which is open to guests 24 hours a day.

One of the unique highlights of the hotel is the Royal Orchid Mandara Spa, a full-service facility featuring a spacious spa reception area, five double treatment rooms, and three river suites. Each spa suite offers panoramic river views and includes an oversized aromatherapy floral bath, a steam/shower room and changing room. One deluxe garden suite opens into a private rooftop garden. The interior design is a Zen-like blend of smooth stones, water images and tropical plants.

The hotel also offers medical treatment, dry cleaning, and a Pacific World tour desk where guests can get tips on Bangkok's sights or organize a custom tour.

Another service by the hotel is The Royal Orchid Sheraton I, a traditional Thai decorated boat with facilities all set ready for rent. It is an innovative way to arrange a private party or special occasions, according to the guest's preferences, while cruising on the River of Kings at any time they wish. It holds up to 30 guests with 12 well-trained employees to assure the convenience and safety of our guests.

Exploring Bangkok

The Royal Orchid Sheraton Hotel & Towers is conveniently located nearby business, entertainment, and shopping districts as well as Hua Lamphong railway station, several subway and skytrain stops and river taxis, which are only steps away on two adjacent public piers. These offer direct access by private or public River Express Boat to the Grand Palace, the legendary Wat Phra Kaew or “Temple of the Emerald Buddha”, and Wat Arun, the soaring “Temple of Dawn”.

The hotel’s shuttle boat will provide guests the convenience to catch the overhead sky train to many of Bangkok’s attractions including the MBK Center, Siam Paragon, or Chatuchak Weekend Market. The operating times are daily, every half an hour between 10.00 and 22.00. The boat leaves directly from the hotel’s pier.

Only a short taxi ride away is Bangkok's Chinatown on Yaowarat Road, a vibrant area full of culture and some of the best food one can find in town. The Royal Orchid Sheraton Hotel & Towers is connected to the four-storey River City Shopping Complex, home to a large number of prestigious art and antique shops as well as several good restaurants.

1.3 Company Analysis

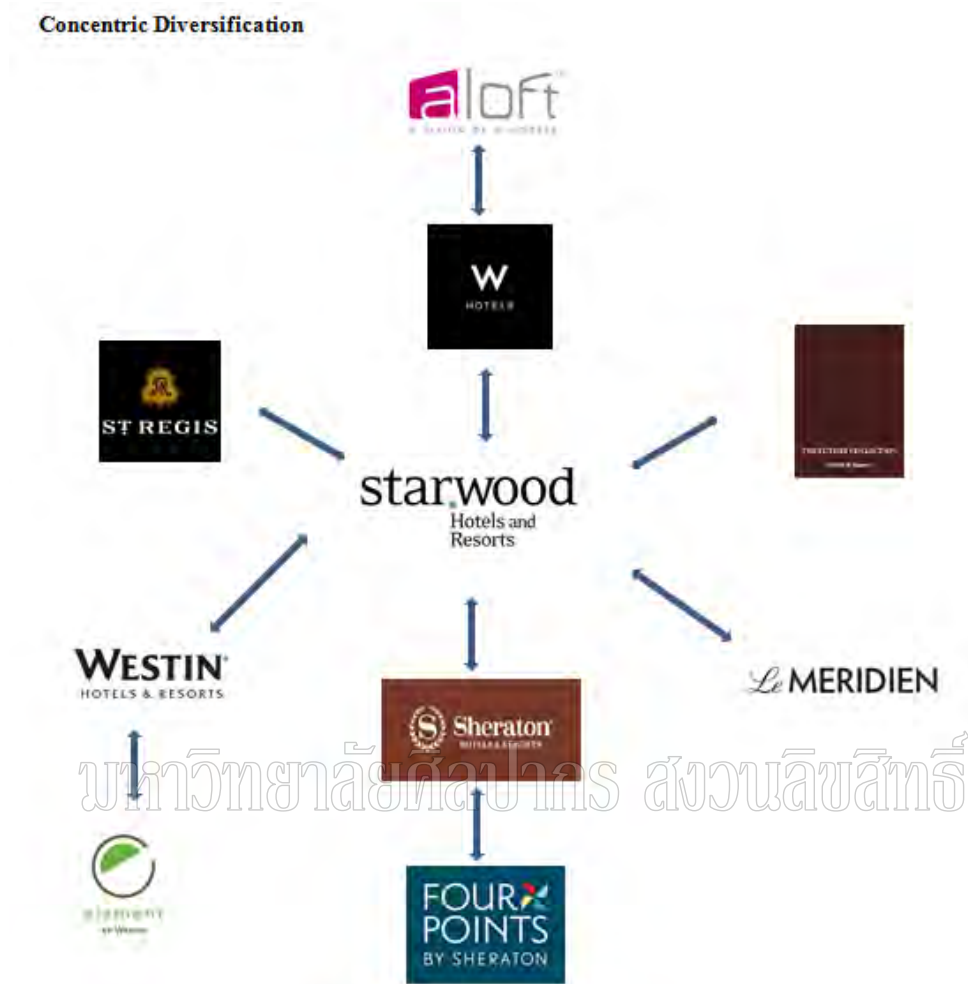
1.3.1 Hotel chain Analysis: Starwood Hotels & Resorts Worldwide

Starwood is a fast growing hotel management company globally, apparent more than 1,000 properties with 9 luxuries brand under its umbrella.

1.3.1.1 Company Analysis

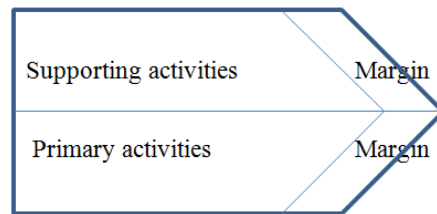
Starwood is a fast growing hotel management company globally, apparent more than 1,000 properties with 9 luxuries brand under its umbrella.

Concentric Diversification



Starwood has great vision on research and development as well as training and sharing its technology to all properties around the world. All of its hotels and resorts strive to be perfect. However some function, each property does it independently. Since Starwood plays a role as a management company. Thus any issue concerns financial performance, such as purchasing and procurement, owner of each property play important role to make a decision.

Value Chain Analysis: it can be divided in to two components;



- Primary activities: All of operation function as Front office, Reservation, Housekeeping, Engineering, Food & Beverage and Sales & Marketing
- Supporting activities: All of back of the house as Revenue Management, Human Resource, Training and Development, Purchasing & Procurement and Financial & Accounting

Global strategy: Starwood leads its properties with Multi-domestic strategy

The head office allows each region to manage flexibly, to adopt each property to be competitive in each market. Even though Starwood has emphasize on standard of operation and service towards clients throughout 9 brands in the world, each single property remains some flexibility by presenting and reflexing local culture. Clients can feel charming of each property when they look to property architect, communicate with staff, food and recreation activities the hotels provide them. One more evidence, in Thailand 12 properties of Starwood have lost huge revenue during the severe flood on 2011. Thus, Regional office at Singapore has launched a campaign named “Unbeatable Thailand”. The idea was trying to stimulate demand by offering some discount and add on value for all properties in all brands throughout Thailand especially, not for another country.

1.3.2 Property Analysis: Royal Orchid Sheraton Hotel & Towers (ROSH)

1.3.2.1 Internal Analysis

SWOT Analysis

Strength

- ROSH has such a huge inventory of rooms, restaurant seats and function spaces to service to customer both international and local businesses.
- It's a 5 star, world class standard, full service hotel.
- Beneficial designed building, 28 floors with "Y" shape faces to Chao Phraya River gives advantage for the hotel to sell its inventory. The building is able to guarantee river view for all 726 rooms. This enhances attracting customer, especially for leisure target market.
- The concept "hotel with in a hotel" has been created in order to serve demand of "an extra degree of luxury"
- With cooperation with Microsoft, its function space and guest service area are fully equipped with high technology products, support demand of high technology life style of people around the world.
- Beside the incomparable river view, ROSH has great advantage since it is located nearby one of a great transportation system as BTS Sky Train, Taksin Bridge Station.
- The hotel is being managed under Starwood brand that has professional management system and great reputation. Even more special, ROSH is owned by Starwood for 44%, means Starwood always pays highly attention on its operation, production and growth. ROSH is often being a pilot property for

newly developed programme from Starwood which pushes the property operates even more effectively.

- To benefits from its age, 28th years of operating, ROSH has great ability to recruit, train, grow and retain its employees. As a report launched by Human Resource Department, ROSH has significant number of employees who have been working for the hotel for more than 10, 15, 20 years. More surprisingly, some of them has been there since the hotel was opened, thus 28 years of experiences working with this hotel. No doubt, those employees have been contributing exceptional services to their customers, keeps RSOH stands out.

Weakness

- The building has been constructed since 1983 even has undergone renovation on 2010, but building structure is in old style. Unlike newly open hotels where have modern design.
- One more effect from the official renovating is losing its market share to its competitor set. And unfortunately, one of the competitor set, Millennium Hilton Hotel, has created and launched such a great strategy to attract the demand to shift from ROSH to Hilton by offering some good deal room rate, allowed clients to try its new opened building and facility and great service. After a period of time has gone, it yield with the demand by rising its rate because the Hilton know their customers are packed with memorable experiences, have demand to return back to the hotel thus they are willing to pay higher price. (Interview Sales Manager, Go Vacation Thailand, a top 5

biggest Travel Agent and Tour Operator in Thailand, 2011). Until now ROSH still has some struggle trying to take those market shares back and it looks to be very harsh.

- During low season or slow moving period, having huge inventory can be disadvantage because it needs to spend enormous amount for fixed cost such as pay roll because most of its people are hired permanent employees.
- Its location can be effected in negative way as well, situating here on Chaopraya River is far out from the business district such as Sukhumvit where most of companies (cooperate market segment) and embassies. While people want not to spend much time for transportation, especially in a city where has severely traffic jam as Bangkok, those cooperate people select to stay with hotels or service apartment that located in the same area as their office, Sukhumvit. At the present time, there are several properties, both chained and individual owned, have been built to serve high demand in the city.

Continuously from above, main target market of properties along the river turns out more on leisure customers. But a problem is leisure travellers have their trend of demand, keep being peak during holiday season but goes very low during rainy season (low season), the hotels are suffering with low occupancy, even more suffer if Revenue Managers need to sometimes launch some promotion, mainly by offering some particular discount which reflects to lower ADR and eventually ended up with lower revenue in total.

Opportunity

- The hotel has lost huge percentage of market share to comp set during renovation period. But 2 properties in competitor set are going to rebrand which requires renovating properties and system as well as raising brand awareness. So this is a great time to gain market share back.
- TAT keeps promoting tourism in Thailand as we can see from the latest TTM + 2011
- 4 of our neighbors, Burma, Laos, Cambodia and Vietnam; have a commitment to promote their tourism. As enormous number of their visitors, 10.9 million people on 2010, there is strong potential those travelers should be using Airport in Thailand as we are hub of South East Asia. That means they will transit and stop in Bangkok for some night to explore the Land of Smile.

Threat

- Political Unrest: the protests have been killing Thailand's hospitality part severely from the airport closure on 2008 to The Red Shirt on 2010.
- World economic recession effects on tourism industry according to a report from Tourism Intelligence International. The analysis has given 3 outcomes, affect in short term; 1 year, medium term; 2-5 years and long term as 5 year afterwards. The impact will be on key industry player including hotels, effects on key market segments such as business travel, meetings and incentives ¹⁷.

¹⁷<http://www.tourismroi.com/InteriorTemplate.aspx?ID=30840&ReturnURL2=%2FDestinationTemplate3B.aspx%3FFolder%3D12000%26Name%3DEconomic%2520Research>

- Exchange rate has effect to tourism. Rate exchange has been decreasing, affects European and American market segments. Euro exchange rate has been decreasing continually since 2005, European be hesitated to travel long haul according to report from Kasikorn Research Centre ¹⁸.
- Natural disaster keeps occur more often, affect hospitality business. For some evidences
 - o Iceland volcano eruption has caused dead aviation from and to Europe, 27,000 flights were cancelled ¹⁹
 - o Many bookings have been cancelled without penalty charge since customer couldn't fly in.
 - o Tsunami occurred on 2006 that has hit Andaman coasts badly, people avoid coming to resorts in that damaged area. So they have changed destination to other safer countries, as consequence they do not visit Bangkok. Tsunami in Japan that caused nuclear radiation. Some customer asked to cancel their reservation without charge because they concerned the radiation would spread to Thailand so they were unwilling to come in.
 - o Outbreak ,uncontrollable factor such as SARS
 - o Latest update as severe flood across Northern, Northeast, Central and Eastern Thailand. Even though the hotel has not been damaged, it has

¹⁸<http://www.positioningmag.com/prnews/prnews.aspx?id=34200>

¹⁹<http://www.manager.co.th/Daily/ViewNews.aspx?NewsID=9540000064029>

lost a few million revenue as cancellation from several groups and individual bookings

- Many airlines are now opening direct flights both long and short haul such as some main airport from Europe to Phuket, from Hong Kong to Samui. So we have been losing some customer who stay with us waiting to transit to international flights.
- For riverside hotels, they have lost lots of MICE and leisure because of political unrest. This makes our revenue figure looks weak. Unlike in business district area such as Sukhumvit, still have got lots of corporate market segment to cover or being over budget.

1.3.2.2 External Analysis

Porter 5 forces

Competitors: High

If we look to only the hotel capacity, with 726 guests rooms; 7 outlets in total 920 seats and 21 function rooms where can be accommodated up to 1,400 people. There are very few hotels in Bangkok where can be a host for that huge amount of guests. Even in the hotels competitor set itself, there is just only 1 hotel, Shangri – La Bangkok, where has similar capacity. So I may say we have got low amount of competitors.

However, if we look in overview it is hardly having groups that require that huge capacity. Commonly, in group segment they come much smaller amount of guests

In Bangkok area, even on Starwood itself, has signed and been now managing 7 hotels under its various brand with 2,966 rooms. Plus new upcoming 4 hotels opening by

2012 so the total room will reach 4,000 rooms. (Data as of October 2011: StarwoodOne)

New entrance: High

Constructing an upscale hotel requires enormous amount of money, especially in Bangkok where land is absolutely expensive. Even though owning a land in a city of fashion such as Bangkok cost you tremendously amount of investment, it doesn't mean investor will be lacking of interest on it. As mentioned above, Starwood has a few properties pipeline in this city within a current year. This is just only one hotel chain, how about any other hotel chains, many of worldwide property management companies are interested in growing their new properties in Bangkok. Thus, this supports new entrance remains high.

Substitutes: High

The trend is changing; our customers who are business people or travelers do not mind to stay in a limited service apartment or even rent a condominium. Living in Bangkok is so comfortable, they can go dining out side, lots of good quality restaurants are available, easy access to transportation and other services are available outside hotels. Thus there are many newly open service apartment to gain this market share. Even chain hotels also come up with its own service apartment brand for example is Marriott Executive Apartments.

Customer: High Negotiating Power

Referring commentary above, supplies are exceeding demand. So customers have got plenty of choices where they want to stay.

Suppliers: Low Negotiating Power

As mention in competitor commentary, the hotel needs huge amounts of goods. So if any suppliers want to get this volume they have got to offer attractive deal to negotiate with the hotel

Competitors Analysis

Along the bank of Chaopraya River, there are several properties. Some of hotels where has similarity with Royal Orchid Sheraton in terms of location, numbers of rooms, ballroom and function space, and target market. Those are considered as competitors as details below;

1. Millennium Hilton Bangkok

It is considered as Royal Orchid Sheraton's direct competitor because of reasons following. Millennium Hilton is located on the opposite bank of the Chao Phraya River to Royal Orchid Sheraton. With its 543 guestrooms¹ and 15 meeting rooms², Millennium Hilton shares the similarities with Royal Orchid Sheraton. From the room rates gathered from hotel branded website, the rates quoted of Millennium Hilton are similar to what the Royal Orchid Sheraton is offering.

¹ <http://th.hotels.com/ho235086/millennium-hilton-bangkok-krungtheph-thiy/>

² http://www1.hilton.com/en_US/hi/hotel/BKKHITW-Millennium-Hilton-Bangkok-hotel/index.do

2. Marriott Resort & Spa Bangkok

Marriott Resort & Spa is also situated along the river with its location quite far from Bangkok Skytrain Station, with 413 guestrooms and 15 meeting rooms³ in total. When checking room rates from branded website, most of the time Marriott Resort & Spa quotes room rates similar or lower than Royal Orchid Sheraton. Marriott Resort & Spa can be considered as one of Royal Orchid Sheraton's direct competitors due to its location, total number of rooms, and the meeting space. But the fact is Royal Orchid Sheraton has got an advantage as its larger function space capacity especially the Grand Ballroom one.

3. Shangri-La Hotel Bangkok

Shangri-La is situated on the same bank of the Chao Phraya River as the Royal Orchid Sheraton, however nearer to Bangkok Skytrain Station, which could drive them more attractive more than Royal Orchid Sheraton. The hotel consists of 802 guestrooms⁴ in total plus with a Grand Ballroom with capacity over 1,000 guests, additional with smaller 26 function rooms⁵.

Although Shangri-La, in general, offers room rates higher than Royal Orchid Sheraton when observing from branded website, it is counted as one of Royal Orchid Sheraton's direct competitors. The reason is because of the location, total number of rooms, as well as the function space capacity.

4. The Peninsula Bangkok

Look over the opposite side of the river, The Peninsula Bangkok is situated there, closer to Bangkok Sky train Station than Royal Orchid Sheraton, with its 370

³ Source: <http://www.marriott.com/hotels/travel/bkkth-bangkok-marriott-resort-and-spa/>

⁴ http://www.agoda.co.th/asia/thailand/bangkok/shangri_la_hotel_bangkok.html

⁵ <http://www.shangri-la.com/en/property/bangkok/shangrila/plananevent/meetings/overview>

luxury guestrooms⁶ in total. However, Royal Orchid Sheraton doesn't look at The Peninsula as its direct competitor with the reason from mainly from rooms rate that The Peninsular offer, observe from branded website, quote rates higher than Royal Orchid Sheraton does. Moreover with the concept of luxury of The Peninsular, thus both properties compete in different market target.

5. Mandarin Oriental Hotel Bangkok

One of the best hotels in Thailand, Mandarin Oriental Hotel Bangkok, is situated on the bank of Chao Phraya River. The hotel is situated on same side as Royal Orchid Sheraton, however could be more competitive as it is closer to Skytrain Station, Taksin Bridge Station. Mandarin Oriental has less number of rooms inventory as 393 luxury guestrooms in total⁷ and function rooms. When shop rates from the hotel branded website, Mandarin Oriental offers higher room rates quite far above Royal Orchid Sheraton's. This has made Mandarin Oriental not being competitors of Royal Orchid Sheraton as they are operating in the different market, having different target groups of customers as it states as luxury guest rooms and luxury facilities Mandarin Oriental places itself in upper scale from Royal Orchid Sheraton.

6. Other Riverside Hotels

There are some more properties which situated on the river side along that Royal Orchid Sheraton counts as its competitors. Even though situating in the similar location as riverside properties could be effect decision making process of customer to

⁶ http://www.agoda.co.th/asia/thailand/bangkok/peninsula_bangkok_hotel/reviews.html

⁷ http://www.atsiam.com/th/hotels/bangkok/oriental_hotel_thailand.asp

book Royal Orchid Sheraton or other hotel nearby, it remains some other factors effect customer mind whilst designing to book such as attractive room arte or promotions, brand reputation as well as its loyalty programme, uniqueness of the property itself, facilities , benefits as well as experiences that some customer maybe used to stay in some hotel previously and want to repeat their stay or avoid it.

Focus more on Royal Orchid Sheraton itself, with huge number of room inventories and large function space; it makes the hotel stands out for capability to accommodate a large group of MICE. With over 700 rooms that none of the competitor can accommodate, it makes Royal Orchid Sheraton be in advantage, not only serving leisure demand like other riverside properties.

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CHAPTER 2

LITERATURE REVIEW

2.1 Emerging of Online Booking Channel

To describe Revenue Management Smith et al (1992) has concluded it is the business practice which aim to maximize total revenue by selling the right inventory to the right customer for the right price at the right time.

Then what the right means? Kimes (1999) has expressed her idea that the seller are able to achieve the maximum revenue, while the buyer receive the maximum value of goods, it's the concept of "right". Cross (1997) has added that offering discounted rates to stimulate demand in inventory, which is otherwise be unsold. But for any customers who are willing or afford to pay at high price, it is necessary to create limited access to availability of the discounted inventory. That is basic principle of revenue management.

In 100% of hotels occupancy, it is mixed with several market segments to fulfill the inventories.

Choi and Kimes (2002) explained hotel direct, reservation offices and Travel Agencies are 3 primary distribution channels for traditional hotel business. Including internet based website as one of current primary channel, they have various cost for per one booking from almost 0\$ can rises up to 35\$. Rex et al stated that hotel industry relies heavily on efficient and convenient OTAs to sell its inventories, although they

ideally want to sell rooms through their own website. They had conducted a study on 2011, aimed to examine electronic distribution channels for transient hotel guests (individual making reservations). People are able to access to hotel reservation comfortably as advantage of the dominance of internet. This made the landscape of tourism marketing and distribution to be an understatement (Li et al, 2009)

It was reported tourism has turned to be the top industry in terms of online transaction volume (Werthner and Ricci, 2005). Moreover, it could be the first huge industry with the majority of its sales online as predicted by the Economist (2004). Wilson (2011) said “Hotel guests continue to use the internet to investigate and book rooms in increasing large number” This booking trend goes in the same way with a recent article , Starkov et al (2010) clarify that “60% of leisure and 40% of business travel will be booked online in the U.S. this year, and 45% of the hotel bookings in 2010 will be via the internet ... In 2009, internet booking for the top 30 hotel brands represented 54.2% of total CRS (Central Reservation System bookings) growth of 6.6%”

In addition, there is a report regarding thirty international major hotel brands and chain showed statistic since 2006 through quarter 3 2011, for the breakdown of nongroup room sales. Comparing with the statistic through 6 years, presents percentage keeps increasing on the internet channel, while booking by voice (telephone and walk in) and brick and mortar travel agent has been down dramatically. (TravelCLICK, 2012) Please see bar chart below

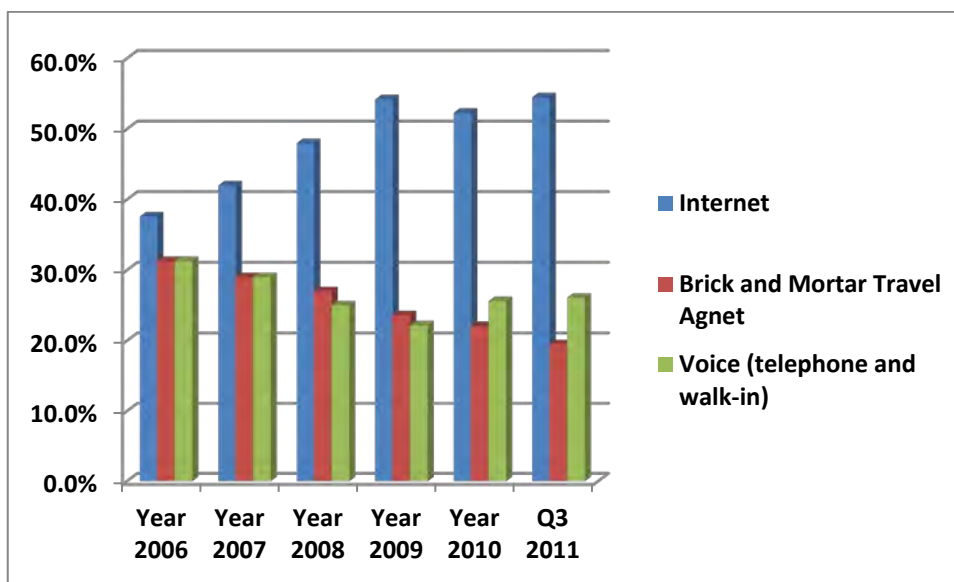


Figure 3: Comparison 3 distribution channels from 2006 to 2011

Source: TravelCLICK: http://www.travelclick.com/information-center/bookings-by-channel.cfm#Q3_2011 (as of 1 February 2012)

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The though is also supported by Choi and Kimes (2002) that within only a few years, web based distribution channel has significantly rose up on its growing rate. And for the next few years, it's predicted to be growing even faster, because of its potential as a low cost distribution channel. Vermeulen and Seegers (2009) found that customer not only booking accommodation through internet but also find some consult by looking on online reviews prior decision making for online hotel reservation. It is supported by Ramsey (2007) who estimated 61 percent of adult internet users research for their trip on the web.

There are several reasons which drive the use of internet to be boarded. And it has significant impact to hotels to monitor their owned website and OTAs.

1. For purchasing intangible goods, such as service in general or hotel rooms in particular, users are favor to do it via the web. The Products are described vicariously to inform purchasing decision, tactile contact is unnecessary.
2. People share expectation that distribution costs are lower, this drives customer to have an idea that to purchase goods via internet is rather less expensive than another channel. (Esawich et al, 2000). O' Connor (2001) has confirmed that making reservation by mail, phone and facsimile as traditional are lack of efficient and costly for both hotels and clients. Unfortunately, while OTAs is growing, it creates channel conflicts with the hotel industry (Myung et al, 2009). Moreover, Choi and Kimes (2002) have stated that a change in Revenue Management concept. From traditional Revenue Management aimed to maximize revenue; not contribution, currently they have to pay attention on contribution volume as well, besides maximizing revenue. This was an effect from an invention of internet, the low cost distribution channel.

Luo et al (2004) have a confirmation which is similar with a report from hotels that business traveler are actually book accommodation through Travel Agent. While Leisure traveler who are a kind of high elasticities of demand, they book rooms via internet.

3. The internet provides great chance for users to look for price comparison while decreasing search cost (Saray, 2007). It's notable that hotels needs to

monitor their price and inventories to be parity through their branded website as well as all OTAs they participate. Choi and Kimes (2002) have added more that to be successful in managing revenue, both rate consistency and available information require critical attention to feature them via those web base channels. Moreover, the channels are considered as also marketing tools for Hotel industry.

Being listed on OTAs pages has driven some positive effect to hotels. There are several reports that support this theory.

Anderson (2009) insisted it can boost up hotels reservation in terms of volume. Then, as a result average daily rate (ADR) has rose up accordingly. It is called the billboard effect. Potential customers actually search through those third party websites, study hotel's information. It's interesting that more than one third (39 percent) of online travellers has put OTAS as their primary shopping method in 2008 (Quinby and Rheem, 2009). But they will finally turn to hotel branded web and make a reservation.

McCarthy et al (2010) also emphasis this point "Once the information is gathered, however, travelers of all kinds turn more to such sources as the brand website, OTAs, and TripAdvisor. Late in the decision process, the respondents tended to land on the brand websites or go to an OTA, where they can book their room."

Due to ability of those channels which allow clients to book rooms through, it could probably be a reason. While the Revenue Manager explained the reason behind this behavior as "because customers trust the hotel branded web rather than OTAs"

When focus more on internet segment, there is slightly change in trend of booking source. The branded web has been down rarely sharply, while OTAs site gradually gain its percentage.

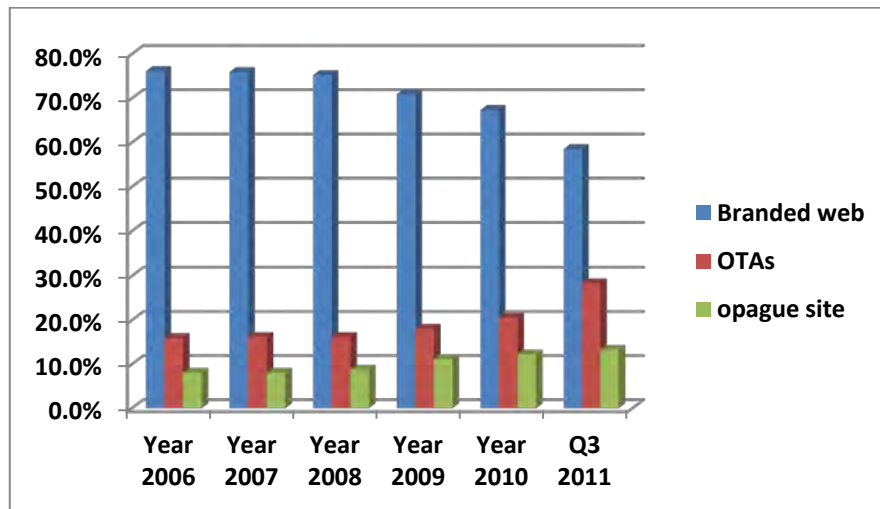


Figure 4: Comparison booking trend on online segment

Source: TravelCLICK. 2012. http://www.travelclick.com/information-center/bookings-by-channel.cfm#Q3_2011 (as of 1 February 2012)

OTAs contributes significant amount of revenue to the hosted hotel

The Revenue Manager of the hosted hotel has given an hour for semi interview for several question regarding online market segment and EZYield as a supporting tool.

Firstly he stated “Not every market segment is yieldable, but only segment that we didn’t sign any contract rate. For example, wholesales segment is non-yieldable because the rate that has been signed in the contract rate is fixed. But it is retail segment that we can yield rates, but still not all sub segment in retail that is yieldable.

There are BAR (Best Available Rate), Discount, Restricted Discount and package that is yieldable or can be closed when we want to yield rate”

For Branded Web and OTAs, they feature all 4 rates above that are yieldable. And all of them fall into sub segment which calls “Web Restricted”

The Revenue Manager emphasized “*Web Restricted segments has been driven huge volume of booking, I can say it is much as 20%*”

Looking closely to the hosted hotel, production during half a year before a researcher has joined the hotel is showing as the figure below

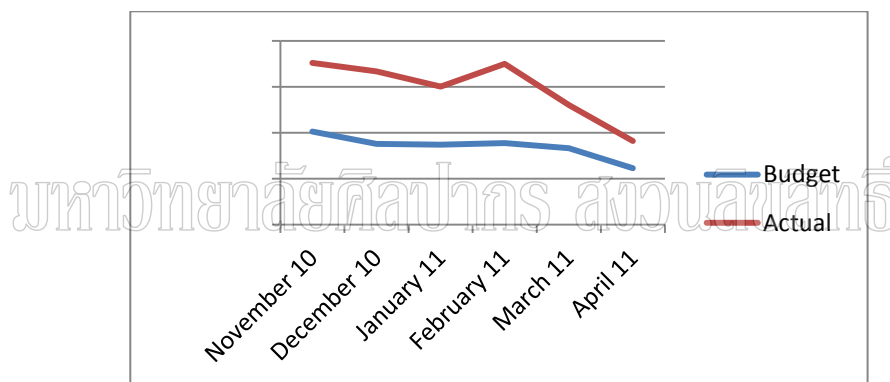


Figure 5: Revenue in Web Restricted segment: Budget vs. Actual November 2010 to April 2011

Note: Web Restricted segment contains all booking coming through Branded website and all OTAs

Source: The hosted hotel

The figure below present actual revenue has achieved the budget throughout the 6 months period

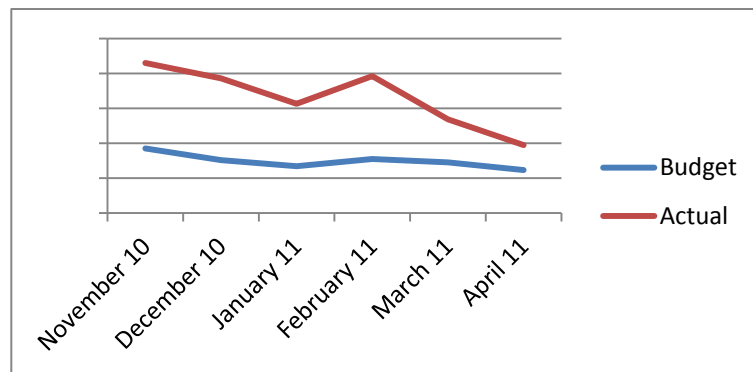


Figure 6: Room night from Web Restricted segment Budget vs Actual

Source: The hosted hotel

2.2 EZYield: A supporting tool for revenue management

EZYield is a channel management which the chain company of the hosted hotel allows to its properties to use. EZYield offers integrated connectivity solutions that boost revenue and increase efficiencies by streamlining connections between hotel systems and booking channels (EZYield, 2011). EZYield's integrated solutions suite allows hotels to send and update availability, rates and inventory on more than 650 travel websites via a simple online portal, as well as electronically receive reservations directly into hotels' data management systems. EZYield's products will continue to be offered as standalone solutions. Over time, the products will also be integrated into Starwood central reservation systems (CRS) – as well as other property management systems (PMS) – so hotels can manage rates, inventory and reservations simply and simultaneously across all their distribution channels. (HotelMarketing.com, 2011). In other department of hotel and other industries, supporting tools are able to contribute

some positive feedback. To manage a wine cellar, Gary (2009) has created a spreadsheet to help managing the inventories. He explained “the tools can help guide your wine selections, so that you have an appropriate selection of wine in the different categories and so that you don’t miss drinking wine at their peak” this shows that the tools help to increase effectiveness in managing the cellar.

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CHAPTER 3

METHODOLOGY

3.1 Research Methodology

From an observation by participating full time internship in Revenue Department of the hosted hotel for 6 months during May through October 2011, there was some obstacle for yielding rates. Because it consumed so much time to change rates through 10 OTAs and the branded website, it also caused some error while changing the rates by manual. While there is a supporting tools, which is a comprehensive from the chain hotel which the hosted hotel belonged to, names EZYield. The supporting tool is able to help to decrease lead time to change rates and work effectively.

Actually, it is only huge hotel where is able to apply revenue management and able to employ Revenue Manager, (practitioner). There are in total 15 revenue practitioners, from 16 properties throughout the country (as of February 2012), who work for hotels under the same hotel chain and applied the tools. Thus it was neither impossible to conduct a survey as it requires minimum number of completed questionnaires from 30 respondents.

In additional, the hosted hotel is managed under an international hotel management company which has restriction for taking out data and information.

Unfortunately, there is no study regarding the tool, thus the researcher was not able to study by collecting secondary data. While in-depth information is required to study about EZYield, so the data was gathered by semi-structured interview with the respondents on individual basis.

The respondents had been selected from a pool of revenue practitioners who work for all hotels which is managed under the same chain hotel and have similar conditions with the hosted hotel. There are 4 hotels reached the condition. All of them are managed under the hotel chain managed with variety of 4 different brands, all of them are 5 star upper upscale and are categorized by the chain that they are in the same level. All the properties are located in Bangkok, Thailand, and consist of huge inventories, over 350 guests' rooms, with more than 5 room categories. Moreover all of the 4 properties are all located in different area but in the same city, Bangkok. Located in the big city creates factors of weekend – weekday demand, and group customer demand that keep their rates more fluctuated than remote properties such as a resort. Thus those properties need to supporting tools to help yielding room rates and they definitely have EZYield install in their system as it is a comprehensive programme of the chain hotel. The researcher contacted 4 revenue practitioners who work for those properties. And there is actually only one revenue practitioners for one property and possibly to have one person works for more than one properties calls complex revenue department. So each one of them represent each property automatically regardless of gender, position title – however all 4 of them are in managerial level, experience in revenue management, neither length of experiences of knowing EZYield.

3.3.1 Structured Interview

The interview was conducted with one respondent at a time at the respondent's workplace. All interviews were conducted by the same interviewer. A structured interview guide with open-end questions was employed. The questions were based on data that the interviewer has learnt during the internship 6 months plus some more relevant question which came up during the interview to make the topic more complete. The set of questions aimed to search since the necessity of yielding room rates until the future of Revenue Management regarding concerns supporting tools. However, only the respondent A who were asked all the questions below, as the questions were asked for basic principle of revenue management and the importance of online distribution channel to the hotel. So respondent A, who is a revenue practitioner of the hosted hotel is the most appropriate one to answer the questions regarding the business trend of the hosted hotel where the researcher spent the internship.

An interview consisted of questions as below:

- Why does a hotel need to yield rates (rooms)?
- How important of those online distribution channel to you?
- How often do you actually yield rate in branded web and OTAs?
- How long does it take to change all the rates through branded web and OTAs?
- Is there any error when changing the rates by manual, such as BRG penalty?
- How do you find EZYield useful for changing the rate?
- Would it be any limitation or restriction of EZYield?
- Where do you learn to use the EZYield?
- If there is a user manual for new user, would it be helpful?
- Where do you see Revenue management in the next 5 and 10 years?

- Would it be more technological support such as programme, software such as EZYield?

Other 3 respondents, Respondent B, C and D were asked only some question which straight to the point of EZYield. The question was:

- How do you find EZYield useful for changing the rate?
- Would it be any limitation or restriction of EZYield?

After 4 interviews, it was found out from respondents that some of them have already applied EZYield, but some has not yet. This led to informal discussion with them to find out more how they useful the tool is. There was some point from this interview which led to further step of the study that there should be a user manual. To focus closer to this point, the researcher has set one more semi-structured interview regarding the important of user manual in training. The researcher has contacted a respondent, respondent E, who has been working for training in regional level for over 2 years. As seeing trainees from different countries in the regional plus her experiences, her point of view was board and able to represent the idea not just only a hotel but in regional level. And there is one person in this position in one region thus she is the only one respondent. The interview was conducted over a phone call as the respondent was often away for training in other countries, not able to meet the researcher in her office.

The question was asked in general training, not focus on training for the tool;

- Regarding your training experiences, how user manual or training books help to improve performance of trainee or user?

Please note that all the interviews were allowed by an authorize person, a Regional Director of Human Resources of the region that the hosted company is set in

3.1.2 Data Analysis

Results from 4 interviews of 4 respondents are categorized into 2 dimensions:

Advantage and disadvantage of applying EZYield:

Advantage of applying EZYield, all answer can be summarized into 2 categories as direct and indirect benefits of the tool

Direct benefits

- To decrease lead time when changing room rates through all OTAs (10 OTAs as of June to October 2011) plus 1 branded web
- To decrease human error when changing room rates through all OTAs and the hotel branded web
- To increase chance for the hotel to have rate parity among all its online distribution channel
- To ensure Best Rate Guarantee (BRG) in the branded web

Indirect benefits

- Has potential to drive online bookings to hotel's branded web

To focus more in direct benefits

1. EZYield has dramatically impact in decreasing lead time when the hotel needs to change room rates. Because the programme is linked with several online booking channels. So a user can change rates via the programme through all OTAs



Figure 7: EZYield is linked to several online booking channels

Source: www.starwoodone.com

During the internship, lead time change rates by manual and by using EZyield were recorded

Lead time change rates by manual

The table below shows a Revenue Management Trainee has spent time changing rates through 10 OTAs and 1 branded web mainly for 3 room types for BAR rate and all promotion which are floated to BAR

Table 1: Lead time change rates by manual

Date	Time spent / minutes
26-Jul-11	150
28-Jul-11	300
8-Aug-11	240
9-Aug-11	360
10-Aug-11	180
11-Aug-11	360
15-Aug-11	120

Note: the time spending is vary, depends on how many period the rates need to be changed.

It's clearly that the trainee has spent at least 2 hours in changing room rates through all online distribution channels.

While having EZYield, the manager can comfortably change rates via the software and let it distribute to all 10 OTAs while consuming a few minutes as a result from observation.

Lead time change rates by EZYield

The table below shows a Revenue Management Trainee has spent time changing through 10 OTAs and 1 branded web mainly for 3 room types for BAR rate and all promotion which are floated to BAR

Table 2: Lead time change rates by EZYield

Date	Time spent / minute
17-Aug-11	2
20-Sep-11	1
26-Sep-11	1
7-Oct-11	2
13-Oct-11	1
17-Oct-11	1
19-Oct-11	1

The Revenue Manager has mentioned during the interview that “the time that we can save, from changing rates manually, we can spend it to focus more on other tasks which all needs to be done effectively as well”

The effective of decreasing lead time by EZyield is acknowledged and confirmed by the hotel chain as well, as it has recorded and analyzed that EZYield can cut time spent statusing extranets (OTAs) by 50% or more

Table 3: Time savings- get time back in your day

Number of Extranets used	Percentage of time saved
Two: PRSnet & Expedia.com	50%
Three: plus Quickbook.com	66%
Four: plus Booking.com	75%

Source: www.starwoodone.com

2. EZYield is likely to decrease human error when changing room rates. He explained that “Supposing, we have 20 OTAs, which we need to change rates through all of them, we change the rates manually period by period, one by one web. We expect to have 20 times to put wrong rates, create error. But if we do it via EZyiled, we have just only 1 time to create error because we put rate just only 1 time via EZYield but all OTAs is changed accordingly. And I don’t think we will do error on EZyield because doing it just 1 time you will be concentrating. Unlike do it 20 times that you may be exhausted and fatigue”

3. EZYield has potential to increase rate parity. “EZYield has some impact to help creating *Single Image*. It means to feature all rates and inventory in the same way through all online distribution channels or calls *Rate Parity*. Because we can change all the rates on all OTAs and branded web in the same time, by changing via EZYield. Imagine if we do it manually, supposing we have 10 OTAs, we have done 5 of them but skip 5 OTAs to do later, because we have some urgent comes in or whatever. We can’t create rate parity this time, because 5 of them have been changed, but 5 remain the old rates. Then we can’t create *Single Image* or *Rate Parity*”.

Toh et al (2011) supports the idea above, they found that hotels didn’t immediately yield rate through OTAs extranets while setting and changing its rates. This operational problem is one of 3 main reason making theoretical rate parity did not manifest. Carroll and Siguaw (2003) has announced there are 2 challenges for properties regarding the online distribution channel, one is to control over pricing,

manage rate accuracy and availability, and the other one is to manage the website content effectively and to feature accurate information including term and condition of rates to customers.

While online customers will actually shop around in order to find the best rate (cheapest rate), Third party websites, OTAs, caught travellers attention because it's ability to provide price and product comparison across multiple suppliers (Rao and Smith, 2005). O' Connor (2003) also investigated customers commonly check for rates through all possible distribution channels, including voice and brick-and-mortar travel agent. Thus rate parity is an important issue hotels need to pay attention.

Thompson and Failmezger (2005) found an issue regarding behavior of hotels' potential customers that they look through all distribution channels (where are accessible) in order to find out the one which offer the low rate consistency. Thus the rate and inventories availability among all distributors needs to be taken in to account. To make the price issue becomes less of consideration while deciding to book a room, hoteliers need to maintain rates, create parity and consistency across all channels. Also effective rate maintenance has drawn customers' trust in that particular hotel because it has delivered rates rarity through every distribution channels. Not only maintaining rate, but the hotels' branded web needs to secure their customers satisfaction by offering "Best Rate Guarantee (BRG)" strategy (Davies, 2004). Rate parity also can be promoted as marketing strategy as stated by Toh et al (2011).

4. EZyield can ensure Best Rate Guarantee (BRG) As a result from the points above that rate error decrease then create rate parity. This lead to be Best Rate Guarantee, doesn't means the branded web will be offering lower rate or more add on value package. But it means there is no other online distribution channel

which offers better rate than the branded web, since all OTAs including branded web display the same rate with the same allotment availability. Toh et al (2010) stated that “ Hotels can also lure guests by giving a *best rate guarantee*, which promises that they will match lower prices found on OTAs” While Schultz (2008) said “ Note that best price guarantee also promote room rate harmonization over different distribution channel”

Respondent B has given evidence of Best Rate Guarantee (BRG) penalty “For example, current Best Available Rate (BAR) on 1st – 5th April of a hotel is THB 5,000 and the hotel would like to increase the rate to THB 6,000. Without EZYield, the hotel has to go to every OTA’s Extranet and make the change of rate increase. In this case, if the hotel misses to make the change in one of their OTAs, or even put the wrong period of changing the rates in one of their OTAs, for instance they put 1st – 4th April instead; this can cause rate imparity as well as the BRG to the hotel”

Indirect impact

1. EZYield has some potential to drive more online booking and even better it shift those booking to its branded web. The Revenue Manager clarified that “when the EZyield creates rate parity, all channels offer the same rate. Finally, customer will select to book via branded web because the hotel is service provider, they trust us more than third party website. And this is supported by several studies as mention in the early stage of this report. Toh et al (2011) said that “Hotels regard OTAs as a necessary evil and would prefer to direct guests to their own website”

To discuss more on shifting distribution channel, the chain company of the hosted hotel tries to shift all online booking to its branded web since it has less cost. This is supported by a study conducted by Bojanic and Warnwick (2009) said that “The OTAs also have the advantage of bundling, based on economics of scope, which reduces overall cost” While Carroll et al (2007) added that “OTAs also allow for the purchase of two or more separate service as a package known as price bundles” at a discount.

Surprisingly, cost of booking via OTAs (Expedia) is less than all other channel if we skip the direct booking. Carroll and Siguaw (2003) mentioned “Besides producing cost savings, electronic distribution enhances customer retention”

Disadvantage of applying EZYield

During the interviews, many respondents brought up negative points of the tools as below;

1. EZYield is still has some error in its function and not a user friendly one

Respondent B stated “Sometimes there is an error with EZYield itself that the rates are not gone through each OTA. This means the hotel still has to double check rates all the time even though they yield through EZYield” Moreover she explained “The website itself is not user-friendly, making all the complex functionalities to be much more difficult for users ”

2. As the EZYield is linked to all OTAs, if a user make some error the tool is delivering the error to all OTAs.

A results from interview Respondent D as the only one who has not yet do the mapping process by herself, but have other user to support, she expressed a

concerns that “I afraid if I make a mistake in EZYield which is linked to all OTAs, then I create rate error and it effects rate parity and BRG”

3. Complexity of mapping process

Respondent B mentioned “It has a long process in linking every OTA”

Results from all interviews, beside advantage and disadvantage, there was one point found about obstacle of using the programme - EZYield. Summary from both of 2 respondents who expressed they had faced obstacle to start using EZYield, especially mapping process which is the first step, as they had no experience using EZYield before. They neither have skill on this programme, nor knowing how to do it.

- Respondent B also revealed her evidence that when she was a new user in revenue department of the hosted hotel kept changing room rates manually through all online channels for over 3 months. Because she was waiting for a recent user to train her as there was no guideline for her to learn by herself how to start using the programme.
- Respondent D revealed that she has not yet applied EZYield to her job. The reason she has mentioned was “I don’t have confident to use EZYield because I don’t know how to map promotion and I afraid that I will make mistake and create rate error and it effects rate parity and BRG” she added more that “It would be great if someone can train user how to use, how EZYield works. For myself, we’ve got a mapping room type (by other user) but no manual, no one teaches”. So the obstacle of this case is to lack of guideline of how to use the tool. Wagner et al (2005) have a study that lack of understanding and expertise for software can cause higher tension to user.

To start using or learning new thing, regardless of Revenue Management tools or other kind of knowledge, Manson (2010) presented various kind of techniques to deliver training to people:

- the operation manual
- instructor-guided training
- field-based seminar
- periodical training convention
- video-or audio-assistance training
- e-learning
- experiential-learning
- mentoring
- self-managed curricula

As experiences of 6 months working for revenue department, it was clearly that revenue mangers are in workforce with pressure of limited time to conduct lots of report and analyzing. Those people rarely available for training outside their office, thus many methods are cut out. It also concerns budget in revenue department that there may not be available to spend for training programme for everyone, as it sometimes has a Management trainee or trainee who intern in the department and they need to use the EZYield as well as revenue managers. When checking with Respondent A regarding EZYield training, he said “If there is a training course for EZYield and there is just only 1 seat available I’ll put the trainee as second priority

because the trainee comes for temporary, they come and then they leave use within about a few months”

Thus in this case, the user manual is an appropriate solution. As it does not required the less amount of budget to create a user manual, comparing with other training method. One advantage of the user manual is its durable, users can pick it up and read it comfortably anytime anywhere to study how to use the programme.

The researcher checked back with the 2 respondents who had faced obstacle to start using the programme what do think if a user manual is created.

- Respondent B said “Absolutely with a user manual, it will be much better for new users as not only the user manual will be the best guidance for them, it will also help reduce time and effort of the trainer, not have to sit together all day to train EZYield while time can be spent in many more important aspects of Revenue Management”. She added more that “Not only new users will gain the benefits of the user manual but also the existing users. The reason is that once the hotel maps their room types, rate plans, and offers with EZYield, they do not need to check or re-do the mapping often. And without a user manual, users can easily make mistakes in the future as EZYield is quite difficult to use”
- Respondent D responded “Yes, of course it would be great to have a user manual”

Because of those reason, to create a user manual is a solution for them both new user; regardless if he is a hotel staff or just a trainee who interns in revenue department, and existed user. The user manual can guide new user to start learning and

perform their job confidently. As it will consist of the first step- mapping which is the problem that the 2 respondents mentioned earlier, through the last step.

Enz and Siguaw (2002) conducted a study regarding best practice in service quality and found that some hotels develop a comprehensive pre-opening handbook - manual, in order to guide their staff to achieve guests satisfaction during openings and keep the opening remain within budget and on time. They (Enz and Siguaw, 2000) also expanded the study to another department. For training it was mentioned that manual or handbook are very important for self-training and job specific training. For Information and Technology department, manuals are essential during implementing system (Enz and Siguaw, 1999). Referring to the wine cellar managing tools, Thompson (2009) has explained clearly by step by step of how user can use his programme. This indicates that any tools or programmes need to provide guideline or user manual to its users.

In summarize, EZYield benefits the user in many dimension both direct and indirect. The tool effects to decrease lead time of changing rate, less human error during time of changing rates which effects to decrease BRG penalty. The tool also has impact to increase rate parity which is a factor to lead the hotel to be featured in better ranking, increase visibility to customer and increase opportunity to be booked and get room revenue. In terms of financial, EZYield has significant impact to decrease opportunity to lose revenue, by paying back to customer when BRG penalty occurred. And it increase opportunity to gain revenue when it has more chance rooms inventory to be booked.

CHAPTER 4

IMPLEMENTATION

4.1 To study OTAs Extranets

As mentioned earlier, EZYield is a compulsory programme that has to be set up in every property under the chain hotel which the hosted hotel joins with. Thus the programmed did exist when the researcher started the observation (internship), however it has not been used because a revenue manager, at that time, kept changing room rates in extranet of OTAs manually. During the first 3 months, the researcher were responsible for all OTAs, (10 OTAs) plus the branded web. By setting up promotions and changing rates in every OTAs manually, the researcher learnt how different and restriction of each OTAs, which is required for mapping process of EZYield. At the fourth month, there was a movement of revenue manager position. A new revenue manager has experience of applying EZYield in his previous property, thus he started making a use of the programme at this hotel.

4.2 Processes to create new mapping

Start using EZYield step by step:

1. Clear out current mapping for every promotion, every room type and for every OTAs including the branded web, by looking at Maintenance function and select to remove website;

Remove Website

This function is used for deleting OTAs permanently, also to remove it temporary. Because in any user account of EZyield, there will be limited quota the user can add his rate plan or promotion for instance 25 rate plans. If your hotel has more than 25 rate plans to yield via EZyield, the user can manage his slot by removing some rate plan that inactive during this time, and add new rate plan that is going to offer to customers on those OTAs.

Maintenance Request

* Hotel Name:

* Request Type:

* Website:

* Indicates required field

User can select “Website” from its OTAs list. Then click accept.

The clear out process is required for a property where has been using EZYield currently. Thus for a property where has just set up the programme, this step can be ignored.

2. The user is required to have knowledge and skill of working with extranet OTAs, to be able to understand and map the promotion with room types correctly.
3. Start mapping process
4. Once finishing mapping process in every OTAs, the rates can be entered in. Then it links to every OTAs and change the rates accordingly

5. After changing all the rates, user needs to double check the rates accuracy by observing in every OTAs website and check for rates. This process must be done manually as there is no software to support.

For full processes and explanation are available in EYield User Manual in appendix B

4.3 The Future of Revenue Management

During the interview with Respondent A, the last question was “What do you think if technology and supporting tools and programme will support Revenue Management in the future?”

His opinion was “Don’t ask only the future, but start from the present time. We are now using technology, several kinds of systems, computer programme and supporting tools for example EZYield help us to work flow, and yes it has both positive and negative effect that I have mentioned earlier ” And he has stated interesting point that “But all of all, we still need people to work for Revenue Management because we need people as decision maker, all the system and tools help us only to look wider and they remember statistic data then calculate and provide second opinion to us. Then after we have made a decision whether to yield rate or others, we need second tools, supporting tools such as EZYield, to work for us. Imagine, without EZYield, how long you need to spend time changing or updating rates and inventories through all the web channels” The important of technology to the future of Revenue Management has been studied by Kimes (2010) as well. The research has conducted through online survey among

nearly 500 Revenue Management professionals plus interview of 20 top Revenue Management practitioners. The results are

- Respondents believed technology will definitely play important role in future development revenue management, and strongly agreed that technology will drive significant change to revenue practices
- In the next 5 years, Revenue Managers need to focus more on strategic driven and increasing technology (score 24.6%)
- Distribution channels and web technology will be a challenge that facing to revenue management (score 3.25 and 3.2 out of 5 respectively)
- For revenue management course, there are a recommendation that the course should be consisted of Distribution channel and website optimization (score 4.5 and 4.15 out of 5 respectively)
- Research and development funding should aim for developing technology as well as channels (score 38% and 17% respectively). As one respondent stated “Technology should be implemented in RM to further improve efficiency and automation of RM tasks. There still should be human oversight but the accessibility and application of RM will increase and benefit from improvements in software, technology, and ongoing R&D”

CHAPTER 5

CONCLUSION

5.1 Conclusion

Recently the world depends on wireless technology in many aspects, also in hospitality business; hotels contribute its production via online distribution channel significantly. For the hosted hotel that the study was conducted in, bookings from online source have contributed approximately 20 percent of all room revenue each month continuously. More important, it has a trend to be increase as the management team keeps expanding its contract to more Online Travel Agent (OTAs).

With an emergence of Revenue Management which emphasis on yielding revenue by distributing the right rate to the right channel, revenue practitioners response for setting and yielding (changing) rates to all online booking channels in his hands. As a result from 3 months observation by participating during an internship, a problem was found out that changing rates to all OTAs can consume working time vary from hours to a whole day. Not only consuming too much time that keeps pressure and work load to revenue managers, but changing rates manually can also create some error with room rates that will lead to problem with Best Rate Guarantee, rate parity and lost revenue as consequence.

Whilst there is a supporting tool, names EZYield which is a channel management that has already been set up in the hotel system, but it has not been used previously. A new revenue manager started using the tools, he deleted all existed mapping and create new mapping for all room type with all promotion that launch

during that time. The intention was to reassure that all the mapping was create accurately as he has done and rechecked it by himself. After using EZyield to change rates to all OTAs, it worked out effectively by consumed just a minute to finish all the changing. Many positive feedbacks were listed as a result from structured interview of 4 respondents that EZYield has significant impact to decrease lead time of changing rates. Moreover it can decrease opportunity to make some error whilst changing rate. Without (or less) rates error, the hotel can contribute customer trust by delivering Best Rate Guarantee, create rates parity among all of its online booking channels. Those have an impact to the hotel name to have better ranking on OTAs webpage which help to create more visibility to customer. All those effects are to stimulate customer demand to the hotel to gain more revenue whilst preventing losing revenue because the Best Rate Guarantee problem.

However, one more obstacle was rose up that some revenue practitioner who has already had EZYield existed in the hotel system, but has never used the tool. The result from the interview was they don't know how to use the tool. During the last month of internship, an EZyield user manual was created with intention to guide new user to make use of the tool, help them to decrease lead time and error from changing rates manually. From all 4 respondents, 2 were new user for EZYield, they have mentioned that they agree and see the user manual to help them to use the tool and work more effectively.

5.2 Limitation of study

5.2.1 Unable to find previous study

Revenue Management has been adapted from airline in to hotel industries not many years ago. While there is a few university (and college) offer course of this new management technique. It was limited sources of research, journal and knowledge of the management. While there is no previous study about the program, EZYield, thus to gain secondary data from other researcher is not possible.

5.2.2 Limitation to access secondary data

It was also a limitation to access secondary data of the hosted hotel because due to a restricted policy of the hotel chain, not allow taking out neither study and publish the hotel's production. Thus all the data was collected in a limited time of 6 months of the internship period. No other hotel's production such as BRG penalty that occurs because of human error by changing rate manually is allowed to use.

5.3 Recommendation & Implication

5.3.1 EZYield might not be suitable for all the hotel chain

Even though EZYield is a compulsory tool for every properties under the same hotel chain and several respondents pointed out its useful, there is one respondent believed that the tools is not a must for some property. Respondent C said "In some property where has limited number of rooms such as a small resort, they don't need EZYield. Because a resort doesn't have fluctuated

demand, unlike the city hotel, the resort demand is quite smooth. So they don't need to yield often, the room rate is quite stable. And they don't have much room type so the revenue manager can change rate manually to all OTAs, it is ok”

Thus for an independent property which can make a decision by themselves whether to apply EZYield in its revenue system. The management team should take a license fee they have to spend for EZYield comparing to the need of its functions and useful

5.3.2 *EZYield License Fee*

In one kind of EZYield's license fee, it has limited quota of number of mapping that a user can create and change rate in the same time. Thus EZYield has several packages of its license in order to serve different user demands. To explain more, a hotel where has many room types and many promotion they want to feature on websites, the hotel may need to buy a package that allow to create lots of mapping in order to cover all rom types and all promotions then the user can change all rates in the same time. Or a hotel where has a few room types with less promotion to be mapped, may want to buy a package that has less mapping quota in order to save cost for EZYield's license fee. However, it is suggested that a hotel, which wants lots of quota to create mapping, doesn't always need to buys a heavy. In one package, which is more expensive, but the user can buy light package and make a use of the user manual. By having a user manual to guide how to create and delete mappings, the user can create mapping for half of the promotions and change all the rates. Then the user can delete all the current mappings and create new mappings for the rest half of the

promotion and change rates. This technique is a fruitful of having a user manual whilst the hotel can save cost of the license fee.

5.3.3 Technology plays vital role in performing task

The research shows that new technology helps to improve the speed of working, not only in the revenue management. It can be used to increase the productivity of the staffs in other departments too. Even there is an IT to help hotels to operate more efficiently, there should be training or manual to help the implementers perform their work. Providing only IT without supporting the knowledge to execute it, might cause the delay of the whole implementation process of the policy. The usage of manual will enhance the implementation process when there is new system or new IT being introduced into system.

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5.4 Further study

In the part of literature review, there are several studies stated an important of distribution channel especially online. The study may aim to find factor of creating visibility because it is essential to make the hotel to be seen to catch customer interest. To be listed on OTAs and to create hotel branded website are two techniques of creating visibility. While EZYield will help to improve rate parity as explained in the study above then help to improve ranking of the hotel on OTAs webpage then customer are more likely to see the hotel name. So it is interesting to search for other factors that increase or improve visibility. This may not be limited on only OTAs web page but has impact for other leading online channel as well, such as to be list on the

top page of top search engine, Google, Yahoo, Fire All of all is to gain customers interests, to search more for the hotel and to process bookings.

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APPENDIX A

THE FUTURE OF REVENUE MANAGEMENT

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Appendix A

The Future of Revenue Management

Figure 8: What will hotel revenue management look like five years from now?



Figure 9: Challenges facing revenue management

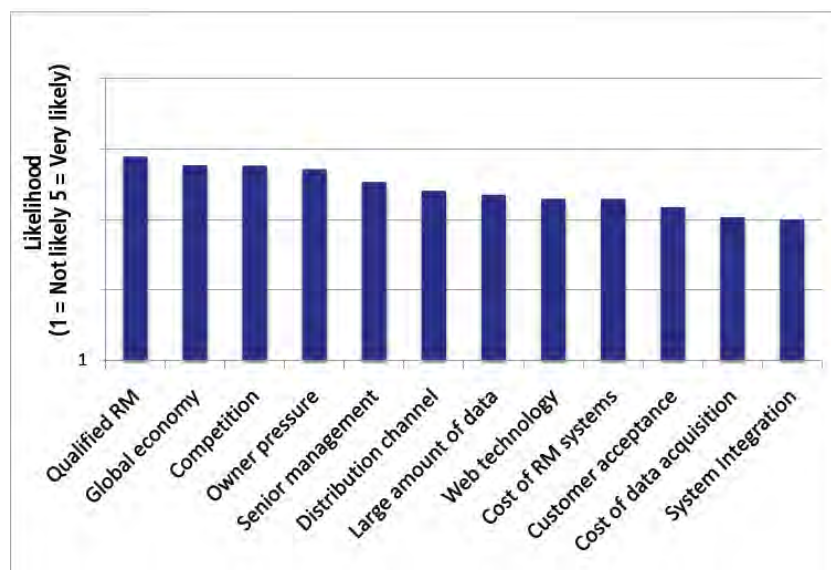
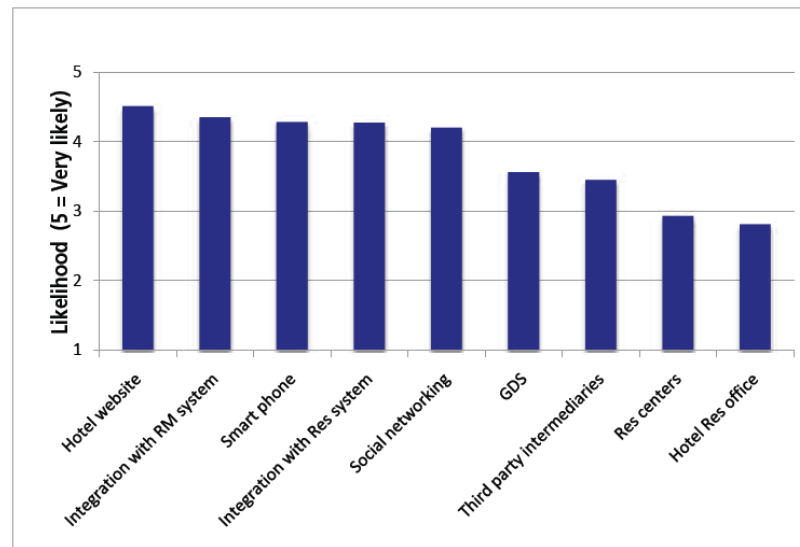


Figure 10: Future of hotel distribution channel



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Figure 11: Prospective college-level topics

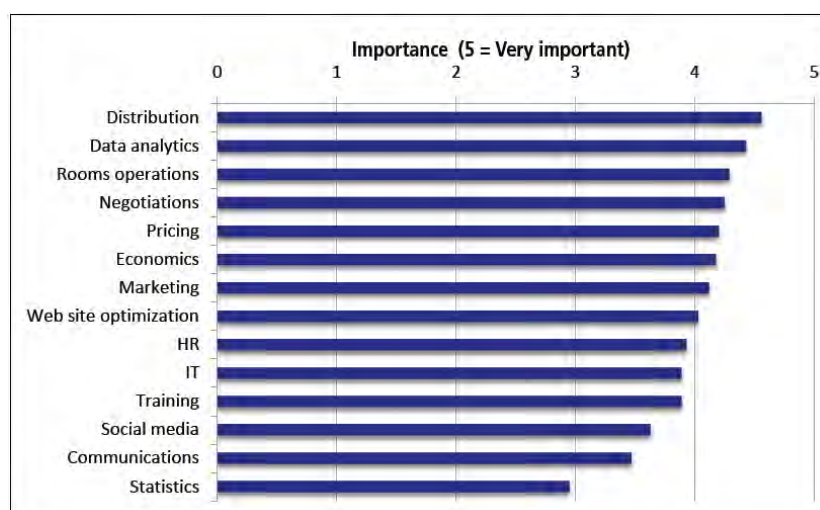


Figure 12: Factors driving change in revenue management practices

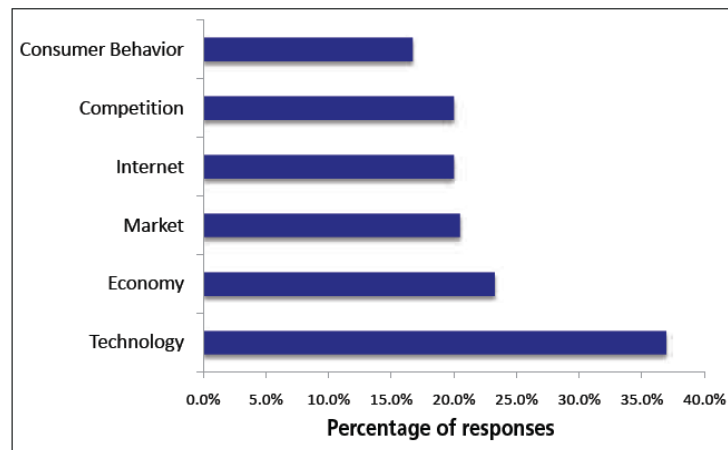
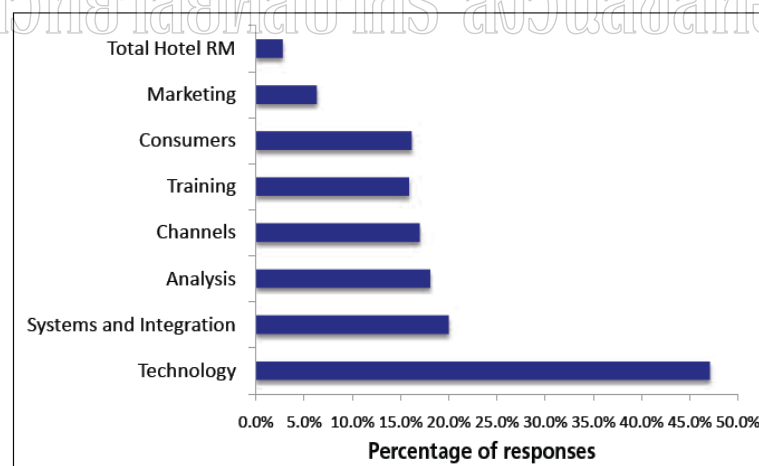


Figure 13: Potential applications for unlimited funds



Source: The Future of Hotel Revenue Management, Cornell Hospitality Report,

10(14): 6-15. Retrieved September 25, 2010 from

<http://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15299.html>

APPENDIX B
EZUIELD USER MANUAL

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Appendix B

EZYield User Manual

How to get to the website?

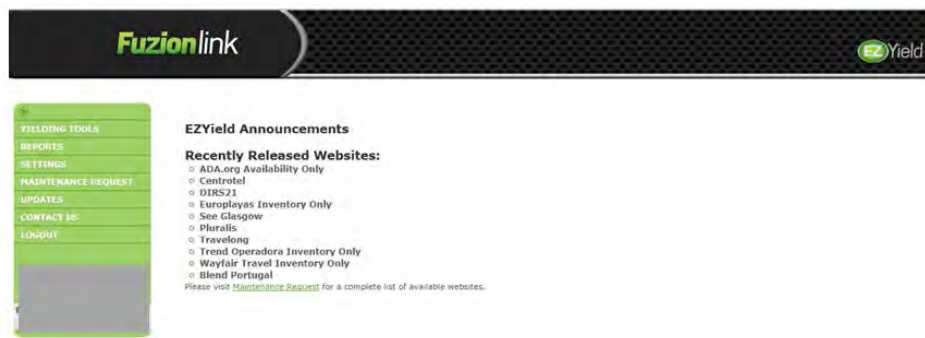
1. Go to <http://www.ezyield.com/>
2. Click on “CLIENT LOGIN” on the top right corner



3. Enter your Username and Password in User Login. Then click on “Login”



4. It shows
 - All function on the left hand side.
 - Name of account owner as “Welcome back follow by name of the account owner”
 - Name of your property under your name
 - Moreover, it announces its list of new partnership websites which cooperates with EZYield as “Recently Released Websites”



Setting

1. Click on “SETTINGS” on the function list on the left hand side
2. It shows subsections



2.1 User setting

Enter your personal information and defaults you want as “*Indicates require field”, then click on “Save”

User Settings

* First Name:

* Last Name:

* Email:

* Phone:

Phone Ext.:

* Title: Revenue Analyst

* Default Yield View: Classic Yield

* Default Report: Submission Report

* Default Hotel: Last Active Hotel

* Yield Method: Sell Rate Net Rate

* Language: English

* Date Format: dd/mm/yyyy

* Timezone: Asia/Bangkok

* Indicates required field

Save

2.2 Hotel Setting

2.2.1 Enter your personal information and defaults you want as *Indicates require field.

- For “Net Rate Limits” the user needs to enter the amount of minimum and maximum net rate that the hotel will be yielding via EZyield. For instance, minimum is 2,000 and maximum is 20,000

- For “Sell rate Limits” has similar purpose with net rate limits but is used for sell rate

2.2.2 Then click on “Save”

Hotel Settings

Hotel Name:

Hotel Brand:

* Country: Thailand

* Address:

* City:

* State/Province:

* Zip/Postal Code:

* Phone:

Fax:

URL:

* Currency: Thai Baht

* Rates include tax & fees: Yes No

Net Rate Limits: Min Max

Sell Rate Limits: Min Max

Contracted Websites: 8

Registration Date: 2007-05-31

Contract Start Date: 2007-06-21

* Indicates required field
 Net rate limits only apply to net rate yielding.
 Sell rate limits only apply to sell rate yielding.

Save

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2.3 Change Password

For changing password for your account's security

Change Password

* Current Password:

* Password:

* Confirm Password:

* Indicates required field

Save

2.4 Room Differentiate

2.4.1 This function can be used to mark up the room rate differentiate

For instance, if your 2nd room category (Deluxe Premium) has higher room rate than your base room (Deluxe) as 500. This function helps user to spend much less time to enter room rates since user just need to

enter rate for base room , then the website is able to calculate the rest room rates automatically.



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2.4.2 Add function is for adding exceptional period.

For instance, the hotel sets Deluxe Premium room as 500. But there may be some period that the hotel sets room rate as more expensive, then user can create these exceptional period.



2.4.3 Edit function is for editing amount of the differentiate



Then click on “save”



2.5 Global Allotment

The hotel has a pool of rooms' allotment which allows any OTAs on its list to use this allotment by setting percentage of each OTAs to share those 100 percent of allotment.

Global Allotments

Round Method: Up

Note, when the calculation results in a fraction:
Standard will result in one more or one less room assigned to each website.
Up will result in one more room assigned to each website.
Down will result in one less room assigned to each website.

Expedia	0 %
Orbitz.com	0 %
Wotif.com	0 %
AsiaTravel	0 %
Rakuten (365 Days)	0 %
Hutchinson Priceline	0 %
LateStays.com - DX	0 %
Asiarooms.com	0 %
Travelocity GH - DX	0 %
Total:	0

Save

2.6 Website Login

To yield room rates to those OTAs, the hotel has to enter its user and password for each OTAs. Then EZyield can go through and yield the rates. When the hotel has updating any user and password, user needs to update those new user and password on this site as well.

Website Logins

Website: Select

Username: Select

Password:

- Travelocity GH - DX
- Orbitz.com
- LateStays.com - DX
- AsiaTravel
- Asiarooms.com
- Expedia
- Rakuten (365 Days)
- Hutchinson Priceline
- Wotif.com

2.7 Website Tiers

User can group any promotion which offers similar details or restriction



2.8 Manage Users

This function is used for managing user. One user account can have more than one user since in one property may have many position concerns this yielding tool. For example, Revenue Manager, Reservation Manager



3. Maintenance Request

One user can have many properties under the same account for instance if a user works for Corporate Office of a hotel chain and has to response for a group of properties. Then the user can select the property he wants to adjust from “Hotel Name” list

Maintenance Request

* Hotel Name:

* Request Type:

* Indicates required field

Submit

Then the user can select any field of action as the screen shot below

Maintenance Request

* Hotel Name:

* Request Type:

* Indicates required field

- Select
- Add Website
- Remove Website
- Add Room Type
- Remove Room Type
- Modify Room Type
- Change Markup
- Update Website Username/Password
- Other

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3.1 Add Website

This function is for adding new OTAs link in our account. EZyield has a list of OTAs partner; user can select and create it by themselves. However, if there is no OTA the user want, available on EZyield list, the user can request it to EZyield. There is a chance that EZyield will contact and sign agreement with the OTAs you want.

Maintenance Request

* Hotel Name:

* Request Type: Add Website

* Website: Select

* Indicates required field

- Bon Voyage E-Mail
- Book Assist
- BookDirect2Save.com
- BookEasy.com.au
- Booked.net
- BookHoteling.com Inventory Only
- BookinBudapest.com
- Bookingay.com
- Booking.com - DX
- Booking.hu HCRS
- Booking one.com
- Bookingsiena - Allotment only
- Bookit.com
- Bookit.co.nz - DX
- Bookit.nl
- BookMyRoom.com E-Mail
- BookMyRoom-SA.com
- BOOKNEVADA.COM
- Booknow365.com
- Bookotel

Any OTA which indicate as “DX” stands for “Direct Connection” means EZyield can connect through it promptly. If any OTAs which doesn’t indicate DX, means user needs to wait for the updating cycle time of each OTAs.

3.1.1 Website URL , it will be coming automatically

3.1.2 Username and Password , user needs to enter their owns for that OTAs

3.1.3 Currency, select the one that user will be use for yielding the room rate

Maintenance Request

* Hotel Name:

* Request Type: Add Website

* Website: Booking.com - DX

* Website URL: https://admin.bookings

* Username:

* Password:

Other ID:

* Currency: US Dollar

Room Relationship

Hotel Room Name	Website Room Name
Deluxe Double	<input type="text"/>
Deluxe King	<input type="text"/>
Deluxe Premium Double	<input type="text"/>
Deluxe Premium King	<input type="text"/>
Executive Suite	<input type="text"/>
Junior Suite	<input type="text"/>
Tower Executive King	<input type="text"/>

Add More Hotel Rooms: --

* Markup Type: Select

Markup Amount:

Example Calculation

Sell Rate:

Net Rate:

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3.1.4 Add more Hotel Rooms, to create room type for mapping room rate.

User needs to select an amount of room type they will be using for that

OTAs

Add More Hotel Rooms: --

* Markup Type: Select

Markup Amount:

Example Calculation

Sell Rate:

Net Rate:

* Sell Rate Rounding Type: NC

* Net Rate Rounding Type: NC

Tax:

After that, this box will be appearing

The screenshot shows a form with the following elements:

- A label "Add More Hotel Rooms:" followed by a dropdown menu showing the number "2".
- Two columns of input fields. The left column is labeled "Hotel Room Name" and the right column is labeled "Website Room Name".
- Each column contains two empty text input boxes stacked vertically.

User should login each extranet while mapping room type in order to map it to the accurate room type name. Because each OTA has different room type name from other and/or from the hotel website then if user doesn't map in exact room type name it will be unable to map the room rate while yielding.

For instance, Deluxe Room with River view

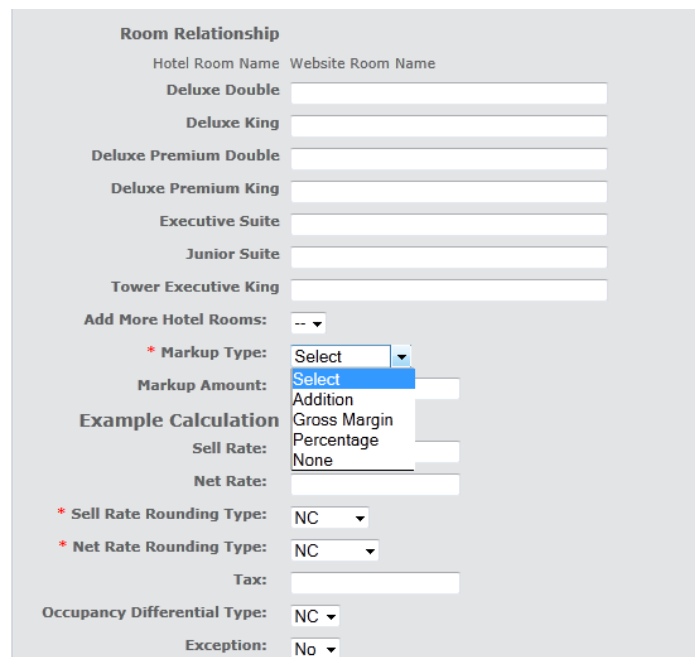
Travelocity has stated "TN1 - Deluxe with River View" while Expedia has stated "Deluxe Room – Room Only (S)". So user needs to indicate it clearly according to each website room type name

For example, to create room type for Travelocity

- Hotel room name is "Deluxe Room with River view"
- Website room name is "TN1 - Deluxe with River View"

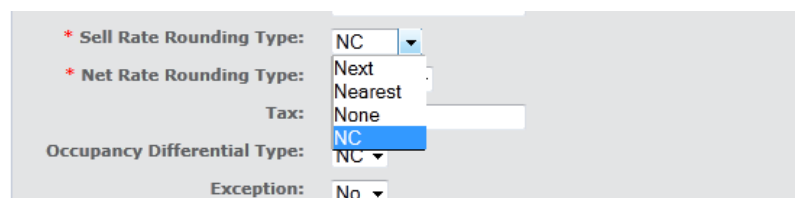
3.1.5 Markup Type,

- For any OTA



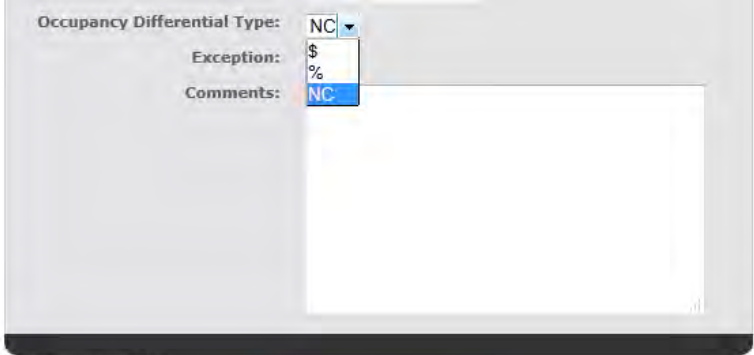
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- ### 3.1.6 Sell/Net Rate Rounding Type, in case room rate has decimal , user can set if they want to rate to be round up or not



- ### 3.1.7 Occupancy Differential Type, in case one room category has different room rate Single Occupancy and Double Occupancy. User can set it here as exact amount , percentage or None change (NC)

3.1.8 Comments, user can type in any other requirement such as to remove some promotion off. Then EZyield staff will action accordingly



Occupancy Differential Type: NC

Exception: \$

Comments: NC

* Indicates required field

Submit

When a user fills in completely, click on “Submit”.

3.2 Remove Website มหาวิทยาลัยศิลปากร สงวนลิขสิทธิ์

This function is used for deleting OTAs permanently, also to remove it temporary. Because in any user account of EZyield, there will be limited quota the user can add his rate plan or promotion for instance 25 rate plans. If your hotel has more than 25 rate plans to yield via EZyield, the user can manage his slot by removing some rate plan that inactive during this time, and add new rate plan that is going to offer to customers on those OTAs.

Maintenance Request

* Hotel Name:

* Request Type: Remove Website

* Website:

* Indicates required field

User can select “Website” from its OTAs list.

Maintenance Request

* Hotel Name:

* Request Type:

* Indicates required field

After submitting those requests, it takes some time for EZyield staff to precede them. And they will send to user if the request is done or if they want further information.

APPENDIX C
TERMINOLOGY

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Appendix C

Terminology

ADR (Average Daily Rate): A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. $ADR = \text{Room Revenue} / \text{Rooms Sold}$

BAR: Best Available Rate

BRG: Best Rate Guarantee - Starwood program to drive business through our branded websites by guaranteeing our customers that they will find the lowest prices on our branded websites.

Competitors: Companies that sell products or services in the same market place as one another

Competitor Set (Comp set): A selected group of competitor hotels that have been designated due to proximity, similarity of product or price range.

FIT: Free Independent Traveler - a customer who is traveling independently and is not part of a tour group.

Minimum Length of Stay: A hotel CRS room inventory control function that indicates that a reservation for arrival on a specific date must be for a minimum number of nights (two or more).

Occupancy (Occ): Occupancy is the percentage of available rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of rooms sold by rooms available. $\text{Occupancy} = \text{Rooms Sold} / \text{Rooms Available}$

Rack Rate: The current retail rate charged for each room type as established by Sales and Marketing.

Revenue Manager: Manager at the hotel that is in charge of managing room revenue and setting transient rates.

RevPAR (Revenue Per Available Room): Revenue per Available Room (RevPAR) is the total guest room revenue divided by the total number of available rooms. RevPAR differs from ADR because RevPAR is affected by the amount of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold.
$$\text{Occupancy} \times \text{ADR} = \text{RevPAR}$$

Room Revenue: Total room revenue generated from the sale or rental of rooms.

Rooms Available (Room Supply): The number of rooms in a hotel or set of hotels multiplied by the number of days in a specified time period. Example: 100 available rooms in subject hotel x 31 days in the month = Room Supply of 3,100 for the month

Rooms Sold (Room Demand): The number of rooms sold in a specified time period (excludes complimentary rooms).

Room Type: General room description by classification (i.e. superior, standard, etc.) and bedding (single, double, queen or king), often associated with a rate code.

Transient Rooms — Transient rooms Include rooms occupied by those with reservations at rack, corporate, corporate negotiated, package, government, or foreign traveler rates. Also includes occupied rooms booked via third party web sites (exception: simultaneous bookings of ten or more rooms which should be defined as group). (This type of data is seen in the Segmentation portion of our reports.)

Yield Management (Revenue Management): A practice of airlines, hotels and car rental companies of controlling the supply and price of their inventory to achieve maximum revenue.

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Interview Respondent

Respondent A: Mr. Angkarn Klubkaew, a Revenue Manager of Royal Orchid Sheraton Hotels & Towers, Bangkok

Respondent B: Ms. Natchanit Udomsub, a Revenue Management Trainee, task force at Plaza Athenee, A Royal Meridien Bangkok

Respondent C: Mrs. Preechayaporn Pongponprom, a Director of Revenue
Management of Sheraton Grande Sukhumvit, A Luxury Collection Hotel

Respondent D: Ms. Panicha Phanithakul, Cluster Market Analyst of Westin
Grande Sukhumvit and Sheraton Hua Hun Resort & Spa

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