

Revenue Management: The next frontier for holiday park profitability

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There's a new generation of traveller roaming the world today, many of whom don't simply desire a basic bed, shower, and TV — they want authenticity and memorable experiences. And what's more down to earth than sleeping on the ground?

The trend of consumers seeking outdoor accommodations versus staying at traditional hotels had seen an increase in the years leading up to the COVID-19 pandemic. Now, in the wake of this global crisis, the holiday park industry has seen a significant spike in demand, due in part to its offering of socially-distanced accommodations.

To capitalise on this rising trend and prepare their businesses for scalable growth in a fast-changing industry, holiday parks have made strategic investments in back-of-house business optimisation tools. To ensure continued profitability and efficiency, many have found a sustainable solution in automated revenue management technology.

Revenue Management – The Basics

Revenue management has been widely used with demonstratable success in the airline and hotel sectors for decades. It focuses on selling the right product, at the right price, through the right sales channel, to the right customer, at the right time.

Business and property owners can leverage the advanced data and analytical tools associated with revenue management to predict demand and make accurate pricing decisions, that ultimately help maximise revenue and profit.



Holiday parks in Australia have complex operational models, often with key differences to traditional hotels. While holiday parks are accommodation providers, they typically lease open sites or campgrounds where holiday makers can pitch a tent, park a recreational vehicle (or caravan) or rent lodging, which provide a range of unique inventory types needing to be priced strategically for customers.

The parks also usually have varied amenities and activities like recreational facilities (video games, fishing, etc.) laundromats and food & beverage outlets. Importantly, the profit margins in holiday parks can far exceed that of hotels (in some cases by 50 to 80 percent) due to lower labour costs, meaning there is an extremely compelling case for revenue optimisation in this market.

Trailblazing campgrounds, holiday and caravan parks and more across the country have integrated demand-based, dynamic-pricing and inventory-management technology with significant, year-over-year revenue growth. After all:

- A campsite or cabin, like a hotel room or airplane seat, is a perishable asset
- If the price is too high, the site isn't filled, and it doesn't

generate any revenue

- If it's filled at a discounted rate when the consumer is willing to pay more, the business misses out on additional revenue
- If the campsite or cabin isn't sold that day, it cannot be sold again...

Advanced revenue management solutions feature automated, machine-learning functionality, empowering users to ditch error-prone, time-consuming practices. Spreadsheets and human brainpower just don't cut it when it comes to the vast amount of data generated and decisions needed daily to maintain optimal revenue performance.

By doing certain parts of the job better than a revenue manager can alone, a revenue management system enables its human counterpart to spend more time thinking strategically and finding creative solutions to problems.

Revenue Management – The Tools

The hospitality and travel landscape will never be the same, and the competitive outdoor accommodation business of tomorrow will require revenue technology that fully understands their operations to optimise revenue performance and help facilitate a seamless

guest experience. With their wide range of accommodation types, mix of long- and short-stay business, membership plans, per-person pricing and unique ownership structures, the outdoor hospitality segment needs a solution with sophisticated and flexible pricing methodologies that meet its unique requirements.

An advanced revenue management system (RMS) utilises world-class analytics to automatically price and optimise all inventory types, minimising the need for manual, time-consuming estimations and maximising overall revenue performance. Using superior, cloud-based technology, IDEAS G3 RMS is constantly updating as booking conditions change.

The system analyses park and market data to automatically optimise pricing, inventory, and occupancy rates. The optimised decisions are automatically updated to selling systems (property management system, channel manager, OTA, website, etc.) — no more manual updates required.

Whether used for a single holiday park or cluster of sites, revenue management software users can instantly access up-to-date performance data anytime, anywhere.

Visually compelling reports and dashboards highlight low-demand periods so marketing teams can stay informed and be engaged to drive business in advance. And during busy and shoulder seasons, automated pricing and inventory controls select the ideal price so businesses can achieve the optimal combination of rate and occupancy. ▲

For more information on how your outdoor accommodation business can benefit from a revenue management system, please visit: <https://ideas.com/solutions/revenue-management/>