

Revenue management best practices to combat demand drop



Flex Your Cancellation Policy

- Many airlines have announced to customers that they can feel confident booking and cancelling travel if plans don't work out. Create a rate plan that has this same flexibility, in addition to your advance purchase rate plan.
- Allow leisure customers to switch their reservations to another date. Flexibility and understanding is what will help your hotel stand out in the market and save your brand reputation.
- Clearly communicate any changes in your cancellation policies to provide transparency and confidence for anyone booking.



Don't Drop Your ADR

- If there is an overall lack of demand, reacting by lowering your ADR significantly will not solve the problem. Dropping your ADR like this may be a short-term solution but can take twice as long to recover from. Instead, make slight adjustments to your ADR to stay competitive and remain flexible.



Prepare your call center teams

- Prepare your teams with guidance and standards on new cancellation policies and what you are doing to ensure safety and cleanliness.
- Engage with call center staff frequently to understand any changes in guest sentiment, and vet new ways to improve engagement.



Create a promo tile with a message

- Take a page directly from the airlines by fostering customer confidence through effective marketing. Make the customer journey more enjoyable by removing doubt about the booking process. If you need help creating something like this for your hotel let us know.
- Promo tiles can be hyperlinked to your website. Consider adding a new page or a block of content on your homepage about cancellation policies, cleaning procedures, etc.



Ask yourself these questions

- How is my comp set reacting?
- Who is changing their rates and by how much?
- Are competitors shifting their distribution strategy in obvious ways?
- Are hotels around me closing (or shutting down rooms or floors)?
- For group cancellations:
 - Are they looking to rebook for later dates?
 - Consider applying a collected cancellation policy as a credit to a later calendar date to entice them to rebook.