

## Financial Bid

### **Revenue Management**

#### **Definition & Scope of Work**

##### **Definition:**

Revenue Management is the application of disciplined analytics that predict consumer behavior at the micro-market level and optimize product availability and price to maximize revenue growth. The Primary aim of Revenue Management is selling the right product to the right customer at the right time for the right price and with the right pack. In the essence, it is to understand customers' perception of product value and accurately aligning product prices, placement and availability with each customer segment through Channel Manager to all the important **Online Travel Agents (OTA's), other Travel Agents, Direct consumers etc.**

##### **Objectives**

1. To improve the occupancy of each and every property for which revenue management is undertaken by appropriate utilization of Business Intelligence Facility (Reputation Aggregator & Rate stopper etc).
2. Improve the Rev.PAR (Revenue per available room) and turnover by appropriate promotion & techniques including dynamic price management (eg. Daily change of room rate according to the demand to maximize sales through OTA's).

##### **Prescribed methods are**

- i. Gathering room type wise information on previous performance of the property for which revenue management is undertaken.(viz previous year's actual occupancy during the Season Period etc, average room revenue earned etc)
- ii. Implement the revenue algorithms to boost the room sales. Revenue algorithms shall be based on occupancy and demand of the property for particular day/period or general demand.
- iii. Sending weekly/monthly reports with regard to revenue management

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## Revenue Algorithms

- a) Offering of fluctuating rates/discounts based on the Demand/Occupancy of a particular room category in consultation and agreement with the management of KTDC.
  - b) Suggest fluctuating rates or discounts on KTDC Booking engine as well as for the Online Travel Agents(OTA's), based on the consumer demand of the hotel for the week day/weekend etc
  - c) Selling of the rooms on a discount or on a premium for Advance Bookings according to the number of nights stay and occupancy on the particularity of dates (holidays, conference, business etc) and also in accordance with competitor's price changes.
3. Identification and timely reporting of the Competitor's price changes and suggesting the pricing to be done on various Online Travel Agents platforms.
  4. Help the property to earn more revenue by taking direct bookings through properties online booking engine etc
  5. Identification new OTA windows for the property and help in getting registered in the same through Channel Manager.
  6. Maintenance of Rate Parity and room parity on various Online Travel Agent Platforms to ensure unbiased and equal support from Online Travel Agents and therefore Zero tolerance for Rate disparity.
  7. Ensuring that the money is credited to bank account of KTDC before the guest checks-in by all OTA's like Expedia and Agoda except in the case of pay at hotel clients.
  8. Timely invoice rising for Expedia and Agoda etc and to ensure that the money is credited in the bank account of KTDC (optional).

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9. To closely work with the reservation team and the revenue management coordinator of the Corporation.
10. Ensure that the daily/weekly/monthly reports with remarks on various indicators/results are reached at the appropriate time to the corporate management to make smart informed business decisions.

### **Expected results**

#### **A. Promotion, Selling & Revenue**

- Room night sales of all Premium and Budget properties for which revenue management is undertaken is increased by 50% on Y-to-Y business.
- Optimum Room Revenue is realized in line with the expectation of the Corporation (KTDC).
- Focus would be more on the middle/upper category room types to attain the expected revenue per room.
- Optimization (increase) of online visibility and ranking for the property in each Online Travel Agent platform.
- Content Management/Content Updation/Content up gradation through extranet of each OTA or through any other mode as per the material supplied by the Marketing Division.(Marketing).
- Business Intelligence Facility (Reputation aggregator, Rate shopper, competition set, Rate aggregator, Rate stalk etc).
- Increase in the walk-in guests due to high publicity efforts/visibility by Revenue Manager/Channel Manager..
- Increase in the number of people visiting the property on various online platforms by 100%.
- Timely recommendation of various promotions/deals on the website of OTA's
- 100% increase in the business through Online Travel Agents.

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- Sharing of Guest Details with the corporate management/property management, cancellation and amendments etc.(production report).
- Consumer behaviour for each property be analyzed and shared (Monthly/Period wise).
- Analysis of the length of stay of guest and to submitted details for rolling out offers to get long stay business and to increase the length of stay of the potential guest.
- Suggesting property wise cancellation/refund policy according to seasonal demand fluctuations.

#### **B. Reports for Decision Making**

- Details of consumer's booking through mobile phones and their behaviour pattern shall be tracked separately and submitted (Monthly/Period wise E.g. Diwali/Christmas/monsoon season etc).
- Details of Leisure or Business purpose tourists and their behavior pattern shall be identified separately and submitted (Monthly/period wise).
- Country wise/Region wise booking shall be tracked and submitted (Monthly/Period wise).

#### **C. Crisis Management**

- Crisis Management Support in the event of an overbooking due to technical error/cancellation problem or any other issue arising out of the case of Channel Management/Revenue Management.

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#### **D. Review Mechanism**

- The representative of the agency should be present at the Corporate Office for a monthly review or on call basis on the performance or for intermittent reviews as direct by the management of KTDC with regard to occupancy, ARR, Rev. Par, productivity through various OTA's, visibility/Ranking of KTDC properties in various OTA's, classification of consumers and their productivity e.g. leisure business, domestic tourist etc, performance of Channel Manager, consumers/guest feedbacks etc.

#### **E. Restriction**

- Revenue Management Solution will not be provided for a similar property/competing property/substituted property within 3 Km radius of the KTDC Property for which Revenue Management Solutions are provided.

#### **F. Mode of submission**

- The entity should submit their offer to The Managing Director, KTDC LTD, Mascot Square, Thiruvananthapuram 695033 by downloading the application for tender from the website ([www.ktdc.com/announcement.php](http://www.ktdc.com/announcement.php)).
- Rates should be quoted both in figures and in words in columns specified. All erasers and alterations made while filling the application must be attested by initials of the authorized person of the entity. Overwriting of figures is not permitted and failure to comply with either or these conditions will render the tender void at the Managing Director's discretion. No advice of any change in rate or conditions after the opening of the tender will be entertained.
- Application with all supporting documents shall be submitted to the office of the Marketing Manager, KTDC up to 3.00 PM on 25/02/2020.
- Entity shall ensure submission of complete information/documents at the first instance itself.

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### G. Earnest Money Deposit

The tender should be accompanied by Demand Draft of Rs.2500/- against the EMD

### H. Bid submission

Offer shall be submitted in a sealed cover super-scribed "***Tender for Revenue Management for KTDC***". The Sealed Cover shall contain two separately sealed envelopes super scribed as below:

Envelope No 1 - shall contain duly signed technical bid and supporting documents and EMD for Rs.2, 500/-in the form of the Demand Draft in favour of 'Managing Director, KTDC' Payable at Thiruvananthapuram. The cover shall super scribe '**TECHNICAL BID FOR REVENUE MANAGEMENT**'

Envelope No 2 – shall contain financial bid and shall super scribed as '**FINANCIAL BID**'

### I. Termination

The agreement will be terminated if the successful entity fails to deliver the obligation as laid down in the tender documents or unsatisfactory performance during the agreement period. The agreement can be terminated by giving one month notice on either side.

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### Other Terms

- KTDC will appoint one coordinator for all properties and one coordinator for overall management from the corporate office.
- Revenue Management Company will appoint one exclusive Relationship Manager for KTDC Properties.
- The number of rooms in any property/collectively will be reduced, if any number of rooms are not available for sale on account of blocking for maintenance/given for holiday home arrangement or like business arrangement. This principle will be applied when the management decides to go for any additional property for revenue management on prorated basis.
- ARR will be decided by KTDC on the basis of suggestion forwarded by Revenue Management Service provider.
- The Performance will be evaluated on the basis of confirmed Room Nights at each property through OTA's and also booking through KTDC's own booking engine on the basis of suggestion of rates/offers for various properties.

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## PRICE PER MONTH

Marketing Manager

### Properties require Revenue Management Solution

Sl. No	Name of property	Number of rooms
<b>Premium properties</b>		
1	Mascot Hotel, Trivandrum	66
2	Samudra, Kovalam	64
3	Aranya Nivas, Thekkady	30
4	Lake Palace, Thekkady	6
5	Tea County, Munnar(5 rooms on Holiday Home Arrangement)	62
6	Bolgatty Palace & Island Resort, Kochi	60
<b>Budget properties</b>		
1	Chaithram, Trivandrum	88
2	Periyar House Thekkady	44
3	Nandanam	45

Total number of properties – 9

### Total Charges per Month for Revenue Management Solution for KTDC

	Amount
Total price for Revenue Management for 9 properties	
<b>TOTAL</b>	

- Applicable Taxes would be extra for above mentioned services

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KERALA TOURISM DEVELOPMENT CORPORATION LTD

NOTICE INVITING EXPRESSION OF INTEREST

Kerala Tourism Development Corporation (KTDC), the largest hotel chain in Kerala invite tenders from experienced service providers for implementing **Revenue Management** for its properties. The agency should have solid experience in managing the International foreign OTA's and should have minimum 3 years experience in the field. The tenders shall be submitted in two cover system (Technical and Financial). The last date and time for submission of applications is 25/02/2020 by 3.00 PM. Application form and further details required can be downloaded from [www.ktdc.com](http://www.ktdc.com).

KTDC reserves the right to accept or reject any or all applications without assigning any reason.

Kerala Tourism Development Corporation Ltd

Mascot Square, Thiruvananthapuram 695 033

Phone: 0471-2721243/45

[www.ktdc.com](http://www.ktdc.com)

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