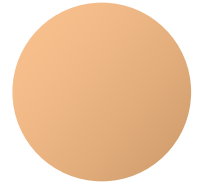# Acropolium*

FROM DATA TO PROFIT: 6 WAYS HOTELS CAN INCREASE REVENUE

Introduction

Hotel businesses produce a wealth of data every day. But while this information could be cleverly used, many companies waste valuable insights because of poor hotel data management and inefficient software. Wouldn't it be better if you could effectively process this data to generate more profit?

With a professional data management framework and analytics, you can gain a deeper understanding of your customers. This, in turn, will help you target the right people with relevant offers, deliver a better guest experience, and reduce your costs without compromising quality. And Acropolium is here to assist you.

Continue reading to discover what information management is, the types of data collected by hotel systems, and the ways you can use the newfound insight to enhance your business. Let's start this journey with a basic question.

What is hotel data management?

Data management is an administrative process that regulates how a company collects, stores, and uses information for strategic planning. Now, hotel data management means using industry-specific information to identify optimal distribution channels, predict and meet customer needs, improve revenue, and more.

Without analytics tools and a framework for data management, you can get bogged down in terabytes of unstructured and low-quality data. That's why businesses use hotel management databases and property management software to transform information into actionable business intelligence. Let's see what type of data you can collect with the right software.

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Hotel data types you should collect

A tourist who books an accommodation, a customer who orders at the restaurant, or a housekeeper who marks the room as clean — all these people create data with their actions. In fact, there's so much information generated every moment that you won't be able to process it without a data management system.

Property management systems (PMS) are the central hotel database management systems that consist of several functional components (modules) and can integrate with third-party software. Plus, depending on your needs, PMS can extract data from websites, social media platforms, financial institutions, and other businesses. Here's what kind of data points property management software can collect for analysis.

Booking data

PMS software can communicate with your websites, third-party systems, metasearch engines, and social media to collect information about:

* Distribution channels used for room reservations
* Percentage of occupied, booked, and available rooms
* Duration of stay
* Top visited pages on your website
* Booking abandonment rate

With this information, hotels can determine the most effective distribution channels for marketing and the most popular room types.

Room rate data

Rate shopping software gathers information about your competitors and their prices from websites and booking platforms. We're talking average daily room pricing, fluctuations in rates, and costs for different room types. Hotels can compare millions of rates by integrating real-time hotel data collection modules into their PMS. With powerful software, you can use this data to optimize pricing based on the average demand and future events.

Guest data

Your guests are your primary source of information, and customer relationship management (CRM) software can help you process data about every customer. This includes:

* **Demographics (age, family status, number of children)**
* **Preferences (favorite food and beverage items, housekeeping services, preferred room sanitization level)**
* **Favorite on-site services (restaurant, gym, or spa)**
* **Booking history**
* **Contact information**
* **Payment methods**

According to the 2021 Customer Relationship Management Report, CRM solutions allow improving engagement with clients and overall customer experience. With this software, you'll get new ways to personalize your services, allowing you to build customer loyalty and increase your income.

Housekeeping data

The housekeeping module is one of your best advisers for optimizing costs. The data it collects includes:

* Number of managers and housekeeping staff
* Performance indicators (rooms per housekeeper, speed and quality of cleaning, and other metrics)
* Linen, amenities, cleaning supplies, and chemicals used per room
* Costs of repair and maintenance
* Laundry expenses
* Scores guests rate for cleanliness

Advanced PMS systems will allow your staff to access the dashboard with their tasks and update it on the go. On top of that, managers identify gaps in the staff's workflow and use relevant data to adjust cleaning patterns and reduce costs.

Public reputation data

Reputation management software can scan feedback about your hotel on multiple online platforms, such as:

* Google
* Booking.com
* TripAdvisor
* Expedia
* Facebook
* Twitter, etc.

Natural language processing and sentimental analysis can automatically identify comments with negative emotional backgrounds, so you can understand what people dislike about your services.

Now that you understand what data you can gather, let's see how hotels can transform this data into business intelligence.

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Ways to use hotel data management to increase revenue

With effective hotel data science, you can improve your business in multiple ways. Let's look at some benefits proper data management can bring you.

1. Optimized occupancy rates

Hotels can predict the demand and optimize their pricing strategy based on a multitude of internal and external factors. Revenue management (RM) with machine learning and AI-powered real-time data analysis can anticipate fluctuations in pricing and room availability. These technologies do so by analyzing hundreds of factors, including seasonal trends, special events, booking patterns, weather forecasts, discounts from airlines, and competitor prices.

With this information, hotels can determine how to change rates to fill more rooms. Let's take major sports events. They gather people from around the country, most of whom will need a place to stay for a few nights. Your software can forecast the demand for particular dates and analyze the rates in other hotels, allowing you to attract more guests with good pricing.

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Revenue management software can analyze booking behaviors and preferences to help you see how much guests are willing to pay for certain amenities. For example, many people will pay more for breathtaking scenery or in-room coffee makers. Moreover, this data can help you tailor marketing promotions.

2. Targeted marketing

Combining several data sources can help hotels reach the right customer at the best time with relevant offers. For instance, your software can collect information about your guest's travel destinations, residence, spending habits, booking history, and online feedback. This allows dividing customers into segments based on their lifetime value or myriads of other preferences.

You can use this data for targeted campaigns. For example, hotels can send personalized deals to guests who enjoy annual festivals near their chains. Alternatively, you can persuade customers to book a room by offering discounts for restaurant meals or free tickets for events. The economy hotel chain Red Roof Inn used analytics to increase its conversion rates by 375% in specific locations. The system has found that airports near their hotels had high cancellation rates, and most people use mobile devices to find accommodations. The company then invested in a geo-location and time-targeted mobile search strategy, gaining top positions on Google's results page.

3. Customer outreach

According to the 2019 Local Consumer Review Survey, 92% of customers read online reviews, with 97% of them paying attention to how businesses respond to these reviews. Reputation management tools can scan booking websites, review platforms, and social media for people referencing your hotel. Your managers can then promptly respond to comments, both positive and negative. This will make your guests and potential customers see you care about their feedback, which will boost your brand's image.

4. Personalized offerings

Some guests spend money on dining, fitness activities, and spa visits, while others limit themselves to a room in your hotel. Hotel data analysis software can identify guests' buying behaviors to suggest those likely to accept discounts, room upgrades, and amenity services. Hotels with advanced CRM tools can identify patterns in guest activity to upsell their services.

For example, a family with kids will likely need a room with more bathroom storage, extra pillows, or free earplugs. Some guests will pay more for contactless service and sanitized rooms. Your employees can have access to a dashboard with information about every guest. Imagine front-desk managers anticipating client's need to order a taxi or waiters knowing what beverage to offer at 9 PM. An experience like that can turn guests into regulars.

5. Employee control

Your managers can assign rooms to the cleaning staff and monitor how they proceed with their duties in real-time. In turn, housekeepers can access the management dashboard from smartphones to see their tasks, mark rooms as clean, report malfunctions, and order minibar refills.

PMS software with analytics and reporting modules can help you adjust the workflow and measure the performance of your employees. You may encourage the most efficient departments or identify ineffective managers with whom housekeeping takes twice as long to complete.

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6. Reduced expenses

Analytics software with automated reports can help you figure out how to reduce costs without sacrificing the quality of your services. Hotels can analyze frequent requests to make cost-effective adjustments. Suppose, most of your customers ask for additional towels or slippers. You can then put extra ones in each room and adjust the room rate. As a result, you'll have fewer requests and room deliveries, allowing you to save more money in the process. One hotel chain has found that some consumers are staying overnight as they drive through the country. The hotel then started offering pre-packaged breakfasts, which are more convenient for drivers and less expensive than regular breakfasts.

Your system can also detect underlying problems with equipment. For example, repeated requests to fix leaking faucets in one area of the building can point to corroding pipes. Consequently, you can fix faulty equipment in time before it floods your rooms. All in all, effective hotel information management separates struggling businesses from successful ones. But how can you manage voluminous amounts of data generated at your hotel?

How to manage hotel data effectively?

Everyday interactions produce large quantities of data from different silos. Event management systems, PMS, PoS software, and various third-party websites store snippets of valuable information. Besides, raw data should be analyzed before you can use it for informed decisions. How do you bring together all this data and make sense of it? Here are some of the best hotel data management practices you can follow.

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Collect

You can gather guest data from additional sources. For example, your software can search for information about your business from review portals, booking agencies, and social networks. After checkouts, your system can automatically send emails or in-app messages asking customers to complete short surveys about their experience.

Integrate

Most enterprise PMS solutions contain several software modules (PoS, RMS, CRM, and other software) to help you collect data. However, you may have to integrate additional third-party tools via application programming interfaces (APIs) to allow the systems to exchange data.

Filter

Most data you collect is useless for strategic decisions. With the right software, you can filter the unnecessary clutter from high-quality data to optimize the storage space and system's workload.

Normalize

Duplicate entries are inevitable when you merge data from disparate sources. For instance, the system can mistake a single person for multiple guests named John Doe, John D., or Johnny Doe. That's why your software needs standards to identify which record is the most complete. Additionally, you can employ a data manager who'll systemize profiles and check for misspellings.

Store

You need a reliable and secure place for hotel data storing. Depending on the size of your business, you can use a cloud data service, a local server, or a data warehouse.

Secure

A hotel database management system can store tons of personally identifiable information about customers and employees. And this means that cybersecurity and adherence to HIPAA regulations must be your top priority. We also recommend implementing role-based access control, two-factor and adaptive authentication, cloud backup, and regular employee training on breach prevention.

Analyze

Property management software usually contains business intelligence tools for analytics. You can use off-the-shelf solutions available on the market and integrate them into your platform. However, there's little chance they'll fit your specific business needs. The most efficient option is to build custom data analytics software around your requirements.

Visualize

The application should present all data in a comprehensible visual form. Ideally, your managers should access it from a single unified dashboard that contains information from multiple systems.

Document

Comprehensive documentation that outlines security, data management, and backup procedures will ensure your business won't come to a halt in case of emergencies. Proper data management culture and analytical tools can help you transform raw data into a valuable resource. However, you need to consider building a custom hotel property management system to get the most out of data.

How Acropolium solutions help with hotel data management

Building PMS from scratch and implementing proprietary software modules into your platform won't be easy. You'll encounter challenges like:

* *Storage problems.* The amount of data can overwhelm your local storage without standardization and filtering procedures. So our advice is to invest in secure cloud computing services for flexible storage.

* *Incomplete analytics.* Most third-party software will provide key performance indicators and trends but won't explain what causes them. Don't want to employ multiple data science departments? You should consider opting for a hotel data analysis solution that works with various data sources and presents the results in a visual format.

* *Data accuracy.* Your databases will be full of duplicate data and multiple profiles that belong to the same guests. As we mentioned, you should use tools that can filter clutter and merge duplicate entries.

* *Cybersecurity.* Even the largest hotel brands regularly suffer from breaches and hacker attacks. An experienced software development vendor can enhance your platform with robust security and risk management solutions to protect your data and reputation.

You need a reliable and secure place for hotel data storing. Depending on the size of your business, you can use a cloud data service, a local server, or a data warehouse.

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The bottom line

Data is an important ally for hotel businesses & hotel apps. Companies can use booking, guest, and housekeeping data to optimize their rates, enhance customer experience, and identify new ways to improve profits. However, you'll need advanced hotel data management software to collect and transform data into business intelligence.

Acropolium can help you overcome data management challenges and digitalize your business with hotel data management & analytics consulting. Start a conversation today, and we'll gladly share our knowledge to discover the optimal ways to improve your processes.

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