

## Critical Issues, Trends Facing Revenue Managers Released At HSMAI Strategy Conference

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Study Focuses on Daily Activities & Individual Characteristics: Creativity, Communications Skill and Problem Solving

The results of an insightful study that delves deep into the revenue management profession were revealed at the fourth Hospitality Sales & Marketing Association International (HSMAI) Revenue Management Strategy Conference held June 25, 2007 in Orlando, FL, at the city's Convention Center, which was attended by a record crowd of more than 250 professionals. From a detailed accounting of time allocated to specific revenue management activities to use of automated systems, personal creativity, and job commitment and satisfaction, the comprehensive study was designed to develop a profile of revenue managers and identify trends and issues that they encounter.

### **Among the questions asked in the survey were:**

- \* What software is used and the level of satisfaction?
- \* What career path respondents see themselves taking in the next two years?
- \* What is their commitment to the organization they work for?
- \* How does the revenue manager allocate their time?
- \* What activities were important to their success?

'This survey is yet another initiative that supports HSMAI's commitment to the revenue management practice and our goal to be the lead provider of education and information to further the industry and those engaged in the practice,' states Robert A. Gilbert, CHME, CHA, president and CEO of HSMAI.

The study was conducted by researchers from The School of Hospitality Business at Michigan State University. The survey reflects 250 valid responses from professionals engaged in revenue management.

The findings were presented at the conference by Dr. Jeffrey Beck, associate professor, Michigan State University, who noted: 'We were very pleased with the response by the revenue management professionals, and expect the study to help educate and inform those who oversee and manage the practice of revenue management.'

### **Among the highlights:**

While 55% of respondents expect to be in their current positions within the next two years, as for job commitment, all respondents are strongly committed to their company's success based on 1) Pay and Security, 2) Feedback from Superiors, and 3) Autonomy in the Job.

On the topic of creativity, a significant difference was noted between revenue managers and 'other' job titles on openness to new ideas. Additionally, as for communication confidence, a significant relationship was indicated between the generation of new ideas/openness to new ideas and confidence in presentations.

The survey delved deep into time spent on specific revenue management activities per week, from managing inventory, developing offers and forecasting the property's room revenues to evaluation of revenue management activities, customer relationship management and interacting with other managers regarding revenue management activities. Each category of 'activity' was also reported by job title: Director of Revenue Management, Revenue Manager and Other (Corporate/Regional Director of Revenue Management, General Manager, Director or Sales & Marketing, Sales Manager).

For example, per week directors spend 23.5 hours managing inventory, while managers spend 26.9 hours and those in the other category devoted 15.6 hours. Time spent on strategy was 15.5 hours for directors, 10.1 hours for managers and 14.6 in the other category, and as for customer relationship management, hours spent are 4.4 for directors, 6.3 for managers and 9.3 for others.

In regards to the use of automated revenue management systems:

œ 43% reported that they use an automated revenue management system.

œ 75% were satisfied or very satisfied with the system.

Of those who responded, related to specific features:

œ The user override function received the highest rating (68%)

œ 62% rated the group evaluation module as very good or great

œ Reports and Training received the lowest ratings (40.6% and 34%)

œ Support received a 58.1% great or very good rating

œ 37% also use a competitive price shopping tool.

œ 14% use a channel management tool.

Respondents indicated they directly report as follows: 9% to owner/CEO; 16% to corporate VP; 36% to general manager; 16% to regional DRM; and 23% to 'other' on property.

Also included is a profile of respondents, including salary, bonus, number of properties managed, age, industry tenure, etc.

Additional findings will be published in an upcoming issue of HSMIAI Marketing Review.

The HSMIAI Revenue Management Strategy Conference was held in conjunction with HITEC and presented by HSMIAI's Revenue Management Advisory Board.

In other revenue management activities, HSMIAI's Revenue Management Special Interest Group (SIG) Leadership has done a remarkable job of helping to grow the discipline, from outstanding, content-rich conferences to on-going chapter activities, outstanding webinars, the publication of special reports, and the recent debut of a cutting-edge simulation on Revenue Management, which will be held again this fall, Sept. 22-23, 2007 in Boca Raton, FL.

Furthermore, HSMIAI has developed a prestigious certification in revenue management - the Certified Revenue Management Executive (CRME.) Individuals working in revenue management in the hospitality industry, and who meet the minimum qualifications, can take an online examination offering them a chance to confirm their knowledge, experience and capabilities in their field. More than 20 industry professionals achieved the designation since the program launched in the fall of 2006. For more information, go to: [www.hsmiai.org/resources/certification.cfm](http://www.hsmiai.org/resources/certification.cfm).

The HSMIAI Revenue Management SIG was created to advance the revenue management discipline through education, certification, participation, resources and guidance, enabling leaders to optimize revenue and performance within their own organizations. Ongoing initiatives include strategy conferences and webinars, online community and Web site of resources, in-depth reports, networking opportunities and CRME certification. For more information, visit [www.revmanagement.org](http://www.revmanagement.org).

HSMIAI is an organization of sales and marketing professionals representing all segments of the hospitality industry. With a strong focus on education, HSMIAI has become the industry champion in identifying and communicating trends in the hospitality industry, and bringing together customers and members at annual events, including HSMIAI's Affordable Meetings(R). Founded in 1927, HSMIAI is an individual membership organization comprising more than 7,000 members worldwide, with 39 chapters in the Americas Region.

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