

Cornell Study Demonstrates Improvements in Hotel Food and Beverage Forecasting

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Occupancy Data Can Substantially Improve Predictions of Hotel F&B Trends

A detailed test of hotel food and beverage forecasting has found that most F&B forecasts are improved by the inclusion of room occupancy data. The study, "Forecasting Covers in Hotel Food and Beverage Outlets," by Gary M. Thompson and Erica D. Killam, is available at no charge from Cornell's Center for Hospitality Research (www.hotelschool.cornell.edu/research/chr/pubs/reports/2008.html). Thompson is a professor of hospitality operations at the Cornell School of Hotel Administration, and Killam is a graduate of the school.

Thompson and Killam tested 27 different forecasting methods, each with slightly different mathematical rules. Six methods were based on an F&B outlet's historical data, but those fell short compared to the 21 formulas that used some form of occupancy data. On average, hotel forecasting accuracy improved by 11 percent using room data, compared to using only historical data.

Hotel Food and Beverage Trend Study Identifies Key Ingredients to Controlling Costs and Improving Revenue

'This initial test used data from just four hotels, but that included 33 diverse food outlets,' said Thompson. 'It seems clear that it's worth pursuing forecasts that include room occupancy, especially given the importance of forecasting to effective F&B management.'

In discussing the new study of hotel food and beverage forecasting, Killam added: 'In seven of our tests, we saw improvement of 25 percent by including occupancy data. We're hoping that hotel operators will be willing to share their data with us so that we can extend this test. Better forecasts are a way to control costs and improve revenues.' Killam is now working in operations for Aman Resorts.

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