duetto

Driving Change at Village Hotels

How new technology is helping British brand gain market share and drive revenue

RevPAR +6.3% | RevPAR Index +2.4% | Occupancy : +4.3% (2017 vs. 2016)

The Challenge

Founded in 1995, Village Hotels is a group of 29 hotels located in peripheral-city locations across the UK. Yet, after 20 years of operating, the brand had stagnated, due to a lack of investment and a lack of innovation. KSL Capital Partners acquired Village Hotels in 2014 and looked for ways to improve the fortunes of the under-utilised assets.

KSL called for immediate ways to improve operations, revenue and asset value, bringing in new management to lead the changes required. The new team questioned not how much would it cost to make the changes required but rather how much money would Village Hotels lose if things stayed the same.

The Solution

The entire IT infrastructure was overhauled. Village Hotels installed 100 Mb/s broadband in all properties, enabling it to meet both its own network needs and those of its clientele.

Village Hotels changed 36 applications, moved its PMS to the Hetras native cloud platform and moved everything else to the cloud. Village wanted a tech stack that operated on an OpenAPI structure because it enables all applications to communicate with and work alongside each other.

In November 2016, the company implemented Duetto's GameChanger application across the entire portfolio. In the first full 12 months of operating, key metrics such as occupancy, revenue and RevPAR Index all made gains.

"Our goal is to build our pricing the closer we get to arrival date.

The business rules in Duetto help us do this."

— Rob Paterson
Commercial Director, Village Hotels

The Results

The aim was to shift the inventory that, in previous years, Village had been unable to sell. Duetto was an enabler in this, helping the group price competitively to sell out.

In 2016, the group reported an average occupancy of 81.3%. By the end of 2017, that figure had increased to 85.6%, with properties in Scotland reporting average year-end occupancies in excess of 90%.

In 2016, Village Hotels reported 106.9 on RGI, but by the end of 2017 this figure had increased to 109.5, with 24 out of its 28 hotels placed No. 1 in their competitive set.

Results
(2017 vs. 2016)
RevPAR: **+6.3%**
RevPAR Index: **+2.4%**
Occupancy: **+4.3%**
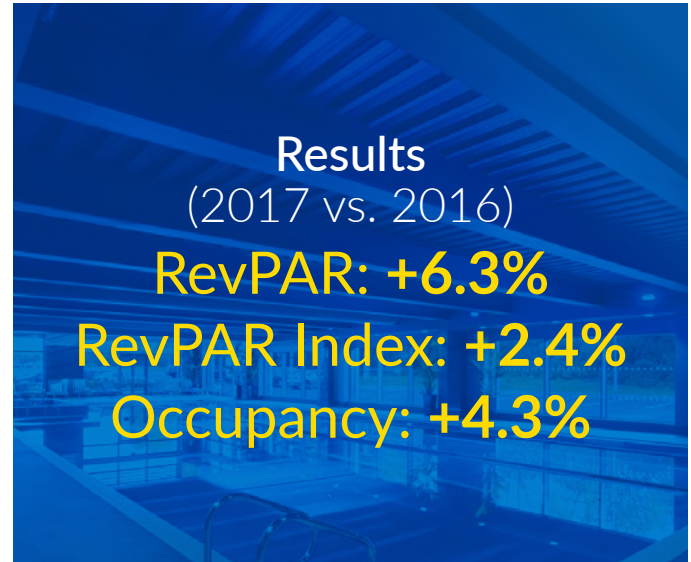
How it Happened

▌ Updated the entire IT infrastructure, including a new PMS and EMS, and implemented Duetto's GameChanger application

▌ Moved all technology to the cloud to keep systems constantly up to date and reduce cap-ex costs

▌ Adopted an OpenAPI infrastructure to enable all applications to communicate with each other

▌ Focused on driving occupancy through competitive pricing, then used on-property facilities to boost incremental spend

▌ Automated many manual systems, including the charge for no-shows and cancellations

▌ Improved the customer journey with high-tech improvements such as mobile check-in and Amazon Alexa in rooms

"Two and a half years ago we were achieving 77.5% occupancy with a higher fixed cost. Now, in 2017 we achieved 90% occupancy, and we forecast mid-90% in 2018. That's a huge step forward. It's 180,000 more rooms sold each year. That's a lot of customers coming through the doors that we can sell to."

— Rob Paterson
Commercial Director, Village Hotels