



Driving Record Growth with Zleep Hotels

Danish hotel brand invests in technology and pares back frills to drive profits

RevPAR: +19.8% | ADR: +14.1% (2016 vs. 2015)

The Challenge

Zleep provides an innovative limited-service offering, which is reflected in its room rates. The brand's challenge was to move away from on-property revenue management via Excel and invest in a group-wide platform that would drive better margins as it works on expanding its footprint into new markets in Denmark.

Zleep properties are typically 80 to 160 rooms, with the smallest being just 42 rooms. This, coupled with the lack of other peripheral F&B services, made yielding vital to profitability. The company wanted the insight to price according to demand and customer segment.

“Now our revenue managers have time to do their real jobs: to get in deep, look at segmentation ... and determine how we can develop different markets. ... It's been a perfect match for us.”

— **Per Denker Sørensen**
COO, Zleep Hotels



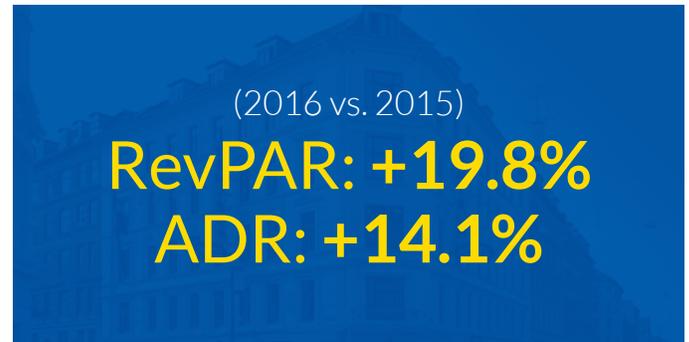
The Solution

Zleep Hotels became the first group in Europe to partner with Duetto. The investment in its cloud-based price optimization application followed other IT improvements and property investments at the chain.

Zleep also reduced costs from other areas of the operation by removing restaurants, mini bars and guestroom telephones. New properties were also renovated in line with the brand's identity. The group now operates nine properties, with plans to grow its portfolio abroad, aiming for 20 hotels by 2020. Zleep signed its first hotel under a management contract in 2016.

The Results

Zleep had seven properties using Duetto for the whole of 2016 (two more were added later in the year). Based on those seven, gains were seen in both ADR and RevPAR, with some properties seeing substantial double-digit growth in terms of total revenue. Revenue growth was seen despite the fact that inventory and occupancy were impacted by renovations.



How it Happened

- **Investment in IT:** Properties streamlined operations, making them more cost-effective.
- **No more Excel:** Time spent on data input, analysis and reporting in Excel is now spent on segmentation, strategy and understanding pricing trends, developing a custom-fit strategy to each property.
- **Efficient staff operations:** Hotel managers work with the central revenue management department. There is no on-property revenue manager.
- **Open Pricing:** Real-time rate changes have enabled each hotel to yield rates to suit each customer in line with market demand.

“2016 was the best year in my hotel for the bottom line. I personally know that part of this great bottom line is due to Duetto’s performance.”

— Manuela Iorga
Hotel Manager, Zleep Hotel Copenhagen City