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How Grupo Posadas Moved Beyond 'Masters of Excel'

Mexico's largest hotel company invests in efficiency to capitalize on the country's tourism boom faster than its competitive set

RevPAR: **+7.6%** (2017 vs. 2016)

The Challenge

As the largest hotel company based in Mexico, Grupo Posadas has benefited from that country's explosive growth in tourism. Its ambitious expansion plans call for nearly doubling in size to 300 hotels by 2020, including resort properties and city center hotels spread across seven different brands.

However, company executives said, achieving that scale would require Posadas to change the way it analyzed and managed its pricing and distribution strategies. The company's revenue management department spent too much time second-guessing and working around data it often found to be unreliable and inaccurate.

As one director of revenue management put it, her team became "masters of Excel." But to elevate Posadas' pricing at scale, the company needed a new Revenue Strategy and the right tools to enable it.

The Solution

Posadas recognized that it had ample revenue management talent already and that it would have opportunities for those people to develop as the company expanded in size. But it sought to simplify its processes in order to scale efficiently, leading to the adoption of a collaborative Revenue Strategy.

The company implemented Duetto's flagship Open Pricing solution, GameChanger, across its midscale, upscale and upper upscale brands. Working within the app — instead of countless spreadsheets — Posadas' revenue managers quickly aggregated data for particular segments or markets and had more time to analyze the information. They made pricing decisions before Posadas' comp set could act, often resulting in bookings for higher rates than the competitors'.

"In a very short period, you can make a lot of decisions that can improve your profit tremendously. We have seen that we've been able to optimize certain days way before our competitors."

— **Enrique Calderon**
Chief Operating Officer, Grupo Posadas

The Results

Posadas officials said moving from an on-premise, legacy RMS to a cloud-based environment made its revenue team more efficient in managing a complex business that includes city hotels and resorts, at a time when domestic travel and inbound tourism were both growing.

In 2017, when STR found the Mexican market grew Revenue per Available Room 6.4%, Posadas outperformed with a 7.6% RevPAR increase, including a 13.7% gain for the Fiesta Americana brand.

(2017 vs. 2016)

RevPAR: +7.6%

How it Happened

▌ Replaced on-premise RMS with a cloud-based application, GameChanger, for a simpler way to manage and automate pricing and distribution decisions.

▌ Made faster pricing and promotion decisions in response to changing demand across Posadas' various markets and customer segments.

▌ Transitioned from using Excel spreadsheets to leveraging GameChanger's forecast and pace and pickup reports to plan more strategically.

▌ Focused on ADR-driven revenue growth, seizing opportunities to yield rates higher by segment, distribution channel or room type.

"Using Duetto gave us the opportunity to focus on the analysis of information and to have our controls and restrictions up in real time."

— Erick Valdespino
Associate Director of Pricing and Revenue Strategy, Grupo Posadas