

# Automation Drives Business Success For Ruby Hotels

Lean luxury, backed with an innovative approach to technology and data, is the framework for profit growth at Europe's Ruby Hotels.

**Results: RevPAR: +25% | ADR: +11% | Occupancy: +13%**  
(H2 2018 vs. H2 2017)

## The Challenge

Germany-based Ruby Group was founded in 2013 with a mandate to deliver 'Lean Luxury', a hospitality philosophy built on a lean organisation structure, concentrating on delivering only the essentials in a contemporary setting.

This lean organisation structure has technology at its heart. Anything that can be automated has been, including check-in and check-out, while many on-property functions like revenue management have been centralised and are handled out of the group's Munich headquarters.

At the start of 2018 Ruby had four hotels in operation, with two more added during the year. Ambitious expansion plans will see the brand enter new markets, including the UK, Switzerland and China by 2020. Therefore, the group needed a scalable revenue solution to enable its senior management to have both group and property-level analytics and the ability to action on these.

## The Solution

The company runs a fully integrated tech stack of which Duetto is a key part. The company has implemented Duetto's GameChanger, ScoreBoard and BlockBuster applications across the entire portfolio, with new properties being added as they prepare to open.

GameChanger enables Ruby Hotels to yield room categories independently by property and stay date, room type and booking channel. ScoreBoard provides one centralised source of truth for the entire team, and BlockBuster provides valuable insight for group business optimization.

*"The key is how do you maximize RevPAR on peak demand days? Because that's when, in highly compressed markets, you do the majority of your business and that's when you win or lose."*

— **Michael Struck**  
Founder & CEO, Ruby Hotels



# The Results

Comparing July-December of 2018 with July-December of 2017, RevPAR for the four Ruby Hotels in operation (Ruby Lilly Munich, Ruby Lissi Vienna, Ruby Marie Vienna and Ruby Sofie Vienna) increased by 25%.

These four properties also saw ADR grow 11% in 2018 and occupancy increased by 13% for the year.

Outstanding performances by property were seen by Ruby Lissi Vienna, which saw a 49% increase in revenue from March 2017, when it joined Duetto. Ruby Lilly Munich saw a 26% revenue increase, again year on year from March 2017.



## How it Happened

- Using technology to automate its business and operations, and taking out the non-essentials of hospitality, Ruby Hotels had created a lean business model built for maximum profit.
- As a new brand with a fresh take on hospitality, Ruby was able to be innovative with its tech stack selection. It was not curtailed by having to integrate with legacy systems not built for today's fast-paced e-commerce driven market.
- Ruby Group has always focused on driving direct bookings, and currently achieves 50% of all bookings through its direct channels. By being able to flex rates up and down by just one or two euros, the revenue team has been able to maximise on profitability in line with market demand.

*"We believe data wins arguments. Now, with six hotels open, we have a lot of our own data and rely on partners like Duetto to process that data. This makes it much easier to see patterns and react on them."*

— Tobias Koehler  
Group Director Marketing & Commerce, Ruby Hotels