

Change In Business Mix Boosts Revenue At Nira Caledonia

Edinburgh boutique hotel adopts Open Pricing and focuses on rate rather than occupancy to bolster business in Scotland's capital city

Results: RevPAR: +24.6% | ADR: +18.4% | RevPAR Index: +9.8%
(June 2017 vs. June 2016)

The Challenge

Nira Caledonia is a 28-room boutique hotel located in the heart of Edinburgh. It occupies a listed Georgian terraced property.

Being a small operation, everyone on the team is multi-skilled. The hotel was looking for a level of Revenue Strategy automation to free up time spent compiling reports, Excel sheets and pie charts, to enable the team to be more strategic and analytical.

Chris Lynch joined Nira Caledonia as General Manager in September 2015. The hotel began using Duetto in mid-2016.

“Operating the Best Available Rate (BAR) system, we were potentially missing out on business if the BAR level wasn't quite the trigger price. Open Pricing very much fitted our bill. It has brought us everything we wished. It really is a game changer!”

— **Chris Lynch**
General Manager, Nira Caledonia

The Solution

The revenue team, general manager and sales manager are all trained to use Duetto's GameChanger application and now practice an Open Pricing policy.

The hotel operates five room categories. Duetto speeds up the operation, enabling the team to make quicker and better informed decisions when it comes to increasing or reducing rate.

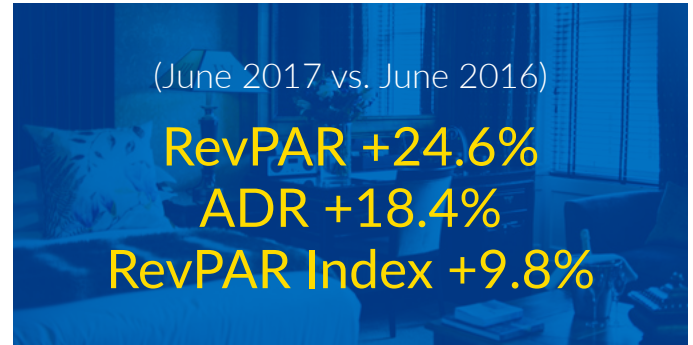
- Rate changes are seamless as Duetto interfaces direct with the PMS
- 400-day forward view for forecasting
- Time is freed up to enable the team to spend more time with the customer



The Results

Within 12 months of adopting Duetto the hotel had seen a 24.6% increase in RevPAR, up from £126.96 in June 2016 to £158.26 in June 2017. Average daily rate (ADR) also made huge gains, up 18.4% from £145.14 to £171.86. The hotel had a RevPAR Index rating of 103 for June 2017, up from 93.8 in June 2016.

Nira Caledonia then went on to enjoy its most successful Edinburgh Festival season ever. For August 2017, the hotel saw a 7.4% year-on-year increase in RevPAR to £205.29. ADR saw a 14.2% year-on-year increase to £233.28. RevPAR Index jumped to 106.9.



In addition to the revenue gains, the hotel also saw operational benefits too. Revenue management meetings previously took 2 hours, since adopting Duetto they now take 20 minutes.

How it Happened

- Open Pricing was adopted for all segments.
- The hotel changed its business mix, recontracting with many of its third-party providers and tour operators.
- Focus on growing rate and RevPAR rather than growing occupancy.
- The team started forecasting and analysing business trends well in advance.
- Enhanced guest communication and route to market with the addition of a guest-facing app.

“Duetto is an exceptional system that allows you to look forward 400 days, so you have an excellent long-term view of what’s upcoming, who’s changing price and what is the demand.”

— Chris Lynch
General Manager, Nira Caledonia