

Diverse Portfolio Reaps Rewards With Open Pricing Strategy

Asia's Ovolo Group makes RevPAR and ADR gains through dynamic room type differentials

Results: ADR: +4% | RevPAR: +4% | RGI: +4%
(July 2018-June 2019 vs. July 2017-June 2018)

The Challenge

Headquartered in Hong Kong, Ovolo Group operates a collection of unique, lifestyle hotels and serviced apartments under the Ovolo Hotels and Mojo Nomad brands. The company currently has four properties in Hong Kong and six hotels in Australia.

The portfolio is extremely diverse, with different demographics and market positioning for each property and brand. The challenge was to bring all these factors together with a centralised revenue strategy and tech stack that would improve revenues and performance across the group.

This against a backdrop of near stagnant market behaviour in both Hong Kong and Australia. STR data for the APAC region in Q2 2019 showed declines in Average Daily Rate (ADR) at -0.7% to US\$97.32 and Revenue per available room (RevPAR) at -1.6% to US\$67.25.

The Solution

As a young and innovative hotel company, Ovolo Group was looking to build a tech stack that was also ahead of the curve.

The company implemented Duetto's GameChanger pricing tool in 2017 in order to price each property, room, segment and guest independently. The company fully embraced an Open Pricing model, reaping immediate rewards by being able to monitor and act on live pickup by date and segment.

Duetto's ScoreBoard intelligent reporting solution enables the Ovolo team to set customised reports at a click of a button, while the tool's Dashboard, with its multi-property statistics, provides senior management with a quick and easy visual representation of how the whole business is performing.

"Open Pricing just made so much sense, so the team here happily adopted it and have used this to maximise our revenue performance. This shows in our figures where we have grown compared to competitors and markets where most of them declined."



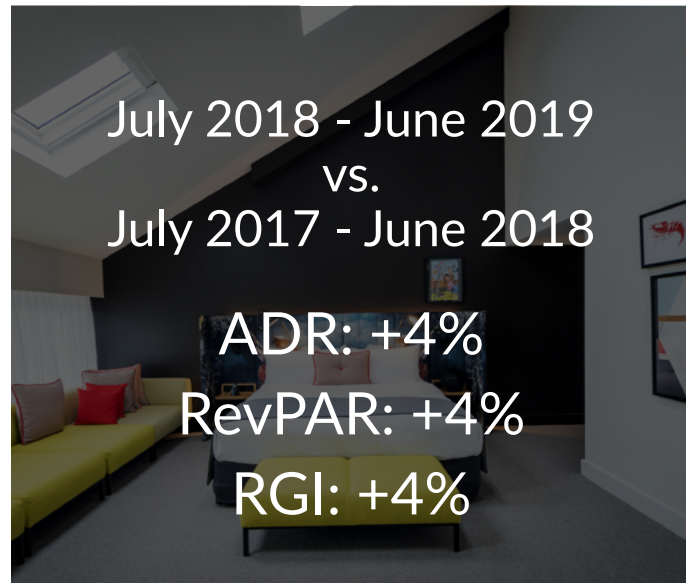
— Kanwarpreet Kanwar
Director of Revenue, Sales & Distribution, Ovolo Group

The Results

The markets in which Ovolo Group operates have traditionally seen buoyant trading conditions and high occupancies but are currently stagnant. However, Ovolo wanted to further drive its revenue opportunities.

Since onboarding with Duetto, Ovolo Group has been better able to target niche markets, enabling them to improve and drive revenue through Open Pricing and working with dynamic room type differentials.

Ovolo Group has seen a 9% increase in rooms revenue year-on-year for the first half of 2019 and is forecasting a 5% increase in average daily rate (ADR) throughout 2019.



How it Happened

- Open Pricing strategy was adopted across the entire portfolio of 10 properties. This has enabled the team to optimise rates multiple times a day.
- Embracing room type differentials led to a more dynamic pricing strategy, which assisted in revenue growth.
- GameChanger and ScoreBoard have freed up the team to be more strategic, as less time is now spent on manual reporting.
- A centralised team, working with live figures accessible from the same application, has helped simplify a lot of processes ultimately impacting on improved revenues and performance.
- Fortnightly calls with the Duetto Customer Success team enable the team to learn more about the applications and discuss new revenue strategies and their implementation.
- Ovolo Group is now looking to streamline its tech stack across the board and move its core infrastructure to cloud-based systems.

“Working with dynamic room type differentials, Duetto has allowed us to work smarter, be more nimble with pricing, and I feel gave us a competitive advantage over our competitors in the industry.”

— Kanwarpreet Kanwar

Director of Revenue, Sales & Distribution, Ovolo Group