



IHG Launches Price Optimization Module

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ATLANTA (Sept. 9, 2009) - IHG (InterContinental Hotels Group) has launched a new Price Optimization module globally that integrates local market demand forecasting, publicly available competitive data analysis and price sensitivity modeling to drive optimal revenue decisions for its hotels.

The Price Optimization module is the latest addition to IHG's PERFORMSM revenue management system and helps IHG's hotels determine the best daily price. IHG has more than 4,300 hotels worldwide including InterContinental® Hotels & Resorts, Crowne Plaza® Hotels & Resorts, Hotel Indigo®, Holiday Inn® Hotels and Resorts, Holiday Inn Express®, Staybridge Suites® and Candlewood Suites® hotels.

“PERFORM with Price Optimization is important to our hotels and our guests because it takes the guesswork out of pricing,” said Eric Pearson, Chief Marketing Officer, the Americas, IHG. “The module strengthens the ability to make pricing decisions that bolster bottom line results at our hotels and offer market driven rates to our guests. We are proud to have developed this capability ahead of the industry, rolling it out to our hotels at a time when they need it most.”

While traditional revenue management systems select rates based on demand predictions, IHG's Price Optimization module has a price sensitive modeling process that allows the system to continuously balance rates, occupancy and guest pricing preferences in a way that increases revenue opportunities regardless of demand.

“The Price Optimization module makes it so much easier for our hotels to make competitive pricing decisions,” said Kerry Ransen, president and CEO, HP Hotels, which owns six IHG hotels with brands that include Holiday Inn and Holiday Inn Express. “Plus, we're seeing positive results following the system generated price recommendations.”

The Price Optimization module is a proprietary system that was developed by IHG with the consultation of Bob Cross, who is considered the “guru of revenue management” in the industry, and his company, Revenue Analytics.

“IHG's Price Optimization capability is the greatest single achievement in Revenue Management this decade,” said Cross, chairman and CEO, Revenue Analytics. “This industry leading capability helps pricing become more science than art. It is the first system to dynamically measure the responsiveness of guests to price changes and simultaneously optimize prices based upon consumer response, competitive rates and capacity constraints. With this new capability, IHG has minimized the complexity of pricing for their hotels and enabled them to be more responsive to the market.”

Global implementation will continue throughout 2009 and 2010.