

# PROFITER

Profiter is a software of *predictive analytics* driven by machine learning.

Profiter focuses on improving online distribution by delivering more profitable revenue, consistently. With predictive intelligence, the startup wants to improve profitability by optimizing inventory allocation. Its proprietary artificial intelligence engine makes real-time decisions on which is the most profitable channel for inventory distribution. It also sets a recommendation on how much to spend to drive direct acquisition. The software actively manages inventory, while also monitoring and forecasting future trends to consistently improve its recommendations.

*“In the current situation of COVID emergency, we find interesting to adjust the project development to assess the Hotel Market needs”*

## THE CURRENT DISTRIBUTION LANDSCAPE & COVID EMERGENCY

The current COVID emergency is unprecedented and having a terrible impact on the Hotels that are losing **up to 90%** of their occupancy rate in the short term. The pick-up is stuck and the explosion of the emergency to foreign countries with consequent closure of the borders is driving more and more uncertainty for the future.

***Now, more than ever, Hotels need to monitor the market demand and understand the evolution of the booking pace in order to work on the recovery strategy when the demand will rebound.***

## WHEN WILL DEMAND REBOUND?

During crisis times, data is key.

Chain or managed hotels are leveraging all tools at their disposal in order to predict demand, but uncertainty reigns. Benchmarking, RMS, algorithms. They are valid tools but the truth is that real-time data will prove the effective demand evolution at rebound.

## OCCUPANCY AND REVENUE GENERATION WILL BE TOP PRIORITY

There are long debates ongoing about intermediated channels and OTAs. Some Hotels will take drastic decisions, others will need to leverage any channel at their disposal – and open up new ones – to get high visibility and volumes to cover fixed costs.

PROFITER wants to cooperate with the Channel Manager and temporarily shift the focus from *inventory management* to channel management to satisfy the current market needs with 2 solutions:

- 1) DAYA ANALYTICS AND BENCHMARKING
- 2) RECOMMENDATION ENGINE

## 1) DATA ANALYTICS AND BENCHMARKING

Currently, Channel Managers offer limited data analytics in their platforms and the insights available are related to the property only. No data comparison or analytics are delivered, despite the big amount of data and Hotels that are connected.

PROFITER wants to build a *benchmarking tool* leveraging the data of the channel managers, to give to the Hotels the following insights that respond to current market needs. By identifying and clustering Hotels (defined as “Set”) belonging eg. to the same city, metropolitan area, destination or by building a competitive set of properties based on defined criteria and always anonymized:

- *Booking pace*: volumes, ADR and revenue on the books per month, weekday – Hotel vs Set.
- *Pick-up*: frequency of room nights and revenue booked per period of time (eg. vs yesterday, last week)
- *Split per channel*: on the books data will be drilled down by booking channel, comparing the share per channel of the Hotel vs the Set.

What is the value of this data?

- Hotels could have a **real-time benchmark** at hand and during these uncertain times, they can measure when demand is coming though for their own properties and for the Set. Adjusting strategy accordingly
- The pick demand will provide frequency and assess the Hotel’s own performance compared to the Set, giving **insights** whether it is the case to activate tactical promotions or any other activity in order to ramp up.
- The split per channel will make easy for the Hotel to compare their own performance compared to the Set, identify opportunities or cannibalization and **connect to the recommendation engine**

## 2) RECOMMENDATION ENGINE

The RE is a solution strongly linked to the data analytics and benchmarking but further simplifying the job as it would translate and interpret the data for the Hotel, providing:

- Channel performance
- Suggestions on new channels to activate considering the Set benchmarking, to drive incremental revenue
- Highlights on over or underperforming channels for revenue and profit optimization
- PROFITER negotiation on new channels to activate on behalf of the channel manager, in order to further increase revenue and profit for both parties.

### WHY BOTH HOTELS AND CHANNEL MANAGERS WOULD BENEFIT FROM THIS

- The momentum we are living requires data and knowledge to survive. Only a small part of independent hotels use RMS tools or benchmarking tools. A big part of Hotels uses channel managers. Data will be made available for everybody to be leveraged, democratically and anonymized. Giving a competitive advantage to the channel manager and the greatest value to the Hotels
- Channel mix education and a healthier and more profitable hotel strategy meaning: intelligent and diversified distribution
- New channels and partnership through PROFITER-CM cooperation and the conversion of the channel from a transactional to a revenue & profit intelligent tool

### FUTURE GOALS

We believe in our vision so we continue to work to better implement our inventory management software.

We are confident that this is the future of online distribution. Our work will allow many suppliers to reduce the costs of their online sales and regain control of their inventory.