

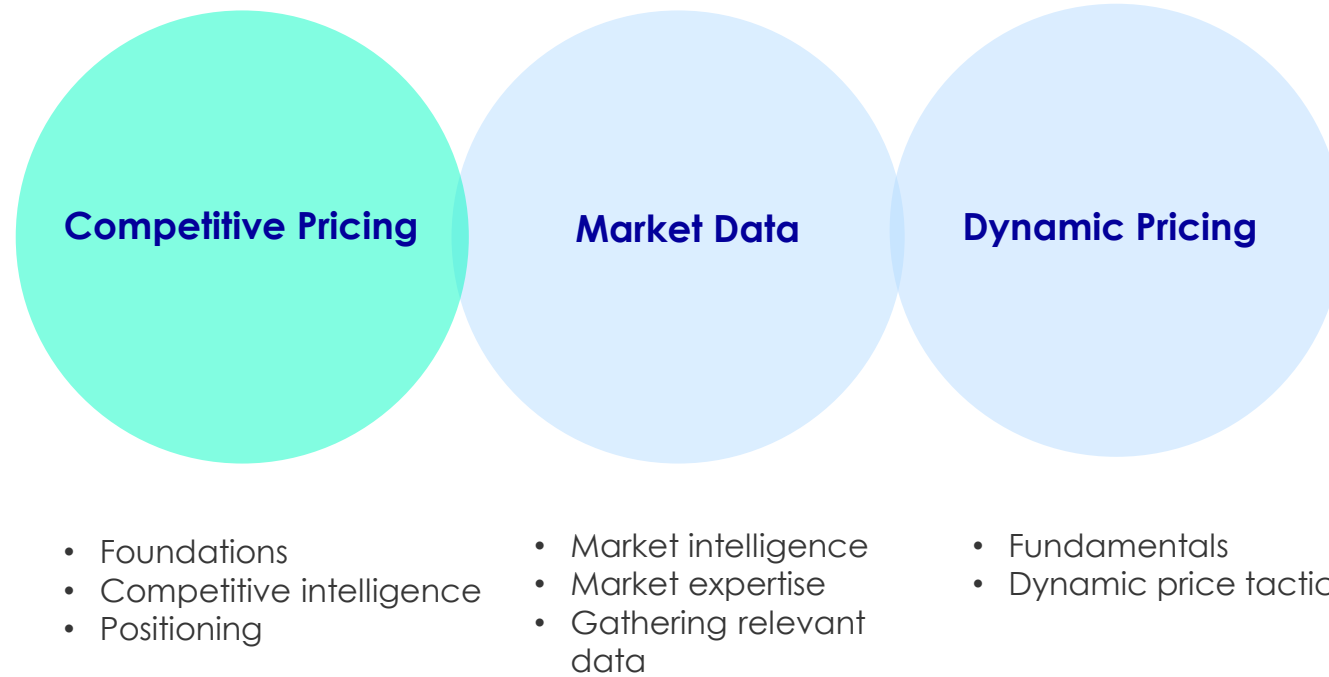


Part 1

Pricing techniques for a dynamic and competitive marketplace



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Pricing foundations

- Examine the value you offer
- Put yourself in the shoes of the traveler
- Consider your costs
- Define your goals & objectives



- Create a price-value matrix
- Examine location, guest reviews, star rating classification
- Review competitive data indicators
- Choose a competitive set, review and adjust

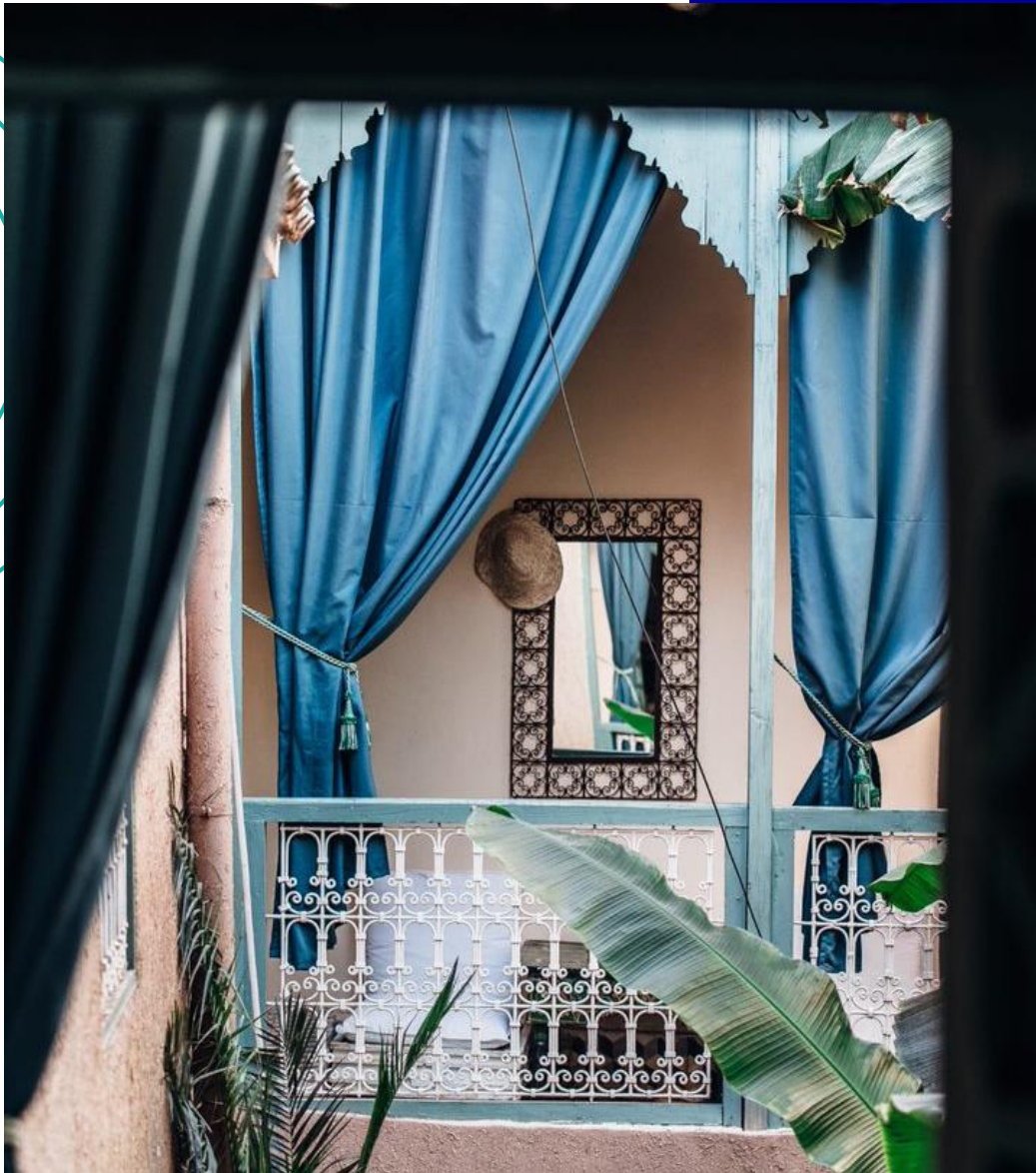


Competitive intelligence

Monitor competitive price behavior

Why is this important?

- Stay informed
- Identify opportunities
- Market dynamics change
- Prices can indicate competitor performance



Take practical actions when monitoring the competition

- Review dates in the short & long term
- Track your competitive price rank
- Compare conversion rates
- Look beyond your competitive set





Price positioning

Common benchmarking techniques

- Undercut
- Match rate
- Higher
- Market entry

Photo Source: Getty Images

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- Be consistent
- Monitor real-time pricing
- Think short & long term
- Schedule alerts



Pricing techniques for a dynamic and competitive marketplace

Competitive Pricing

- Foundations
- Competitive intelligence
- Positioning



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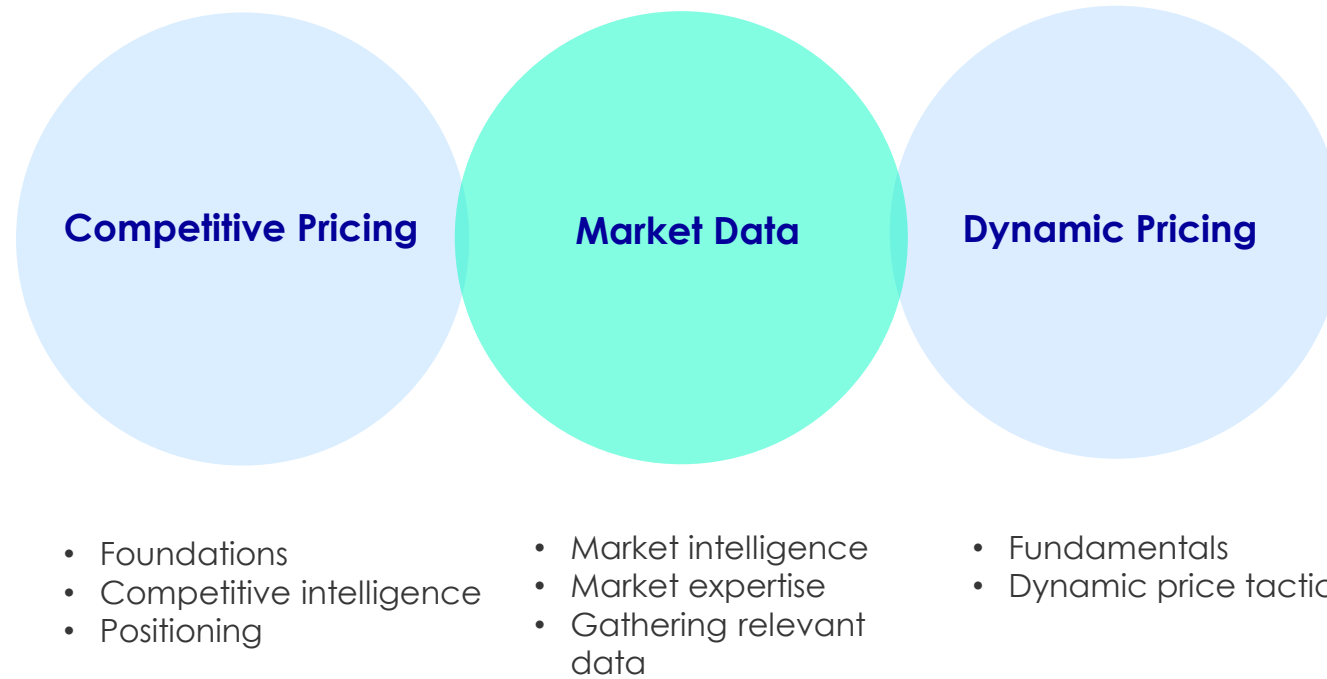


Part 2

Pricing techniques for a dynamic and competitive marketplace

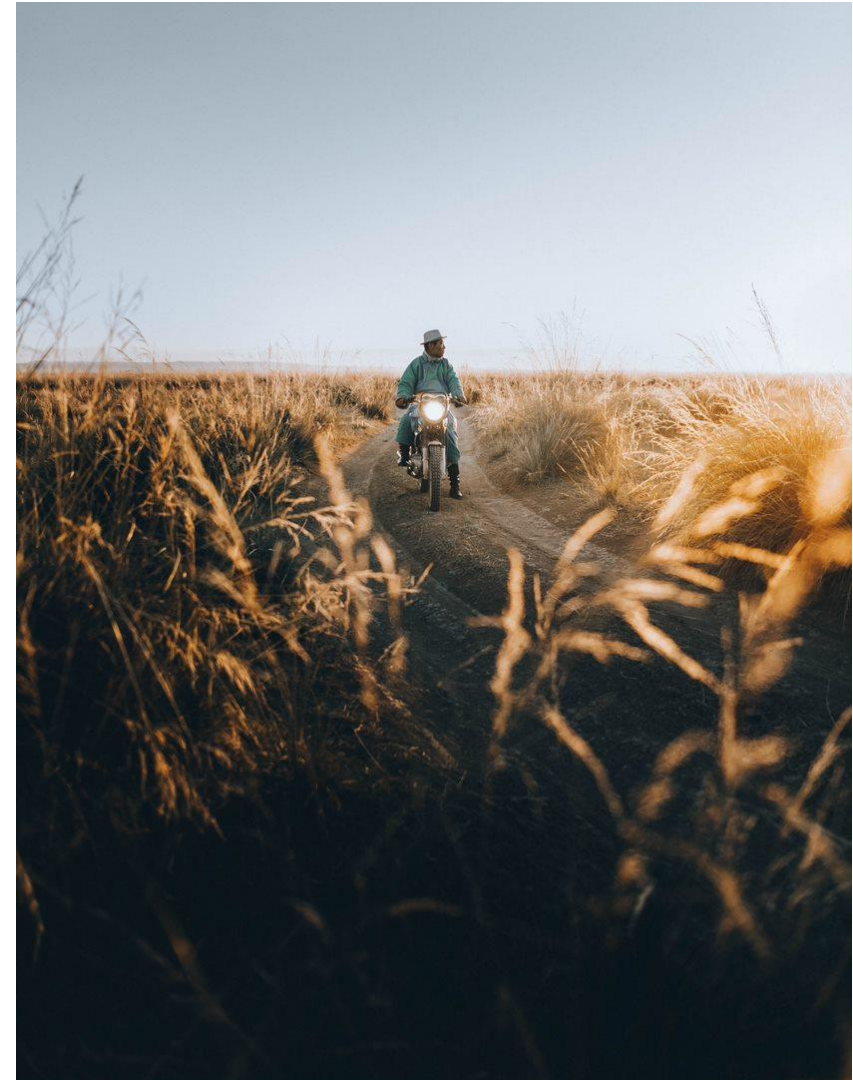


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How can market data help you?

- Learn from historical demand
- Measure your relative performance
- Identify forward-looking trends
- Spot opportunities for revenue growth
- Allocate spending
- Increase forecast accuracy





Data driven decisions based
on historical and forward-
looking data





Market expertise

- Seasonal patterns
- Day of week patterns
- Events & holidays
- Business mix / segmentation
- Booking window
- Average length of stay
- Booking method
- Booking channel
- Source markets
- Cancellation rate



Gathering relevant data

How can you access information?

- Revenue Management technology solutions
- Online Travel Agencies
- Data aggregators & consultancies
- Tourism organizations

- Be consistent
- Leverage forward-looking data
- Monitor changes
- Share with stakeholders



Pricing techniques for a dynamic and competitive marketplace

Market Data

- Market intelligence
- Market expertise
- Gathering relevant data



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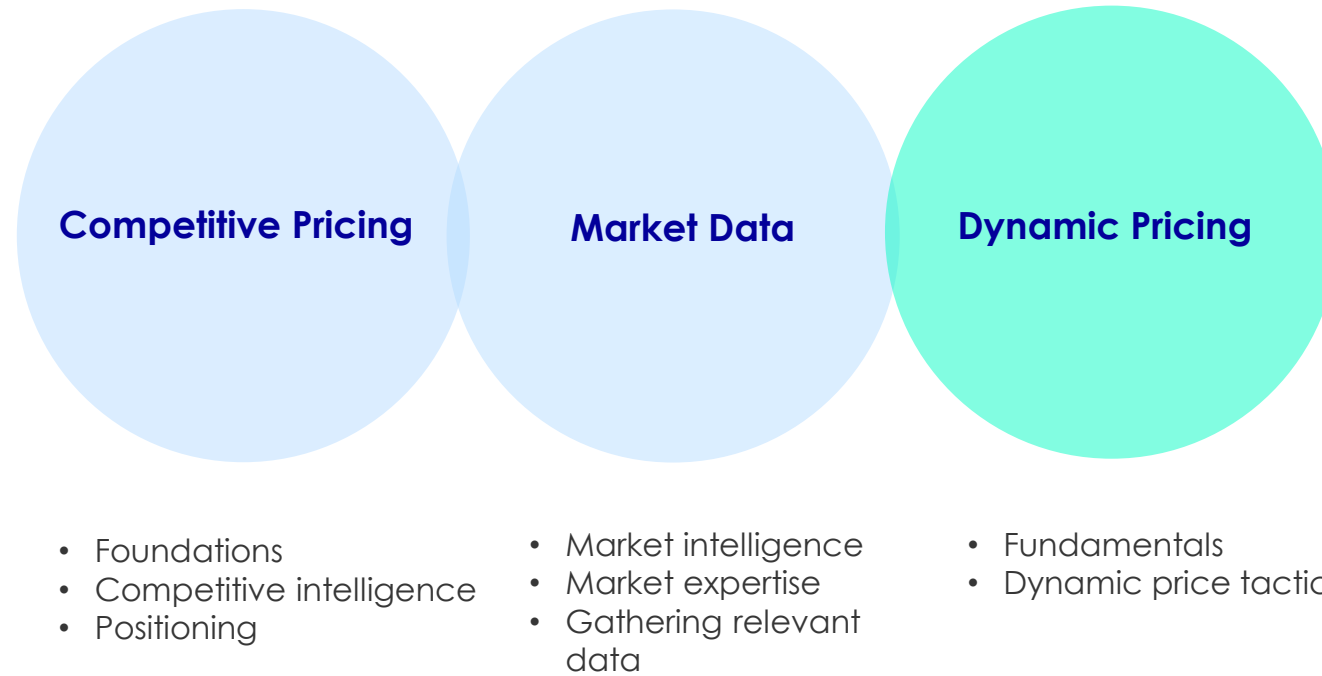


Part 3

Pricing techniques for a dynamic and competitive marketplace



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Static Pricing

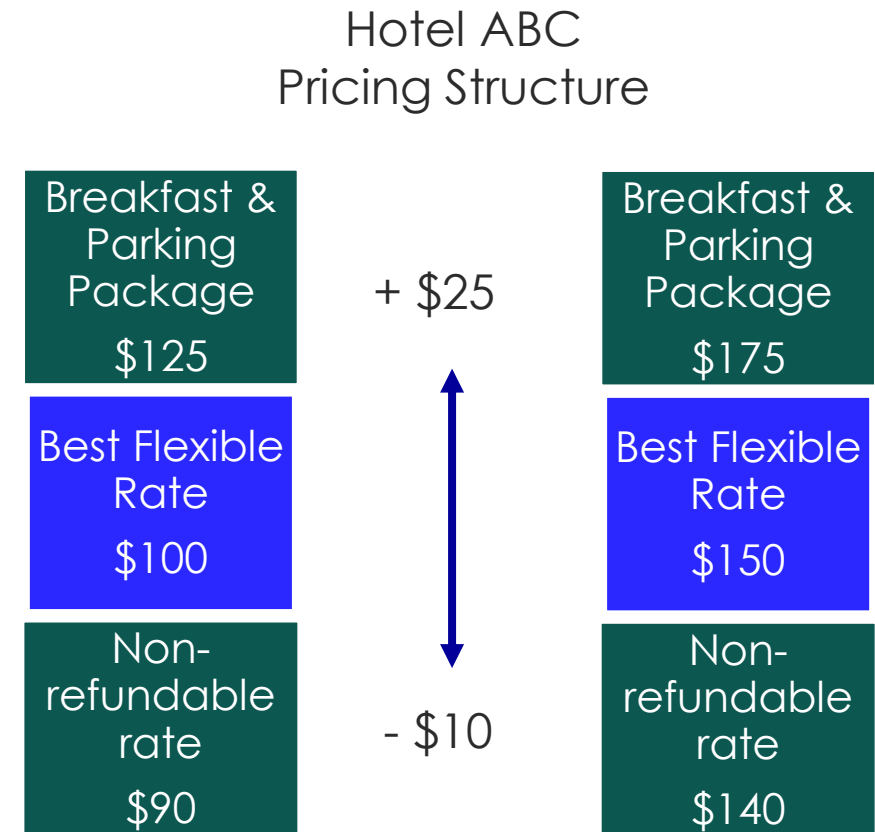
- Offering a consistent price across a range of dates
- Static pricing does not account for demand factors



Dynamic Pricing

- Offering a price to meet the demand conditions at a given time
- Dynamic pricing is proven to increase revenue performance

- Best flexible rate
- Lowest available rate
 - Flexible vs Non-Refundable



Hotel ABC Pricing Structure

Standard Room

Breakfast &
Parking
Package
\$125

Best Flexible
Rate
\$100

Non-
refundable
rate
\$90



Suite Room

(normal price = + \$30)

\$155

\$130

\$120

Suite Room

(special event price = + \$50)

\$175

\$150

\$140

Dynamic pricing - advanced

- Lead time pricing
- Segment pricing
- Length of stay pricing
- Day of week pricing
- Event pricing





Dynamic pricing

Promotions

- Fenced pricing
- Point of sale (area)
- Point of sale (channel)
- Value add
- Limited time offer
- Last minute
- Early booker
- Campaign

- Data informed decisions
- Balance short term gains with long term profitability
- Get creative
- Chart your own course
- Test and learn



Pricing techniques for a dynamic and competitive marketplace

Competitive Pricing

- Foundations
- Competitive intelligence
- Positioning

Market Data

- Market intelligence
- Market expertise
- Gathering relevant data

Dynamic Pricing

- Fundamentals
- Dynamic pricing tactics



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