

Travel Price Optimization



Optimize brand value with pricing and promotion

What do the world's best hotels, holiday parks and cruise lines have in common? Besides providing amazing customer service and one-of-a-kind experiences, they need competitive pricing to remain profitable. Underpricing reduces potential value and can risk starting a price war. Overpricing means excess unsold capacity; empty rooms, suites and cottages don't engage customers or build your bottom line.

Blue Yonder's travel price optimization capabilities keep your prices at optimal levels to support brand value. With this price network optimization engine, deployed across industries including transportation, hospitality and cruise, you can unleash optimized price recommendations. Able to process factors including bookings on hand, unsold capacity, remaining demand forecasts and customer willingness to pay, these comprehensive capabilities can give you an edge on the competition.

Why go at it alone? Rely on Blue Yonder, the industry leader

Traditional demand forecasting systems assume price doesn't influence demand, or that past pricing is a constant, representative of future prices. In reality, remaining competitive means having price-sensitive forecasting, recognizing how demand levels vary with the prices you charge, and can adapt as the market changes.

Real results

Revenue increase up to

4-7%



Now you can leverage the power of Blue Yonder's machine learning capabilities for more accurate, price-sensitive demand forecasting. Provided with a complete view of the pricing strategy across the full booking horizon with price profiles, as the market evolves, your business can project optimal price recommendations that are driven by data. Deliver the best value for customers while maximizing your overall profitability, and enjoy the agility and flexibility you need to control pricing behavior with a variety of parameters available for customization.

Travel price optimization capabilities within easy reach

With travel price optimization capabilities, you can estimate price sensitivity for different markets and products using historical data. Combined with competitor data and your pricing history, these leading-edge capabilities can adjust demand forecasts to reflect market changes. You can rely on exacting precision using Blue Yonder's machine learning demand forecasting capabilities.

Travel price optimizer capabilities estimate price elasticities with ongoing and automated monitoring. It is also able to support both stay-night and length-of-stay pricing and can determine ideal capacity allocations for different lengths of stay. The solution calculates sales for length-of-stay and channel combinations. As capacity fluctuates, the algorithm takes current allocations into account to prevent unsold capacity. The solution also supports rule-based constraints, controlling pricing levels and maintaining consistency across offerings.

This robust set of capabilities offers a wide variety of optimization scenarios, including continuous or discrete pricing; additive and multiplicative rules for pricing and discounting; and planned upgrades based on pricing and capacity. When demand for economy rooms escalates and demand for premium rooms declines, the solution can recommend whether to plan for upgrades by overselling economy rooms, maintaining a price differential with premium, or lowering the price of the premium accommodations to stimulate demand directly.

Additionally, the solution recommends a price profile for current conditions and indicates how price should evolve over time as the date of the stay approaches. Overbooking and group evaluation are both supported. While the capabilities are designed to optimize contribution (revenue minus variable costs, plus ancillaries) across the network, the system can also be weighted in favor of occupancy.



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