



# Today's Workshop: Solving the pricing problem

# AGENDA FOR TODAY

Welcome from HSMAI - Jackie Douglas, President Asia Pacific

Workshop: **Solving the Pricing Problem** - Tamie Matthews, Revenue Consultant, RevenYou & HSMAI Trainer

- The Value Proposition
- Getting to know your customers
- Getting to know your competitors
- Getting to know your competitors pricing
- Getting to know your pricing

How to learn more about topics like this - Jackie Douglas

# Hospitality Sales and Marketing Association International (HSMAI)



The Hospitality Sales and Marketing Association International (HSMAI) is committed to growing business for hotels and their partners, and is the industry's leading advocate for intelligent, sustainable hotel revenue growth. The association provides hotel professionals & their partners with tools, insights, and expertise to fuel sales, inspire marketing, and optimize revenue.





# Certifications



# Online Learning & Qualifications for hotels and resorts

- Revenue Management
- Sales
- Digital Marketing
- Commercial Acumen



**3 CERTIFICATIONS**  
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# More educational Workshops for hotels

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- 2-Day Sales Workshops
- 2-Day Digital & Revenue Workshops for Resorts
- Webinar series - Digital Sales Essentials
- Webinar series - Digital Marketing Essentials
- 2-Day Commercial Bootcamps

<https://hsmaiacademy.org/classes/>

# Value Proposition

How much should I be charging?

Am I priced right?

How do I know?





## RevenYou.net.au

- ▶ Having spent a lifetime working in 3-5 star branded properties around the world, Tamie's passion is helping hoteliers across Asia Pacific **upskill** their knowledge, understanding and skills in revenue management, distribution, sales & marketing.
- ▶ Tamie and the team at RevenYou manage revenue, distribution, sales & marketing for a variety of properties across APAC, so we know **tourism and work in it daily**. As we work with industry insiders daily, we're always up to date on the issues facing the industry, which allows us a unique opportunity to develop strategies tailored to the people managing properties, based on the latest **best practice**. You learn from our **team's collective experience and expertise**
- ▶ Tamie & the team are solutions driven and bring a wealth of knowledge and practical experience in how to increase profit margins by using what is available for free or at very little cost
- ▶ Every client is unique, we create a bespoke package to suit your requirements



# What is a Value Proposition?

## The Value Proposition Formula

Fill in the Blanks

1. I help people who are struggling with \_\_\_\_\_
2. by offering \_\_\_\_\_
3. and my service is unlike any others because \_\_\_\_\_

- ▶ A statement defining the value a company promises to deliver to customers should they choose to purchase their product.
- ▶ It is a part of your marketing strategy
- ▶ It is the beginning of any marketing strategy
- ▶ It is the foundation of what we do every day.





## Let's break it down: I help people who are struggling with ...

- ▶ Somewhere to sleep
- ▶ Somewhere to meet
- ▶ Somewhere to relax
- ▶ Somewhere to eat
- ▶ Somewhere to be safe
- ▶ Somewhere to escape
- ▶ Somewhere to indulge
- ▶ Somewhere to enjoy
- ▶ Somewhere to dream
- ▶ Somewhere to learn
- ▶ Somewhere to go
- ▶ Somewhere to be





# And my service is unlike any others because:

- ▶ Location, location, location
- ▶ Price
- ▶ Facilities
- ▶ MICE
- ▶ Transportation
- ▶ Car park
- ▶ Menu
- ▶ Cocktails
- ▶ Reviews

Are these really Unique Selling Points?



# Getting to know your customers

**ReVenYou**

**RY**





**VALUE**



**WANT**



**NEED**

# Customer Behaviour: market segments

TARGET MARKET EXAMPLE A

|                  | Source Market                  | Market Segment               | Percentage of sales |
|------------------|--------------------------------|------------------------------|---------------------|
| Primary Market   | Brisbane, Sydney and Melbourne | Families - holidays          | 70%                 |
| Secondary Market | Brisbane, Sydney and Melbourne | Couples - Seniors - holidays | 30%                 |

## The Juggling Jones's

Life stage: Have school age children, working in professional roles  
e.g. teachers, speech pathologists, senior public servants



Age: 40

Income: \$100K - \$250K

Vehicles: 4WDs, SUVs

Interests: Kids' education, their careers, sports, kids sport, health and fitness, holidays, wine and spirits, cafes, shopping, TV series online, fishing, light adventure activities

Favourite music: Queen

Media: The Project, FM radio stations, Facebook, Instagram, Pinterest, Online news

Path to purchase: Word of mouth friends and family, Facebook, Instagram---Google and Facebook--  
-Facebook and TripAdvisor for evaluation --- Operator website for booking



Challenges and pain points: Nothing for kids to do, poor service, poor organisation, value for money



Showstoppers: Poor service and lack of responsiveness

What our business offers them that they value: Brag-ability, quality service and facilities, private entertainment and relaxation with friends, local attractions and experiences, cafes, nature walks, family will walk away feeling more connected, have had new experiences, made new memories

- ▶ Define your customers
  - ▶ Who are they?
  - ▶ Where do they come from?
  - ▶ Age
  - ▶ Income
  - ▶ Social Group
  - ▶ Values
  - ▶ Desires
- ▶ Give them a name & persona
- ▶ Talk about them
- ▶ Get the data
- ▶ Analyse it
- ▶ Review often

# Pre Covid v Post Covid

- ▶ Have your customers changed?
- ▶ Have you changed?
- ▶ Has your community changed?

|  | Before Covid-19 | Post Covid-19 |
|--|-----------------|---------------|
| Why does he/she travel? What are their travel motivations<br><i>Eg escape, work, reconnection, learning, etc.</i>  |                 |               |
| When does he/she travel and how long for?<br><i>Eg weekend getaways, long self-drive holidays etc?</i>   |                 |               |
| Who does he/she travel with?<br><i>Eg partner, girlfriends, extended family, grandparents, kids, pet dog?!</i>   |                 |               |
| How does he/she find out about your product or event?<br><i>Eg Family and Friends/Word of Mouth, Facebook, TripAdvisor, Google Search, Destination NSW etc (choose the most common ones)</i> |                 |               |
| How does he/she research their trip?<br><i>Eg, TripAdvisor, friends/family, Google search.</i>   |                 |               |
| How does he/she book (if relevant)?<br><i>Eg your website online booking system, OTA, Trade partner, Visitor Centre, phone etc</i>   |                 |               |
| How does he/she usually get to Canberra? How does he/she travel to your product/event?<br><i>Eg Self-drive? Fly? Hire car/fly? etc</i>   |                 |               |



# Customer Behaviour: trends



**MAKE A GREEN CHOICE**

Reward yourself with a choice of a €5 credit at a participating food and beverage venue or 250 Starwood Preferred Guest Starpoints®. Or reward others by donating the Starpoints to UNICEF's environmental work for children. The choice is yours for each night you decline Housekeeping services and help us conserve natural resources.

To participate and decline Housekeeping services, please hang this card on your door before 2:00 a.m. The program is not offered on the day of departure or for stays of less than two nights.

For fresh linens and towels, please place this card on your bed and leave the towels to be changed on the floor.

Must be a member of the Starwood Preferred Guest program to collect Starpoints. Membership is free. To join, please visit [sgp.com](http://sgp.com) or ask hotel team for assistance. Please ask hotel team for a list of participating food and beverage venues. Guests can participate in the program, before receiving Housekeeping services, for up to three consecutive days.

**FOUR POINTS BY SHERATON** 



**BEYOND MEAT**

**BEYOND BURGER™**

**PLANT-BASED PATTIES**

**20G OF PLANT PROTEIN PER SERVING** | **NO SOY** | **NO GLUTEN**

**NON GMO Project VERIFIED**





# Customer Behaviour: deals

1. Stay 1 night, save 10%. Stay 2 nights, save 20%. Stay 3 nights, save 30%
2. Stay 3 nights, get 1 free
3. Book 30 days in advance and save 30%
4. Book Early and Save 10%
5. Book Early and receive a free bottle of wine
6. Book Early and receive a free breakfast
7. Book Early and receive a free late checkout
8. Stay 3 nights and enjoy a cocktail of your choice in our Rooftop bar. Watch the sunset across the waves while you watch for whales and enjoy our complimentary snacks. Wake each morning to a lazy breakfast served on your own private balcony and on the day of departure, we will throw in a free late checkout of 12 midday. All this comes with free wifi as well, you can share your experiences with your friends at home on Instagram. Our hashtag is *#connedyouwithwords*





Be your  
Customer  
NOT a staff  
member



Value



Want



Need

# Be a Customer



- ▶ Experience your own offering
- ▶ Visit your competitors
- ▶ Mystery calls
- ▶ Shop online
- ▶ Follow on social
- ▶ Trawl the internet
- ▶ Visit websites
- ▶ Join newsletters
- ▶ Talk to Friends and Family

# Guest Reviews



## Its not an actual eye

Review of London Eye



I dont like heights, and I didn't like this my wife and daughter loved it i read the news paper and pretended i was elsewhere. If you don't like heights dont go near it. Apparently the views are great

## ☹️ 38.9% of your guests are less happy than the others

Low performing categories according to these reviews:

|                 |                     |           |               |              |                  |
|-----------------|---------------------|-----------|---------------|--------------|------------------|
| All (79)        | Value for money (4) | Staff (3) | Location (11) | Comfort (10) | Cleanliness (19) |
| Facilities (12) |                     |           |               |              |                  |

There was no hot water, and the manager was not helpful when informed off the problem, I had to suggest to move to another room

The manager was not worried about me having no hot water

this has nothing to do with motel pity the view has been taken away by progress

hard to sit to watch tv

as uncomfortable

It is a little old and run down, but fully functional and very clean

Some of the walls, particularly alongside the bed showed signs of food and or membrane marks and could do with a good clean

The size of the TV - really a 20" screen

breakfast was just a bag of cereal

[Read more reviews](#)

## 😊 61.1% of reviews have improved your review score

High performing categories according to these reviews:

|                |                      |            |               |             |                  |
|----------------|----------------------|------------|---------------|-------------|------------------|
| All (150)      | Value for money (24) | Staff (18) | Location (34) | Comfort (6) | Cleanliness (24) |
| Facilities (7) |                      |            |               |             |                  |

Convenient after hours check in

Clean room, comfy bed, quiet location and excellent price

forgot to pre book dairy free

It was value for money

Quite location and friendly staff

Location great

Very clean

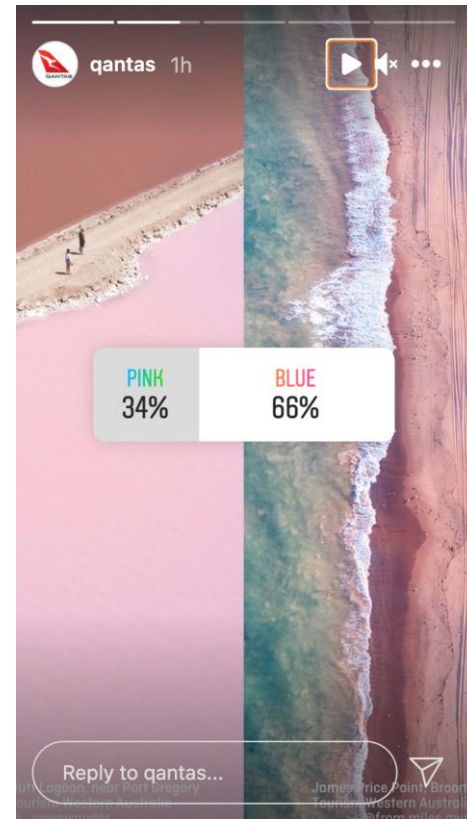
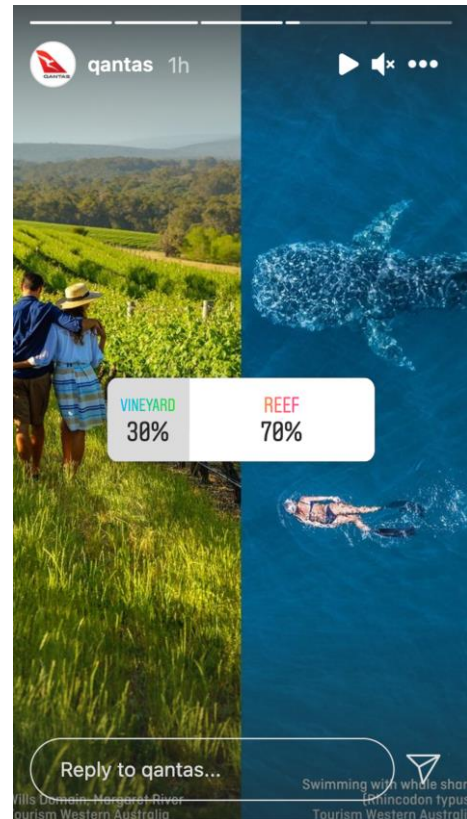
bed very comfy, very clean plenty of room

enjoyed the spa

[Read more reviews](#)




# Ask your customers



# Activity: My Customers

- ▶ Create a profile of 1 of your target market segments. A typical customer
- ▶ The list can be adjusted and extended depending on your needs
- ▶ Give your persona a name
- ▶ Give them a photo
- ▶ Describe them and the effect they have on your business
- ▶ What is their typical behaviour pattern

|  |  |
|--|--|
| Persona Name   |  |
| Lifestage / jobs   |  |
| Age/s  |  |
| Incomes  |  |
| Vehicles   |  |
| Interests  |  |
| Favourite Music  |  |
| Media  |  |
| Path to Purchase   |  |
| Challenges and pain points  |  |
| Showstoppers              |  |
| What our business offers them that they value  |  |





# Activity: Pre v Post Covid

- ▶ Have your customers changed?
- ▶ Have you changed?
- ▶ Has your community changed?

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# Getting to know your competitors

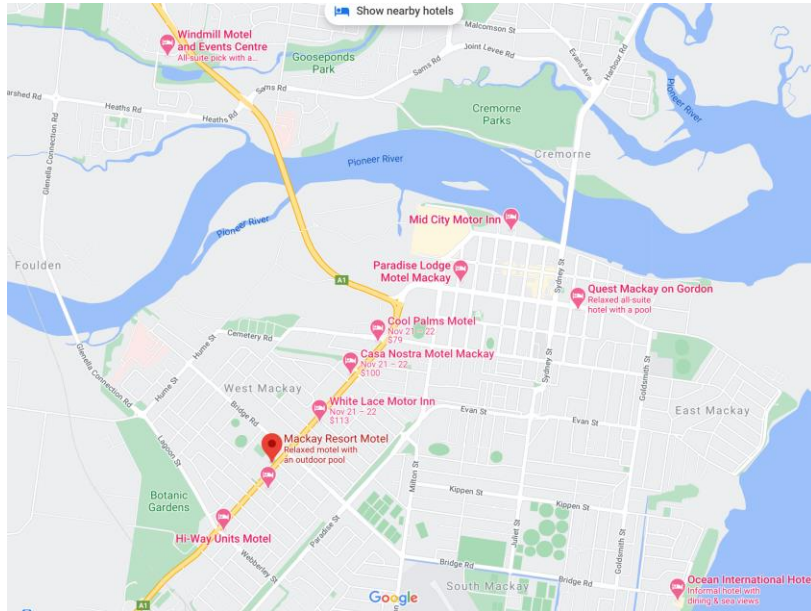
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# Who are my competitors: change happens



# Who are my competitors: geography



- ▶ Next door
- ▶ Same town
- ▶ Domestic
- ▶ International
- ▶ Online
- ▶ Offline
- ▶ Travel time



# Who are my competitors: product



- ▶ Same same
- ▶ Cheaper / no name brand
- ▶ Expensive / aspirational
- ▶ Bragging rights / Instagrammable
- ▶ Environmentally friendly
- ▶ Scarcity
- ▶ Traditional
- ▶ Innovation
- ▶ Alternative solutions
- ▶ Changing trends





# Who are my competitors: sales

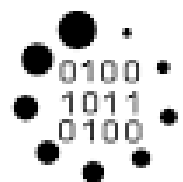
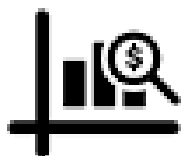
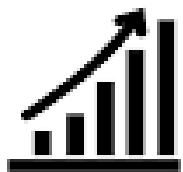
## Enquiry Stage

- ▶ Who else are you considering?
- ▶ What quotes have you received?
- ▶ What price range did you have in mind?
- ▶ What were you using previously?
- ▶ What is a must have?
- ▶ What do you really want?
- ▶ What do you need?

## Lost customers

- ▶ What made you chose them?
- ▶ Do you mind me asking where we fell short?
- ▶ How could we improve for next time?



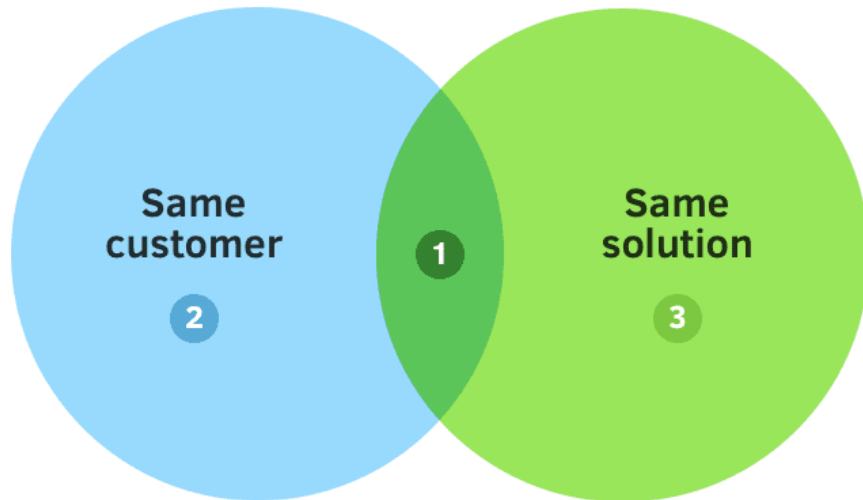


# Who are my competitors: data

- ▶ Google search ([answerthepublic.com](http://answerthepublic.com))
- ▶ Google analytics
- ▶ Metasearch
- ▶ Booking / payment sites
- ▶ Mystery Calls
- ▶ Gossip
- ▶ Recruitment
- ▶ Suppliers



# Who are my competitors: summary



## 1 Direct competitors

Solving the same problem for the same customer with a similar product.

## 2 Different solution

Solving the same problem for the same customer, but in a different way.

## 3 Different customer

Solving the same problem in a similar way, but for customers in a different industry/vertical.

- ▶ Geographical
- ▶ Facilities
- ▶ Price
- ▶ Size
- ▶ Star rating
- ▶ Brand
- ▶ Review Scores
- ▶ Distribution
- ▶ Social media

# Activity: SWOT

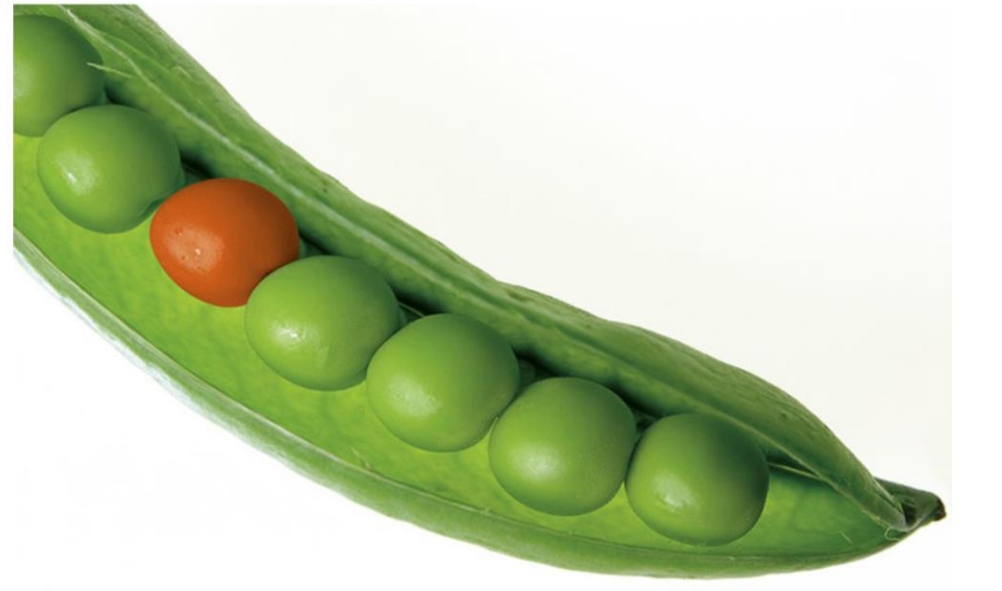
| <b>S</b><br>STRENGTHS   | <b>W</b><br>WEAKNESSES   | <b>O</b><br>OPPORTUNITIES   | <b>T</b><br>THREATS  |
|---|--|---|--|
| <ul style="list-style-type: none"><li>• Things your company does well</li><li>• Qualities that separate you from your competitors</li><li>• Internal resources such as skilled, knowledgeable staff</li><li>• Tangible assets such as intellectual property, capital, proprietary technologies etc.</li></ul> | <ul style="list-style-type: none"><li>• Things your company lacks</li><li>• Things your competitors do better than you</li><li>• Resource limitations</li><li>• Unclear unique selling proposition</li></ul> | <ul style="list-style-type: none"><li>• Underserved markets for specific products</li><li>• Few competitors in your area</li><li>• Emerging need for your products or services</li><li>• Press/media coverage of your company</li></ul> | <ul style="list-style-type: none"><li>• Emerging competitors</li><li>• Changing regulatory environment</li><li>• Negative press/media coverage</li><li>• Changing customer attitudes toward your company</li></ul> |



| Strengths     | Weaknesses |
|---------------|------------|
|               |            |
| Opportunities | Threats    |
|               |            |

# Activity: what are you Unique Selling Points

- ▶ Soundproof rooms for a truly restful night's sleep allowing you to wake refreshed
- ▶ Menu catering to special dietary needs allowing you to dine safely
- ▶ Kids pool with lifeguard for extra peace of mind
- ▶ Bring the whole family, even Fido deserves a holiday
- ▶ Hands on customer experience for immersive learning
  
- ▶ FEATURE, ADVANTAGE, BENEFIT
- ▶ What truly sets you apart from the competition?





# Activity: write your Value Proposition Statement

## The Value Proposition Formula

Fill in the Blanks

1. I help people who are struggling with \_\_\_\_\_
2. by offering \_\_\_\_\_
3. and my service is unlike any others because \_\_\_\_\_

An effective value proposition clearly articulates why a prospective customer should buy from your company instead of a competitor. The value proposition tells the customer everything you offer quickly and efficiently. It should be immediately obvious as soon as a customer hits your website.



# Getting to know your competitors pricing

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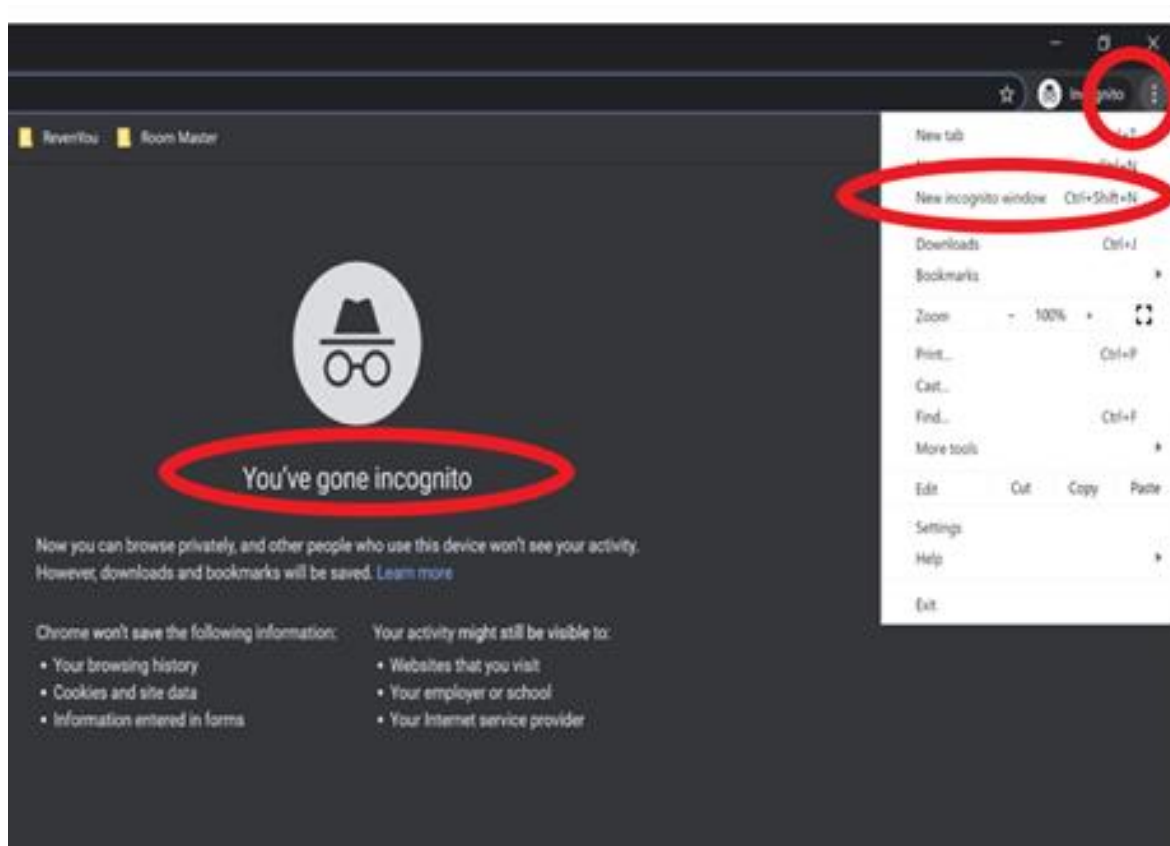


# What is PRICE?

- ▶ Price is determined by what
  - ▶ a buyer is willing to pay
  - ▶ a seller is willing to accept
  - ▶ the competition is allowing to be charged.
  
- ▶ Pricing or value-based pricing is defined by offering your product at a **fair and reasonable** price that makes sense to the purchasing customer and the price of the product/service is set according to **value perceived** by the customer.



# Competitor Behaviour: monitoring



- ▶ Mystery calls - fake it
- ▶ Social media - follow them
- ▶ Trade shows - chat to them
- ▶ Webinars - watch them
- ▶ Blogs - read them
- ▶ Newsletters - enroll
- ▶ Sales - chit chat
- ▶ Recruitment - poach away
- ▶ Suppliers - new besties
- ▶ Metasearch
- ▶ Review Sites

# Competitor Behaviour: find your spot

DAVID  
JONES

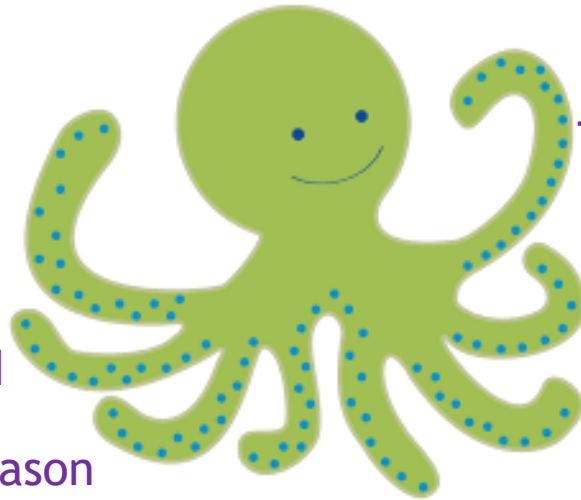
MARKS &  
SPENCER





# Competitor Behaviour: pricing strategy

## The Head: Base Price



Tentacle 1: special offer

Tentacle 4: repeat business

Tentacle 2: multi buy

Tentacle 5: value add

Tentacle 6: off peak / low season

Tentacle 3: long lead

Tentacle 7: members

Tentacle 8: resellers / agents

# Activity: my position

1. Determine your competitors
2. Their price
3. Your Unique Selling Points
4. How do they compare
5. Score them
  - ▶ 0 = same as you
  - ▶ 1 = better than you
  - ▶ 2 = much better than you
  - ▶ -1 = worse than you
  - ▶ -2 = much worse than you
6. Total the score to identify your position

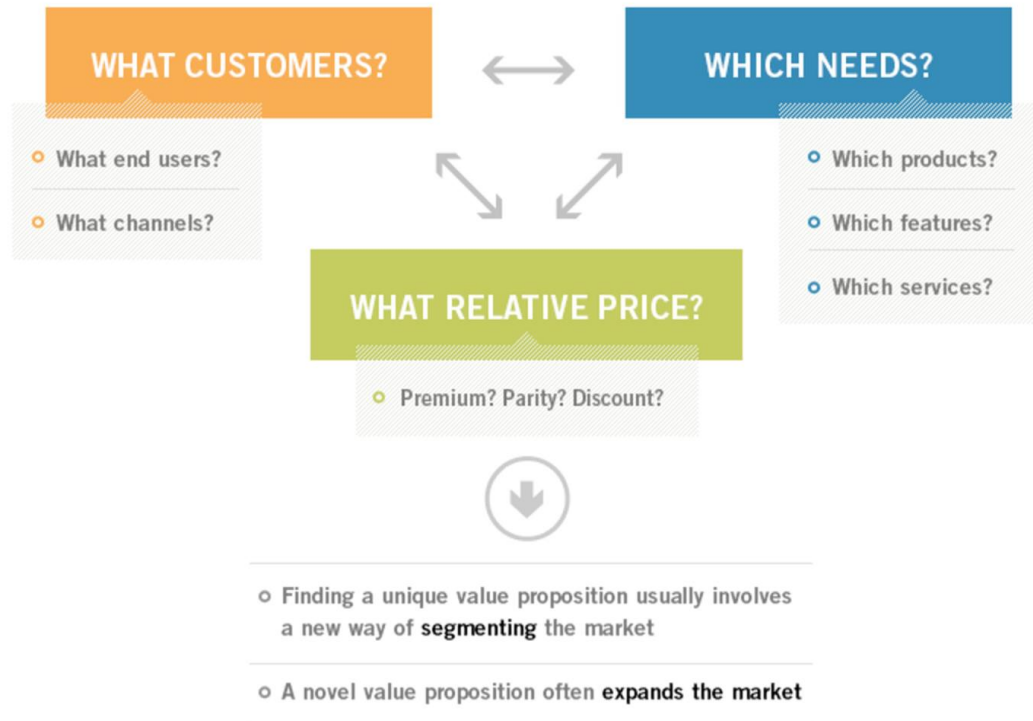
|                     | USP 1 | USP 2 | USP 3 | USP 4 | PRICE | TOTAL |
|---------------------|-------|-------|-------|-------|-------|-------|
| <b>YOU</b>          | 0     | 0     | 0     | 0     | 0     | 0     |
| <b>Competitor 1</b> | 0     | 2     | 2     | -2    | 2     | 4     |
| <b>Competitor 2</b> | 1     | 0     | 1     | -1    | -2    | -1    |
| <b>Competitor 3</b> | -1    | 0     | 0     | -1    | 1     | -1    |
| <b>Competitor 4</b> | 2     | -1    | 1     | -2    | 1     | 1     |

# Getting to know MY pricing

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# To Price

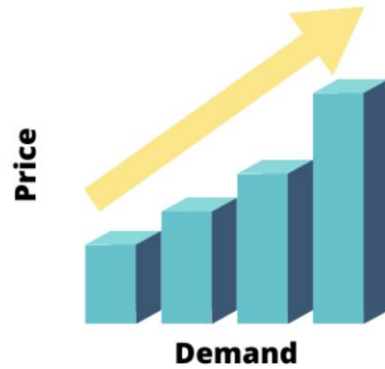


- ▶ You know who your customers are
- ▶ You know what your customers want
- ▶ You know what they value
- ▶ You know what they need
- ▶ You know who you compete against
- ▶ You know your unique selling points
- ▶ You now need to price your offering to sell
- ▶ Not everyone wants cheap

# Pricing Styles

## Dynamic Pricing

Dynamic pricing works off market demands and allows companies to set flexible prices for their products/services.



## Freemium Pricing

Freemium pricing splits product/service users into two categories – free and paid service.



## High-Low Pricing

High-Low pricing involves setting a high (reference) price for a product/service then lowering it during a sale/promotional period before once again increasing the price.



## Premium Pricing

Premium pricing involves setting product prices permanently higher than competitors' prices in a bid to differentiate from the market.





# To Package: Feature, Advantage, Benefit

- ▶ Cost
- ▶ Desirability
- ▶ Deliverability
- ▶ Suggestion
- ▶ Influence
- ▶ Choice
- ▶ Need
- ▶ Gaps
- ▶ Clarity



# Profit Margins

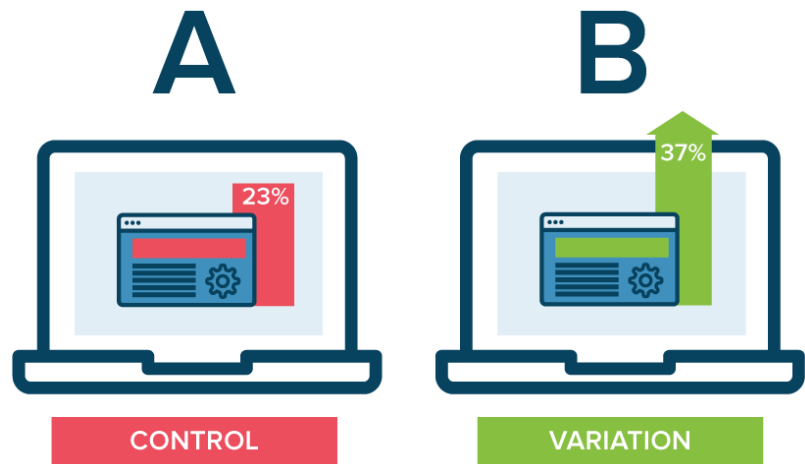
- ▶ Cost of inclusions
- ▶ Staff wages
- ▶ Cost of room
- ▶ Cost of distribution
- ▶ Cost of acquisition
- ▶ Cost of moans, groans and hassle
- ▶ Profit





# Launch

- ▶ SOP - Standard Operating Procedure
- ▶ Training for all staff
- ▶ Photography
- ▶ Channels - cost of acquisition
- ▶ Channels - target demographic
- ▶ Channels - functionality
- ▶ PMS + Channel Manager + Channel



# Test

- ▶ Photography
- ▶ Descriptions
- ▶ Subject headers
- ▶ Channels
- ▶ Marketing spend
- ▶ Analytics
- ▶ Google
- ▶ OTAs

# Benchmark



- ▶ Before v after launch
- ▶ Customer reviews
- ▶ Staff reviews
- ▶ RevPAR
- ▶ Conversion rates
- ▶ Website visitation
- ▶ Social media



# Relaunch

- ▶ Don't stop testing
- ▶ Don't stop analyzing
- ▶ Don't stop planning next
- ▶ Don't stop benchmarking
- ▶ Don't stop



# Summary

**So  
many  
assume.  
So little  
know.**

GeniusQuotes.

- ▶ Be a customer, know what you are selling
- ▶ What do your customers Need, Value, Want
- ▶ What are your Unique Selling Points
- ▶ What is your Value Proposition
- ▶ Who are your actual competitors
- ▶ Launch your product then test it
- ▶ Benchmark and review often
- ▶ Be prepared to change
- ▶ Don't assume



# Revenue, Sales, Marketing & Distribution support

Retainer - proactive support for a set number of hours per month

Ad hoc - reactive, project based

Industry experts working with you to grow your profit

Tamie Matthews

PH: 0497 864 694

EMAIL: [tamie@revenyou.com.au](mailto:tamie@revenyou.com.au)

WEB: [www.revenyou.com.au](http://www.revenyou.com.au)

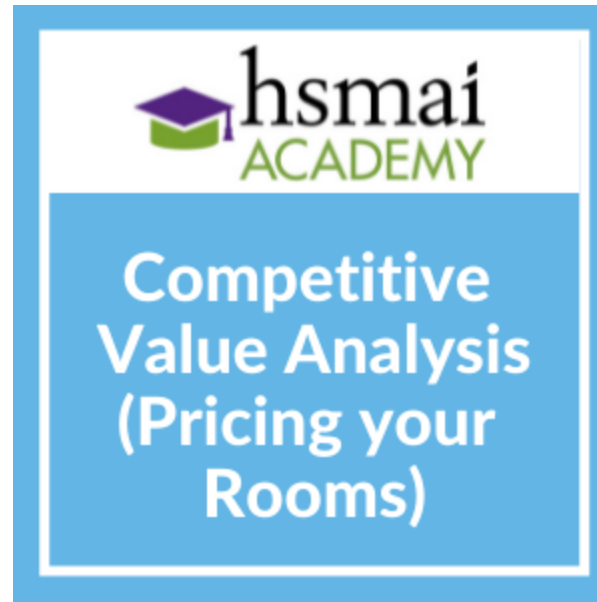




# Questions?



# More learning on Pricing and Market Segmentation



100% Online courses from US\$55