

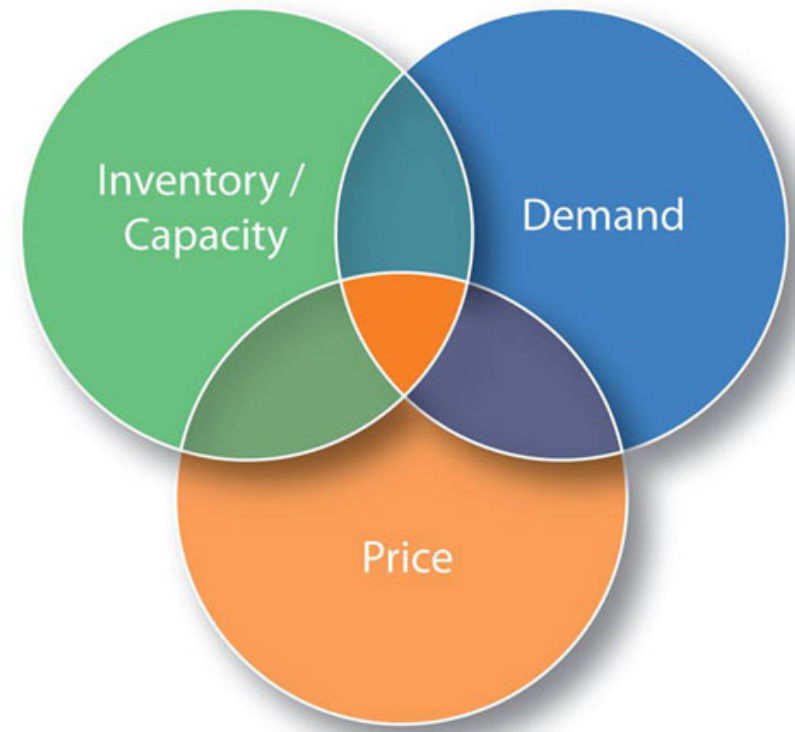
MIKE HARLEY



Paradigm Shift in Airport Parking

AIRPORT TECH-TALK

- Online Reservations
- Loyalty Rewards
- Card on File
- System Integrations
- Data Management
- Real-time Reporting
- Yield Management



TERMS USED

Yield Management

Revenue Management

Price Optimization

Dynamic Pricing



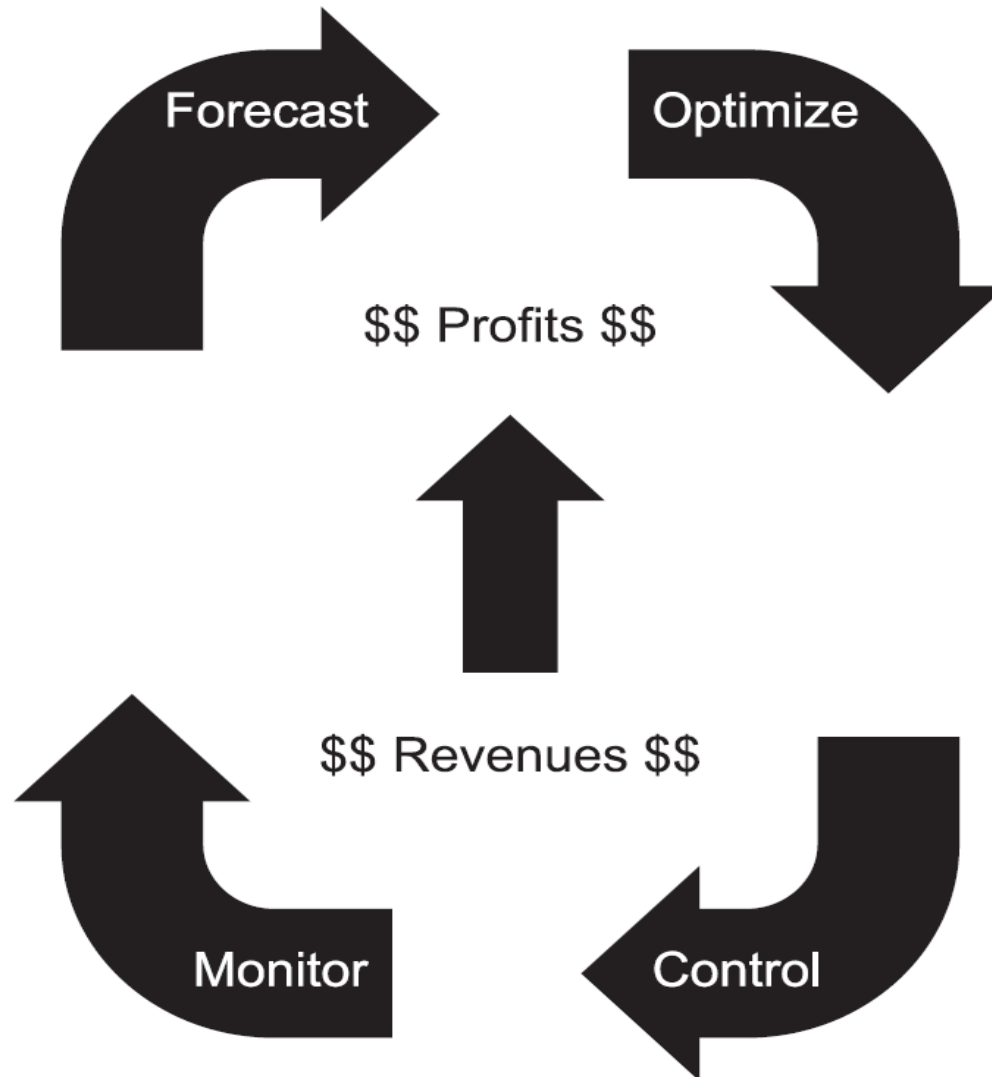
What is it?

An automated process of making frequent adjustments in the price of a product or service in response to certain “**historical**” market factors, such as demand or competition.

What does that mean?

Selling the Right Product
To the Right Customer
For the Right Price
At the Right Time

CORE CONCEPT



BASIC CONCEPTS

- **Price** the Product appropriately based on seasonality.
 - Changes in customer mix, demand, etc.
- **Focus** on Forecasted Demand to capture the highest possible revenue from that demand.
- **Implement** selling “channel” strategies that make sense to the customer mix.
 - Email, Social, Search, Digital Ads, etc.

KEY COMPONENTS

- You must know your:
 - Clients
 - Pricing
 - Events
 - History
 - Seasons
 - Competition
 - Distribution channels



RIGHT CONDITIONS

- Must meet the following conditions:
 - fixed capacity
 - perishable product
 - high fixed costs and low variable costs
 - product can be priced differently
 - demand evolves
 - product can be sold in advance
 - market can be segmented

The diagram illustrates an airplane cabin layout with different fare classes and prices for various seats. The cabin is divided into sections: **EXIT**, **FRONT***, and **EMERGENCY EXIT ROW**.

Section	Row 1	Row 2	Row 3	Row 4	Row 5	Row 6	Row 7	Row 8	Row 9	Row 10	Row 11	Row 12	Row 13	Row 14	Row 15	Row 16	Row 17	Row 18	Row 19	Row 20	
EXIT	< EXIT																				
	\$28																				\$28
	\$28	\$28																			\$28
FRONT*																					
EMERGENCY EXIT ROW																					
	\$18	\$18	\$18																		
	\$18	\$18	\$18																		
	\$18	\$18	\$18																		
	\$14	\$14	\$14																		
	\$14	\$14	\$14																		
	\$14	\$14	\$14																		
	\$14	\$14	\$14																		
	\$14	\$14	\$14																		
	\$14	\$14	\$14																		
EXIT																					
	\$10	\$10	\$10																		
	\$10	\$10	\$10																		
	\$10	\$10	\$10																		
	\$10	\$10	\$10																		

MARKET SEGMENTATION

- Identifies the purpose
 - Business, leisure or government
- Determines the market segmentation; price is not a factor
- Provides clear distinction of the transient parker
- Analyze trends in your business
 - Length of Stay (hours, days, weeks, months)
 - Total Revenue per space, and per parker
 - Lead Time to book
 - No Show and cancellation ratio

MARKET SEGMENTATION

- Examples:
 - Public
 - ◉ Best Available Rate sold through your own website
 - ◉ Best Available Rate sold direct by phone
 - ◉ Best Available Rate sold through email or social
 - Promotions
 - ◉ PPC Campaigns
 - ◉ Special event (offers during holidays, events, etc)
 - Negotiated Programs
 - ◉ Loyalty

REQUIRED DATA

- Occupancy by day-of-week
- Booking pace
 - how many hours or days prior to arrival
- Length-of-stay patterns
- Occupancy by seasonality
- Isolate “special events”
- Rate Paid versus Booked
- Cancellation and “no-show” patterns

SAMPLE PRICING DATA

Simple Price Model (1 Season)

Channel	Rate Category	Rate Code	Rate Plan	Price	Inventory
<u>Website</u>					
Short	Standard	Gen1	Daily	14.00	200
Long	Standard	Gen1	Daily	12.00	300
<u>Website</u>					
Short	Standard	Gen2	Daily	16.00	150
Long	Standard	Gen2	Daily	13.00	225
<u>Website</u>					
Short	Standard	Gen3	Daily	18.00	100
Long	Standard	Gen3	Daily	15.00	175
Email	Promotion	PRO1	Daily	13.00	150
Social	Promotion	PRO2	Daily	10%	50

MANAGEMENT CULTURE

- Acknowledge uncertainty will exist; nothing is perfect
- Embrace uncertainty by including it in the decision analysis process
- Minimize uncertainty by producing the best possible forecast of demand and the resulting occupancy
- Have real-time access to the right historical data and reporting



GETTING STARTED

- Develop a **PLAN** with an experienced solutions provider.
- **PREPARE** for a change in business practices and attitudes.
- **PROMOTE** learning for management to commit resources to making the project work.
- **PROCEED** by creating the role of revenue manager and then execute.
- Implement a central and logical software environment to **POLICE** your decisions.

THANK YOU!

Q&A