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Future of Revenue Management and Marketing in Portuguese Hospitality Industry

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MSc in Marketing

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Geral

October, 2020



**BUSINESS
SCHOOL**

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“Põe quanto és, no mínimo que fazes.”

Ricardo Reis, in “Odes”

Resumo

Em todo o mundo, e particularmente em Portugal, o sector do turismo e a indústria hoteleira são considerados uma das principais atividades económicas. Em linha com o crescimento associado a estas duas áreas encontra-se a necessidade de desenvolver serviços mais personalizados, com o objetivo de aumentar a satisfação dos consumidores e maximizar as receitas geradas. Numa indústria feita de pessoas para pessoas, mais do que satisfazer as necessidades do consumidor, é essencial exceder as suas expectativas.

Nesta fase, o *RM* e o *marketing* convergem numa única visão estratégica. Desenvolver a estratégia de um hotel tendo em conta a perspetiva analítica do *RM*, e ao mesmo tempo, combiná-la com a gestão de relações e o pensamento criativo do *marketing*, representa um fator chave de sucesso. Contudo, a relação entre estes dois departamentos nem sempre foi consensual. Atualmente, as estruturas administrativas dos hotéis enfrentam as consequências de uma evolução gradual do *RM* em Portugal. As mudanças estão a tornar a hotelaria uma indústria muito mais analítica e orientada para o uso de grandes bases de dados. Para acompanhar as mudanças do mercado é essencial que os gestores de *revenue* e *marketing* detetem as tendências e oportunidades que surgiram com o período de crise associado à pandemia do COVID-19.

A melhor forma de compreender qual a tendência evolutiva desta relação é estudar como estes departamentos funcionam na prática. E, posteriormente, combinar a informação obtida com as previsões teóricas sugeridas por académicos irá permitir desenvolver um conhecimento mais profundo sobre o futuro destas áreas.

Palavras-chave: Indústria Hoteleira; *Marketing*; *Revenue Management*; *Customer Relationship Management (CRM)*; *Customer Lifetime Value (CLV)*.

JEL Classification System: M31 – Marketing e Z310 – Tourism: Industry Studies.

Abstract

Nowadays, in a diversified number of countries all over the world, and particularly in Portugal, the tourism sector and hospitality industry are considered to be one of the most relevant economic activities. Aligned with the growth associated to these areas is the need of developing more personalized services, in order to improve customer satisfaction and to maximize the revenue obtained. In an industry made of people for people, more than meeting customer needs, is becoming essential to exceed customer expectations.

At this point, revenue management and marketing merge as one integrated strategic vision. Developing a hotel strategy considering the analytical and objective perspective of revenue management, and at the same time, combining it with relationship management and creative thinking of marketing, represents a key success factor. However, the relationship between these two departments was not always so clearly established. Currently, hotels' administrative structures are facing consequences of the gradual evolution and implementation of revenue management in Portugal. From the inside out, the changes are leading Portuguese hospitality to a much more analytical and database driven industry. In order to follow the market changes, revenue and marketing managers have to identify tendencies and opportunities that emerged from the crisis period associated to the COVID-19 pandemic.

The best way to understand how this relationship is evolving is to examine how these departments work in a practical and realistic level. Additionally, combine it with the theoretical predictions suggested by the academics, will allow a deeper understanding of their future.

Keywords: Hospitality Industry; Marketing; Revenue Management; Customer Relationship Management (CRM); Customer Lifetime Value (CLV).

JEL Classification System: M31 – Marketing and Z310 – Tourism: Industry Studies.

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Abbreviations and Glossary Index

Abbreviations	Explanation
CRM	Customer Relationship Management
RM	Revenue Management
MKT	Marketing
COVID-19	Coronavirus Disease 2019
CLV	Customer Lifetime Value
CEO	Chief Executive Officer
IHG	InterContinental Hotels Groups
ICT	Information and Communications Technology
PMS	Property Management System
EPOS	Electronic Point of Sale
CRS	Central Reservation System
RevPAR	Revenue per Available Room
GDPR	Global Data Protection Regulation
OTA	Online Travel Agency
IT	Information Technology

1. Introduction

All over the world hospitality industry has been growing during the years and some changes are more significant than others. Considering that the priority of a hospitality business is to deliver the best service, the need of customizing and adapting to customers preferences is always present.

Customer relationship management (CRM) is seen as an essential part of a company that adopts a relationship-driven marketing perspective, in this case, the overall hospitality industry uses this approach considering the type of service delivered. CRM is used during every stage of the customer cycle, however, depending on the timing, the type of information collected is different. As a complex industry, that deals with various types of customer and stakeholders, in hospitality is essential to maintain and invest in strong and beneficial relationships. The information obtained by developing a relationship with a customer is a key success factor to create an efficient marketing strategy nowadays. Sota, Chaudhry & Srivastava (2020, p. 39) state that “hospitality industry which is a customer-centric industry relies heavily on customers’ information and therefore CRM is implemented worldwide in this sector”.

Revenue management (RM) is a discipline used in many different areas, such as cruise and flight industries, not only in hospitality. The reason why is used in these industries is because the service provided is perishable. Meaning that the service provided in a hotel cannot be stored, saved, returned, or resold once delivered to a customer. With the necessity of customize the service in hospitality, by selling the right product, to the right customer, at the right time, through the right distribution channel and for the right price, revenue management become an essential piece on hospitality strategies. According to Kimes (2003, p. 137), “although revenue management is inherently quantitative, its implementation involves serious issues arising from marketing, organizational behavior, human resources, and information technology”. In order to develop a successful revenue management strategy, it is essential to have a deeply understanding of the necessities and preferences of distinct market segments, to have all the informatic systems integrated and to invest on motivated and properly trained managers and employees.

Nowadays the combined perception of these two important disciplines is changed. RM is considered a recent area in Portuguese hospitality industry, although it has been used for a considerable period of time, it was not considered essential. The revenue manager was the person responsible for the pricing and the responsibilities associated to strategic decisions were attributed to marketing (MKT) and sales departments. However, this is no longer a reality.

Currently, revenue management is an extremely developed subject in international hotel chains, especially in America and Asia. In Portugal, this discipline is growing every year, not at the same pace, but the number of international chains with presence in Portugal is increasing and Portuguese hotel chains and independent hotels are investing in both, revenue management and strategic marketing. Considering these areas as complementary, developing an integrated strategy is essential to reach potential and real customers and obtain positive results. Since marketing is already established and develop in most of hospitality industry, integrating these two areas is an existing challenge. As Noone, McGuire and Rohlf (2011, p. 294) affirm that “the role and scope of RM is currently in transition, migrating from a stand-alone tactical approach to room inventory management to a strategic, customer-centric approach to demand creation, integrated into all aspects of hotel operations and marketing”.

The theme of this theses is based on this transition mentioned, considering the lack information about how revenue management and marketing in Portuguese hospitality industry are implementing strategies, the need of understanding the practical reality of these two departments emerged. Although both disciplines are studied deeply around the world, by academics and managers, it is important to detect if what has been written in terms of literature is being applied in practical terms. Specially in a country where the basis are being applied, which will be followed by a generation that will assume this integration as essential. The main objective of the present thesis is to explore tendencies and future opportunities associated to revenue management and marketing in Portuguese hospitality industry. As well as to adapt this growth and predictions to the new reality of COVID-19.

Therefore, this thesis is based on the strategical improvements, as well as gaps, that the literature review developed suggests. The academic researchers consider CRM one of the most relevant topics frequently approached in relation to hospitality industry and there is a particular interest on the integration of RM and CRM systems because of the effectiveness of systems’ metrics for market segmentation, targeting and loyalty programs. Cross, Higbie and Cross (2010, p.16) affirm that “the integration of CRM and revenue management is another area with great potential”. Taking in consideration that some studies show that only a few numbers of revenue management databases and CRM databases are trying to be linked, this is a current topic that revenue and marketing departments of hotels are dealing with. Particularly taking in consideration the important role of customer lifetime value (CLV) as one of the most updated revenue metrics nowadays. Defining customer’s lifetime revenue is understanding the total contribution of a customer over time. If a hotel is able to optimize price and inventory

availability for their customers, based on this measure that estimates long-term profit potential, it will not only maximize its revenue, but guarantee the best offer to each customer.

As a thesis with exploratory character, four main propositions were structured based on primary and secondary data collection. The goal of presenting propositions was to find evidences in the results obtained, so the author was able to develop conclusions and further research suggestions around the studied topics. The propositions are:

- Marketing and Revenue Management strategies are integrated in Portuguese hospitality industry
- CRM strategy is mirrored in guest-hotel relationship
- Segmentation strategy is becoming key in Portuguese hospitality industry
- COVID-19 affects the hotel performance leading to change strategies

In order to achieve the goals established for this dissertation, different research approaches were applied. The first method was used to gather secondary data, a large number of scientific articles, books and other types of studies were analyzed. From this research a deep study about the main topics that sustain this dissertation was developed. Secondly, two different methodologies were applied to obtain qualitative secondary data, starting with individual interviews to professionals inside the hospitality industry, and following with focus groups with hotel customers.

Beyond the introduction, the first chapter of this dissertation is the Literature Review (see figure 1), composed by four sections that correspond to the main topics that sustain the propositions of the study. The first research was focus on the revenue management in hospitality industry, specifically about the evolution of this discipline, the main principles and how it is used and perceived currently. Then, the author gathered information about how CRM is defined and implemented in the hotel sector. In addition, by combining these two previews topics, the integration of CRM and RM systems was explored in terms of literature review. The last topics developed on this chapter consists of a closer look to CLV as a metric to be used in a near future as a segmentation criterion. The following chapter is the Contextualization of the tourism sector and hospitality industry in Portugal, combined with an update about the worldwide current situation about COVID-19. Which represented a decisive factor in every moment of this thesis, considering the effects on every sector, particularly in tourism and hospitality industry. Aligned with the literature review topics the Propositions studied, and previously listed, in this dissertation are presented and substantiated in the next chapter.

The following chapter is where the Methodology used is described, first the definition of secondary qualitative data and then primary qualitative data. In order to obtain primary data, two different methodologies were applied. Taking in consideration the limitations of the COVID-19, during this study all the methodologies required some adaptations, for that reason all the procedures were performed online instead of in person. Firstly, the author conducted twelve individual interviews to revenue directors, revenue managers, marketing directors and consultants in both areas. From these interviews essential and extremely important feedbacks were collected in terms of how certain procedures and relationships are being applied in practical terms. Secondly, two focus groups with four hotel customers each were elaborated. Considering the different backgrounds of each customer, the perceptions, and points of view shared were enriching for the conclusions obtained in this study. While the results of the first methodology are presented on the Literature Review chapter, the findings of the primary qualitative data collection were gathered and organized in the next chapter: Results Analysis.

In the Result Analysis chapter, the results were organized into two different groups, the results from the interviews and the results from the focus groups. For each type of result four main topics were identified according to the information collected. After a deep analysis of each group of results it was possible to combine these topics and determine certain connections. At this point a discussion that combines all the information obtained and that compares both points of view: professionals and customers, is presented on the Conclusions and Limitations chapter. This last chapter is the association of every topic developed during the Literature Review, Contextualization and Propositions, with the Results Analysis obtained after applying the Methodology selected. More than a rich and explained discussion, this chapter contains managerial implications, theoretical contribution, and limitations, as well as further research related to the theme explored in this dissertation to be developed in the future.



Figure 1: Dissertation Structure

Source: Author's elaboration

2. Literature Review

2.1. Revenue Management in Hospitality Industry

Hotel revenue management used to be the job function associated to opening and closing availability and rates, however, nowadays is much more complex. A revenue manager has to be an expert at analyzing, forecasting, and optimizing a hotel inventory. Always considering availability restrictions and dynamic rates, in order to manage hotel's demand. Particularly, revenue management is the discipline focused on optimizing hotel revenue, based on demand, and limiting the risks for hotel managers, owners, and investors. According to Cross (1997, p. 33) revenue management is “the application of disciplined tactics that predict consumer behavior at the micro market level and optimize product availability and price maximize revenue growth”. A revenue manager is defined by Hayes and Miller (2011, p. 11) as “the individual or team responsible for ensuring that a company's prices match a customer's willingness to pay“ by charging the right price, to the right customer, for the right product, through the right channel, at the right time.

2.1.1. Evolution

Considering the fact that revenue management main goal is to maximize profit, it is possible to associate the origin of this discipline with the early beginning of businesses in general. Without even detecting revenue management practices were being applied, every seller that tried to maximize their gains contributed to the development of the basis of revenue management. Although, in terms of theoretical and practical knowledge, revenue management was first adopted by the airline industry.

In 1972, British Overseas Airways Corporation, now known as British Airways, offered “differentiated fare products for essentially the same seats” through capacity controlled discounts, in order to generate demand for empty seats (Cross et al., 2010, p. 9). After this first evidence, revenue management practices were applied and developed by airline companies around the world, but specifically in the United States of America, where investments in this area were significantly high. Accordingly, with the technological progress, databases and computer systems started to be used to forecast and manage customer demand. The “Ultimate Super Saver Fares” applied by American Airlines in 1985 is a good example of how impactful revenue management measures are. By lowering prices, applying non-refundable rates, and

strictly controlling capacity, American Airlines were able to increase revenue in 14,5% and to grow profit in 47,8% on the following year (Cross et al., 2010). Meanwhile, Bob Crandall, ex-president of American Airlines, called “yield management” to the group of “people, process and systems” that contribute for revenue optimization strategies and practices (Cross et al., 2010, p. 10).

In the mid-1980s, Bob Crandall introduced yield management to John Willard "Bill" Marriott Jr., current executive chairman and previous chief executive officer (CEO) of Marriott International. As a hotel group, Marriott International was facing similar issues as airline companies, such as perishable inventory, advanced bookings, pricing competition and considerable supply/demand fluctuations. However, “the lodging industry, compared with airlines or cruise lines, is highly decentralized and fragmented with respect to control and accountability for pricing, marketing and distribution” (Mainzer, 2004, p. 285). For these reasons, the principles used in airline industries were adapted and Bill Marriott decided to integrate yield management practices into all his hotels’ marketing strategies. In addition, according to Cross et al. (2010, p.11), Marriott adopted a new term for yield management in hospitality industry: revenue management. In order to develop a revenue management strategy, Marriott International implemented automated systems able to forecast real-time demand and suggest how to manage hotel inventory. Furthermore, the hotel chain applied segment-based discounts, according to customers booking patterns and room availability. Throughout the 1990s, the usage of revenue management techniques in hospitality industry become extremely popular and, by the year 2000, was considered indispensable for the majority of hotels in North America (Cross, Higbie, & Cross, 2009).

With the terrorist attacks of September 11 in 2001, tourism and travel sector suffered from a crippling effect in terms of occupancy rate. Affecting this way how revenue management is being used in hospitality, as well as questioning if this discipline is strictly necessary to manage hotels during this sensitive period. The first reactions of general managers were tactical, most of them, worried about low occupancy, order their revenue managers to accept every reservation, so all distribution channels should be opened to book. According to these directions, revenue managers’ job was put in consideration, “in some quarters, revenue management was seen not only as unnecessary, but as a possible impediment to recovery” (Cross et al., 2009, p. 59). One of the most affected segments was groups and conferences, the application of non-revenue management-based tactics lead to an intense competition for groups booking at any rate. As a consequence, hotels that accepted certain contracts with low-priced groups had to maintain reservations for the following years, unable to recover their losses. While in one hand revenue

management was being doubted, in the other hand several multinational hotel chains showed their belief in the long-term value of this subject and invested on revenue managers and system upgrades. After this crisis period, InterContinental Hotels Group (IHG) realized that managing the room inventory was no longer the focus of a successful revenue management practice. By studying price sensitivity of customer demand, “IHG recognized that when a competitor changes its rates, the customer’s perception of IHG’s rate also changes” (Cross et al., 2010, p. 15). Based on third-party competitive data, the hotel chain worked with an outside consulting firm and analyzed historical rates, volume and share data to precisely define price elasticity in different local markets for diverse lengths of stay. At this point, revenue management become a more complex and sustained area, not only known by controlling hotels inventories but about how consumers behave while booking their reservations too. In addition, IHG developed a new price optimization system that continuously evaluated hotel’s demand, combined real-time competition rates, and measured price elasticity of its customers, in order to indicate the optimal price that maximized revenue opportunities.

Revenue management is now being applied to new industries and professionals are developing new types of skills, so they can adapt themselves to the new directions and challenges of this discipline. More than simply managing demand, revenue management started to be responsible too for creating demand. Based on understanding demand elasticity for distinctive market segments, optimal channel mix and timely responses, hotels started targeting prices to new potential groups of customers. All over the world revenue managers changed their tactical mindset for a new strategic thinking, where marketing, sales and channel strategy become essential pieces for a successful revenue management strategy. This way revenue management registers a growth in people and influence of the overall discipline, as well as an emergence of new competences focused on pricing, competitive positioning and studying customer behavior. Nowadays is one of the most rapidly growing area of hospitality industry with hundreds of staff members working on revenue management strategy, technology, support, and execution. Contrary to one decade ago, when hotel chains had just a few positions dedicated to revenue management functions (Cross et al., 2009).

2.1.2. Principles

Kimes (1989) defined that the one of the main objectives of yield management, applied to hospitality industry, is the increase of both competitive advantage and revenue. Revenue management techniques are applied in this industry, because hotels operate with relatively fixed

capacity, demand fluctuates substantially and can be segmented into clearly identified partitions, inventory is perishable, product is sold in advanced and marginal sales costs are low, but marginal production costs are high (Kimes, 1989). This application criterion is still valid, even though revenue management is a constantly changing discipline. There are four core revenue management principles: segmentation, forecasting, pricing, and distribution.

Segmentation

In order to predict market fluctuations and maximize revenues is essential to segment a hotel's business in clusters, according to consumers' needs and behavioral patterns. Grouping customers and distribution channels based on their similarities in terms of behaviors or acquisition costs, make clear to revenue managers which is the optimization point between certain bookings and associated profits. All this information is in constant updating and for that reason is extremely important to guarantee the use of a revenue management system that allows revenues to refresh every information, automatically and manually. However, a detailed revenue system with updated information about the market is always a key success factor for every department because it is a way to connect all the different parts of the service provided. A structured segmentation is associated to better yielding and forecasting, not only because achieving the right mix of rates and supply depends on it. But because a successful decision-making process has to be based on a real and detailed segmentation.

Forecasting

In hospitality industry is crucial to define hotel room nights as perishable goods with a limited life of one day. For that reason, forecasting demand is essential to optimize pricing, manage occupancy and maximize profit. Considering hospitality as a seasonal industry, it is relevant to predict certain events that might cause demand variations, such as international meetings, conferences, concerts, as well as weather conditions during each specific season. All these factors must be taken in consideration, in addition to demand figures and actual booking records in previous years. This way revenue managers can define a strategy based on projected occupancy, according to customers' needs and preferences. The forecasting in revenue is based on historical data and how confident a revenue manager is with a certain strategy. Meaning that the more convinced a revenue is about the number of rooms that will be sold between now and day of booking, the longer he will maintain the rate, or even increase it. Besides pricing, forecasting is used by marketing departments to promote and advertise the hotel using the best methods in the right distribution channels in order to increase demand. For that reason,

marketing and revenue management departments have to constantly work together as a team. “Sales, marketing and revenue management functions in hotels should integrate all of their customer acquisition strategies” (Freed, 2016). For marketers, is important to detect high and low demand, as well as which segments are interested in the hotel, so they can implement a promotional strategy based on real time information. With the usage of big data, managers must carefully select the overall information, by understanding that in an era of information overload is more valuable to invest in better data. Forecasting is not only essential for pricing and marketing reasons, but for human resources and operational management too.

Pricing

Pricing is defining the value of the service that a hotel is providing. Considering the perishability of room nights and hotel services, associated to the fact that every customer is not willing to pay the same price, pricing is a complex process. According to Freed (2016, p.36) “understanding the relationship between supply and demand and pricing accordingly is the key to maximizing revenue and profits at your property”.

Nowadays consumers are informed and more demanding, always looking for the best deals and price transparency. Price is considered one of the most effective variables that revenue managers can control, which at a certain period of time functions as a trigger to encourage or discourage demand. In hospitality industry the dynamic pricing strategy is frequently used, because of supply’s flexibility and perishability. In this business strategy, prices vary by channel, service, customer, and time, vary as well as with competitors and substitute products, demand variations and predictions (Vives, Jacob, & Payeras, 2018). As a basic tool for revenue maximization, price variations can be adapted to different targets according to customer’s willingness to pay, and this way working as an instrument for market positioning of a hotel (Ivanov & Zhechev, 2011 *in* Ivanov, 2014). Hotel pricing techniques usually include cost-based pricing, competition driven pricing and customer-driven pricing (Hung, Shang, & Wang, 2010). However, each technique has its own disadvantages, and every situation is surrounded by different circumstances, for that reason price decisions cannot be made based on one dimension. In addition to all the variables present in pricing process, it is crucial to understand the role of marketing while defining strategic pricing. It should be a responsibility of the revenue manager combined with information provided by the marketing department, in order to match prices charged with consumers’ perceptions of value. Limiting the outdated usage of cost-based pricing technique that uses costs as the main variable while defining prices.

Distribution

In hospitality industry, distribution channels used to be simple and direct, most of the bookings were made directly from walk-in guests or from calls, straight to the property or its own reservation centre. Nowadays the reality is completely different, considering the era of technology and information, distribution channels have been evolving and becoming more and more complex. It is no longer about direct channels only, but about finding the balance between hotel's own distribution channels and distribution partners able to generate demand among different segments. Always taking in consideration that direct business is more profitable, so hotels must find strategies to generate more bookings through their lowest-cost channels. Freed (2016) affirms that a successful distribution strategy should encompass three main goals: Understand the varying cost of customer acquisition; Drive direct bookings; Optimize the booking conversion rate.

An advantage associated to direct bookings is that revenue managers and marketers can develop much stronger customer data profiles. This information becomes valuable when pricing strategies and loyalty programs are integrated, this way hotels can retake control of distribution. The usage of CRM systems as a step to one-to-one marketing, by customizing guest experience, promote connection with the customer in a personal level and segmenting consumers by lifetime value, describes a way to bridge the gap between revenue management and marketing.

2.1.3. The New Revenue Management

Erdem and Jiang (2016) defend that the definition of revenue management based on selling the right product, to the right customer, at the right time, for the right price and through the right distribution channel is directly related to a traditional inventory-centric revenue management. Where the main objective is to optimize room inventory. Whereas, a customer-centric revenue management analysis is concerned with collecting and examining detailed customer data, with potential to be used in revenue maximization. By analyzing customers' insights is possible to optimize the offer, as well as to fill the demand continuously and cost-effectively. However, a structured revenue management culture is composed by science and instinct, is both tactical and strategic, and represents more a collaborative group work than individual efforts.

After the difficult period in 2011, revenue management was expanded within the organization, instead of being a discipline related only to pricing it started to be less tactical and more strategic. Besides being responsible for defining rates based on demand, revenue departments in hotels become part of the organization strategy combined with marketing, sales,

and channel management. This evolution is aligned with a concept entitled total revenue management, where each source of revenue is managed to maximize profit and optimize the offer for each segment or individual customer. Meaning that revenue management concepts and practices are applied, not only to room inventory, but to restaurants and complementary services or activities, such as casinos and golf courses.

In accordance with this new strategic revenue management vision is the new customer-centric approach used to develop and generate demand. At this point, the main issue of revenue management is to find the right balance between short-term revenue maximization and long-term customer development (Cross et al., 2009). For that reason, the concept: customer-centric revenue management emerged in this highly analytical and strategic discipline. All the data gathered by different systems is not only used internally, to forecast and optimize hotel's transactions, but externally too, in order to understand and invest in existing and potential market segments, as well as real and prospective individual customers. It is not only about relationships, it is important to find the balance between managing the relationship with the customer and working on optimal and customized data, that becomes valuable for the hotel and for the customer too. The main goal is to meet customers' expectations but must of all to meet their objectives. As a result, salespersons and marketing managers are becoming strategic thinkers that work as a team with revenue managers to fulfill customers' aims. Daniel Abernathy affirmed that "we are looking at the ability of gather data focused on customer buying behavior and understanding how the preferred customer buy, as well as understanding length of stay and shopping habits" (Cross et al., 2009, p. 75). Nowadays, this data is available to be used, not only to identify who are the most valuable customers, but to calculate customer profitability and corresponding lifetime value too.

According to Hayes and Miller (2011) the full-time position of revenue manager was created recently by forward-thinking hospitality organization. Before, sales and marketing departments used to have total responsibility in revenue processes and decisions, such as pricing or distribution. Unlike outdated management theories, an informed revenue manager understands that costs and price of hospitality products are linked, but price should not depend and vary according to costs only. Four years ago, Erdem and Jiang (2016) concluded that although a high percentage of hotel groups consider revenue management extremely important or even essential, most of them do not have enough qualified professionals. Considering the continuously growth of revenue management, specifically in hospitality industry, this is a need that has to be satisfied through training existing revenue managers and developing educational programs for potential revenue managers. The ideal profile of a revenue manager has been

changing over the years, more than analytical, a revenue has to be detailed oriented, a strategic thinker and able to manage the relationship with sales, as well as with marketing too. In addition to a management, economics, and hospitality background, nowadays revenues have to be people orientated in order to overcome every challenge associated to this position. More than being able to find the core of the problems promptly and effectively, through data analysis, it is hard to find someone that, at the same time, values marketing details too. “The people how are really good at revenue management have the mathematics and data skills, and they also have a little of the artist in them” (Cross et al., 2009, p. 63). Considering the notable change of revenue management, from a tactical inventory-centric vision to a strategic customer-centric approach, revenue managers have to be able to adapt their skills to theirs needs. Nowadays, each time more, the analytical capabilities of revenues are being complemented with communication and marketing skills. If the revenue manager is able to deep understand customer data by using both analytical and people skills, he will be able to comprehend customer’s behavior too. This way, the offer becomes closer to customer’s needs and, by understanding the specific segment or individual customers, the probability of exceeding customer’s expectations is even higher.

Revenue management applied to hospitality industry has specific limitations in terms of decision-making process. Most of the times a hotel is not owned, operated, branded, and managed for the same entity, meaning that developing a sustainable business in hospitality demands a complex relationship between different stakeholders. Even though chains of hotels benefit from centralized management associated to a group brand, the information needed to maintain a revenue management strategy updated must be shared among a higher number of departments. Another element associated to the information sharing is the technology used to empower hospitality industry. In one hand, there are various systems used to run a hotel, in the other hand the overall information is segmented among different software. All this information has to be connected and available for each department, in order to allow managers to make decisions based on updated and credible data. A good example of how technology is contributing for a better performance in terms of information sharing is cloud-based technology, by innovating the process of clustering data (Freed, 2016). However, a complete revenue management strategy demands detailed information about each customer from distribution and promotion channels, which is not guaranteed when big data is collected from various platforms. Sometimes the customer journey becomes less clear to analyse for the revenue manager, because these channels occasionally provide duplicated and imprecise data. The need of a revenue management system that takes in consideration different sources of information in real time, might become a key success factor to recognize new customer segments and new business

opportunities every day. Technological improvement has been an advantage for most types of businesses, and revenue management is no exception. For hospitality industry, the usage of technology become essential, particularly technological-supported revenue management systems that support decision making process, with tools that allow an efficient management of room inventory. In addition to room inventory, revenue systems support distribution channels management and demand monitoring too. The increasing development of new revenue management systems allows hoteliers, marketers, and revenues to analyse consumer behaviour. In order to effectively maximize profits and address consumers' needs, revenue management is an area that is becoming more and more technology driven and dependent.

2.2. Customer Relationship Management in Hospitality Industry

Customer relationship management is used in various customer-centric industries, with the main goal of managing how consumers interact and perceive company's value proposition, in order to develop durable and profitable relationships. Specifically, in hospitality industry, CRM is implemented worldwide enhancing the change from a conventional transaction-based marketing approach to a relationship-driven marketing perspective adapted to this business area. The implementation of CRM techniques, as well as the usage of CRM systems, is becoming essential to service companies such as hotels. The lodging industry is characterized by requiring a deep understanding of customer orientation, because it improves its financial and marketing performance (Sin et al., 2006).

2.2.1. Definition

According to Assimakopoulos et al. (2015, p.7) "CRM is a management philosophy and strategy which enables a company to optimize revenue and increase customer value and service quality through understanding and satisfying the individual customers' needs". CRM can have different definitions and designations, however most of them complete each other and all of them emphasize the importance of investing in profitable and durable relationships with consumers. Considering that each customer is distinctive and has specific needs, these connections have to be managed based on the uniqueness of each individual customer or group. CRM is defined by Mastorakis et al. (2015, p.33) "as the approach that involves the process to identify, attract, develop and maintain successful relationships over time for increasing retention of profitable customers". The overall customer journey has to be considered when

managing relationships, since these connections start in the moment that a company defines the targeted segments, until customers become loyal to a company or brand. During buying a product or delivering a service, the relationship between a customer and company become more intense and detailed. In hospitality, the direct contact with the customer is essential and human error can be higher in a service industry, although not every customer appreciates the same treatment. For that reason, every situation, positive or negative, as to be solved according to consumers' preferences in order to develop an understanding and satisfying relationship. When CRM is implemented in a hotel, hoteliers should have access to the essential information about every customer, so they are aware and prepared to consider individual demands and respond to consumers' expectations. As Buttle (2008, p.16) affirms, "CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high-quality customer-related data and enabled by information technology.". Despite of being described as a management philosophy, a marketing approach or a business strategy, CRM is always associated to the usage of meaningful customer data in order to invest in long term mutually satisfying relationships with the most valuable consumers. Based on these definitions is possible to understand that CRM has different dimensions, depending on the way customer's data is applied. CRM can be segmented into three main forms: strategic, operational, and analytical. In one hand, strategic CRM is characterized by the implementation of a customer-centric business strategy, focused on determine customer value and increase company's gains by maintaining profitable relationships. While in the other hand, operational CRM is directly related to operating functions, such as selling, marketing and customer service. This CRM type focuses on discovering the most effective approach for each customer, considering all customer-facing processes associated to these operational departments. Lastly, analytical CRM analyses customer databases and transforms that information into valuable insights for achieving strategic and tactical objectives, such as profiling customers to provide a better service (Buttle, 2008). Although all these types differ among each other, the three of them should use a common and update customer database, in order to implement a consistent CRM strategy.

The basis of CRM is defined by relationship marketing, which is a marketing subset that focuses on initiating, maintaining, and improving relationships with customers (Chan et al., 2018). This broad discipline is responsible for attracting potential customers and retaining existing customers, through the investment in long-term and profitable relationships. The objective of implementing a CRM culture and strategy is to influence positively relationship marketing results, by defining the way companies and customers develop their unique

relationships. Since CRM is directed to each customer and his specific needs, it is considered by different authors as one-to-one marketing. Moreover, Sahoo (2011, p.59) states that CRM is a multidimensional concept that is based in four wide behavioral dimensions: “key customer focus, CRM organization, knowledge management and technology-based CRM”.

In a service industry, the delivery and the consumption of the service occurs at the same time. Meaning that, in hospitality industry, the value associated to a specific service is measured during the interaction between hoteliers and customers. However, this contact starts when the customer decides to search for services provided by the hotel. In this way, it is crucial to anticipate consumers' needs since the begging of the customer journey. Considering that, usually, the first contact with the customer is not in person, hotels should develop a clear and well-considered communication strategy to approach their potential customers through the right distribution and promotion channels. Investing in long-lasting satisfaction and developing customer loyalty are the main goals of key customer orientated behaviors. However, it is crucial to establish CRM as priority for every single element of the hotel or hotel chain, not only for operational procedures. Developing a proper working atmosphere by “providing staff with modern tools and technology, customer-satisfaction tracking and complaints management systems” (Madhovi & Dhliwayo, 2017, p.3) is investing in CRM organization. In terms of knowledge management, hotels have to develop strategies and implement methods adapted to the type and quantity of customer data that is collected among different channels. By effectively managing essential information about each customer, hoteliers become able to build strong customer relations, contributing this way to the overall organization performance. However, a crucial moment to gather reliable information is during the direct contact with the customer while the service is being provided. For that reason, interactions with customers should be complemented with a learning culture approach that creates opportunities to better understand their preferences through new information collection. CRM systems help managers to select valuable information among all data gathered by different distribution and promotion channels. Considering that new technologies are important drivers of change, customer-centric strategies need information technology to achieve their goals and improve their effectiveness, special in terms of marketing goals and capabilities (Madhovi & Dhliwayo, 2017).

2.2.2. Implementation

According to Edinger (2018), one third of all CRM projects fail, and the frequently usage of CRM systems only for reporting and monitoring is considered the main reason associated to

such significant failure. Instead of using CRM information systems to generate sales and marketing progresses, hospitality organizations tend to use these systems for inspection. The three key dimensions of a CRM implementation model are: people, process, and technology. In order to improve CRM effectiveness, hotels should focus on implementing an appropriate customer-driven strategy, in context with a learning orientation, cross-functional and knowledge management, with integrated technology, organization (Sota et al., 2020; Sahoo 2011). The implementation of a CRM system is not only about technological or reporting needs, it is about selling more, providing support information over sales cycles, and managing business portfolio. Sigala (2005) defends that overall CRM implementation, just as hospitality industry are defined through a framework that links three management processes: knowledge, relationships and information and communication technology.

One of the key success factors associated to an effective CRM is knowledge management, aligned with a suitable customer centric strategy. If a hotel is able to collect and analyze customer information, with the main goal of transforming that data into valuable knowledge, it will improve relationship marketing results. When a hotel is prepared to satisfy consumers' needs by anticipating them, they get access to highly customized services that exceed their expectations. Although, transforming customer information into customer knowledge requires deep analyzes and reasoned segmentation, otherwise disorganized data become useless. The process associated to knowledge management has three main phases: information acquisition, sharing and utilization (Sigala, 2005, p.394). Acquisition phase is associated to data collection and to the emergence of insights, skills, and connections. Then all these findings are spread and shared amongst managers and employees, in order to integrate new knowledge with experimental abilities and utilize it to empower the decision-making process. Converting untreated data into customer knowledge is considered essential to implement an efficient and knowledge –based CRM in a hotel or chain of hotels. However, it is important to guarantee that managers and employees are oriented by the same cultural principles, such as approach each customer interaction as a learning opportunity to collect new and valuable information about every customer. Another way to enhance employees' performance, while developing relationships with customers, is through the usage of incentives and compensations for staff members that contribute to a knowledge sharing culture. Where they will be rewarded, they always apply and share knowledge with the main propose of customizing experiences. Sahoo (2011, p.67) states that “training and meeting are the main sources of knowledge sharing among employees” and that hotels tend to adopt on the job training by their most experienced personnel once a week or twice a month. Sigala (2005, p.396) highlights three types of valuable customer

information: information of the customer, information for the customer and information by the customer. The first type is considered to be individual and transactional data of the customer. The second one includes all the information that customers defined as useful about products, services or other details related to the hotel. While the last type of customer information represents everything that comes from customers' experiences, like feedback, opinions, or reclamations.

Considering the roots of CRM in relationship marketing, Sota et al. (2020) enhance that for customer-centric industries like hospitality, human interaction is the center of customer service. However, the relationship part of CRM has been hidden behind new technologies, this way CRM start being seen more has an administrative tool, instead of a relationship development strategy. Interacting with customers has to be seen as the principal and most reliable source of information to understand customers' needs. For that reason, it is essential to develop a comprehensive CRM strategy that allows managers to detect profitable customers, distinguish markets, interact with individual customers across different channels and personalize customers' experiences. Investing in relationships gives hotels the right tools to improve their service. In one hand managers are more prepared and focus on one-to-one marketing communications, in the other hand, employees understand customers' preferences and adapt the service according to each individual or group customer. Furthermore, developing strong and healthy relationships between managers, supervisors and employees is essential to coordinate a committed and motivated customer service team. Although managers and marketers do not always have direct contact with the customer, their clear mentality and positive influence is crucial to transmit hotel's strategy and objectives to the operational workforce. Considering that hospitality is an industry of people, employees that contact with customers have to be able to deal with customers' demands in real time. For that reason, they are required to have excellent social skills in order to deal with unforeseen occasions, solve conflicts and identify communication and personality types. However, external marketing relationships have to be carefully managed too, not only because managers have to take in consideration various communication channels, but because information from these channels has to be tracked and monitored in real time. Some of the strategies associated to these types of relationships are community building, integrated communications, and loyalty programs. By managing external relationships, hoteliers are trying to guaranty customized quality in every service dimension.

Although the origins of CRM are in marketing, usually CRM is directly associated to technology. Not only because most of the information provided by customers is collected through digital channels, but because CRM strategies are commonly complemented with an

information system. Sota et al. (2020, p.54) claim that “CRM software revenue amounted to \$39.5 billion in 2017 and it is one of the fastest growing software markets with a growth rate of 16%”. In addition to these statistics, technology is a highly associated topic to researches about CRM in hospitality. Information and communications technology (ICT) in CRM applied to hospitality industry has different objectives, but for all of them is necessary to understand who the customers are, what are their needs and behaviors, as well as the channel used to initiate or maintain a relationship with the hotel. By using CRM systems, hotels want to acquire new customers, save, recover, and analyze relevant information and spread valuable data, in order to upgrade the service provided. One type of technological strategy associated to CRM is customer-centric knowledge information system, which is represented by two most relevant and implemented systems in the industry: data warehouse and data mining systems. These methods provide the essential CRM principles to define, develop and manage the high amount of data collected. Before passing through one of these types of systems, information is not connected, this way, extracting customer profiles becomes extremely time consuming and unproductive. For those reasons, implementing a CRM data warehouse or data mining systems makes possible to identify customer demographics, consumption patterns, market segments, profit margins or even customer lifetime value. Based on the gathered customer information, CRM systems allow marketers to identify the right channels to use while interacting with each customer, as well as the best ways to provide customer data to hotel departments. The second type of strategy in business reengineering, this one is oriented to combine ICT with the overall hotel structure. So that the various systems used to identify customers key connection points do not represent isolated and meaningless information. A hotel can be managed through a high variety of systems, such as property management system (PMS), electronic point of sale (EPOS) or central reservation system (CRS), and information external sources too, for instance the Internet. If all these resources are not aligned, they become useless alone, because the service provided by a hotel is a result of a combined effort to understand and exceeded customer's expectations based on previous and real time information. A good example of how systems should be combined is the way Marriott and Le Meridien hotels developed a connection between CRM and yield management systems (Chaturvedi & Chaturvedi, 2005). Where key operational information is shared between departments, such as cancellations, alerts, or itinerary alterations, in order to improve the relationship built with the customer and to provide personalized services. Sigala, Lockwood and Jones (2001) state that information systems integration become a crucial issue, not only to enable yield management decision making, but to gather and share customer data across departments and different hotel properties. The last

technological strategy associated to CRM is integrating internal and external systems. By interconnecting internal information systems with external sources that provide valuable data about consumer behavior, from every stage of customer journey, hotels are improving their knowledge about their current and prospect customers. Although, the main key success factor associated to information systems depends on providing a quick response associated to a rapidly change that meets customers' needs in real time. Delivering this way, the right service to the targeted market segments (Mastorakis et al., 2015).

2.3. Marketing and Revenue Management in Hospitality Industry

Marketing and Revenue Management are two disciplines strongly related in hospitality industry; both have the same goal of increasing hotel profitability. However, they were not always considered to be essential together, while revenue used to be only associated to pricing, marketing was responsible for all the distribution, promotion, and segmentation part. Therefore, the communication between the hotel and the client has to be clear and efficient, so the message that translates the strategy of the company is well perceived. In order to promote the efficiency of this communication is crucial to have a united force that combines all the areas responsible for developing the strategy. The marketing strategy that is based on the collection and usage of customer data, with the main goal of developing a deep understanding of customer is CRM. Some research was developed around the integration of these two strategies and Wang (2012) affirmed that they should be seen as complementary business practices.

2.3.1. CRM and RM Systems Integration

More than thinking about the revenue increase associated to revenue management techniques, hotels and hotel chains must guarantee that revenue management strategies create value for their customers (Hayes & Miller, 2011). And ensure that the implementation of a CRM strategy is associated with an organized and well-defined set of actions and procedures. Meaning that, even though CRM and revenue management strategies have the same goal of increasing profitability, when implemented separately they can have a negative impact on hotel's performance. Most of the times the functions responsible for these strategies are not guided by the same directors, which can represent a lack of knowledge and communication for both departments.

One specific measure associated to the complementary relationship between CRM and RM is the integration of both IT systems. This way, the CRM data base will be an information source for the RM system, and it will allow revenue and marketing executives to obtain useful and updated information to develop a better understanding of their customers' behaviors. Important guest data, such as spending patterns, booking frequency or previous stays, will be available not only for the marketing department but for RM department too. Enhancing this way, the decision-making process. According to Noone, Kimes and Renaghan (2003, p. 19), the integration of CRM and RM systems "requires a fundamental change in customer segmentation and forecasting for RM and a movement away from the traditional RM approach to rate and inventory management for the organization's most valuable customers". This integration becomes a tool for managers that determines in which customers relationships the hotel should invest more resources based on their profitability. In order to integrate both systems, it is essential to have the necessary IT systems infrastructure support and guarantee that revenue and marketing executives are both aware and in agreement with the relevance of developing an integrated strategy. "With integration, CRM data and measurement of customer value will become part of RM decision-making process with the intention to make RM strategies more profitable, long-term-driven and customer-focused" (Guillet & Shi, 2019, p. 990).

Guillet and Shi (2019, p. 980) stated that "hoteliers should balance short-term revenue maximization with long-term CRM to remain competitive, making full use of advanced technologies". At this point, CLV emerges as the segmentation criteria that values and predicts the contribution of a customer during their lifetime. CRM strategies should be oriented to manage and invest on profitable customer relationships, this way it is possible to detect and preserve the most valuable customers or segments and develop actions to increase the less profitable ones, based on CLV.

2.4. Customer Lifetime Value applied to Hospitality Industry

Nowadays, hotels deal with more demanding and informed customers, with their own ideals and expectations formed since the first contact with the hotel or brand. However, hotels need to develop their strategy before this first contact, based on deep market research and detailed customer segmentation. These functions can be associated to marketing and revenue departments, considering that both gather information and analyze it. Moreover, marketers and revenues are responsible to develop a thorough understanding of the market, in order to define

the target segments for a specific hotel. Associated to a segmentation process are the basis of that selection, customers can be segmented according to various criteria, such as demographic, psychographic, behavioral or price sensitivity. Nevertheless, most of these segmentation criteria do not take in consideration the long-term value of the customer to the hotel. Although it is possible to forecast based on these parameters, marketers and revenues are not able to calculate how profitable their real and potential customers are to the hotel. So that customers' profitability can be measured, as well as to highlight the relevance of retaining customers, the concept customer lifetime value emerged.

2.4.1. Definition

The basis of CLV is understanding that not all customers represent the same value to the hotel, for that reason it is crucial to focus most of strategic marketing efforts on valuable customers (Sota et al., 2020). CLV is considered a measure that determines the value of a customer over time, not only based on bookings and purchases, but based on the relationship developed between customer and hotel too. During the overall period of this relationship, CLV represents the relevance and impact of a customer to the whole hotel business. The number obtained with the calculation of CLV represents the revenue produced by a specific individual customer or group. In other words, Bohari, Rainis and Marimuthu (2011, p.162) claim that "CLV is defined as the discounted value of the future profits yielded by a customer to the company". However, there is a need of understanding that the future profits are predictions and not real numbers, for that reason managers have to be conscious of the unknown future and unpredictable market fluctuations. Moreover, according to the previous authors, there are two ways of exploring the concept of CLV: CLV from firm perspective and CLV from customer perspective. The first perspective focus on accounting and financial approaches, that take in consideration known and concrete values, such as costs, investments, or rates, in order to obtain a number that represents the profit generated by a customer. In contrast, the second perspective is about the value generated by the hotel based on consumers' perception. This one can be organized in two principal subsets: Perceived Customer Value and Desired Customer Value. In one hand, the first category is associated to specific advantages and sacrifices, while in the other hand the second one is related to customers' needs and preferences. Both represent customers' opinions and perspectives of the value generated by the hotel, which is extremely important for managers to understand how their customers evaluate and perceive the provided service. However, CLV

has different ways to be determined, according to the type of business and correspondent customers the variables included in the calculation differ.

Retaining valuable customers become a key success factor in a competitive market such as hospitality industry. Considering that all customers are different, Pareto Principle confirms that 20% of the total customers are responsible for 80% of the profit generated by the hotel (Wu & Li, 2011). Meaning that by focusing on developing long lasting relationships with the most valuable customers, hotels might construct a consistent network that becomes the basis of solid revenue results. Considering that CLV contributes to the development of strategies that capture new relationships and invest in existing ones, whereas profit margins are managed, CRM should be recognized as a customer-centric strategy that focus on finding the nature of customer value. This way CLV is a measure that can be used as a guideline while implementing CRM strategies.

2.4.2. Market Segmentation by Value

“Retaining all customers would not be a good idea for any business” (Sahoo, 2011, p. 57). The truth is that it is impossible to please everyone needs and preferences, for that reason being selective and segment the market in order to define which are our targeted customers is essential to obtain good results. However, it is not a good idea to not retain the profitable customers. Therefore, the best way to guarantee good hotel’s performance is by discovering the value of each customer and invest on loyal and mutual satisfying relationships with those customers. While a large part of the market is ignored, specific and profitable segments are targeted, in order to develop a consistent positioning strategy. Although there are no mandatory variables to form segments because it depends on business type, market specifications and customers’ characteristics, there are standard market segmentations defined for hotel industry. However, each hotel should review these segmentations and adapt them to their targets. The main reason to create segments is to use them as guidelines to the overall hotel strategy. Besides, each segment should be composed by consumers that are similar among each other, but distinctive from other segments’ customers. According to Dibb (1999) segments should be so different between each other’s that their size and accessibility can be quantified, be large enough to apply separate targeting efforts, be unique in terms of communication marketing channels effectiveness and be relatively constant in terms of size.

“There is a shift from general customer segmentation and the value of a specific customer transaction toward the lifetime value of each individual customer” (Sigala et al., 2001, p. 370).

It is becoming more and more popular the usage of CLV as way of segmenting markets, especially in hospitality industry understanding customers' value is an important step to define which relationships should be improved. Since the value generated by a customer to the hotel is not only about purchases, but about the total profit that a customer may provide during the overall relationship with the hotel, managers use this measure to segment the market based on real and potential long lasting and profitable relationships. "The CLV measurement provides valuable information for establishing appropriate strategies for different customer segments, such as those who are key customers, more costly, purchase on a regular basis, and those whom the firm would be better off not serving" (Ekinci, Ulengin, & Uray, 2014, p. 104). However, by analyzing CLV, is possible to conclude that the longer the relationship is, the higher is the possibility of increasing the profit generated over time. Based on this conclusion, every customer pass through different stages of their relationship lifetime, meaning that for different stages distinctive strategies and segmentations can be applied. Cuadros and Domínguez (2014) suggested a segmentation method based in CLV that considers three main factors: current value, potential value, and customer loyalty. By combining these variables, hotels are able to identify the real of value of each customer and this way develop a competitive advantage by effectively managing resource application. More than a source of information, understanding the value of each customer is a tool to assist the decision-making process of investing and applying strategies to maximize profit and hotel's value in the long run. Furthermore, CLV has been used by marketers and revenues as a reliable measure that contributes for sustaining CRM decisions. Making clear that CRM is not related to delivering the best service to every customer, but about understanding CLV of each customer and providing the best service adapted to each consumer value and individuality.

3. Contextualization

The hospitality industry is a subsector of one of the sectors with a higher level of influence in Portugal: Tourism. Tourism is considered a national power that achieved rapidly and effectively positive results, in every dimension of hospitality. Starting with the creation of a considerable number of job offers and career opportunities in every corner of the country, until the level of development generated to the explored territories. According to the future perspectives of evolution and growth, a partnership between Portugal and the European Commission was developed and was named Portugal 2020. The project has five European structural and investment funds as financing sources. The programming principles for these funds are the

policy of economic, social, and territorial development, which aims to promote Portugal between 2014 and 2020. In order to accomplish the defined goals, such as stimulate development and create job opportunities, Portugal is receiving 25 billion euros until the end 2020 to use it in implementation of measures that generate results.

By analyzing the Portuguese Hospitality Atlas 2019 – 14th edition by Deloitte, is possible to verify that Lisbon is the Portuguese region with the higher RevPAR (revenue per available room), that corresponds to 73, 96€. In terms of occupancy rate registered in Portugal, Lisbon represented the region with the most significant occupancy rate of 75, 7% in 2018. In addition, when compared with the main European capital cities, Lisbon is in the fourth place with an average occupancy rate of 79,8%, right after the leaders Amsterdam, London and Paris. Confirming this way, the exponential growth of tourism and hospitality in the capital, aligned with the designation of Lisbon as a trendy capital city by foreigner tourists. In an atlas evolution perception, the hotel chains with a stronger presence in Portugal in 2018 are Pestana Hotels & Resorts, Vila Galé Hotéis, Accor Hotels, Minor Hotels and Hoti Hotéis/ Meliá Hotels & Resorts, respectively ordered. However, the top 5 in Lisbon, with the higher percentages of accommodation units in the region, is composed by Vip Hotels, SANA Hotels, Accor Hotels, Marriot Hotels & Resorts and Hoti Hotéis/ Meliá Hotels & Resorts.

In Lisbon, the hospitality offer is increasing significantly from one year to another, as an answer to the high level of demand, considering that is a popular city among travelers from all over the world. However, the growth in hospitality, especially in the number of properties, should be controlled, avoiding damages in cultural heritage and in all types of resources available in Lisbon. As referred on the regional strategy *Lisboa 2020*, the combination of every element that make Lisbon a tourist destination in development makes possibly a deeper analysis of behavioral patrons, for example the fact that guests in this city prefer four and five stars classified hotels, have strong historic-cultural interests and choose a higher number of activities close to the riverside. Another characteristic of this capital is the association to worldwide well-known events, such as Web Summit, since 2016 Lisbon is the house of this important and big event. For all these reasons Lisbon's hospitality infrastructures and resources have to be managed in the best way as possible, in order to corresponded to the tourism development. In 2019, Portugal was considered "Europe's Leading Destination" and the capital, Lisbon, won the title "Europe's Leading City Break Destination" by the World Travel Awards, for the third year in a row. The past few years were extremely positive and a synonym of constant growth for tourism and hospitality in Portugal, of every kind and in every region. New businesses were being developed every year and the number of tourists was higher than ever. However, the

current situation of Portugal as a tourism destination is completely different from the expectations six months ago. With the appearance of a virus named COVID-19 that generated a pandemic, the world has stopped, Portugal specifically from March 2020 until June 2020. Considering the high rate of transmission associated to this virus, the whole world had to be restricted to an intense period of lock down, lay off work and closed borders everywhere, including land, sea, and air borders. The months of April and May were completely dramatic, because more than having no bookings, hotels had to close according to the declaration of state of emergency in the country. All the reservations were cancelled and most of the employees were in lay off during this period. In June, 75% of the hotels in Portugal reopened but with an enormous revenue loss, the focus become avoiding higher damages and achieve the break-even point and not maximizing the profit, considering that the demand was exceptionally low. Although, the demand for national and small hospitality businesses, located in rural and interior areas, were considerably high. Comparing with the city tourism that represented a significant decrease of demand.

At this moment, the future of hospitality in Portugal, and in every corner of the world, is uncertain and unpredictable. The number of cases associated to COVID-19 is still a concern for Portugal, especially in Lisbon, and the risk of a second wave of this virus cannot be excluded. For those reasons, hotels are operating now with a high level of security and hygiene rules, as well as specific disinfection procedures. In terms of borders, Portugal is one of the countries with less open borders and if people travel from Portugal, they might have to do a mandatory quarantine as soon as they arrive to their destinations. All these measures are changing almost day by day, so the tourism and hospitality scenario become volatile, too.

4. Propositions

According to the information obtained during the secondary data collection 4 propositions were established to define clear objectives for this study. With the complementary information of primary data collection, it was possible to explore and analyse these propositions during the results analysis and conclusions (chapters 6 and 7).

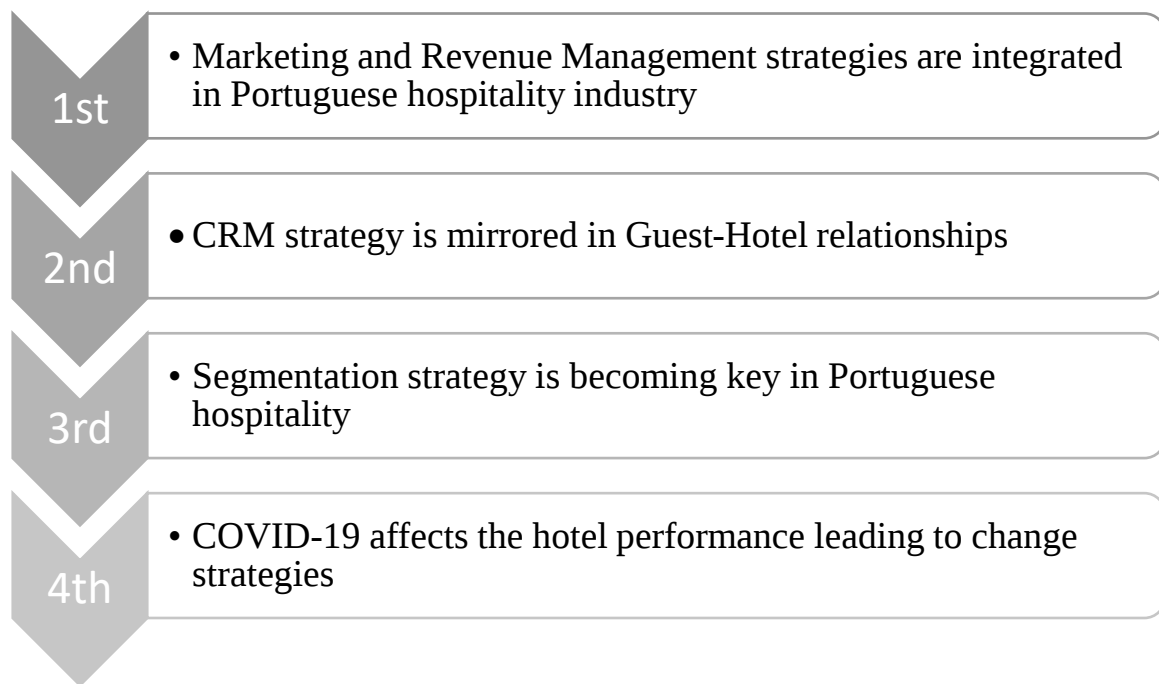


Figure 2: Propositions

Source: Author's elaboration

5. Methodology

The methodology approach developed in this thesis is mainly focus on the inductive process, where the central objective is to collect data and analyze it, in order to discover patterns that suggest connections between certain variables. The result of these observations and interpretations could be represented by generalizations, relationships, and theories, based on the data gathered (Gray, 2014). However, literature review is essential to formulate the overall purpose of the research and to support the conclusions obtained. At the same time, this is an exploratory research, defined by being a type of research used to explore a problem that is not clearly structured yet. With the main objective of understanding a current problematic, this thesis starts with a general idea and utilizes the research as a way to detect existing issues. Along the process of developing this research, a considerable diversity of data and insights were collected. Considering the exploratory character of this thesis, the direction of the study was changed according to new valuable information that was being gathered during the overall process. Associated to these characteristics, this study adopts the qualitative approach, meaning that the research methods used were developed and applied in order to obtain qualitative data. In social sciences most of the exploratory research involves a qualitative approach, however different research approaches can be added, such as literature review in this specific case (Mason, Augustyn, & Seakhoa-King, 2010). The current chapter will describe the methodology applied in this study through an identification of the type of data gathered, a description of the chosen data collection techniques and an explanation of the data analysis tools used.

Qualitative data can be described as the data that characterizes and it is defined by being non-numerical in nature. “Unlike quantitative data, qualitative data are not measured in terms of frequency or quantity but rather are examined for in-depth meanings and processes” (Ryan, Coughlan, & Cronin, 2009). This data can be organized in categories according to certain patterns and correlations detected during its interpretation.

5.1. Secondary Qualitative Data Collection

The first research done for this thesis was focused on collecting secondary qualitative data. This type of data was obtained by doing a deep investigation through previously published primary research from articles, papers, journals, magazines, and books. However, considering the large amount of information available nowadays, it is essential to verify the source of all the references used. Based on an intensive and long-lasting research in database platforms such as

B-On, EBSCO, Google Scholar, Web of Science, Hospitality and Tourism Complete, Business Source Complete, SAGE Premier and Emerald Publishing – Marketing. Combined with a detailed and meaningful search in specific websites, it was possible to conduct an extensive literature research. This one is fundamental to develop a critical literature review that sustains the propositions and the conclusions of this thesis in a theoretical perspective. However, this was an ongoing research, during the process of developing this study new topics were being added to the literature review, taking in consideration the results obtained during primary data collection. The key words used for this research were: Revenue Management; Marketing; Hospitality Industry; Customer Relationship Management and CRM; Customer Lifetime Value and CLV; Segmentation; Future Trends.

5.2. Primary Qualitative Data Collection

The second research part of the present thesis is directed to collect primary qualitative data. Which is a type of data obtained by directly analyzing participants' responses about their experiences, views and beliefs concerning a specific topic. Considering that no previous research has been developed around the exact same subject studied in this thesis, collecting primary data is necessary to obtain current and valuable insights. In order to collect primary qualitative data, two distinctive methodologies were applied: semi-structured interviews and focus groups.

5.2.1. Semi-structured Interviews

Qualitative semi-structured interviews were used, in order to obtain current and realistic opinions of how marketing and revenue management departments function in hospitality industry nowadays and future development tendencies. As well as how revenues and marketers in hospitality are reacting to COVID-19 global pandemic, that become a challenge of the present day. This type of interview represents a more flexible and dynamic method in comparison with structured interviewing. For the interviews, a list of questions (see appendixes 1) was developed with the main objective of developing a schedule for predetermined topics. However, the order of the questions was adapted to the interview direction, considering that this type of interview “allows for unanticipated responses and issues to emerge through the use of open-ended questioning” (Ryan et al., 2009, p. 310). Although, it is important to ask similar worded questions to guarantee comparable answers (Taylor, Bogdan, & DeVault, 2016).

Individual interviews were conducted through one to one video conferences and the correspondent audio was recorded, for transcriptions purposes. Most of the interview questions were based on the literature review, the first set of questions is about participants' functions in their positions and organizational structure of the hotel they are working for, to facilitate the analysis of contextual differences. For example:

- Do you have all the information you need about guest experience/guest profiles? How do you collect and manage that information?
- Do have a Customer Relationship Management (CRM) strategy? Do you have any system where you associate all information?

While the second set was more about the specific relation of MKT and RM department, such as:

- Do you consider the relationship between revenue and marketing department essential? If yes, how they communicate in a daily basis?
- Over time, what are the changes that you consider significant between these two departments?

Finally, the last group of questions was developed to understand the needs and the challenges that these departments are passing through at that moment, for example:

- What would be important to have access that you do not have now, but could improve your performance as a revenue/marketing responsible?
- What are the main changes for the marketing department associated to the pandemic that we are living?

Sample Profile

The participants were professionals that have an active role in the areas of revenue management and marketing in hospitality industry. The sample represents a high variety of different positions in this industry, from revenue and marketing directors, as well as revenue and marketing executives, to revenue and marketing consultants. In a total of 12 individual interviews, with 7 participants related to revenue management, 3 respondents that represented the marketing area and 2 marketing & revenue management consultants. Although it was not asked during the interview, the participants previously identified their age ranges, which vary between 20 years old and 50 years old (see appendix 3). The participants work for national hotel groups, international hotel chains and individual hotels with presence in Portugal, however their

identity and correspondent companies are not revealed, and they are mentioned by their position and a number, simply for organization means.

5.2.2. Focus Groups

In order to complement the insights about the future tendencies obtained in the interviews, with reference to how are these two departments giving a response to the pandemic, focus groups with customers were conducted. Mainly to understand real hotel customers' perspectives and expectations about going to hotels during the pandemic and in the future. With this open-ended group discussions, it was possible to obtain insights that would not be generated without the type of interaction that emerges from a group discussion (Taylor et al., 2016). Malhotra & Birks (2007, p.182) defines a focus group as “a discussion conducted by a trained moderator among a small group of participants in an unstructured and natural manner”. In addition, the objective of a focus group is to allow people to trigger one another by sharing their personal points of view of the topic in discussion. This way was possible to analyze different interpretations and investigate distinctive dimensions of the problem. Two focus groups were organized, both with 4 participants and one moderator – the student developing this thesis. Since it was not possible to conduct a face-to-face focus group, it was decided that the number of participants had to be smaller than usual and the discussion was done via Skype. Both sessions were in English language and had the duration of one hour. The schedule for both focus groups was the same (see appendix 2), although it is important to refer that some themes just emerged naturally during the conversation and there was no need to be introduced by the moderator. Yet, all the key topics were addressed and developed through trigger questions, such as:

- How often do you stay in hotels?
- How do you book your stay in a hotel?
- How does the hotels you stayed usually communicate with you?
- Do you always go to a different hotel or there are hotels that you return?
- Are you willing to share more personal information, in order to have a more personalized experience?
- In the past few months, do you have any experience with a hotel that is somehow related to COVID-19?

Sample Profile

Hotel customers, previous and during the COVID-19 pandemic, determined the sample profile. Focus group 1 is composed by 50% women and 50% men, three of them with Portuguese nationality and one participant from Serbia, but with residency in Portugal. Their age range goes from 25 years old, up to 36 years old (see appendix 4). In this group, the participants share their perspective as leisure and business guests. Focus group 2 is composed by male Portuguese participants with their ages between 32 and 38 years old. These 4 participants work for the same company at the exportation department, which corresponds to typical corporate profiles that travel with a considerable frequency (see appendix 5). All the participants from both groups are currently active on their professional areas. The names used on the focus groups transcriptions are all fictional, in order to guarantee anonymity about all the information and data shared.

5.3. Qualitative Data Analysis

“Qualitative analysis of data involves the non-numerical organization of data in order to discover patterns, themes, forms and qualities found in field notes, interviews,” (Labuschagne, 2003). Regarding the analysis of the qualitative data collected in the interviews and in the focus groups the software ATLAS.ti 8 was utilized. This software is used to analyze extensive databases of qualitative data that is unstructured, such as textual, graphical, audio and video contents. It allows the researcher to create analytical and visual outputs, that make easier and intuitive to interpret the organized information. As well as to create frameworks that represents complex relations between data.

6. Results Analysis

As a result of the information gathered from the individual interviews and the focus groups, it was possible to define key topics that were mentioned and explored by the participants. However, since the respondents of the interviews were professionals, related to Revenue Management and Marketing in hospitality industry, and that the participants of the focus groups were hotel customers, there are here two distinctive perceptions. In one hand the hotel perspective is represented, while in the other hand consumers' points of view are described. This diversity represents more valuable and current information for this study because every decision or action taken by a hotel is always reflected in customers' perceptions. However, it was necessary to interpret, in both perspectives, which were the topics mentioned by the professionals, that were reflected in topics mentioned by the customers. This way, different topics emerged associated to each point of view, however all of them were related to at least one of the topics of the other perspective. After precisely analyzing every topic and their correspondent context, they were grouped in 8 general categories, related in pairs.

In this chapter is possible to find a highlight of the results obtained on the interviews and on the focus groups. As well as a discussion that links and combines all the information collected, in order to develop sustained and accurate conclusions. Presented in the Figure 3 are the 4 main categories identified during the analysis of the interviews results and the corresponding 4 main categories recognized by examining the focus groups outputs. Considering that each column corresponds to a different point of view: hotel vision vs. guest perspective. Although for the 4 correspondent categories that emerged, 11 topics were found for the interviews, while 7 topics were defined for the focus groups. During this chapter, the relations between these topics and the main categories are mentioned, analyzed, and illustrated. The definition of these categories and topics was essential to determine various types of connections that support the theme and the conclusions of the present thesis.

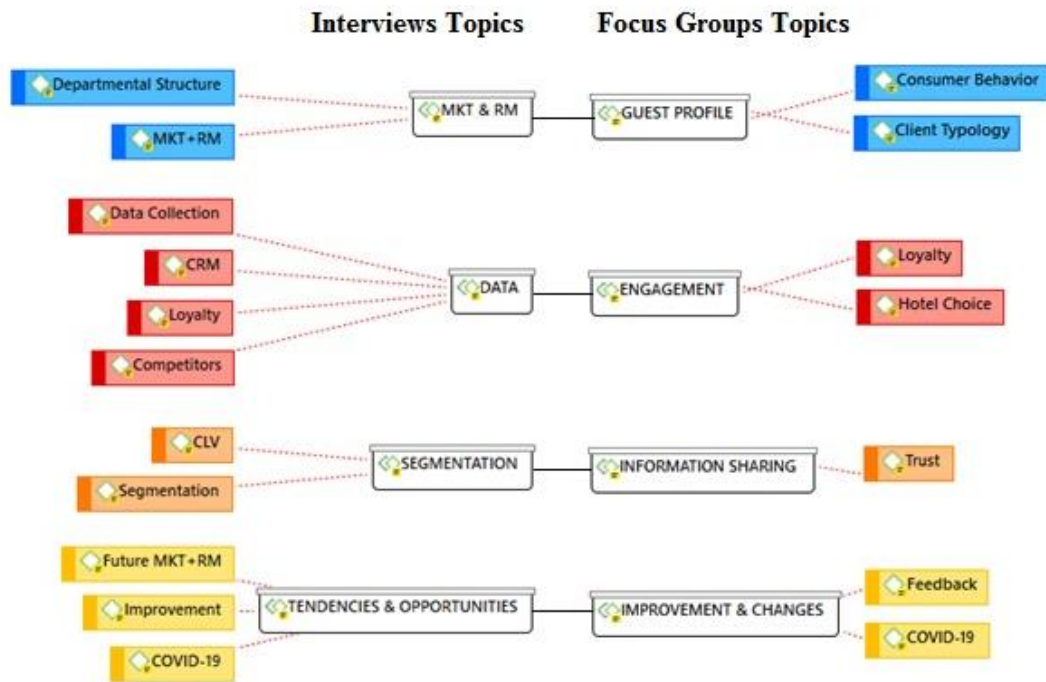


Figure 3: Interviews and Focus Groups general and specific topics

Source: Author's elaboration

6.1. Interviews Results

6.1.1. Marketing and Revenue Management Interdepartmental Relation

When asked about the hierarchical structures of these departments the participants had diverse answers (Figure 4). More than the typical marketing directors and executives, as well as revenue directors and managers, Revenue Manager 1 mentioned that “the revenue department is divided in two different segments: revenue and corporative revenue” and this last one is responsible for developing revenue management tools and solutions for the revenue management department. According to the Consultants 1 and 2 the main structural differences are noticeable among mature and immature organizations. While in immature organizations “revenue management is a discipline and a department itself that is usually transversal in the organization and is included within the sales and marketing umbrella” (Consultant 2). What happens in mature organizations is that revenue management has more power, because instead of reporting to marketing and sales, reports to a much more united direction that includes revenue, sales and marketing and e-commerce distribution. Revenue Manager 5 defends that “it is advantageous to understand that revenue management department should have the same decision-making power than sales,

marketing and operational departments, for that reason it might report directly to the administration instead of a commercial direction”. In line with this opinion, is the way strategic decisions are responsibility of sales and marketing, as well as revenue department, mostly in mature organizations. Involving both departments in strategic decisions, promotes an integrated communication where it is possible to define a common strategy and avoid lack of information in one of the teams. In addition, some of the respondents affirmed that in the hotel that they work for, these two departments share the same office space, which always represents an improvement on the communication. Marketing Director 3 stated that when he worked in an open space environment with the revenue management director “everyone was aware of everything. So, having the knowledge allow us both to be much more efficient on a day to day basis”. All the respondents recognized the need of having a clear and real time communication. Revenue Manager 3 claimed that “the most important thing is to have a good communication between teams”. While the majority said that most of the times RM shares relevant information with MKT, such as prices, strategic campaigns and packages, certain knowledge and reservations restrictions based on market segments, customer preferences and positing, so this way MKT knows where and when it is important to take action. Some identified a weakness on the departments’ communication, according to Revenue Manager 5 “everyone is afraid of sharing data and ideas” and both consultants, 1 and 2, highlighted this lack of communication between departments due to rivalry and afraid of sharing too much information among certain positions. Even when both departments have access to the same information, if they do not communicate between themselves, they end up using the same insights but in distinct directions, affecting this way the overall strategy. Marketing Director 2 enhances that “Everybody has information that we need, so an integrated communication between all departments is essential. It is impossible to obtain good results by working individually in this industry” and Revenue Manager 2 added that “I can’t make a good job without information”. Here is possible to find the need of understanding specific market segments, which is what marketing does. When asked about with which frequency and how they communicate, all of them mentioned meetings, however, the frequency of the meetings was always different. Whereas, the mature organizations tend to have scheduled meetings, in a daily, weekly and monthly basis. Associated to the immature organizations, it was not mentioned scheduled meetings, they mostly contact between each other whenever they need, via email or in person when it is possible. Usually, depending on the purpose, in scheduled meetings the participants are representatives of each department: RM, MKT, sales, operacional and general manager. Another mentioned way of communicating between departments, was through a workflow

internal system that guarantees that “no task is left behind and that all the departments have access to current and right information” (Revenue Manager 1). The main changes noticed while comparing the past of this interdepartmental relation are based on the fact that RM is considered a recent discipline in Portuguese hospitality industry, however Revenue Manager 5 emphasizes that is “one of the most important relations in a hotel”. Nowadays RM represents an essential and emerging discipline that for Marketing Director 1 contributes with “sophisticated analysis that help us to be more proactive in the campaigns and not reactive”, representing this way an improved level of interaction with the customers. For Revenue Manager 5 the most relevant change is the fact that MKT and sales departments start trusting in the RM department, “they start trusting in the figures that we presented, in the patterns and in the outputs that we created based on the collected information”. Instead of establishing strategies based on empirical evidence, RM brought a more analytical foundation. Although, Consultant 2 affirmed that, within the Portuguese landscape, there are no organizations developing a sales and MKT strategy that includes RM yet.

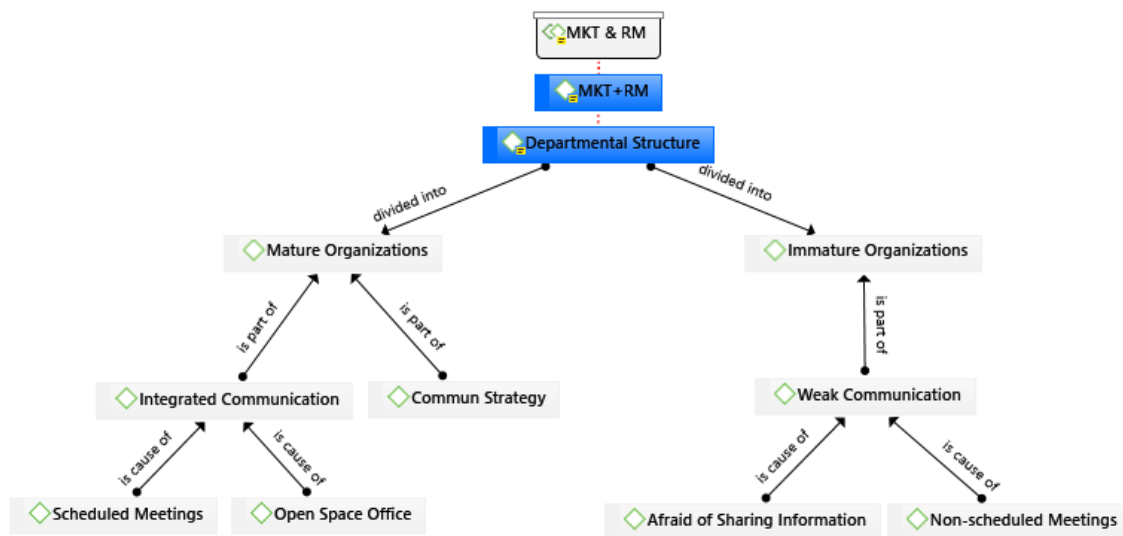


Figure 4: Interviews Results – MKT & RM Resume

Source: Author's elaboration

6.1.2. Market Data

In terms of market data collection, the organizations can be divided again into immature and mature (Figure 5). What is described in immature organizations is that, even though they have a considerable amount of information collected, they are not able to interpret it. Marketing Director 1 affirms that “in the future I will need the information more organized so I can make better segments”. For the mature organizations most of the technological and information

systems available in the market are being used, not only to collect but to organize data. However, there are three different moments where it is possible to gather customers' information: before, during and after stay. While the moment before the hotel experience is based on the information provided during the research and reservation stages, during the stay the information collection must be more proactive. Consultant 2 states that "it is crucial that the staff at the hotel is very well-trained in acquiring the proper information that then can be interfaced into the server". Meaning that having the right systems is not enough, there is a lack of constant training to update the knowledge of the operational personnel, in order to know how to use the total functions of each system available. It is extremely important to make sure that the staff that collects information directly from the customer knows the relevance of filling accurate data in the system. Because, when developing a guest profile and by "acquiring all the data related to this guest, you can target guests like this one" (Consultant 2). According to Marketing Director 3 there are two types of customer data: loyalty program customers and every other customer of the hotel. Although, Marketing Director 3, explained that when working for an international chain, most of the information is collected and stored by the headquarters, and it is not possible to develop a direct contact with certain potential customers of the hotel that are already real customers of the brand, due to confidentiality policies associated to this data. That is why, according to Marketing Director 3, "the majority of the offers and contacts come from our central marketing team, that works for the hotel chain and all the brands". A guest that is part of the loyalty program provides a large amount of information bases on his historic with the hotel or the brand, such as behavior patterns, preferences, and the possibility of developing an accurate guest profile. In contrast, guests that came from indirect distribution channels do not share as much information, so the key moments to collect information from these guests are during and after stay. However, all the process associated to collect information and developing a guest profile is mostly done and planned by the MKT department, Revenue Manager 3 confirmed that "as a revenue level we do not really create a guest profile" and Revenue Manager 5 explained that "the only data I collect is related to the reservation profile". More than not being able to collect as much information as Revenue Manager 5 wants to, a problem was mentioned "we have several duplicated profiles". Another source of customers' information are loyalty programs, making possible to track customers' reservations and consumptions behaviors, as well as register their preferences and, extremely relevant, their motivations. Considered by Marketing Director 1, their loyalty program is "the only way we have now, since the GDPR, that we can communicate with our customers, besides the direct bookings". In terms of loyalty programs, only three participants that work in hotels do not work with this type of

programs at the moment, and two of them mentioned that they are working on their implementation. Revenue Manager 4 explains that the need of implementing a loyalty systems emerges because “the world is orientated to everything that is OTA’s, for example, which causes a dependency of certain market players” and currently the focus is increasing direct bookings. With this type of program, it is possible to “understand what the customer represents in long term, not only in a single stay”. And in the specific case of Revenue Director 1, “we are working on a CRM system and on a loyalty card, which are two tools that are going to change significantly certain strategies that we implement.” The system responsible for storing and managing the information about each individual or group customer is a CRM system, that can be already integrated in the PMS or added subsequently. When asked about CRM strategies and systems, the participants were divided again between mature organizations that have a CRM system and implement a correspondent strategy. Nonetheless, immature organizations do not have a clear CRM strategy, but most of them recognized the need of having a CRM system and some of them were already in the process of acquiring it. However, when associating RM functions with CRM systems, Revenue Manager 2 states that “we do not have any contact with that kind of system”. In one hand, all the participants related to RM positions do not have any control on the CRM strategy. Even though they can extract information from a CRM system they do not intervene on the process of collecting and organizing this data. In the other hand the process of segmenting the market, potential and real customers, is pointed as a responsibility of the RM department, as Marketing Director 2 affirms, “we define priorities and strategies for the year based on the segmentation done by revenue”. Moreover, the competitive set analysis is done mostly by the RM department where they have access to platforms that explores the positioning of the hotel, but the MKT department is always aware of competitors actions. Marketing Director 3 says that “all the information that competitors share in terms of pricing, in terms of positioning, in terms of how they communicate to their guests and even their own customer membership, that is all the information we collect on a daily basis”, but “not necessarily just in the hospitality business”. This means that other types of business that are positioned in the same market segment as the hotel, can be considered partners or relevant stakeholders.

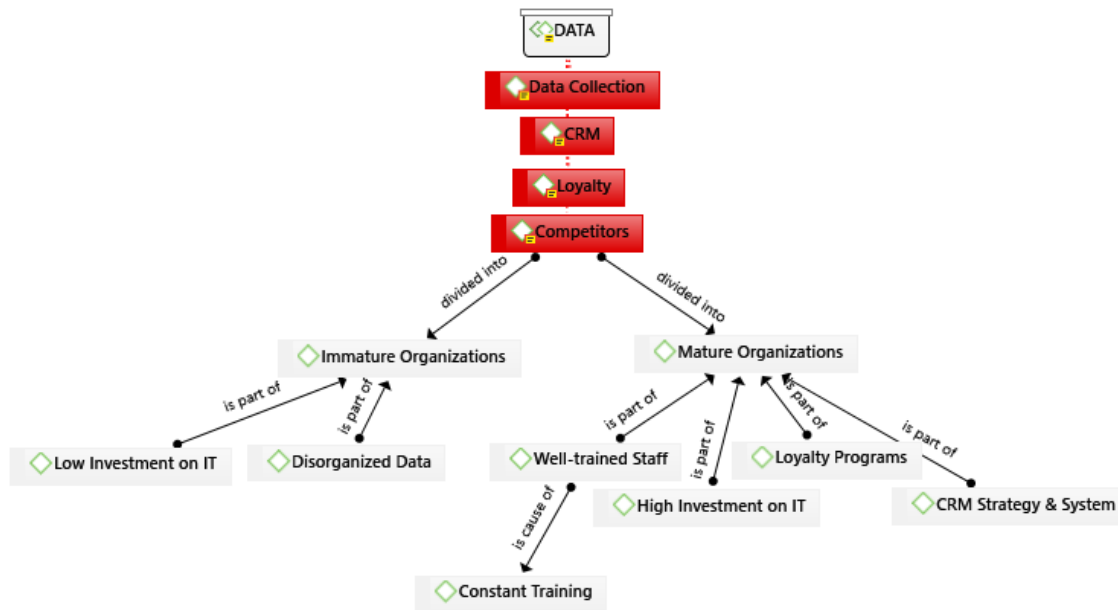


Figure 5: Interviews Results – DATA Resume

Source: Author's elaboration

6.1.3. Customer Segmentation

The market segmentation that is being done by the participants is different for MKT and for RM departments, despite “MKT, sales and RM, have the same objective of maximizing revenue” (Revenue Director 1). The most common and general segmentation is between leisure travel and business travel, this last one usually with corporate contracted values. However, according to Revenue Director 1 “this has been changing, more and more digital marketing is part of revenue and revenue is part of digital marketing”. Specially because tracking consumers’ behavior nowadays is not that linear, for example typical leisure distribution channels are being used by corporate customers. For that reason, the type o stay is no longer the only focus while segmenting the market (Figure 6). Understanding distribution channels patterns might be essential because it is where hotels distribute their rates, though, developing customers’ profiles will have more impact in the future. Marketing Director 3 defends that “there will be a small twist in the future on how we do a segmentation of the hotel. And one way to become more efficient and reducing the cost of distribution is by having the right segmentation. So, I think this should be a big focus on the marketing level, how we should divide our customers to define a strategy”. Although the participants recognize that CRM strategy and system allows a better segmentation, Revenue Manger 2 states that it is too early to create market segmentations and strategies based only on CRM information, because CRM platforms are not extremely developed yet, “just the biggest chains in the world already have a good CRM platform with

one hundred percent valid information”. Through the usage of a complete and efficient CRM system connected to hotel’s PMS, combined with a very good marketing strategy associated with guests’ information acquisition, is possible to calculate the expected value of a customer, more specifically: customer lifetime value. According to Consultant 2, the key element to calculate this measure is “to understand how that guest got to you”. Considering that most of the hotels nowadays depend on OTA’s and other indirect distribution channels, when establishing “what the lifetime value of your guests is, there is this crucial journey that right now hotels have a very big difficulty identifying, because they don't get a lot of direct reservations”. Which means hotels do not own the customer journey until the moment the guest arrives to the hotel. While mature organizations that have loyalty programs already analyze customers’ value in a long-term perspective. For example, in the hotel of Revenue Manager 3, sales department already evaluates and focus their commercial actions always considering “if it is worth to keep investing our time and our resources into this company or it is not producing as we would expect or as we would like to”. Immature organizations do not use CLV or any similar measure, because it is either difficult to calculate, they do not have the IT systems that support it, or, as Revenue Manager 1 affirms, “I do not have knowledge to develop this concept”. Although Revenue Director 2 states that in Portugal mentalities are changing and RM performance measurement is done by “revenue per customer, instead of per room” which is one step closer to calculate CLV.

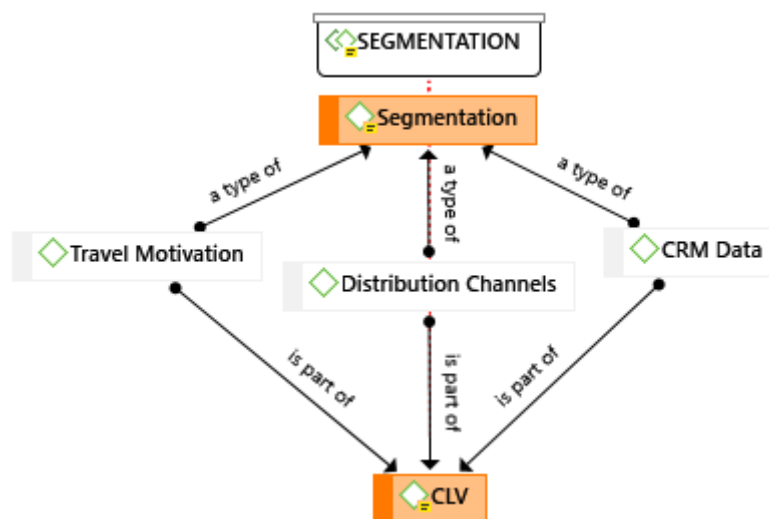


Figure 6: Interviews Results – SEGMENTATION Resume

Source: Author’s elaboration

6.1.4. Tendencies and Opportunities

Considering the positions of each participant, it was asked their opinion about the near future of RM and MKT, based on the tendencies and developments that they were already feeling as directors, managers, or consultants in both areas (Figure 7). In terms of hierarchical structure, Revenue Manager 5 believes that “The tendency is to keep the revenue management position equally to the sales and marketing position, equally to the general manager position so they can work together without hierarchies”. Which leads to the fact that most of the respondents mentioned the words “fusion” and “union” when talking about this relationship. Revenue Manager 2 states that “the strategy developed by the hotel and the path that we want to pursue is based on: revenue, hotel management and marketing; and I think this is the way, this relation becoming more and more closer, and in a near future, being considered team work”. However, for Marketing Director 3 the fusion is going to happen too in terms of hierarchical structure, in his opinion it will happen the merge of the positions of director of revenue and marketing, into a commercial director function. This one will be “fully responsible for developing the strategy of the hotel across the positioning, the selling, the communication purposes and also defining the strategy on pricing, on ways of selling and then you will have different support functions”. Another fusion that was mentioned, is the integration of e-commerce in digital marketing, Revenue Director 1 affirms that e-commerce “starts losing the exclusivity of just being part of the RM department”. With this connection it possible to understand the reason behind Marketing Director 1 and 2 mentioned that the future is about acting more proactively, by understanding the guests and anticipating their needs. Knowing the customer by gathering information of every distribution channel, social media, during the stay and direct contact, is transforming big data into commercial actions. As Marketing Director 3 says, “we can have access to so much information about a guest, but if we do not have the capacity to segment it and to make it interesting to analyze and to provide relevant information, then there is nothing you can do with all this information”. Which can be done if hotels have an accessible data base with accurate and segmented information, associated to their systems. For Consultant 2, the next step passes through “a junction of systems that are currently available, but they are not all integrated, and that will be the future”, as well as for Consultant 1, the future of MKT and RM stands on automation of processes, by continuously investing on Artificial Intelligence and Business Intelligence to developed integrated systems. One of the future tendencies that has been studied is de integration of the CRM system in the RM system, which means that one of the data bases that supports RM system outputs would be the hotel CRM system. When asked

about this integration, all the respondents agreed on the fact that this would be a considerable advantage, according to Revenue Manager 3, “that would be perfect, because, as a revenue, we could make an appropriate offer to guests that we have, considering that we can offer different rates for our guests”. Also Revenue Manager 2 assumed that, in an industry made of people for people, “when we define the strategies to sell the best product, with the best price, for the customers that we really want, it is important to understand, of course, the experience and the feeling that the customers should or could have about our company”. Enhancing this way, that a CRM system can provide not only quantitative, but qualitative data too, in order to develop detailed guest profiles. Although Revenue Manager 2 detects several advantages on integrating these systems, he believes that is still very risky to use exclusively a CRM system to support RM strategies. Due to the early adoption stage of this type of systems, especially in Portuguese hospitality industry. Another concern that Revenue Manager 4 shares is about the type of information that will support the RM system recommendations, by affirming that “when we implement a strategy we define it in long-term, I have the possibility of defining the price and the strategy for my hotel in a year prospect. And at this moment I am not concerned about the particularity of the guests”. Making clear that the need of developing guest profiles associated to certain behavior patterns is even more necessary. In conclusion, as Revenue Manager 1 mentions, “the main goal of integrating systems is to share information among departments while having only one supplier, in order to guarantee that both departments have access to the same complete and valuable information”. Even though each department works with its own systems, it is necessary to guarantee access to the same information, so this way it becomes possible to develop a multidimensional and aligned strategy. In addition to these tendencies, it was mentioned the Total Revenue Management by Marketing Director 3, confirming the need of developing this discipline in the overall business of a hotel. Not only optimizing the price of sale for the rooms, but for every area that generates profit, and maximizing it, which is already a reality in some revenue managers approaches. On top of that, Consultant 1 mentions the implementation of a RM culture in the hotel, “since revenue directors do not do the work alone, obviously if I have a more sensitive team for RM techniques in its different stages, it is going to be easy to optimize revenue”. And Consultant 2 adds that “there should be a united strategy, all these department need to be led by a head person. Who is knowledgeable about the different disciplines that are under their care and obviously, you need to have a common energy”. Encourage a RM culture is being able to share information with the other departments inside the organization, but outside too, in order to develop beneficial relationships with key stakeholders. Revenue Director 2 underlines the importance of sharing points of view and

opinions with revenues from other hotels, for him “sharing information allows you to improve your performance, because if I know that all the hotels in my competitive set are performing much better than me, than I know that I'm underperforming”. This sharing culture allows him to develop different visions of the market and improve his knowledge, as well as developing communications skills specially inside the organization, between other departments' members. The last tendency mentioned by Marketing Director 3, is the possibility of changing the way pricing is done, through the implementations of a method “where the customers will have the capacity to select not only the type of room they want, but the amenities associated”, transforming pricing into a more customizable process.

Unavoidably, the theme COVID-19 is considered a threat for the tourism sector and for the hospitality industry all over the world. As Marketing Director 3 says “this has changed a lot, so the environment that we are working, not only on the hotel level, but also on the customer level, has changed so much, these dynamic that we need to adjust ourselves to: What is the guest now asking for from us?”. Based on this statement all independent hotels and hotel chains are adapting their action plans, their strategies, and their communications to this new uncertain reality. However, some opportunities are emerging from this crises, Revenue Manager 2 states that “marketing is the most important department, right now, because we need to pass an image that our country and our hotels are safe”. In the same line, Revenue Manager 3 finds that “the pandemic is giving RM department a higher exposure and more power of explanation to shareholders and CEOs”, valuing this way the decision-making capabilities and knowledge of RM positions. Although the strategies were defined for the rest of the year, “the customer changed, so we cannot have the same budget” (Revenue Director 1) and in addition, the data registered during the lockdown was not interpreted by the hotel systems in the right way, because the algorithms were not ready for this situation. This means that the revenue functions, such as forecast, is no longer accurate for the next year and predictions are not trustable. Nevertheless, this can be a good opportunity to improve weaknesses, for instance, the way of collecting customers' data. (Revenue Director 1 has been using the QR code for most of food & beverage services, that allows him to collect “very useful information that works as a micro segmentation inside our own segmentation”, for example where the customer comes from”). Finally, one of the strategies that every participant mentioned was the maintenance of prices, because hotels do not want to compromise their positioning and it will not increase demand, considering all the travel limitations at this moment. Revenue Director 2 even mentions that with this situation “we have added costs, but we do not reflect that on our prices, we assume the cost”.

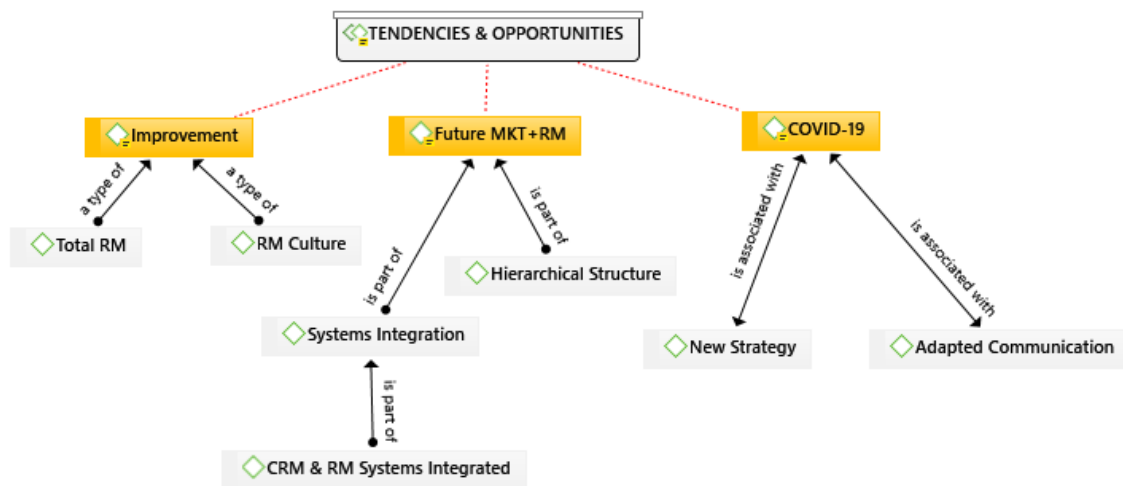


Figure 7: Interviews Results – *TENDENCIES & OPPORTUNITIES* Resume
Source: Author's elaboration

6.2. Focus Groups Results

6.2.1. Guest Profile

The first objective of the group discussions was to identify guest profiles and behavior patterns, in order to make possible to analyze participants answers according to their individual characteristics, needs and preferences.

In focus group 1, Jaime and Gustavo stated that they stay in hotels at least once per month for professional reasons. However, all the participants in this group affirmed to stay in hotels when they travel during their holidays, but Gustavo highlighted that “if I travel in group, I prefer definitely Airbnb”. Which makes him the only one that does not always consider hotels as his first choice, for example Sara said that “I always stay in hotels because I find it more comfortable, have a breakfast, everything is arranged”, Jaime agrees with this comfort sensation and added the network opportunities that emerge in the shared areas of a hotel. In addition, Ana stated that “when I do travel is for leisure and I do prefer staying in hotels”. In terms of reservation channels, the four participants mentioned Booking.com, in particular Jaime, because he is part of Booking.com loyalty programme that allows him to have “bonus and even points to collect and I got discounts”. However, when travelling professionally, Jaime and Gustavo use the travel agency contracted by the company.

In focus group 2, the four participants are considered a typical corporate guest, mainly because all of them stayed in hotels at least two times a month, before COVID-19 situation, and usually “during three, four days in each hotel, depending on the trips”, as Bernardo confirmed. Although their stays are booked by the travel agency contracted by the company, they have the possibility to choose the hotel and their main concerns, according to Bernardo, are “the location of the hotel, the comfort and the communications”, and Hugo added that “we always search for hotels near the airport or near the city center to make it easier for us in terms of transport”.

6.2.2. Engagement

When asked about being loyal to a brand or to a specific hotel, the groups had different reactions, however most of these customers do not consider themselves loyal to any particular chain of hotels, with some exceptions. Nevertheless, all of them stated different personal reasons while choosing the hotels where they stay.

Ana on the focus group 1, that affirmed to book her stays “through the loyalty program” of the two chains of hotels that she stays the most. This started because, as Ana explained, “from two years ago I start staying more with a specific chain of hotels because my work allowed me to have perks”. Which allowed her to develop a beneficial relation with a specific chain, at this moment she is enrolled in two different hotel chain loyalty programs and she affirmed that she “often prefer to stay with these hotel chains, because it's familiar”. Although Jaime and Sara do not consider themselves loyal to any specific brand, they shared experiences where they always chose the same hotel when they visit a specific city several times per year, Brussels for Jaime, and Belgrade for Sara. Jaime explained what makes him repeat a stay in the same hotel, “I would say professionally, it's about the people that are at the hotel”, while personally, “most likely is the experience or the connection you get with the service, and the relationship you have with the staff”. He added that “I belong to a club, associated to a loyalty program for a hotel chain”, even though he does not use the benefits all the time, in a specific hotel they communicate with him according to his preferences and provide a personalized service taking in consideration personal details. For example, a simple change on his breakfast was done based on his feedback and “now when I go there, they already know that which is amazing “. However, for this group the most important factors to choose a hotel are the location, the commute for the main places to visit, the facilities and the price. Sara affirmed that the “first thing I check is the pictures of the hotel and if I like the pictures, I consider the hotel”. Although

these participants do not follow a brand, they developed deep and interesting relations with specific hotels.

When participants of the focus group 2 were asked about repeating the same hotel, Hugo answered that “I normally tend to repeat the places”, “we are all aware that sometimes there are bad experiences, but it is more likely to happen in a place that you don't know”. Another positive point mentioned by Hugo is that every time he repeats a specific hotel “I am always called by name, so they remember me, they remember my name, so I think this is friendly”. Yet, he affirmed that “usually I don't go to those brands where you can gather some miles and points”. Meaning that, even though he is not enrolled in a loyalty program he can be considered a potential loyal customer for the hotel, considering his behavior and frequency of stay. But when the competition is offering a lower price Hugo “choose the alternative”. Bernardo affirmed that “we are not looking for brands in terms of hotels, of course if you know a brand and you have previous experience, it can be important to you. But the main point is that for the main market that we are travelling, much of the brands do not exist there”. And Miguel agreed that if “we go and try to make an agreement with some brands or try to make me the customer of that brand. It would have to be more than one brand for different countries because we don't have the solution for all of them”. However, when choosing the hotel, they always count with the travel agency opinion and the feedback from their customers, considering that most of their trips are outside Europe. For that reason, Bernardo affirmed that “the factor price depends on the market, which I am travelling and the comfort that we need depending on the travel”. One factor that they appreciate and always take in consideration is the flexibility of the hotel in terms of timetables, especially because their flights are in particular times of the day and their meetings schedules might differ.

6.2.3. Information Sharing

In terms of how hotels communicate with these customers and what type of information they share every time they stay in hotels; a set of questions was organized and the principal topic that merged in both discussions was: trust.

Regarding direct communication from the hotel to the consumer, only one participant of the focus group 1 received emails with personalized offers, because he is enrolled in a loyalty program. The other participants stated that emails that they receive go directly to spam or they cancel the subscription, especially because they consider that those emails do not contain relevant information for them. However, Sara explained that there “hotels that I follow on

Instagram and in this way I receive their communication, because I choose to follow them”, considering that some of the publications shared by the hotel or chain of hotels on promotion channels, such as social media, can represent a trigger to incentive her booking behavior. Most of the times, hotels try to track consumer behavior in order to develop a more personalized and detailed experience. Although this is a topic that divided the participants, Ana was very clear about her position in terms of providing her personal preferences and let the hotel track her behavior, she said “I give it, I'm honest. I like the personal experience. So, I think that if they can always personalize my experience, I'm glad to do it.”. While for the other three participants a certain trust concern was mentioned. Gustavo said: “I think there is a good point of view and a bad point of view about that” and Sara added “I just think is between convenience and privacy”. There are sensitive data that customers do not feel comfortable sharing with the hotel, Sara mentioned the fact that sometimes hotels ask for customers address and she stated that “I don't want to leave the address, I find it dangerous, especially when you are travelling”. Which is can be traduced on the hotel not having access to the country or city of residence of this guest, just because the way this information is being collected represents a concern for the customer. Instead of being asked for the address, if the hotel asked Sara for her country of residence, she would feel more comfortable answering and the hotel would have access to the exact information needed for commercial purposes. The way a guest gives personal information to a hotel or hotel chain should be clear and quick. Otherwise the hotel staff must be prepared to interpret their customers and to be able to fulfill their needs at the right moment. In terms of tracking consumers' behavior, the digital and global world allows hotel to understand specifications of each type of customer. For example, in Jaime case there are one hotel chain that keep contacting him and he stated that they correlate every action that a customer has during the stay, and he even said that “the communication level and the engagement level they have with you after being in their resorts, it's absolutely brilliant”.

Since the focus group 2 is composed entirely by corporate guests, most of the communication done between hotel and guest is done through a travel agency, before and after stay. And the communication during the stay is reduce, considering that they spent a short amount of time in the hotel. However, this last communication mentioned is essential, because it is here that the hotel has the opportunity to develop a relationship with these guests individually. Usually, the information shared with the hotel is about the guests' passport, flight schedule and a contact, that normally is a business email. Therefore, when asked if they would share more personal information to have a more personalized experience, Hugo stated that “I have to say it will depend, specially depends on which country I am. I don't know, I think some

places are considered dangerous to share this sort of information”. Mentioned again the trust concern of sharing more personal data and preferences with the hotel. And according to Miguel “I don't see any change in their service due to that”, each means that short time he usually spends in hotels while travelling in business, do not allow him to develop a deeper relation with a hotel or hotel chain.

6.2.4. Improvements and Changes

The last part of group discussions was focused on how customers express their feedback about each experience in a hotel and what are the main changes, in their perspective, associated to COVID-19.

In focus group 1 most of the participants affirmed to give feedback after their stay in the most different kind of ways. For example, Sara said that “I always give feedback. The last time I was in Oporto, they left a bunch of papers on the table for you to do the evaluation of hotel”. However, when she feels the need to do a complaint or a complement during the stay, she does that in person, which is what the other participants do. Expect Gustavo that only “give feedback when the experience is really goof or really bad”. About the COVID-19 situation, the group had two distinctive opinions, while in one hand Ana stated that going to a hotel now for her “is a little bit complicated, so I don't feel comfortable”. Representing this way customers that prefer not to stay in hotel during this uncertain period. In the other hand, Jaime, Sara, and Gustavo have been already in hotels during the pandemic, but after the lockdown. For Sara, the hotels where she stayed “were excellent, super clean, the rooms were sealed. Everyone was wearing masks. One thing that I especially liked is that all doors were open. So, you never had to touch anything”. Showing the high level of concern and focus of the hotels at this moment, since restrictive disinfection rules must be followed in order to ensure safety. In addition, Jaime shared that he “felt way more comfortable in terms of hygiene than anything else than before, because they pay much more attention, you see much more detail”. Which represents a positive improvement in terms of service quality to the customer. Particularly in one of the hotels that Jaime were, “the owner of the hotel was greeting everyone at the arrival”, which transmitted him a sense of safety and confidence that everyone is working for a controlled and reliable service. However, some participants showed their concern about the food wasting that is associated to these new measures, considering that some of the meals were served in wrapped plates to guarantee disinfections, but since a customer open one of the plates the food has to be consumed.

For the focus group 2, only two participants affirmed to give feedback regularly, for Miguel especially when “the hotel sends you by email to answer their questions or they even contact you”. However, all of them stated that they do complaints and complements during the stay, so in person. For example, Fernando said that “usually I don't give feedback, they don't send me even an email, but usually I do a verbal complaint or compliment”. In relation to the COVID-19 situation, this group of participants, that used to travel at least twice a month, stopped travelling during the pandemic. Only two of the respondents stayed in hotel recently, even though Hugo expressed his concern about this virus, when he stayed in a hotel in Madrid after the lockdown he said that “I must be honest, because it didn't feel like we were in a pandemic”. However he affirmed that “the challenge will be when you have to do 10 hours inside the plane, you have to walk across airport, most of the countries that we work with are countries that are under development, that will be a challenge”. For this group of corporate guests, the future of travelling and staying in hotels again is more and more close, even though they know that they need to adapt to this new situation, all of them consider it a challenging situation.

7. Conclusions and Limitations

The main objective of the present thesis is to explore tendencies and future opportunities associated to revenue management and marketing in Portuguese hospitality industry. Through the confirmation or rejection of the propositions presented in the introduction chapter. In order to obtain interesting and valuable conclusions from this exploratory study it was essential to develop a complete literature review. This allowed the author to compare a theoretical background with the results obtained on the qualitative methodology implemented. The results obtained from the individual interviews with professionals and from the focus groups with guests were analyzed individually and then combined. Making possible to develop an extensive interpretation that lead the author to relevant conclusions.

7.1. Discussion

Considering the two methodologies applied and each correspondent point of view, some topics must be combined. In order to be possible to understand the real context and meaning in both, hotel and customer, perspectives. This discussion interprets information obtained from the data collection methodologies, compares results with previews theoretical research and highlight unexpected findings.

In order to develop a relationship with a customer, a hotel needs to know the needs and preferences of the customer. For hotels, loyalty programs are the most direct way to gather customer data and track consumer behavior. And at the same time these programs represent a certain value delivered to the customers too. However, from the focus group participants only one stand out for being defined as a loyal customer to a specific hotel chain. Even though all of them affirmed to go to the same hotel sometimes, especially when travelling for professional reasons, none of the other participants considered themselves as loyal customers. Although, all the participants recognized the added value of going to a hotel or hotel chain that already know them and their preferences.

Taking in consideration the interviews answers, the communication is an essential part of MKT and RM strategies. It is important to adapt the right communication to the right customer, as well as understand their needs and being able to deliver a customized service to each customer. Even though it was mentioned on the interviews the existence or intention of implementation of CRM strategies and systems, the focus groups results did not correspond to this intention. Among the participants, only one mentioned receiving direct and personalized

emails from a hotel, because he enrolled on the correspondent loyalty program. However, the participants felt that the means of communicating promotions and MKT campaigns with them is outdated. For example, email MKT was defined as spam for these participants, independently of the age, gender, profession, or travel motivation.

According to Buttle (2008), as mentioned in the literature review chapter, a CRM strategy is based on high-quality customer-related data. For that reason, collecting the right data is essential to develop and implement a successful CRM strategy. Through the analysis of the results obtained, it was possible to detect a weakness on the way the data is collected in hotels. Considering that the main source of information about the guests is the reservation profile, it is essential to guarantee that the information inserted on the reservation system and on the PMS, that gathers all the information about each stay, is reliable and in the right place. One of the dimensions of CRM mentioned by Sahoo (2011, p.59) is “CRM organization”, having an organization well trained and orientated to collect valuable consumer data in the correct way during every stage of the service, becomes essential to guarantee the implementation of a solid CRM strategy. Which does not happen most of the times, mainly because the operational staff is not aware of the importance of collecting certain data, due to the lack of constant training that integrates all different hotel positions into a united strategy. Associated to this is the fact that, developing a guest profile is not always a priority, sometimes because it will only reflect benefits in a long term perspective or because managers do not understand that developing a guest profile is not only about investing on a specific guest. Instead, by developing guest profiles, hotels are developing a reliable and solid database that allows managers to target guests like this one. Even if that particular customer does not repeat the stay in the hotel, it is a representation of customers that have the same consumer behavior, preferences or needs. Which can represent a decisive factor for MKT and RM strategies in hospitality industry. However, the CRM database developed by a hotel or hotel chain can only be used if the information is reliable and organized, depending on the operational staff that inserts correctly the data on the system and on the assistance and coordination of the strategic positions.

Considering the fact that hospitality industry in Portugal is not as developed as in other countries around the world, some of the strategies implemented internationally are not being implemented in Portugal. However, the need and understanding of certain changes is present. The segmentation done by hotels in Portugal is still considerably basic and mostly focused on the motivation of the stay. Although, most of the managers already recognized the need of adapting a more detailed and strategic segmentation that represents the current market. More than knowing how a certain customer reached the hotel, there is a need of understanding who

is this customer, what are the needs associated to his profile and how can the hotel deliver a service that exceeds his expectations. Not only to make the customer appreciate that specific stay, but to develop a certain relationship with the hotel or hotel brand that increases customer value. As Sota et. al. (2020) defined, and it is developed on the literature review, CLV is understanding that not all customers represent the same value to the hotel. Based on this knowledge, the first step for developing better and more suitable strategies is to implement it in the way hotels segment their real and potential markets. Every strategy is developed and implemented based on a budget and on limited resources, CLV is a measure that allows managers to determine the customers that are considered valuable in long term and invest on them. Despite being a ratio that is based on a forecast perspective, it is a strategic measure that combines the database developed by the marketing team and the analysis and interpretation done by the revenue management team. However, CLV is not being used by hotels in Portugal, mostly because the investment on CRM systems that permits having a complete customers' database is low, and because RM is not yet included on the MKT strategies and vice-versa.

In terms of personal information that can be provided by the guests, so the hotel can deliver a personalized service, the customers mentioned two types of information: sensitive and non-sensitive. An example of sensitive information is the address, which was revealed to be a concern for the customers. In contrast, during the interviews this distinction was never explicitly mentioned by any professional, although the confidentiality of the data collected by a hotel is always guaranteed. The information collected about the guests has a specific purpose: being used by commercial and strategic reasons. However, personal information of the customer is only one type among the three main types of valuable customer information mentioned by Sigala (2005, p.396). So, the efforts should not be only focus on collecting personal information that can be considered sensitive. The CRM strategy should involve the collection of indirect information too, such as what customers consider to be a useful service or through their feedback understand their specifications as customers. Nevertheless, the respondents mentioned the fact that investing on a RM culture is essential to ensure that, not only the back-office team, but also the operational personnel are all involved and working for the same goals and strategies. This includes every stage of customer journey, from the search and reservation process, passing through the moment when the guest is in-house, until the after stay. Developing a MKT and RM strategy includes having market data that allows managers to determine which are the best goals and respective actions to be taken. Not only data about guests, but about every stakeholder that can influence the hotel business, such as competitors.

In line with the literature review and the results of the qualitative research done in this thesis, there is a tendency that is being applied in countries highly developed in terms of hospitality and revenue management: integration of CRM and RM systems (Noone et al., 2003; Guillet & Shi, 2019). By integrating the CRM system with the RM system, revenue managers will not only have access to the data base that MKT develops during their market analysis, but RM department will be integrating MKT in RM decision-making process. Contributing this way to a united strategy that guarantees the implementation of a RM culture in every MKT, sales, and commercial department. Besides, the segmentation done by the RM department will more accurate and detailed, considering that by integrating these systems is guaranteed that the CRM systems is updated and organized. As well as the MKT communications and strategies will be even more personalized, through the usage of RM analysis too. Otherwise this will not be an advantage, and that is the main reason why this integration is not done yet in Portugal. However, this tendency proved to be a future option for the revenue managers that are working in a mature organization with access to the best and newest IT tools.

The last, but an extremely important confirmation of this study is the importance of investing on a solid and united work force responsible for developing the best service to the customer. Starting from the marketing and revenue managers that develop the strategy, to the operational professionals that transmit the right message and values to the customers. Although the relationship between these two departments is becoming more and more relevant, the mentalities change must continue, so hotel managers start prioritizing strategic thinking aligned with analytical skills. The present and the future of hospitality management, overall, is developing marketing and sales strategies that include revenue management.

The pandemic associated to COVID-19 that every company is facing can be seen as an opportunity to change. Taking in consideration that the hospitality industry is one of the most affected industries worldwide, it is urgent to define priorities, as well as to understand that, after this, the market is no longer the same. Even the same customer can be changed, and hotels have to consider a new market, with difference needs and preferences, and, at the same time, associate it with lower and more restrictive budgets.

7.2. Managerial Implications

For the managers, this thesis can describe what they have been experiencing in the past few years, the overall evolution of a relatively recent area in hospitality industry - RM – combined with a mature discipline – MKT. As well as the guarantee that the future of a successful

hospitality management includes a strong and united strategy that promotes the interdepartmental relationship. More than understanding the importance of working together, this thesis shows that every professional enhances the relevance of each department individually and values the work of their co-workers. Demystifying this way old and outdated hierarchical structures that used to contribute to an untrustworthy and closed work environment.

In this study it was possible to identify certain topics that can translate the impact of the hotel strategy in the customers' perceptions. The CRM strategy can be mirrored in the guest-hotel relationship, this way managers can detect which strategic action is reflected in a certain customer reaction. Which allows managers to monitor and follow up the strategies implemented and increases the understanding of their potential and real customers. However, and as a practical conclusion of this dissertation, revenue managers and marketing directors should focus their efforts on an integrated MKT and RM strategy. Starting with an integrated strategy will allow them to integrate RM and CRM, which means a detailed customer data base that allows hotels to adapt their segmentation and strategic actions to the new market specifications that are constantly emerging. Instead of focusing on the motivation of the reservation, a more detailed type of segmentation is being applied all over the over and emerges in Portuguese hospitality as a tendency and amazing opportunity: segmentation by value. This segmentation consists of the calculation of the CLV and determine the level of investment that a certain customer or groups of customers need according to their long-term value to the hotel. Which can represent an optimization of resources and costs for the managers.

Furthermore, considering that the COVID-19 Pandemic is driving the hospitality sector into a crisis period, the opportunity of restructure is emerging. Managers have to deal with this challenging period by embracing the opportunity to change outdated methodologies and strategies that are no longer adapted to the current market need. The investment on a new segmentation, more detailed and based on customers' pattern behaviors, should become a priority to Portuguese managers, in order to integrate the market segments that are emerging during this crisis. The needs and preferences of the customers before a worldwide pandemic are definitely not the same as after. As well as the way of communicating with previous and new customers. Meaning that all the departments should be united and oriented by the same guidelines and values, a structured and well-developed segmentation as to be understood by every employee of the hotel. This way is possible to deliver the right message, to invest on a RM culture in every stage of the service and to integrate and apply CRM strategies in every contact with the customer.

7.3. Theoretical Contribution

In terms of theoretical contribution, this thesis represents an open door to a deeper understanding of the relationship between RM and MKT in hospitality industry in Portugal. Although this is a topic studied worldwide, in Portugal the concern about this relationship is mostly practical. Meaning that companies apply certain measures and actions that contribute to the achievement of improved results, but those changes and results are not usually analyzed in a theoretical point of view. This thesis, considering its exploratory character, defines some of the main concerns and thoughts of real professionals that deal with this relationship in a daily basis. In addition, the guests' perspectives presented can be a representation of some market segments and how they react to certain strategies. Therefore, this study offers and tests a set of propositions about the tendencies of these disciplines.

This study confirms the importance of integrating MKT and RM management strategies, although it is not present in the current Portuguese hospitality, it is a theme developed by researchers and hoteliers in other countries. This way, it is possible to affirm that the present dissertation contributes with a, student level but interesting, research among some key stakeholders. Showing this way, the need of explore this topic and develop theoretical bases that make managers and directors implement an integrated strategy.

One of the theoretical contributions of this dissertation is the combination of CRM and RM strategic factors in order to understand the guest-hotel relationship. Consequently, there are strategic decisions that are reflected in key performance indicators associated to customers behaviors that allow researchers to develop links between these variables.

In terms of the segmentation by value, this study reveals the interest of using measures such as CLV in the future, however the hospitality sector might not use exactly this measure, because the need of a specific measure adapted specifically to the industry and type of service might be emerging. If the managers and directors have access to a globally tested and approved measure that represents the same level of reliability, the adaptation to a segmentation by value will be much efficient and brief.

7.4. Limitations and Further Research

During the process of developing this thesis different challenges and perspectives came out, which was already somehow expected because this is an exploratory study. The information collected was sufficient to develop conclusions around the propositions suggested, however

throughout the development of this thesis some limitations were perceived. In order to complete the study, these limitations have to be mentioned and, afterwards, considered in further research.

Firstly, it is relevant to contextualize the current pandemic situation that has been lived worldwide. Starting with the fact that the first methodology selected to gather qualitative data was individual face-to-face interviews. Considering that the first interviews were scheduled for March 2020, the month when it was declared emergency state in Portugal due to the pandemic, it was not possible to proceed with this methodology. Associated to this unique and uncertain situation, hotels in Portugal closed and the target audience of the interviews were not available to contribute with their testimony at that time. When hotels start reopening and it was possible to reschedule the interviews, this time via Skype instead of face-to-face interviews, and the methodology was applied. However, the limitations associated to online interviews are strictly connected to this study, mainly in terms of communication, which is not always as clear as in person and there was always the technical issues factor to take in consideration. In addition, and for the same reasons, the focus groups were conducted via Skype too, which means that the number of participants was smaller, and the time of the sessions was shorter too.

Another limitation associated to this thesis was the number of professionals and customers. In terms of the individual interviews, the targeted audience was not as receptive as expected to the participation on this study. So, for future research, covering more professionals with different backgrounds and experiences will be an interesting development. As well as to invest on larger and face-to-face focus groups, this might increase the diversity of opinions around the topics addressed along this thesis and the guest profiles associated to those points of view.

Another possibility for further research is testing in a few months or years if the tendencies mentioned on the conclusions of this thesis are being implemented, or at least considered, on the Portuguese hospitality reality. Moreover, an amazing complement to this thesis will be a research based on the practical actions associated to each of the tendency. Understanding this way if the theory was correct and can actually be translated into a positive impact on the performance of the studied departments.

8. References

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9. Appendixes

a. Methodology

Appendix 1: Individual interviews script

- For starting, please tell me about how the marketing/revenue department works in this hotel chain? How many people work here and what are their positions and responsibilities?
- Do you have all the information you need about guest experience/guest profiles? How do you collect and manage that information?
- Do have a Customer Relationship Management (CRM) strategy? Do you have any system where you associate all the information?
- Do you use that information to calculate ratios such as Customer Lifetime Value (CLV)?
- What about information about main competitors and regarding other stakeholders? What kind of information do you need to help you during the decision-making process?

- Do you share this information with revenue/marketing department? How?
- Do you consider the relationship between revenue and marketing department essential? If yes, how they communicate in a daily basis?
- Over time what are the changes that you consider significant between these two departments?
- How do you think these two departments are changing in a near future? What are the tendencies?

- What are the most important factors to develop your work as a revenue/marketing responsible in hospitality?
- What would be important to have access that you do not have now, but could improve your performance as a revenue/marketing responsible?
- What are the main changes for the marketing department associated to the pandemic that we are living?

Appendix 2: Focus Groups schedule

- How often do you stay in hotels?
- Which are the characteristics do you look for in a hotel?

- How do you book your stay in a hotel?
- When you are selecting a hotel, what do you take in consideration? What makes you select a hotel over another?

- How does the hotels you stayed usually communicate with you?
- Do you always go to a different hotel or there are hotels that you return?
- Do you maintain any kind of relation with a specific hotel or hotel brand?
- When I ask you about a specific hotel or hotel brand, which one is the first that comes to your mind? And what are your thoughts about it?

- What kind of information do you share with a hotel?
- Are you willing to share more personal information, in order to have a more personalized experience?
- Have you ever been in a hotel that already knew your preferences?
YES: How was that experience?
NO: How do you think this will improve your overall experience?

- How do you usually share your experience feedback during and after a stay?

- How do feel about going to a hotel now?
- In the past few months, do you have any experience with a hotel that is somehow related to COVID-19?

Appendix 3: Individual Interviews – Sample description

Respondents Identification & Profession	Gender	Age Range	Hotel Type
Marketing Director 1	Female	30-40	International Chain
Marketing Director 2	Female	30-40	International Chain
Marketing Director 3	Male	30-40	International Chain
Revenue Manager 1	Male	30-40	International Chain
Revenue Manager 2	Male	20-30	International Chain
Revenue Manager 3	Female	20-30	International Chain
Revenue Manager 4	Male	30-40	International Chain
Revenue Manager 5	Female	20-30	Independent Hotels
Revenue Director 1	Male	40-50	Independent Hotels
Revenue Director 2	Male	20-30	International Chain
Revenue & Marketing Consultant 1	Male	40-50	Consulting Firm
Revenue & Marketing Consultant 2	Female	40-50	Consulting Firm

Appendix 4: Focus Group 1 – Sample description

Participants	Gender	Age	Profession
Ana	Female	25	Events Manager
Gustavo	Male	28	Consultant
Jaime	Male	34	Innovation Manager
Sara	Female	36	Talent Community Program Manager

Appendix 5: Focus Group 2 – Sample description

Participants	Gender	Age	Profession
Bernardo	Male	34	Exportation Director
Fernando	Male	33	Exportation Manager
Hugo	Male	38	Exportation Manager
Miguel	Male	32	Sales & Technical Engineer

b. Results Analysis & Discussion

Appendix 6: Interview - Marketing Director 1

Carolina: For starting can you please tell me about how the marketing department works in this hotel chain specifically, and how many people work here, what are their positions and responsibilities?

Marketing Director 1: I've been working here in this hotel chain for five/six years and since then the marketing department has been changed. What we had when I arrived here were people from tourism and now we have people that are more focused on marketing activities and also our marketing department is marketing and communication. We have the public relations (PR). Also inside the marketing we have marketing and communication and not marketing and sales. We have a really small team. We have the responsibility of all the advertisement, all the PR activity and all the media relations and we have the design. And we have the digital marketing, also here, and we have partnerships and sponsorships. For the country A and country B. We have four people in country A and two people in country B. In A we have one designer. We have one person, one community manager responsible for updating our website, all the news, all the new hotels and also our social networks. We have one campaign manager, so responsible for the majority of our investment that is online. We have one person that is responsible for the media relationships, not only the media editorial but also the media buy, except digital. And in country B we have one person responsible for that part of the communication, the media and the media buy. And now what was missing when person for partnerships and sponsorships and also this person is responsible to developed products for the hotels, basically giving support to our sales team and our operational team in the hotels. We have the same person that does the same thing in country B for the sponsorships and partnerships. So this is how we are divided. We don't work with agencies we only have one agency that is responsible for optimizing our digital campaigns in country A.

Carolina: Do you feel that you have all the information that you need about the overall guest experience from the beginning until the end?

Marketing Director 1: Well I have a lot of information sometimes not as organized as I wish.

But if I go deeply in one customer journey I can find out everything I want. But actually, I think in the future I will need the information more organized so I can make better segments to segment better campaigns more personalized to each customer. I don't have it now, but I think we're going to get and that is good.

Carolina: How do you collect that information and how do you manage it?

Marketing Director 1: We have our own system where we do the bookings and we have the profiles of each customer. And we have the information from the websites, the Google analytics. But different information are not centralized, not together. The information from the newsletters it's information that I get from the profiles that have a team to receive the information. Also I have information on the comments that they leave on Booking, TripAdvisor, etc., and those on our hotel so I have the information overall, but I don't connect all the dots.

Carolina: All right. So you have to do it manually?

Marketing Director 1: Yes I analyze by blocks, so I can analyze the nationalities I analyze one block, then I analyze another block I can analyze all the pieces together to have one analysis. If I want to know if this customer has been with us for the last 10 years, in which hotels and if he has made comments in our Facebook our TripAdvisor or Booking. I don't have that all consolidated.

Carolina: So we have to search for it?

Marketing Director 1: Yes I search in blocks I can't get the information but, well, separated.

Carolina: For the loyal customers you search that specifically, for the ones that are loyal to the brand or the ones that are connected to a loyalty program?

Marketing Director 1: We have a loyalty program. We have some specific promotions for the people that are on our loyalty program. They have special discounts. We try to push a little bit of our program, because this is the only way we have now, since the GDPR, that we can communicate with our customers, besides the direct bookings.

Carolina: And do you have a customer relationship management strategy?

Marketing Director 1: Well it's not as sophisticated as I wish. We do the basic stuff. We do some analysis. For instance in our newsletter we segment by markets. We know the overall what's in the interests of the markets but I'm not doing personalization, not for them.

Carolina: And in terms of the measures, how do you measure the value of a customer over time, do you think about that? Do you measure for example customer lifetime value or how they can be loyal to you in the future?

Marketing Director 1: What we measure is how many times they stay with us, because it depends, if it is a corporate customer is going to stay with us more often. Every week every month. If it is a person that only goes to our hotels when they are on vacations maybe once a year and it's a good customer who comes every year one week or two weeks. It's a very good customer. So we have a customer lifetime to analyze it has to be a long time that we analyze. It's not like a supermarket where you can check that he buys rice every month.

Carolina: And about your main competitors and the other stakeholders that you think are important. How do you collect that information or what kind of information will help you in the decision making process?

Marketing Director 1: Well we collect. We have the competition analyzes per hotel basically, because it depends. The most important thing in the hotels is location. So if they don't go here they go to the next door. So it's important to know what happens around each hotel. So each hotel director, they own that and they give us their support to the marketing team what they believe who are the main competitors and they control the prices that they are selling the rooms. So. It's more or less like that that we do.

Carolina: So each hotel has their own analysis of the competition.

Marketing Director 1: Yes and they share it with us. Also we can analyze also the part of the comments and the ratings that they have on Booking and TripAdvisor for example. We have that analysis also per hotel. And then regarding the competition.

Carolina: And a little bit more about the revenue department and how you deal with that department. How do you share this information, what kind of information and how do you share with them?

Marketing Director 1: Actually it's more the other way around. So I ask information from the revenue department so I know exactly what to push to our customers what we want to push. Well if you are opening a hotel I don't need to ask the revenue because I know we are going to open a new hotel. But they have specific analysis to know for example, last year on this week we had a lot of searches for a particular hotel of the chain and we are not having the same search. So let's push this hotel this week so we can make our pick up a little bit better. So we do this on a weekly basis. We work with them.

Carolina: Do you have a reunion or meeting?

Marketing Director 1: We don't need that, we are straight for it. We have meeting depending on what are the needs. Because they are doing this on a daily basis and analyze it. So when we need to send the information because we program all our media plan that we do annually. So I just think to these sites over the year what is going to be the push.

Carolina: Basically you ask for information for them and they do what you want them to do? For example they told you this week in the last year and was very good for us and you tell them what price we should practice.

Marketing Director 1: They do find a price by themselves. Is defined by revenue.

Carolina: You decide the campaigns that you launch based on that price or week?

Marketing Director 1: Yes. If I'm going to push the price. What is going to be the catch.

Carolina: Do you consider this relationship essential?

Marketing Director 1: Yes absolutely. It's really important for us, because maybe we think "oh we know that we are opening this new hotels and we are going to do only these hotels", but we

need to know the reality when and what is happening. So this is crucial for our work to know what are the needs and what is important for the group and to grow the revenue.

Carolina: And more than the price. What do you think is essential? What kind of information you share with the revenue or what kind of knowledge, it doesn't have to be a specific information.

Marketing Director 1: Well, we share what are the campaigns, we share what are the partnership we are doing, so in this type of information, and what we are doing in the hotels. If we are launching our gift voucher is what we are doing in the Mother's Day and the Father's Day so they can also understand if our campaigns move anything in the revenue.

Carolina: And then the segmentation that you talked about before, do you share with them how you do the segmentation or you both have different segmentations for each department?

Marketing Director 1: They do a lot of different analysis. It depends on the segmentation. If I say Okay I want just to do a campaign, because we have an event in the hotel and I want people that are going to stay in that hotel to go to that event, or to sell that event. So I need just to know what are the people that are going to stay there and just push to them the information.

Carolina: So it always depends. Segmentation always depends.

Marketing Director 1: Yes always depends on the needs.

Carolina: And over time, what are the changes that you consider significant between you, marketing, and the revenue department?

Marketing Director 1: Well I think the biggest change is that the revenue department didn't exist, basically, and what they changed here... Maybe some more sophisticated analysis that help us to be more proactive in the campaigns and not reactive, because what we are doing now we're being more reactive and not proactive. Because that maybe I can send campaigns for people that they have specific patterns, if they go every year to our hotels in a specific region they book in march and this year they are not booking I should be able to send the communication reminding them that "oh don't forget to book your vacations and holidays". So I think this kind of communication can be better.

Carolina: So, don't you think that you should have a system that is common for you both? With the information that is good for them and good for you?

Marketing Director 1: Yes.

Carolina: So maybe it's a lack here and something between you two should connect you. Instead of always asking "I need this for this day".

Marketing Director 1: What should be important is that we have a system that we can do analysis from the same system. But sometimes we don't. Because it's not our core business to do the analysis, we have not to do the search but to do the analysis only. So if I need the data they should provide to me. So I just have to do the analysis. So you can save time.

Carolina: So for you, the future of these two departments is basically this. Doing this. They give you the data and you do the specific analysis?

Marketing Director 1: Giving the data and being more proactive instead of reactive, to know what we should do, for example "oh we are missing this and we should have this occupation now and we are not having". Not exactly like that. But to be more proactive I know that these people were booking in this time of the year so I need to go looking for these people that are missing now.

Carolina: Anticipating the need of the customer?

Marketing Director 1: Yes.

Carolina: And for you, as a marketer, what are the most important factors for doing your job?

Marketing Director 1: The most important factors. Well, having a lot of information is crucial to know the customers. That is the most important thing, to connect to all the things I said in the beginning, connecting all the dots. Because there are a lot of people that that insert the reservation, people that update for the check-in and there are a lot of people that put new information in the system and sometimes are the customers themselves, they can do the booking

on our website, anywhere, in the operator etc. And sometimes we have the same customers with 10 different profiles. And this is really difficult to know that this customer is a good customer because maybe I'm analyzing a profile that is being with us once, and if we sum up is a really good customer because he has been with us a lot of times. So I think connecting all the dots and to know where customer is talking about us, if it is our brand ambassador for instance. This could be really important to us, because we have a lot of information.

Carolina: That is a problem of big data. You have a lot, but it's not organized.

Marketing Director 1: Yes.

Carolina: Just for me to understand how you work. You have a lot of data but you don't have a person that organizes that data? Basically when you need it you organize the data?

Marketing Director 1: Well, in the revenue department they do some specific analysis that they do weekly, daily, monthly. So I can ask always for this analysis that they are doing. We, marketing, do it weekly when we need the information so we can push the campaign's we ask them. But we have also our own agenda in terms of PR, a lot of different activities that we're doing at the same time.

Carolina: OK. Do you want to say something more specifically about revenue for example, do you interact with the revenue in your daily basis? Everyday usually you talk?

Marketing Director 1: Yes I can see them from my station.

Appendix 7: Interview - Marketing Director 2

Carolina: For starting, please tell me about how the marketing department works in this hotel chain? How many people work here and what are their positions and responsibilities?

Marketing Director 2: I am responsible for four hotels. Our Marketing department changed 6 months ago, marketing was separated from Public Relations and Social Media. We have different people for different tasks: campaigns, web, media, e-commerce. We are all together

at the same place and near the marketing headquarters, which are responsible for launching the chain campaigns. We work together with sales, we decide together in which markets to invest. According to e-commerce, PR, sales, web, we define the best options for every department need. We combine efforts with PR agencies in order to define the best options for every department goals and strategies.

Carolina: Do you have all the information you need about guest experience/guest profiles? How do you collect and manage that information?

Marketing Director 2: We have information, but our department is not in charge of that information, the marketing department of our international group is. We just define the profiles per property, for example couples for weekend, or business, MICE. With the general Marketing department, we define priorities and strategies for the year based on the segmentation done by revenue. Budget is one of the main orientations for the strategy defined.

Carolina: Do have a Customer Relationship Management (CRM) strategy? Do you have any system where you associate all information?

Marketing Director 2: Marketing department no, we only have access to the information. The main data base of CRM is controlled by our headquarters, not in Portugal, everything related to the customer historic and personal data.

Carolina: Do you use that information to calculate ratios, such as Customer Lifetime Value (CLV)?

Marketing Director 2: That kind of information is for the main marketing department, where they have access to all the detailed information about customer behavior.

Carolina: What about information about main competitors and regarding other stakeholders. What kind of information do you need to help you during the decision-making process?

Marketing Director 2: The department with more information about competitors is revenue, especially because they have to have that information in order to do the pricing strategy, about promotions in comparison to the market rates. We do not have that much information about competitors, because our main goal is to apply specific strategies according to our needs and

not to duplicate their strategies. For example, we have a restaurant and the main competitor is in the other side of the street, we want to understand why a specific segment is choosing the over us, but not in terms of specific measures that they are applying. We have to adjust our strategies based on our goals and not based on competitors.

Carolina: Do you share this information with the revenue department? How?

Marketing Director 2: Is more on the other way around, they share information that they consider relevant for the hotel communication with us. About prices, the limitations that we have to take in consideration based on the type of market segment, customer preferences, positioning.

Carolina: Do you consider the relationship between revenue and marketing department essential? If yes, how they communicate in a daily basis?

Marketing Director 2: Yes, actually the relationship between every departments is essential. We have weekly meeting between revenue manager, marketing and hotel manager (GM). The main objective is to detect gaps in the next week/month that we need to fill. So our department can focus on specific campaigns in order to obtain revenue in specific periods. Revenue department decide where is the best segment and time to invest and we, marketing, do the communications and launch the campaign. However, considering that now we are a huge international hotel group, it is more difficult to make the decisions. We have more superiors to respond to and they need to approve most of the efforts. Now the decision-making process is more global and based on the available resources, more challenging.

Carolina: Over time what are the changes that you consider significant between these two departments?

Marketing Director 2: The need of communication was always there, it is very important to develop a strong communication between all the departments. Everybody has information that we need, so an integrated communication between all departments is essential. It is impossible to obtain good results by working individually in this industry.

Carolina: How do you think these two departments are changing in a near future? What are the tendencies?

Marketing Director 2: Maybe we can work with the revenue department in order to develop more proactive strategies, instead of reactive. Nowadays we do a lot of reactive actions, based on what the market does, we react. But it will be an advantage to predict the market, with certain limitations of course, but acting more in a proactive way, understanding the customer and act accordingly to their needs that we anticipated before.

Carolina: In your specific position, what do you think are the most important factors to develop a good work?

Marketing Director 2: You need to know your product super well, you need to know it passionately. So when you're talking about it, people understand the passion that we as a company put into our property. There's got to be a reason behind what we do. And you need to know what it is, you need to have your rational super well defined on your head in any case, behind our strategies is our knowledge of where your property is set. So first you try to sell the property, you need to know a lot as well about the destination, because we do not want people to come to our hotel just because it is a fantastic hotel. We get people to come to take a little bit more than that, because it is located in Lisbon and Lisbon is one of the safest countries in the world. It is number three in the world peace index. It is a country that has been growing in awareness for the past years. But it is a walkable city with this cultural offer, gastronomic for example, and projects increasing all over this city. You need to know what you are selling and where you are inserted so that you can get people's interest. So I guess that's what's important, is to just be passionate. Make sure you deliver the promise. Yes, deliver the promise that you make. You know, when you're saying for example, "we are the best luxury property in the most central location", that means that is truth. So you need to deliver that promise. Otherwise, people will not come back, and, for instance, we have very loyal markets, people that are in love with our hotelbrand, because they delivered the promise and they have been delivering the same promise for decades. So that is probably what is most important, because if you have pride on yourself and on what you do it is easy, because when you are selling it, you I feel it's true. If you're working for a property that says "we are the best property" and then you go to reception and see your colleagues ignoring guests or see some a waiter in the restaurant being rude to a guest. Then you know that you are not delivering the promise that you are making. So it's not

just the words saying that "I do", it's seeing that when I walk around the hotel, I see that my colleagues that are delivering exactly the promise that we are communicating. We are proud of that. So that's what's most important you can do. And also you have to deliver the classic heritage services of the hotel industry. But also be on the look of what's new. Position us as a hotel that knows what the future guest is looking for.

Carolina: And do you feel there is something else that you are missing that can help you do that?

Marketing Director 2: Well, we can always use more budget. So that we reach more people. But I think when you talk about service, you talk about people. So the more people you can have, the more service you can offer. If you have appropriate numbers of staff to deliver that promise. And if you have a person overworking, you know that after 12 hours that person will not deliver that same service. So it's important to create balance in the work life. And I think in the company we manage that.

Carolina: And the last question is about the main changes that this pandemic is doing to your specific department and in your specific position?

Marketing Director 2: Well, I am currently on lay off, so I am not working, even though I am trying to maintain my activity by collaborating, because I want to of course, not because I am forced to. Mainly with content and ideas, I am always trying to help the colleagues that are actually working to help them do their jobs. I am praying that the business gets back on track so that we can get back to do what we like. It is difficult to see that there is no way that we can go back to working and going back to properties unless business start, so we can get pick up again. So unless we start selling, then there is no way that business can bring back the people. So it's like when Portuguese people say "é uma pescadinha de rabo na boca", you will not get business back, if people don't come back. Now it is very difficult to get the business, we are facing difficult times. Properties have been on zero earnings for three months. March, April, June, and July is not going to be fantastic. I would say the most part of the year is lost. So we need to be focused on 2021.

Carolina: The kind of communication that you're doing now is focus on telling that we are a safe country and you are a safe hotel, but not for now, for the future?

Marketing Director 2: Of course, we want to be very careful with the messages. We can't be communicating with hard selling messages when we know the conditions are not gathered for people to travel from certain countries or if our country is not opened to certain countries. And people are still afraid to travel. So we are trying to focus on, you know, "keep dreaming", "one day", "in a few months" or "next year", "beginning of next year", you're going to travel again, safely with the conditions to back again. But of course, we're trying to focus now on the local market. So Portuguese market will be our priority for this year. And, of course, when we communicate with international agencies, we are always pitching stories that I probably will not be picked up by journalists, they will be collecting information that can be about the property or the destination that doesn't picture this year, so it is important to focus on business for next year. We get a lot, sometimes we are working on pitching stories to media that we're going to come out with our six month plan. So we're always looking ahead, that is how we can get that awareness. We are not just focusing on the moment we're focusing also on the future. And now more than ever. So now we are doing more efforts with the local media, with the local markets, trying to pitch and promotions to Portuguese people there are looking for solutions for their holidays. The Algarve properties, for instance, are targeting Portuguese people that maybe shipped their vacation options from Spain recently. Hopefully we can get them and make business with them. Typically, if we don't get a the UK business, in the Algarve, or the German business, that will be trouble. So if we can't get the Portuguese to spend some more in our country, then everything is lost.

Appendix 8: Interview – Revenue Manager 1

Carolina: For starting, please tell me about how the revenue department works in this hotel chain? How many people work here and what are their positions and responsibilities?

Revenue Manager 1: The revenue department is divided in two different segments: revenue and corporate revenue. In revenue we can count on one revenue director, responsible for five revenue managers divided by region, meaning that each revenue has different hotel cluster. This part of revenue is responsible for the decision-making process, the business itself in daily basis. While the corporate revenue helps developing the core revenue department, by developing revenue tools with all the revenue team. For this department two persons are designated to be a

reinforcement in developing solutions. For example, if revenues are spending time on sending a “stop sales” alert by email, corporate revenue develops an automatic way of doing it in order to implement a more efficient procedure. This way revenue managers responsible for the hotels have more time to analyze the outputs and the information, instead of wasting time in organizing information and in non-automated processes.

Carolina: Do you have all the information you need about guest experience/guest profiles? How do you collect and manage that information?

Revenue Manager 1: Yes, we have access to all the information we need about each customer. Marketing digital is responsible for given us that information through reports, when marketing department believes that contains valuable information for revenues to analyze. Or through our direct requests to marketing, when we want to develop a strategy that has potential, but we need to have more information about specifications of the market.

Carolina: Do you use that information to calculate measures such as Customer Lifetime Value (CLV)?

Revenue Manager 1: No, we don't calculate CLV and as a revenue manager I don't have knowledge to develop this concept. However, I believe it is extremely difficult in a chain of hotel context to calculate such individual measure.

Carolina: Do you share information with marketing department? How?

Revenue Manager 1: Yes, the source of information change is via email, we share reports. The marketing department always reports to revenue in terms of campaign launches. We use a workflow system where we manage the situation of campaigns for example. The revenue department sends the instructions and conditions of the campaign to the marketing department, then the marketing department has to give the check-point to the information and to the developed work by them, in order to pass the information and instructions to the other department responsible for developing the next step of the campaign. This way we guarantee that no task is left behind and that all the departments have access to current and right information.

Carolina: Do have access or control Customer Relationship Management (CRM) strategy? Do you have any system where you associate all information? What do you think about a RM & CRM integrated system?

Revenue Manager 1: The only role of revenue manager in CRM strategies is giving their opinion based on the information that they have. However, revenue's opinion is essential for example while implementing a loyalty program and for that reason, as a key department, helps in the development of the program. In a daily basis we only work as a team, not directly with CRM tasks. When conflicts between campaigns appear, revenue manager is the one responsible for detecting and solving it.

I think is a good idea! We kind of integrate some of the systems that we have, for example the information collected and provided on the website is an integrated system that both departments have access to. The main goal of integrating systems is to share information among departments while having only one supplier, in order to guarantee that both departments have access to the same complete and valuable information. When you have a system that considered all the information and that uses artificial intelligence/machine learning, you obtain an opinion with a higher processing capacity. This means that revenues do not have to do the research work that marketing already did and shared in an integrated system.

Carolina: Do you consider the relationship between revenue and marketing department essential? If yes, how they communicate in a daily basis?

Revenue Manager 1: Yes, without a doubt, every two weeks the revenue management and marketing departments reunite. The meeting is headed by the revenue department, but the marketing department is always present as guest. The main focus of the meeting is forecasting.

Carolina: Over time what are the changes that you consider significant between these two departments?

Revenue Manager 1: In our specific case, five years ago both departments were based in the same place, however we suffered a break in communication when the marketing department moved to a different location. Considering that the main communication was email based and some information were lost while sharing daily details. However, one year ago the marketing department was moved again closer to the revenue department and we developed a much

stronger and closer relationship. Marketing is more present in revenue management developments and revenue management is more present in marketing decisions. Revenue works in line with marketing and sales, and our department is the one that manages most of the decision-making process in terms of prices and campaigns.

Carolina: How do you think this two departments are changing in a near future? What are the tendencies?

Revenue Manager 1: The future of this relationship is based on what was mentioned before, keep working with more marketing presence. Even if it is not possible to be physically together, the future tends to be about videoconferences in order to guarantee proximity and real presence between departments.

Carolina: What are the most important factors to develop your work as a revenue manager in hospitality?

Revenue Manager 1: Investing in IT knowledge, is a key success factor to follow the development of revenue management, never forgetting the basis of management knowledge, IT is the future.

Carolina: What would be important to have access that you do not have this moment, but could improve your performance as a revenue manager?

Revenue Manager 1: In terms of information we have a lot, something we have too much information. We have access to most of the information through google analytics, but the hard part is to manage information, not collecting it. We have two types of systems that are essential, the first one is a business intelligence system that aggregates all the information and we use it just to consult the information. The other type is a system that gives revenue recommendations based on certain information and defined objectives. For me, the future is to integrate these two systems, in order to obtain current and real recommendations to support revenue decision making process. The best evolution for revenue is artificial intelligence associated to IT systems.

Appendix 9: Interview - Revenue Manager 2

Carolina: For starting can you please tell me about how the revenue department works in this hotel chain and how many people work here? And what are their positions and responsibilities?

Revenue Manager 2: So here in Portugal, we have a team of five persons, right now in the revenue department. In Lisbon we are three persons, me and my two colleagues, responsible for three hotels. And we have two persons in Algarve that are responsible for the other hotels that we have in Algarve. Within this hotel group, our team expanded a lot and we have more five members based in a different country and our director lives and works in that country too. Then we have two revenue managers in a third country. This chain of hotels has presence in various countries around the world, in Europe we have business units in Northern Europe and we have another in Southern Europe. At this moment, I am from the southern business unit and I have one director and we are eight revenue managers.

Carolina: Has a revenue, do you feel that you have all the information that you need about the overall guest experience, in order to develop a guest profile?

Revenue Manager 2: Well, we have another department besides revenue, that their work is especially the guest experience. We have guest managers, we have persons who's the work is only to create or manage the profile of all the customers that we have. We work with a CRM. That's a platform where we can put all the information about all the guests. And of course, I can access the CRM and I have access to all the info about the guest. But our main work is not the guest experience, but the way that we can sell a room, and the best way to sell the room to their guests.

Carolina: You have access to the information in the CRM strategy system. But do you have any control about that, or you only check the information to use in your work?

Revenue Manager 2: At this moment, we do not have any responsibility in the guest experience. I have access and I can see all the information and I can use it, of course, but I'm not the owner of the guest experience in our company, revenue department doesn't do that.

Carolina: For example, ratios such as Customer Lifetime Value. Do you use it? Do you have access to it? Or this is for the marketing department?

Revenue Manager 2: We have access yes, but we do not use it. Yes is for the marketing department, for the guest experience department, not for revenue.

Carolina: So, since you kind of need this information, how do you share it with the marketing department? Or how they share this information with you?

Revenue Manager 2: Well, we have a lot of open channels inside the company. We use a lot the Sharepoint, the tool of Microsoft and well, we use the email. So, we have a lot of internal tools to cross all the information across all the strategies. That all departments could need.

Carolina: OK, so you do not have a shared system, for example, a CRM system integrated with the revenue system?

Revenue Manager 2: No, not at this moment. No.

Carolina: And do you think this will be an advantage?

Revenue Manager 2: Well, could be an advantage. Of course, yes. Because, well, when we define the strategies to sell the best product, with the best price for the customers that we really want. It is important to understand, of course, the experience and the feeling that the customers should or could have about our company, of course. But at this moment it is easier for us to have weekly meetings, daily meetings sometimes. Where all that kind of info is shared with us and then it is easier for us work with the info that marketing department could give us and with that information we can work, of course in that.

Carolina: OK. So, you said that you have weekly and daily meetings. Is it very usual for you to talk with this department?

Revenue Manager 2: Yes. Every week we have a weekly meeting with all the main departments of the hotel, we have the meeting with the GM, with the rooms director, with the F&B director, with operations in the hotel and of course, with the sales team, sales director, with the marketing

director, with the e-commerce manager. Well, with all the persons involved on the construction of the strategies we have a weekly meeting. And of course, I have another daily meeting with other revenues, with some specific persons of e-commerce and for example, with operations too, marketing too.

Carolina: Do you think this kind of relationship is important and essential?

Revenue Manager 2: Yes, it is very important. Very important, because I'm always saying that "me as a revenue, I can't make my job and I can't make a good job without information". For me, it is very important when I create that strategy to sell the room or to make the best price for some specific market segment, I need to understand this market segment. So, for direct customers, for example. That is the main goal of marketing team, understanding the direct customers that we have, it is very important for me to get that feedback from the other departments.

Carolina: Since you started as a revenue a few years ago, what do you feel is changing in this relationship or in this kind of communication?

Revenue Manager 2: A lot of things! There are things in the past, for example, in our company revenue managers were fully responsible for all the strategy. So me as a revenue, in the past I could define alone the strategy of the pricing of each market segment and the way that I want to sell my hotel in all OTA's, in my Web site, well, everything. I was fully in charge of everything. And the GM, the director of the hotel was responsible for all the things related to the operations: F&B, the rooms, housekeeping, well, all the operational things in the hotel. And right now, in 2020 and 2019 too, it is a little bit different because now we share everything right now. Of course, I define the strategy, but every day I am always listening, and I am always taking account all the feedback that I receive from the operations, from marketing and the decision is shared between us. I am not the only person responsible for the rules and now all the info is shared. All the rules are shared, between marketing, sales, operations, between every administrative department.

Carolina: OK. And how do you think it will change in the near future? What are the tendencies?

Revenue Manager 2: Well, at this moment, I will be honest. I think in this international hotel group we are not the only group that have a very, very good RM department. But we are one of the best Revenue departments in Europe. Because we have a high level of knowledge and now we have the best learnings, too of Europe. So, we have very, very good senior directors and vice presidents of revenue. We have people in our department with many, many, many skills and all the strategies and all the tools that we use to work. At this moment, we maybe could be one of the best at Revenue Management. The truth is that at this moment we have the best tools in the market to make revenue. In the past, the main tools that all the revenues used was the Excel, with an Excel and a browser you can do everything. You can access all the extranets to implement the strategy and if you have the excel, it is the main tool of all the times. But right now, you have a lot of tools that are very, very, very important to you to apply all the strategies. You have channel managers, you have revenue management systems, and you have rate shoppers for control of your competitors, control your sectors. You do not need to update the prices manually and you can apply a strategy in each channel in a controlled way. You can apply the strategy for all channels with just one click with the channel manager and to update pricing, right now, you have the best revenue menu item in systems in the world. To do that, you have: IDeaS, Duetto. Well, at this moment you have a lot of tools to implement revenue management strategies in hotels and the truth is that here in this international hotel group we have all the things. We have all the tools available. So, I think we have conditions to make a very good job.

Carolina: So, if you have all the conditions, what is the most important factor to develop your work, besides these conditions?

Revenue Manager 2: Well, my opinion is that you have to understand the market and you have to understand the region that you have. I will give you an example, I'm revenue of a property in Lisbon and I have other colleagues that are revenues in Algarve for example. The strategies that I will apply in Lisbon are totally different, that the strategies that my colleague will apply in Algarve, because the regions are totally different. You have high and low seasons different than Algarve, you have a type of customers totally different too. You have different markets, different nationalities, well, everything could change in the same country. Depends of the region that you are talking about. So despite all the tools that we have and many groups at this moment have. I think one of the most important things is to know the market and have the knowledge

of the type of customer that you have in your market. I think that is the thing that could divide a good revenue from a not so good.

Carolina: So, do you think that you have access to everything that you need at the moment, to improve your performance as a revenue?

Revenue Manager 2: Yes, at this moment, yes. Because, well, one of the things that are very important here is the way that you have the info, like in many departments, marketing department is an example, where they are working with info. So if I have a good business intelligence department or just one person, but a good BI to give me all the info that I really need, I can do my job and I can do a good job. But the important thing is to have info at this moment. I'm just saying that the most important thing right now is information and if you have a department or a person or someone that could give you all the info that you need to make a good job, it's easier.

Carolina: This is the reason why it is so important to have a good relationship with marketing departments, for example, right?

Revenue Manager 2: Yes, yes, of course.

Carolina: In terms of, for example, segmentation, you need to have a lot of information to segment your market. You are the one that have some kind of power in the segmentation or is it all about marketing department?

Revenue Manager 2: In our company, and in most of the hospitality companies in Europe, in Europe and in the world too, the market segmentation it is done by the revenue department. So, we make the split between the customers. The way that we divide the customers, depends of the way that the customers come to us. So if I have a Tour Operator, an agency, for example, that have charters, that have a package and for example, that sells the package in the U.K. with a flight and have a price a little bit lower than a direct guest, for example. We can call FIT or Tour Operators to the market segment, because they have a packaged price. For direct customers, for example, we can split it in two market segments. We can split it in direct, from your own website, and from OTA's, for example. All the online channels that we have, like Booking, Expedia, we have many, many online channels. You can split it in corporate

customers too, all the companies that have persons flying all the time. You have groups. And inside the groups segments, you can divide it in three, four, five different market segments, because a group that comes to Portugal in leisure, it's completely different from a group that comes to Algarve for playing golf, for example. And the group that have a huge conference in Lisbon, for example, for WebSummit, it is totally different from a small group, for example, that you could have in your hotel with the dinner. So, the market segmentation that we make it is done by the revenue department.

Carolina: And considering that, you as a revenue think a little bit about long term, not only about the daily revenue. You never thought about doing the segmentation based on the loyalty, like the value that the customer will represent you to the future?

Revenue Manager 2: Maybe in the future, yes. At this moment, no. And I will tell you why! The CRM and all the CRM platforms that you have at this moment in the market are very... Like I use to say, it is like a baby CRM, because just the biggest chains in the world already have a good CRM platform with one hundred percent valid information. In all the other hotels, in our hotels too we do have CRM. Of course we have a CRM with very useful information, but all that kind of info, at this moment, is hard for us to work just with that, because it will depend on the way that all the receptionists in the hotels put the reservations in the system. Because in the CRM, you need to have the nationality of the customer, 100 percent correct, you need to have all the preferences of all guests correctly and certain in the system. So, at this moment we are working on that, we are improving a lot our CRM and the information that we have inside the tool. But I think it is too early yet to manage all the things and to create the market segmentation and maybe to create the strategies directly to customers only based on CRM. I think at this moment it is too early.

Carolina: Maybe in the future you tend to do more efforts like this.

Revenue Manager 2: Yes, yes.

Carolina: This is the main reason why I ask you if you would think it is an advantage to integrate the revenue and the CRM systems? Because I read in some articles, while I was doing the literature review that in Asia, China, they already implemented this kind of systems. And I'm asking myself why we're not doing it now, here in Europe for example.

Revenue Manager 2: In my opinion, because it is a new thing. It is a new thing that in Europe we are not used to work with them. I really do not have a valid and consolidate opinion right now because, as I said, CRM and marketing it is a "new" thing in hospitality, specifically in the relationship with revenue. Because, of course, the marketing department is one of the most important departments in the hotel, having a person to totally focused on CRM inside the marketing department it is very, very important. But the connection with the RM department at this moment, of course, like I said in the first or second question, we have daily, weekly, monthly meetings with marketing department and they have many information that is very, very useful to our job. But to have a system fully integrated with the CRM and that make strategies just based in the information that CRM could give us, I think at this moment it is very risky.

Carolina: And the last question is about all this situation of the pandemic and what is changing. What is changing the most in your department and mostly in the investments in the improvements that you have been doing that now probably are a little bit stopped or changed?

Revenue Manager 2: Well, everything changed. Basically, we were forced to change all the strategies that we have on the boarding. And right now, we are making revenue in a simple, simple way. The first thing that we need to think is that the guests right now are afraid to travel, most of them, 99% of the guests right now have a lot of fear to travel. So more than ever, marketing right now it is, in my opinion, more important than operations, than sales, than revenue. Marketing is the most important department, right now, because we need to pass an image that our country and our hotels are safe. If you do not have a good image right now, if you don't have a safety image of the destination in your hotel, you could be the best revenue manager of the world, but you are not going to have customers in your hotel. Because no matter if you decrease your price one hundred euros, if you offer three nights in a five nights stay, for example, it does not matter, if you do not have a good image of your product. So right now, marketing is one of the most important departments in the hotel. But of course, my job as a revenue, is to adjust the pricing strategy all the time, maybe three or four times per day and try to adjust segments like with the strategies that we have in the past in each market segment and that now we need to change it. Because the way that we think the customers should come to us right now it is totally different. I can give you an example, many hotels have series, tour series, with year contracts and at this moment, they simply do not have one room night of that tour series. So, it is very complicated to do and it's hard to manage. In a hotel that have in a normal

day an average of 60 or 70 percent of occupancy, that right now just have 5 or 10 percent. It is very complicated and it's very difficult to manage a hotel like that. So, well, it is now more than ever a daily basis as management. And it is really important that more than applying good pricing strategies and applying the best flexible cancellation conditions. You can have the best conditions ever, but if you do not have a good image of your country, you are not going to have any business.

Carolina: OK, so focus on marketing now.

Revenue Manager 2: Yes, totally focusing on marketing!

Appendix 10: Interview - Revenue Manager 3

Carolina: For starting, please tell me about how the revenue department works in this specific hotel chain and how many people work here, what are their positions and responsibilities?

Revenue Management 3: So our revenue department, we are actually a cluster revenue, so we work for two hotels. We have a luxury hotel and a budget hotel, both associated to different brands but from the same hotel group. We have a Director of Revenue and then my position, Revenue Management Executive. So we divide our time more or less, 50/50 for both hotels. And my boss reports directly to our hotel manager in the luxury hotel. So let's say our costs, our payroll is associated to this hotel. So basically, we are employed by the luxury hotel, but we work for both of them because it's actually the same owners, as well the same building owners for both hotels. Then we have also a Director of Sales for each hotel and we don't really have the marketing position in either of the hotels. Right now we have a PR for the luxury unit, as this brand requires a bit more of disposition for other contacts and marketing, for contacting all the brands and other businesses, getting all distributed to the press. For the budget hotel we have a person and her position is Business Development. So she works a little bit for sales, works a little bit for marketing, but we don't really have a marketing director. For example, for the luxury hotel we used to have a Director of Sales and Marketing, but this person left and now we have only a Director of Sales. We will have, I think, in a few months a person that will be called Commercial Director responsible for the country. So it will be a person responsible for

a hotel in the north of the country and our two hotels in this city, he will overview sales & marketing basically, for the whole country.

Carolina: As a revenue do you have all the information that you need to create a guest profile based on the guest experience?

Revenue Management 3: As a revenue level we do not really create a guest profile. We have reports that are used more by the front office team and the guest relations team. They use, for example, in the morning or the day before to prepare the next day, to prepare for new arrivals. We have these profiles in our PMS - Opera, we have the profile notes and we have everything associated with the guests and their profile notes or even the profile itself. If it belongs to our rewards club, for example. And in our app they can see, associated with your rewards club, more information about this guest, this person and their previous stays, or how does he like the room. Far from the elevator, to have one more pillow in the room or something like that. But that is not really something that we do at the hotel level, the reservation team or the front office team that adds to the profile and then it is associated. But it is not really to revenue, we do not really have contact with the guests.

Carolina: In terms of segmentation, you do your segmentation, or it is marketing responsibility to do the segmentation?

Revenue Management 3: We have a revenue segmentation. We divide individual groups and then we have the airline and complimentary rooms. And then for the individual, we have more of the transients and then we have more corporate, associated with the companies or associated with governmental or military. We also have one line of segmentation that is associated, for example, with airline delays or when the flights are canceled, and the guests are directed to our hotels. And then we have the groups, which is also divided into corporate meetings, we call these MICE, into corporate meetings with association also to military or governmental, when they are in a group and they come to the hotel as a group. And then we have the tour series and the leisure groups. And then, depending on what our offers are, we might direct them to specific groups. If we want to promote some packages for the conference meetings. For example, our conference and marketing team together with our PR and business development, they create these packages and then they distribute to the customers that they know, or some other companies that are then distribute it to their customers and potential customers for us as well.

When it is more about individuals, we might have some products, for one of our hotels we've been creating some packages like spa and some nights. And something associated with F&B as well, with the restaurants. As a revenue, we come up with a price and we see if the price is appropriated for the market, also to see if our competitors are doing something similar. And what are their prices to see if they are in line. And then all the part of putting on the Web site, distribute to some potential customers, that's marketing responsibility, they take care of that part. So we build it together, but then we have very specific parts that we do separated. We come up with the packages, with a price or other research, and then we tell them how we want to distribute it and then they come up with the creative part of it.

Carolina: Since you do not have access to all this information, probably you do not have access to ratios such as customer lifetime value?

Revenue Management 3: Not really. For example, every morning in our morning brief with all the departments, the head of departments, for example. We do have the assistant to the general manager of the hotel, and she tells us about booking reviews or any new reviews we have in our own platform. And she is actually reading them and highlighting some of the main points about. In the front office there is also a platform where they can see all the reviews from the guests, in house or even the ones that already left. That is how they measure this relation. They have some KPI's, but I am not sure because I am not involved. They have some specific KPI's created by the hotel group, that represents how guests, love us or do not love us from zero to 10. Our hotel defines a target per year which we have to meet, based on our guests love. And this is based on the reviews that we have but we do not really have value for customer lifetime.

Carolina: Do you think it will be valuable to understand the long-term value of the customer for your hotel?

Revenue Management 3: Individual is very hard to know, because, for example, individual customers might not go to the same hotel here or they might just go to another city. Sales might do that with that but not for a specific guest, but for example for a company, they evaluate the potential of that company. How many room nights they might have, for example. Depending on how they feel that this company has a potential, they will invest more on going to the office and talking to the person responsible. I know they do it a lot of times, for example they bring the cake and talk to the salesperson. Just to keep relations and every month they see company

by company. They try to see if it is worth to keep investing our time and our resources into this company or it is not producing as we would expect or as we would like to. Then for the groups, the revenues and the person in our sales team, we see, depending on the proposal that they send to us, and evaluate. If this is a customer that is worth taking our space in the hotel or if it is not occupying space for other customers. And we make the decision we have a lot of points in consideration, one of the points is if it's a repeated customer or not, a company or an event organization. If it's the group that is coming every year, we might be more flexible if they want to change something or update, they have some special requirements because we know that it's a good business for us and they have the ability to give also a good reputation for our hotel. In the long term, we know that we can count with them for next year, for example, so it's already some value on the books. As individual guest lifetime value, it could be helpful, of course, to not be wasting our resources if the guest is not worth to be pursuing. But for every single guest is very difficult to do it, but it would be valuable yes. It would be a great tool for us.

Carolina: In terms of competitors and other stakeholders. What kind of information do you need during your decision-making process? In this case, while you are doing the pricing and the segmentation.

Revenue Management 3: From the competition we use the OTA Insight, where the systems puts together on their own websites, the competitive set that we choose, I think it is up to ten competitors and we can compare our rate and our lowest rates and from different channels. It can be from the competitors' website, can be from Booking.com, for example. And they can choose different combinations like one night, two nights, one guest, two guests, with breakfast, without breakfast, depending on the hotel, or if there is a specific room type or not. We usually do it for the lowest rates for every hotel in our competitive set. Normally we compare with the rates on Booking.com because we have to have parity with booking, so it should be the same rate in your website and in Booking, excluding the specific rates for the members, that's different. We also have the STR that tells us how our competitive set is performing, but it is historical data. So it's only from the past. And we compare how they do it, occupancy, ADR, and RevPar, so we can change or not our strategy. Not as revenue, but sales teams look at a factor called Rate Shopping. They might have some anonymous calls to the other hotels to check what they are offering or to check in their website what are their current offers. Also, when they're contracting their groups, they try also to ask whom we are competing with as a hotel, to see even if it is worth, because if they do, we know that we are competing with hotels.

Because sometimes the customer does not really have the budget adjusted to our hotels and they could not be the right customer for us. In the first contact that they have with a customer they ask about what other hotels are considering in the area. What is the customer budget. So we have some filters that we can see if the customer is worth pursuing or not.

Carolina: And now in terms of the sales department, since you do not have a specific marketing department, which kind of information do you share with them?

Revenue Management 3: Well, when we need something for the packages, when we want to put something on our Web site, we might need to put some specific offers with banners. When we need some pictures with our rooms or our F&B. We ask them or they ask us, it is pretty much the same. As a hotel chain, we have marketing departments and we have a person responsible for marketing in Europe. In our app, there are sometimes very specific campaigns, specially directed to countries. Then they try to replicate to other countries and to other cities as well. But that's kind of a regional marketing, it is not our responsibility, or we just have to change something in our system to be visible in these campaigns, but it's not something that we create. What we have been asking to this marketing team is that we need is a search engine in our Web site that has to be in the official language of the country where the hotel is located, because it's really essential for the market. And that is something that needs to be created, but by regional team, not by us at the hotel and local level.

Carolina: But who detected that? Was the revenue?

Revenue Management 3: No it was the sales teams from both hotels. But we have monthly calls with this team responsible from Europe and they have been asking us what we need from them. And then we were discussing that between us first. And it was something that the sales team communicate, that this was something that we have feedback from our customers: they would like to have the website and the brochures in a certain language, because it's a very specific market.

Carolina: Can you just tell me more about those meetings? Do you have daily meetings and monthly meetings and with who specifically?

Revenue Management 3: We have our morning meetings with each HOD, so the head of the departments. It is basically just talking about how we finished the day before, if there were any issues or something that needs to be done today or solved today. That is something that someone needs to communicate. For example, this morning our general manager had a meeting yesterday with our revenue director, with sales and with our owning company. So today in morning's brief, he was just telling us how that meeting was. Everyone shares a little bit about their own department and it is a half an hour meeting, only if there is something important to share. We have these monthly meetings with our owning company, which we have to present the month end or like the past month, how is the hotel performing. It is like an agreement that we have with our owning company, we have to present them these results. And usually is the director of sales, the director of revenue, finance director and our general manager and sometimes HR, if it is necessary. The revenue meetings, we have one each week, usually we start this briefing with every HOD and then half an hour later we have a meeting only between revenue, reservations, sales and marketing. We have our own meeting in our office, mainly sales, they talk about the inquiries they received yesterday, we also talk about the cancellations and why it was cancelled. And we have more meetings too when sales team have something important that they want to share with us.

Carolina: Do you feel that this close relationship with sales and marketing is an advantage for you? Is it important?

Revenue Management 3: Yes, of course. I mean, it really depends also on each person personality. So it's really important that the person that is responsible for sales, the one for revenue and the one for marketing to get along well. So that everyone is doing their job and I thing most important is that they share what they're doing and that everyone is on the line with what's happening and how it's happening, why is happening this way, or why something's not working. Maybe we can help, or we know how to solve that issue. So it's really important, for example, for the packages, if we want to create a special package that we want to sell, we need to have to have everyone's support. And everyone needs to work in this together because we, as revenues, have the right for example, we might be controlling certain parts, such as for how much we want to make this package available or location. But then we need marketing and sales to promote it and to distribute it to our customers, because if we just created package it is not going to sell, so everyone needs to be doing this process. And yes, these teams cannot work alone.

Carolina: Since you started, what are the main changes between this relationship, or do you feel it is exactly the same?

Revenue Management 3: No, I think that was not really big change, but I started three years ago and I worked in three different hotels, I think the most important thing is that everyone needs to be not only professional about it, but they really need to develop a good relationship between them. Every team member is included, so things flow easily and you can make sure that you are all working for something. You can have all the work creating something, but then if the other team or the other person is not very into this job, then your work goes away because it is not being distributed how it should be. Or if you have an idea, you need to feel supported when you share with every team. It might have changed yes, but maybe just because of the digital part. Everything is becoming way more digital. For example, once the director of sales had the idea to promote the conference spaces, instead of taking pictures or inviting people for a visit inspection, if it is not possible to come to the hotel you will have access to a virtual reality experience of the conference rooms and the hotel itself. He created these animated videos and the groups and reservations might promote the hotel this way too and customers could manipulate the video and discover more about the hotel. But the relationship between revenue and sales or marketing depends from hotel to hotel or even from chain to chain. Depends on the structure too, some have sales and marketing separated, some have them together.

Carolina: Do you all work at the same place or you are in separated offices?

Revenue Management 3: Because we are employed by the luxury hotel brand , as I explained in the beginning and we have more space there, we have our own office there.. For the revenue meeting we have calls, with marketing about hotel performance we have one each Monday. And then if needed we have one, but it depends also. We decided that from week to week we only have this one scheduled and then it depends, for example the GM might want to schedule a call with us.

Carolina: As a revenue manager, what do you think are the most important factors to develop your work in the best way as possible?

Revenue Management 3: Having the systems working, that is the most important thing. Everything has to be aligned, so it is basically my job to make sure that all the systems are working properly, because we have to connect several different kinds of systems. Some of them should communicate between themselves without any intervention from us, but sometimes something goes wrong. So we need to make sure, first of all, that this is working. Also, we depend so also on some other people, for example, from our front office team, we have to make sure that they are plugging some files correctly. So that the data that is seen from our revenue perspective is correct, because if they do not upload these files, it means that we are looking for data that is not updated with yesterday's new details.

Carolina: Do you have access to a CRM system, customer relationship management system, or you as a revenue do not have any contact with that kind of information?

Revenue Management 3: We do not have any contact with that kind of system. We do have it as a chain, but not as a hotel specifically. As a hotel we have these records that aggregate all the information we know about the guest, based on their profile. And we can generate these reports, but as revenue manager we only access the information when we need it. For example, we opened the hotel at the beginning of the month and we wanted to see from which country we are receiving our bookings. So we just put together a report from our PMS and we are tracking from which country we are receiving these bookings. But other than that, because we do not really see, it's more the sales team that check specific information. For example, if they ask us for a specific price for a specific guest, they try to know a lit bit more about the guest or the company the guest is working, in case of corporate, understand the potential. Then we make the offer based on that.

Carolina: And in your opinion, it would be an improvement if you can connect a CRM system, really updated and reliable, you could trust in the information that you have in that system. Having this integrated with the revenue system would be an improvement for you?

Revenue Management 3: Yes, of course, that would be perfect, because, as a revenue, we could make an appropriate offer to guests that we have, considering that we can offer different rates for our guests. At this point, for example on booking.com, we are offering just standard rates for everyone who goes to booking. If we have CRM integrated with RMS, we could have more personalized offers that are more suitable for different kinds of guests that we might have.

Carolina: And do you feel that there is something that you don't have access and if you have it, your work, your performance as a revenue can improve or you feel that you have all the systems and information that you need?

Revenue Management 3: Also it depends on how you have your team structure. For example, recently we were reviewing our price supplements in our rooms, in the revenue department we discussed about it and we had some proposal. Then we were discussing it with reservation and front office teams, and they were questioning us about these supplements because on their opinion, it should be different because they had specific feedback from the guests. It would be more valuable to have more understanding about our guests also from guest relations, front office or reservations team in what we are doing. Because, as revenues, we can make some research on booking extranet for example, we have some analytics there, we can have some information about the performance, STR performance, that we look at it every day as well. But it is very data driven, of course it is an essential part. But also sometimes the numbers don't catch everything. So it's important to have both sides and sometimes we make a decision you think is correct based on the numbers, but then when you put it in practice and you put it out there, you have some different feedback. So I think the most important thing is to have a good communication between your teams.

Carolina: About this pandemic situation. What are the main changes for your specific department, now and in the future? Just your opinion. What has been going on?

Revenue Management 3: What is going on is very guessing. Everything was closed and we opened at the beginning of the month, so in April and May it was really hard to make some kind of decision, because I think everyone had no idea what was happening and how to react. We were taking decisions carefully and especially looking at what our competitors also were doing. What was their approach to the situation. In this case it's something that never happened before, there are a lot of things in place and there is a lot of people involved, us as a hotel and as a team that represents an international hotel group, corporate offices and also our owners, every decision had to be taken very carefully. We were learning and trying to see if there was a pattern in Europe. Now that the hotel is open, in terms of operational changes, we have more cleaning rules and housekeeping team and front office team have all these procedures that are changed. But in terms of revenue, we are slowly going back to what we were doing before. We are

looking into the data we have from these first few weeks, for the last year, we do not really have any base and nothing to compare to. So I think that's what makes it even more difficult. Decisions are being taken from one day to the other, for example, opening borders, so it is a very uncertain time. And we do not know how is going to evolve and it's going to affect our markets and our jobs. So we have been evaluating, but it is hard to talk about the future. A very good point is that at first, entities that were closing were companies and their offices that started sending people working from home. And then after that, were the countries that started stopping and closing boarders. And right now, the countries are start to open and lift the restrictions. But the companies are still not lifting any restrictions, so how corporate segments will be in the future. And people now have experience working from home, we can only expect that to be much slower until the end of the year.

Appendix 11: Interview - Revenue Manager 4

Carolina: Para começar, como descreve o departamento de revenue nesta cadeia de hotéis? Quantas pessoas são responsáveis por este departamento e quais as suas funções?

Revenue Manager 4: Atualmente estamos a sofrer uma reestruturação ao nível do departamento de revenue, desde o fim do ano passado até ao início deste ano o revenue era feito apenas por duas pessoas. Entendeu-se então que existia a necessidade de ampliar esta equipa. Atualmente somos 7 elementos, dois desses elementos são centrais, ou seja, fazem a ponte de ligação entre os hotéis e tudo aquilo que são acionistas e CEO's. Depois existem revenue managers locais, não para todos os hotéis, por exemplo no meu caso tenho um hotel, mas há colegas que combinam hotéis que são demasiado específicos, por exemplo aqueles hotéis que só abrem no verão não faz sentido ter uma pessoa só para essa unidade e por isso ficam responsáveis por várias.

Carolina: Como revenue considera que tem acesso a toda a informação que se necessita sobre a experiência geral do customer? Para fazer um perfil do consumidor e fazer a segmentação dos customeres.

Revenue Manager 4: Aquilo que nós conseguimos ter acesso é ao perfil do nosso customer, do customer que vem aos nossos hotéis, nós conseguimos ao longo do tempo perceber alguns

perfis e avaliar a experiência do customer e com isso adicionar algumas melhorias de serviço. Relativamente ao perfil em geral, conseguimos ter acesso a algumas informações como características e traços muito largos de cada tipo de mercado, mas não conseguimos ir ao detalhe, eu acho que o detalhe só conseguimos ter a partir do momento em que são nossos customers.

Carolina: Como é que tem acesso a essa informação de que falou, através de um sistema?

Revenue Manager 4: Mais ou menos, nós não temos um CRM, estamos a fazer a implementação de um novo sistema. Ainda estamos numa fase de sondagem de mercado. Mas aquilo que nós temos é uma base de dados, com base na informação interna da empresa da experiência que nós vamos tendo nos diferentes hotéis, customers que reservam através do canal direto e que façam o login, nós já conseguimos ter mais alguma informação. Mas neste momento a única informação que nós gerimos é mais relacionada com traços gerais do perfil do consumidor, provenientes da nacionalidade.

Carolina: Vocês utilizam indicadores como por exemplo CLV para calcular o valor do customer a longo prazo?

Revenue Manager 4: Não calculamos, porque nós não temos nenhum sistema nosso ainda desenvolvido. Foi agora desenvolvido um programa de fidelização do customer com a marca e posteriormente sim iremos apostar nesse caminho. Esta é uma empresa tem vindo a crescer ao longo do tempo e como todo o crescimento necessita de aprendizagem e de determinados investimentos que só nos são possíveis fazer a partir do momento que a empresa adquire uma dimensão que seja capaz de sustentar e que justifique esses mesmos investimentos. Para já não fazemos. O que nós fizemos é muito WOM, mas isso não nos permite avaliar se a pessoa voltou, quantas vezes já veio, não conseguimos beneficiar o customer de acordo com o número de estadias que já teve, ou do dinheiro que já despendeu na companhia.

Carolina: Então vocês estão a adotar um sistema CRM e também um programa de fidelização. Como é que essa necessidade surgiu?

Revenue Manager 4: A necessidade surge porque o Mundo está orientado para tudo que seja OTA's por exemplo, o que nos causa uma dependência de determinados players do mercado

que é do nosso interesse não depender deles, mas sim fazer com que o nosso canal direto tenha mais peso e é nesse sentido que acho que faz sentido apostar num programa de loyalty e perceber o que é que o customer representa a longo prazo e não só numa única estadia.

Carolina: A nível de concorrentes diretos tem acesso a toda informação que necessita? E que tipo de informação utiliza para a tomada de decisão?

Revenue Manager 4: Infelizmente toda a questão de o mercado ser transparente às vezes é mais teórico do que prático, aquilo a que nós conseguimos ter acesso, através das ferramentas que são facilmente disponibilizadas por parceiros que fazem filtragem dessa informação, é meramente o preço. Portanto, conseguimos perceber o comportamento a nível de pricing dos nossos concorrentes, mas tudo o resto ainda requer muita investigação e procura individual. E não, obviamente que em termos práticos, objetivos e diretos não temos a informação toda. Tentamos ao máximo ter o máximo de informação para que nos permita tomar uma decisão ou seguir uma estratégia mas aquilo a que temos acesso é a nível de estratégia de pricing e fica a faltar tudo o resto, que é produto, condições, etc..

Carolina: Relativamente à ligação entre o departamento de revenue e o departamento de marketing. Que tipo de informação é que vocês partilham? Ou que tipo de informação é que o marketing compartilha com vocês?

Revenue Manager 4: Revenue define a estratégia, define o caminho, aquilo que no fundo queremos obter no final e depois passamos pelo departamento de marketing, para nos auxiliarem e nos apoiar naquilo que é a maneira mais fácil, mais objetiva e mais direta de chegarmos aos resultados que pretendemos no momento em que desenvolvemos uma estratégia.

Carolina: Então quer dizer que o marketing não faz as estratégias com vocês em conjunto? Eles tratam mais da parte de distribuição?

Revenue Manager 4: Não, vamos dar um exemplo prático: eu quero impulsionar vendas de determinado produto. Faço uma troca de ideias com o marketing obviamente, também para perceber com a experiência deles que conhecimento é que eles têm, se isso é um caminho ou não, e se isso for o caminho o marketing aqui intervém para agilizar o processo e para o facilitar.

Carolina: Vocês têm reuniões diárias, mensais, semanais?

Revenue Manager 4: Temos reuniões com o marketing e e-commerce. Temos reuniões mediante a necessidade, há hotéis que necessitam mais que outros, mas temos com alguma frequência. Em determinados hotéis justifica fazer uma reunião semanal, em outros hotéis só justifica fazer uma mensal, enquanto noutros cenários existe necessidade de reunir duas vezes por semana. Depois também entra aqui a parte de marketing e comunicação, o que é que se vai fazer, como é que se vai fazer, quais os canais, qual a melhor maneira. O revenue e o marketing acabam por estar muito relacionados, temos de fazer aqui um corte entre o revenue e o marketing daquilo que é uma característica específica de marketing, desenvolvimento de imagem, do produto e essa parte de marketing não passa muito por revenue. A estratégia é desenvolvida por nós e pelo marketing e implementada pelas duas partes.

Carolina: Perante a sua experiência na área, como é que sente que esta relação tem vindo a evoluir?

Revenue Manager 4: O marketing já existe há muito mais tempo que o revenue, o revenue é uma coisa relativamente recente, pelo menos na hotelaria, e a relação tem vindo a ser significativamente mais acentuada. Porque todos os dias nós sentimos a necessidade de mais, o próprio mercado diz-nos que nós temos de querer mais e mais rápido, sendo que isto reforça a relação entre departamento e entre várias óticas, para que todos consigam dar o seu contributo para o desenvolvimento do produto final. São dois departamentos que trabalharam em conjunto, embora com óticas distintas, mas a trabalhar fortemente em conjunto.

Carolina: Baseando-se na sua opinião e visão, como é que acha que no futuro poderá evoluir esta relação? Quais são as ligações que vê mais importantes de melhorar ou desenvolver na comunicação que tem com o marketing?

Revenue Manager 4: A ideia será sempre da união e da fusão, o departamento de marketing no fundo é um departamento que vai ter de estar sempre relacionado com diversas áreas do hotel, mas é sempre aqui a ideia de a estratégia desenvolvida pelo hotel e o caminho que nós queremos assenta muito nos três pilares: revenue, direção e marketing, e eu julgo que o caminho é esse, a relação ficar cada vez mais próxima e num futuro próxima ser quase como trabalho em equipa.

Carolina: Quando estive a fazer alguma pesquisa teórica para sustentar a tese que estou a escrever, encontrei vários artigos sobre noutros locais do mundo já estarem a implementar CRM integrados nos sistemas de revenue. Qual é a sua opinião?

Revenue Manager 4: Estou de acordo, ter um sistema de CRM por si só vai nos dar pouco se não estiver associado a outras ferramentas e outros sistemas. Aqui a ideia do CRM é conseguimos ficar com uma base de dados gigante em que conseguimos compilar toda a informação e a partir do momento que conseguimos compilar essa informação e conseguimos trabalhar esses dados com o customere. Eu acho que a interligação de CRM com o sistema de revenue é o caminho e o que faz sentido. O que existe atualmente no mercado são sistemas de CRM separados de todos os outros sistemas, mas obviamente que o futuro passa pela interligação de todos esses sistemas. Com a rapidez que o mercado nos exige atualmente, nós não podemos caminhar no sentido de ter 10 sistemas e avaliar os dados desses sistemas e depois tomar uma decisão, o caminho aqui será a interligação dentro o máximo possível com todos os sistemas e avaliar cada uma das suas vertentes.

Carolina: A nível prático seria possível? Acredito que seja difícil, mas acredita que seja possível adequar uma integração de um CRM com um RMS em Portugal?

Revenue Manager 4: Não será fácil obviamente, mas já existem sistemas de revenue que já estão bastante desenvolvidos no mercado nacional. A nível de ligação não será tão difícil quanto se possa imaginar, pois a informação que o CRM irá fornecer ao RMS será informação sobre países de origem, movimentações, oscilações de procura de determinados destinos e mercados. O CRM não vai fornecer informação mais pessoal digamos ao sistema de revenue. A informação que eu vejo que poderá ser interligada entre estes sistemas, é aquela informação mais alargada e mais superficial.

Carolina: Possivelmente no futuro que se calhar podíamos pensar de uma maneira mais individual, digamos assim. Apesar de, sim, ser difícil. Talvez seja isso que depois vá diferenciar os CRM's, porque obter este tipo de informação generalista digamos que já existem muitos sistemas que conseguem obter. Agora, trabalhar a informação individual se calhar ia ser mais vantajoso também para vocês revenues perceberem com que customere é que estão a lidar e não só segmentos gerais.

Revenue Manager 4: Mas depois surge outra questão, as estratégias de revenue não são coisas feitas para agora. Quando implementamos uma estratégia, nós temos que ver a longo prazo, ou seja, eu hoje tenho a possibilidade de definir preço e estratégia para o meu hotel em 365 dias. Neste momento eu não estou muito preocupado com a particularidade do customer que eu vou ter. Se calhar um mês antes, eu se calhar já vou ter essa necessidade, mas para já julgo que os traços gerais nos permitem definir uma estratégia. Agora se me perguntar: demasiada informação é mau? Não, nunca é mau, quanto mais informação melhor e se eu soubesse que a determinada altura vêm determinados customeres e já conheço o perfil era perfeito.

Carolina: E quais são os fatores que considera mais importantes para desenvolver o seu trabalho como revenue manager?

Revenue Manager 4: Podemos assenta os fatores básicos: procura, oferta, concorrência e inventário que temos para gerir. Existem muito mais ferramentas, mas nós agora estamos um bocado a inventar o que é o revenue, sendo que o revenue surgiu nos hotéis como necessidade de otimizar a receita gerada. Isso traduziu-se num posicionamento de preço e num posicionamento de ADR e do hotel em geral. Que nesta altura é diferente, se aqui há cinco anos atrás o objetivo era ter um hotel com 95% de ocupação, hoje se calhar já temos CEO's que admitem ter 75/76/78% de ocupação se a receita global assim o justificar. Depois, todos os outros fatores são elementos que podemos trabalhar no dia-a-dia e não são a base do revenue.

Carolina: Existe alguma coisa, algum tipo de informação, algum sistema que sinta que se tiver acesso, e que não tem neste momento, poderia melhorar a sua performance?

Revenue Manager 4: Um sistema em si não, mas sim aquilo que tínhamos falado sobre a interligação de sistemas e simplificação dos próprios sistemas. Nós temos sistemas que dão muita informação, mas são sistemas trabalhosos e torna-se complicado de trabalhar e retirar essa informação. Acho que agora nós conseguimos ter sistemas que permitem ver a informação que necessitamos para o nosso trabalho. Obviamente que se existisse aqui uma ferramenta que nos dissesse qual dos players do mercado, nomeadamente aquilo que está dentro do nosso room set, se tivéssemos uma ferramenta que nos informasse que um concorrente está a oferecer um amenity especial, este tipo de informação que não é possível extrair a nível de sistema. Em vez de termos de fazer a nossa pesquisa direta para melhorar o nosso trabalho, isso seria uma ajuda, claro.

Carolina: Quais as principais mudanças no departamento de revenue associadas à situação de pandemia por que estamos a passar?

Revenue Manager 4: Acredito que tudo aquilo que nós conhecíamos até meados de fevereiro vai sofrer uma alteração, não só para o revenue mas para todas as áreas, tudo aquilo que existia na economia até esta data. Mas existe uma coisa que pode efetivamente representar algo de positivo para o revenue. Até existir esta pandemia, o revenue tem sido aquela posição/função que muitas vezes não é bem percebida por CEO's e por acionistas, por um lado nós mostramos os resultados, mas às vezes a maneira como lá chegamos não é fácil de explicá-lo. E um exemplo, uma coisa em que tem existido alguma união entre todos os hotéis e todos os revenues é que estamos todos um pouco naquela ótica da não descida do preço. Ou seja, nós demorámos imenso tempo a reposicionar os hotéis dentro daquilo que era aceitável ou expectável e muitas das vezes superar aquilo que tínhamos orçamentado, demorámos muito tempo a fazer isso e agora existe aqui uma questão em que o próprio mercado é que tem de reaprender. Não é só uma estratégia. No fundo quando o revenue não existia o que era feito era só preços, se temos muita gente baixamos, se temos pouca gente aumentamos, era a base de tudo. Que agora é diferente, a pandemia dá agora à função de revenue uma maior visibilidade e um maior poder de justificação, de explicação perante acionistas e CEO's. A nível do departamento de revenue vão ser bastantes, aquilo que nós tínhamos predefinido com preferência e perfis de customeres atualmente está tudo completamente desatualizado. Porque o trabalho que foi desenvolvido em determinadas unidades os últimos dois/três anos, desde perceber as movimentações do mercado, quando é que há mais pedidos, quando é que viaja mais, quando viajam menos, quando é que o nosso hotel é mais procurado ou menos procurado. Tudo aquilo que nós em fevereiro podíamos dizer que temos este padrão de consumo nesta unidade hoteleira, tudo isto agora mudou. O departamento de revenue vai ter de voltar às bases e reaprender tudo, o tipo de customer, os mercados, as motivações, vamos ter de voltar ao início.

Appendix 12: Interview - Revenue Manager 5

Carolina: For starting, can you please tell me about how the revenue department works in this hotel chain? How many people work here and what are their positions and responsibilities?

Revenue Manager 5: Ok, to start this is not a hotel chain. I work with independents hotels, I am the only revenue manager working in this field, together with the sales and marketing managers and directors. So this is a position where I work like a consultant for this hotels. And for now, as I work with three hotels, for now I am the only person. But in the future, I hope to have one more person working with me, because I pretend to pass from three to five hotels. So right now I'm the only responsible for the revenue management department.

Carolina: Do you have access to all the information that you need about the guests experience, guest behavior, to create like guest profiles, in order to do your segmentation?

Revenue Manager 5: Well, unfortunately not. I would be difficult to collect all these data. Because I'm dependent on the reservations and front office team. Actually, we don't have a CRM so we are not collecting these data. The only data I collect is related to the reservation profile, the reservation fields. So the nationality, the country, the address, the email, telephone number. I cannot collect more information besides this one I told you.

Carolina: This information that you have, considering that you do not have a CRM system. How do you manage it, even though is few information, how do you manage this information?

Revenue Manager 5: Actually, we are not managing this information right now.

Carolina: You do not have a system where this information is all centered?

Revenue Manager 5: We have customer profiles, we have the PMS, property management system where we have guest profiles. The problem is that we have several profiles, duplicated profiles. And at this time, no one is managing that content. So at this time, unfortunately, my answer is: we don't. I can export the files to an Excel. But no one is managing that. The only information we have is from our mailing list, but we just collect the mail from customers.

Carolina: And do you use measures such as customer lifetime value to measure the loyalty of our customers?

Revenue Manager 5: No.

Carolina: Any kind of measure? You do not apply any measure to understand the long-term value of the customer's?

Revenue Manager 5: No, we do not measure, but we can do it. Through the bookings made by the customers, and I can measure how much they spent in the hotel. Yes. We are not doing that, but we can do it.

Carolina: And what about information about your main competitors and regarding other stakeholders? What kind of information do you need to help during your decision-making process?

Revenue Manager 5: Price, online positioning, reviews, services. And also, feedback from other stakeholders, from the market, market positioning.

Carolina: As a revenue, you are responsible to collect this information?

Revenue Manager 5: Yes, I am the responsible to collect this information. Not all, Carolina, not all. The marketing is responsible for collecting the information related to the services available. The reviews actually, are responsibility of the operational team. Our guest service agent, our guest service manager and also our general manager. So I just collect the price information and the positioning.

Carolina: And what kind of information do you share with the marketing department and they share with you?

Revenue Manager 5: I share information related to the deductions, the revenue and number of nights spent by customers, by nationality, segmentation, country, room type. And also related to the sales department F&B, rooms, spa.

Carolina: Do you consider this relationship between revenue and marketing department essential?

Revenue Manager 5: Yes, it is essential, is like one of the most important relations in a hotel. When the revenue manager position is implemented in a hotel, the first relationship that is

developed is between the marketing and the revenue manager. And also the sales force, these three are the main basis of the revenue management strategy.

Carolina: And how do you communicate? On a daily basis?

Revenue Manager 5: Yes, on a daily basis. Well, actually, I try to do that. Sometimes is not possible every day, but, yes, on a daily basis or from two to two days.

Carolina: And you have scheduled meetings, for example, one per week?

Revenue Manager 5: Yes, we have meetings once a week, regular meetings.

Carolina: Between you, the revenue manager, and the director of marketing and sales?

Revenue Manager 5: Exactly and also general manager.

Carolina: Over the time what are the changes that you consider significant between this relationship?

Revenue Manager 5: I think the trust, these two people, they need to trust each other. Actually, that's a tricky question, can you repeat it?

Carolina: Yes, that is just for you to consider that the revenue department in Portugal, specifically, it is something considered to be relatively new, so I want to understand, which kind of differences do you feel? Over the years that you are working as a revenue, what do you feel that now happens and before it didn't happen between revenues and marketing positions.

Revenue Manager 5: Well, I noticed several changes, since I started my career in management five years ago. And in Portugal, actually, because I started before in Madrid. But in Portugal I feel that the marketing and sales departments, they start trusting us just five years ago. Há 5 anos o departamento de revenue era visto como os assistentes de vendas. Quem trabalhava com os canais online, não havia uma componente analítica. Efetivamente esse papel sofreu uma evolução e neste momento acaba por haver aqui se calhar um posicionamento do revenue management ao nível das vendas ou até mais importante. E quem diz isto não somos nós

revenue managers, quem diz isto são as consultoras que fazem análise a perfis e estruturas dos hotéis. O que têm feito é avaliado um bocadinho as funções de cada departamento e neste momento revenue management tem sido muito mais bem avaliado, a nível de remuneração e tudo do que vendas e marketing. Um diretor de revenue pode ter um salário três vezes superior ao de um diretor de vendas. O de marketing já não, já anda um bocadinho mais acima, mas um diretor de revenue pode receber um salário superior ao de um diretor de vendas ou de marketing. O departamento de revenue neste momento pode considerar-se um departamento essencial, no entanto a relação com o marketing e as vendas não deixa de ser muito importante. Também às vezes por uma questão de ego, no passado já senti que podia existir uma relação menos boas entre os representantes destes departamentos. Hoje em dia já se nota a diferença, mas não sei bem no que em concreto. Eu falo na confiança, porque eu sinto que é esse é o principal ponto, a principal mudança. Começaram a confiar nos números que nós apresentávamos, começaram a confiar nos padrões e nos outputs que nós tirávamos da informação recolhida e deixou de haver um "achismo" e uma sabedoria empírica de "eu acho que", para algo mais analítico. Mas há 5 anos isso não acontecia. Um dos grandes erros que acontecia há 5 anos quando entrei era colocarem os revenues a reportar a uma direção comercial, é um grande erro, não têm de o fazer. Agora que tenho algum know-how na área vejo que sim, que prejudica um bocadinho. É vantajoso compreender que revenue deve ter o mesmo poder a nível de decisão que o departamento de vendas, marketing e o operacional, por isso deve reportar diretamente à administração.

Carolina: In terms of the future, what do you think it will change in the future? What are the tendencies that this relationship is following?

Revenue Manager 5: The tendency is to keep the revenue management position equally to the sales and marketing position, equally to the general manager position so they can work together without hierarchies. And I believe this is the tendency, is the future to start as soon as possible.

Carolina: What are the main factors like the most important factors that you consider important to develop your job?

Revenue Manager 5: Analytical skills, communication, you need to be very visual, we need to present the numbers by graphics so they can understand it, so they can visualize and they can

have interest, trust the numbers and trust the statistics. I think these two things, the communication and the analytical part are the most important to be developed on my position.

Carolina: What would be important to have access that you do not have at this moment but could improve your performance?

Revenue Manager 5: I would have to have access to more data, more data from partners, stakeholders, from the market, from our Statistics Institute, more data. We need to know how to compare our performance with the market performance. And right now, I feel everyone is very afraid of sharing data, and ideas and everyone is very afraid of everything. And I believe the future is start comparing with the marketing, sharing data. That's what I need right now.

Carolina: I know that you don't have a CRM system, but you know what is a CRM system. And I want to ask you if you see an advantage of integrating a CRM system in the revenue management system?

Revenue Manager 5: Of course, for me is very important to know the guest path, booking behavior, because I know at what time they are booking, at what date and time. I know the nationality and the country, as I told you before, but I don't know the motivation. I don't know why they are choosing my hotel instead of my competitors. I don't know that. So I would have to know that so I can, with marketing campaigns, segment the market and collect the right customer, at the right time, with the right price. That would be great, with no doubt.

Carolina: And can you understand the reason why specifically Portugal is not that developed in terms of integrating these two systems?

Revenue Manager 5: Well, I'm not sure if that's a Portugal problem. But I believe it's not easy to collect that data first of all. It's not difficult, but it's not easy. You need to have the teams focused on that, on collecting data to load that data correctly. And I believe that no one is doing that right. So no one is worried about integrating data that it is not right. I believe that's the problem. I'm not sure. It's just my guess.

Carolina: And the last question is about the situation that we're passing through. What are the main changes for your specific department or job associated to this pandemic that we're living?

Revenue Manager 5: The situation is not easy to manage. Well, what I'm doing right now, as a revenue manager of three hotels in a touristic summer area, is trying to keep calm and analyze data, analyze patterns, what's happening. What type of customers, what type of segments, what type of agencies are booking. Cancellations, why are they being made. Well, I'm trying to analyze more data than usual. That was the main change on my function. I'm also trying to schedule more meetings to plan some actions, to reevaluate our strategy. So that's the main change in revenue management. Other changes are mainly related with operational teams. But in my department, I believe these are the main changes, collect more data, analyze it and also integrate all the team on the meetings. So we are all aligned and focused on the same goal.

Appendix 13: Interview - Revenue Director 1

Carolina: Para começar, como descreve o departamento de revenue na cadeia de hotéis onde está e quantas pessoas são responsáveis por este departamento, quais as suas funções?

Revenue Director 1: O departamento de revenue é um departamento independente. Trabalhamos em linha hierárquica com o departamento de vendas e marketing também. Portanto um não reporta ao outro, mas trabalham em conjunto. Tomo as decisões baseadas nos dados recebidos das vendas, do marketing e de revenue, portanto são três departamentos que para mim funcionam em linha e em sintonia. Não podem trabalhar de forma isolada, têm de trabalhar em uníssono, em conjunto.

Carolina: Considera que como diretor de revenue tem acesso a toda a informação que necessita sobre a experiência do consumidor, a nível de criar um perfil para o consumidor, quando falamos por exemplo em segmentação?

Revenue Director 1: Não temos. Temos informação de segmentação geográfica, temos informação de segmentação dos interesses e do motivo da viagem de uma grande maioria dos nossos hóspedes, mas depois não tenho informação mais específica da experiência que o hóspede procura. Porque a segmentação é tipicamente relacionada com o motivo da viagem. Mas isso tem vindo a mudar, cada vez mais o marketing digital faz parte do revenue e o revenue faz parte do marketing digital. As pessoas procuram cada vez mais uma experiência e eu posso

ter pessoas que tipicamente reservam na Booking, mas que até vão em trabalho. Pela segmentação mais tradicional o mercado corporate marca diretamente ou tem uma contratação via RFT - request for proposal. Ou vem pelas BTA - business travel agencies - como a Carlson Wagonlit, isso tem vindo a mudar bastante e acontece exatamente o mesmo novo perfil do segmento de lazer individual, o customer que vinha pela Booking era assumido como customer de lazer, mas já nem só é o customer de lazer que marca pela Booking, isto está tudo bastante misturado. E não é fácil percebermos sempre qual é no fundo aqui a correta segmentação. E daí que seja cada vez mais difícil, mas nós temos bastantes softwares que nos ajudam, mas não nos dão toda a informação. Um dos softwares que nós estamos a desenvolver neste momento, a sua aquisição passa por um CRM e passa por desenvolver um cartão de fidelização, um programa de fidelização. Isso sim estamos a desenvolver neste momento, estamos a criar. Isso permite-nos ter mais informação sobre nossos customers, nomeadamente o número de repetição da estadia, o motivo da viagem, o motivo da seleção do nosso hotel. E com isso passaremos a ter muito mais informação do que temos neste momento. Neste momento temos informação quantitativa por um lado e temos a qualitativa, mas qualitativa num pós estadia, já será quase de uma forma reativa e não proativa. Mas conseguimos perceber se a experiência foi de encontro às expectativas ou não, mediante o feedback que nos é deixado nas várias plataformas online. Mas nem sempre conseguimos monitorizar de uma forma tão próxima como gostaríamos. Precisamente por isso, não temos ainda o programa de fidelização em funcionamento e o CRM também não está em funcionamento neste momento.

Carolina: A segmentação é feita só pelo revenue ou têm vários tipos de segmentação? O marketing tem uma segmentação diferente?

Revenue Director 1: Não, nós trabalhamos a segmentação por motivo de viagem. Aquele que nós achamos que é a proveniência da reserva. À partida definimos a segmentação, contudo, já não é tão linear assim, mas fazemos dessa forma. O marketing faz uma segmentação diferente que é mais demográfica e geográfica e mais ao nível daquilo que são as campanhas nas redes sociais, não tanto naquilo que é a ação pura e dura comercial. Mais uma vez, marketing, vendas e revenue, o objetivo é vender e maximizar a receita, portanto estão sempre muito interligados. Mas é diferente a segmentação de uns e outros.

Carolina: E a nível de customer lifetime value - CLV - utilizam este rácio, este indicador?

Revenue Director 1: Não, não utilizamos esse rácio. O rácio que utilizamos é o GOPPAR, no fundo é o nosso lucro operacional por quarto disponível, a maioria dos hotéis utilizam RevPAR por quarto disponível, nós utilizamos pela operação no todo, ou seja, retiramos todos os custos operacionais. Temos a receita das nossas vendas também, subtraímos um pelo outro e temos o GOPPAR. A maioria dos hotéis trabalha apenas com RevPAR e essa é a principal diferença. Estamos também a definir o plano que nos vai permitir ter o valor por cada customere, quanto é que nós esperamos que o customere deixe em cada um dos nossos hotéis, qual é a parte financeira que conseguimos angariar de cada customere. Mas estamos a trabalhar isso em conjunto com o CRM e com o programa de fidelização.

Carolina: Acha essa relação essencial entre CRM e neste caso fidelização?

Revenue Director 1: É muito importante, na hotelaria há aqui paradigmas e às vezes isto pode ser até mal encarado, mas nós na hotelaria temos muitos paradigmas de todas as métricas serem por número de quartos. O preço médio é pelo número de quartos vendidos, o RevPAR é pelos quartos disponíveis. Mas se nós olharmos, o revenue aplica-se a qualquer área de atividade qualquer uma. Podia estar nas Scuts, podia estar na Via Verde, podia estar nos restaurantes simplesmente não está. E, portanto, nos hotéis, quando somos responsáveis por um hotel de 500 quartos cuja localização não é favorável para a venda, a nível de ADR, faz ocupação com grupos mas poderá não ser o óbvio, muitas vezes o revenue é responsabilizado pelas métricas e as métricas assentam nos quartos disponíveis sempre ou vendidos. Por isso uma má decisão de uma administração construir um hotel ou de adquirir um hotel com muitos quartos e cuja localização não seja a mais idônea, a que vai maximizar mais a nossa receita. Acabamos por ser penalizados pela má decisão. O que eu defendo muitas vezes é que nós temos de ser avaliados exatamente por isso, não pelo número de quartos disponíveis ou vendidos, mas pela receita por customere que é aquilo que estavas a falar. Porque a maioria das lojas de roupa, restaurantes de grupos grandes e internacionais etc. Eles avaliam a receita por customere, não avaliam pelo o número de lojas disponíveis e nós na hotelaria sofremos muito ainda dessa visão mais arcaica, digamos assim, que é tudo em função dos quartos e nós revenues não temos qualquer responsabilidade na decisão dos quartos. Um hotel mal delineado, mal pensado, mal planeado pode nos trazer resultados negativos e nós não temos qualquer responsabilidade em relação a isso, devemos ser avaliados sim pela receita, pelo lucro por customere e não por quarto. No fundo trabalhamos todos por quarto, mas nem estou muito de acordo com essa métrica. Eu acho que a evolução do revenue em hotelaria tem de caminhar no sentido de receita

por customere, porque é isso que no fundo interessa e é para isso que nós definimos a nossa estratégia. O departamento de marketing e de vendas quando está a delinear estratégias é para termos uma receita por customere. Eu faço campanhas, nós temos um software que é uma booking platform, que se chama Triptease e permite segmentar uma campanha em que num raio de dez quilómetros, entra uma e as duas à tarde, todas as pessoas têm um desconto de 20% no meu restaurante e eu não estou a criar qualquer receita para o quarto, estou a criar receita por customere. Isto não deixa de ser uma campanha de revenue e de marketing e nós vamos ser avaliados exatamente por essa métrica e não pelos quartos. Nós trabalhamos 360, não funcionamos apenas com quartos, funcionamos também para a restauração, para o spa e para a área de eventos, que é aquilo que geralmente um hotel oferece. Nós trabalhamos para uma receita por customere, não deveríamos estar a trabalhar ou a ser avaliados por uma receita por quarto. No fundo é muito importante e é nessa direção que caminha o revenue, vai demorar alguns anos, mas eu acredito que é nessa direção que caminhamos.

Carolina: Então este tipo de indicadores que calculam a longo prazo o valor que os customeres têm para vocês, são essenciais e realmente são o futuro da vossa área?

Revenue Director 1: Eu acredito que sim, claramente que é uma questão de alguns anos, nós temos um atraso muito grande em relação àquilo que vai sendo feito nos Estados Unidos e até em França ou em Espanha. Mas as métricas nos Estados Unidos já estão a evoluir nesse sentido. A avaliação já é feita em função daquilo que é a receita por customere, não tanto por quarto, já se começa a fazer essa transição e forma de pensamento. Mas isso demora bastante tempo aqui em Portugal, revenue é algo já tão antigo e em Portugal está a dar sempre os seus primeiros passos constantemente, parece que não descola deste passo embrionário, muito amador ainda e não há muitos revenue managers em Portugal. Que é algo incompreensível da minha parte, nem sequer entendo isso.

Carolina: Para conseguirem calcular esses indicadores precisam de informação que, realmente eu acho que, atualmente é aglomerada pelo marketing. Ou seja, sobre que tipo de customere estamos a falar, qual é que é o objetivo do customere, sem ser só a razão da viagem. Se o customere volta durante o ano, esse tipo de informação é o marketing que tem, ou são vocês que conseguem ter acesso? Apesar de não estarem com um sistema de CRM agora a funcionar.

Revenue Director 1: É um misto. Essa informação vem também do PMS, nós no PMS conseguimos perceber muito daquilo que é a atração do customere, muito daquilo que é a taxa de repetição do customere, há PMS's que têm CRM em simultâneo e também a funcionar. Isso permite-nos ter alguma informação, mas é muito pouca, não é o suficiente para conseguirmos criar uma estratégia de acordo com os nossos objetivos. Onde é que nós conseguimos tirar esta informação, é essencialmente através do CRM, nós temos informação do número de vezes que o customere volta, temos informação que nos permite emitir vouchers por exemplo no aniversário, no Natal etc.. E por aí conseguimos perceber se um customere se torna fiel ao hotel, se costuma voltar, quantas vezes volta, qual é que é o gasto médio em cada estadia, o gasto médio de cada outlet, ou seja do bar, do restaurante. Agora até com isto do COVID-19, temos tudo por QR code que nos tem dado informação muito útil, nós conseguimos saber em tempo real o número de leituras de cada carta, se é room service, se é restaurante, se é bar etc. E a proveniência do customere, se é Lisboa, Porto, Guimarães, Braga e Cascais. Isso consegue de alguma forma dar-nos alguma informação muito importante que é uma micro segmentação dentro da nossa segmentação. Ou seja, dentro do país Portugal eu consigo perceber exatamente de que cidade é que eles estão a chegar. Com base na informação que tem disponível no QR code e nós fazemos também muito esse trabalho de sub segmentação ao nível do e-commerce. A nível do e-commerce, que é uma das áreas do marketing digital. O marketing digital está a caminhar num sentido, nos Estados Unidos já é assim, em que aglomerou o e-commerce, basicamente o e-commerce é marketing online mais a experiência toda das redes sociais, do digital. É muito daquela parte do investimento em Google e é muito da parte da experiência do customere. E, portanto, nós caminhamos muito nesse sentido. Nós estamos a evoluir para marketing digital e o e-commerce começa a perder aqui aquela exclusividade de ser uma área do revenue. Se revenues há muito poucos, e-commerce managers em hotelaria então, são escassos, é raro, eu conheço muito poucos aliás. Mas é muito importante nós conseguimos filtrar e cada vez mais, há uma alteração no comportamento do consumidor. E a pandemia trouxe-nos isso, até agora nós tínhamos a um procedimento de reservas que até agora era muito regular e era normal reservar em third parties, ou seja, em sites como a antiga AMOMA que já faliu, ou como a Roomdi, em sites que são chamados meta search. Até agora era muito normal reservar e para certos cuidados e quanto mais barato e era o que eu procurava. Neste momento, a pandemia fez com que as pessoas percebessem que o melhor preço nem sempre é a nossa melhor compra, porque compramos nos meta search e depois para reaver o reembolso muitas vezes tem um caminho penoso. Quando reserva diretamente para os hotéis torna se muito mais simples receber o reembolso. E isso trouxe-nos essa mudança. O próprio Google fez uma

mudança nos filtros das buscas. Ou seja, quando vamos ao Google, que é uma das principais meta search que nós temos neste momento, eles colocaram um filtro que não tinham antes da pandemia que é " eu só quero hotéis em determinada localização e que me permita cancelar até às 18 horas do dia de chegada". E eles não tinham este filtro, o comportamento do consumidor está a mudar, cada vez mais importa não tanto o desconto, mas importa cada vez mais a tarifa flexível, se eu posso cancelar até às 18 horas do dia de chegada ou até 24 horas antes. Interessa-me bastante, se eu quiser cancelar, com quem é que eu posso falar diretamente. Por isso é que nós não baixámos preços no pós pandemia e estamos com resultados em linha com 2019 já, neste momento. Nos nossos hotéis numa região específica vamos fechar o mês de junho com 77% de ocupação que é muito bom, sobretudo num pós pandemia. Nós tivemos um crescimento de reservas diretas, nós apostamos muito no nosso booking engine, nós tivemos mais de 50% das nossas reservas a chegarem pelo nosso booking engine. Nós criamos uma estratégia para isso mesmo, nós temos o melhor preço possível no nosso site, face a qualquer outro OTA, nós aqui apostamos também no Google Hotel Adwords. O nosso site aparece no Google e sempre com um preço mais barato, permite que o consumidor compre no site, passa mais confiança, mais segurança e permite maximizar mais a minha reserva. Portanto no fundo sim, o marketing digital permite uma sub segmentação diferente, consigo perceber até qual o sistema operativo com que o customer fez reserva. Eu consigo perceber onde é que ele comprou, se estava localizado em Lagos, em Lisboa. A que horas, consigo saber se foi no IOS, se foi em Android, se foi em mobile, se foi em computador e conseguimos ter cada vez mais os dados e a Google ajuda-nos bastante. Ou seja, mesmo no próprio Google Analytics conseguimos perceber de onde estão a vir os pedidos, quanto tempo depois estão no nosso site, quais os mercados com mais tendência a estar no nosso site. Quantas pessoas estão no nosso site que estão pela segunda vez, pela terceira outra vez, isso tudo nós retiramos do Google. Agora obviamente que a grande dificuldade de qualquer revenue neste momento é que temos demasiada informação e está dispersa. Nós fazemos sete, oito, nove logins por dia, para entrar em diferentes plataformas para ver diferente informação. O ideal era termos uma única plataforma que nos agregasse toda esta informação. Isso nós não temos ainda e torna mais difícil o nosso trabalho. O nosso trabalho não passa muito para estarmos a realizar relatórios, passa sim por analisá-los e tomar decisões, é isso que nós revenues fazemos. Há muitos hotéis que têm de fazer o pick-up manualmente em Excel, mas isso é quase uma perda de tempo, mais vale investir num RMS e agir em tempo real à mudanças do mercado. E, portanto, sim Carolina, a segmentação tipicamente era apenas o motivo de lazer e começa cada vez mais a ser geográfica, demográfica, interesse da viagem, começa a ter muita informação. Fazer uma campanha no LinkedIn, no Facebook ou no

Instagram é quase tão semelhante já como os dados que nós analisamos para a nossa segmentação. Agora os PMS's não estão preparados para isso, os PMS's tipicamente é o motivo de reserva, o meio de reserva e informação sobre a reserva em si, esse business intelligence não existe o PMS. Há alguns que têm, mas PMS's com um valor de investimento que não é para Portugal. Nós temos o Opera que tem um modo de business intelligence, nós aí temos a informação toda em tempo real e é muito importante.

Carolina: Enquanto estava a fazer pesquisa na parte teórica para sustentar a tese que estou a fazer, encontrei alguns artigos que falam sobre integrar o sistema de revenue com o sistema de CRM. Esses sistemas que está a falar de alguma maneira já estão integrados e disse-me que tem de ir a vários sistemas para obter informações diferentes. Era vantajoso entrar aqui com um sistema de CRM integrado ao RMS? Como é que isto seria possível a nível prático? Na teoria parece que sim, faz todo o sentido, mas a nível prático como é que garantimos que a informação que estava no CRM é fidedigna para nos poder dar os preços para tomar as decisões certas a nível de revenue?

Revenue Director 1: Qualquer RMS que nos faça recomendação de preço, que nos faz o cálculo do forecast, que nos faz o cálculo dos preços para grupos, etc., apoia-se em tudo o que é informação que vem do channel manager, do PMS e toda essa informação se não for bem inserida, o RMS o que vai estar a transmitir é informação errada e nós vamos tomar decisões erradas. Há sempre um trabalho de base do PMS e do channel manager que teria de ser feito no CRM. Ou seja, toda a informação inserida tem de ser validada por alguém senior, alguém com responsabilidade acrescida, porque essa informação que depois passaria pelo RMS, teria de ser correta, pois tomaríamos decisões com base nisso. Mas a própria forma como nós temos um rate shopper, que já tem muito business intelligence, neste caso o OTA Insight, teve um erro no algoritmo durante a pandemia. E o que ele faz é calcular o número de cliques que há na booking para determinada cidade, calcula o número de pesquisas que há no Google, no Bing e noutros motores de busca, para cada cidade e ele com base nessa informação calcula a taxa de ocupação possível da cidade. E dá-nos o algoritmo, pode ser 60%, 70% com base no tráfego online que existe, com base essa informação ele influencia depois o algoritmo que está no RMS e esse algoritmo é que vai sugerir o preço em conjunto com os dados da ocupação, os dados do histórico do PMS. Ele faz uma mescla dos dados e faz a calibração e vai gerar uma recomendação de preço. Neste caso funcionaria exatamente da mesma forma mas com o CRM, toda a informação inserida teria de estar correta e validada. E, portanto, seria mais um fator a

agregar a este algoritmo. Tecnicamente, os programadores teriam de os juntar, teriam que adicionar mais um fator a uma determinada ponderação no algoritmo e assim teríamos o cálculo do preço de uma forma mais completa.

Carolina: Também de acordo com aquilo que estava a dizer. Não só na base do quarto, não só na base daquilo que estão a vender, mas na base da receita potencial que o customer vos pode oferecer.

Revenue Director 1: Sim, mas na hotelaria independente não temos tanta informação. Nas grandes cadeias internacionais, eu tive a sorte de ter feito a minha carreira praticamente toda em cadeias internacionais e nós há oito anos atrás já tínhamos essa informação, nós já tínhamos a possibilidade para as chegadas dos próximos 20 ou 30 dias, eu é que parametrizava, eu podia dar uma indicação e depois comunicava com o OPERA, que era o PMS que eu utilizava no grupo internacional, em que para estadias repetidas de customeres loyalty, eles passavam a receber um e-mail pré estadia, automaticamente, com um desconto daquilo que eu quisesse, 10% no restaurante, 20% no bar, no spa. Ou seja, já estávamos aqui de certa forma a fomentar uma pré compra, já estava a trabalhar para um KPI de receita por customer e depois após a estadia podíamos fazer exatamente o mesmo. Numa próxima estadia no hotel da mesma marca, terá um desconto de x%. E os hotéis todos a trabalhar na rede, gera um cashflow bastante grande. No fundo isso nas grandes cadeias internacionais já de alguma forma existe e já há desde 2008/2009 pelo menos. A hotelaria independente é um mundo à parte, é completamente diferente. Não temos esses meios tecnológicos as nosso dispor, basta pensar que uma boa parte dos hotéis em Portugal não têm channel manager e nesta cadeia internacional onde trabalhei o primeiro channel manager que eles fizeram foi há mais de 50 anos. Eles já trabalhavam com channel manager, em Portugal só há 4/5 anos é que os hotéis começaram a trabalhar com channel manager. E RMS ainda é um nome muito estranho para a maioria dos hoteleiros, enquanto que nesta cadeia onde trabalhei em 2008 já tínhamos um RMS a fazer tudo isto que estes fazem. Há uma diferença muito grande entre as cadeias internacionais, nomeadamente as norte americanas, e tudo o resto. É uma diferença muito grande. Agora quem tem a sorte de ter feito carreira nessas grandes marcas, quem teve bastantes anos em várias marcas internacionais, consegue ter um conjunto informação que nem sequer está disponível para o típico hoteleiro português, não tem essa informação, não tem esse conhecimento e tão pouco sabem que existem essas possibilidades. Essa é a grande dificuldade da hotelaria independente, é que temos de fazer mais e melhor, mas com muito menos do que nas grandes marcas internacionais e isso

também é o lado giro da hotelaria nacional e independente. Uma vez que temos o conhecimento, mas não temos o fator tecnológico a nosso favor, temos depois de arranjar formas manuais, mais artesanais, mais imaginação. Essa é a parte gira que é o desafio também.

Carolina: Na sua função, neste momento, quais considera serem os fatores mais importantes para conseguir fazer um bom trabalho?

Revenue Director 1: Para mim é muito importante termos alguma tecnologia, nomeadamente o RMS e o channel manager, esses dois são fundamentais. Sem o RMS e o channel manager não faço quase nada de revenue, o PMS obviamente, mas isso é praticamente obrigatório para um hotel. Todos os outros sistemas permitem melhorar a minha rentabilidade, sem eles não seria igual, mas conseguiria executar uma estratégia de revenue minimamente aceitável sem esses softwares. Os três essenciais RMS, channel manager e PMS. Sem isso não é possível fazer revenue se quer, e o PMS tem de ter a possibilidade de nos dar algum tipo de relatórios, nomeadamente de forecast por segmento, etc., caso contrário o RMS não nos serve de nada também. A escolha do PMS é sempre fundamental.

Carolina: Tirando os sistemas de tecnologia, que já percebi que são a base do revenue, porque lidam com os dados todos os dias e é baseado nisso que tomam as vossas decisões. Para além disso, o que é que sente que faz falta no seu dia a dia, semanalmente ou mensalmente O que é que sente que poderia ajudar a melhorar? Algum tipo de informação específico?

Revenue Director 1: Neste momento, no nosso caso o que nos está a fazer falta, mas que estamos a trabalhar nisso é o tal sistema de CRM e o loyalty card, que são duas ferramentas que vão mudar aqui bastante determinadas estratégias que fazemos. Mas de resto, tendo a equipa, tendo os recursos humanos com formação constante e tendo a tecnologia mínima obrigatória. Eu tenho condições para executar uma estratégia de revenue.

Carolina: A nível da relação que têm entre os departamentos de revenue, marketing e vendas, vocês têm reuniões mensalmente, semanalmente, diariamente?

Revenue Director 1: Nós fazemos uma morning meeting diariamente, neste caso não fazemos com os chefes de departamento porque sou só eu, mas faço sempre com uma pessoa que cada área. Reunimos diariamente para rever estratégias para corrigir para alterar. Reunimos também

mensalmente, mais uma reunião de avaliação quantitativa, não é tanto qualitativa. Estamos a fazer dessa forma nesta empresa.

Carolina: A última pergunta que tenho de fazer é: quais são as principais mudanças no departamento, associadas a toda esta situação de pandemia?

Revenue Director 1: A principal alteração é o corrompimento dos algoritmos. Mudou tudo e ao ter mudado tudo, para dar um exemplo, a OTA Insights que é um ótimo rate shopper, continua a dar previsão de ocupação em abril e maio de 80% para uma cidade onde temos um dos nossos hotéis. Não era possível, os hotéis estavam fechados. Agora qual é que foi erro, o erro foi: porque os hotéis estavam fechados, ele leu que estamos fechados por ocupação alta, ele não está preparado para a pandemia, para um lockdown. E isto vai ficar no histórico, daqui a um ano quando estiver a ver os preços que tinha há um ano atrás vou ter que ter bem saliente: Atenção a procura não era 80%, isto foi um erro de algoritmo. Ele assumiu hotéis fechados como sendo hotéis ocupados e não, estavam fechados. Os próprios RMS, daqui a um ano eu não posso ter uma RMS a fazer forecast comparativamente ao que foi o ano anterior, ou seja, o histórico de 2020 não pode ser considerado. Quando estiver a fazer o meu forecast em 2021 tenho de estar a comparar com o OTB - on the books - de 2019 não 2020. Os dados vão estar corrompidos basicamente, e, portanto, isso tecnologicamente tem bastante impacto. Estamos a falar de forecast, budget, on the books. A própria forma de fazer um forecast neste momento não é fácil, qual é que é a minha previsão, em tempos normais nós fazemos previsões e podemos errar 2/3%, mas não falhamos muito mais do que isso. Nestes tempos que correm, eu faço uma previsão: eu tive 77% de ocupação este mês, para o mês que vem vou prever 80%. Mas se há um infetado no hotel não vou ter 80, vou ter zero. As pessoas não vão, a comunicação social vai falar. Por isso, neste momento estamos a fazer forecast da uma forma que encontrámos, não sei se é a mais correta, mas nos primeiros três meses de abertura: 30% ocupação; quarto, quinto e sexto mês: 50% ocupação; os outros três meses que é do sexto ao nono: 70% ocupação. Isto é aquilo que nós temos neste momento como métrica, porque eu trabalho, mas tenho que ter um budget, só que o budget que nós tínhamos definido não vai ser nem de perto nem de longe o realizado. Nós temos de encontrar métricas, para termos objetivos, para trabalhar para eles. O próprio exercício de fazer um budget neste momento é muito, muito difícil. E tudo o que é revenue trabalha em função de métricas, dados históricos, dados do forecasting, tudo isso está corrompido, nós não conseguimos saber neste momento o que é que é exequível. O que é que é uma boa estratégia. Tudo muda e é todo muito volátil. Ainda há dias falava com o diretor de

vendas de um grupo hoteleiro no Algarve e ele estava a dizer que estava com uma ocupação bastante elevada para junho. Houve uma festa em Lagos, com um número de infetados considerável e cancelaram-lhe as reservas todas. Isso é demasiado volátil para nós conseguimos definir o que quer que seja neste momento. As próprias companhias aéreas. Isto agora é dia a dia. Agora quem vier da Dinamarca de férias para Portugal quando voltar ficará desempregado. Eles implementaram isso, quem vier a Portugal de férias vem, mas quando voltar não tem emprego. O Governo decidiu isso na Dinamarca, mercados como Algarve e Lisboa, que têm o mercado da Dinamarca, mesmo que tivesse com expectativas de o ter, não vão poder ter. Ninguém querará arriscar isso. Muitos países estão a proibir viagens para Portugal. O Reino Unido está a tentar também. A Espanha tem fronteira aberta com Portugal a partir de quarta-feira, mas vamos ver se vão realmente abrir, se não abrirem vai ter um impacto muito grande em todo o país e em toda a hotelaria. Isto é mesmo dia a dia e está a ser a grande dificuldade de fazer revenue. Neste momento não há grande elasticidade das tarifas, porque não há grande elasticidade da procura. Nós estamos a trabalhar com tarifas mais estáticas do que seria o habitual, porque a ocupação é muito estática. Não há grandes picos de ocupação não há grandes picos de pickup de um dia para o outro. Isso faz com que a estratégia seja mais difícil e depois os destinos mudam o mundo. Num dos nosso hotéis mais afastado do centro da cidade estamos com 77% de ocupação, no mês julho perspetivámos fazer no mínimo igual ao ano passado mas depois temos um hotel no centro da cidade que tem menos de 2% de ocupação para julho. Falando com os colegas de outras cadeias com presença em Portugal, ninguém tem ocupação neste tipo de destinos, destinos mais urbanos não têm procura. As pessoas estão com receio, o próprio segmento corporate que seria aquele que poderia ajudar, estamos em pleno período de férias, julho e agosto, mas não será um período muito corporate. O próprio MICE é um tipo de negócio que a partir de agora mudou também, já não é de esperar as reuniões das farmacêuticas trimestralmente por exemplo, é de esperar um tipo de customere diferente. O customere mudou, nós não podemos ter o mesmo budget, o MICE vai ser diferente, não vai poder fazer eventos de 100 pessoas a mais vai poder estar nos hotéis de cidade, por causa da insegurança. Mudou tudo. Nós próprios é dia a dia e vamos vendo quais são as melhores estratégias para cada segmento, a tour operação mudou. Por exemplo o Funchal, eles vivem de tour operação pura e dura, sem ligações aéreas não há negócio e é muito difícil prever. Em cidades com o Porto e Lisboa, no Porto a TAP que supostamente reabriu as rotas mas quase nenhuma rotas no Porto. Lisboa por outro lado está com um crescente número de casos que está a transmitir insegurança para o exterior do país. Tudo isto é muito volátil e por isso é que nós não conseguimos fazer previsões. Eu faço previsões a cada dois dias neste momento não faço todos os dias. Não há

grandes alterações, não há um pick que se justifique fazer diariamente. Tudo o que fizermos que seja acima dos 30% de ocupação é bom. Uma forma que podemos utilizar é o resultado líquido do final do mês passar a ser o nosso orçamento. O drama da hotelaria este ano, nacional e internacional, é esse mesmo. Se nós conseguirmos fazer o break even, é o melhor ano de sempre, se conseguirmos não ter prejuízo é um ano fantástico. A dificuldade é fazermos preços quando não sabemos como é que o consumidor se vai comportar, nem por onde é que ele vai comprar, nem sei quantas noites, é tudo tão incerto que se torna mesmo muito difícil fazer uma estratégia de preços. O que estamos a fazer é mesmo isso, um preço para 30%, um preço para 60% e um preço para 70%. São estes três blocos de ocupação que à partida iremos ter, não será maior do que isto. Neste momento definimos preços com base na experiência e com base nas notícias que saem dia a dia, quantas rotas aéreas estão a funcionar, qual a capacidade de ocupação dos voos. É um bocado isso que nós vamos estudando agora.

Carolina: E vocês notam que os customeres associam agora o preço mais elevado a segurança?

Revenue Director 1: As pessoas tiveram três meses em confinamento e havia uma necessidade de lazer, de bem-estar, de conforto. As pessoas vieram e pagaram o preço que nós pedimos. A questão do preço não tem sido posta por ninguém. Nós optamos por não baixar preços por causa disso mesmo. Nós flexibilizámos as tarifas permitimos com que eles cancelassem até às 18h do dia de chegada, que é risco máximo para nós, mas vantagem máxima para o customer e nós queremos é a ocupação neste momento com preço médio de preferência, mas nós queremos fazer é o breakeven, estamos a trabalhar para isso. E as pessoas vão muito para aqueles estabelecimentos hoteleiros que transmite confiança e segurança. Nós próprios, hotéis, temos um custo muito maior para ter o hotel em funcionamento, todos os produtos, todas as normas de segurança que queremos ter relação ao COVID-19, obrigaram a um investimento grande e obriga a um investimento mensal. Nós temos custos acrescidos, mas não refletimos isso no preço de venda, assumimos o custo. Estou com preços em linha com a concorrência, em linha com o meu histórico, com a minha ocupação. Aqui o fator preço não se coloca, porque há poucos quartos nesta zona e as pessoas querem ir, querem estar num sítio seguro, tranquilo, com pouca gente, as pessoas estão a comprar. Nas cidades é que é o problema, não é o preço, eu posso fazer uma loucura e fazer uma rebaixa de preços que é mau para todos e eu não vou ter mais procura por isso, se é um problema de procura não tem a ver nada com o preço. Nós temos esse problema muito com a concorrência espanhola, os espanhóis são muito radicais, eles acreditam que esse é o fator que faz a diferença, mas não é. Só que eles contagiam e contaminam

o resto do mercado e os outros hoteleiros com menos preparação ou com menos arcabouço financeiro, começam a baixar preços também e de repente está instalado o caos. E é o que eu acho que vai acontecer em Lisboa e no Porto, acho que se vai instalar o caos nas tarifas e iremos ter tarifas de 70/ 80€ nos bons 4 estrelas e tarifas de 120€ em muitos dos 5 estrelas, porque vai haver uma rebaixada, vai haver aqui um pânico quase, e eu acho que isso vai acontecer. Enquanto que nos destinos periféricos não acontece isso, há muita procura.

Carolina: A nível de cidade, se as pessoas acabarem por não irem então aos hotéis na altura vão ter de voltar a fechar, porque se calhar não faz sentido voltarem a abrir com preços que nem sequer criam procura.

Revenue Director 1: Muitos até já não vão abrir este ano, já só abrem em janeiro, nomeadamente hotéis de periferia como o Algarve e o Funchal já não vão abrir, já não compensa, eles consideram a época alta perdida e por isso já não vão abrir. Nas cidades, uma grande parte de hotéis de cidade só vão abrir em setembro, porque acreditam que em setembro estaremos uma situação mais controlada, as rotas aéreas já estarão praticamente repostas, como estavam antes. Mas isso é tudo muito volátil, podemos até estar pior do que estávamos antes, em setembro não sabemos e ninguém consegue prever ninguém consegue adivinhar. Vamos ter mais casos, agora o que não vai acontecer, acho eu, é um novo lock down da economia. As empresas não aguentam mais paradas, têm de ter receitas. Isto é a nível mundial. Acho que os hotéis que vão abrir já não vão fechar a não ser que haja uma falência por exemplo.

Appendix 14: Interview - Revenue Director 2

Carolina: For starting, can you please tell me about how the revenue department works in this hotel chain, how many people work here and what are their positions and responsibilities?

Revenue Director 2: So here in this hotel, it's me, director of revenue, plus three reservation agents and one person of the team have reservations and have a revenue part too.

Carolina: Do you have all the information that you need about the overall guest experience and the behavior of the guests in order to create a guest profile?

Revenue Director 2: What do you mean by that?

Carolina: How can you do your segmentation, in case you are responsible for the segmentation?

Revenue Director 2: So the segmentation is usually based on the rate that the guest books. So if it is usually a corporate guest, he usually books on the rate of his company. Sometimes if this company does not have a rate with us, it will go more into leisure ones. But if then the volume becomes larger, then we will eventually negotiate a contract with them. So it is dynamic, it does not always reflect 100% the segmentation, what's the reason of the traveler, because you have got to sometimes, some guests are able to book corporate rates that usually are lower, even if they're going on holiday. But that you cannot know for what the customer is really coming. I would ask the front office to tell me how the guest is dressed, if he's actually going to work or he's going on holiday. So it's a bit limited. You have only the ones that the guest tells you or if the guest is actually booking for a company and they tell you.

Carolina: So, do you use ratios such as customer lifetime value to understand the long term value of our customers?

Revenue Director 2: No, not really. We calculate customers' value more on the short term. Because many systems are quite static. So you cannot have a system that today shows you this and in two months a different value. Of course, all the descriptions and things based on the comments on the feedback of customers then are fixed because maybe I see a room in a certain way, but then the customer sees it in a different way. And of course, the customer is the one that is actually staying so based on the comments of the customer often we fix our content.

Carolina: And what about information about main competitors and regarding other stakeholders, what kind of information do you need during the decision-making process?

Revenue Director 2: Usually I look at pricing and I see also what kind of offers they are doing, because based on the pricing, I can understand if the hotel is fully booked, partially booked. I cannot guess exactly how much they have, but I can have an idea on the filling. And then, of course, I also have data for tracking their performance compared to mine.

Carolina: Do you share this information that you have access to with the marketing department?

Revenue Director 2: Yes.

Carolina: How do you share it?

Revenue Director 2: We usually have meetings with the commercial team where the information is shared or sometimes simply: our competitors have done this, why we do not take a look, or things like that.

Carolina: And those meetings that you mentioned, how often do you have them?

Revenue Director 2: I think it depends sometimes we on certain times we meet once a week, sometimes at least once a month I would say.

Carolina: Do you have access, or do you control the customer relationship management strategy – CRM?

Revenue Director 2: No, that's different departments that manage that. There's revenue that assists in the booking experience and then there's marketing that makes sure. And at the same time, there is also the front office.

Carolina: And do you have any system where you associate all the information, for example, integrating the CRM information with the revenue management system?

Revenue Director 2: No, there is no system that you mean like, for example, based on the reviews of the guests, if then this goes into pricing. That is not it's not happening because it's a bit complicated, I think, to do. Because I also have different segmentations, because if I have a hotel that's mainly working with groups, groups have certain needs compared to individuals. So it's a bit difficult to build a system that compares. I have a system that gives me a suggestion on the price, but of course I know there's a group that's looking good or not. These are all things that you need that's still the human person to detect. At the same time, I know if based on my occupancy, if I need to price higher or lower compared to the competition, because I see at the end of every month I see the difference of rating of customers between me and my competitor hotels. So I found four point one, four point two, sometimes it doesn't really give you something

because you don't know exactly which business mix they have. And maybe on one month you compare and you compete with some hotels, and one month another ones, depending on the hotel. So it's a bit difficult. But anyway, you know, which hotel usually offers a better service or have a better product than you and usually you do not rate higher than them. And then of course if you are almost fully booked, you do that.

Carolina: Do you consider this relationship between revenue and marketing department essential?

Revenue Director 2: Yes. Because through marketing, you can you have the chance to give the information to the customers and at the same time, marketing is one of the tools to use to sell your product.

Carolina: And overtime, what are the changes that you consider significant between these two departments?

Revenue Director 2: I think revenue is moving more and more towards a more strategic role, and marketing, I think will be part of that. There is no many hotels that have marketing, and I think marketing is essential to showcase the hotel.

Carolina: How do you think these two departments are specifically changing in the near future? What are the main tendencies that they are following?

Revenue Director 2: So marketing started mainly with in-house or small activities, initiatives like brochures and things like that, and now is moving on for a more digital field and I think this will continue. So from which pictures and now it's developing also which words to use for describing things and so on. So the marketing is gaining each year for getting more and more experience.

Carolina: What are the most important factors to develop your work as a revenue manager in hospitality?

Revenue Director 2: I think for revenue, the main things are you need to have a strong knowledge of the market, of the tools that you have available. And then based on that, you need

to be able to interact with the different departments. So, the departments, which revenue interacts are sales and marketing, of course, front office and finance. You need to try and make it like all your stakeholders, all happy and make sure that they're all aligned with the strategy.

Carolina: OK, and what would be important to have access that you do not have at this moment but could improve your performance?

Revenue Director 2: I think the main thing that would be useful would have strong market data that here in Portugal is lacking, in other markets you have. So what are the expectations of occupancy for 2021, 22? And so on, now you don't have this kind of information for Lisbon, but for other cities, you do, it's not always correct to this forecast because it's a forecast, but at least gives your feeling on whether or because now you're basically not guessing, but getting very close to guess, because you have no one that gives you their ideas. So you can based it on. it is only based on your assumptions. And if you have someone else's opinion that looks different data from yours, it is better in my opinion. Revenues always share opinions with their competitors. Sometimes you talk with the competitors and you see how they see the market and also sales that also interacts with customers often. And based on that, you always build your knowledge. Just sitting here and looking at figures does not always give you the full picture.

Carolina: And do you have any explanation for why Portugal is not that developed in terms of revenue?

Revenue Director 2: I think it is because we do not have many international chains.

Carolina: You think they have the resources?

Revenue Director 2: The international companies usually have more knowledge, and that is why, Portuguese chains, maybe have really good knowledge locally but do not have sometimes they don't want to share information, but they do not understand that sharing information allows you to improve your performance, because I know that all the hotels in my competitive set are performing much better than me, I know that I'm underperforming. So there's room for improvement and vice versa. So you need the information just to know and put your performance in a context. It is like at the university, if you are graded alone, you will get one

grade. But if you get a grade that is average, but all the rest of the class, gets a lower one, then you have a different perspective.

Carolina: So maybe there is a lack here, because people don't want or they're afraid to share too much information with each other.

Revenue Director 2: Yes, but this is often smaller companies usually have this thing to do not share information because they think that you steal and so on. But you use the information to improve. Anyway, I cannot see the performance of one single hotel, but I can see that all the four hotels together, for example. And this gives me more or less an idea and usually also a smaller chain or family business do not also have the budget to afford, because these tools unfortunately are also expensive. So sometimes is also because of the price and chains, usually put a high investment in these tools.

Carolina: And the last question that I have is about the main changes for the revenue department associated to the pandemic that we are living?

Revenue Director 2: This is a difficult question because no one knows what's going to happen. But I think revenue has to play a crucial role because no one knows when the recovery will start. Some people say starting in September, some people say next year, and revenue needs to be ready and flexible for when you got the first signs to be ready and have all the options in place, I don't think the growth will be from zero to a hundred. But you will get there, it will be step by step.

Carolina: Do you think that the investment that you have been doing in revenue, it's of useless now?

Revenue Director 2: Now, in terms of investments are very hard to determine your return because you don't know when basically would return. This kind of event, it happens really rarely, these modern times, we never had something like this before. So many investments now are frozen because people are afraid and do not know what you are like. The thing is, in my opinion, you should focus on your self-development. Revenues should whether if you have more free time, you should focus on yourself development, like for when things get ready you can have an advantage on our competitors or even our peers.

Carolina: And as a revenue, how do you consider the role of the marketing at this moment?

Revenue Director 2: I think now the crucial thing is that the workload on many aspects is lower, you should focus on what you currently have in place and review everything and see which are your descriptions, things you can improve and which ones instead have to be completely changed. So when let's say when you have a lower volume of work, you should always focus on trying to improve the things that you currently have and this is what we are currently doing. Now we are reviewing all our website pictures and so on, to make sure that when things start getting back we are in full shape and this time was not wasted.

Carolina: Thomas, I don't have any more questions, I just want to ask you if you want to talk a little bit more about any topic, some thoughts that you have about it.

Revenue Director 2: When we talk about collection accurate information, for example nationality, I think is a big dilemma, like when you have a few cases is like if you take, for example, my case, I'm not Portuguese, but I live in Portugal. So if I go abroad, will you track me, based on my address or based on my nationality and at the same time, I think it's difficult because you don't know if my behavior was impacted by the county where I live or by my nationality. But because, of course, like you said that if you have, for example, some Portuguese that come from the US. They will have a different behavior from the Portuguese that are here. Because usually, for example, salaries are usually higher in the states, so, for example, you have a bigger budget than you would have here in Portugal and also maybe you want to experience things that you're missing in the States, that in Portugal instead that you have every day. And that is for me, the nationality sometimes is a big dilemma. I usually point to the passport nationality. Because unfortunately, you only have one field that's nationality, and you need to choose that, but at the end, most of the people usually live and in the country they are from, most of the customers. So you need to get most of the cases, because then if you start fragmenting too much, then you lose the big picture and that's the thing that you need to avoid. But nationality is often not tracked very well from the hotels, really need to push people to make sure and also systems sometimes make it complicated because sometimes systems have information that you put manually and this makes it complicated. So I usually look for different systems for the nationality because of the OTA's also track nationality. And every system has their issues brought in some nationalities. Unfortunately, there is no system that is exactly their

nationality. So because some people do not put the nationality, it gives by default, I don't know Portuguese and then you see the name that's clearly not Portuguese and also the address, but the person was simply lazy when they were booking to put their national.

Carolina: OK, but it's very important to understand, like, who are we dealing with, not only because of that specific person, but in order to create profiles that might be similar to that person and it might be our type of customers.

Revenue Director 2: But now especially is very important to have the nationality, as you can see, the potential because you know, for example, that Brazil and United States are not able to travel to Europe. So if you have good data, you can understand how much is actually the risk that you're facing. Many guests have Portuguese nationality and you see it also in those statistics, you see that the luxury market, the second source market of the United States is Portugal, but I do not think so because especially in Lisbon. I do not think that there are that many people, that very high rates that come from Porto and have to become the second market. That is my opinion, because that is what I see in this hotel, and I'm also responsible for another hotel in a seaside destination and in both hotels, I see more people from the UK or France than Portugal.

Carolina: When you compare Lisbon with the seaside destination, Lisbon is lower, in terms of occupancy rate right now?

Revenue Director 2: Yes. All city hotels all over Europe are experiencing lower occupancy than leisure destinations and this is mainly connected with first of all of the season. If you go sightseeing now, it is too hot. Going to the beach, you can just refresh yourself at the beach and that is normal. And then plus you have the fact that people have been closed in their houses. So going out to the beach, and you do not know if it will be the second wave, at least you got the time to enjoy the outside part.

Carolina: And about the corporate market, do you think it is not going to be very soon that you recover the corporate business market?

Revenue Director 2: It depends which kind of corporate market, the group of corporate that will be among the last segments to recover. But individual corporate, I think it will be among the

first ones to start again. For Lisbon, most of the requests that we have are from corporate customers, because they need to come back for work and they need to come for a couple of days, to meet with some people, because sometimes even if there's technology, you need to actually be there. Especially consultants and this kind of business, I think, will be among the first ones to recover. Because for leisure you can decide going to Algarve or to southern France or Italy for the beach or Spain. But for work if your partners are in that country, you cannot say no, I prefer going here. You need to stick with your company and that is what will happen. That is what many are expecting that the corporate individual will be among the first ones to recover. And the other one that should be also lower is the lower rated leisure business.

Appendix 15: Interview – Revenue & Marketing Consultant 1

Carolina: Como descreve o departamento de revenue numa cadeia de hotéis? Quantas pessoas são responsáveis por um departamento e quais as suas funções?

Revenue & Marketing Consultant 1: Pode variar de hotel para hotel e de cadeia para cadeia, mas num pequeno grupo você normalmente tem o diretor de revenue, tem uma pessoa responsável pela folha de dados, mais ligada à base de dados. Normalmente para fazer a parte de business intelligence, depois tem um ou dois estagiários e tem os revenue managers e um assistente. Cada um responsável por exemplo pelo mercado leisure, por exemplo agências, grupos ou tripulações.

Carolina: Considera que os revenues têm acesso a toda a informação que necessitam para determinar um perfil do consumidor?

Revenue & Marketing Consultant 1: Eu considero que não. Muitos até têm a informação dentro do PMS por exemplo, ou noutros sistemas que acabam por ter muita informação, mas não conseguem extrair a informação necessária nem conseguem utilizar a informação e depois acabam por fazer uma segmentação clássica.

Carolina: Considera que hoje em dia se utiliza um indicador como o *customer lifetime value* - CLV?

Revenue & Marketing Consultant 1: Não, não se utiliza. Nem é hábito na indústria hoteleira de proceder ao seu cálculo de forma generalizada. Há poucas pessoas que o fazem, mais nos grandes grupos económicos que têm programas de fidelização.

Carolina: A nível de informação sobre os concorrentes diretos e outros *stakeholders*, acha que os revenues têm acesso a toda a informação que necessitam?

Revenue & Marketing Consultant 1: Não, também não. Não têm, porque uns não sabem o que hão de pedir, outros também não têm a informação nos sistemas. Informação mais concorrencial, ou com STR reports ou softwares, como por exemplo OTA Insights.

Carolina: E que tipo de informação que considera ser necessária para a tomada de decisão? Sobre os concorrentes.

Revenue & Marketing Consultant 1: Temos um manancial grande de informação, mas nós temos de olhar para o nosso tipo de negócio e primeiro saber quais são os nossos objetivos, o que é que nós queremos para a nossa unidade, e depois definir corretamente os indicadores de desempenho. Esses indicadores de desempenho podem ser vários, desde os tradicionais como REVPar, ocupação, ADR até outros mais complexos como GOP por exemplo.

Carolina: Que tipo de informação é que considera que os revenues partilham com o departamento de marketing?

Revenue & Marketing Consultant 1: Por aquilo que eu tenho visto é muito difícil alguém partilhar alguma coisa entre departamentos. Porque os diretores dos departamentos têm muito receio que outros possam aceder à informação que eles produzem. Existe muito medo nessa partilha.

Carolina: Então não existe nenhum tipo de sistema, por norma, que agrupe toda a informação e que seja comum a estes departamentos?

Revenue & Marketing Consultant 1: O sistema que agrupa toda a informação, que normalmente tem toda a informação, mas às vezes é bloqueado de departamento para departamento, é o PMS. Aí é que podemos encontrar toda a informação que necessitamos, porque quase tudo é

concentrado aí, a não ser que, dependendo do conjunto de sistema que o hotel tiver, por exemplo o departamento de revenue pode ter só acesso ao sistema RMS, pode ter acesso aos dois, depende muito de com uma organização seja desenhada.

Carolina: E a nível de CRM, considera que os hotéis costumam ter um sistema? Existe algum tipo de estratégia associada a CRM nos hotéis?

Revenue & Marketing Consultant 1: Alguns até têm um sistema, ou um sistema específico de CRM, ou um módulo dentro do PMS, ou a integração de CRM com PMS, mas muitos têm o sistema e não sabem usar corretamente o sistema. Portanto existe muita falta de formação a esse nível. Depois acabam por haver muitos desperdício e informação que não é aproveitada.

Carolina: Nos hotéis que têm sistemas de CRM, acha que o revenue também tem acesso a esses sistemas ou a estratégia é meramente sobre o departamento de marketing?

Revenue & Marketing Consultant 1: Muitas das vezes é só sobre o departamento de marketing, vendas e parte comercial. Digamos que a parte de revenue às vezes não sabe muito bem o que é que os outros departamentos estão a fazer e acaba por utilizar de outra forma.

Carolina: Considera esta relação entre estes departamentos, revenue, marketing e também vendas, essencial? E como é que estes departamentos comunicam entre si?

Revenue & Marketing Consultant 1: Sim considero. Por aquilo que eu tenho visto não comunicam, a relação interdepartamental ainda é muito complicada e com muitos atritos entre si. Como há muita rivalidade entre departamentos, a informação acaba por não ser partilhada. Mas por exemplo, era uma mais valia a estratégia de marketing estar alinhada com a estratégia de revenue, por exemplo para efetuar campanhas. Quer sejam campanhas mais generalistas para fora da unidade, por exemplo em época baixa, época em que a procura necessite de algum estímulo, que seja para campanhas segmentadas, grupos no mercado com determinadas características.

Carolina: Como é que considera que estes dois departamentos, esta relação, está a evoluir no futuro, quais são as tendências e as principais alterações?

Revenue & Marketing Consultant 1: Existe uma tendência muito grande para a automatização de processo, quer ao nível de revenue quer ao nível de marketing, quase todos os sistemas no futuro vão assentar em sistema de inteligência artificial ligados a sistemas de business intelligence, alguns já o fazem. Já é possível encontrar RMS's com base de inteligência artificial, que fazem alteração de tarifas de forma automática, alguns já conseguem ganhos muito significativos de forma consistente que simplifica muito o sucesso. Depois a influência do digital vai ser muito forte. A mobilidade já está aí com os telemóveis e etc., e vamos conseguir fazer o processamento de dados relativamente aos equipamentos e com isso desenvolver um bocadinho a internet das coisas - IOT. Ao mesmo tempo vamos ter sistemas de blockchain que vão facilitar a partilha de informação em várias plataformas.

Carolina: Quais são os fatores mais importantes para desenvolver o trabalho de revenue no setor hoteleiro?

Revenue & Marketing Consultant 1: Para mim, há um fator que é fundamental: os recursos humanos. Com os recursos humanos bem formados, normalmente, consegue ser mais fácil implementar uma estratégia de revenue que favoreça a criação de receita, mesmo dentro da própria unidade. E fica muito mais fácil de otimizar todo o processo, desde o início até o final. Desde que o customer começa a ter o primeiro contacto com a unidade até o apoio pós-venda. Porque os diretores de revenue não fazem o trabalho sozinhos, obviamente que se eu tiver uma equipa mais sensível para as técnicas de revenue management nas suas diversas fases, vai ser mais fácil eu fazer otimização de receita. Por exemplo através de cross selling, ou up selling, quer seja do ponto de vista operacional ou até mais estratégico ao nível da direção geral. Por isso eu diria que a formação é essencial mesmo para fazer uma verdadeira alteração dentro de uma unidade hoteleira.

Carolina: O que seria importante ter acesso que neste momento os revenues não têm acesso e iria melhorar a sua performance?

Revenue & Marketing Consultant 1: No meu ponto de vista seria essencial que todos os sistemas trabalhassem a globalidade da receita e não apenas aceita de alojamento. Ou seja, sistemas que medissem por exemplo o GOP, o resultado operacional, quer o bruto quer o líquido. Ou então indicadores mais globais como o Total REVPar, que assentassem mais na

receita global e não na receita do departamento. Por exemplo, também pode calcular o total da receita gerada por hóspede e ir ao encontro daquilo que falou há pouco.

Carolina: E quais as principais mudanças no departamento de revenue associadas a essa situação de pandemia?

Revenue & Marketing Consultant 1: Em concreto é difícil estimar, mas eu diria que estes departamentos deveriam ser reforçados, eu sei que às vezes nem sempre é fácil para as próprias unidades por causa da carência de recursos. Mas acho que estes deviam ser reforçados em detrimento de estarmos a conter custos, porque vai ser muito complicado ultrapassar esta fase sem termos conhecimento especializado.

Appendix 16: Interview - Revenue & Marketing Consultant 2

Carolina: For starting, can you please tell me how the revenue department usually works? How is the structure of a revenue department?

Revenue & Marketing Consultant 2: Usually you have to define two types of organizations within the revenue management discipline. You have the mature organizations and you have startups within revenue management and immature organizations. So the structure is quite different in these two different types of organizations, mostly in Portugal. You will find a lot of organizations are still very immature when it comes to revenue management and in those, which is what you find, for example in some Portuguese hotel chains, where revenue management is a discipline and a department in itself that is usually transversal in the organization and is included within the sales and marketing umbrella. And what ends up happening in these organizations is there is a certain breakdown in terms of interaction between these different little departments that operate under a direction of sales and marketing. So, in fact, if we talk about mature organizations, which would probably be more in line with what you would find in global brands there is in terms of direction a much more united, a way of doing things within the different departments that include revenue, sales and marketing and e-commerce distribution. There is a lot more interaction between those departments. And I think that the organizations in Portugal, like I have mentioned, mostly are immature. So what you find is that the revenue management is still not very powerful within hotel organizations here.

Carolina: And do you think that the revenue managers have all the information about the guest experience and behavior, in order to develop a guest profile for segmentation?

Revenue & Marketing Consultant 2: And that is the other thing. So here again, we can talk a little bit about the immature organizations that sometimes do not have the systems that are necessary to really develop a good revenue management strategy. And the ones that have those resources, which are a little bit more developed because they have the resources, they have the systems, they have a CRM, customer relationship management system, they have a RMS, revenue management system. Besides obviously having the PMS, that runs hotel and these all talk to each other. So in these organizations, of course, the revenue management is a little bit more developed and they do have the resources. But what we find is that even in these organizations that have all the platforms that sometimes the revenue managers themselves do not have the training and the knowledge, so the know-how to really take advantage of the information that they can be mined from these systems.

Carolina: And do you consider that some hotels, that work on revenue management, use the customer lifetime value ratio to calculate the long-term value of the customers?

Revenue & Marketing Consultant 2: I do not believe that happens in any organization that I've been exposed to. And I know there are organizations that talk about doing that. But unfortunately, even within the big brands, I have really never experienced that, that is the case. Of course, I don't know all the organizations, but I'm pretty familiar. I can think of some organizations that might be at that level right now. When I talk about revenue management and obviously within the mature organizations, then you have the mature organizations that do revenue management 4.1 and others that do 6.0. So it's a different level. So in this case, I'm thinking about organizations like CitizenM, that is maybe at that level. Within the US there are some smaller brands like Proper Hotels, maybe doing a little bit of that, but usually really developed revenue management organizations, I think tend to be smaller and they tend to be launched within the last 10 years, 5 to 10 year years, which really gives them or gave them the opportunity to be founded and to create systems that are adaptable and within the strategy of launching the hotel brand. They already launched with a revenue management strategy. So a sales and marketing strategy that included revenue management, and I don't believe that within the Portuguese landscape that there are organizations that are working at that level, no matter

how big or small. And I know quite well all the organizations, I know a lot of them do have the systems to do it, but they actually do not do that at all.

Carolina: And how they can do it, which are the systems associated to this kind of measure?

Revenue & Marketing Consultant 2: So in this measure, you really need to have good customer relationship management system. So you need to have a very good CRM connected to your PMS. You need to have a very good marketing strategy, associated with acquiring information about your guests. It also would have to include a good booking engine and a good digital strategy, because obviously, when you talk about the value or finding out what is the value of one customer, what is very important is to own the voyage or to understand how that guest got to you. And right now it was in the distribution landscape. What happens is the majority of the hotels and this, again, applies to more the independent brands and the smaller brands and not so much the big brands. But right now, obviously, that OTA's dominate the reservations. So it dominates on the Internet in terms of acquisition of customers. And of course, they own the journey of that customer up till the moment that guest comes into the hotel. So there is a missed opportunity here if you really want to establish what the lifetime value of your guests is, there is this crucial journey that right now hotels have a very big difficulty identifying, because they don't get a lot of direct reservations. So in that sense, they don't own that journey up to the point that the customer comes in or the guest comes in. So there's this moment where the hotels can acquire this guest and information about this guest. And that is on contact within the stay at the hotel. But that also requires a lot of training on the part of the staff to be able to input the information, ask the right questions. Make sure they have the correct, starting with the correct contact information for this for this guest. And also what was their journey? How did they choose that hotel? What do they do on professional basis, where they come from? Obviously in Portugal, we do have the information regarding the nationality. But the problem is nationality does not mean in today's world, nationality does not mean residency. For example, I'm Portuguese, but I live in the U.S.. If I come to Portugal on vacation, I'm going to be someone that's Portuguese. When in fact, I'm American. I have a very interesting story with this is, when I was working for a hotel chain with presence in Portugal, back in the early 2000s, there was this notion that these little small hotels in a specific city were getting all these Brazilian people and so all the sales people wanted to go and do sales calls in Brazil. And we went and drilled all the information and we found out that these Brazilian people that were staying at that hotels were in fact, staying there because SEF had open a branch and they were going there to handle

your legal documents regarding residency in Portugal. So they were, in fact, all Portuguese residents. And so this is how sometimes the information that we acquire from the guest can induce in error an entire sales and marketing strategy. So it's crucial that the staff at the hotel is very well-trained in acquiring the proper information that then can be interfaced into the server. But obviously, again, there are different moments, this is the second moment. Obviously the third moment that you can acquire a lot of guest information is a post stay where you continue to follow this guest. And this is another thing that is not very well done currently in the hotel organizations, which is the post stay follow up, cross-selling with in other hotels and other destinations within the organization that, for example, let's say an international group that have hotels outside Portugal too and there should be some cross-selling if someone comes to Portugal and stays for example in Lisbon in a four star hotel, then there is also a four star of that brand in a other European city. Here we have an opportunity of cross-selling that happens in terms of guests leaving the hotel that are happy, and a post stay communication selling to other destinations for guests that may not be returning to Lisbon.

Carolina: Do you think that the integration of the CRM system with the revenue management system is something that will happen in the future? In every hotel or in every hotel that has these systems available.

Revenue & Marketing Consultant 2: I believe so. I believe so, there is already some systems that have all CRM's, but obviously you have organizations that have them connected. So this is something that is already happening, maybe not in Portugal. But this is something that is already happening, obviously, for example in international companies, especially North American hotel groups, they have. And currently they have outsourced the development of systems that are all inclusive. So they're now in development. Obviously, the big brands have a little bit of a handicap of the current systems that we have, because their legacy systems, something dating back from the 60s. And so now they're looking into developing these platforms that are all inclusive, that has a POS, which is point of sale, that's something that is, for example, at the restaurant at a hotel might have a POS that can assess the PMS. And then it will have a channel manager, a booking engine, a RMS, a revenue management system, a CRM, and it will also have a marketing module. That is a little bit part of this CRM, but in this case, it is a different module that does all the marketing that handles marketing campaigns. So it's a junction of systems that are currently available, but they're not all integrated, and that will be the future.

Carolina: And which are the main limitations or barriers that exist in Portugal specifically for these not to happen now here in Portugal?

Revenue & Marketing Consultant 2: There's not a big recognition that the investment in systems is worth it. What you will find within organizations, I'll use an example, an organization that buys something that most hotels have nowadays, which is the PMS, so again, it's a property management system. So when the property management system is installed, the people that are working at one particular property. So let's say that sales staff, the front desk and the reception staff, the reservation staff. Everyone gets trained in that system by trainers that know the system well. So let's say that this hotel installed Opera as a property management system. So a team from the Opera, from Oracle will come and try and be on property for two or three weeks to train staff. So what ends up happening is 10 years or 5 years down the road. The people that originally worked at the hotel when they got the training, have trained other people and those other people have trained other people. And so as time goes by, knowledge of operating the system actually decreases quite a bit. So after a few years, what you end up with is staff that knows only maybe 40 percent of the capabilities of the system. You go to your daily job and say, I work at the reception, I'm the front office, the reception manager. I hire a new person. That person comes in and I have someone that is working at the reception train the person. That trainer that is a receptionist will train this new person only in the things that they need to know and not in the full capabilities of this system that they learned during those training with Oracle, because a lot of stuff is just difficult. Or you think you don't need it, and again, I have a great example, again, going back to my days working in Portugal, when I arrived, I was at an hotel in Lisbon and I wanted to understand, although I was in sales and marketing, I wanted to understand how the system worked. And I was at the reception and they were teaching me how to check-in and check-out people in the PMS. And there were some fields that related to segmentation and marketing that needed to be filled out. And the front office person that was training me says: "Here I put a S, here I put a M and here I put a Z in these fields.". And I asked her: "Why do you put an S, an M and a Z?" And she told me: "Because it works.". So she puts an S, an M and a Z because she knows that those codes will allow her to check in that person without the system giving an error. So I drilled down and I found out that those fields are actually related to a segmentation customer profile. And some other things. And so we were really putting information into this system and then, sales and marketing was using the report that they were pulling out of this data and all this information was incorrect because it was actually not driven by any customer information. The guest didn't give that information, it was

just driven by the receptionist wanting to check-in that person quickly. So that is the main challenge in Portugal, even if hotels do acquire the systems. Then they forget that you really need a very good level of training to accompany that system throughout the years and not just when the system is installed. And I have never seen any organism in Portugal that does that. So anytime that you have your people, there should be a team that trains the hotel staff in using the property management system. And when I say property management system, I say any system that they come in contact with. And those people should be trainers that know the system very, very well. And within the Portuguese organizations, I don't know any that have this. These are within the organization in Portugal that have systems. And I find that they just don't have the know-how in-house to operate the systems. And the second problem that we encounter in Portugal is that a lot of the smaller hotels don't recognize the need to have this investment in all these systems because they get majority of their reservations through OTA's. And they don't believe that can be fought. And there's no point in. So it's a little bit of, they gave up already. And they're like, oh, you know, booking brings most of my reservations. So why should I want to have any systems and know more about my guests, because they are just going to use booking whether or not they come again. There's a lot of notion in Portugal that a lot of our guests are tourism driven, so they only come one time. And why should I know about our guests? And, you know, sometimes I explain that it is not guests. It is a guest profile. And by acquiring all the data related to this guest, you can target guests like this one. So it's not a specific guest to guest relation to that particular guest A or guest B. Is that you identify the type of guests that you get, so that you can target your marketing in that direction. But there is not a very good understanding within Portuguese organizations that this is even a necessity. Obviously then there is the third issue, which is the investment. Some of these systems are fairly expensive and going back to organizations that know that they have a lot of turnover, it does not make sense for them, again, to invest and then have to train people and then those people who are going to leave. So it does not make sense in terms of a return on investment for some of the organizations to do it.

Carolina: In terms of competition, information about competitors and other stakeholders. Do you think that the revenues have access to all the information they need during the decision-making process?

Revenue & Marketing Consultant 2: In terms of a competitor information, that is probably one of the better assets within Portugal. That is one of the aspects that the organizations do well. So

any organization in Portugal that does revenue management, they do have competitors set information, mostly because there are a few platforms that offer it that are quite affordable. And that seems to be the main tool that revenue managers in Portugal use to do revenue management.

Carolina: In terms of the relationship between the revenue and marketing, what kind of information do you think they share between departments?

Revenue & Marketing Consultant 2: Again, mature organization, immature organizations. It really depends what the strategy is, it depends who leads, who leads the umbrella, the departments. Personally, the majority of the organizations, again, with a few exceptions, the interaction and exchange of information is zero.

Carolina: Do you consider this relationship essential?

Revenue & Marketing Consultant 2: Of course. Yes, it is absolutely, if my team was in an open space, I usually like to sit in open spaces with my team just because it creates a better working environment. You do not have an office. Some people walk in the office and then you have to get up. It works much better and I was in an open space, this was in an organization that initially the marketing was not under the same umbrella. It was two separate departments. So it didn't even was sales & marketing, it was just sales and marketing on the other, and then that revenue here ad e-commerce here. So they were four distinct departments that did not have a leader. So did not have a common strategy set. And I was working one day and I heard because we're all in open space, I heard some people on the marketing team coming over to the e-commerce team and asking them to load an offer for Easter. This was maybe February or March and Easter was in April and they were asking this promotion, package to be loaded into the booking engine. And the e-commerce people were like, oh, ok, so this for all the hotels? And they said: No, this is the package for the five star hotels and this is the package for the four star hotels and I was like, OK, that's strange. A package for Easter. So I got up and I went and talked to them. And I asked what are we doing. And marketing said, oh, we have this amount for investment, for Easter promotion. So we're doing some campaigns. We're doing some PPC campaigns. And we're going to have a link that directs back into the booking engine. And so we need this package loaded. And I said, but those hotels are all full for Easter. So they were going to spend, let's say, a thousand euros in a campaign. E-commerce was going to spend two or three days loading packages into a booking engine, then marketing was going to create this campaign for

AdWords, do all these things that they do there, e-commerce was doing all this work and the hotels were not going to get any benefit. And not only that. I mean, how annoying is it to be someone that's looking for a hotel in the Easter in Lisbon, for example, or in Porto and I see this campaign and I click on it and there's no availability in any of the hotels. So also from the part of the guest that's really not a great thing. So this just explains on how the disconnect exists within organizations. And these are, again, big organizations. This is the disconnect that exists between revenue management, e-commerce, marketing, sales. There is really not a lot of information sharing.

Carolina: And how can it be improved? For example, the open space is a good suggestion. Everyone should be available to talk in person anytime they want to and they need to. But other suggestions that might improve this relationship?

Revenue & Marketing Consultant 2: I think crucially there should be a united strategy, all these department need to be led by a head person. Who is knowledgeable about the different disciplines that are under their care and obviously, you need to have a common energy. It helps within organizations. There is a lot of talk about Matrix management, that Matrix management, unfortunately, may work in other cultures. But in Portugal, unfortunately, Matrix management does not work. And I have, again, several experiences where I was told that a general manager of a hotel they were not going to do that because they just didn't want to. And that happens when you have this Matrix management. So, for example, when I was country revenue manager for hotel group with 30 hotels in Portugal, at that time, I found out that the hotels didn't really have a structure in their PMS for room types. This hotel chain has different brands and one of those bands is a standard product. So all the hotels are the same. And I found out within the this specific branded hotels in Portugal they really didn't have the same nomenclature. They did not have the same architecture in terms of room types, of other things as well. But we started with room types. And I had several GM's telling me that they were not going to change their room types, because they like their room types. And because this was a Matrix organization where I am country revenue manager, who really runs the hotel is the GM. So I have no power to establish strategy for that hotel. Well, it is all on a recommendation basis. And the GM content the recommendation or not. You will find that within Portugal. 99% of structures are like that. And this just does not work at all. So you either are someone that can bring a lot of value and they recognize that value, but even then, it's very difficult to change things. So number one is that anything that is related to sales and marketing strategy, the e-commerce strategy,

distribution contracting, sales and marketing contracting, sales contracting, revenue management, all this should be a united strategy and the only way to stop this is to have the strategy being under the umbrella and the direction of a united front. And I think that is the recommendation. If you go into mature organizations, those are the structures that seem to work the best. So, for example, I mentioned CitizenM, you go to a CitizenM and they have something called a chief commercial officer. So at the level of the CEO, which is the chief executive person, they have a commercial or a chief commercial officer that oversees all commercial activities and all commercial efforts for the brand. You will find the same thing at Proper Hotels, as well as in Boogie Hotels. Those are the structures that tend to work the best, because they have at the level of the CEO, they really have these two silos within the organizations and obviously these silos talk to each other, but they have different strategies and different goals. One is the commercial silo and the other one is the operation silo. And they have in these structures, they really have the same power. And that's usually not what you find, usually in the structures or organizational structures the commercial efforts are under an operational directive. And the focus always tends to be the operation and not the commercial. So all the development is done on the operational side, maybe in terms of product, maybe in terms of service and not so much the same focus is given to the sales part, the commercial part that always seems to be sort of an afterthought. And it is also viewed in Portugal as people that just travel and do nothing or that are just an expense. So there's not a lot of recognition because, again, the structures tend to be very operational for focus.

Carolina: This is your opinion about the future. But now, in the present, what are the main changes that you see that we are feeling comparing the past to the present?

Revenue & Marketing Consultant 2: I always like to refer this, so when we talk about revenue management, what happens nowadays, and I talk about my Portuguese experience, which is a little different from my U.S. experience. What happens in Portugal in terms of revenue management is that revenue management is something people look at as: the revenue manager changes prices and they just price is based on, we talked about the concept and the historic data that they have and a little bit of intuition, a lot of intuition. But revenue management is really a data science. And the thing that revenue management brought to the industries that use it, because the hospitality industry is not the only industry that uses and it actually started with airlines and then the car rentals and obviously hospitality adopted it because it is perishable commodity. And so you can apply these revenue management concepts to it. But, the main

difference or the main evolution that revenue management brought to the hospitality industry is working on a forecast. So in May 5th of May of next year, I know it's the second Tuesday of the month and I have a forecast for that date based on my prior set can choose days of May. So I have a profile of my hotel look like on that day and obviously, that might be a special event that changes that. There might be things, such as the pandemic that may change that. But ultimately, I'm operating on the forecast that I have for that May 5th. And that is what revenue management should be doing, operating based on the forecasts. So on that second Tuesday of May. I know that I filled my hotel for the past five years of that second Tuesday. And I know the segmentation or the mix that occupied all the rooms in my hotel on that date. I know what that mix was. I may have 10 corporate rooms, I know all this information because it's in my PMS. So I know what my customer mix was on this day. And I know I sold maybe some discounted rates at 90 euros a night, but I filled up and I know that, so when I forecast my next second Tuesday of May, I will eliminate the rooms that I sold at the lowest prices. And so I'm not going to have that promotion maybe for 90 euros because I know I fill the hotel. And that's how revenue management with forecasting does. What happens in reality today and in Portugal is that revenue management is done what you call from the bottom up. So basically for any day in the future, I fill my hotel, as I fill I raise my prices. So and that's how 90 percent of the organizations in Portugal work. They start low of course, in May they start a little higher than they would in January. But the format in which you raise prices is the same. January, May. So majority of hotels in Portugal do not operate on a day by day forecast. Some of them because they do not have the systems. A lot of them because they do not use the systems properly. But mostly because people that do revenue management do not have a proper training. And you mentioned this Carolina, you wanted to do a masters degree in revenue management and you couldn't find anything. And I am sure, I've been invited to lecture and there is a very big gap. For example, nowadays, I would hire faster someone that comes from a data science to be revenue manager then I would have hire a revenue manager that works in other organizations. So it's really a mathematical discipline and not an intuition discipline and unfortunately, that's the present in Portugal, with very few exceptions, no one really operates at a forecast level. So where you do revenue management based on your forecast and not based on what is on the books for that day. So going back to that May 5th example, right now, it's a year almost to May 5th. And I have five rooms sold for that day. I have 300 rooms in my hotel. So basically, my rate is just sitting there at 90 euros until I fill more rooms because that's the standard. And I start all my days in May at the same rate. So there's really not a forecast based revenue management being done here in Portugal. It is different abroad, I can tell you that in the 90s I

worked for a Hilton. I was a revenue manager for Hilton and all our revenue management was done on a day by day forecast for 365 days horizon. Obviously, you would need to have the proper systems. Obviously, you cannot manually do a day by day forecast of course. I mean, you can, but it will require a lot of people.

Carolina: And what are the most important factors to develop the work as the revenue manager?

Revenue & Marketing Consultant 2: I think, obviously the world has evolved. You know, I am, myself a legacy because I have been in the hotel business for the past 30 years. So I'm a little bit of a dinosaur. But obviously, I also had the advantage of seeing that transformation that has happened within the hospitality, especially in the commercial side. So I actually saw the onset of the online travel agency. I saw, you know, I get the first contracting in Portugal for OTA's, when I was in a hotel group with presence in Portugal, in 2004, I did the first dynamic rate contract with wholesalers, for example, Hotelbeds. They had never done a dynamic rate contract. So, you know, they were very interesting times, but in fact, for revenue managers nowadays, while before it was, again, like I mentioned, a very intuition driven discipline, I think in the future we will find that it's a lot more knowledge. So I.T. systems from the user perspective, but also understanding the systems, because when you're within an organization and there's a system, you need to understand the architecture of the system and you actually need to know how to implement a system architecture set, for example. Well, I'm working at an organization and they decide to acquire a revenue management system, an RMS. And they pick one. They picked Duetto. That's one of the very popular ones right now, which is quite modern and the way it operates it's very different than a lot of the systems that exist in the market, and so I decide to go with Duetto. And someone within the organization at the hotel organization needs to get together with Duetto and create the architecture of the systems. So we need to know very well or you need to know a lot about, actually, programming is not a bad idea for a revenue manager, but even from the user part how to set up a system. What segmentation you need. So you also need very good understanding of the organization itself, but also sales and marketing. What is this information used for? So again, it is a little bit different than what you would think a revenue manager needs. Also, the other thing that is going to be the future is that revenue managers eventually and in some organizations, it is already happening, will be data scientists and not people that come from hospitality courses. They will be, I am pretty sure, because data now is gold and mining data, and these are things that are very difficult. And unless you come from the mathematical field or you're very good at

acquiring knowledge within mathematical field, it's going to be difficult. So, yes, you can train revenue managers that come up to hospitality courses. You know, I personally am one of those people. So I was trained to be a revenue manager, but I also have a mathematician mind. And the way that I understand the mathematical algorithms. I know how to write an algorithm. I know how to build an architecture of the system. And that's because I went and studied it myself. But I think that in the future, if you want to be a revenue manager there should be, besides the hospitality understanding, you also need to have a very good understanding of different systems. For example, ask you how to program in SQL, before many years ago it was excel. So it was important to know VBA how to program an excel at how to build macros, because that's how we did revenue management was through Excel spreadsheets. Nowadays, because you have all these algorithm based systems, then your focus needs to be in training in those areas more than anything else. So I think for a future revenue manager, yes, it's important to have training and hospitality because, again, really need to know the impact of your actions and especially within immature organizations, will also need to be able to talk to the commercial, the traditional sales side and the traditional marketing side. Now, sometimes the data scientists are a little obtuse in terms of getting their way. And sometimes they're like: "No, but the data says this" and they're unable to convince someone that just doesn't see that as important. So obviously, I do believe that having some commercial background and some hospitality background is important. But if you want to be a revenue manager in the future, you will need to invest also and acquiring some systems knowledge and some programming knowledge as well. It is mathematical knowledge.

Carolina: And the last question is about the pandemic that we are living in. What are the main changes that you feel it will happen or that there are already happening for the revenue management departments?

Revenue & Marketing Consultant 2: I think what is important to understand in the pandemic is that lowering prices does not generate demand. And that is very hard to understand. And usually what ends up happening is what I call a race to the bottom. We felt this before in 2008, there was a big economical crisis. And what happened to destinations, second tier destinations. So I don't know if I should go into this. But there are first tier destinations, second tier destinations. And a majority of places in Portugal are what you call second tier destinations. So, for example, when you have the corporate business, the majority of corporate business travels to first tier destinations. So if you talk about Portugal, what ends up happening is that majority

organizations that are corporate organizations within Portugal are actually managed out of what they call Iberia and a lot of those are actually in Spain. And more and more that is happening, so the corporate business tends to basically travel to first tier destinations that are places like Paris, London, Berlin. So those tend to attract and mix in a city hotel, let's talk about 40 to 60 percent corporate. And then there is your leisure or leisure travel. And unfortunately, Portugal, because it's a second tier destination. It does get a lot of leisure, but it doesn't get a lot of international corporate. So your mix ends up being a little bit inverted where maybe 60 to 80 percent of your customer mix is leisure, one time travelers. So in a pandemic, this will actually benefit Portugal, because leisure travel will pick up faster than corporate travel, because there are some issues with corporate travel that have to do with liability. Let's say I am Microsoft and I have my people go to a conference or to work on a project in some place and they get infected with COVID-19, that's a liability issue for a lot of these organizations. So a lot of them are going to be very leery and sending people traveling throughout the world right now. On the leisure side, there is quite a bit of pickup already, because people are willing to take a personal risk. Especially if you're not in a high risk group. So this will be an advantage for Portugal as a second tier destination, it gets a very big mix of one time leisure, or even big customers but all in the leisure side. The problem here is that you see in revenue management is that it will tend to be a race to the bottom because there are more destinations like we have, and they are fighting for demand as well. And when they do not find that the demand these destinations will probably start lowering prices. And so I'm in Germany and I want to go on vacation at the beach. And I look at Portugal, I look at Spain or maybe Greece, and I will pick whatever is the lowest price for the product that I'm looking for right now. And this is where the race to the bottom starts, to actually hospitality businesses fighting within destinations. And it starts with tour operators requesting lower prices and then it just propagates from there where you are lowering your prices, competing with other destinations. And then you have the competition within the destination where hotels are lowering prices because they have maybe 30 or 40 percent occupancy and they want to get to market share within their regional destination. And then they start lowering prices. So regardless of how set you are as a revenue manager, not to lower prices it is a very difficult proposition. Everyone knows that lowering prices does not supposedly generate demand. But we all know it also does. So it's a difficult proposition. I think, again, it's going to be a very difficult time because although when the times are good, revenue managers are not that important. So it's a very difficult position to be right now, to be a revenue manager anywhere in the world at this time.

Appendix 17: Interview – Focus Group 1

Carolina - moderator: Good night, welcome to the session. Thank you for taking your time to talk to me about your experience in the hotel industry. My name is Carolina. I am a student of the master's in marketing at ISCTE and I am developing my thesis about marketing and revenue management in hospitality industry. And maybe you're asking why I need your help in terms of customers, because I need the perception of certain strategies. There are being implemented in hotels and I want to understand if the customers are understanding the strategies the way that the marketers and directors want them to understand, there are no wrong answers. So everything that you say is valid, even if it's a positive or negative opinion. And I want you to interact with each other and to develop a group discussion. Let's find out a little more about each one of you. I want you to introduce yourself, say your name, your age, the city where you live or your profession.

Gustavo: OK, so I can start. So my name is Gustavo, so I'm 28 years old and I work as a consultant in Lisbon.

Ana: My name is Ana, I am 25 years old, I live in Barcelona and I am events manager.

Sara: So I guess it's my turn. So my name is Sara, I live in Lisbon, I'm originally from Serbia and I'm talent community program manager. And I am 36 years old.

Jaime: I am Jaime, I'm Portuguese and I'm 34 years old. I work as a project and innovation manager.

Carolina - moderator: OK, so I want to understand the type of customer that you are. How often do you stay in hotels? And what are the main motivations and reasons for you to go to?

Jaime: OK, and so I travel a lot, professionally and personally, personally, because my beautiful wife really likes to travel around the country and professionally because I go one or two times per month, before COVID-19 of course, to Brussels and some cities, mostly in Europe. I would say that I staying hotels because I cannot stay anywhere else. But I enjoy to stay in hotels mostly

because of the comfort and somehow you have some kind of network, mostly in Brussels with similar people, with my role in institutions and so forth.

Sara: Well, from my side, when I travel and it's not back to my home country, I always stay in hotels because I find it more comfortable, have a breakfast, everything is arranged. I don't know. I don't think I ever stayed in Airbnb, which makes me a bit of a snob, but I really like hotel breakfast and staying in hotels. So yeah, I'm a big fan of hotels, so whenever I travel, I always stay in hotels.

Gustavo: So I can say that I travel a lot professionally, but it's internal travels like to Oporto or something like that because I have a lot of meetings there. So in this case of going in a professional way, I would say that it's simpler to book or to schedule, some trips or some of hotels it is better than Airbnb even more expenses matters, you know, but in the in the personal way, I would say that it depends, if I am with my wife, for example, last weekend, I stayed in a hotel in Évora, because I was just with her. But if I travel in group, I prefer definitely Airbnb.

Ana: From my side, my daily basis they don't involve traveling. So when I do travel is for leisure and I do prefer staying in hotels, from two years ago I start staying more with a specific chain of hotels because my work allowed me to have perks. At this moment I have perks in a different chain so now I stay more often in this one. But more recently in January when I moved to Barcelona, I was waiting for my house to be available. So I actually stayed one month living in hotels. So like two days, three days, I was in one hotel with three large suitcases and I was always moving and I stayed between these two different chains, because it's good to have the points and you can use it. My boyfriend also has the loyalty program of one of these chains and he travels a lot for leisure as well. So it's really good. For example the second person doesn't pay for the breakfasts, you know that kind of perks that an Airbnb you can't have it. So that is why we often prefer to stay with these hotel chains, because it's familiar for both of us.

Carolina - moderator: And usually how do you book your stays?

Ana: Through the loyalty program of these two chains.

Sara: I always go to booking.com.

Jaime: Booking.com, and professionally basically the secretary books for me. We have I think it's like American Express, something like that, so basically it's directly through the system. I don't even choose, I choose always the same hotel in Brussels when I go, anywhere else I don't choose the same hotel, but in Brussels I always choose the same for one simple reason, the breakfast is really, really nice and it's proximity to the meeting. So it's right on European Union, which is amazing. But regarding the new website or how do I do it, I do booking because I'm premium. So I have a lot of kind of bonus and even points to collect and I got discounts. But I do find myself going for a premium hotels, for example Crown Plaza, stuff like that, which gives a lot of discounts. I would say 75 percent of the times I use booking.com.

Sara: Yeah, but apart from that, booking is a very convenient because, it allows you to really choose from all possible options. I don't think there is a hotel that is not in booking.com. So actually with the reviews and everything. I find it to be, like when you choose restaurants, you would go to many different sites like you can go to the fork, to TripAdvisor, to Zomato. But for hotel it's always booking like I don't even know if there is anything else.

Ana: For example, like with my family, we book through booking.com because when we go for holidays with my family, we stay in Portugal. So we usually use booking.com to book because we usually go to the villas.

Carolina - moderator: Jaime mentioned something important, he is always in the same hotel in Brussels, can you develop this idea? O staying always in the same hotel?

Jaime: Yeah, so went to three or four hotel in Brussels and at some point I realized I got more comfortable in one of them, do to the breakfast first and second, because it's like five minutes walking from Schuman station, the train station that goes directly to the airport. And it's a business oriented so all the people that stay there have meetings. They are exactly in the same, I would say work loop that you are, most likely someone who is working at the lobby. It is probable to find someone else that might be not in the same business, but at least that you can get related to. So yeah, business convenience, I would say.

Carolina - moderator: Ana and Gustavo, do you have something to say about going to the same hotel?

Ana: So in January, I had to book a lot of hotels for one month and I booked one of them for one entire week. And then as soon as we arrived, I went to the bedroom. It was super small. We had a lot of suitcases, was much smaller than the other ones. I didn't like the cleanness off the bedroom at all. So and so straight away. I checked the other hotel that we stayed the week before, and it was available at that moment. So I canceled the reservation that I had. So we only stay one night and then we moved and that was the best choice because the bedroom we knew that was much better. We enjoyed the breakfast and thank God that we did it because the next day when we tried the breakfast at this one, it was not acceptable, so we went back and we stayed and we did like that, so we stayed in one hotel, then we moved, there will be like, OK, I really like that one. So let's go back to the other one.

Gustavo: So in my case, again, it depends. Professionally, I always choose the same two or three hotels in Oporto because again, the location of the hotel is near to the meetings or even near to the office. Also, the breakfast maybe the second reason. But in a personal way, I don't think I'd choose the same hotel always, so it really depends where I want to do holidays in this case I was in Évora, it can be in Oporto, it can be outside of the country. So I'm not I don't want to say I am not a loyal customer to a specific chain of hotels.

Sara: When I go to Belgrade, because sometimes when I go to Serbia I stay in Belgrade, I always stay in the same hotel, it is a boutique hotel in the center of the city, and we become friends with the owners. So it is kind of a thing that I always do, every time I go I stay there, because, you know, you have this friendship and they always offer you a wine tasting. And it's actually very nice, very cute hotel and it is in the center of the city. So it makes being like being in Belgrade much easier and also close to Vienna. There is a wine spa, I also went there two or three times because of the experience. That experience is amazing. I wouldn't say that the service is very good or the breakfast is extraordinary, but the whole experience is actually what makes it a place to go back.

Jaime: So I would say professionally, it's about the people that are at the hotel. Personally or personal expense, most likely is the experience or the connection you get with the service, and the relationship you have with the staff. And breakfast!

Carolina - moderator: When you're selecting a hotel, what are the factors that you consider important to select this hotel over another? When you compare hotels.

Ana: For me, if I'm doing leisure trips, I try to think about the location, if it has like the commute is good, if I can use the train, if I can use the bus, specially going to Italy, since my boyfriend is from Italy, we need to fly to Milan and then we stay a couple of nights there and everything. But it's always easy to find a hotel of the hotel chain that I always try to go to, in this case in Italy because it's closer to everything. And if I want to visit the places, I want to stay in a place in a hotel that allows me not to spend like one hour commute or just traveling. Just location.

Gustavo: I agree, the location, the facilities, of course. And then the price.

Sara: Well, I will say I am very vain. So first thing I check is the pictures of the hotel and if I like the pictures I consider the hotel, which narrows it down to a few. And then from those few, I check location and price and then you, because normally when a hotel is close to the airport, it is not close to the city center and otherwise. So it's usually like you try to make a trade off between, OK, if you're going to stay one night, probably I have to go early to the airport. So I am being close to the airport is more important. So location is important, but it depends, and then the price. But I would say that the first thing is, as I check is usually the pictures because I mean, for my experience, but it's always because you're checking again, booking it always like the rooms that are so simple.

Jaime: I want to introduce a different topic. Whenever I go to somehow a known place, this happened last year, we go for the brand, for example if it is Radisson or other known chain of hotels, makes me 50 percent of trust, makes me really comfortable for two main reasons. One, the feedbacks are authentic. So people tend to say a lot of bad things about good hotels and they do not say anything about like small medium prices. So if you have like a Radisson that people say it's not clean, probably is not clean. If it's a known place, there was the second or the third time in the city. Well, we go mostly for the location or the price. Like last time I was in Oporto, I went for a festival. So we have chosen like a three star hotel. So medium/cheap, I would say it was pretty good, actually. I really liked the hotel, the experience was: I need something with a garage that is cheap and it has like really nice breakfast. So we check that stuff and it was a good experience and really good money for real value so.

Sara: Last year I travelled a lot in the eastern Europe, in the Baltics and then Russia, so like when you are in a foreign country where you never been before, especially if it is Russia or something, then you go also for the security. So you want to make sure you're in the good part of the city, you want to be sure you're in a good chain of hotels. Because this also brings security and the reviews are very important.

Ana: One thing that I started doing a couple years ago is checking social media, not the Instagram of the hotel, but the photos that are tagged in the location. So I always go there and I check the real photos without the filters and that is really, really good to know what the hotel really looks like in the breakfast as well, because sometimes the photos that are looking up, they're not from that hotel.

Jaime: That is so true, I remember having an espresso somewhere I was like: the coffee is good there, so lets got there because of the espresso. We arrive and they didn't have coffee... Empty promises are really bad.

Carolina - moderator: You talked a lot about brands and I want to understand, some of you have actually developed a relationship with brans and some kind of brand, come to your mind when I asked you about hotel chains. I want you to tell me which is the type of communication that hotel chains and hotel brand had with you, how they communicate with you? How do you receive communications from them?

Gustavo: I think I don't receive, at least directly. Mostly I go in work, so I delete the subscription in the email, so I don't receive that communications.

Sara: I do the same. I remove I don't receive any kind of... There is one! There was one hotel, I received from the hotel in Thailand, Bangkok, where I live for two months. And it's a five star hotel.

Gustavo: Because you miss it!

Sara: Yes, exactly. Because I lived there, because I worked for an organization that was paying for me to live there so I would never be able to afford it on my own because it was like super

nice the entire hotel, and I still receive because I'm always hoping that they surprise me or that I can come back. And I think the brand, if I receive any communication, is because I choose. So those are the hotels that I follow on Instagram and in this way I receive their communication, because I choose to follow them. They post on Instagram and I see. So that can be a trigger for me to go and book it again or something like that. But usually there are places that I already been to.

Jaime: So for me, I have two different experience, I belong to a club, associated to a loyalty program for a hotel chain, but when I go to Oporto and I go often to Oporto and always stay in a specific hotel of this chain. They send me a couple of emails with personalized offers Because they already know what's my preferences, for example they realize I don't like scrambled eggs, that are already there, because I always ask to remove it. So now when I go there, they already know that, which is amazing. And they do that, they are really good at it, so that's the first one. The second is a hotel that I already went several times, on Instagram and sometimes they push some information to me that's like live video, they do stuff like that. So there are two completely different experiences, one is super personal and professional. And the other one is social media where they do a push video for everyone, I guess.

Sara: I remember once I think it was the class of marketing, I remember to talk about something in luxury and premium hotels, when you go there and you leave the room, it's kind of a creepy thing, they you check your trash. So they check which papers you read, which is chocolate you ate, which water you bought. So the next time you go back there, they prepare all that for you in advance.

Carolina - moderator: Ok let's analyze this information, Gustavo, I just want to know how do you feel about having this type of personalized experience?

Gustavo: I think there is a good point of view and a bad point of view about that, it's like to have social media accounts, you give your data in order to use the social media accounts. So at least they have your data it is an exchange. So in the hotel I think it's the same, obviously I believe that everyone likes to have this kind of individuality in the hotel. But leave the room and say that I want some tea and the waiter already know which tea, because someone looked into my room, that is strange at the same time, I don't know. I have mixed feelings about it.

Sara: I just think is between convenience and privacy. So you have a great experience if give them your data, or it can be very private. For me it is a bit creepy. I think it's nice. And like I said, when I lived in that hotel, five stars I used to order very often dinner service. So they started bringing food to my room. I always had fruits in the room, which was nice, but it was creepy.

Carolina - moderator: Ana, how do you feel about sharing private information? What kind of information do you share now, at what point are you able to give more personal information?

Ana: I give it, I'm honest. I like the personal experience. So I think that if they can always personalize my experience, I'm glad to do it. It is true, so if they want to know my allergies, if I don't want feathers in my pillow, I'm all for it because I'm saying I like to repeat my stay in specific chains of hotels. So if they can help me having a better experience by personalizing it, I'm glad I don't I really don't mind.

Jaime: I have mixed feelings about this. Because whenever I travel in leisure, I don't mind having personalized things, like I don't really care if they know I like Oporto wine or gin and tonic, for me it's not relevant. But if I travel professionally, I don't really like to share any kind of information because most likely is going to be related to my professional activity. And somehow I can be with some customers, some partner, some even some peer at the restaurant or even in the lobby. And I will drink three, four or 100 beers, but they are not mine, somehow I'm acting and I am having a role to fulfill. So, yeah, there are mixed feelings between the professional and the personal side.

Sara: I don't know, like Ana said, I have allergies, so if they know that I'm lactose intolerant. I would be very happy to make everything to give them that information, so I don't need to ask every time for different things. But for example, there us one thing that I hate when hotels ask is the address, I always argue with the reception. I don't want to leave the address, I find it dangerous, especially when you are traveling it is a very sensitive data and this kind of information I don't like to share. Because that does not make any parts of my personal experience, but these are sensitive data. But then other things, like you said, allergies or if I prefer higher or lower pillow or, you know, like other things. Yeah, that's yeah. But some other like more personal. I cannot remember any other sensitive. They might be concerned about, but

the address or this kind of information other than this kind of thing is it makes your stay more comfortable. That's OK.

Ana: No one ever asked me for the address. Usually sometimes they ask, where are you from? But in that case, I would do the same thing as you Sara.

Sara: Another thing, whenever they ask for phone or email, I would say that I would leave it only in case they don't send any communication, but now with the GDPR that is solved.

Carolina - moderator: I really want to understand the balance between what you think is personal information and just preferences, because I know that you are attached to your personal information. But Sara, for example, if I ask you in a reception, in which country do you live, it's OK for you to answer this instead of your address?

Sara: The country is OK.

Carolina - moderator: And normally, how do you give this kind of information at the reception, through the booking?

Sara: It happens usually in the reception, when they ask you to fill some papers and then sometimes they tell you that you just need to put your name and that is fine. And sometimes they tell you that you need to fill in everything.

Gustavo: The same here, it is not a rule, it depends on the hotel.

Carolina - moderator: And do you have a way that you feel more comfortable sharing your information?

Sara: Well, I don't know. But nowadays, that's another thing, because usually if you book through booking.com or when you do your booking online, which happens most of the times, they already have information that is relevant, they have your name, they know how long you're staying, they have your credit card information and probably they have your contact, because they need to communicate. So that's being comfortable for me, the information I share in my booking profile, which is basically the information that I feel comfortable to share with the

hotel. And then in the hotel, they ask you to fill in another document and it's very suspicious, because I already shared this why you're asking me again or what additional information you might need. But I would say to the hotel, if you have an online booking, they shouldn't be asking for anything.

Jaime: Now, there is another part, the invoice. Hotels do with the invoices something really weird, because wherever they ask, you do need an invoice. I say yes. And they ask me, so can I send this to your home address? And I'm like, why would I want my invoice to be sent to my home address? I always say by in email, and they say: that you don't want in paper. No, I don't. And that is something that happens a lot, so it's really something I think it was like a, I don't know, predefined thing years ago and they didn't changed it.

Sara: Yeah, like everything is happening online, like send an email there is no need of printing that paper. I'm a bit older than you probably, I remember everything is hotels used to be analog.

Jaime: And I remember in the past people going to the receptions to make a phone call. And I don't know if you are aware of that, 20 percent of the revenues came from there in Algarve, because British use the phone a lot.

Carolina - moderator: Good curiosity. And what about your feedback as a customer? Do you give your feedback during, after? How do you do it?

Sara: Always. I always give feedback. The last time I was in Oporto, they left a bunch of papers on the table for you to do the evaluation of hotel. Sometimes when it's extremely good experience or extremely bad experience, I go to booking to leave the review. But sometimes I tell them directly to the staff or if they leave the paper in your room to do the thing. I always do and if I have any comment, I love to comment everything so. For example one time, because of AC, it was 20 degrees, so it was fine, but it was super noisy. Because you know, you enter the room and then you press all the buttons and the AC was noisy, it was summer and you had to sleep in that room, probably will go crazy. The best part is that I came at the reception when I was leaving and I mentioned the AC is really noisy and the receptionist said: we know, and it was on a five start hotel, if you know you should solve it. So yes, most of the times I do it through booking.com or fill the questionnaire, and something like with a good relationship with the staff you feel free to share it like with them you know, and especially if it's a good one, you

want to tell people who were there that you have a good experience. I would like to say when I had a very nice experience and I like to leave a compliment. I don't know if that means anything to them, but I always feel like, you know, you want to share how exciting the experience was.

Gustavo: I just give feedback when the experience is really goof or really bad, extreme points, Because if it is what I already expect it's OK. It's normal for me. So I don't give.

Ana: I do I usually do. More recently, I just did at one of the hotels, that I was not happy, like I went to receptionist and told him that the bedroom is not clean, the pillows are dirty, the floor is disgusting, like it's oily and everything.

Carolina - moderator: And finally, I want to present you a topic very accurate. How do you feel about going to a hotel right now with all this COVID-19 situation?

Gustavo: I went last weekend and I think is the same actually, with the distance. I think people already know how to live with this virus so, I felt really, really safe actually.

Sara: I was in two hotels here in Portugal in early June, where we didn't really know what to expect, because no one we knew back then actually went to the hotel. But the experience was very good and that was one of the reasons I actually choose the hotel, because I assumed that they would really take care of these kind of things, first of all, having that seal of clean and safe. Then, of course, it makes part of your brand if something goes wrong, you really don't want to be related to the COVID-19. So the two hotels one was in the north, one was in the south. They were excellent, super clean, the rooms were sealed. Everyone was wearing masks. One thing that I especially liked is that all doors were open. So you never had to touch anything when you're there. The only thing that really worries me is the breakfast and the waste of food, because the way they bring it now is all wrapped. You get a lot of things. So, for example, we got like a plate. We had a plate with ham, a plate with cheese, a plate with something. And I think at the moment you open one of that, they can't serve it to anyone else. So I was like really carefully choosing what I was going to take and what I was going to really eat, making sure to be able to reduce the waste, because we were really worried about wasting food, because they need to respect for the safety measures a lot of food is wasted. But otherwise, from the point of view of safety. Everything was great except that minor detail that obviously they're probably having.

Jaime: Well, for me, I have more an extreme position, so I think now I felt way more comfortable in terms of hygiene than anything else than before, because they pay much more attention, you see much more detail and the perspective of cleanness and even the focus of the waiters, employees is improved. They really pay attention to every single detail, which is really good. And before sometimes I felt a bit uncomfortable about some well, it's natural that they relax a bit more. And now I saw really competence, it was in June, beginning of June. So it was like the start of the after the lockdown. I think people tend to relax meanwhile. So let's see.

Ana: Well, for me, it's a little bit complicated, so I don't feel comfortable. I was in Spain during the whole situation, in Barcelona. So I lived COVID-19 in a very, very intense way and very early, before here in Portugal. So I. I don't know, it's really hard for me I'm going to a hotel in two weeks, we are going to a villa. It is a hotel, but it is a villa, because of that, I feel more comfortable that it's not a bedroom and I don't have to be at the inside of the hotel and catching everything. We can have the breakfast if we want inside of the villa, or we can just go to the other place. We have that option. But I don't feel comfortable in traveling. I drove from Barcelona to here because I know no, I'm not ready for being in airports.

Carolina - moderator: And before you went to your stage during this pandemic, the hotels contacted with you in a special way? They sent you something telling you about the conditions that you're going to have in the hotel?

Gustavo: No, only when I arrived to the hotel, but before nothing,. There they told me about the clean and safe seal and all the restrictions.

Jaime: I received, saying that some services were limited, like the spa, the interior pool and even some areas, like some meeting rooms, they were closed because they didn't have enough capacity to the, well, regular visits and stuff. And I did receive and something else, they sent me some kind of, I think it was some kind of comparative that showed that the last person there was 48 hours before, something like that. They send me the time that was then last clean after someone left and then they cleaned before we arrived. So that was cool. It was really nice.

Ana: Was it at a hotel chain?

Jaime: No, it's was an independent hotel, is a really small hotel, but really professional. It's a really good one. They have everything football, golf, very good and they are very new. Well, probably it's also different because they opened like one year ago. So for them was very important to maintain it. It was the worst possible time and it was important to prove everything, that experience is not lost. And just a curiosity, the owner of the hotel was greeting everyone at the arrival.

Carolina - moderator: And how do you feel about that Jaime?

Jaime: I was hoping for a discount. I think it's very important, I think in any time before you enter the hotel, if you have someone, not necessarily the owner, but the manager or someone coming and talking to you would be important. But in this particular time, having him there was another thing reassuring that the honor is there and making sure that everything goes smooth and it's even more reassuring that things are fine. At least that was the moment. But that was like I said, it was in June. There were very few people. Everything was very new. So I guess for all of us, whatever proof, even if it's just having the owner there, that is safe to be at that hotel.

Carolina - moderator: Do you have any more experiences, thoughts that you want to share about any topic that we mentioned or some other topic that is your interest to discuss?

Sara: I just I was thinking about one question that you asked, about how hotels communicate. And I mean, it's my personal thing, but they don't communicate to me, and it is true that I don't want them to contact me for the marketing, it is spam.

Gustavo: Like me.

Sara: But still, I would like to know, like in zero hotels, they tell you to follow their Instagram account, in zero hotels they tell you that they have it or whatever, you know, because that can be a way to communicate. They don't need to send you emails. They can communicate with you to turn to social media. But I don't think ever they told you: "follow us here" or "did you like our page on Instagram?", because I saw that. Then, of course, it's for marketing but it would be nice if this hotel for example just suggested us to share their Instagram, like share your

pictures that you took while you were there, so they can repost them and have like a real feedback on their Instagram account. So I think that's a more natural way of communicating than sending a bunch of emails that I'm never going to read.

Jaime: And I had flash memory. And I remember the only chain hotel that keeps contacting me even when I unsubscribe and did everything, it is a hotel from Las Vegas. I was there a couple years ago and they are absolutely great because even when you unsubscribe, you do whatever you want, they keep sending you things, they don't care. The communication level and the engagement level they have with you after being in their resorts, it's absolutely brilliant. I think this must be a case because the way we get engaged with the brand and whatever they do and they offer it to you, and they correlate everything. I don't know if you drink beer at the pool and you eat burger on the slot machines, well, they figure out if you prefer Coca-Cola or Pepsi or something like that. They're really, really good. Absolutely brilliant.

Carolina - moderator: So just to understand the point here, Sara you are not comfortable about sharing more personal information. However, you would like to be contacted through a social media. Explain me about how do you want them to communicate with you?

Sara: Not contact! I don't need them to communicate to me personally, that kind of communication I don't want, but if I choose to follow a certain hotel on Instagram. I will never like you know, sometimes they request to follow back, that no. But to follow them, yes and then that's also a way to communicate. They don't mean just to post things about to look at our pool and looking at our rooms, they can also post promotions or even if they are not communicating directly to me, they can communicate to the guests that are like me. Like people who already visited, and they decided ok let's make a post for people who were once here and you invite them to come back. So that would stop me, but not as a person, but to me as a guest that was already there. So I think that there is many ways they can communicate to different types of guests through their Instagram profile without being personal.

Carolina - moderator: Ana and Gustavo, do you agree with this point of view?

Ana: Yes.

Gustavo: Yes, they are not invading your privacy, but you can follow them and you can see promotion and that kind of thing.

Ana: I agree with what you're saying, I think that they should find the channels to communicate.

Sara: I talked about Instagram, but for example, in my company, one of the things I do is try to realize how to communicate to developers, to IT people. So what are you going to do first is to realize where those people are. And, you know, it's like, OK, we want to reach out to the university students. You know, they are all on TikTok. And then you have to make a decision whether that makes sense for us to go and be on TikTok, is going to be authentic. Or we keep to something more mainstream. So I think there is a lot of places to communicate because hotels, except for big brands, I don't see many commercials for hotels. I find hotels because I look at the booking, I don't think I ever in my life went to the hotel because I saw commercials somewhere and then I decided to go to this one.

Jaime: I have a different perspective. I think they should communicate differently, like I was really enjoyed to know that somehow a hotel in Oporto is promoting local food and local supplies and stuff like that, because I already know that Radisson is good in Lisbon, in Belgrade or Baghdad, but I don't really care if in Baghdad. But what I eat in each one is completely different, and I don't have that American aspiration to eat American Breakfast wherever I go. I think they should keep the essential. But if they can adapt locally to something that would really engage me and somehow attractive and something else, it's about the energy used. Because the hotel is a waste of energy and some of them, they don't really promote sustainability. I know that solar panels, they all have, but that's not enough. So whatever you see, like save your towels, don't waste energy. OK, so if I save one towel, what does it represent to you compared to the green energy that you should be purchasing? So this is the kind of communication they should improve because.

Sara: But in one hotel in Amsterdam where I was, they have a brochure in the room and they're saying that for every room, every night in the hotel, they donate money to buy a bicycle for a girl in Africa. There is a nonprofit organization that they are contributing to. So this kind of communication is very important. And what Jaime said about the local food, in one German hotel, everything that was in the hotel, like beer was from the neighbor who makes beer, cheese,

milk and everything was from the neighbors. Vegetables and everything, it was very basic, but it was from the neighborhood. That is also a good way to communicate and promote.

Jaime: Just an idea.

Ana: I know a hotel in Lisbon that is an ecofriendly hotel. One of the ways to communicate was through the water bottle, because we had the filter, we had the bottles, the glass bottles. In the bottle was written the story of the water, that they donate X amount for a school in Africa, so far they've built X amount of schools in Malawi. And also at the restaurants there was like a wall and that was also written there. And that was kind of like all over the place and in the hotel, the water displays, not only in the bedroom, but next to the reception and everything. So I think in that next sense, that was very well communicated.

Sara: But that is for the person that's already choose the hotel. But before when you're making your choice, I would probably choose one of those hotels that actually support a cause. Like if I have a lot of them to choose, probably this thing that they're supporting, buying bicycles for girls in Africa or building schools in Malawi can be a factor that is going to make you choose one or another.

Jaime: Jus an example, one of the best hotels in Portugal, they do recycling water. So basically the water they use to water all the gardens is recycled and is extracted by the sea, by natural filtering process. They don't communicate it. They don't need, they are a five star hotels with a two star Michelin restaurant inside, but this is a powerful message. I have never heard something similar. And you don't hear this is not like: "a celebrity was there". I couldn't care less! Me and a couple of people were so.

Ana: I completely agree.

Gustavo: That is a strong message there. It's an environmental one, but. Nowadays, it's a really good message when you want to promote your hotel or your business. So it is strange why they don't use it.

Sara: My guess is because most of the people that are using the hotel are Generation X and

boomers, and most of the millennials are actually Airbnb, camping. People that care about those things are not actually the people who stay in hotels.

Jaime: So this could be a message for the future generations to come.

Ana: I don't know if that is interesting, but since we are talking that, I personally really like to know what hotels doing, regarding a hotel chains, I like to know what is the hotel chain doing. What are the environmental food projects that they are doing. That is something that is really important for me and I really like to know that. It's like even just the small things, the food, for example, that you were saying earlier, it's really hard for me to see the waste that exists in hotels. For example, there's a restaurant in Australia that has an open kitchen and they have a container so the guests can see the amount of waste that they produce. And about the hotel, it's not that they are doing, but they need to say that they're doing because they create awareness and the competitors get aware too and start a chain here. So, yes, the communication

Sara: It is an important message also for the whole sector, not only for the hotel, but it is interesting how simple things, I remember when I was organizing a conference in Calgary and we have it was like a two day conference. We had lunches and we have coffee breaks. And after coffee breaks, there was a huge amount of food that was left. So they would remove the coffee break. And then one of the participants in the conference said, what are you going to do with the food? And they were like, nothing. It's like we cannot reduce it. So we're like, OK, so can we take all the food out there and give it to homeless people? So since that day the hotel start doing that. And now when I think, if I have to do a conference for example I would prefer a hotel that does this instead of a hotel that doesn't care about this.

Appendix 18: Interview – Focus Group 2

Carolina – moderator: Good morning and welcome to this session. Thank you for taking your time in joining me to talk about your hotel experiences. My name is Carolina, I am a student of the Master's in Marketing at ISCTE, and I'm developing a thesis about marketing and revenue management in hospitality industry. These are two disciplines with a lot of strategies involved. And I want to understand in the customers' point of view how these strategies are being perceived and understood by them. There are no wrong answers. So every answer that you give

to me is a good one, even if there are good opinions or positive opinions or bad reviews that you have about your experience. I want you to interact with each other. And if you agree with the opinion of someone or if you disagree, please tell them to disagree or not. And why, in your point of view. Let's find out a little bit more about each other. I want you to do a quick introduction. Please tell me your name, your age, what you do professionally and the city that you live, for example.

Bernardo: OK, and I can start. Well, my name is Bernardo, I am 34 years old and I am the responsible of the export department at a international company in the power sector. I live near Lisbon in city and our experience in the business that we have is mainly the export markets. We are quite focused in the developing countries, countries in Africa for which we travel a lot to meet with customers. So my experience in terms of hotel in the professional view is essentially in foreign countries, namely in Africa, namely in countries that are not much developed. So I guess it would contribute in a completely different point of view.

Fernando: Hello, my name is Fernando. I'm a member of the export department in the same company and I'm responsible for Cape Verde markets. As Bruno said we have experiences especially on African countries. In my perspective, I have a good experience already in the Cape Verde markets and the small experience in Guinea-Bissau. So I will tell you more about these two countries and well, I live near Lisbon too. I think that my contribute can be useful for you. And I'm 33 years old.

Hugo: Good morning. My name is Hugo and currently I am working for the export department of the same company, as already explained and I am working for the export markets, in particular in Africa. I live for almost 10 years in Mozambique in Maputo. Working at the country and also developing the markets throughout that region, and currently I am living in Portugal since three years ago in Setúbal, and I am 38 years old.

Miguel: Good morning. My name is Miguel. I'm 32 years old and I live near Lisbon. I am also working with the export department for the same company as a sales and technical engineer and working for the developing countries in Africa, like my colleague said, with some experience in terms of hotels in more countries like Tunisia and similar countries that we go multiple times to visit not only customers, but also manufacturers and suppliers.

Carolina - moderator: Ok, can you tell me how often do you stay in hotels and what are the main reasons and motivations for you to stay in hotels?

Bernardo: I travel around two times a month, of course, previous the pandemic. So at least two times a month and usually during three, four days in each hotel, depending on the trips. What exactly I look for when I travel and taking into consideration that it's a business trip is essential the location of the hotel, the comfort and the communications is also a very important point when I am travelling. And if I am going for countries that I already know, usually I try to go for the hotels or the brands that I already know, that I have already been there and where I had good experiences. That I have a good point of view or from colleagues that have already been in the market or from the travel agents. And when I am going for a market that I don't know yet, usually I also ask our travel agent to give some feedback and to find some hotels near the place that we would like to stay. And basically, this is the main points that I am looking for when I am travel in business. The factor price depends on the market, which I am travelling and the comfort that we need depending on the travel. It is different staying in Guinea-Bissau, where you have one good hotel that is quite expensive, but is the only with five stars, the only hotel that has conditions to stay. So the price is not the most important because, well, I need a place to stay it doesn't matter the cost because I cannot stay in another hotel. So it depends a lot of the cities for where I am going and our knowledge also of the market. If I am comfortable or not.

Fernando: I totally agree and understand what Bernardo is saying.

Carolina - moderator: Fernando, can you share this experience with us?

Fernando: Yes, I think that it's important to tell that, of course, it depends on the markets and it depends on your experience. For example, in Cape Verde I was there several times, so I know you have more hotel offers than in Guinea-Bissau of course. And for example, in Cape Verde, I do several islands, so for me the time is a very important issue. So I stay usually in hotels well located, it should be clean of course, but I'm not very demanding if it is a good hotel or not. For example, I went one time with Bernardo and in a hotel we got a very good price, it was a resort, but we took 30 minutes to reach our room. So we lost one hour to go from the reception to the room and come back. In this case for me this is not a good option. Nowadays I prefer smaller

hotels but well located and clean of course. In Guinea-Bissau I think it is a little bit different because it was the first time and you are always like a little bit nervous. You don't know the market or the office. You don't know what to expect so. We didn't risk we chose a good hotel near the city center, but in fact, as Bernardo said, you don't have much offer so. The next time I can change, but you don't have many offers, and I think it depends on the life experience that you already have and the type of market, essentially.

Hugo: Yes, exactly. And also we take always in consideration that we mostly travel by plane at night, so we try to manage like this so that way we can have the day to work in the country. And having less lost days during the travel. And we always search for hotels near the airport or near the city center to make it easier for us in terms of transport, for example, I believe, I was not there, but in Guinea-Bissau the roads and everything are very bad. So you take more time to reach the destinations that you need to go. So you always need to have that in account. So not only the hotel, but also the roads and the access points to the hotel and to the airport and all that.

Bernardo: This is quite important in countries like India where the traffic is chaotic, so you never know when you leave the hotel how long the journey will take to reach the customer that you will visit, or how long it will take the journey from the hotel to the airport. So usually I'm trying to choose an hotel close to the airport, because at least in the day that I'm leaving, I know that they will take just 30 minutes to arrive to the airport. And I'm not much concerned with losing the flight or to have to leave for hours in advance and being at risk to lose the flight because the traffic is completely unpredictable. And, well, I have experienced like go to a customer leaving the hotel at seven a.m. and arriving at 10. Taking three hours to do 10 kilometers or something, so the location is quite important, depending on the conditions of the country, the city where we are staying.

Carolina - moderator: Hugo, can you share with me your opinion about going to the same hotel? Do you return to the hotels that you've been or you always choose a new one?

Hugo: Yes. Well, let me just add something very important regarding what has been said before. Our choice also depend on the feedback from our customers, you know, when we are making a trip, we always ask, well, what do you think about staying in this or that hotel? Are they running well? This is also important for us to make a decision actually for me. And of course,

what has been said before is also true because there are places, there are markets that you really don't have a choice so price isn't an issue. You go where you have availability and it's suitable for the demands of your job. I've been to countries such as Zambia and Botswana, which are highly expensive staying there for a night, but you don't really have a choice, if you make a quick market research for you to know what's available, but generally the solutions are expensive and but you can't afford to not go to those. Regarding your question, yes, I normally tend to repeat the places that I actually know. And I'm confident of them. I think this is normal, and of course we are all aware that sometimes there are bad experiences, but it is more likely to happen in a place that you don't know, rather than in the ones that you are used to go, but once again, it depends on the actual feedback that I have, I am not going to book an hotel without having some sort of actual feedback from the travel agency or even the customers to know if they are doing well or not. And yes, as my colleagues, I already had good and bad experiences.

Carolina - moderator: And in terms of returning to the same hotel, you return because of the hotel or because you have some kind of relation with the specific brand?

Hugo: No, usually I don't go to those brands where you can gather some miles and points. Actually, I have a card of one hotel, but it was a one time. But once again, I choose the hotel taking into account the considerations of the trips and to serve the purpose of the trip. For instance, last year, me and Bernardo, we went to the north of Mozambique to visit the customer that to get there we had to struggle, because you have a flight, then you travel by road and, well, basically, you are 200 kilometers from the nearest airport or the nearest anything, so you have to stay there, you have no choice. But of course, there are some experiences that can go wrong. But maybe you can find out why do they went wrong and if it is a one time situation or if it is likely to happen again. But normally I tend to repeat the hotel, depending on the pricing as well, if I have a choice and this alternative is cheaper and it is still suitable for the purpose of the trip, and then the amount is significantly lower and I get to choose the alternative.

Bernardo: But usually, yes, usually for the places that we are going, many times we usually stay in the same places. Sometimes we have more than one hotel that we are used to stay, but usually yes. And there are some examples where we already know the people from the hotel. We already know which are the best the rooms or the worst in terms of the location, the area of the rooms, the noisy rooms. Is São Tome, there is a specific hotel that have some rooms where

the air conditioner is in the top and that area of hotel is noisy, so when I arrive, I always ask, well, I want to go to the opposite side. So this point is quite important. You already know what are the things that you don't need to lose time to understand how the things work. For instance, there are still many hotels that do not have Wi-Fi in the room. So you need sometimes to go to the lobby, you need to know if the bar is opening during the night or not, at which time it closes, if you can have dinner there, or if you need to leave the hotel. There are small things and small details that when you usually come to the same hotel, you already know which is good considering the time that we are staying at the hotel and the purpose of a business trip, we just stay in the hotel, mainly the nights. Sometimes we also need to receive some customers there, depending on the country. But the purpose of the visit, is much about not losing time, being comfortable, as well the hotel needs to be cleaned and the price is acceptable.

Hugo: And it is also nice to have a friendly service, I remember that well, for instance, I usually stay in this hotel when I go to Tanzania, which is once again near the city center. And in this case you have some options, I normally ask the agency to do a little bit of market research to see the prices, I don't stay always in the same hotel. But when I go to this hotel from time to time, I am always called by name, so they remember me, they remember my name, so I think this is friendly. But yes, it is also nice.

Carolina - moderator: You feel that is a good thing, that they already know you and they know your preferences. But at the same time, you are not a loyalty card person. Can you develop a little bit about how and why you don't feel that you need to be loyal to a certain brand or a certain hotel?

Hugo: That, of course, is depends because first it's not the type of thing that it is personal and just for me, it is from the company, so I take it in consideration. I'm choosing for me, but it is in the name of my company. So there's a little bit of difference there. It's nice if someone calls you by name after a few months of my last stay, it is because you matter, they value your stay there. And of course, I also value that they treat me well and the service as well. But once again, I normally stay there, but from time to time I choose other options.

Miguel: Here I believe that by choosing a brand of a hotel, for example one that is in many of the countries that we visit, but not all of them, and also the investment that they have in their hotels in different countries is different too. So if we go, for example for São Tomé is maybe

one of the best or the best possible hotel that we have to go and it's the one that we usually choose, but maybe if we go to Cape Verde, for example, you don't have that option. So we go and try to make an agreement with some brands or try to make me the customer of that brand. It would have to be more than one brand for different countries because we don't have the solution for all of them. And also we know that some of them are not the ones that we want, because they are not in the locations that we need. In some of them for example, they are resorts and we are not searching for them. And there is a problem for us because they don't have the solutions that we need.

Bernardo: In fact, we are not looking for brands in terms of hotels, of course if you know a brand and you have previous experience, it can be important to you. But the main point is that for the main market that we are travelling, much of the brands do not exist there. Sometimes you just have local brands, that even have a broad group of hotels. But that just has presence in some areas, like in the south of Africa, but not in all the cities that we need. We have a lot of examples. As in Cape Verde for instance, that you have a group of hotels that are present in almost all the islands, but just have hotels in Cape Verde and in one more location now. So there we usually at that hotel. When you go to Maputo for instance, you already have some options and they have some different brands, anyway a lot of the brands that they have in the market, but also local brands or brands that are not present in other markets. You have an ad for. So we are not really looking for big brands, because much of the cities that we are visiting do not have any hotels of those brands.

Carolina - moderator: Hugo mentioned something important, when you travel in business, what kind of information about yourself you need to share? You share your name, your address your contacts? What kind of information the hotel, or in this case the agency asks you to share with them?

Hugo: Usually they ask for a copy of the passport.

Miguel: Yes, usually the passport and the flight schedule.

Hugo: Normally they ask you for the passport where is your personal information.

Bernardo: Flight schedule too yes, because some of the countries that we visit you need Visa, so they need to register the flight details and so on.

Hugo: And the phone number too.

Carolina - moderator: Have you ever received a contact, a direct contact from a hotel?

Bernardo: Usually by email yes.

Miguel: Usually some hotels send emails to ask for feedback from that stay or something like that.

Hugo: I'm just thinking back if there was any need for the hotel to call me in case of an emergency. Actually, I don't remember that happened.

Carolina - moderator: Ok, and you talked about feedback. This is a question for all the participants, of course. Do you give feedback during or after the stay? Do you usually give your feedback?

Miguel: Well, it depends. Sometimes the hotel sends you by email to answer their questions or they even contact you. I remember that one time, they called me to ask for opinions about my stay or for example how was the breakfast. But they are always the ones that contact me. But I've seen, for example, in some hotels that they have at their lobby or something, some kind of software or computer where you can give a quick feedback or something. And there are sometimes when you or like very much or hate very much. It's when you give some feedback about it. If your opinion is in the middle usually I don't give my feedback.

Bernardo: I will be quite sincere, my feedback during the stay is usually when it is bad, when I have to complain, which have already happened a lot. About being asked by email to send my feedback, I think I have never been required to be honest.

Hugo: I'm with Miguel, I tend to do evaluations when things are quite good or quite bad.

Fernando: Usually I don't give feedback, they don't send me even an email, but usually I do a verbal complaint or compliment. Usually when I have a complaint, for example, if they put me in a room that is not cleaned I complain, of course, if it's noisy. For instance, I remember that one time I pay the standard room and the receptionist knew me already and the woman on the reception put me on an upper category room. So I did a compliment, of course. So when I have complaints or compliments I do it at the moment, usually complaints, of course.

Miguel: Usually complaints you do it at the moment, so if you have complaints you go downstairs into the lobby and you complain immediately and to give compliments is at the checkout or even after stay.

Bernardo: And also depends on the level and the kindness of the staff. This happens a lot, you have a hotel with view, for the sea or whatever. When you arrive to the hotel, they give you a room without a view and you understand that the hotel is almost empty. So why they do not give you the good room with a view for the sea. This happened a lot of times. Last time it happened we were basically alone at the hotel, d no one at the lobby, no one at the breakfast. I asked why aren't we in a room with a view and they said: " because it's a different kind of room It's a little bit more expensive", but there is almost no one in the hotel and I will be much happier and probably I will come back if they had gave me an upgrade considering the situation. After I said this, the next time I stay there they put me on a room with sea view. This kind of feedback and preferences is important, and it needs to be remembered. I remember that when I get back in there, when I did check in, I immediately asked if the hotel was full or not, so they understand that it will be an advantage to give me a better room.

Carolina - moderator: And are you willing to share a little bit more personal information that you already share, since you're going with a company you normally don't give like your personal e-mail, you give your business email, are you able to give this kind of information a more personal about you from the country that you live, your nationality in order to make your experience better, for them to know already your preferences and to know you as a regular customer?

Bernardo: Well, usually when traveling in business I gave the business email as a contact, so the analyses that they should do is based on my professional. So the contact that they have is

not the personal email, they already know me by the professional email, but what usually happens a lot in the hotels is that you have, in our case, mainly the hotels are booked by the travel agency and usually you have the requirement to present the passport, the room is in your name. What usually happens and it is quite frequently when you are doing the check out when you ask the invoice, we need it for the company, usually it comes with the personal name and not in the company. And sometimes it's difficult to change and put the company details, because all the register that they have about the room it is in the name of the customer and not of the company. I had already some problems with that.

Hugo: Carolina, when you ask about our personal details what do you mean on the part, only for the procedures or just them being curious about who you are, where are you coming from to try to make your stay more enjoyable?

Carolina - moderator: It's not about curiosity, it's about understanding the needs that you have as a business customers. So are you able to let them track your behavior in terms of a business customer?

Hugo: I have to say it will depend, specially depends on which country I am. I don't know, I think some places are considered dangerous to share this sort of information. I would say that if I am at Mozambique, I would not have any kind of problem to engage in such conversation a little bit about myself, but for instance, if I'm in South Africa or something like that, maybe I'll be more cautious about it.

Miguel: But I feel that we do share the personal information so that usually all they get to know that we are from Portugal, that maybe we are from Lisbon or that we are travelling in work or not. But I don't see any change in their service due to that. Actually, I feel that they keep more is the local service, so, for example, if you stay in Tunisia, they will keep the service or for example, food or everything that you ask its always local. So then you get to know the local, for me, it's not a problem because I like to know other countries and everything. So it's not a problem, but I do not feel they the change the service just because they know you are Portuguese.

Hugo: About what Miguel said, well, I don't know if it makes sense because in most of our trips we leave the hotel in the morning and come back there late night. I don't know, if you want to

go on holidays they would want to get to know more about yourself, it depends on the environment.

Miguel: Yes Hugo, but here we are talking about the experience of travelling in work. So maybe if you good on vacations and you spend more time in the hotel they'll also get to know you better. In this case we really don't have much time at the hotel.

Bernardo: Basically, we pass essentially the night in the hotel because during the day we are working and there's not in the hotel. So the relationship that you create with the staff is not the same when you are on holidays and you are staying a lot of time using the hotel. So much of the stay that we have we spend very few time in the hotel. I think one of the exceptions is São Tomé, for me, because I receive a lot of customers in the hotel and since everything is very near and you do not have much places. So I always go to a meeting and get back to the hotel and then to a meeting and get back in the hotel, in the bar. But apart from that, usually you spent the day out and so does not create much of a relationship for the staff to know you better.

Carolina - moderator: And the last question is about how are you feeling about going to a hotel right now with the covid-19 and all the pandemic limitations associated?

Fernando: I can start because I'm experienced on that thing. I don't care because I already got COVID-19. So I think I'm pretty safe now.

Miguel: So now you're going to get all the travel of the company.

Fernando: If I have an agenda for it, but let's negotiate this.

Bernardo: One interesting thing is that few of us have the experience in hotel during the pandemic period, I think just me and Hugo, and we went to Madrid and stayed in a quite nice hotel near Madrid in Toledo. A part from that, I think, any of us have experienced to stay in a hotel during this period, because we have not travelled since the beginning of March, which is quite strange. We usually travel almost every month and we are since march without traveling. So we have few experience about travel and hotels during this period, while I have been three times already. But what we look for now, I think is better quality that gives you more confidence to stay there. Make sure that all the security measures must be good. And so I think this is the

most important point, to go to a good hotel that ensure you that you are safe basically. I think this is the main difference when we travel now, the quality and to feel safe. That is just the point before I address the word to the remaining colleagues. That is just one point that I think is important to note about. That is when we talk about quality of the hotels and the level of stars, the level of stars in Africa or in Asia, it's not the same level that we have in Europe. Sometimes we stay in four or five stars in Africa and is nothing more than a three stars in Europe. And this is quite important because sometimes you are supposed to stay in a sort of like five star hotels in Africa, but well from five star hotels have a very few things, so the quality it's not the same depending on the country, but mainly on the continent where we are staying, just before I conclude just the worst experience until now in a hotel, was in China and central China, in a rural area. I stayed in the only hotel that was there and it was a four star hotel, I guess in Europe it was not even one star, it had nothing. No one spoken English. Nothing was open, the bar was closed at 10 p.m. and nothing to eat. So nothing in the room, no service, no room service, and it was a four star hotel. Maybe because they had no competitions. So when we choose the hotel it is quite important to have a proper feedback, from someone that have already been there or from a customer or from the travel agent.

Miguel: Getting back to the part of the COVID-19, I think that not only for the hotels, but also for all the trips, we now have a new checklist to do regarding preferences. So we not only have to check the hotel, but also the company of the airplane that we'll be using because they are using different policies in terms of traveling and also the way that we will make the transportation in the country that we are going to, because in different locations we go you have different pandemic controls and all that. And finally in the hotel, we already know the hotels for many of the countries that we are used to stay and more or less the knowledge of how they work and maybe they will be implementing their rules concerning these pandemic. But nevertheless, I think now we will be contacting them before traveling to ask how they are operating, how they are doing for example, if they are making the disinfections or something regarding this or if they have materials there for the people like masks or chemicals or everything that you need to use in the room, for example, if you want, and all that. So we still don't know exactly how it will be because it's recent. But I think it's something that we will be doing for the first traveling that will be making.

Bernardo: This pandemic affected all of us on this, we are all very concerned because, well, it is present everywhere, mainly in developed countries in Europe, in America and so on, because

I remember quite well the hotel that Hugo mentioned, when we travelled to Congo, and that when we left the airplane, we have to pass in a small water recipient to put the shoes there and clean the hands with bleach. That was due to Ebola. Do you remember that Hugo?

Hugo: Yes, there's a safety measure. Well, as Bruno said, we were a couple of weeks ago, we had a trip to Madrid and I must be honest, because it didn't feel like we were in a pandemic, we just had to get up in the car, we did 600 kms, as we were traveling with our CEO, we stayed in an amazing hotel. But I have to say, I was actually I was scared before all of the numbers come out. After the lockdown, I mean, the economy had to restart again, people got back to work, everyone is adjusting, you are changing your way of life, wearing mask, you are always using the alcohol in your hands. Everything else is something that is part of our environment, so this last trip to Madrid was basically an extension of this, so you really felt like. Now, the challenge will be when you have to do 10 hours inside the plane, you have to walk across airport, most of the countries that we work with are countries that are under development, that will be a challenge. So we will have to take the necessary measures to prevent any kind of bad luck. Personally, I'm a little bit anxious about it, when I go to Mozambique I actually have a guest house there where I normally stay, so it's not a public place. So it is cleaned and controlled on a daily basis and.

Fernando: I think it will be a challenge. Of course, it's a new situation for all of us. But for example, in my perspective in Cape Verde, they are quite professional and they are used to business classes. So I think I will not have any problems. So I think. I think it'll be OK because they are quite professional, so. That's my point of view, in Guinea-Bissau I don't know, because the situation of COVID-19 in Cape Verde is quite controlled. And in Guinea-Bissau not so much, because it's easier to control, because Cape Verde is a country composed by islands, it's easier to control the situation.

Carolina - moderator: Any of you wants to share one more opinion or the thought that you have about any topic that we mentioned.

Hugo: Just one additional information, normally when we do the booking on the hotels is always with breakfast, it is very important to have a big and a good breakfast.

Miguel: Very important, because we are away and we usually take, for example, two, three days

of travel to visit people and to get to a lot of companies and customers and everything. We don't have much time during the day. So we take a good breakfast because lunch sometimes you just something fast or even nothing and then we only have dinner. So that's important.

Fernando: And you start very early in the morning.

Bernardo: But apart from all the experiences, the best experiences that I have in hotel were when I was travelling with the CEO of the company. We were at a hotel completely incredible in India. Well, for example, we arrived in a taxi and they have things like taking a photo with staff with roses in the hair, welcome drinks, many components that of course are more important. But usually in our travels is not the most important, because we stay for a short period in the hotel.

Fernando: Sometimes a few hours.

Bernardo: But most important to consider is the take that you take between you arrive and staying comfortable at your room with everything working. And I think almost all had already this experience, that is the majority of the flights that we do are during the night, which means that we arrive early morning to these countries or during the night. So usually, and since the check-in is usually at the hotel starting from 2pm, usually we book the night before to avoid arriving and not having room. But even booking the night before, it happens a lot that when you arrive at 6:00 a.m., you arrive and you don't have a room. Because they sold the room because you did not appear in the previous day. And it happened to me already in different kinds of hotels, from good to very good, which is quite difficult to understand. So it's quite important, mainly for a business hotel also to know at what time the customer will arrived or at least to have an idea. Last time it happened to me, it was in a five-star hotel in India, where Miguel already, it is quite close to the airport. So we booked that hotel close to the airport because we arrived at 3:00 in the morning. So we would like to arrive very fast to the hotel to sleep until 7:00, because the whole day would be out of the hotel. So we arrive by the taxi, actually, at four o'clock we have rooms after a lot of discussion in the hotel because we were two and there was no room for us. Their argument was that the people was supposed to leave at 11 p.m., but the people didn't leave at 11 p.m. and they did not have rooms for us, of course, after a lot of discussion. They gave the presidential suite but one hour and a half after we arrived. So we were quite tired, very angry and well, it was quite a bad experience. And I think these

details are quite important, mainly for business customers that have different schedules to meet, and that the time is quite important.

Hugo: I don't find that very hard to understand. It's kind of, it's unacceptable of course, but it happens very often, all these kind of overbooking on flights it is similar. Like they assume it's a no show and they sell the room. But normally when that tends to happen, you usually have a very friendly upgrade to compensate. So they have to put you somewhere else.

Miguel: Yes. The thing is, you always have the lost time during the process that for us is very important.

Fernando: For example in Cape Verde, that is a smaller market, nowadays I choose smaller hotels and chain, exactly because of what Bernardo said, they are more flexible and avoid that kind of situation they already knew you. So I think it's important to build a relationship with them, because they knew you already, you are not quite demanding, but they know exactly what you need. So I think it's important to let people build these relationships and it's easier to do it on smaller teams, of course.

Bernardo: And the flexibility is quite important. Because sometimes you arrive early, even paying the night before. Because we arrived very early in the morning and a lot of times we leave very late in the evening. So, it means that we need a late check-out and this kind of flexibility. And all of this is quite difficult, you need to pay while the check-out is just at 5:00 or 6:00. And there are small places that are quite flexible, I think more than the brand of the hotel is more about the staff and the person that you are discussing with, that are quite flexible. For example, in São Tomé I always need a late check-out, and they always allow me to stay until 7 or 8 p.m. without extra costs. Well, you need to understand the cleaning and so on, but it's much more about the person you speak with, not only about the brand and the well, about that kindness and the sensibility that is quite important for a business customer.