

Hotel Penn Drives Results by Thinking Outside the Big Box

Management has crafted a unique team of talented industry partners and allowed them to synergize

RevPAR: +4.1% | RevPAR Index: +12.2% (2017 vs. 2016)

The Challenge

The Hotel Pennsylvania has anchored one of the most trafficked blocks in the entire world with no more than the occasional facelift for nearly 100 years.

But the lobby still buzzes 24 hours a day. While it can't command the rate many Manhattan hotels can, the Hotel Penn is a perfect fit for international tourists on a budget. It must market to the right audience, on the right channels and with the right rates.

Finding talented revenue strategists has been tough for Hotel Penn's owners, Vornado Realty Trust. In response, the property assembled marketing and revenue teams by partnering with Duetto's Strategic Consulting program. A full-time revenue strategist prices each of the hotel's segments daily in real time and coordinates digital marketing and strategy to drive more business direct and help the hotel better optimize its channel mix.

The Solution

Partnering with Duetto Strategic Consulting gives Hotel Penn's management access not only to Duetto's industry-leading cloud applications, but also to a full-time strategist who has run revenue management departments at top hotels.

Pricing correctly is crucial. Without group business, Hotel Penn must manage transient business carefully, ensuring enough base business is on the books in advance and then creating last-minute demand. Empowering Duetto to control the digital-marketing budget means the team can observe Hotel Penn's demand forecast and build strategies to drive business at the right time and price.

Having a Revenue Strategy organization structured properly allows everyone with a stake to take the data and make it operational. Duetto is helping Hotel Penn build a loyalty program, use geo-targeting techniques when pricing, and deploy Open Pricing to never close off any offer or restrict any potential booking.

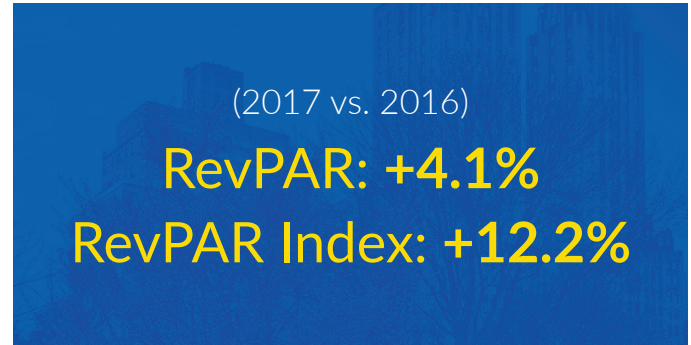
"What I bought was much more than pricing. We're talking about the market on a daily basis. Other revenue partners act as a weather forecaster, but these guys make it rain. When there's no demand, they're creating it."

— **Gene Nicotra**
VP, Vornado Realty Trust



The Results

A more dynamic rate structure that changes multiple times throughout the day has led to incredible results for Hotel Penn. Rate growth drove a significant year-over-year RevPAR lift (+4.1%), but the most notable success was that Hotel Penn moved from No.9 to No.3 in RevPAR Index among a tough New York City comp set.



How it Happened

- Turned to outside help to make critical business and pricing decisions rather than trying to hire internally
- Researched vendor partners and implemented policy to continuously monitor returns on investment
- Synced revenue and marketing teams so marketing has the insight it needs on low-demand dates
- Continuously evaluates third-party tools to help attract more direct bookings, such as rewards programs and cart abandonment tools
- Created regular, real-time reports in dashboard format to share with other departments, particularly management and ownership

“I like the RMS, but it’s not what I’m buying. Without some of the data visualization that Duetto brings, you’re dead in the water. You can get so much data, but without Duetto Strategic Consulting, you’re not making it operational.”

— Gene Nicotra
Vice President, Vornado Realty Trust