Hotel Demand Forecasting for better planning & increased profitability

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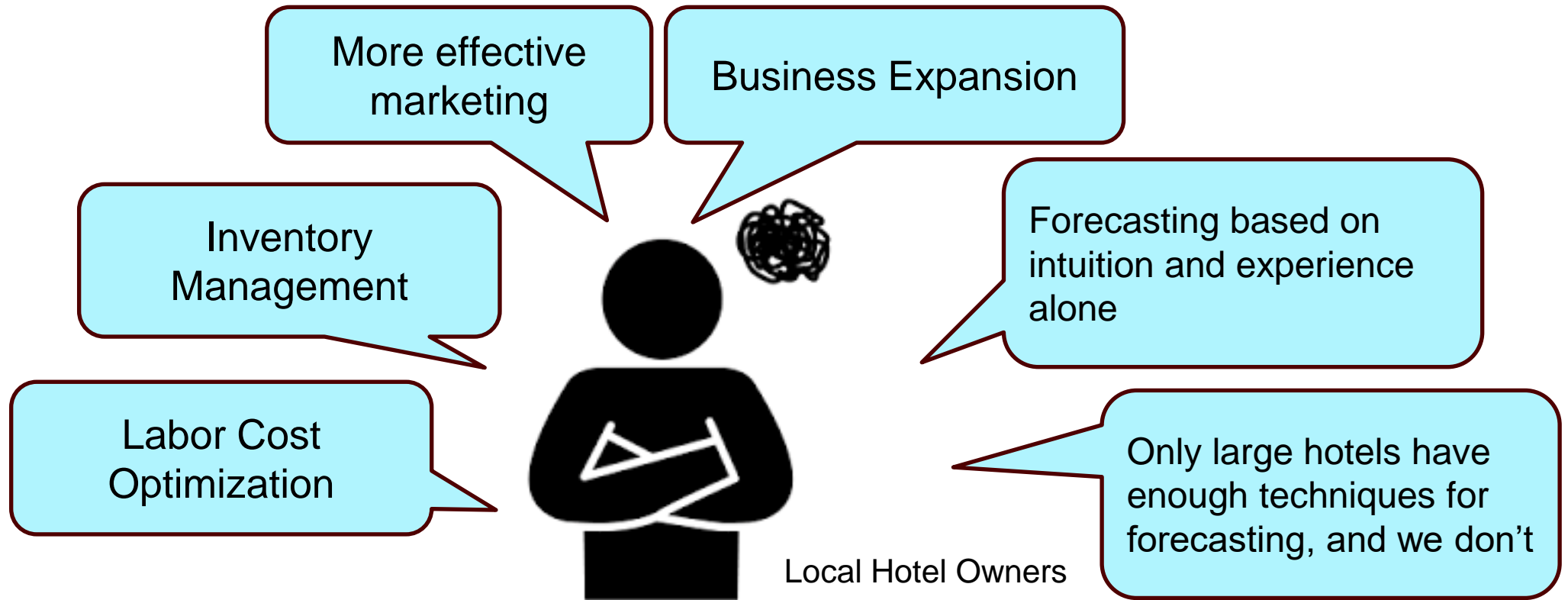
Use Case Overview

Solution: Local Hotel Reservation Forecasting

What:
Short (next month) and Long (next 12 months) term hotel reservation forecast

To Whom:
Small to Mid local hotel owners (Who are both buyer and user)

Problem:
Accurate forecasting is essential to improve hotel business efficiency but is difficult for small/mid-hotel owners who don't have its capability.

How:
Using the Univariate Time Series Forecasting.

Goal (Jobs to be Done):
- They can see the forecasting of the number of reservations accurately. [Functional]
- They can easily see a trend and seasonality through graphs and understand their interpretation. [Functional / Emotional]
- They can use their own reservation logs and create their hotel-oriented forecasting. [Functional]

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Who are the Buyer?

Target (Persona):
  A local hotel owner in Los Cabos* who want to improve their business efficiency by using accurate future reservation forecasting

What do they want to improve?
1. Inventory Management [Short term]
   • Meals, Linens
   • Any other supplies
2. Resource Planning [Both]
   • Shift Scheduling
   • Staff Hiring
3. Business strategy [Long term]
   • Profit forecasting
   • Marketing with causal analysis

*The trend is different among countries and areas, so we start from a specific area but aim to expand it to other area's hotel owners by only replacing data.

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Discovery Hypothesis

Hotel Owner

...I wish I know how many guests will stay at my hotel next month, so I can better serve them and manage my costs?...I can't afford expensive software and hire dedicated people just for this!

Hike prices and stock up inventory during peaks

Hotel Demand is not a constant!!

Hotel Demand

Reduce Operations cost and reduce inventory during valleys

Revenue Management Systems are Complex & Expensive!

Our specifically designed demand forecasting solution will enable budget hotel owners to forecast demand in a cost-effective manner

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So why our solution?

Designed specifically for the Budget Hotels

Maximizes Profitability

Increases Adaptability to Demands peaks & valleys

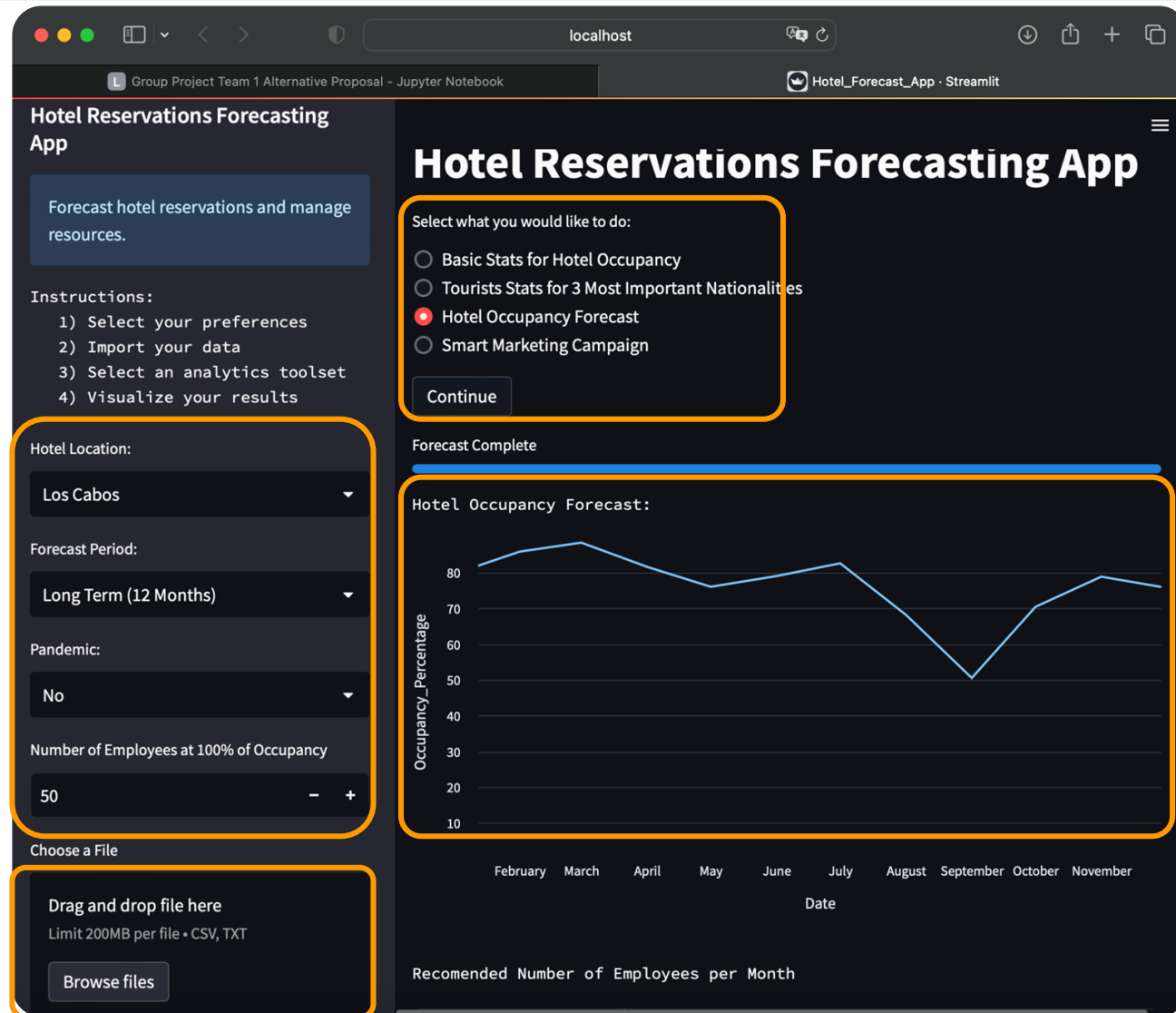Doesn't require Big Investment

Simple & Intuitive to Use

Doesn't require long Trainings

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Hotel Forecaster App Demo

1. Select forecast Options
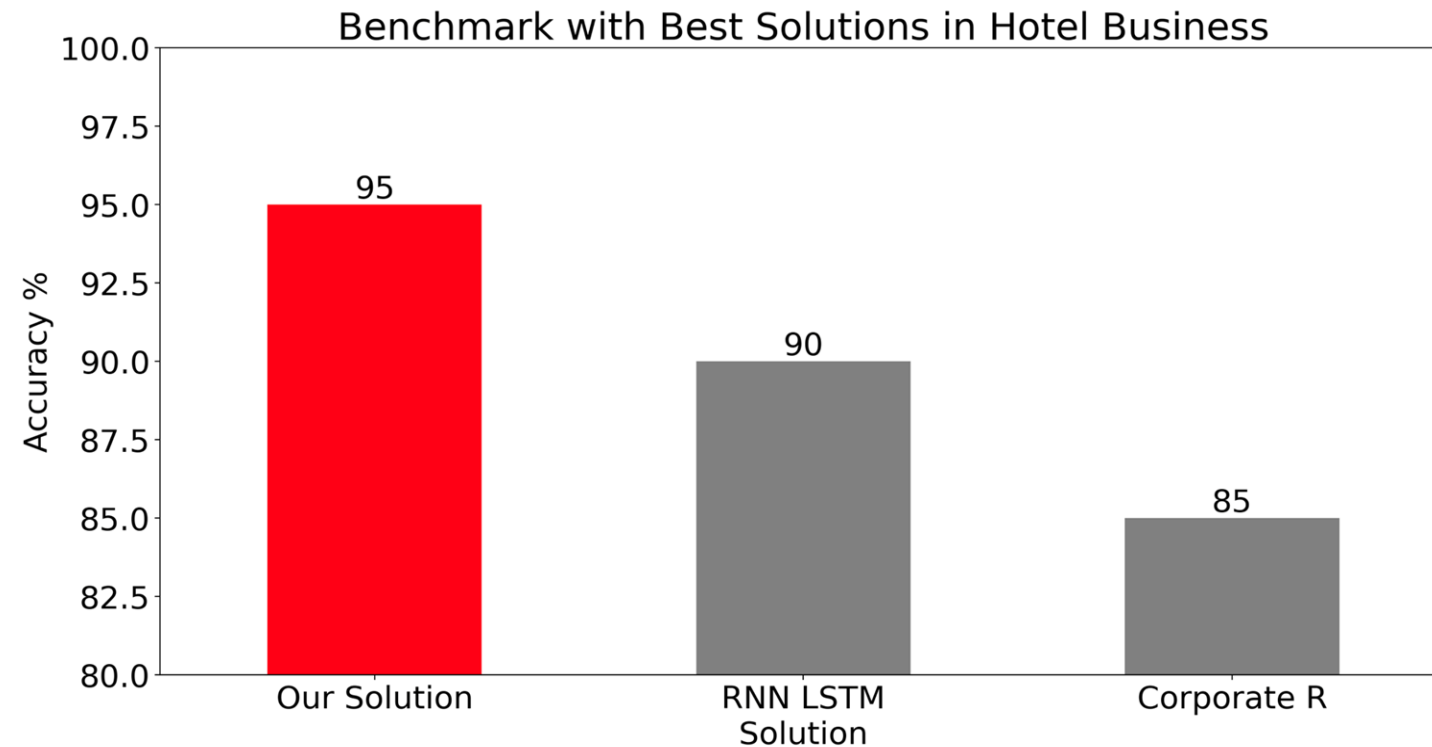
2. Import your hotel occupancy data

3. Select forecast toolset

4. Visualize your results

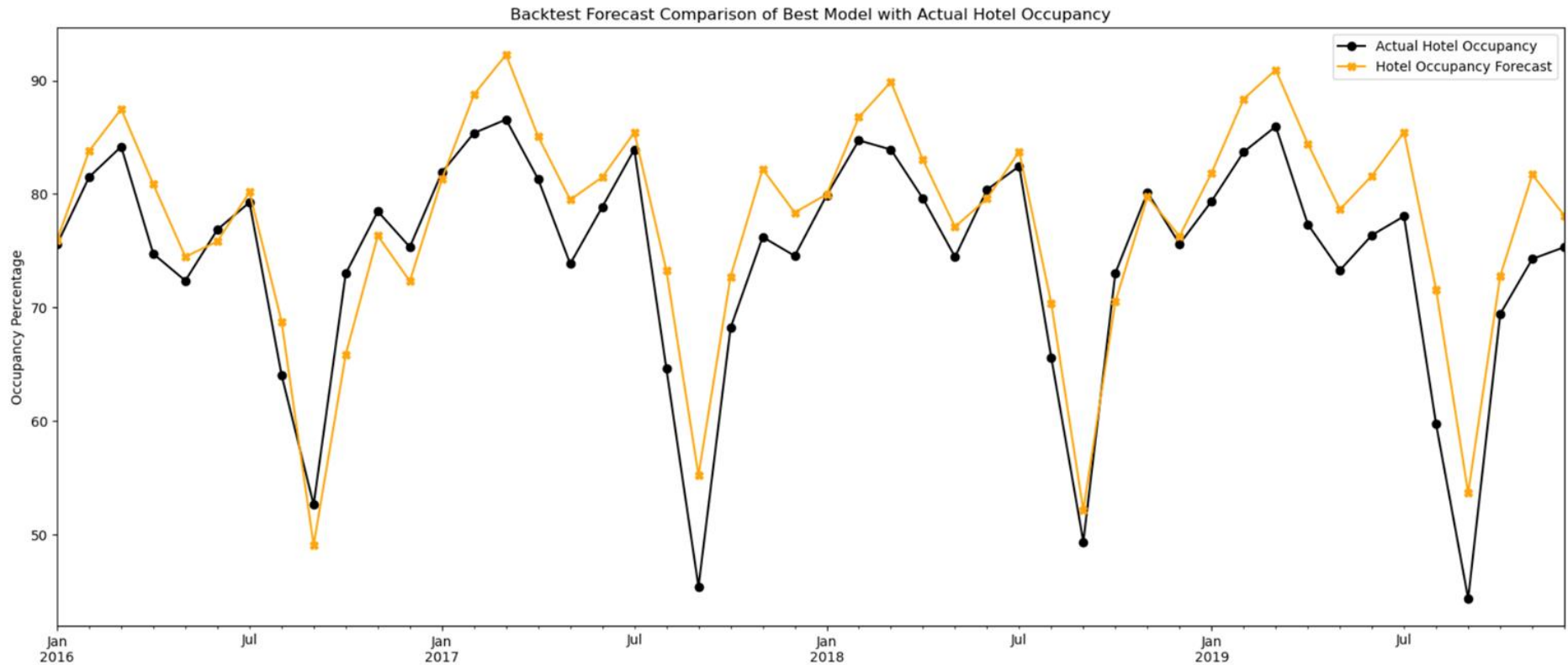# Our Solution

- Our solution analyzes your data and automatically selects the best machine learning algorithm to improve forecast accuracy.

Benchmark with Best Solutions in Hotel Business

Sources: LSTM Forecast ,Forecast Model for Hotel Chain in Lisboa

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Our Solution

Accurate enough? Here's a good comparison between real hotel occupancy data and forecast data from our solution. As you can see, our forecasts are really close to actual data. (Dataset Source: Datatur)

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Price and its cost efficiency

- The price is **$50,000** without any subscriptions (one-time purchase only)

- We expect most of hotels can reduce at least **5%** of labor costs by accurate forecasting

- Suppose your annual labor costs is $1,000,000 (20 workers, $50,000/yr. per person), the annual savings is $50,000 and the ROI is expected to be at least **100%**.

Option	Pros	Cons	Total Costs in 5 yrs
Our Product	• Reasonable Price • Easy to use • Secure (No need to share data)	• Need to adjust initially	**$50,000**
Revenue Management (SaaS Service)	• Multifunctional	• Security risk • Expensive running costs ($40,000 / year)	**$200,000**
External Consultant/ Analyst	• Advanced Analysis	• Depends on the person • Expensive ($60,000 / year)	**$300,000**

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Market Size and Potential Revenue

Potential customers in the world

Expected Market Share in 1 year

Solution Price

1 Year Revenue

200,000 ✖ **1 %** ✖ **50,000 $** = **100M $**

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Thank you!

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