

Delivering dynamic pricing and optimised revenue across a complex site/night portfolio with advanced demand forecasting and optimization models



£100m+ Holiday & Leisure business

Wide range of Sites & Rental Grades

Managing over 40k site/ night prices

Delivering 2% revenue uplift 1st year (min risk obj.) and 6% target for 2nd year



Background

- Our client is in the Holiday Leisure market offering rentals primarily to campers with caravans, motorhomes and tents
- The business is seasonal, often event driven but also subject to competitor activity and wheather
- Demand variability is high with undercapacity during peaks

The Challenge – Revenue Optimisation

- Client was looking to move from a fixed pricing model to a dynamic one to optimise revenue and margin opportunities.
- Underlying complexity of managing multiple sites across all dates in the year, emphasised the need for demand forecasting to drive price actions across the portfolio
- Approach therefore required machine learning techniques to manage various demand drivers, cancelations, elasticity behaviours, events, and improve over time
- Business rules and algorithm were alsop required to ensure dynamic prices followed certain limits to minimise risk

#valuethroughdata

The Advanced Analytics Journey

Data Foundation

- Determining how best to access and integrate critical datasets via and API with daily updates
- Engineer, architect and categorizer data to support RMS models, analytics and application use

Forecasting & Optimization

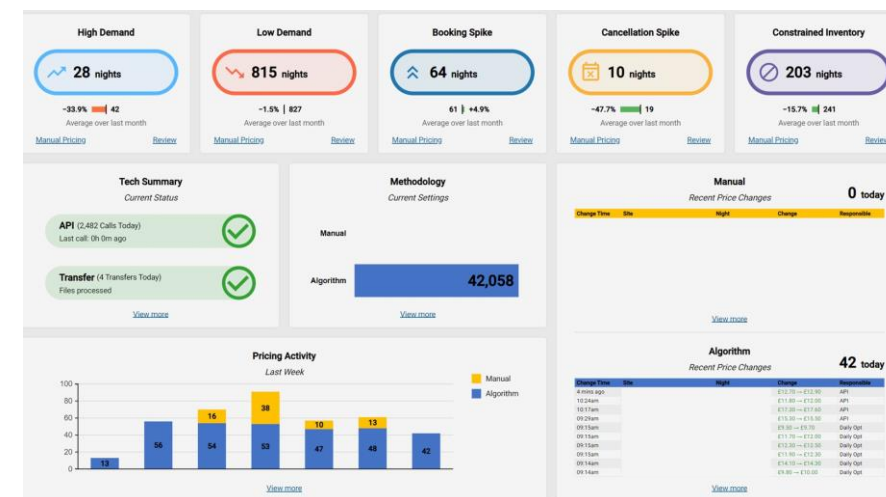
- Develop & deploy forecast models based on bookings, cancellations etc. at granular site/night level
- Generate unconstrained and constrained forecasts and optimize based on capacity, configured with business rules

RMS Application

- Track, control and manage price tiers based on optimized revenue fulfillment
 - ✓ Pricing Dashboards
 - ✓ Dynamic algorithm-based pricing & manual pricing overrides
 - ✓ Alerts
 - ✓ Demand, forecast and booking reports
 - ✓ KPIs & Root Cause reports

The Results Journey

- 2% revenue uplift 1st year and target 5% 2nd year



The RMS interface shows a table with columns for Financial Region, Sites, and dates from Thu 28 to Fri 6. The table displays pricing data for various sites, with some cells highlighted in red or green to indicate price changes or alerts.