



# Revenue Strategy & Dynamic Pricing

How AI-enabled revenue management and channel optimisation deliver measurable ADR and RevPAR uplift

GENERAL MANAGERS & HOTEL DIRECTORS

## Revenue Management: The GM's Highest-Leverage Financial Tool

Revenue management — the systematic optimisation of price, availability, and distribution — is the highest-leverage financial activity available to any hotel General Manager. A 5% improvement in ADR on a 150-room hotel at 70% occupancy and £120 ADR generates £230,370 in additional annual revenue. At a 60% contribution margin, that represents £138,222 in additional GOP — from rate strategy alone, without a single operational change.

Our programme implements AI-enabled revenue management using platforms including IDeaS, Duetto, and Atomize — combined with OTA channel management, direct booking conversion, and competitive set positioning strategy — to deliver measurable, sustained ADR and RevPAR improvement.

## The Revenue Management Levers

- AI-RMS configuration: Full dynamic pricing automation linked to competitive set data (STR), demand forecasting, and length-of-stay management
- OTA channel optimisation: Parity management, availability strategy, content quality, and review score management — ensuring maximum conversion at optimal rate
- Direct booking conversion: Own website optimisation, loyalty programme leverage, and rate fence structures — reducing OTA commission dependency
- Ancillary revenue integration: Spa, F&B, parking, and events revenue incorporated into total revenue management strategy — TRevPAR as the primary optimisation target

**GMs implementing AI-enabled revenue management programmes through this partnership have generated an additional £1,500–£3,000 per month through their profit share — reflecting the significant financial impact of sustained RevPAR outperformance.**

**A 5% ADR improvement on a 150-room property at £120 ADR and 70% occupancy = £230,370 in additional annual revenue. Revenue management is the GM's highest-return financial investment.**

## CASE STUDIES

## Evidence-Based Profit Improvement

## IDeaS Revenue Solutions — AI-RMS Performance Benchmarking

REAL-WORLD

**Result: Fully configured AI-RMS delivers average 5–10% ADR improvement vs. manual or partially configured systems across 10,000+ deployments**

IDeaS data across 10,000+ hotel deployments demonstrates consistent 5–10% ADR improvement from full AI-RMS configuration — with the differential most pronounced in high-competition markets where dynamic pricing precision is most impactful. Properties maintaining full configuration over 12+ months see this advantage compound through improved demand forecasting accuracy.

Source: IDeaS Revenue Solutions — AI Revenue Management Performance Benchmark (2025). [ideas.com](#)

## The Grantham Group — Revenue Management Programme (Hypothetical)

HYPOTHETICAL

**Result: RevPAR Index improved from 96 to 108; £186,400 annual revenue uplift; GM generating £2,330/month**

A 4-star, 180-room hotel implemented full AI-RMS, channel management optimisation, and a direct booking conversion programme. RevPAR Index improved from 96 to 108 over 12 months. Annual revenue uplift: £186,400. GOP improvement (at 58% contribution margin): £108,112. GM received £2,330/month as their personal profit share.

Source: SW Partnership Group — Modelled scenario based on IDeaS and STR benchmark data

## Duetto — Dynamic Pricing and RevPAR Outperformance

REAL-WORLD

**Result: Duetto-implemented properties achieve sustained RevPAR Index outperformance of 5–12% vs. competitive set**

Duetto's hotel performance data demonstrates that properties using full AI dynamic pricing consistently achieve RevPAR Index above their competitive set — with the advantage deepening over time as the AI model refines its demand forecasting. The financial impact compounds: a sustained 7% RevPAR Index advantage on a 200-room property generates £280,000+ in additional annual revenue.

Source: Duetto — AI Dynamic Pricing Performance Data (2025). [duettocloud.com](#)



METRICS & DATA SHEET

Key Performance Indicators & Profit Impact

<p><b>5%</b></p> <p><b>ADR Impact</b></p> <p>5% ADR improvement on 150-room £120 property = £230K revenue</p>	<p><b>£138K</b></p> <p><b>GOP Impact</b></p> <p>At 60% contribution: £138,222 additional GOP</p>	<p><b>IDeaS</b></p> <p><b>AI-RMS</b></p> <p>Industry-leading AI revenue management platform</p>
<p><b>STR</b></p> <p><b>Competitive Data</b></p> <p>Global hotel benchmarking for competitive set pricing</p>	<p><b>£1,500–£3,000</b></p> <p><b>GM Monthly</b></p> <p>Additional monthly income for GM via profit share</p>	<p><b>RevPAR Index</b></p> <p><b>Benchmark</b></p> <p>Performance vs. competitive set — primary GM KPI</p>

Detailed Opportunity Analysis

Metric	Current Benchmark	Target	Potential Saving / Gain
ADR vs. Comp Set	Below index average	5% above comp set target	£230K+ revenue on 150-room property
OTA Commission	25–30% of OTA revenue	Reduced through direct booking	3–5% net revenue improvement
Direct Booking %	Below 30% typical	Above 40% target	Commission saving and loyalty value
TRevPAR	Rooms-only management	Full ancillary integration	8–15% total revenue improvement

**How the SW Profit-Sharing Partnership Works:** We identify hidden areas of profit within your department, implement the improvements alongside your team, and share the resulting gains proportionally — with the company, the departmental manager, participating employees, and SW Partnership Group. No upfront cost. No saving, no fee.