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BOOK REVIEW

Introduction to Revenue Management for the Hospitality Industry: Principles and Practices for the Real World

Kimberly A. Tranter, Trevor Stuart-Hill, Juston Parker, Prentice Hall, 2008, Softcover, 352 pages, ISBN: 0131885898.

This is the first introductory level revenue management book that explains complicated world of revenue management in the hospitality industry in simple and easy to understand manner. The book is an excellent tool to learn more about revenue management and the tactics around this topic. It is easy to read and very practical into the knowledge of revenue management.

The text includes 18 chapters which covers the fundamental principles of revenue management and related processes along with chapters related to implementation of revenue management to different segments of the industry. The authors took a holistic approach towards pricing. Those who will go through the chapters can learn some solid techniques as well as some practical advice about the strategic revenue management process.

Each chapter includes chapter objectives, summary, key terms and concepts, discussion questions, internet exercise and references. Some chapters end with experiential exercises where authors employ the learner's experience as a base of learning. In addition, real world examples are incorporated in each chapter through professional profiles, case studies and scenarios. Glossary of terms and index can be found at the end of the book.

This book is jointly authored by Kimberly A. Tranter, Trevor Stuart-Hill and Juston Parker. Kimberly A. Tranter is an assistant professor and lead faculty lodging in the Hospitality College on the Johnson & Wales University. She has vast amount of experience in hotel executive management where she served as assistant vice president of marketing and directed the revenue strategy of more than a dozen hotels in U.S. Trevor Stuart-Hill is the Vice President of Accounts and Revenue Management for SynXis. SynXis is a distribution management service company that is a subsidiary of Sabre Holdings. Prior to his position at SynXis in 2007, Mr. Stuart-Hill held executive level roles at Destination Hotels and Resorts and Sage Hospitality Resources. Juston Parker serves as the President and CEO of Parker Hospitality Group, Inc. His previous experiences include various areas of hotels from operations, marketing, food and beverage, banquet and conference services.

Chapter 1 introduces revenue management in the hospitality and defines the concept of revenue management. Chapter 2 summarizes the evolution and development of yield management techniques from historical point of view in the airline and hotel industries. Chapter 3 describes customer knowledge and consumer behavior while Chapter 4 explains the concept of market segmentation and customer selection. Chapter 5

addresses organization's internal assessment process and competitive analysis. Chapter 6 presents economic principles underlying revenue management theory and demand forecasting. This chapter could have been introduced as the third chapter as one should understand economic theory of pricing to comprehend revenue management.

Chapter 7 covers reservations and channels of distribution. Components of global distribution system and internet distribution system are also examined in this chapter. Dynamic value-based pricing, which relates to price transparency, price parity, rate integrity, rate fences, discounting and pricing strategies of different channels of distribution, is introduced in Chapter 8. Dynamic value-based pricing is followed by channel and inventory management in Chapter 9. The focus of this chapter is on the inventory management process per channel, electronic and non-electronic channel management. The eight fundamental elements of revenue management are presented in Chapter 1 through Chapter 9.

Chapter 10 delves into the members of the revenue management team. In this chapter, authors provide sample job descriptions and various organizational charts containing revenue management team members. This chapter is particularly interesting and important for students who would like to pursue their career in revenue management. Chapter 11 explains the strategic revenue management process and presents RevMAP. RevMAP refers to the critical path leading to strategic revenue management planning. Using the Rev MAP model as a guiding framework, authors show how to develop, implement, and evaluate a strategic management process. This chapter is very critical in terms of putting all the pieces of revenue management together.

Tools, tactics and resources available for strategic revenue management process are explained in Chapter 12. Chapter 13 presents legal and ethical issues related to the implementation of revenue management techniques and provides recommendations on how these obstacles can be handled. Chapter 14 is titled "Crystal Ball". The discussion in this chapter is on the future of revenue management and how internet can further influence the application of revenue management practices in the future.

Chapter 15 through Chapter 18 include revenue management applications to different segments of the industry, namely lodging, food and beverage, sports, entertainment and event management, cruise, spa and luxury recreational vehicle resorts, golf, gaming and theme parks. These chapters allow readers to understand how basic revenue management principles can be implemented in other segments of the hospitality and tourism industry.

Prior to this revenue management book, only similar book available in the market was "Yield Management: Strategies for the Service Industries" by Ingold, McMahon-Beattie, and Yoeman. Although their book provides an excellent overview of revenue management for the service industries, it fails to address some issues specific to the hospitality industry. Tranter, Stuart-Hill and Parker neatly fill that gap by introducing a revenue management book specific to the hospitality industry with real world examples.

This book is the only broadly accessible consistent treatment of all the relevant revenue management related topics in the hospitality industry in one place. As a textbook, it is a little short of problems and exercises. In addition, I would have liked to see a separate chapter on forecasting. Forecasting is just mentioned in economics theory chapter and a through discussion of forecasting models and the very tricky science of developing good forecasting models is left out. Nevertheless, this book will immediately become an essential part of any introductory level revenue management class in hospitality and tourism management programs.

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