



Article Title

Hotel Revenue Management Strategies during Fall Foliage Travel Season

Citation

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Abstract

Tourism during the fall seasons is mostly recognized during the months when changes in leaf color offer bright colors of many trees and foliage marking the end of the growing season in some regions of U.S. Hotel pricing analysts have increasingly used revenue management (RM) techniques and pricing strategies in hotels to assist in maximizing revenues during these seasons. This study examines how fall foliage tourism demand impacts hotel pricing strategies and hotel revenue management practices in areas experiencing seasonal increases in overnight travelers. The study area is the region around the Great Smoky Mountains National Park bordering both Tennessee and North Carolina. The area includes a portion of the Appalachian Mountains and is the most visited National Park in the United States. Most hotel revenue management strategies focus on one hotel property and not hotel pricing strategies in a region or area like this study.

Methods

The methodology used will examine five regions, each for number of rooms sold each month for 2012. Also, monthly hotel average daily rate (ADR) was used to show revenue management strategies of hotels in each region and demand for hotels rooms change during the fall foliage season.

Results

When demand and ADR data are combined, it show that in October, the hotel sector uses revenue management strategies to maximize revenues during the fall foliage travel season in this area of the U.S.

Conclusion

Economic theory and revenue management maximization strategies conclude that hotel room rates should be increased during periods of consumer inelastic demand. In these data, fall foliage tourist travel during limited peak viewing times suggest that tourists have few substitutes during the fall foliage color period and thus have more inelastic demand (less sensitive to prices) for travel and hotel rooms and are willing to pay higher room rates during this period.