

## Article Title

Digital transformation and revenue management: Evidence from the hotel industry.

## Citation

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## Abstract

To maximize their revenues and protect their market share against traditional competitors (e.g. formal lodging businesses) and disruptive business models (e.g. Airbnb), the lodging industry increasingly relies on technology in various operations. However, the extent to which hotels adopt technology innovation in their revenue management (RM) operations, as well as the benefits of and barriers for digitalization, remains unclear. Moreover, the possible impacts of digital transformation on the future of revenue managers' professions have been largely overlooked in previous studies. Drawing on qualitative data collected through 23 semi structured interviews with revenue managers in luxury and upscale hotels across Jordan, the findings suggest that RM is going through digital transformation with different levels of sophistication. While acknowledging the benefits of digital transformation in saving time, supporting the decision making process, and yielding more revenues, the high cost of RM software emerges as a key barrier for digital transformation. The findings also reveal that the automation of various manual heuristics in RM is far from being possible, and therefore, digital transformation is unlikely to pose a threat to the future of the RM profession.

## Conclusion

Through qualitative research, few things can be implied theoretically and managerially. The research finds that digital transformation in hotel revenue management is executed on the different levels of sophistication. Besides the cost of RM-specific software, there are other key barriers such as divergent perspectives among RM managers, senior management, and market size. Also, the research analysis confirms that the sophistication of RM Software could create several benefits easing RM managers' responsibilities while the human aspects of RM will still win the technical innovation and software support system.

Based on the interview result with the revenue managers in upscale hotels, it seems like RM in hotels has become more complicated and highly technology-driven. Therefore, it is required for academic sides to implant this contemporary progress on the technology to the RM program. Also, due to the relatively high cost of RM software, it is recommended for the software companies to offer varied products for targeting different hotels with a variety of options. For developers, it is recommended to consider extending the range of their RM software to F&B and functions area to pursue extra revenue.

