Conference Review

Second revenue management education RevME workshop, 16–17 December 2016, Orlando, Florida, USA

Received (in revised form): 18th January 2017

Stanislav Ivanov

Varna University of Management, 13A Oborishte Str., 9000 Varna, Bulgaria

Stanislav Ivanov is Professor and Vice Rector (Research) at Varna University of Management, Bulgaria (<http://www.vum.bg>). He is the Editor-in-chief of the European Journal of Tourism Research (<http://ejtr.vumk.eu>) and serves in the Editorial boards of numerous other journals. His research interests include revenue management, destination marketing, tourism and economic growth, political issues in tourism, special interest tourism. Prof. Ivanov publications have appeared in different academic journals – *Annals of Tourism Research*, *Tourism Management*, *International Journal of Revenue Management*, *Tourism Management Perspectives*, *Tourism Economics*, *Journal of Heritage Tourism*, *Tourism Today*, *Tourism*, *Tourism and Hospitality Research*, *Tourism Planning and Development*, *International Journal of Hospitality and Tourism Administration*, *Journal of Economic Studies*, *Journal of Southern Europe and the Balkans* and other journals.

Correspondence: Stanislav Ivanov, Varna University of Management, 13A Oborishte Str., 9000 Varna, Bulgaria

E-mail: stanislav.ivanov@vumk.eu

ABSTRACT The paper presents a report on the second edition of the RevME workshop that took place on December 16 and 17, 2016 in Orlando, Florida. The workshop was attended by 50 participants representing leading hospitality/revenue management companies and universities from the USA, Canada, China, Netherlands, France, Switzerland, and Bulgaria, and included 19 stand-up academic and practitioner presentations.

Journal of Revenue and Pricing Management (2017) **16**, 233–235. doi:10.1057/s41272-017-0083-3; published online 28 February 2017

Keywords: revenue management; revenue management education; revenue management simulations; revenue management practices; revenue managers

The RevME workshop was started in May 2015 by Prof. Zvi Schwartz from the University of Delaware, USA. It aims to explore how to best prepare students, the next generation of hospitality leaders, for a career in an industry where revenue management plays a major role, and to facilitate a dialog among hospitality revenue management university educators and key industry players.

The second edition of the RevME workshop took place on December 16 and 17, 2016

in Orlando, Florida. It was attended by 50 participants representing leading hospitality/revenue management companies and universities from the USA, Canada, China, Netherlands, France, Switzerland, and Bulgaria. The workshop included 19 stand-up academic and practitioner presentations divided into 12 sessions.

Session 1 included a presentation by Digna Martinez (IDeaS) who elaborated on how to bridge the gaps between revenue management

technology, processes, and people. She presented IDeaS' revenue capability calibration model and emphasized that revenue management is about change management and about revenue management culture in the company – all departments and employees should be on the same wave.

In Session 2, Gregg Chapman (Walt Disney Parks & Resorts) presented Disney's experience in managing the revenues of its theme parks and resorts. In Session 3, Stanislav Ivanov and Svetlana Vasileva (Varna University of Management, Bulgaria) discussed simulation modeling of hotel operations. They stressed that revenue management should consider not only revenues but costs as well and evolve into total profit management. Cindy Heo (Ecole hôtelière de Lausanne, Switzerland) presented two pieces of research on revenue generation. In the first one, she found positive effects of branded room amenities on customers' evaluation of an independent hotel. In the second one, it was found that first-time visitors were more willing to pay higher prices for better room location and view, while repeat visitors – for a favorable cancellation policy. In the same session, Peter Stark from REDglobal presented the opportunities his company provides to revenue management educators for using revenue management simulation software.

In Session 4, Steve Hood (Smith Travel Research) presented the resources and data available to revenue management educators from STR Share Center, as well as relevant training programs and student certification. Organized by Zvi Schwartz, workshop participants brainstormed about the fundamentals that need to be included in revenue management courses curricula worldwide, so that revenue management education in various institutions would be comparable and these included segmentation, pricing, forecasting, capacity management, channel management, distribution channel management, displacement analysis, metrics, and other key concepts.

In Session 5, Guojun Zeng (Sun Yat-sen University, China) discussed the application of

and research on hotel revenue management in mainland China. He concluded that from 141 universities in mainland China with hospitality management degree programs, only four of them offered revenue management courses. As a consequence, revenue management research in China is far behind the revenue management practice. In his presentation, "It's not about numbers crunching," Miguel Baltazar (James Madison University, USA) reflected about pedagogic tools or techniques, and the need to turn revenue management as more appealing and 'sexier' course: use of dynamic data visualization tools; inclusion of RM software suppliers learning tools or simulations; discussing highly appealing case studies or incorporating easy-to-read RM books; using infographics and humor in the form of jokes, cartoons, or comic images; using research platforms from revenue management excellence education; connecting with other related areas of study instructors such as lodging, marketing, finance, computer science, or law.

In Session 6, Claudia Infante (Hard Rock International) stressed the importance of hiring the proper candidates on revenue management positions. She discussed the 'Predictive index' used by the company to assess the workplace behavior of RM employees and identify the most appropriate management strategies to maximize their effectiveness, productivity, and job satisfaction. In addition, she elaborated on the skills RM employees needed, their expected career paths, the current challenges and the future of revenue management.

In Session 7, Heather Zerafa explained the revenue management strategies used by Discovery Cove, Orlando, while in Session 8 Digna Martinez presented training opportunities provided by the IDeaS Academic Partner Programme. It flowed naturally into her Session 9 presentation on industry challenges and academic research in the field of revenue management in which she presented the ways the company could help researchers with data, insights, field experiments, and analytics support.

In Session 10, Minsun Kim (Temple University, USA) discussed her work as a revenue management analyst at Hilton. She pointed out that the two most important skills that revenue professionals need are Excel skills and data interpretation skills. In the same vein, Timothy Webb (Virginia Tech, USA) in his practical case on the revenue management practices at Delaware North stressed that problem solving, analytical, team work and decision-making skills were essential for revenue managers.

In Session 11, Scott Smith and Jeff Kreeger (University of South Carolina, USA) demonstrated a revenue management simulation game ('Game of Phones') developed by them and how it was successfully used in revenue management classes. A second simulation game on willingness to pay was explained by Hugo Tang (Purdue University, USA). In his presentation, Jean-Pier van der Rest (Leiden University, The Netherlands) reflected on his recent research and explained that the way behavioral pricing disclosure is framed influences customers' intention to purchase.

The last session included two research presentations. Nur Hidayah Che Ahmat (Iowa State University, USA) discussed customers' perceptions of price fairness, while Arash Riasi, Zvi Schwartz, Xuan Lio (University of Delaware, USA) and Songzi Li (Asian Campus Tribune) elaborated on length-of-stay based room pricing. The authors found that a gap

exists between customers' expectations and hotels' pricing practices. While customers expected to pay less for longer stays, the average quoted room rates by the hotels in the sample actually increased.

The RevME Workshop presentations covered three interconnected areas: teaching, practicing, and researching revenue management (the research sessions were added following the feedback from the first RevME Workshop participants). Its most important advantages are in several directions. First, it bridges the academia and the industry, so that they speak the same language. The industry representatives share what they do in practice, provide case studies, and set research problems, which help make hospitality revenue management education and research closer to real life. Second, the workshop allows educators to share best practices in revenue management education, enrich student experience, and improve course curricula. Third, the workshop triggers new partnerships between researchers, educators, and practitioners in the field. For the moment, RevME workshop is concentrated on tourism and hospitality, but an idea was proposed to expand its scope further and include participants from other industries. Only future will show how the workshop will evolve in this direction. The next edition of RevME will take place in Paris in December 2017.