

CASE STUDY



Creating New Market Segmentation for Banquet and Catering

Implement Total Revenue Management analysis and strategy within Sonesta's Portfolio of Hotels. Most of the Sonesta properties had between 35 to 40% of their revenue stream generated through F&B and other revenue (garage, spa, outlets, banquet & catering) with the remaining 55 to 60% of revenue coming from room. Banquet and Catering was the most important revenue generator behind F&B and other revenue despite the fact that we had limited data available to uncover additional revenue opportunities, The primary reason was the fact that Banquet and Catering was segmented in only 2 market segments originally; Banquet included group with rooms and Catering included F&B revenue with no group rooms. This assignment was to create additional market segments under Banquet & Catering with the objective of analyzing and better understanding the contribution of food for beverage at each market segment level, booking patterns of those customers by specific segments, banquet and meeting rooms usage and selling strategy and increasing average cover checks by meal period and ancillary revenue for each market segment.

SCOPE OF WORK

6

new market segments

2

years of all bookings to re-map

- Identify and create 6 new market segments similar to the business mix we have for rooms and based on pricing, booking patterns, recurrence of event, social and business booking, type of event, with and without rooms.
- Re-mapping of the last 2 years all bookings using the new market segmentation in Delphi System (Sales & Catering System) for historical data, analysis and forecast base.
- Data extract from Delphi to MS Access for reporting and analysis of revenue streams.
- Complete weekly forecast by market segments

RESULTS

17%

Incremental revenue over 2 years

- Improved forecast accuracy by market segment and overall Banquet & Catering forecast.
- Upsell and increase of average cover checks by creating more tailored and unique menus for each market segment based on trends and customer preferences.
- Enhanced selling pro-activeness as opposed to reactivity with better knowledge of customer behaviors and trends.
- Incremental Banquet & Catering Revenue of 17% over 2 years post implementation.