

Pricing & Revenue Management



SCHOOL

Faculty of Culture, Tourism and Hospitality (Esthua)



CAMPUS

Saint-Serge



LEVEL

3rd year Bachelor's degree



OPEN TO EXCHANGE STUDENTS

Yes



SEMESTER

Spring (S2)

- > **Degree course:** Tourism
- > **Teaching unit:** UE2 Management
- > **Course language:** English
- > **Duration (hours):** 12
- > **ECTS:** 9
- > **Teacher(s):** Patrick Legohérel, Ph.D

> Assessment:

- Continuous assessment
- Final exam

> Teaching methods:

- Lecture course hours
- Tutorial course 12 hours
- Practical work hours
- Case study
- Project

COURSE DESCRIPTION

Revenue Management function is central to hospitality and tourism companies. Yield/revenue management relies on strong price variation adapted to the market context. It contributes to protecting high-contributing clients while enabling access at more attractive prices in off-peak periods or for bookings made long before the booking date (early booking). The system pre-supposes client segmentation based on the consumer's sensitivity to price and quality.

The course aims to examine the revenue management function and explain the mechanism of commercial decision-making, from the definition of segmentation grids and pricing policy to the final decision to accept or refuse to sell a service at a given price on a given date.

The course:

- presents the foundations of yield/revenue management: its origins, principles, and the evolution of the revenue management function.
- deals with the components of revenue management, from marketing fundamentals (customer analysis, segmentation, definition of the pricing policy, etc.) to the more specific elements (performance indicators/KPIs and optimization levers).
- details the revenue manager's operational approach: data management, forecasting, and decision-making regarding capacity allocation and optimization.

Outline:

Part 1: Revenue management course (8 hours)

History // Capacity and unstockability: key issues // Managing prices and capacity // Principles of revenue management //

OBJECTIVES

By the end of this course, students will:

- Understand concepts and principles of pricing and revenue management.
- Identify some key performance indicators.
- Acquire in-depth knowledge of revenue management tools and levers.
- Understand the challenges revenue management is facing (including big data, distribution, loyalty, etc.), and thereby be in a position to anticipate revenue management trends (including total RM, profit RM, and net revenue).

PREREQUISITES

none

SELECTIVE BIBLIOGRAPHY

Textbooks :

- Cross R.G., La tarification flexible, Les Editions d'Organisation, 1998.
- Fyall A., Legohérel P., Frochot I., & Wang Y., Marketing for tourism and hospitality, Routledge, 2019.
- Forgacs G., Revenue Management: Maximizing Revenue in Hospitality Operations, AHLEI (American Hotel & Lodging Educational Institute, 2nd edition, 2017.
- Legohérel P. et Poutier E., Revenue management, Dunod, 2nde éd., 2017.
- Legohérel P., Poutier E. & Fyall A., Revenue Management for Hospitality & Tourism, Goodfellow Publishers, London, April 2013.
- Mauri A.G., Hotel Revenue Management, Pearson Italia, 2012.
- McMahon-Beattie U. & Yeoman I., Revenue management and pricing: Case studies and applications, 2nde edition, Palgrave MacMillan, 2011.
- Ng Irene C.L., The pricing and revenue management of services: a strategic approach, Routledge, 2008.
- Talluri K. & Van Ryzin G., Theory and practice of revenue management, Springer-Verlag, 2005.
- Tranter K., Stuart Hill T. & Parker J., An introduction to revenue management for the hospitality industry: Principles and practices for the real world, Pearson Education, 2nd edition, 2013.
- Wirtz J. & Lovelock C., Services Marketing: People, Technology, Strategy, World Scientific Co. (USA), 9th edition, 2022.
- Professional/industry journals (Hospitality On?)
- Academic journal (including Journal of Revenue and Pricing Management)

OTHER INFORMATION

This course is included in the teaching unit UE2 Management.
Students must attend all courses of the unit.
9 ECTS are delivered once the unit is validated.