

# Travel Price Optimizer

## Keep your prices competitive – and guests happy

What do the world's best hotels, holiday parks and cruise lines have in common? Besides providing amazing customer service and one-of-a-kind experiences, they need competitive pricing to remain profitable. Underpricing reduces potential value and can risk starting a price war. Overpricing means excess unsold capacity – empty rooms, suites and cottages don't engage customers or build your bottom line.

JDA® Travel Price Optimizer™ keeps your prices at optimal levels to support brand value. With this price network optimization engine—deployed across industries including transportation, hospitality and cruise—you can unleash optimized price recommendations. Travel Price Optimizer processes factors including bookings on hand, unsold capacity, remaining demand forecasts and customer willingness to pay.

## Price-sensitive demand forecasting

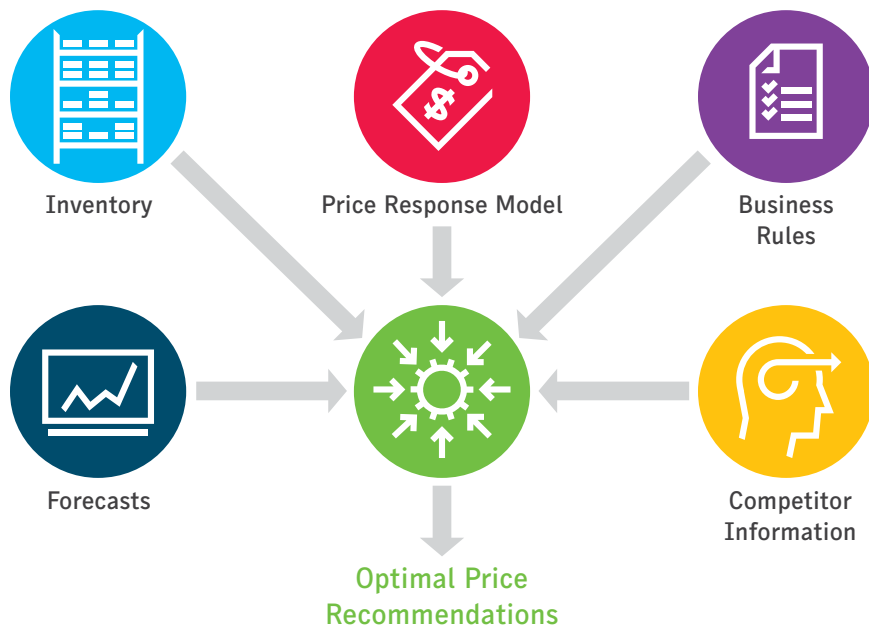
Traditional demand forecasting systems assume price doesn't influence demand, or that past pricing is a constant, representative of future prices. In reality, remaining competitive means having price-sensitive forecasting – recognizing how demand levels vary with the prices you charge, and can adapt as the market changes.

With Travel Price Optimizer you can estimate price sensitivity for different markets and products using historical data. Combined with competitor data and your pricing history, the solution can adjust demand forecasts to reflect market changes. You can rely on exacting precision using JDA® Demand™ with demand unconstraining, price-normalization and fractional build curves.

## ◆ Key Benefits:

- Estimate price elasticities with ongoing, automated monitoring and powerful tools
- Support both stay-night pricing and length-of-stay pricing with a wide range of optimization scenarios
- Provide a view of pricing strategy across the full booking horizon with price profiles
- Optimize contribution or occupancy, or a combination of both
- Supplement optimized prices with a rules-based approach when necessary
- Unleash the power of JDA® Demand™ for price-sensitive forecasting





As the market evolves, your business can project optimal price recommendations based on demand forecasts, competitor pricing, your available capacity and price sensitivity.

### Supports your choice of pricing approaches

Travel Price Optimizer supports both stay-night and length-of-stay pricing and can determine ideal capacity allocations for different lengths of stay. The solution calculates sales for length-of-stay and channel combinations. As capacity fluctuates, the algorithm takes current allocations into account to prevent unsold capacity. Travel Price Optimizer also supports rule-based constraints – controlling pricing levels and maintaining consistency across offerings.

Travel Price Optimizer offers a wide variety of optimization scenarios, including continuous or discrete pricing; additive and multiplicative rules for pricing and discounting; and planned upgrades based on pricing and capacity. When demand for economy rooms escalates and demand for premium rooms declines, Travel Price Optimizer can recommend

whether to plan for upgrades by overselling economy rooms, maintaining a price differential with premium, or lowering the price of the premium accommodations to stimulate demand directly.

Travel Price Optimizer recommends a price profile for current conditions and indicates how price should evolve over time as the date of the stay approaches. Overbooking and group evaluation are both supported. While Travel Price Optimizer is designed to optimize contribution (revenue minus variable costs, plus ancillaries) across the network, the system can also be weighted in favor of occupancy.

Deliver the best value for customers while maximizing your overall profitability. With Travel Price Optimizer, you can enjoy the agility and flexibility you need to control pricing behavior with a variety of parameters available for customization.

**Using JDA, you can plan to deliver.**

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