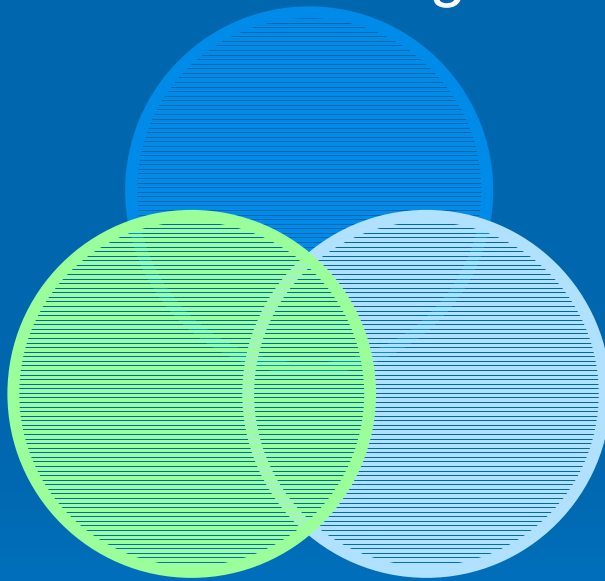


REVMAN

Price
Positioning

Forecasting


Inventory
Management



CRM and Guest Value

- Hoteliers are now realizing the benefits of looking at the entire revenue earned throughout a guest's stay and are starting to work closer with customer relationship management (CRM) initiatives, trying to incorporate these two areas. In the past, revenue management and CRM were not considered a good mix, but that perception is changing.

What Revenue Management Will be in the Future

- One-to-One Revenue Management
 - CRM and Guest Value
 - Function Room Yield
 - Channel Cost Analysis
 - Goal Alignment
 - Automation
- 


The Fundamentals

- UNDERSTANDING THE MARKET
 - MARKET SEGMENTATION
 - INTERDEPARTMENTAL INTEGRATION & ORGANIZATION
 - DEMAND FORECASTING
 - REVENUE STRATEGY
 - STRATEGIC FORECAST
 - STRATEGIC PRICING
 - INVENTORY CONTROL STRATEGIES
 - PERFORMANCE ANALYSIS
- 

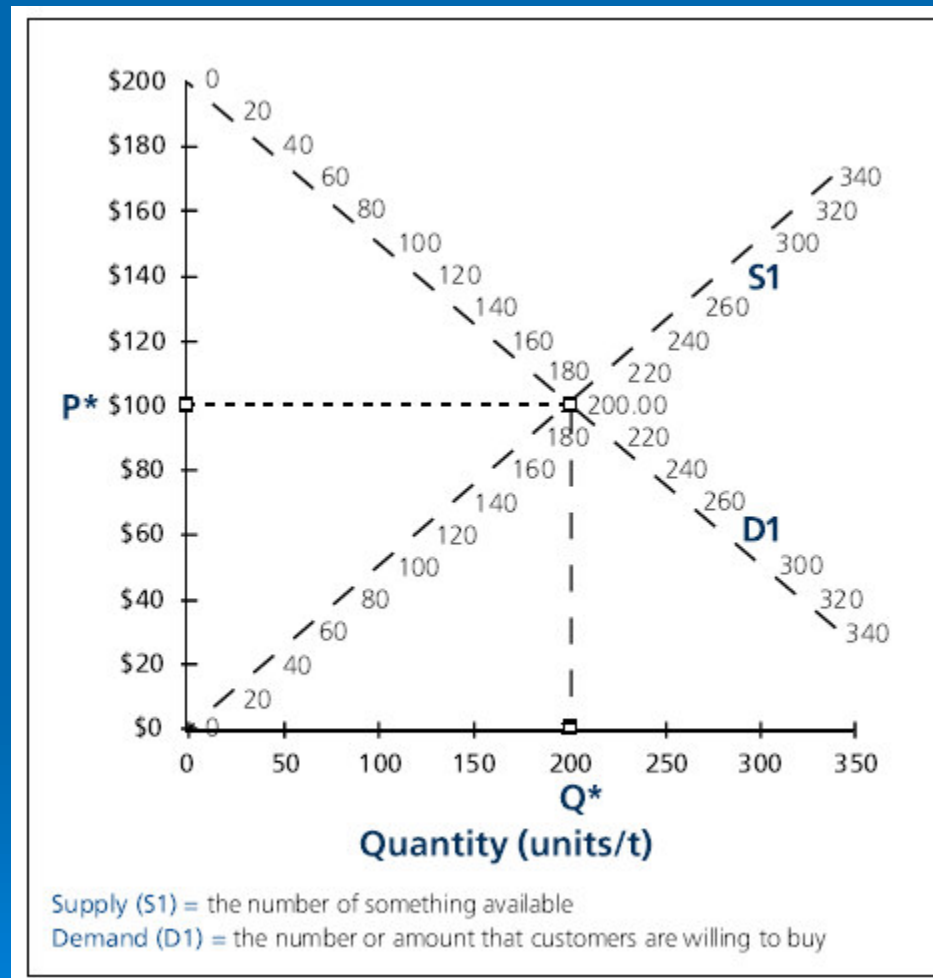
The Fundamentals

- **UNDERSTANDING THE MARKET**
- MARKET SEGMENTATION
- INTERDEPARTMENTAL INTEGRATION & ORGANIZATION
- DEMAND FORECASTING
- REVENUE STRATEGY
- STRATEGIC FORECAST
- STRATEGIC PRICING
- INVENTORY CONTROL STRATEGIES
- PERFORMANCE ANALYSIS

UNDERSTANDING THE MARKET

- Consumer Trends
 - Competitive Trends
 - Pricing Trends
 - Cyclical Pricing Trends
 - Competitive Landscape
 - Hotel SWOT Analysis Example
 - Analysis by Segment
 - Demand Generators
 - Historical Performance
 - Overall Segmentation and Channel Mix
- 

UNDERSTANDING THE MARKET



UNDERSTANDING THE MARKET

Historical Performance

Most revenue executives find that tracking the following information is beneficial to their decision making over time:

Room nights	Cancellation lead time
Revenue	RevPAR
Lead time/Booking pace	Cancellations
No shows <i>(both guaranteed and non-guaranteed)</i>	Transient rooms
Group rooms	Arrivals
Departures	Walk-ins
Extended stays	Early departures
Denials/Regrets *	Source of bookings
ADR (Average Daily Rate)	

INTERDEPARTMENTAL INTEGRATION & ORGANIZATION

Integrating Revenue Management into the Organization



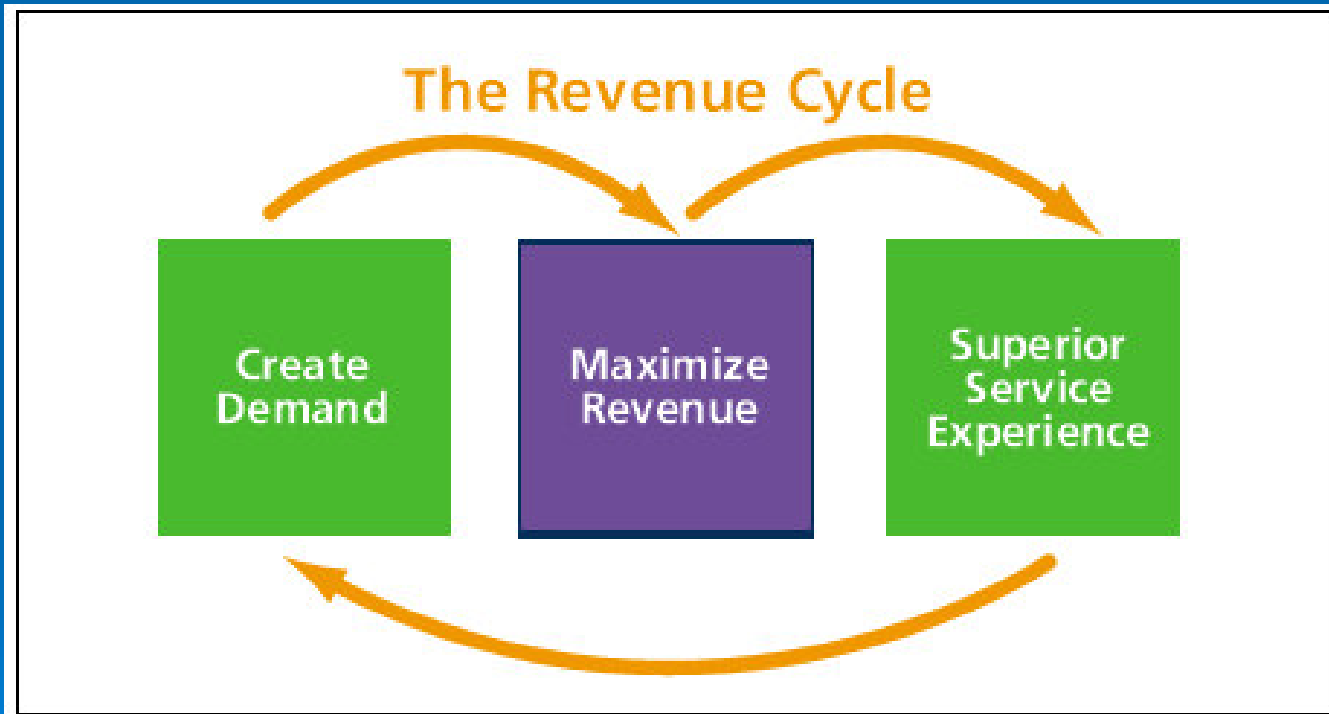
INTERDEPARTMENTAL INTEGRATION & ORGANIZATION

Integrating Revenue Management into the Organization

- Revenue management represents a core function in navigating the revenue life cycle, and strong integration with the sales and service areas is essential to maximizing revenues and profits.
- The sales, marketing and service teams bring critical customer perspective to the processes of setting revenue strategies, inventory management and pricing.

INTERDEPARTMENTAL INTEGRATION & ORGANIZATION

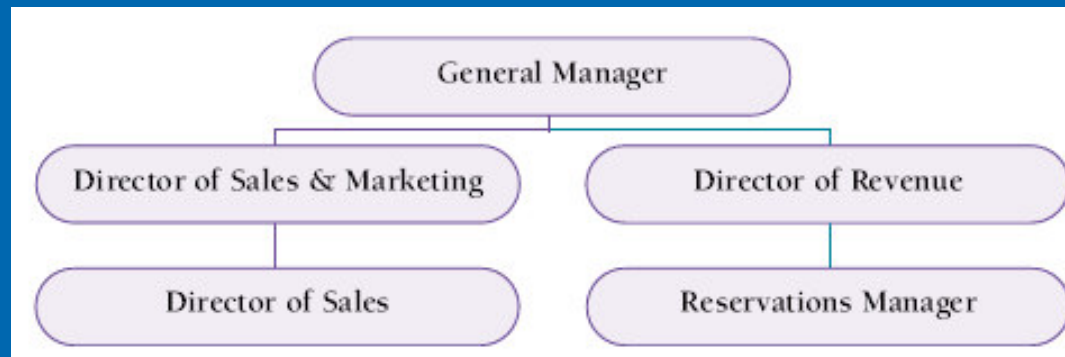
Integrating Revenue Management into the Organization



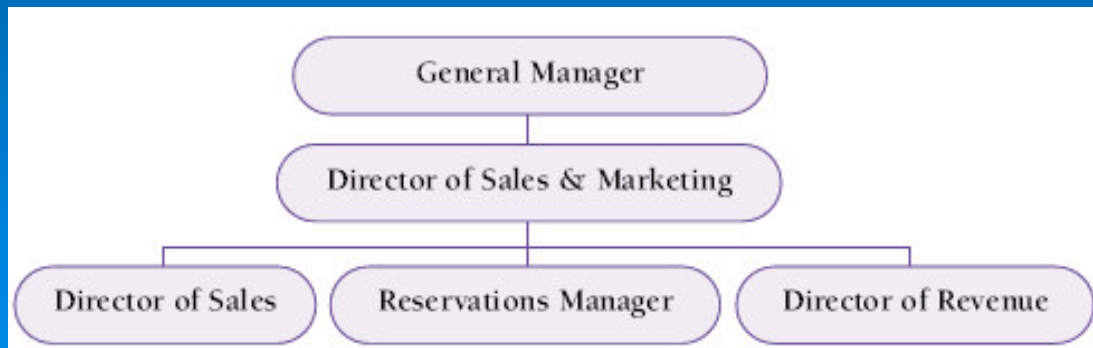
INTERDEPARTMENTAL INTEGRATION & ORGANIZATION

Property Specific Organizational Charts

Good Example



Bad Example



Market Share Growth

- What is Market Share?
 - The proportion of industry sales of a good or service that is controlled by a company
- Why is it important?
 - Investors prefer companies with relatively large market shares because they are generally less likely to be squeezed by competitors.
 - Market Share Growth is the Revenue Management performance indicator. It shows the performance of our hotel as compared to a group of like competitors within our marketplace. It is our top line revenue “report card”.
- How is it measured?
 - Smith Travel Research (STAR) report and calculated as the period percent change in your hotel’s RevPar Index.

Market Share Growth

Tab 4 - Trend Report

Red Lion Hotel Olympia 2300 Evergreen Park Dr SW Olympia, WA 98502-6008 (360) 943-1000
 STR # 17903 ChainID: MgtCo: Red Lion Hotels Corporation Owner: None
 For the Month of: December 2006 Date Created: January 24, 2007 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%)	2005						2006												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004	2005	2006	2004	2005	2006	2004	2005	2006
My Property	64.1	59.2	57.7	37.9	36.0	26.4	51.8	59.7	43.3	45.4	52.6	66.6	73.7	77.3	67.1	44.3	42.5	49.6	49.4	49.5	56.1	37.3	33.4	45.5	49.4	49.5	56.1
Competitive Set	85.8	82.3	71.9	61.6	60.1	51.2	67.6	70.0	70.5	68.9	68.0	81.5	75.0	77.9	64.6	58.6	51.8										
Index	74.7	72.0	80.2	61.5	59.9	51.6	76.6	85.3	60.4	65.9	77.4	81.8	98.4	99.2	103.9	75.5	82.0										
Rank	6 of 6	6 of 6	5 of 6	6 of 6	5 of 6	5 of 6	6 of 6	5 of 6	6 of 6	5 of 6	5 of 6	5 of 6	5 of 6	4 of 6	5 of 6	5 of 6	5 of 6										
% Chg																											
My Property	-7.0	-2.8	-3.7	-11.0	2.8	-23.2	2.0	-2.4	-25.2	17.4	-2.6	30.0	15.0	30.5	16.4	16.3	18.0										
Competitive Set	7.0	1.5	-0.3	0.5	7.2	1.7	14.8	8.2	8.8	14.1	5.1	1.9	-12.7	-5.3	-10.2	-4.8	13.9										
Index	-13.1	-4.2	-3.4	-11.4	-4.1	-24.5	-11.1	-9.8	-31.3	3.8	-7.3	27.5	31.7	37.7	29.6	22.8	37.0										
Rank	6 of 6	4 of 6	4 of 6	6 of 6	3 of 6	6 of 6	6 of 6	4 of 6	6 of 6	3 of 6	6 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6										

Year To Date			
Oct	Nov	Dec	
40.48	38.99	46.70	
41.08	35.42	46.50	
98.5	110.1	100.4	
4 of 6	4 of 6	4 of 6	

Year To Date			
2004	2005	2006	
37.96	40.00	50.16	
41.13	45.42	47.75	
92.3	88.1	105.1	
4 of 6	4 of 6	4 of 6	

Year To Date			
Oct	Nov	Dec	
38.6	36.5	126.7	
-3.9	-12.9	41.6	
44.3	56.8	60.1	
1 of 6	1 of 6	1 of 6	

Year To Date			
2004	2005	2006	
8.6	5.4	25.4	
5.3	10.4	5.1	
3.2	-4.6	19.3	
2 of 6	6 of 6	1 of 6	

ADR (\$)	2005						2006												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004	2005	2006	2004	2005	2006	2004	2005	2006
My Property	82.00	82.27	77.05	77.08	79.36	77.99	89.83	90.84	78.35	88.33	86.16	88.06	89.65	94.24	85.96	91.39	91.81	44.3	45.4	47.75	36.40	38.73	41.06	41.13	45.42	47.75	
Competitive Set	69.82	70.47	68.99	69.44	67.67	64.17	68.52	69.46	66.24	67.01	68.71	72.95	70.87	73.55	70.48	70.06	68.42										
Index	117.4	116.7	111.7	111.0	117.3	121.5	131.1	130.8	118.3	131.8	125.4	122.1	126.5	128.1	122.0	130.4	134.2										
Rank	2 of 6	2 of 6	2 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6										
% Chg																											
My Property	11.2	6.7	-4.6	-4.8	6.6	8.7	6.1	4.0	-1.4	14.7	8.2	9.2	9.3	14.5	11.6	18.6	15.7										
Competitive Set	9.1	7.3	7.2	6.7	4.6	-2.3	4.1	3.2	-0.8	3.8	5.5	6.8	1.5	4.4	2.2	0.9	1.1										
Index	1.9	-0.6	-10.9	-10.7	1.9	11.2	1.8	0.8	-0.6	10.5	2.5	2.2	7.7	9.1	9.2	17.5	14.4										
Rank	2 of 6	3 of 6	6 of 6	6 of 6	2 of 6	1 of 6	3 of 6	5 of 6	5 of 6	1 of 6	2 of 6	2 of 6	3 of 6	1 of 6	1 of 6	1 of 6	1 of 6										

RevPAR (\$)	2005						2006												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004	2005	2006	2004	2005	2006	2004	2005	2006
My Property	52.57	48.73	44.43	29.20	28.56	20.60	46.51	54.21	33.91	40.09	45.34	59.34	66.11	72.82	57.70	40.48	38.99	46.70	41.13	45.42	47.75	36.40	38.73	41.06	41.13	45.42	47.75
Competitive Set	59.92	57.96	49.60	42.75	40.68	32.83	46.30	48.60	46.71	46.15	46.74	59.44	53.12	57.31	45.53	41.08	35.42	46.50									
Index	87.7	84.1	89.6	68.3	70.2	62.7	100.5	111.5	72.6	86.9	97.0	99.8	124.5	127.1	126.7	98.5	110.1	100.4									
Rank	4 of 6	5 of 6	4 of 6	6 of 6	5 of 6	5 of 6	3 of 6	2 of 6	5 of 6	5 of 6	4 of 6	4 of 6	3 of 6	3 of 6	3 of 6	4 of 6	4 of 6	4 of 6									
% Chg																											
My Property	3.4	3.8	-8.1	-15.2	9.6	-16.6	8.2	1.6	-26.3	35.8	5.4	41.9	25.8	49.4	29.9	38.6	2.0	126.7									
Competitive Set	16.8	9.0	6.8	7.2	12.2	-0.7	19.5	11.7	8.0	18.4	11.0	8.9	-11.3	-1.1	-8.2	-3.9	-12.9	41.6									
Index	-11.5	-4.8	-14.0	-20.9	-2.3	-16.0	-9.5	-9.1	-31.7	14.7	-5.0	30.3	41.9	51.2	41.5	44.3	56.8	60.1									
Rank	6 of 6	5 of 6	5 of 6	6 of 6	3 of 6	6 of 6	6 of 6	5 of 6	6 of 6	1 of 6	4 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6									