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How To Be a Successful Revenue Manager: A Case from the Marriott Turkey Cluster

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Abstract
Revenue managers play a vital role in the hotel industry for maximizing revenues. The hotel industry also understands the importance of revenue managers. However, according to hotel revenue professionals, there is still a lack of qualified revenue managers. The purpose of this case study is to reveal the competencies of a successful hotel revenue manager. To achieve this purpose, an expert interview was done with a successful revenue manager in the Marriott Turkey cluster. It was found out that having good analytical and communication skills were essential to being a successful revenue manager. Understanding the local market and adopting brand standards were vital for effective revenue management.

Keywords
Revenue management, Hotels, Marriott, Turkey, Human resources

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Introduction

Revenue management (RM) was a strategy used by hotel companies to maximize revenue. It was a complex approach for managing supply and demand that needed to be driven by qualified revenue managers. RM was perceived as both art and science (Anderson & Xie, 2010). Advances in social media, digital marketing, safety and security concerns, and total hotel revenue management had a dramatic impact on the RM applications (McGuire, 2016). In addition to this, being a new field in the hospitality industry, RM did not have a stable set of rules applied to all situations. Thus, the RM application was perceived as a challenge by the hospitality industry.

Revenue managers had several challenges. These were personal challenges, internal challenges, organizational, industrial, and external challenges (Cetin et al., 2016). Personal challenges were related to work-life balance, being alert 7/24, and limited career growth opportunities (Demirciftci et al., 2017). Internal challenges might have been listed as information overload, lack of authority, and lack of qualified candidates (Demirciftci et al., 2017). Organizational challenges were classified as interdepartmental conflicts (particularly with sales), internal politics, and unbalanced responsibility and authority (Cetin et al., 2016). Industrial challenges were associated with the structure of the market, competitor actions, unstable demand, and seasonality (Cetin et al., 2016). Eventually, external challenges were interrelated to macroeconomic issues such as political, economic, and technological. To overcome these challenges, the hospitality industry regarded revenue manager competency as a critical skill for profit maximization.

The hotel industry understood the importance of revenue managers. Most international hotels had created several positions under the RM department, such as revenue analyst, revenue manager, and director of revenue (Demirciftci et al., 2017). Effective revenue managers allow hotels to increase their profits (Beck et al., 2011). A hotel revenue manager should have analytical skills such as forecasting, analyzing demand, and communication skills, e.g. listening and negotiation (Legohérel et al., 2013). Even though hospitality schools offered specific RM certifications or courses (Demirciftci et al., 2021), various hotel companies faced the challenge of finding qualified revenue managers (Wang et al., 2015; Legohérel et al., 2013; Koupriouchina et al., 2015). For example, Calvin Anderson, Hilton International's revenue executive, interviewed 20 hospitality students for the RM intern position. However, he said he could not find a qualified candidate (Koupriouchina et al., 2015). Hence, it is highly critical to find qualified RM professionals.

This study aims to reveal the competencies of a successful revenue manager. An expert interview was done to achieve this purpose with EE, selected as an Excellence, Leadership, Inspiration, Teamwork, and Execution (ELITE) revenue manager leader

in Marriott Europe and Marriott Global in 2017 (Marriott Sisli, 2018). He was asked several questions about the competencies of revenue managers and how to be successful in the Marriott Turkey cluster. Our findings, based on expert interviews, indicated that a revenue manager ought to think globally, act locally, communicate effectively, and think outside the box.

Literature Review

Knowledge Skills and Abilities (KSAs) OF REVENUE MANAGERS

A hotel can have an excellent RM system. However, this system could not have been beneficial if this system was not operated by a qualified revenue manager (Yeoman & Watson, 1997). Revenue managers were required to have several knowledge, skills, and abilities (KSA) to analyze guest behaviors, understand price sensitivity, and monitor competition (Hinterhuber & Liozu, 2012). If a revenue manager increases their knowledge, hotels might increase revenue (Skugge, 2004).

Three factors were significant for revenue managers' careers (Birdir & Pearson 2000). These are the education level, experience, and personality of revenue managers, which directly affect revenue managers' success. If a revenue manager lacks one of the competencies, another competency might lose its effectiveness. For instance, a revenue manager candidate could be successful in RM class at college. However, if the communication skills were not sufficient, his success in RM would be a low probability (Cetin et al., 2016).

Competition wars and commoditization were considered a big challenge for revenue managers (Carroll & Siguaw, 2003). It was known that most of the revenue managers did not have the competency to change room rates. Thus, marketing knowledge was essential for them (Demirciftci et al., 2017). In addition, economic theory, supply and demand, opportunity cost, price sensitivity, and knowledge about competition were also essential for the success of revenue managers (Chiang et al., 2006). Revenue managers had made many strategic decisions, so decision-making skills were vital. Knowledge of risk management and process management are assets for revenue managers (Lancaster, 2003). Knowing statistics was critical to forecasting. They should know several statistical forecasting techniques, such as regression, time series, etc. (Hallin & Marnburg, 2008). Therefore, a successful revenue manager needed to have analytical and communication skills, be a problem solver, and have leadership skills (Beck et al., 2011; Davies & Shafer, 2013; Koupriouchina et al., 2015). Legohérel et al. (2013) also summarized revenue management competencies (See Table 1 below).

Table 1
Revenue Management Competency Model

Competencies	Examples
Professional	Knowing revenue management theories
	Knowing revenue management applications
	Knowing marketing techniques
	Knowing sales techniques
	Knowing distribution channels
	Knowing budget
Management	Knowing contract negotiation
	Knowing pricing and market segmentation
	Knowing hotel technology system
Personal	Communication and negotiation skills
	Attention to detail
	Presentation skills

Revenue Management Applications in Marriot

The airline industry was the first industry to use revenue management. With the 1978 airline deregulation act, the airline industry started to use RM intensively (Tranter et al., 2009). After the airline industry had adopted RM, the hotel industry began to use RM applications. Marriot was the first hotel company to use RM intensively and benefited from RM (Hotel Tech Report, 2021). According to the Marriott 2020 annual report, the RM applications of Marriott provided a competitive advantage in pricing decisions, increasing efficiency, and generating extra revenue (Marriott, 2021). Bill Marriott , chairman of Marriott International company, supported that "RM has contributed millions to the bottom line, and it has educated our people to manage their business more effectively. When you focus on the bottom line, your company grows" (Hotel Tech Report, 2021).

Marriott has used automation for performing RM for individual bookings for more than 20 years (Hormby et al., 2010). Nowadays, 97% of Marriott's hotels use One Yield (Overby, 2005), an RM system designed for individual bookings. This system helps revenue managers forecast demand and allocate inventory related to price and length of stay (Hormby et al., 2010). Furthermore, Marriott created a fenced rate that would enable them to propose discounts for price-sensitive guests based on demand (Marriott & Cross, 2000). In addition to this, this system had a direct, seamless interface with Marriott Automated Reservation System (MARSHA), which processed more than 75 million transactions per year (Hormby et al., 2010). These RM systems helped Marriot generate $150 million and $200 million extra revenues (Marriott & Cross, 2000).

Marriott Turkey Cluster

Turkey was ranked 11th globally in absolute terms, visited by 52 million people (World Data Info, 2021). Turkey's tourism revenue was 42.35 bn $ in 2019,

corresponding to 5.6 % of its gross domestic product (GDP). 3 cities in Turkey were among the 100 most popular destinations globally. These destinations were Istanbul, Antalya, and Mugla (World Data Info, 2021). See Table 2 below.

Table 2
Most Popular Destinations in Turkey

City	Tourists	9 Rank
Istanbul	14,715,900	9
Antalya	13,332,100	12
Mugla	2,920,800	81

Note. The data are from *Tourism in Turkey* by *Worlddata.info* (https://www.worlddata.info/asia/turkey/tourism.php)

The major tourist destinations of Turkey were Istanbul and Antalya, which have historical places and coastal regions (GoTurkeyTourism, 2021). Istanbul had many historic sites, such as Topkapi Palace, Maiden's Tower, Sultanahmet Square, Rumeli Fortress, and Dolmabahce Palace (GoTurkey Tourism, 2021). Furthermore, Antalya is famous for crystal clear beaches with the bluest flag awards (certificate based on water cleanliness) (GoTurkeyTourism, 2021). Since Turkey is a tourism country, many international chain hotels have invested in Turkey. One of these global brands is Marriott.

Marriott has several hotels all around Turkey with different hotels operating in various cities such as Istanbul (20), Izmir (4), Ankara (3), Bodrum-Mugla, Bursa (2), and Samsun (1). Only in Istanbul, 20 Marriott hotels have operated in every hotel segment. In the luxury segment, these brands were JW Marriott, St Regis, and W. In classic premium segments, these brands were Renaissance Hotels, Marriott, Sheraton, and Delta Hotels. (Marriott, 2021). Since Marriott has many investments in Turkey, managing RM applications for their hotels is vital. Hence, they created a Marriot RM cluster under Mr. E-Market Director of Revenue Strategy at Marriott International, an RM expert who worked for several brands such as Accor, Hyatt, and Mandarin Oriental. His performance was so successful that he was chosen as an RM leader in Marriott Europe and Marriott global in 2017 (Marriott Sisli 2018). This paper has provided an overview of the Marriott Turkey RM cluster and Mr. E's success in the RM cluster in Marriott.

Methodology

Case studies have been used by hospitality researchers intensively. Cakar & Aykol (2021) reported that 871 case studies had been published in leading hospitality and tourism journals, such as Annals of Tourism Research, Current Issues in Tourism, etc. Creswell (2012) defined a case study as an "in-depth exploration of a bounded system (e.g., activity, event, process, or individuals) based on extensive data collection (465)." The main advantage of the case study was that an entire organization or individual

could be analyzed in-depth (Zikmund et al., 2013). Thus, a case study was utilized to understand the competencies of a successful revenue manager in the Marriott group.

An expert interview was used for collecting data in this study. Expert interview is a qualitative empirical research method used to explore expert knowledge (Meuser & Nagel, 2009). There are several benefits of expert interviews. First, it shortens the data gathering process (Meuser & Nagel 2009). Second, this data collection method is proper since the expert has intensive knowledge about his concentration (Meuser & Nagel 2009), which provides undiscovered issues related to his topic. Therefore, an expert interview was used in this study.

After analyzing current literature in-depth, a zoom interview was conducted with Mr. E in December 2020. Four questions below were asked to him. The duration of the interview was 70 minutes. This interview was electronically recorded. At the end of the interview, 10 pages of transcription were created.

• What was your background?

• How did you define being a good revenue manager?

• What made you successful in Marriott Turkey Cluster Group?

• What did you recommend for future revenue managers?

Findings

Background Information

After completing his tourism and vocational high school in hospitality management in Istanbul in 2002, he moved to Ankara to do his bachelor's degree in tourism at Gazi University. He graduated from Gazi University in 2006. Mr. E first started to work in the Accor group as a front office agent in Istanbul in 2007. Then, he was promoted to the front office team leader in the Accor group. Since he had excellent Excel skills, he was offered a position as a multi-hotel revenue coordinator responsible for Novotel and Ibis Istanbul Zeytinburnu. During his tenure in Accor, he finished his master's degree focusing on e-marketing in Novotel hotels at Istanbul University. In addition to this, he completed the Accor's RM dimension program - a mandatory program needed to be completed by the revenue managers - (Accor, 2015) while working for the Accor hotel group. He stated that the RM dimension program in Accor and his thesis about e-marketing sharpened his RM skills.

After working in the Accor group for five years, he worked for Renaissance Polat Istanbul and Renaissance Istanbul Bosphorus as a cluster revenue manager between 2012 and 2014. During his tenure there, he helped implement a high-performance

pricing system and created the current RM strategy dashboard for the hotels. During his tenure there, the hotel maximized its RevPAR dramatically by 20%. After working there for two years, he started working for Hyatt Regency Atakoy , a pre-opening hotel in Istanbul, and worked there for 2 years, He implemented the Maxim RM system there, which improved his RM software experience.

After Hyatt, he started to work for Marriott as a market director of strategy. He is responsible for managing RM applications of 11 hotels in total. Five of these hotels are in Istanbul (Istanbul Marriott Hotel Sisli, JW Marriott Istanbul Bosphorus, Sheraton Istanbul City Center, Courtyard by Marriott Istanbul, and Le Meriden Istanbul). Two of these hotels are in Ankara (JW Marriott Hotel Ankara and Sheraton Ankara Hotel & Convention Center). One hotel is located in Izmir (Renaissance Izmir Hotel), and one hotel is in Bodrum Muğla (the Bodrum Edition). Two of them are outside Turkey (Sheraton Batumi Hotel in Georgia and Skopje Marriott Hotel in Macedonia). Under his supervision, there is one senior revenue manager, two revenue managers, and one revenue analyst.

Being A Successful Revenue Manager in Marriott

Mr. E stated that establishing global standards was important for revenue managers. He added that Marriott had more than 7000 hotels globally, and it had long RM history offering many tools and standards. In addition, the company had a sophisticated RM system. He stated that we needed to adapt brand standards and RM tools as much as possible. Automation and adapting brand standards would be great for our company and our associates. Hence, selling correct rates and upselling were critical for RM success.

The second most important thing was that understanding the local market was a key for RM success. He argued that Turkish hospitality was fragile. Several dynamics have impacted it: security, terrorist activities, economy, and pandemic. He also mentioned the lack of qualified RM candidates in Turkey, and the talented revenue managers went to Middle East countries such as Qatar, United Arab Emirates, or the US. These issues had created challenges for Turkish hospitality executives. Thus, he stated that "*you have to think globally, act locally as a revenue manager.*"

He stressed the importance of communication. He mentioned that communication skills were as crucial as analytic skills. He noted that 50% of reservations came from digital channels. 50% of demand had come from sales, reservations, and the front office. Thus, according to him, managing offline demand was critical. In addition to this, he noted that RM in Turkey was still new. Employees in Turkish hotels did not have a strong background in RM. Teaching RM to them was vital for effective RM. He added that the RM team also learned many things from the operation departments,

which helped set rates. Other stakeholders such as the director of sales and marketing, general managers, and owners were also important for RM strategies.

Mr. E also reported that technology significantly affected RM, and big data was getting more prominent and more significant in the hotel industry. He said that he was fortunate that Marriott had its RM tools. He noted that he had improved these tools by customizing Excel. These tools have created bridges between global standards and the local market. These tools were automatic group displacement analysis, three months pace statistics, STR positioning, and competition check. He mentioned that time management was critical for revenue managers, and these tools helped him be an effective revenue manager by automating reports. Hence, his hotel performances had experienced single-digit and double-digit growth depending on the market. Marriott saw his success and was chosen as an ELITE Award winner in 2017 among 7000 hotels and 100 clusters. Elite stands for several qualities; Excellence (E), Leadership (L), Inspiration (I), Teamwork (T), and Execution (E).

Final Recommendations for Future Revenue Managers

Mr. E recommended that future revenue managers should focus on the big picture, not details. He added that technology was improving a lot. However, the critical fundamentals of RM were the same according to him. He stressed the importance of automation to track key performance indicators such as pace reports and displacement analysis in less time but more efficiently. He said that innovation was vital for students. He advised students to think about how to improve themselves and RM tools every day to be innovative. In addition to this, he suggested that future revenue managers should embrace brand standards if they have a chance to work for international chain hotels. This would help them to improve themselves. Moreover, he advised students to be tech-savvy with information about artificial intelligence and machine learning. He added that they needed to be comfortable with new software tools. Finally, he mentioned the importance of communication and added that communication was as important as analytical skills.

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Conclusion

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This current study investigated the Marriott Turkey RM cluster and Mr. E's success in Marriott. In this study, the KSAs of revenue managers were discussed. Brief information was given about Marriott RM applications and the Marriott Turkey cluster. This study showed that communication and analytic skills were vital for revenue managers. This case study has confirmed the findings of Kimes (2011), Cetin et al. (2016), and Demirciftci et al. (2017) regarding communication and analytical skills. Moreover, adopting brand standards allowed revenue managers to apply RM applications more effectively. Educating the operational employees was critical to

creating RM culture in the hotel industry since 50% of sales were generated from non-online channels. Cetin et al. (2016) supported that cooperation among departments for adopting organizational RM strategy was vital. In addition to this, automation was essential for revenue managers, which helped them save more time. Finally, he recommended students to improve their knowledge every day and be creative. He mentioned that big data and artificial intelligence would be vital in the future. However, he noted that human judgment was still crucial for effective RM decisions. Egan and Haynes (2018) verified that even though big-data automated RM systems have the technical ability to make pricing and inventory decisions, revenue managers still use human judgment for data collection and price changes.

This study showed the importance of automation and recommended other revenue managers automate RM tools, which helped them save time. It has revealed that understanding the local market is critical for revenue managers. The study findings will help other revenue managers determine better RM strategies by adopting brand standards.

This paper has several limitations. First, the sample size is limited for this kind of study. In the future, more interviews could be conducted with revenue managers working for other international brands or independent hotels. Other members of the revenue manager, the Marriott Turkey cluster, might be interviewed in the future. Furthermore, this study can be conducted in other parts of the globe.

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