Revenue Management for Small Hotels: A Practical 30-Day Plan to Lift RevPAR

HotelDost brings to you a simple, actionable, and made for owner-managers playbook, for fast results.

Why this matters: pricing is the most effective lever you've got to move top-line revenue. Tweak the right rates at the right time and your profit line will thank you. Small hotels that track the right metrics, set disciplined rate rules, and pick a cost-effective RMS can see quick, measurable lifts in RevPAR.

Quick definitions (so we're speaking the same language)

- **ADR (Average Daily Rate):** average room rate for rooms sold.

- **Occupancy:** % of rooms sold vs rooms available.

- **RevPAR (Revenue Per Available Room):** a fundamental KPI which simply means how much money a hotel makes per room, whether the room is sold or not.

- **LOS (Length of Stay):** average number of nights per booking.

Use these every day. If you don't track you're steering blind.

The Premises

A disciplined pricing routine beats random promotions. Small hotels can increase RevPAR faster by adjusting rates intelligently (not randomly). Use simple rate rules, rival intel, event calendars, and a pocket-friendly RMS. **India's online travel market is growing fast — which makes smart pricing essential, not optional.**

The 30-Day Plan

Goal: To put live rate rules in place, run 2 short pricing experiments, and raise RevPAR within 30 days.

Week 0 — Prep (Day 0 — do before you start)

- **Export last 12 months of bookings:** date, room type, rate, source (OTA / direct), LOS, channel commission.

- **Create a one-page dashboard:** ADR, Occupancy, RevPAR, LOS (monthly and rolling 30-day).

- **Pick your 4–6 competitor hotels** (similar star level, location, amenities) — these will be your comp set.

Week 1 — Baseline & housekeeping (Days 1–7)

Day 1: Calculate current RevPAR baseline (monthly + rolling 30-day).
Day 2: Confirm channel parity and rate maps on OTA portals. Fix obvious mapping or allotment   errors.
Day 3: Clean your rate cards — remove duplicate rate plans and outdated packages.
Day 4: Build a *Competitor Snapshot* (ADR, visible rack, special packages) for next 90 days.
Day 5: Create three rate buckets: Base (target occupancy), Premium (weekend/peak), Value   (last-minute/low   demand).
Day 6: Decide guardrails (min ADR, max discount) – base your minimum on breakeven   +   desired   margin.
Day 7: Communicate changes to front-desk & reservations team – no surprises.

Week 2 — Rules & experiments (Days 8–14)

Day 8: Implement **Rule A – Weekend Premium**: +15–25% on Friday–Saturday if projected   occupancy   >   60%.
Day 9: Implement **Rule B – Event Surcharge**: fixed % uplift during local events/festivals.   (See   use   case   below.)
Day 10: Implement **Rule C – Advanced-Purchase**: –10% for 14+ days advance, non-refundable.   Limit   to   20%   of   inventory.
Day 11: Implement **Rule D – Last-Minute**: –12% discount for bookings within 48 hours

if occupancy forecast < 50%.

Day 12: Start A/B test: keep one OTA rate unchanged, raise your direct web rate by 8% (see results after 7 days).

Day 13: Confirm channel manager / RMS sync. If still manual, block 15 mins twice daily for rate updates.

Day 14: Review first 7 days' moves and note immediate wins/losses.

Week 3 — Seasonal + Packaging (Days 15–21)

Day 15: Build 2 simple packages: "Staycation" midweek (room + breakfast + late checkout) and "Family Weekend" (min LOS 2 with breakfast).

Day 16: Map local festival calendar (city events, trade shows, school holidays) for next 6 months and assign event surcharges.

Day 17: Lock minimum LOS rules for identified high-demand dates (min 2 or 3 nights).

Day 18: Push packages to your website + one OTA. Track conversion.

Day 19: Train reservations on upsell scripts (e.g., "For ₹500 more, upgrade to breakfast+early check-in").

Day 20: Check cancellations/penalties and tighten non-refundable rules if abuse is observed.

Day 21: Review mid-month KPIs and fine-tune.

Week 4 — Iterate & automate (Days 22–30)

Day 22: Analyze A/B test results: did direct gets better conversion with higher price? Adjust.

Day 23: Run last-minute blitz if predicted occupancy < 40% for next 3 days.

Day 24: Evaluate channel manager / RMS shortlist — assign POC demos. (Checklist below.) [AltexSoft](#)

Day 25: Adopt one RMS/channel manager or sign a 30-day trial.

Day 26: Document successful rules in a "Ratebook" spreadsheet (transfer these rules to RMS).

Day 27: Measure RevPAR change vs Day 1 baseline.

Day 28–30: Prepare a 1-page "What worked / what didn't" and plan the next 60 days.

Competitor rate intelligence — how to set rules (short & brutal)

1. **Pick 4–6 true comps** — not big brands, similar rooms and audience.

2. **Monitor 14–90 day windows** — see who's discounting early and who's trying packages.

3. **Set automated rules**: weekend premium, event surcharge, min LOS, last-minute. Use percentage bands not single rupee values (easier to automate).

4. **Rate fences**: differentiate by refundability, LOS, booking source. Rate fences are your friend — they let you segment customers without looking cheap.

Seasonal & event-based pricing – local festival calendar + use case

Local festivals and city events = guaranteed demand spikes. Build an *events calendar* (municipal + ticketing + convention center + colleges). Example use case (generic, copy-to-your property):

- **Event**: City Music Festival (Fri–Sun) — projected +40% demand

- **Rule**: +25% ADR uplift; Min LOS 2 nights; block 10% inventory for group/agent allotment.

This is not guesswork – match historical pick-up patterns during similar events and set rules accordingly. Festivals like Diwali, Holi, or city-specific events typically repeat annually and are prime targets for min LOS and surcharges.

All you have to do is stick to this strategy and watch your RevPar transform!