

# Yield Management

## How does Yield Management work?

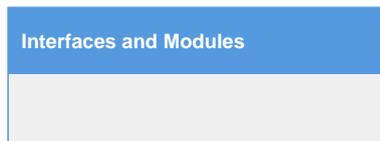
### Step 1: Create a Yield Profile

The first step is to create a Yield Profile where you set either occupancy and/or time rules to alter rates. See [Setup Yield Profile](#). There are four combinations of occupancy and date range settings to choose from:

- [Occupancy Only](#)
- [Time Only](#)
- [Occupancy and Time](#)
- [Occupancy or Time](#)

For example, An Occupancy Yield Profile could be used to:

- Raise rates by 10% when occupancy is above 80%.
- Lower rates by 10% when occupancy is below 20%
- Offer a discounted Rate for bookings made 60 Days in advance.



### Step 2: Add Rates to Yield Profile

Then, add the Rate(s) that you want to apply the Yield Profile. A Yield Profile can be applied to one or more Rate Plans and a Rate Plan can have multiple Yield Profiles applied. See [Yield Profile - Add Rate](#)

### Step 3: Allocate the "Yielded" Rate Plans to Agent Channels

Allocating a Room Type and Rate Plan involves the same function for all channels in Agent Relationships. To see which Room Types and Rate Plans are allocated to an Agent Channel or to ADD or DELETE a Room Type/Rate Plan allocation. See [Add or Delete Allocation](#). If you are creating new Rate Plans for your Yield Profiles then you will need to allocate them to the Agent Channel needed. If the Rate Plans (such as a RACK Rate) are already allocated to a channel and you simply want to enable Yield Management for that Rate Plan, then simply Activate Yield Management for the Rate Plans in a specific channel. See Step 4 for Activation Steps.

### Step 4: Activate Yield Management in Agent Channels

After the 'Yield Profiles' have been built and the selected Rate Plans have been added, there is one more step needed to activate Yield Management for each Room Type in an Agent Channel. Since Yield Management can be activated [by Room Type in each Channel](#), you can offer yielded rates for one or all of the Rate Plans, on one or all Agent Channels. See [Activate Yield Management](#)

For Example, Yield Management could be activated for the TWIN Rate Plan on Booking.com and Expedia, but not for the TWIN Rate Plan allocated to MyPMS Front Desk and Website.

### Yield Grid

Finally, in order to easily view how Yielded rates are affecting your Agent Channels, we have a 'Yield Grid' that allows you to see how rates are being set, per Agent Channel, based on a calendar view. This tool, when set next to the 'normal' Rate Grid, visually shows how rates are being affected to each Agent Channel. Note that the example below assumes that the Agent Channel has a 'Rate Loading' set in addition to the Yield, making the Rate first 'loaded' by 11% and then 'yielded' by the amount set in the Yield Profile.. Thus there are two modifying calculations being applied to the rate via this Agent Channel. See [Yield Grid](#)

### Tips and Best Practices

- Group Booking 'hard allocations' affect your occupancy, so be clear that allocating to Groups will affect your rates if 'Yielded' according to Occupancy. Some Groups cancel and this can have unintended consequences on occupancy patterns.
- Rates can be 'Yielded' for either Time or Occupancy. If you just want Rates to rise or fall according to 'Time' (ie, 7 days prior to arrival) you can use the Yield Management Module to affect rates only based on the Time value, regardless of Occupancy. This makes the Yield Management Module a 'last minute' rate tool.
- Rate tracking can become complex, as both 'Rate Loading' and 'Yielding' can affect a Rate's price. This tool is best used by a Revenue Manager who understands and tracks Rates as a professional. It's for this reason that BookingCenter charges a monthly fee for the service, as our support staff often has to untangle questions relating to the various channels a rate is booked.
- Once a rate has been delivered to an Agent Channel (such as an OTA like Booking.com or Expedia), it can take up to an hour for the Yield feature to be turned 'off' and over-written with new rates, so be aware that not all OTAs process multiple rate updates immediately.
- Yield management affects only Rate pricing for the 'First x people' on 'occupancy rates' and the price for 'flat rates'. It does NOT affect pricing for 'additional adults/children' nor does it affect Minimum or Maximum Length of Stay values.
- When setting up Yield management you must choose either a **flat** rate yield, ie: \$10 or a **percentage** yield, ie: 10% to increase or decrease your rates. You cannot mix the two paradigms.