

**BUSINESS
AND LAW**

SCHOOL OF INTERNATIONAL BUSINESS

YIELD MANAGEMENT BHO 3311

REVENUE MANAGEMENT BHO3312

UNIT OF STUDY GUIDE

SEMESTER 1 2013

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UNIT OF STUDY GUIDE

VICTORIA UNIVERSITY
FACULTY OF BUSINESS & LAW
SCHOOL OF INTERNATIONAL BUSINESS

YEAR	2013	SEMESTER	1
UNIT TITLE	Yield Management / Revenue Management		
UNIT CODE	BHO3311 / BHO3312		
PRE-REQUISITES	Nil		
CREDIT POINTS	12		
MODE OF DELIVERY	On-campus (Freiburg)		
UNIT COORDINATOR	NAME	Paul A Whitelaw	
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UNIT LECTURER & TUTOR	NAME	Paul A Whitelaw	
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LECTURE TIME & LOCATION	Please refer to the daily schedule		

DESCRIPTOR

The purpose of this unit of study is to introduce students to *Yield Management*, which is a demand based pricing system employed in the broader services industries, and especially hospitality and tourism and events. The use of yield management is seen as a critical change in the setting of price in the hospitality and tourism industry and, coupled with information technology, especially the internet, is having long term strategic impacts on the industry. This unit also explores the role and function of the "revenue manager" the key executive responsible for managing the pricing and supply policies in hotels and airlines and events companies within the hospitality and tourism industry.

LEARNING OUTCOMES

On successful completion of this unit, students should be able to:

1. evaluate the role and importance of yield management in hospitality and tourism and events;
2. distinguish yield management in terms of its component parts, strategic factors and critical considerations;
3. conduct analytical procedures, including demand analysis, forecasting, pricing, and optimisation needed to apply yield management; and
4. research key aspects from the current literature on yield management practices

UNIT CONTENT

Topics to be covered include: revenue management, market segmentation, "4-C Strategy", pricing, linear programming and yield management practical application.

LEARNING IN THE WORK PLACE & COMMUNITY

30% of the assessment in this Unit of Study will relate to learning in the workplace. The learning in the workplace activity that is included in this Unit of Study is Assignment 3, using an on line simulator to solve several yield management problems related to the hospitality and tourism and events industry.

TEACHING & LEARNING STRATEGIES

This unit is delivered over a seven day period, Monday FEB 25 through to Tuesday MAR 5 inclusive. Lectures will be held from 09:30 – 12:30 whilst seminars, workshops and computer labs will be held from 13:30 – 16:30. Friday MAR 1 will be a “team project day”. Classes will not be scheduled on this day, but students are expected to work on their draft submissions.

GRADUATE CAPABILITIES

Victoria University's Graduate Capabilities are generic skills that all students should possess at graduation. These skills are in addition to the specific knowledge and skills associated with the discipline area of students' degrees. Graduate Capabilities are divided into five levels (for undergraduates) and will be achieved progressively with increasing levels of sophistication. A full description of the Graduate Capabilities can be found in the VU Graduate Capabilities policy pages 7-8.

This unit of study contributes to development of these Graduate Capabilities in a number of ways, with emphasis on Problem Solving, Communication and Managing Information. Table 1 offers examples of how the teaching and learning activity(ies) in this unit and the assessment tasks correspond to each Graduate Capability. The shaded boxes are capabilities on which this unit of study particularly focuses.

Table 1: Unit of Study Graduate Capabilities

Graduate Capability	Level	Description of Graduate Capability*	T & L Activity and Assessment
Problem Solving	P5	Identify and solve a broad range of complex problems, drawing on in-depth knowledge, understanding, reflection and evaluation.	Test, Data analysis & exam
Work Collaboratively	W5	Work individually and/or collaboratively with others, to complete tasks and critically evaluate and respond to own and others' performance using established parameters.	Tutorial Activities & Industry and literature study
Communication	C5	Communicate with others, using speech and writing, on a broad range of complex topics using specialised and appropriate language and demonstrating control over key genres/text types required.	Tutorial Activities, Exam, Industry and literature study & Data analysis
Managing Information	I5	Find, critically evaluate, synthesise and generate ideas through the application of complex information on a broad range of topics, for a range of purposes.	Tutorial Activities, Industry and literature study & Data analysis

GRADE SETS

There are five grade sets, namely fail (N: 0-49%), pass (P: 50-59%), credit (C: 60-69%), distinction (D: 70-79%), and high distinction (HD: 80-100%).

ASSESSMENT

The assessment scheme has 4 components as listed below:

Assessment	Weight	Learning Outcomes	Format	LiWC	Graduate Capabilities	Due Date
1. Multiple Choice Test	10%	3	Multiple Choice Test Component of Major Essay (this is a content free assessment – you don't need to study for it)	n/a	P5	Monday 25 FEB
2. Industry and literature study	20%	1, 2 & 4	Group Report	n/a	I5, C5 & W5	Wednesday 3 APR
3. Data analysis	30%	3	On line simulation (Group)	Data analysis	P5, C5 & I5	Monday 11 MAR
4. Final exam	40%	1, 2, 3 & 4	Exam (2 hours, essays)	n/a	P5 & C5	Friday 22 MAR

A summary of assessment tasks follows. Full details will be released over WebCT in due course:

1. Full assessment/assignment details;
2. Criterion referenced assessment guide for each assignment as required; and
3. Assignment Declaration cover sheet, with Assessment Criteria completed and a separate cover sheet loaded for each assignment.

ASSESSMENT TASKS

Assessment 1 – Multiple Choice Test (10%)

This will involve a suite of paper based multiple choice tests that will help benchmark your critical thinking skills. The assessments will also provide some feedback for your subsequent assessment activities. The assessment will take place during the after session on Day 1, Monday 25 FEB.

Assessment 2 – Industry and literature study (20%)

Word limit 1,000 words solo, +500 words per partner.

This assignment aims to help students develop the analytical skills in summarising and evaluating information, using practical and modern industry examples. This assignment is to be completed with a 'partner' from your tutorial group.

Note: Students can work alone or in groups (maximum 4 students) on this assignment. Standards will be adjusted to reflect the number of members in the group.

Scenario

Yield Management can be described as the tool which can make a substantial difference in revenue and profit maximisation (Donaghy et al., 1995). After establishing a solid foundation in the airline industry, in the last few years there has been a rapid development in the application of Yield Management to the hospitality industry, and this can be supported by the amount of materials published in this area. We are now starting to see examples of Yield Management in other areas, including Events. There are also several success stories of industry examples using the Yield Management concept.

In a report format, discuss the main developments of Yield Management in the hospitality industry using examples from the academic literature and industry applications. For example, you can describe the current technologies and techniques available to measure yield management. In your discussions, you need also to highlight the advantages and problems of using Yield Management, especially in terms of its positive and negative effects on hotel guests. You are also encouraged to compare the current developments in the hotel industry to other industries (restaurants, airline, MICE) and highlight potential areas of improvements. You can support your discussions with graphs and pictures from hotel websites or any other relevant sources. You are welcome to use examples based on your work experience in any hospitality related property. This will be discussed in class in more detail.

Assessment 3 - Data analysis (30%) word limit

In this assignment you will be required to operate a business simulation (hotel, rental car) analyse performance, make strategic and tactical recommendations and write a report on your experience. Further information will be posted on Blackboard (WebCT) in due Course.

Note: Students can work alone or in groups (maximum 4 students) on this assignment. Standards will be adjusted to reflect the number of members in the group.

Assessment 4 – Final exam (40%)

A 2-hour exam will take place on Friday 22 MAR. The exam will comprise 6 questions of which you must attempt four. Students will be tested on the materials covered during the semester.

REQUIRED READING

Given that we have students from hospitality, tourism and events, we will not use a text book. A collection of readings will be provided during the semester. An EndNote Web library will be provided in class.

SOME INTERESTING TEXTS

Hayes, D. and Miller, A. 2011 *Revenue Management for the Hospitality Industry*. Hoboken, NJ: Wiley.

Tranter, K, Hill, T and Parker, J. *An Introduction to Revenue Management for the Hospitality Industry*. Upper Saddle River, NJ: Prentice Hall, 2008.

Ingold, A., McMahon-Beattie, U., Yeoman, A. 2000. *Yield Management*. Continuum, London.

FURTHER READING

Students are encouraged to use the VU Library's e-journals and databases which are available through the Library homepage. Electronic sources of particular interest to students will include *Science Direct*, *Emerald*, *EBSCO*, and *ProQuest*. In addition, a number of general internet search websites will be useful for preliminary student searches (e.g. google, google scholar). The following is a selection of online academic journals of relevance to the tourism and hospitality industry:

- Annals of Tourism Research
- Australian Journal of Hospitality Management
- Cornell Hotel and Restaurant Administration Quarterly
- Hospitality Accommodation
- Hospitality Education and Research Journal
- International Journal of Contemporary Hospitality Management
- International Journal of Hospitality Management
- International Journal of Tourism Research
- International Journal of Tourism and Hospitality Research
- Journal of Hospitality and Leisure Marketing
- Journal of Hospitality and Tourism Research
- Journal of Pricing and Revenue Management
- Journal of Sustainable Tourism
- Journal of Tourism Studies
- Journal of Travel and Tourism Marketing
- Journal of Travel Research
- Tourism Review International
- Progress in Tourism and Hospitality Research
- Restaurant Hospitality
- Tourism Management

Schedule for BHO3311 Yield Management (ABS February – March 2013)

	Lecture (09:30 – 12:30)	Tutorial, Workshop, Lab (13:30 – 16:30)
MONDAY 25 FEB	Welcome, administration, general introductions Orientation to Revenue Management	Assignment 1 Pencil and Paper Assessments
TUESDAY 26 FEB	Economic Fundamentals (Tourism, Hospitality and Events)	Assignment Workshop Critical Writing, EndNote Web
WEDNESDAY 27 FEB	Market Segmentation, Demand Patterns, Price Sensitivity, Booking Horizon	Simulation and Workshop
THURSDAY 28 FEB	Operations Management: Forecasting, Inventory Management, Pricing	Simulation and Workshop
FRIDAY 1 MAR	ASSIGNMENT DAY – NO CLASSES SCHEDULED	
MONDAY 4 MAR	Distribution Channels and Analytics	Simulation and Workshop
TUESDAY 5 MAR	Equity, Legal, and Social Issues	Wrap up, exam preparation, next steps Farewell

SIB STUDENT GUIDE

See the SIB Student guide in Blackboard for additional important guidelines and help for all your Units of Study. This guide includes the following topics:

1. WELCOME
2. ABOUT THIS GUIDE
3. STUDENT RESPONSIBILITIES AND CONDUCT
4. STAFF RESPONSIBILITIES AND CONDUCT
5. STUDENT LEARNING SUPPORT CENTRES
6. GUIDELINES FOR THE PRESENTATION OF WRITTEN WORK
7. REFERENCING
8. ENDNOTE WEB
9. ACADEMIC HONESTY AND PLAGIARISM
10. TURNITIN
11. SUBMISSION OF WRITTEN WORK
12. APPLICATIONS FOR EXTENSION
13. SPECIAL CONSIDERATION
14. SUPPLEMENTARY ASSESSMENT
15. STUDENT COMPLAINTS PROCESSES/GRIEVANCE POLICY
16. QUALITY IMPROVEMENT