

Success Story

Meliá Hotels International

How Spain's Largest Hotel Chain Tackled Demand Volatility

RateGain's Solution : Demand-AI Airline Travelers Forecast

Key Results

- » Achieved **90%+** Demand Forecasting Accuracy
- » Clarity on key source markets - **90 days** before the check-in dates
- » Better **ROI** Assessment by comparing Travelers' Forecast with Pre-Covid Actuals



A little about Spain's Largest Hotel Chain

Founded in 1956 in Palma de Mallorca (Spain), Meliá Hotels International is one of the largest hotel companies worldwide as well as the absolute leader within the Spanish market, with more than 370 hotels in 41 countries (current portfolio and pipeline) in more than four continents under the brands: Gran Meliá Hotels & Resorts, Paradisus Resorts, ME by Meliá, Meliá Hotels & Resorts, Inside by Meliá, Sol Hotels & Resorts and TRYP by Wyndham.



The Challenge of Demand Volatility

Meliá has been using RateGain's connectivity solutions since 2017. With an extensive network of over 400+ demand partners, Meliá properties got access to new OTAs to generate more demand.

Increased volatility due to COVID-19 made it difficult for marketing & commercial teams to plan their marketing optimization, pricing & distribution strategy. Traditionally, they relied on sources that leverage lagging indicators (like occupancy, booking pace, seasonality) to forecast demand, factors that in peak Covid times had limited relevance.

Even though many cities witnessed recovery after 2 years, uncertainty still looms. Shorter Booking Patterns, Erratic Length of Stay made demand forecasting a tough nut to crack.

Travel demand is volatile, and it will stay that way even after Covid. You can't track the impact of political, macro, and micro factors (a few of which are listed below) on travel demand in real-time using historical data. Instead, you need multiple forward-looking indicators.

Thus accurately forecasting demand, generating more bookings and ensuring higher returns on marketing spends amidst the volatility were key.

Objectives

Their main objectives behind implementing Demand-AI Airline Traveler Forecast comprised:

- » Forecasting Demand Accurately
- » Generating More Bookings
- » Increasing Returns on their Marketing Investment



How did Melia Solve This Challenge of Volatility

Being an existing customer for many years and satisfied with RateGain’s strong technical efforts, easy-to-use solutions, and a multitude of partner connections, Meliá took into consideration and started using insights from ATF on a trial basis. And eventually subscribed for 5 Spanish cities – Malaga, Tenerife, Mallorca, Alicante & Ibiza and 2 Mexican Cities - Cancun & Punta Cana.

When the forecasts provided were compared with the actuals in the next few months, the accuracy was above **90% for all cities.**

Achieved **90%+**
Forecasting Accuracy

1. Airline Travelers Forecast

ATF offers clarity to Meliá’s properties on how many airline travelers are expected to arrive to respective cities in the next 90 days.

Tenerife’s Airline Travelers In The Next 90 Days

Next 30 Days			Next 31 - 60 Days			Next 61 - 90 Days			Total		
481,168			521,609			522,454			152,5231		
↑ 15%	↑ 134%	↓ -11%	↑ 13%	↑ 191%	↓ -6%	↑ 4%	↑ 159%	↓ -5%	↑ 10%	↑ 160%	↓ -7%
2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019

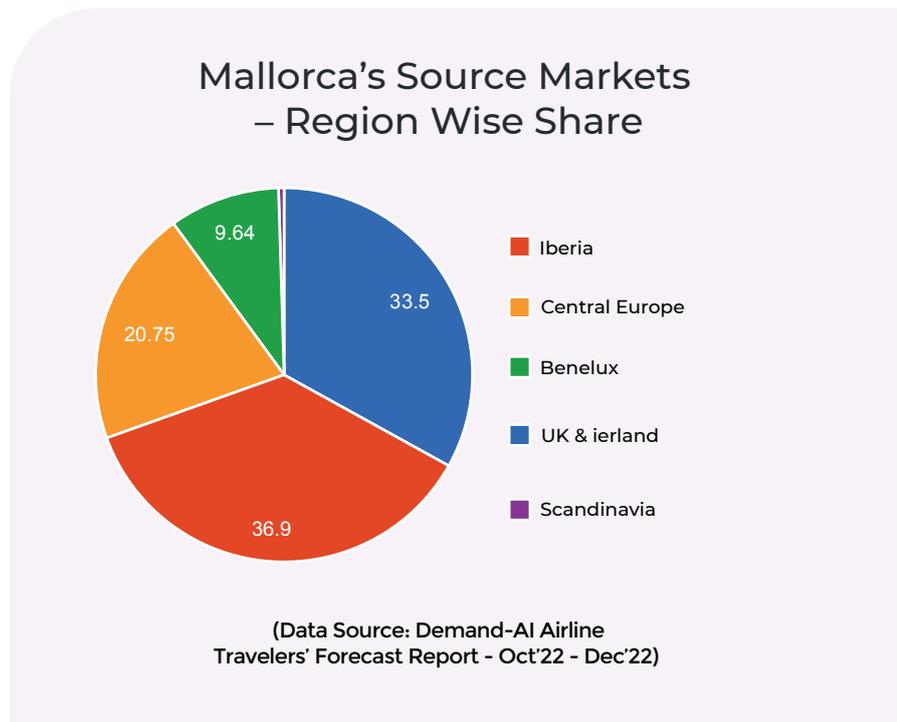
(Data Source: Demand-AI Airline Travelers' Forecast Report - Oct'22 - Dec'22)

2. Source Market Intelligence

Meliá pre-defined the source markets and asked these to be grouped into regional buckets – Iberia, Central Europe, Benelux, UK & Ireland, Scandinavia

Referring the source market intelligence, Meliá’s Properties are able to connect with new demand partners in growing source markets using RateGain’s Channel Manager

Marketing is able to run campaigns efficiently with visibility on where travelers are coming from



3. Comparison With Previous Years

With Destination and Previous Years' Comparison View, Cluster teams are able to assess ROI and take better decisions.

2022 - Forecast	Source Markets				
	Iberia	Central Europe	Benelux	UK & Ireland	Scandinavia
Tenerife	1,99,123	51,911	31,261	1,18,596	6,219
Mallorca	3,42,970	5,82,041	48,298	2,07,691	40,925
Malaga	1,09,824	71,944	75,716	2,25,350	69,689
Alicante	59,728	34,970	58,438	1,87,835	51,063
Ibiza	98,133	56,410	26,199	89,854	1,302

2019 - Same Timeframe (Pre-CoVid) (Actual)	Source Markets				
	Iberia	Central Europe	Benelux	UK & Ireland	Scandinavia
Tenerife	2,32,348	68,193	26,799	1,39,552	7,026
Mallorca	3,17,385	6,11,938	44,219	2,53,377	40,344
Malaga	1,10,214	1,05,757	76,845	2,86,120	80,718
Alicante	69,715	64,074	65,963	2,75,745	75,024
Ibiza	1,40,360	51,699	31,215	87,846	1,001

(Data Source: Demand-AI Airline Travelers' Forecast - Oct'22 - Dec'22)



We truly value our relationship with RateGain as the provided solutions are very close to our real business needs helping us to increase our benefits by reaching more customers with less cost".

Laura Palomares
Integrations Service Manager.



Professionalism and service offered by the RateGain account management team offering after-sales support are remarkable. We feel the post-sale service team always takes care with patience and attention to Meliá's needs.

Thomas Adler
Revenue Operations Director



About Demand-AI ATF

Airline Travelers' Forecast is part of RateGain's Demand-AI, a solution that was launched last year to help the industry tackle the problem of unreliable historical data to forecast demand using real-time intent data gathered from searches, events, and forward-looking data such as hotel and airline bookings.

With Airline Travelers' Forecast, hotel & travel marketing teams can optimize their campaigns and take corrective actions based on an accurate understanding of the actual number of travelers, the source market mix, and the demand from these markets over the next 90 days. In addition, marketers are also able to see a detailed view of the scheduled flights and charters driving this demand, day-wise break down to understand high impact/travel dates, and compare airfare and hotel ADRs with historical data.

To get a free copy of ATF for your city, register [here](#)

