

San José State University
Department of Hospitality Management
HSPM 154 Revenue Management (27937, Sec. 1)

Spring 2014

Contact Information

Instructor:	Dr. Yinghua (Michelle) Huang
Office Location:	SPX 53
Telephone:	(408) 924-3274
Email:	yinghua.huang@sjsu.edu
Office Hours:	Tuesday and Thursday, 10:00 am to 11:00 am
Class Days/Time:	Tuesday and Thursday, 3:00 to 4:15 pm
Classroom:	SPX 209
Prerequisites:	HSPM 105

Course Description

Formulating tactics and strategies to maximize revenues for hospitality organizations. Topics include: history of revenue management, reservation systems, forecasting demand, inventory control, cost analysis, pricing strategy, channel management, revenue management tactics, and applications.

Course Goals and Learning Objectives

Course Learning Outcomes (CLO)

Revenue management can be described as the formulation and solution of strategies and tactics to sell the right product/service to the right customer at the right time for the right price. In fact, to implement revenue management, it requires a set of techniques including using information system to establish baseline data, managing time constrained and perishable inventory, cost analysis and pricing strategy, and analyzing and segmenting customers to identify those time sensitive customers who will be willing to pay higher price toward deadline. Although it was developed by airlines, more and more hospitality organizations are implementing revenue management to maximize revenue and profits. As a result, there are high demands for well-trained revenue management personnel in the hospitality industry.

Revenue management has become an increasingly popular subject to be taught in hospitality management programs. This course is designed for hospitality students who are interested in higher level managerial position responsible for the financial performance of a hotel. Topics covered will include a review of the historical development of revenue management, reservation systems, forecasting demand, inventory control, cost analysis, pricing strategy, channel management, and revenue management tactics (i.e., overbook, discount allocation, and demand management).

Teaching format will include: lectures and discussions, guest speaker, article and video studies, homework, and software hand-on tutorials.

Upon completion of this course, students should be able to:

CLO 1: articulate the historical development of revenue management;

CLO 2: describe revenue management and its benefits to hospitality organization;

CLO 3: discuss the strategic levels of revenue management and how they can be manipulated to increase revenue;

CLO 4: describe revenue management in terms of its component parts and critical considerations;

CLO 5: evaluate the cost structure of a hospitality business;

CLO 6: create a system of forecasting demands;

CLO 7: use variable pricing strategies to increase revenue;

CLO 8: manage prices using distribution channels.

Required Texts/Readings

Textbook

Hayes, D. K. & Miller, A. A. (2011). Revenue Management for the Hospitality Industry. Hoboken, NJ: John Wiley & Sons. ISBN 978-0-470-39308-6.

Other Online Materials

Ideas, a SAS company, Revenue Solutions,
<http://www.ideas.com/index.php/tools-resources/webinars/>

*Hospitality Financial and Technology Professional (HFTP), <http://www.hftp.org/>
Please join in the HFTP student chapter at SJSU for guest talks, field trips and career development events. Connect with the chapter at Facebook page
<https://www.facebook.com/groups/SJSUHFTPStudentChapter/>*

*Hospitality Sales and Marketing Association International (HSMAI)
<http://www.hsmai.org/knowledge/index.cfm?navItemNumber=497>*

*STR Global <http://www.strglobal.com/News/News.aspx>
LinkedIn. Join LinkedIn or sign in to become a member of the Revenue Management Professionals in Travel group.*

Library Liaison

Christina Mune, Reference and Instruction Librarian, Liaison for Hospitality, Recreation & Tourism Management, Dr. Martin Luther King Jr. Library, San Jose State University, Office location: #4034, Phone: 408-808-2046, E-mail: christina.mune@sjsu.edu. Helpful electronic resource: URL: <http://libguides.sjsu.edu/hospitality>.

Course Requirements and Assignments

Assignments	CLO	Points
Participation	All CLO	10
Quizzes	All CLO	20
Homework	4,5,6,7,8	15
Group Project	2,3,4,5	15
Mid-term examination	1,2,3,4	20
Final examination	5,6,7,8	20
Total		100

Participation (10%)

Participation in this course is expected. To receive maximum benefit from this course, you are expected to attend all classes, come prepared, and actively participate in the exercise and discussion. Late arrival and early departure in class are marks of disrespect, unprofessional, and interrupt class. Please be on time. Evaluation of participation will be based on involvement in class discussions and exercises, attendance, completion of assignments, review questions, discussion questions, and homework.

Quizzes (20%)

Quizzes are available on Canvas. Pop quizzes may be given in class.

Homework (15%)

Homework must be typed. Most homework can be done in **Excel**. Late assignment will not receive full credit.

Group Project (15%)

Students will form groups (four students in a group) by Feb. 11. You are required to interview hotel revenue managers/controllers or the director in charge of RM, and investigate the advantages and problems of their revenue management system (IDeaS, RedGlobal or others). Every group will prepare a field study report and a 15-minute presentation. Requirements will be given in class. Collaborative tools (e.g., Google Doc., and Prezi.com) are encouraged to prepare your document.

Mid-Term Examination (20%)

The format may be true/false, multiple choice, short answer, and problems. The instructor will not administer make-up examinations unless there is an acceptable excuse.

If you know that you will not be able to take an exam during its scheduled time, please inform the instructor and make appropriate arrangement.

Final examination (20%)

A comprehensive final examination will be given on the scheduled day. The format may be true/false, multiple choice, short answer, and problems. Make-up exam will not be given. Students with scheduling difficulties must make arrangements with the instructor prior to the exam.

Grading Policy

Final total percentage range and letter grade:

97 – 100	A+
93 – 96	A
90 – 92	A-
87– 89	B+
83 – 86	B
80 – 82	B-
77 – 79	C+
73 – 76	C
70 – 72	C-
67 – 69	D+
63 – 66	D
60 – 62	D-
59 and below	F

Road to “A”--Rules for Success:

- Rule 1: Pay attention to every detail.*
- Rule 2: Attend every class.*
- Rule 3: Do every problem in the book.*
- Rule 4: Don’t postpone studying, and then cram the night before a test.*
- Rule 5: Read and review lectures, readings and homework more than once.*
- Rule 6: Learn how to use course materials.*

Classroom Protocol

Instructor’s Teaching Philosophy

I want to help you learn and learn with you while we have fun along the way! I teach not only through lecture and discussion but with example. I use the readings and the hand-on software tutorials and guest speakers as additional help.

I believe that sometimes you can lead the group! I expect your best. I expect you to read the books, take notes, go back over your notes after each class. Please make a sincere attempt to arrive on time. If you arrive late, please enter the classroom quietly. It is difficult to educate fellow classmates with constant interruptions at the door. If you miss

a class, given the size of this class, it is your responsibility to catch up. This class requires a lot of exercises and homework.

E-mail Announcements

*The instructor will use e-mail to make course-related announcements. It is the student's responsibility to provide the instructor with correct e-mail address and to read e-mail regularly. Please send an e-mail to yinghua.huang@sjsu.com. Due to the current computer virus threats, when sending an e-mail to the instructor, please type your name and course number in the **SUBJECT** field. The instructor will not read any unidentifiable e-mail.*

Positive Suggestions

Please make a sincere attempt to arrive on time for each class. If there is a class prior to this one that requires that you be late, please see the instructor one week in advance about this problem. It is difficult to educate fellow classmates with constant interruptions at the door. Participate in class discussions. Hand in your best work. Ask questions.

Make an appointment if you are having any problems. Be proud of your accomplishments. Do the readings weekly. Take charge of your education and strengthen your knowledge. It can only payoff.

University Policies

Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester's [Catalog Policies](http://info.sjsu.edu/static/catalog/policies.html) section at <http://info.sjsu.edu/static/catalog/policies.html>. Add/drop deadlines can be found on the current academic year calendars document on the [Academic Calendars webpage](http://www.sjsu.edu/provost/services/academic_calendars/) at http://www.sjsu.edu/provost/services/academic_calendars/. The [Late Drop Policy](http://www.sjsu.edu/aars/policies/latedrops/policy/) is available at <http://www.sjsu.edu/aars/policies/latedrops/policy/>. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the [Advising Hub](http://www.sjsu.edu/advising/) at <http://www.sjsu.edu/advising/>.

Consent for Recording of Class and Public Sharing of Instructor Material

[University Policy S12-7](http://www.sjsu.edu/senate/docs/S12-7.pdf), <http://www.sjsu.edu/senate/docs/S12-7.pdf>, requires students to obtain instructor's permission to record the course.

- “Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.”
 - It is suggested that the greensheet include the instructor's process for granting permission, whether in writing or orally and whether for the whole semester or on a class by class basis.

- In classes where active participation of students or guests may be on the recording, permission of those students or guests should be obtained as well.
- “Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent.”

Academic integrity

Your commitment as a student to learning is evidenced by your enrollment at San Jose State University. The [University Academic Integrity Policy S07-2](http://www.sjsu.edu/senate/docs/S07-2.pdf) at <http://www.sjsu.edu/senate/docs/S07-2.pdf> requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The [Student Conduct and Ethical Development website](http://www.sjsu.edu/studentconduct/) is available at <http://www.sjsu.edu/studentconduct/>.

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person’s ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include your assignment or any material you have submitted, or plan to submit for another class, please note that SJSU’s Academic Integrity Policy S07-2 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. [Presidential Directive 97-03](http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf) at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the [Accessible Education Center](http://www.sjsu.edu/aec) (AEC) at <http://www.sjsu.edu/aec> to establish a record of their disability.

In 2013, the Disability Resource Center changed its name to be known as the Accessible Education Center, to incorporate a philosophy of accessible education for students with disabilities. The new name change reflects the broad scope of attention and support to SJSU students with disabilities and the University's continued advocacy and commitment to increasing accessibility and inclusivity on campus.

Student Technology Resources

Computer labs for student use are available in the [Academic Success Center](http://www.sjsu.edu/at/asc/) at <http://www.sjsu.edu/at/asc/> located on the 1st floor of Clark Hall and in the Associated Students Lab on the 2nd floor of the Student Union. Additional computer labs may be available in your department/college. Computers are also available in the Martin Luther King Library.

A wide variety of audio-visual equipment is available for student checkout from Media Services located in IRC 112. These items include DV and HD digital camcorders; digital

still cameras; video, slide and overhead projectors; DVD, CD, and audiotape players; sound systems, wireless microphones, projection screens and monitors.

SJSU Peer Connections

Peer Connections, a campus-wide resource for mentoring and tutoring, strives to inspire students to develop their potential as independent learners while they learn to successfully navigate through their university experience. You are encouraged to take advantage of their services which include course-content based tutoring, enhanced study and time management skills, more effective critical thinking strategies, decision making and problem-solving abilities, and campus resource referrals.

In addition to offering small group, individual, and drop-in tutoring for a number of undergraduate courses, consultation with mentors is available on a drop-in or by appointment basis. Workshops are offered on a wide variety of topics including preparing for the Writing Skills Test (WST), improving your learning and memory, alleviating procrastination, surviving your first semester at SJSU, and other related topics. A computer lab and study space are also available for student use in Room 600 of Student Services Center (SSC).

Peer Connections is located in three locations: SSC, Room 600 (10th Street Garage on the corner of 10th and San Fernando Street), at the 1st floor entrance of Clark Hall, and in the Living Learning Center (LLC) in Campus Village Housing Building B. Visit [Peer Connections website](http://peerconnections.sjsu.edu) at <http://peerconnections.sjsu.edu> for more information.

SJSU Writing Center

The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the [Writing Center website](http://www.sjsu.edu/writingcenter) at <http://www.sjsu.edu/writingcenter>. For additional resources and updated information, follow the Writing Center on Twitter and become a fan of the SJSU Writing Center on



Facebook. (Note: You need to have a QR Reader to scan this code.)

SJSU Counseling Services

The SJSU Counseling Services is located on the corner of 7th Street and San Fernando Street, in Room 201, Administration Building. Professional psychologists, social workers, and counselors are available to provide consultations on issues of student mental

health, campus climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit [Counseling Services website](http://www.sjsu.edu/counseling) at <http://www.sjsu.edu/counseling>.

HSPM 154 Revenue Management

SPRING 2014 Course Schedule

First day of class: Jan. 23
 Last day to drop: Feb. 4
 Last day to add: Feb. 11

Final Exam day: May. 21
 Grades Due: May.27

Course Schedule

Week	Date	Topics, Readings, Assignments, Deadlines
1	Jan. 23	Syllabus
2	Jan. 28	Chapter 1: Introduction to Revenue Management
	Jan. 30	Chapter 1 (continued)
3	Feb. 4	Chapter 5: The Revenue Manager's Role <i>Industry Expert from Fairmont</i>
	Feb. 6	Chapter 5 (continued)
4	Feb. 11	IDeaS V5i Revenue Management System Introduction <i>Group project namelist Due</i>
	Feb. 13	Chapter 9: Evaluation of Revenue Management Efforts in Lodging <i>Online Quiz for Ch 1&5 Due before class</i>
5	Feb. 18	Introduction to STR Hotel Performance Reports
	Feb. 20	STR Hotel Industry Analytical Foundations
6	Feb. 25	STR Property level Benchmarking
	Feb. 27	IDeaS RM Performance Evaluation Tutorial
7	Mar. 4	Chapter 2: Strategic Pricing <i>Online Quiz for Ch 9 & STR session Due before class</i>
	Mar. 6	Chapter 10: Revenue Management for Food and Beverage Services

8	Mar. 11	Chapter 10 (continued)
	Mar. 13	Mid-term Review Q&A
9	Mar. 18	IDeaS Best Available Rate Module
	Mar. 20	CSU Hospitality Career Expo at SFSU (NO class)
10	Mar. 25	Spring Recess (NO class)
	Mar. 27	Spring Recess (NO class)
11	Apr. 1	Mid-term Examination (Canvas)
	Apr. 3	Chapter 4: Differential Pricing
12	Apr. 8	Chapter 6: Forecasting Demand <i>Online Quiz for IDeaS Basics Due before class</i>
	Apr. 10	IDeaS Forecasting Data Review Module
13	Apr. 15	IDeaS Special Events Forecasting Module
	Apr. 17	IDeaS Forecast Validation Module
14	Apr. 22	Chapter 7: Inventory and Price Management <i>Online Quiz for IDeaS Forecast Due before class</i>
	Apr. 24	IDeaS Overbooking Module
15	Apr. 29	IDeaS Restriction Control Module
	May. 1	Chapter 8: Distribution Channel Management <i>Online Quiz for IDeaS Module Due before class</i>
16	May. 6	Course Material Review
	May. 8	Group project presentation

17	May. 13	Group project presentation (continued)
	May. 21	Final Exam (Canvas)

Note: The instructor reserves the right to revise this tentative schedule in order to enhance the achievement of learning objectives. Any revision will be announced in class and through e-mail. It is the student's responsibility to be aware of all classroom discussions, assignments, and changes in course requirements.