

Purpose

This Standard Operating Procedure (SOP) governs day-to-day rate decisions across the Rival Hospitality Management (RHM) portfolio.

The SOP answers one question directly: given what we know right now, should this property's rate go up, come down, or hold? It is built around four inputs, booking pace and pickup versus last year, where a stay date sits in the property's own booking window, competitor position from the daily comp shop, and day-of-week or event demand, combined into a single decision framework.

This document governs transient BAR (Best Available Rate) decisions. It does not cover group/block contracting, minimum drop/walk rates, or channel/OTA commission strategy, those remain separate policies referenced where relevant.

Roles & Responsibilities

General Manager

Owns day-to-day rate execution for their property. Owns notifying Rival Revenue Management of upcoming events and growth in demand generators as soon as possible.

Rival Revenue Management

Owns Revenue Management on a larger outlook and time-frame. Revenue Manager reviews forecasting and competitive rates multiple times a week to ensure unexpected pickups, rate opportunities (increases), and rate decreases are addressed. Support GMs with data questions and help flag portfolio-wide patterns (e.g., a market-wide softening visible across multiple properties). This is accomplished through oversight by each properties Area Director, Regional Director, and Revenue Manager. In some cases, when a property has opted in to the program, Lighthouse Dynamic Pricing is utilized.

Data Inputs & Systems of Record

Before making a change, pull from these sources:

- Daily Comp Set Review — Review what your competitors are charging in and around your market to ensure you are in line. In-line can mean different things in each market. If your hotel's competitors are a Super 8 and a Days Inn, you will want to be higher than those competitors. If your competitors are a Holiday Inn Express, you will want to be slightly lower depending on the age. Overall, you must price where you feel a guest would make a decision to stay at your property over your competitors.
- Forecast and Pick-up Reports Review – Pay attention to your forecast and reservations made reports on a daily bases. These reports will help you notice any pickup dates where you may want to increase rates. It can also help you identify events or higher demand times in your market that you may not have been aware of.
- Local Events or Demand Generator Growth — Ensure known events, closures, road/weather conditions, and group activity in your market, are recorded in your Events in your PMS. Additionally, if notified with plenty of time, ensure restrictions and peak rates are in place during these times.

Booking Window Framework

Every property in the portfolio has a different booking window, a small drive-to market may see most of its rooms book inside 7 days, while a property with more group may build occupancy much earlier. Because this SOP has to work for all properties at once, it defines the booking window in five universal tiers by days-before-arrival, rather than by a single fixed booking-window number. You must determine what your booking window is, where it sits in these Tiers, and make the right decisions for your property.

Tier	Days Before Arrival	How It Should Be Treated
Tier 1 - Far Out	61+ Days Before Arrival	Hold at strategic/BAR rate; do not chase early softness or early strength. Events need to be increased and heavily restricted. Do not be afraid to be the last to sell-out during events.
Tier 2 - Mid-Window	31-60 Days Before Arrival	Early signal only. Small, comp-supported increases are appropriate; discounting is not, there is still runway for the date to fill.
Tier 3 - Near-Term	15-30 Days Before Arrival	Pickup becomes meaningful. This is where most upward moves should happen if a date is trending strong.
Tier 4 - Close-In	4-14 Days Before Arrival	Last-room-value territory. Decisive increases on strong dates; the first real window for decreases on soft dates.
Tier 5 - Last-Minute	0-3 Days Before Arrival	Fill-the-house window. Hold firm on strong demand; discount toward your drop rate on soft, unsold inventory rather than let rooms go unsold.

Each Property's Own Booking Window

The five tiers above are the shared vocabulary. Each property's actual behavior inside those tiers is not the same. Every GM should understand the Booking Window for their property, using pickup/forecasting from the PMS and rate-shops:

- What percentage of a typical date's rooms are historically on the books by the start of each tier (Far-Out, Mid-Window, Near-Term, Close-In, Last-Minute)?
- Does that booking window look different for weekday arrivals versus weekend arrivals? (In most of these small Midwest markets, it does, weekday demand is often business-driven and books later; weekend leisure demand can book earlier around specific events.)
- Is there a specific tier where this property historically sees its sharpest pickup? That is the tier where deviations from the historical bookings are most worth acting on.



SPECIAL REMINDER: Always ask, "What are you looking to pay?" before you begin negotiated with a potential piece of business or guest. This practice needs to be trained and remembered by all staff!



Rate Signals

Every rate decision is built from four inputs. None of them should be used alone, the framework exists specifically so no single noisy signal (a single competitor rate move, one soft day of pickup) drives a rate change on its own.

Pickup vs. Last Year

Rooms on the books for a given arrival date, compared with how many were on the books at the same days-out point last year for a comparable date (same day-of-week where possible). Combine with pickup, rooms picked up in the trailing 7 days, compared with the property's historical average pickup for that same booking-window.

Booking-Window Stage

Which of the five tiers is the stay date currently sits in. This determines how much weight to give the pace signal and how large a move is appropriate, the same behind-pace reading means something different at 45 days out than it does at 5 days out.

Comp Set Position

From the daily rate shop: is the property priced above, at, or below the two-competitor average? Are either competitor sold out, newly restricted, or moving meaningfully? Comp position acts primarily as a modifier, it can accelerate an increase (e.g., both comps sold out) or restrain a decrease (e.g., you're already priced below comp average, so discounting further sacrifices margin without a competitive reason).

Day-of-Week & Event Demand

Weekday vs. weekend pattern for the market, plus any known demand generator, a fair, graduation, hunting or harvest season, sporting event, or road/weather disruption. An event flag can override the standard pace comparison and justify treating a date as compression even far out in the booking window.

Rate Action Decision Matrix

Booking Window Tier	Strong Booking	On Pace	Soft Booking
Tier 1 - Far Out	HOLD. Small comp-supported increase only if comps are already priced above you.	HOLD	HOLD. Do not discount, unless compset rate differences are off, sample size is too small to act on.
Tier 2 - Mid-Window	INCREASE modestly (\$10-\$15) if comp position supports it.	HOLD	HOLD, but flag for close monitoring next week.
Tier 3 - Near-Term	INCREASE (\$10-\$20); increase again if comps are rising or selling out.	HOLD, Re-Evaluate Weekly	HOLD unless also priced above comp average, then a modest decrease (\$5-\$10) is appropriate.
Tier 4 - Close-In	INCREASE decisively (\$15-\$30+). If comps sell out, comp average is no longer a ceiling.	HOLD, Watch Daily	DECREASE (\$10-\$15). The window is closing, unsold rooms lose value quickly from here.
Tier 5 - Last-Minute	INCREASE / hold firm. Do not chase competitors down on a genuinely strong date.	HOLD, monitor same-day. Drop rate is in place and GSA's are authorized to sell as many rooms as possible left.	DECREASE toward the Drop Rate. Our product can not be sold the next day like an apple.

Signal Modifiers

Apply these on top of the Rate Actions. Modifiers can upgrade an action (e.g., HOLD » INCREASE) or restrain one (e.g., planned DECREASE » HOLD), they should never be used to skip the base framework entirely.

- Both comps sold out on a date, treat as a compression signal regardless of your own pace reading, from Near-Term forward. This is a green light to increase even if your own pace looks only average.
- Comp average is falling while your pace is behind, this points to market-wide softness rather than a property-specific problem, and is a stronger case for a planned decrease than pace data alone.
- You are already priced meaningfully below comp average, restrain further decreases even on soft pace; there is little competitive reason to keep cutting once you're already the value option in the set.
- Known local event or demand generator on the books, override the standard pace comparison and move to compression-date treatment, even if the date is still in Mid-Window or Near-Term. Do not be afraid to be the last one to sell-out.
- Weekday vs. weekend curve differs materially for your property, judge on-pace against the day-type's own historical booking, not the property's blended average.

When to Increase Rates - Quick Checklist

Increase when two or more of the following are true for a stay date:

- Booking pace for that date is ahead of the same point last year, and trailing-7-day pickup is at or above the property's historical average for that booking-window tier.
- The date has moved into Near-Term, Close-In, or Last-Minute (Tiers 3-5) and pace/pickup are strong, the closer to arrival, the more decisively you should act on a genuinely strong date.
- One or both comp-set competitors are sold out, newly restricted, or have raised rates on that date in the daily shop.
- A known local demand generator (event, harvest/hunting season, graduation, road closure funneling traffic) applies to that date.

Move in \$10-\$20 increments in Tiers 2-3, and \$15-\$30+ in Tiers 4-5 once comps confirm compression. In the event of larger events, rates and increase more than \$100. Re-shop or re-check the following day to confirm the market absorbed the increase before moving again.

When to Decrease Rates - Quick Checklist

Decrease only when the date has entered Close-In or Last-Minute (Tiers 4-5) AND two or more of the following are true:

- Booking for the date is behind the same point last year, and trailing-7-day pickup is below the property's historical average for that tier.
- The property is currently priced above the comp-set average with no compression signal (no comp sold out or restricted) to justify the gap.
- It is not a known strong-demand day that would otherwise argue for holding firm and waiting for late pickup.
- Comp average itself is falling, indicating market-wide softness rather than a property-specific issue.

Do not decrease rates in Tiers 1-2 (61+ days out) based on early softness alone, there is too much booking window remaining for early pace to be a reliable signal, and early discounting gives away margin on rooms that likely would have booked at a higher rate anyway.



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When to Hold Rates

Hold is the default action, not a fallback. Hold when:

- Pickup is in line with the same point last year, no signal to act on in either direction.
- The date is in Tier 1 (61+ days out), regardless of early pace readings.
- Signals conflict where booking is behind but a comp just sold out (wait one shop cycle to see which signal wins before acting).
- A rate change was made in the last 24–48 hours on that date and the market has not yet had a chance to respond.

Rate Change Increments & Guardrails

Move in increments of at least \$10. The daily comp shop only flags movements over \$10 as meaningful, a smaller move is invisible in your own reporting and in how competitors' systems will read your rate the next day, so it isn't worth the effort of a change.

- Standard move size: \$10–\$20 per adjustment in Tiers 2–3.
- Compression move size: \$15–\$30+ in Tiers 4–5 once comp sold-outs or strong pickup confirm the date, ignoring comp average as a ceiling once both comps are sold out.
- No more than 2 moves on the same stay date within a 7-day period without checking in with your supervisor. Rapid back-and-forth changes are harder to log cleanly and can look erratic to repeat OTA shoppers.
- Drop/Walkout Rate: Never price below your property-specific minimum rate floor. It must be above your RevPar Goals and your Cost Per Room Sold.

Special Situations

Compression Dates (comps sold out)

Treat as a green light to increase decisively, even outside the normal Tier 3–5 window. Comp average stops being a useful ceiling once the comp set itself is out of inventory, price against last-room-value, not against a comp average that no longer reflects available supply.

Group Blocks

Rooms committed to a group contract are outside this SOP's transient BAR logic. Do not let group-date softness in the transient pace report trigger a transient rate decrease if the date's overall occupancy (transient + group) is healthy, check total pickup, not just transient pace, before acting on a group-heavy date.

Weather / Road Disruption

Sudden displacement demand (closed highways, storm-related rebooking) can justify an immediate increase outside the normal cadence, treat as a same-day compression signal once occupancy confirms the surge, not on rumor alone.

Comp Listing Missing or Suspect Rate

If the daily shop flags a competitor listing as missing or a rate as suspect (e.g., an \$800 spike that looks like a suite or package rate was captured), do not react to that data point. Wait for the next clean shop before treating it as a real signal.

Approval & Escalation Authority

General Managers act independently within the framework. Escalate to supervisor before publishing a rate change when you are not comfortable with your decision and are not prepared to justify your actions to leadership. Additionally, it is also important not to lose business. If there is a account looking for rates that are less than you are comfortable with, contact your supervisor.



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