

Market based Pricing

GALGOTIAS
UNIVERSITY

School of Hospitality

Course Code : BSCH3003

Course Name: Front Office Management

Market-based Pricing

Competition
based

Market
Tolerance

Rate Cutting

Bundled
Pricing

Guest Needs
based

Competition based Pricing

All the competing hotels make a “Competitive Set”.

Each hotel in the Competitive Set has to consider the actions of others to remain attractive to guests.

Market Tolerance Basis

Every hotel offers a “best available rate” to callers requesting same day booking. These are the lowest possible rates acceptable to hotel management.

A hotel can call up the competing hotels to find out their “BAR” and then may adjust their own prices accordingly.

Best Available Rate

Also known as **Best Rate Guaranteed (BRG) & Rate Parity**, it is the practice of selling the room at same price by hotel & Online Travel Agents (OTA).

Galileo, a [Global Distribution System](#) provider, defines BAR as "a rate available to the general public that does not require pre-payment and does not impose cancellation or charge penalties and/or fees, other than those imposed as a result of a hotel property's normal cancellation policy."

Rate Cutting

- The discounted pricing, especially during off-season, or to compete for greater market share is known as Rate Cutting.

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References:

- Oxford Book



The logo of Galgotias University is a stylized 'G' composed of three curved segments in yellow, blue, and red. Below the logo, the text 'GALGOTIAS UNIVERSITY' is displayed in a light grey, serif font.

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Name of the Faculty: Jyoti

Program Name: BSChm/BHM