

HYB26

Technology Edition

AI Everywhere



The Hotel Yearbook

Foresight and innovation in the global hotel industry

HYB



Anticipatory Markets: Where Revenue Management Meets the Traveler's Journey

Pre-Stay

Klaus Kohlmayr

Chief Evangelist and Development Officer, IdeaS

IDEAS™
A SAS COMPANY

Klaus Kohlmayr argues that revenue management is undergoing a structural shift from reactive optimization to anticipatory intelligence — where pricing decisions are no longer based on historical extrapolation but on probabilistic futures and real-time guest intent signals. In a world where AI assistants increasingly mediate booking decisions, the hotels that act earlier with better data will outperform those waiting for demand to declare itself.

“Uncertainty” has always been a defining characteristic of business strategy, never more than today in an era awash in data required to make timely and impactful decisions. Hotel leaders can no longer afford to rely on reactive strategies to remain successful amid volatile market conditions, as booking windows compress and consumer booking decisions fluctuate alongside external factors. Today, understanding guest intent and nuanced signals is essential to outperforming reactive models dependent on historical data and traditional strategic assumptions.

The good news is that hoteliers now also have expanded toolsets to manage uncertainty and even transform it into a potential competitive edge. New technologies, data analytics, and machine learning principles are available to help hoteliers better anticipate shifts in demand and market dynamics. Today’s technology investments mark the emergence of anticipatory markets in hotel booking forecasts, where decisions are shaped by probability, and the freshest information wins.

From the travelers’ perspective, anticipatory intelligence is most applicable during the pre-stay phase. Here, bookings and packages can be influenced by data analytics, adjusting prices and timing based on consumers’ historical decision-making relative to current occupancy and average daily rate (ADR). By understanding how guest segments interact with the booking path today, hoteliers can begin to leverage guest intent and optimize profitability.

REDEFINING PRE-STAY: WHEN THE JOURNEY BEGINS BEFORE INTENT

Hotels have typically viewed the pre-stay period as part of the hotel booking funnel, but today it has far broader applications. Think of it as a system state from which hotel technology can make decisions, interact with consumers, and adjust strategic actions accordingly. With the right integrations and partners in place, the pre-stay period can become your property’s most profitable revenue opportunity.

Pre-stay strategically used to consist of finding ways to influence search results, provide the best possible rates for comparison shopping, and offer a simple booking process to convert consumer queries into revenue. These aspects are still important.

However, discovery increasingly occurs in AI-mediated, heavily curated environments, leading some to even announce that the traditional funnel is “collapsing”. These can include generative search programs, AI assistance, or zero-click context prompts provided through search engines.

Consumers enjoy using LLMs thanks to their simple interfaces, which positively reinforce questions by providing additional information that increases their confidence in each purchase. An LLM’s ability to go off on information-rich tangents can provide ideal marketing opportunities for hotels, as guests clearly communicate their expectations through conversations with AI assistants, which in turn can be observed and analyzed.

Working backward, providing the ideal price to these consumers becomes the core factor driving each conversion, which naturally occurs during each conversation with an AI assistant. Hotel leaders can therefore leverage guest intent before they consciously articulate intent, becoming a part of the conversation users were already having.

PREDICTIVE PRICING AS THE FIRST EXPRESSION OF ANTICIPATORY INTELLIGENCE

Traditional revenue management extrapolates from past data, creating a historical context for future decisions. Today’s markets no longer play by the same rules. Actions from outside the industry, the local market, and more all influence guest booking decisions today. Thanks to the proliferation of information through the internet and AI assistants, competition for the best possible rate is at an all-time high. As such, hotels need a stronger forecasting model to reliably operate today.

Predictive pricing is the latest wave of innovation driving revenue management success today, as it considers probabilistic futures and weighs multiple possible demand outcomes before setting an optimal room rate. In practice, hotels can continuously evaluate many potential options. When one single forecast won’t do, hotels can now keep going back to the drawing board until the moment guests place a booking.

Needless to say, these kinds of calculations cannot be performed manually. No single person – or team – can factor in all available data to arrive at an accurate pricing prediction. When pricing is less about optimization at a single moment in time and more about preparedness across possible futures, automation becomes a necessity. Revenue management systems today are no longer just about finding the right pricing strategy, but also about striking the right balance between price and inventory optimization.

These trends mark a structural and cultural shift in hotel revenue strategy, as revenue systems become anticipatory decision-making environments rather than reaction engines. As shoppers become increasingly willing to tell AI agents explicitly what experiences they desire, across a range of prices, these offers will become increasingly targeted and value-driven.

For example, travelers searching for a pet-friendly boutique hotel somewhere on the beach, located within a four-hour flight, but not more than 200.00 each night, know what they are looking for. These guests are less price-sensitive when presented with an exact match to their query than when presented with a hotel option that only meets part of the criteria.

PRICE AS SIGNAL: HOW ANTICIPATION SHAPES GUEST PERCEPTION

Price is the ultimate deciding factor behind all guest bookings. The price of a guestroom communicates meaning, value, and intention behind a hotel long before a guest arrives. Room rates have a tremendous impact on guest expectations and satisfaction, and the higher the rate, the more it signals scarcity, confidence, expectations, and timing.

In anticipatory markets, pricing subtly shapes guest behavior and perception. Hotels can use data from these signals to influence marketing and pricing decisions over time. More importantly, pre-stay pricing can be used to set emotional and cognitive anchors that connect travelers to the stay experience. Guests react differently to a fantastic deal compared to a once-a-year splurge, and hotels must be prepared to fully accommodate both mentalities.

Pricing is one of the earliest experiential touchpoints in the journey, and hoteliers continue to learn more about travelers by observing how they react to shifts in price points. Hotels must continue to leverage technology to understand guest expectations and deliver the best possible service, particularly regarding the perceived value of their properties. The first step is to understand your hotel's value and what it means to each guest at the start of each stay.

FROM CONTROL TO GOVERNANCE: THE EVOLVING ROLE OF HUMANS

While technology is increasingly entrusted to tackle the day-to-day monitoring, adjusting and implementation of pricing strategies—to the point where excessive manual tinkering can quickly become a detriment—that doesn't mean humans are any less important for the success of these tools.

The reality of today's hotel revenue management strategy is that humans no longer actively “set prices” at the property level. Instead, operators set strategies with parameters defining each hotel's objectives, operational constraints, available risk tolerance, and necessary ethical boundaries. This allows hotel leaders to manage a broad operations strategy without getting bogged down in the minutiae of daily rate adjustments.

When automation takes control of something as mission-critical as daily rates, forming trust between operators and their tools becomes central. As author and tech philosopher Simone Puorto said, it's not enough to simply keep humans on as part of your team if they are used to solving a problem already addressed by modern technology.

THE COMPETITIVE ADVANTAGE OF ACTING EARLIER—NOT LOUDER

Innovations that accelerate automation, directed by engaged humans, can help hotels act earlier when setting rates, forecasting bookings, and reaching out to customers. In volatile markets like today's, timing is everything.

Moreover, by focusing their efforts on anticipatory pricing, hotels can align their revenue, distribution, and inventory strategically before bookings even come in. This allows hotels to optimize operational costs and right-size staffing to meet guest demands. Meanwhile, hotels that lack the data to capitalize on these interactions will struggle to meet these same criteria as booking windows continue to compress.

With market uncertainty a constant force to contend with, hotels should establish greater organizational readiness to respond to changes in guest demand and occupancy at a moment's notice. The best way to achieve this is through a sophisticated data strategy supported by strong technology partners who understand the value of looking beyond traditional hospitality key performance indicators to identify additional revenue-generating opportunities.

LOOKING BEYOND PRE-STAY: ANTICIPATION AS A CONTINUOUS LOOP

Valuable data generated by guest *intent* does not end after a room is booked. Today's booking environment can serve as a jumping-off point for additional experiences once guests are on property, supported by ongoing communication. Furthermore, pre-stay pricing sets specific expectations about the guest experience, can influence travelers' in-stay behaviors, and can serve as framing for post-stay memories and feedback for the hotel.

Today's operators are taking steps to ensure that every aspect of this process is under consideration, shaping priorities for each guest in advance of their arrival. In practice, predictive pricing serves as the first visible surface of a wide-reaching analytical system that influences the entire guest journey. This includes understanding the context of each booking in relation to the current price, a guest's past booking history, and other specific preferences.

When hotels have access to this data, they can take a more active, intentional role in shaping the guest experience.

PRICING THE FUTURE WITHOUT CLAIMING TO KNOW IT

Data and guest intentions may appear uncertain, but they are far from uncharted or shapeless. Hotels have the technology today to predict emerging trends in real time and make informed decisions using anticipatory revenue strategies. These tools don't eliminate uncertainty but instead allow operators to act wisely under unfamiliar conditions, providing a strong foundation for delivering the best possible guest experience.

In a sense, predictive pricing becomes not just about revenue but equally about readiness for what comes next. It provides hotel operators with the highest-quality information available, so guests can have the stay they envisioned when they first booked. And hotel operators can turn uncertainty into profit.

