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Pricing Strategy for the New York expansion of Pestana CR7 Brand

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Abstract

The objective of the underlying project was to achieve a pricing strategy to be applied to the 2020's expansion of the Pestana CR7 Hotel brand to New York. Therefore, it is necessary to analyze the CR7 brand and its competitive advantages as well as the proposed hotel neighborhood and potential competitors before actually entering the market. Finally, by using a short-list of competitors as benchmark, a reference table was built for the monthly prices during the hotel's first year of activity and some recommendations provided regarding future revenue management and the pricing strategy.

Key Words: Lifestyle Segmentation; Pestana CR7; Manhattan Borough; Pricing Strategy

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1 – Travel, Tourism and Hospitality Industry:

In 2016 the number of international arrivals increased by 3.9% worldwide (UNWTO, 2017), a positive growth which has been recurring for several decades (Appendix 1). This relatively steady growth can be explained by the several technological advances which facilitate all the industry processes from the booking to the travelling itself. There are also some threats which can interfere with the demand for a limited amount of time such as economic recession or, more recently, the terrorist attacks which make people hesitant to travel to the targeted location for a period of time. Currently the segment with the largest growth rate in the industry is the luxury one (Amadeus, 2016) which can be explained by the new mentality of attributing more value to experiences rather than material goods. Henceforth, the luxury segment currently represents a highly profitable and attractive opportunity in the market. In addition, proper segmentation is the key for a successful investment in tourism industry since the heterogeneity of demand is especially high. Other key aspects regarding travelers' demand are the fact that people tend to be attracted to the same places whether they are historical sites, cultural poles or a paradisiacal beach and also that the majority of the trips will happen at a given time. The seasonality of tourism can be explained by several factors but the most important ones are people's concerns with weather conditions (Summer spike of demand) and the existence of fixed holidays such as Christmas and Easter. Finally, it is important to retain the importance of the industry for the world economy since all direct and indirect tourism activities currently represent approximately 10% of the world GPD (WTCC, 2017) and are one of the main sources of employment even taking in consideration the existing seasonality. As one of the industries whose growth has always been constant and significant throughout the time, tourism and namely the hospitality industry is an attractive option for the ones with the initial capital to invest.

2 - Pestana Hotel Group

2.1 - History and strategy of the company:

Founded in 1972 by Manuel Pestana, “Pestana Carlton Madeira” was the root for what would become the biggest Portuguese group in the hospitality industry. From the headquarters of the company in Funchal and under the leadership of Manuel’s son, Dionísio Pestana, who recovered his father’s luxury hotel from near bankruptcy, the Pestana Hotel Group emerged and became a major player in the hospitality industry, with more than 8000 rooms spread over 15 countries and 3 continents. The success of the company can also be represented by their investments in several ventures complementary to their core business such as casinos, charter companies and Golf courses which represent a clear strategic view on the hospitality industry as a whole. The company’s first step after consolidating their home market position was to try and reproduce their success in markets with cultural similarities to Portugal such as Brazil, Mozambique and Cape Verde. Only after reaching these markets did the Pestana Group opt for expanding to London, the first European city to embrace a Pestana project outside Portugal. A major concern of the group was not to deliver a standardized service and have a personalized offering better adapted to the consumer’s needs. Example of this differentiated service was the introduction of lodges in their African hotels, an option which appealed closely to the native costumers or, more recently, the creation of the CR7 brand. The success of this new brand, targeted at millennials and which focus on the healthy and technological trends, led to the intent of expanding to international markets such as New York City which is the main topic of this dissertation.

2.2 - Product Portfolio Summary

Adding the most recent demographic trends with the much easier access to information and exponential increase of mobility at lower prices, several new customer segments arise

with special desires and in need of a more differentiated and tailor suited product. The group's concerns with delivering a personalized product to their costumers led to the creation of four different brands, under the Pestana umbrella, in order to capture a broader range of segments:

- **Pestana Collection Hotels (4 Hotels):** this brand represents the higher segment of hotels the group currently owns. It is defined by a prestigious location and historical building and targets the more demanding consumers who look for luxury and a personalized service with a classic touch.
- **Pestana Hotels and Resorts (49 Hotels):** Hotels and resorts intend to be the ultimate choice for consumers looking for relaxing and enjoying their vacations. They are located in especially appealing locations and provide the clients with entertainment options in order to make the most out of their time off their daily lives.
- **Pestana Pousadas de Portugal (27 “Pousadas”):** This segment is directed towards the consumer who is looking for a cultural experience. Generally, they are located near reference landmarks and provide their clients with the opportunity to visit them.
- **Pestana CR7 (2 Hotels):** The most recent concept of the Pestana group is the lifestyle segment where sports, health and fun have a determinant role. Directed at millennials who look for modern and entertaining options, this brand focuses on providing a quality service but never forgetting the adventurous and distinctive spirit the guests value so much.

3 – Pestana CR7 New York:

3.1 - The Concept - Pestana CR7 Lifestyle Hotels:

To be opened in January of 2020, Pestana CR7 New York will be the second investment of the group (following the 2019 opening of the Pestana Collection hotel, also in New York) in one of the major tourist destinations in the world receiving over 60 million

tourists each year (NYC Mobility Report, 2016). In order to fully understand the CR7 brand and how it can be of value for potential guests, research was done regarding the worldwide emergence of “Lifestyle Hotels” and the reasoning behind their success. Lifestyle can be defined as the “set of attitudes, habits, or possessions associated with a particular person or group” (Collins English Dictionary, 2017) but whether or not it could be effectively used for segmentation would need further proof. In June of 2000, M.González & Bello published a study revealing a significant and direct relationship between the lifestyle of individuals and their purchasing behavior both on long and short-term trips. With the increased fragmentation of traveler’s motivations, traditional methods of segmentation became outdated and the necessity of studying the effects of a new technique emerged. This study allowed them to conclude the importance of personalization for the new generation of hotel guests and how effective segmentation through lifestyle can be. This hypothesis supports the Pestana Group strategy of creating a specific brand directed towards creating an unforgettable and differentiated lodging experience for a target niche segmented through their lifestyle. The next concern would be to properly define this niche and adapt, as much as possible, the new hotel brand to it. In honor of Cristiano Ronaldo’s number 7, the CR7 hotel brand defined the target niche lifestyle in seven strands including “Sunny and Magical”, “Active and Challenging”, “Frantic and Bohemian”, “Fresh and Adventurous”, “A little Hipster”, “Exclusive and Resourceful”, “Simple and Unpretentious” (Appendix 2). All these consumer characteristics translate the new millennial’s generation, highly tech driven and informed with a crescent concern of healthy habits while never disregarding their appetite for having fun and enjoying life to the fullest. In order to capitalize on this segment, all of Pestana CR7 hotels will be a reflection of these values and believes. Having covered the theory behind the lifestyle segmentation of Pestana CR7, it is also crucial to dwell on the

strategic implications and practical measures adopted by the managers to capture this valuable segment and create an offering compatible with their values and motivations resulting on a stronger and emotional connection with the brand:

- **Digitally focused:** The clients of the CR7 Hotels will be provided with exquisite internet access not only inside the hotel but also outside, during their stay. This appeals directly to the new generation of internet users for whom being permanently connected is of most importance.
- **Promote Healthy Lifestyle:** Including the name of one of the best athletes that ever lived without making an active and balanced lifestyle a priority would be a contradiction. Guests have the opportunity of training with recommendations given by CR7 himself as well as experiencing fancy and healthy eating options;
- **Fun Experience:** A large selection of A7 events such as concerts, fashion shows and sports events are one of the greatest bets of the Pestana Group in order to make sure clients have the time of their lives while the stay with them. Entertainment options will also be provided on CR7 suites such as Gaming equipment and Streaming Services.
- **Social Enabler:** Another strong concern of the hotel will be providing the guests with the right facilities and conditions for them to be socially active. The common areas, with contemporary and multifunctional features, were designed to be the perfect place to meet other guests either while working or during leisure trips.

It is also important to mention what could be seen as the main feature of this brand which is exactly the name “CR7” and the enormous impact it currently has on the market. The name of one of the greatest athletes who ever lived will be essential to generate demand and create the initial buzz so many great concepts will never be able to achieve.

3.2 - Competitive Advantages – VRIO Analysis for New York Expansion

In order to reach some conclusions regarding the competitive advantages of the brand “Pestana CR7” on the target location, a VRIO Analysis was performed. Through an evaluation of the resources in terms of value, rarity, easiness to imitate and readiness of the company to take advantage of them, this analysis provides a competitive implication for each resource.

Resources	Valuable	Rare	Costly to Imitate	Organizationally Ready	Competitive Implication
Innovative concept of lifestyle hotel: The differentiation provided by the Pestana CR7 concept will be a major attracting factor as it will speak directly to a specific segment	YES	YES	NO	YES	Temporary Competitive Advantage
Pestana Brand: The brand might not have such a big impact in New York as it would in European cities but there is still value to be gained from it especially since Pestana CR7 will be the third hotel of the brand in America and the second in New York	YES	NO	NO	YES	Parity
Large amount of experience in the Hotel Industry	YES	NO	NO	YES	Parity
Premium location: New York is has a limited and highly demanded location for building na hotel.	YES	YES	YES	YES	Sustained Competitive Advantage
Premium Location II: The accessibility of the site, close to the busiest bus station in the US and the line 7 of the subway	YES	YES	YES	YES	Sustained Competitive Advantage
Premium Location III : The building site is near several touristic and business attractions such as the Jatvis center and the Madison Square Garden	YES	YES	YES	YES	Sustained Competitive Advantage
First Class Experience: Everything from the room, the amenities provided to the hotel itself will be of extremelly high quality	YES	NO	NO	YES	Parity
Finantial Liquidity and Capital to cover unexpected Expenses	YES	NO	NO	YES	Parity
Pestana Priority Guest: Loyalty Program	YES	NO	NO	YES	Parity
Planet Guest: Program with focus on introducing more sustainable practices	YES	YES	NO	YES	Temporary Competitive Advantage
Partnership with the athelete with the biggest social media impact in the world	YES	YES	YES	YES	Sustained Competitive Advantage
Awards: the hotels of the group including the other Pestana CR7 hotels received several awards which will be a proof of quality and excelence for future clients	YES	YES	YES	YES	Sustained Competitive Advantage
Technologically inclined: The group has a strong focus on Business Inteligence and in making use of the more modern methods for evaluating any strategic measures adopted	YES	NO	NO	YES	Parity

Table 1 - VRIO Analysis for Pestana CR7 - New York

On one hand, by taking a closer look at the VRIO analysis, the importance of the location acquired by the group as well as the partnership with CR7 and the awards won by the brand become clear as they provide value both on the short and long-term as sources of sustained competitive advantage. On the other hand, the power of the Pestana Hotel Group and its experience is not as relevant in the market under study as other stronger and already established hotel brands such as Hilton, Ritz and Holiday Inn. While innovative at the time, the concept of a lifestyle hotel connected to a popular sports athlete, is something replicable by competitors which could be a potential threat in the future. Other assets which add value to the brand but aren't unique and don't differentiate it from others are the Planet Guest program, the financial liquidity of the group, its loyalty program and finally the technological focus in terms of amenities provided and management techniques, an area where the Pestana group is currently stronger but also one other hotel brands are more focused on improving.

3.3 - Pestana Hotel Group presence in the US Market:

A pertinent method to evaluate the company's internationalization readiness for this specific market as well as inferring on some difficulties of implementation in the United States will be to analyze their only investment in the country, the Pestana South Beach Miami Hotel (Appendix 8). On one hand, considering the client reviews in platforms such as TripAdvisor, Booking and Expedia the client's opinion about the unit is clearly favorable, with more than 80% of the reviews being of a positive nature. Positive reviews tend to mention the room, experience, staff, breakfast, service, cleanliness, location and Wi-Fi. On the other hand, the main critiques go towards the price, noisiness and air conditioning. Other aspects that should call our attention are the decrease in the occupation rate of 15% in the last two years for the Miami hotel and the general decrease

in revenue which might be explained by global tendencies of the market and not by operational/strategical mistakes. It is important to remember the differences in both location and brand between the Pestana hotel in Miami and the one to be built in New York but there are still some useful conclusions to take. There needs to be a strong focus on the revenue management strategy in order to tackle the guests concerns with prices and a thorough learning process on the specificities of the market. In addition, the staff and several suppliers seem to match the client's needs which means that the existing relationships of the brand in the U.S can be an advantage in facilitating their expansion to New York.

4 – Proposed Hotel Location Analysis:

4.1 – New York City - Manhattan Borough:

The investment under study will be done in Manhattan, New York's most economically relevant borough and a highly dynamic market with several unique characteristics which make it not only highly attractive for investors but also extremely challenging. While subject to significant fluctuations in lodging demand throughout the time mainly due to serious economic recessions, this market has always been able to recover promptly and even grow from the hardest circumstances (Appendix 3). The location is extremely attractive for both leisure and business travelers due to wide range of cultural attractions as well as the status of New York, a financial and banking pole. A deeper analysis of historical data shows us a strong correlation between demand and economic cycles and it becomes more evident when the largest dips in demand correspond to the economic crisis of 1991, 2002 and 2009. Regarding the supply, the existence of strong barriers to entry limited its growth throughout the time but this tendency has been recently reversed and from 2009 to 2016 there was a supply growth of 39.1%, which translates into the opening of approximately 160 new hotels only in the borough of Manhattan (HVS, Feb.2017).

Furthermore, the growth of supply is expected to slow down due to the increase of the cost of land and its scarcity. This will lead the existing hotels to focus more on improving their operations and performance and less about dealing with new entrants. The occupancy rates in Manhattan are now above 85 % and ever since 2004 the only time they were below 80% was during the 2009 crisis when there was a big dip in occupancy but there was an even bigger recovery immediately after. By comparing the growth rates of supply and demand it is clear that they tend to be very close and the forecasts indicate that this tendency will remain at least until 2019.

4.2 - Pestana CR7 Neighborhood Analysis:

On the 338 West, 39th Street in the heart of Manhattan and next to the 9th avenue lies the 450 square meters building site for the Pestana CR7 Lifestyle Hotel (Appendix 4). The location itself is easily accessible through the subway station of Times Square 42nd Street or through the busiest bus station in the country, Port Authority Bus Terminal, located less than 400 meters away. The closest airports to the location are the La Guardia Airport (14 Kilometers), JFK Airport (25 Kilometers) and the Newark International Airport (27 Kilometers). The biggest difficulty concerning accessibility lies with hailing a cab which can be a difficult task on mid-block locations but it is something the majority of the hotels in the area also struggle with. The building site is also near several attractions which can represent valuable demand generators and need to be taken in consideration. Some of them are the main convention center in New York city, the Javits Center, the Madison Square Garden and Carnegie Hall, all of them situated at less than 30 minutes walking from the proposed hotel. Being located right next to the 9th avenue there are several other points of interest and that appeal more closely to the Pestana CR7's target such as restaurants from all around the world, bars and cafés with live entertainment and rooftops

and even bowling lounges. Also nearby are the Broadway Theater, Madam Tussauds and the American Museum of Natural History. Furthermore, the recent extension of the subway line number 7 allows for a much more direct access to the Javits Center and the Hudson Yards, a recent development in the city which will be home to over 17 million square feet of commercial, residential and corporate space. In addition to the aforementioned attractions there are also several company headquarters in the proximities such as L'Oréal's and SAP's which are relevant demand generators for the corporate segment. Considering the current and future demand generators on the surrounding area, the idea of an upscale hotel able to satisfy both leisure and professional travelers is appropriate for the neighborhood it will be built in.

4.3 – Tourism in New York - Visitor's Profile:

Before proceeding to the pricing strategy, research was made regarding New York's hotel demand and the characteristics of the representative tourists in the last few years. In 2016, and in accordance with what has been observed in the previous years, domestic travelers have a much larger impact than international ones on the tourism industry in New York City. According to *NYC & Company*, only 12.7 Million out of the 60.5 Million visitors in 2016 were foreigners which shows how much the number of domestic travelers surpasses international arrivals. The large predominance of domestic travelers could be seen as a threat for the potential impact of the CR7 brand, which is much more well known in Europe where football is the main sport and CR7 being one of the main athletes. Nonetheless, the relatively small percentage of foreign travelers (21%) amounts for approximately 48 % of the total spent in tourism industry, which can be explained by the fact that almost all foreign travelers will be overnight tourists which exponentially increases their spending. The market segmentation is mostly represented by leisure

(79%) but business and groups still have a significant weight (21% and 8% respectively). When compared to other tourism destinations, the percentage of business travelers is considerably higher as New York occupies an extremely strong position on the financial world market. Nevertheless, 21% of business travelers represent 30% of the total spending. Important to the Pestana Group is the fact that almost 50% of the total spent on tourism in 2015 was in F&B and Lodging. The main markets of origin for the travelers in 2015 were the UK, Canada, Brazil and China. The prevalence of the first two can be explained by the strong cultural connection and the much needed purchasing power for an expensive city as New York. Brazil and China are emerging countries whose economic growth has been substantial throughout the time countries with which the United States have been trying to create a closer political relationship, especially China. Other relevant markets of origin for New York foreign travelers, and which are also expected to grow, are European countries (mostly France, Australia, Germany, Italy and Spain), Australia and México (Appendix 5).

4.4 - Porter's 5 Forces Analysis - The New York Hotel Market

To facilitate the understanding of the target market a Porter's 5 Forces analysis was performed (Appendix 6) and some main conclusions derived from it. This analysis weights the threat of new entrants and substitutes, as well as the bargaining power of suppliers and clients in order to provide its user with some valuable conclusions on the level of competition of the industry. As it was mentioned before, there is a relevant growth of the supply in the city of New York, but the threat of new entrants still remains at a moderate level. This threat level is mainly due to extremely limited spaces to build on, sold at extremely high prices, which translates to a large investment and commitment not at the reach of many. As one of the main travelling destinations in the world, New York

has a strong and competitive lodging market with approximately 93.900 rooms (HVS, 2016) meaning that there is nowadays a large supply of hotels in the city which could be a threat to Pestana CR7. Even though the threat of substitutes can be significant in the industry, the differentiation provided by Pestana CR7's concept is a valuable counter to it and, at least for now, there are no perfect substitutes in the market with the same value proposition, but it is something that could change from the minute the group enters the market and competitors start to notice the brand and its special characteristics. Due to the high quality standards to be implemented in the hotel and the differentiating features such as high-speed mobile internet or the strong bet on healthy F&B, there will be a lower amount of acceptable suppliers creating a moderate level of bargaining power. Potential clients travelling to New York are not as price sensitive as the ones who travel to other budget destinations, as there is an induced selection of the travelers with the financial means to support themselves on such an expensive location but still, the large array of options they have, generates bargaining power which can only be opposed by an effective revenue management strategy. As previously mentioned, New York City is one of the places with larger lodging supply on earth and that alone is motive for intense competition, but it is even fiercer in the case of Pestana CR7's segment of upper-scale hotels. Considering the characteristics of the proposed hotel, a search for lodging offers was performed by using some of the main hotel search engines (Booking.com, TripAdvisor and Trivago) and, at a distance lower than 1000 meters, the amount of potential competitors with a value proposition relatively similar to the Pestana Cr7 New York was substantial. In order to facilitate the study of the competition, 12 hotels with similar characteristics, on equivalent locations and which, in theory, would appeal to approximately the same segment were selected (Appendix 7). It is important to mention the fact that the lodging supply in Manhattan is expected to grow at a yearly rate larger

than 4% in 2017, 2018 and 2019 which might generate other relevant competitors for the hotel under study. Only one out of the 12 potential competitors isn't equipped with a business center, which highlights the importance of the corporate segment in this area. 75% of the selected competitive set also provide guests with a fitness center but the strong focus of Pestana CR7 on promoting a physically active lifestyle by introducing training regimes sponsored by Cristiano Ronaldo himself, might give the hotel an advantage when compared to the ones which only have the facilities for guests to train and an even bigger advantage comparing to the remaining 25% which do not. A strong differentiating factor, when comparing to the competitive set, is the in-house restaurant, something only a third of these hotels possesses. A strong bet on a dining offer of quality while maintaining the concerns of the target segment with healthy and nutritious choices could prove to be extremely attractive to potential guests looking for a hotel in the area. Regarding the strong technological inclination of Pestana CR7, the only relevant threat in the competitive set is the Yotel Times Square, which has arguably an even bigger presence and focus on offering a technological driven hotel experience. Overall, the level of competition in the city of New York is undoubtedly high, which is something to be expected from a major tourism destination, but the distinctive characteristics of the proposed hotel do need to be taken in consideration as they could result, if properly taken advantage of, on a value offer capable of attracting more costumers and taking market share from the direct competitors in the area.

4.5 - SWOT Analysis

To further clarify Pestana CR7's positioning in the market considering the previous selected competitive set (12 hotels with similar characteristics and in approximately the same location), a SWOT analysis was performed (Appendix 9). Even though the CR7

brand is fairly recent, the Pestana Hotel group already has a great experience in the industry and great track record for opening hotels in foreign countries. While this large amount of experience is not a unique feature only the Pestana CR7 hotel possesses, it definitely increases confidence on a successful investment. On the other hand, there are several large and experienced brands which will be competing for market share with the proposed hotel in the same neighborhood and some of them such as Hilton, Holiday Inn and Sheraton have much larger brand recognition than the Pestana Group which clearly represents a weakness. Some of the most differentiating characteristics of the proposed hotel are its technological inclination and healthy/active lifestyle promotion. This reveals a strong opportunity as consumer preferences are more and more shifting towards this type of offering. As mentioned before, only the Yotel as a technological vision comparable to the Pestana CR7 and even if other competitors become aware of the increasing importance of the digital segment the proposed hotel will have the first mover's advantage, in this specific neighborhood. Concerning the healthy/active lifestyle promotion, this is where one of the major strengths of the hotel arises, the partnership with the athlete with the biggest online presence in the world. Not only is this partnership exclusive to the Pestana Hotel Group but it could also represent a powerful demand generator for travellers wanting to be closer to their idol as it happens in Pestana CR7 Madeira and Lisbon where website visits increase exponentially after Cristiano shares pictures of the hotel on his social media pages. Another strength related to the other Pestana CR7 Hotels in Portugal are the extremely positive reviews, large occupancy rates and several awards given to the brand. By being part of the Pestana Hotel Group, the proposed hotel can also take advantage of the advanced Business Intelligence capabilities of the group, as well as having a strong financial leverage to face any unforeseen costs (Appendix 10). On the downside, and having in consideration the competitors under

study, there are two main factors: the mid-block location, which has lower visibility and the small room size (Projected), which is one of the most valued characteristics by costumers of similar hotels, according to reviews left on some of the most popular hotel search engines. The group of hotels from the competitive set presented an average of 94% occupancy rate, in 2014. The extremely high occupancy rate represents an opportunity, but also a threat since it will attract similar supply to the location in order to monetize on the large demand, which is also expected to increase in the years of 2018 and 2019, based on the STR Report on the New York Hotel Industry. Other relevant opportunities are connected to the existence of several large companies headquarters close by, such as EY and L'Oréal which have a strong international presence and significant flow of employees travelling from and, more important, to New York. Not only are the headquarters of several international companies close to the proposed location but there is also one of the busiest convention center in the United States (Javits Center) and the Hudson Yards Development which are exceptional demand generators for business travellers. Finally, another factor that should be taken in consideration as it could represent a significant threat is the currency fluctuation which affects not only European countries but also other countries which contribute with a large amount of visitors to New York City such as Brazil and China.

4.6 - Entry Mode Definition:

Like other hotel brands trying to expand their operations internationally, while maintaining total control of their investment, Pestana Group opted for Foreign Direct Investment as the method to enter the New York market. This entry mode is characterized by being a high risk – high reward investment since all responsibility for its success falls upon the company and as such, it represents an extremely large commitment. The

expertise of the group, based on previous internationalization processes including the investment in Miami will prove to be of extreme value for the success of the brand's new hotel. While the group doesn't discard hiring consultants with specific knowledge on the New York market, Pestana Hotel Group will be the only responsible for managing the hotel. Like many other cities, New York tries its best to foment FDI and, as such, it provides investors with several support programs such as tax-based incentives, operational support and even innovation development support. There are several factors which influence the hotel's decision-making regarding the entry mode on a foreign country but on this specific case, the political stability of the country, availability of funds (from Pestana Hotel Group) and high initial profitability expected were the ones which weighted the most. For the most part, this option seems to be the most appropriate one, considering the group is able to properly allocate its resources to minimize the risk and maximize the return of the investment while keeping the high operational standards of the brand in the other units.

5 – Pricing Strategy:

5.1 - Demand Forecast:

Some of the most basic concepts of economics are the ones of supply and demand and the effects they have on prices. It is fairly easy to understand how an increase on demand allows managers to charge a higher price but it is also important to have in mind the concept of elasticity and the fact that the increases on the price need to be proportional to the willingness of the consumer to pay for a given product or service or else the increase in the prices won't have a positive impact in the profit. Having this in consideration, a study was performed on the variation of demand on the New York hotel market throughout the year. On a monthly basis, the hotel demand in New York tends to be weaker in January and February, mainly due to the extremely cold temperatures felt

during this period of time (the average low temperature in January has been negative for several years). In contrast, all other months have a similar amount of demand with a small preponderance on the months in May, August and October (Appendix 11). Furthermore, hotels need to change their tariffs daily, and for that, it is also important to have an idea of the weekly variation of demand. Based on the 2016's performance of several competitors in the area of the proposed hotel (Appendix 12), the weekly demand reaches its peak on Saturday with average occupation rates of almost 98%. In opposition, the only day where occupation falls below the 90% mark is on Sunday, as it tends to be the last day of vacations for the majority of people who will be working on Monday. When it comes to special events, which abruptly increase the demand for a short period of time, there are several examples worth mentioning for New York City such as Christmas, New Year's Eve and Macy's thanksgiving parade (Full List on Appendix 13). The implications of the variations in demand for the New York hotel market are of most importance since they should not only be reflected in the price but also in operational management since, for example, the amount of personnel might need to be adjusted or promotions applied to attract more clients in lower seasons. Additionally, the segmentation of a given demand provides managers with essential data which allows them to better adapt their service and consequently meet the expectations of their clients and increase the levels of satisfaction. Considering the aforementioned competitors, with available information regarding this topic, used in the Porter's analysis, there is a large majority of corporate demand, 63% (Appendix 7), while leisure is estimated at approximately 32% and groups at 6%.

5.2 – Rates Calculation:

5.2.1 – Gathering Competitor's Prices:

After figuring the potential daily spikes of demand and its general variation throughout the year, the goal was to achieve a reference rate which could be applied to the whole

month. In order to do so, it was necessary to gather information on prices being practiced by relevant competitors and then do the necessary calculations to achieve the final rates. Out of the competitive set used before in the Porter's 5 Forces analysis, the 5 competitors which resemble the proposed Pestana Hotel the most were selected, in order to create a benchmark for the prices to be included in the pricing strategy. The selection was made by attributing a value to each of the characteristics of the hotel. This value would be larger according to the degree of proximity with the features of the proposed hotel. Afterwards, each characteristic received a weight (in percentage) in order to achieve a final score which, in theory, represents the degree of similarity with Pestana CR7's offer (Appendix 14). Following the selection of the short-list of competitors, information was gathered on hotel prices both from the past and the future placed on booking.com through the platform OTA Insight. The data resulting from this research can be divided in two types. First, the "Lowest" prices which correspond to the average price each competitor charged on a given date for the cheapest room. The second output are the "Best Flex" rates which are similar to the previously mentioned but have the particular characteristic of being rates that enable cancellation. For the purposes of this thesis, the gathered data corresponded to both historical data on the current year and the rates for the next year available at 23rd November of 2017.

5.2.2 – Standard Room Rate:

The first objective was to figure out a rate for the standard (Cheapest) room. This rate was calculated based on the previously mentioned competitor's prices, gathered from OTA Insight. By making use of the historical "cheapest" and "best flex" rates from the short-list of competitors during the year of 2017, the median of the rates for each month was computed which resulted on both the "cheapest" and "best flex" rates for the

proposed hotel, from January to November. Since, there are no recent historical data for December, the same methodology was used on future rates which resulted on a fairly less accurate value, since future rates are highly dependent on the exact day they were gathered. The reasoning behind making use of the median instead of the average is related to the fact that there are several events or holydays in New York City that can generate spikes in the demand and consequently on the rates, which should not be reflected on the proposal for a basic monthly rate. After achieving the basic monthly rates for 2017, the next step was to introduce the expected rates of increase in ADR (average daily rate) to the formula and extrapolate on the prices for 2020, the opening year of the proposed hotel. Based on a report from HVS, (Manhattan Lodging Report, 2017) the ADR for the borough of Manhattan is expected to increase 1.4%, 5.5% and 6.7% in the years of 2017, 2018 and 2019 respectively. As shown below, the table includes a forecast of the monthly rates for each month, based on the short-list of competitors, to be applied to the most basic and cheapest room of the proposed hotel, with and without the option of cancelling the reservation.

	2017		2018		2019		2020	
	Lowest	Best-Flex	Lowest	Best-Flex	Lowest	Best-Flex	Lowest	Best-Flex
January	\$ 120,00	\$ 119,00	\$ 121,68	\$ 120,67	\$ 128,37	\$ 127,30	\$ 136,97	\$ 135,83
February	\$ 129,00	\$ 139,00	\$ 130,81	\$ 140,95	\$ 138,00	\$ 148,70	\$ 147,25	\$ 158,66
March	\$ 179,00	\$ 199,00	\$ 181,51	\$ 201,79	\$ 191,49	\$ 212,88	\$ 204,32	\$ 227,15
April	\$ 219,00	\$ 219,00	\$ 222,07	\$ 222,07	\$ 234,28	\$ 234,28	\$ 249,98	\$ 249,98
May	\$ 222,00	\$ 223,00	\$ 225,11	\$ 226,12	\$ 237,49	\$ 238,56	\$ 253,40	\$ 254,54
June	\$ 200,00	\$ 202,00	\$ 202,80	\$ 204,83	\$ 213,95	\$ 216,09	\$ 228,29	\$ 230,57
July	\$ 177,00	\$ 210,00	\$ 179,48	\$ 212,94	\$ 189,35	\$ 224,65	\$ 202,04	\$ 239,70
August	\$ 179,00	\$ 219,00	\$ 181,51	\$ 222,07	\$ 191,49	\$ 234,28	\$ 204,32	\$ 249,98
September	\$ 239,00	\$ 250,00	\$ 242,35	\$ 253,50	\$ 255,68	\$ 267,44	\$ 272,81	\$ 285,36
October	\$ 262,00	\$ 262,00	\$ 265,67	\$ 265,67	\$ 280,28	\$ 280,28	\$ 299,06	\$ 299,06
November	\$ 219,00	\$ 209,00	\$ 222,07	\$ 211,93	\$ 234,28	\$ 223,58	\$ 249,98	\$ 238,56
December	\$ 246,00	\$ 284,00	\$ 249,44	\$ 287,98	\$ 263,16	\$ 303,81	\$ 280,80	\$ 324,17

Table 2 - Reference monthly rates for Pestana CR7 - New York's Standard Room based on competitors

5.2.3 –Rates for Different Types of Rooms:

The second step would be to have a rate proposal for the several types of rooms the proposed hotel will have but once again, there is still no definitive information on the number of different rooms to be added to Pestana CR7 New York. Based on the two

Pestana CR7 hotels currently active (Appendix 15), there is no standardized model for the types of rooms provided, since its distribution is strongly dependent on the specific characteristics of the location and infrastructure available for the hotel. After taking a closer look at the competitor's rate structure and in order to simplify the pricing strategy, two different types of rooms with a larger value proposition were added to the previously mentioned standard room. In order to achieve the rates for these two new types of rooms, data was gathered from the top 3 competitors on the sort-list regarding the prices they practiced on the three cheapest rooms available during a week (chosen at random but disregarding periods of Holidays or special events in the city). Afterwards, I computed the growth rate of the prices between the three different types of rooms for each of the competitors during the given 7 days and used its median as the value to be applied to the previously calculated standard room rates. The median of the difference, in percentage, between the cheapest and second cheapest types of rooms was 8,50% and 10,81% (Appendix 16) between the second and third. In addition, the full list of prices collected can be found in Appendix 17.

5.2.4 –Final Pricing Table:

Finally, by applying the computed growth rates for the prices between different types of rooms to the standard room rates, the result is a table with all the reference monthly prices for the three different types of rooms during the year of 2020 (Appendix 18). Building on the previously mentioned table, some adjustments were made in order to achieve a refined and more strategically-oriented result. The changes included a 5% reduction on the price of the standard room, due to Pestana Group being a newcomer to the market and making use of a penetration price, lower than the competitors, will help generate initial demand.

The remaining two types of rooms were left as they were since it is also important not to undervalue the property and the image of a higher value proposition must remain intact. The concept of Psychological pricing was also used where all rates were set at a price without decimals, which has been proven to attract more customers (Priceless, William Poundstone). The CR7 suite was also added to the hotel's offering, the most exclusive and premium room available only to the most dedicated fans. It is worth mentioning that creating a pricing strategy for a hotel opening in the year of 2020 requires several assumptions which limit the accuracy of the predictions. Also, the values for ADR growth rates are extremely susceptible to fluctuation, especially on such a volatile market as New York. Additionally, all the daily room rates gathered from OTA Insight originate from a single hotel search engine and do not represent an average throughout all available platforms which would be more accurate. Another limitation would be the difficulty to assess the impact of the CR7 brand in the U.S. market and its power to generate demand.

	CR		CR Superior		CR Superior Deluxe		CR7 Suite
	Low	Flex	Low	Flex	Low	Flex	
January	\$ 130,00	\$ 129,00	\$ 141,00	\$ 140,00	\$ 156,00	\$ 155,00	\$ 999,99
February	\$ 140,00	\$ 151,00	\$ 152,00	\$ 164,00	\$ 168,00	\$ 181,00	\$ 999,99
March	\$ 194,00	\$ 216,00	\$ 211,00	\$ 234,00	\$ 233,00	\$ 259,00	\$ 999,99
April	\$ 237,00	\$ 237,00	\$ 258,00	\$ 258,00	\$ 286,00	\$ 286,00	\$ 999,99
May	\$ 241,00	\$ 242,00	\$ 261,00	\$ 262,00	\$ 289,00	\$ 291,00	\$ 999,99
June	\$ 217,00	\$ 219,00	\$ 235,00	\$ 238,00	\$ 261,00	\$ 263,00	\$ 999,99
July	\$ 192,00	\$ 228,00	\$ 208,00	\$ 247,00	\$ 231,00	\$ 274,00	\$ 999,99
August	\$ 194,00	\$ 237,00	\$ 211,00	\$ 258,00	\$ 233,00	\$ 286,00	\$ 999,99
September	\$ 259,00	\$ 271,00	\$ 281,00	\$ 294,00	\$ 312,00	\$ 326,00	\$ 999,99
October	\$ 284,00	\$ 284,00	\$ 308,00	\$ 308,00	\$ 342,00	\$ 342,00	\$ 999,99
November	\$ 237,00	\$ 227,00	\$ 258,00	\$ 246,00	\$ 286,00	\$ 272,00	\$ 999,99
December	\$ 267,00	\$ 308,00	\$ 289,00	\$ 334,00	\$ 321,00	\$ 370,00	\$ 999,99

Table 3 - Final Reference table of monthly rates for Pestana CR7 - New York

6 – Conclusions and Recommendations:

The opportunity to expand to one of the cities with the highest inflow of tourists is not to be missed especially when the Pestana Hotel Group is bringing a differentiated and innovative concept to the market such as the CR7 brand. Still there are some points to which the group should pay special attention. Building on the afore mentioned SWOT

analysis, the TOWS framework provided some recommendations in order to facilitate market entry as well as maximizing future profits.

SO – Use Strengths to take advantage of opportunities	ST – Use Strengths to diminish threats
<p>The exercises plans and F&B options directed towards healthy conscious and active guests should be a strong bet as they match the current shift of consumer’s preferences. Since the location is extremely prone to corporate demand the technological focus of the proposed hotel should be especially reflected on the business center providing modern equipment to accomodate guests who wish to work during their stay.</p>	<p>The high volatility of the target market needs to be adressed and the expertise of the Pestana Group in other international markets as well as their strong BI capabilities will be key to deal with any unexpected shifts in demand and quickly adapt their rates. In order to adress the much larger brand awareness of competitors in the target market the Pestana Group should keep taking advatange of the immense reach of CR7 in social media and communicate the positive impact of the CR7 hotels apreviously opened.</p>
WO – Use opportunities to overcome weaknesses	WT – Minimize weaknesses and avoid threats
<p>The potentially smaller demand generated by the low brand recognition in the target market can be countered with an alternative focus on the corporate segment. Examples would be establishing a relationship with the event planning team of the Javits Center or with some of the main company headquarters in the area such as EY and L’Oréal.</p>	<p>Agresive strategy for increasing demand in winter months by combining lower tariffs with upgrade options such as breakfast, CR7/Football merchandise (Like it has been implemented on the other CR7 Hotels), offering discounted meals or drinks on the restaurant/bar. Transportation arrangement to and out of the hotel should be in place to adress lower accessibility of mid block location.</p>

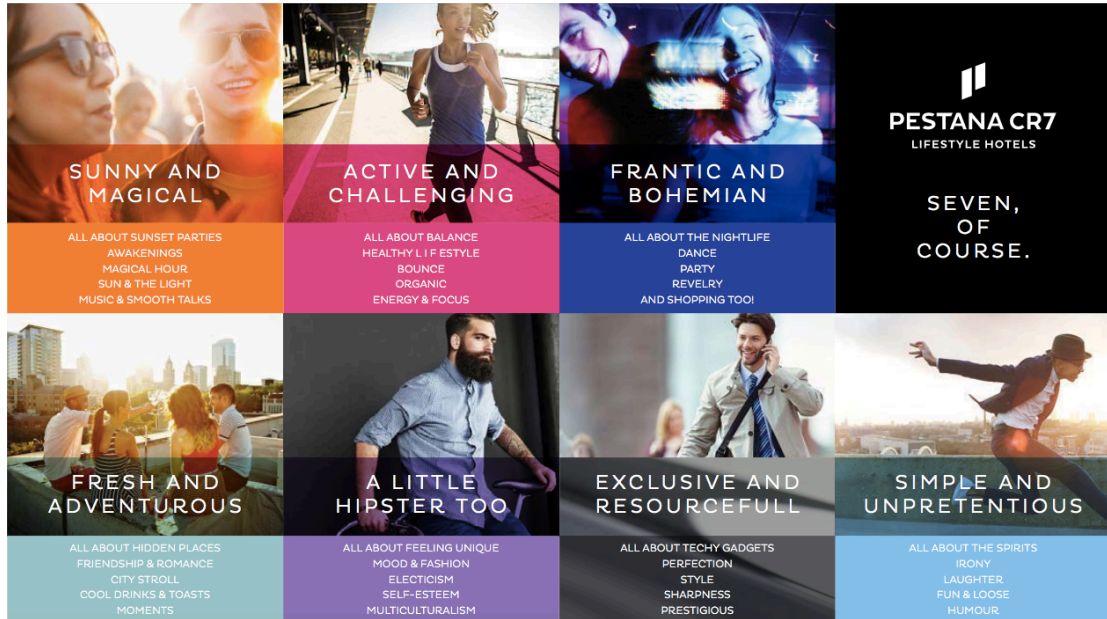
Table 4 - TOWS Framework

In addition, and not disregarding the main target of the brand, the millennials, an attracting feature would be a Micro-site/app aimed towards Pestana CR7 healthy lifestyle concept with specific information concerning dedicated tips and promotions of the city’s attractions. The goal will be to generate a deeper and longer relationship with customers. Also, by using the specific feedback generated by this new platform, the services can be better suited in the future to accommodate the segment’s specific demands. Moreover, starting on the opening day, there should be a guideline for discounts to be applied to the several rooms available, considering the type of guest booking it and the amount of demand. The idea would be to link the discounts to the demand percentage for a given day meaning, as demand would increase, the most significant discounts would become consequently unavailable until only the base rate is available. Ultimately, the key factors for the New York internationalization of the brand will be to keep up with lodging demand and supply fluctuations, having a clear idea on what the main competitors are doing and be able to match it or even surpass it and finally have a personalized value proposition able to speak to the most relevant segments in the neighborhood.

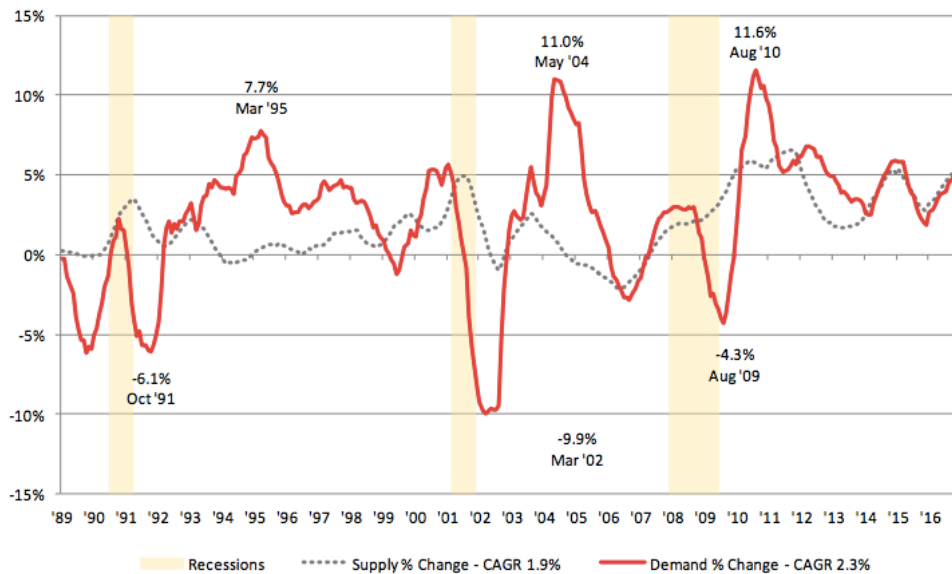
Appendixes:

	International tourist arrivals (million)							Market share (%)	Change (%)			Average a year (%)
	1990	1995	2000	2005	2010	2015	2016*		14/13	15/14	16*/15	
World	435	526	674	809	953	1,189	1,235	100	4.0	4.5	3.9	3.9
Advanced economies ¹	299	337	424	470	516	654	685	55.5	5.7	5.0	4.8	3.5
Emerging economies ¹	136	189	250	339	437	536	550	44.5	2.1	4.0	2.7	4.5

Appendix 1 - Tourism Industry Growth

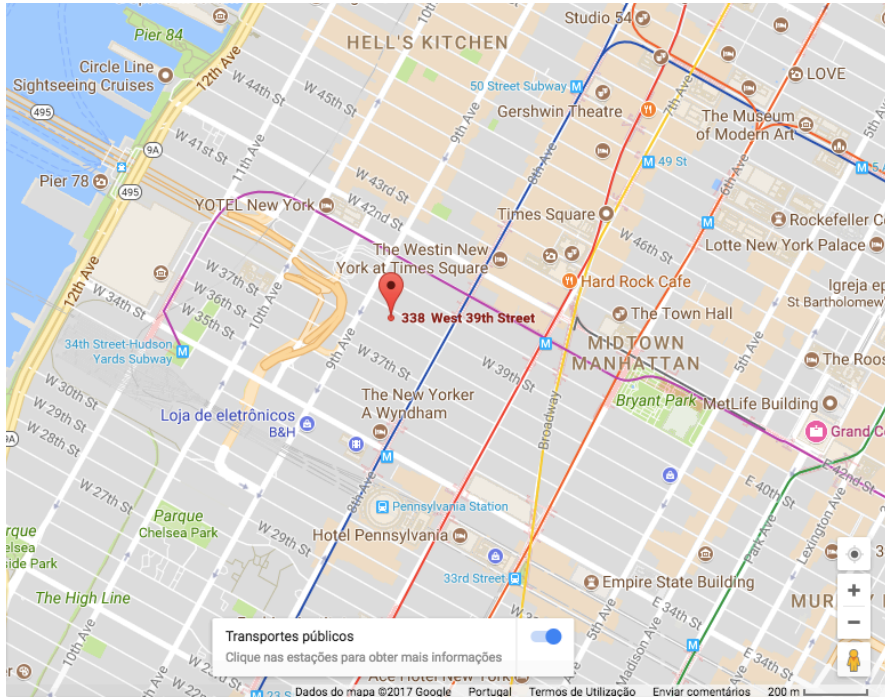


Appendix 2 - 7 Lifestyle Segmentation Characteristics, Pestana CR7 Brandbook



Source: HVS, STR, and National Bureau of Economic Research

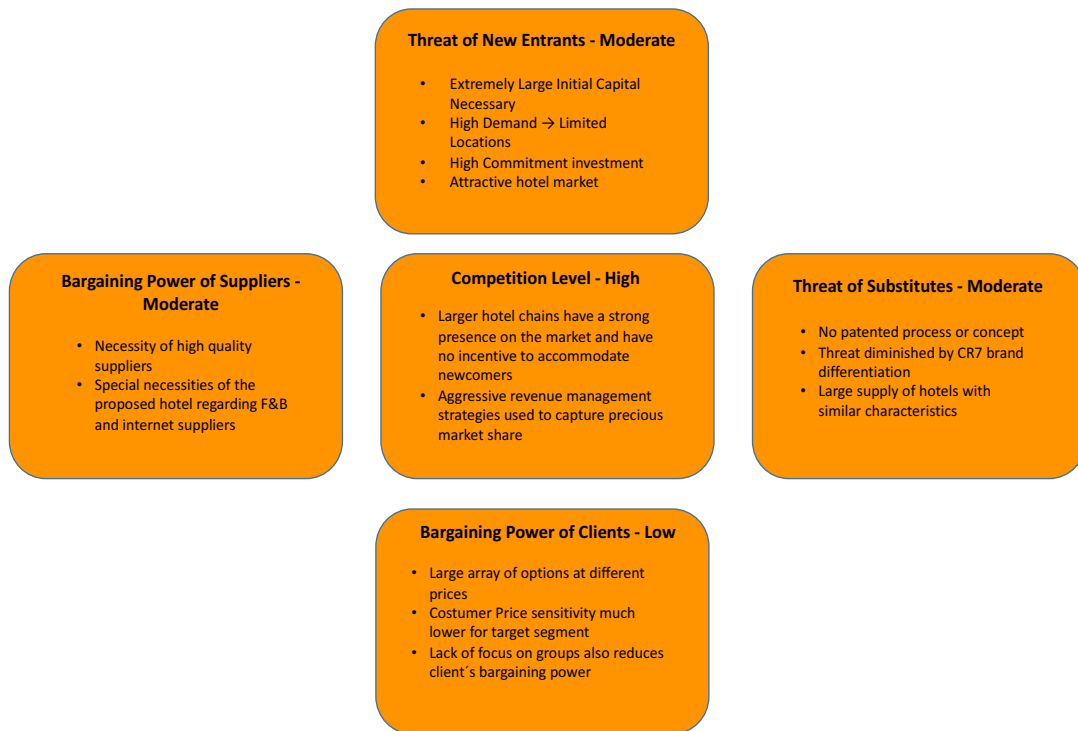
Appendix 3 - Lodging Demand Fluctuation in Manhattan



Appendix 4 - Proposed Hotel Location, Google Maps



Appendix 5 - Top 10 International Markets travelling to New York in 2016



Appendix 6 - Porter's 5 Forces

	Stars	Lodging Type	# Rooms	Distance to Pestana CR7	Year of Opening
Holiday Inn Express	3	Mid-Priced Express Hotel	210	0 Meters	2009
Yotel Times Square	4	Design Hotel - Tech Hotel	713	500 Meters	2011
Element Times Square West	3	Eco-Friendly Hotel	411	50 Meters	2010
Holiday inn New york City	3	Mid-Priced Hotel	271	100 Meters	2015
Cassa Hotel Times Square	4	Luxury Boutique	165	100 Meters	2014
Moxy NYC Times Square	4	Upper class - Lifestyle Hotel	612	650 Meters	2017
DoubleTree by Hilton	4	Upper-class Hotel	224	300 Meters	2008
Distrikt hotel	4	Upper-class Hotel	155	300 Meters	2010
Staybridge suites	4	Upper-class Hotel	310	300 Meters	2010
Fairfield Inn & Suites	3	Mid-Priced Hotel	244	300 Meters	2009
Four Points by Sheraton	3	Mid-Priced Hotel	151	300 Meters	2009
Hampton Inn Manhattan	3	Mid-Priced Hotel	300	0 Meters	2009

	Fitness Center	Pool	Equipped for corporate	Breakfast Included	Restaurant	Bar
Holiday Inn Express	No	No	Yes	Yes	No	No
Yotel Times Square	Yes	No	Yes	Yes	Yes	Yes
Element Times Square West	Yes	No	Yes	Yes	No	No
Holiday in New york City	Yes	No	Yes	Yes	Yes	Yes
Cassa Hotel Times Square	No	No	Yes	Yes	No	Yes
Moxy NYC Times Square	Yes	No	Yes	No	Yes	Yes
DoubleTree by Hilton	Yes	No	Yes	No	Yes	Yes
Distrikt hotel	No	No	Yes	No	Yes	Yes
Staybridge suites	Yes	No	Yes	Yes	No	Yes
Fairfield Inn & Suites	Yes	No	Yes	Yes	No	Yes
Four Points by Sheraton	Yes	No	Yes	No	Yes	Yes
Hampton Inn Manhattan	Yes	No	Yes	Yes	No	No

	Occupancy*	ADR*	RevPAR*	%Corporate/Leisure/Group*
Holiday Inn Express	94%	\$ 234,00	\$ 220,00	65%/35%/0%
Yotel Times Square	Not Available	Not Available	Not Available	Not Available
Element Times Square West	94%	\$ 249,00	\$ 234,00	65%/30%/5%
Holiday in New york City	Not Available	Not Available	Not Available	Not Available
Cassa Hotel Times Square	Not Available	Not Available	Not Available	Not Available
Times Square Luxury Suites	Not Available	Not Available	Not Available	Not Available
DoubleTree by Hilton	94%	\$ 236,00	\$ 222,00	60%/30%/10%
Distrikt hotel	96%	\$ 259,00	\$ 249,00	65%/35%/0%
Staybridge suites	99%	\$ 261,00	\$ 258,00	65%/30%/5%
Fairfield Inn & Suites	94%	\$ 250,00	\$ 235,00	65%/35%/0%
Four Points by Sheraton	96%	\$ 247,00	\$ 237,00	65%/35%/0%
Hampton Inn Manhattan	95%	\$ 228,00	\$ 217,00	65%/35%/0%

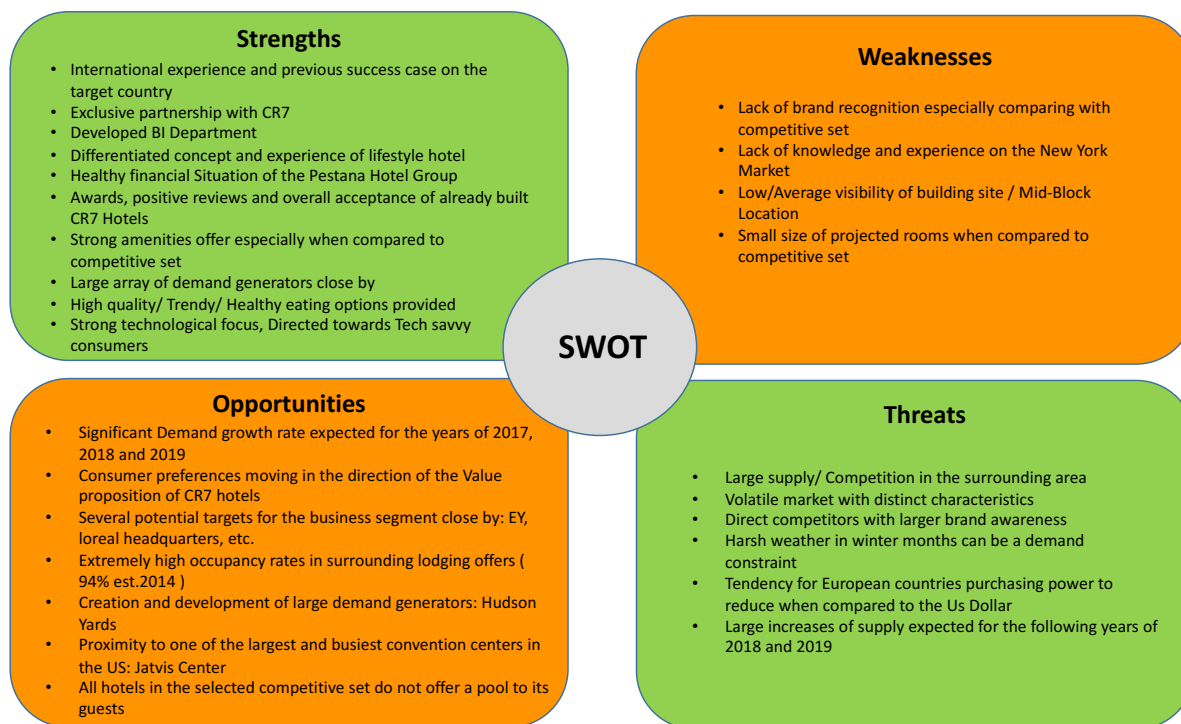
* Gathered from HREC Report, 2014

Appendix 7 - Competitor's Long List

South Beach Miami Hotel Data

Row Labels	RN	ARR	Room Rev	Food Rev	RevPAI	
2013		20 745	160	3 310 550	274 113	1
2014		28 804	156	4 486 562	471 337	1
2015		24 956	161	4 028 417	527 845	1
2016		23 030	170	3 911 868	468 033	1
Grand Total		97 535	161	15 737 397	1 741 329	1

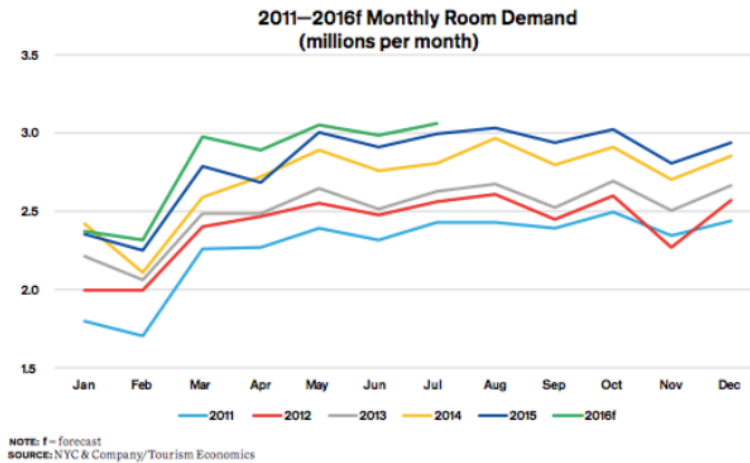
Appendix 8 - Pestana Shouth Beach Miami Data



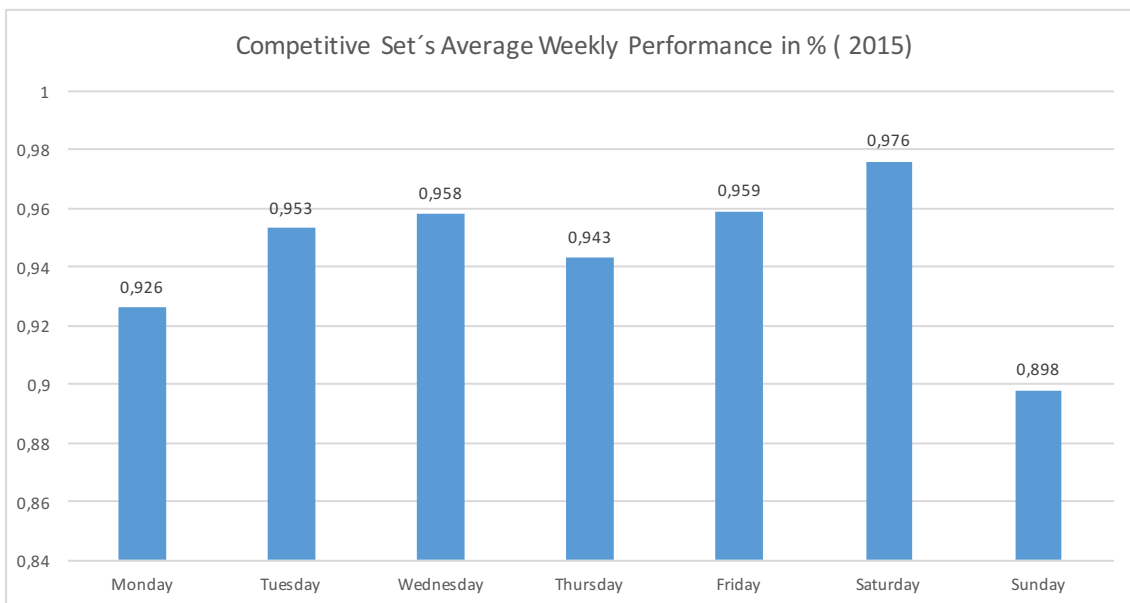
Appendix 9 - SWOT Analysis

Appendix 10 - Financial Situation

Financially speaking the Pestana Hotel Group is an extremely solid company with an EBITDA margin of 26%, well above the 19.44% average of the industry (CSIMarket, 2017). With an asset value of 1.2bn euros of which 0.9bn are fixed we can describe the company as having an extremely positive impact on the economy of its country of origin where approximately 70% of the assets are located. In terms of growth, the company registered an increase in revenue of approximately 3.6% during the year of 2016. The hotel segment represents 67% of the total revenues while the remaining percentage is divided amongst the remaining complementary businesses. On the downside, the group suffered with the negative impact of inflation and exchange rates on the South American market but in the global business scheme and considering the previous data the results of 2016 were undoubtedly positive and create great expectations for the future of the company.



Appendix 11 - New York Hotel demand variation throughout the year



Appendix 12 - Weekly variation of Demand for Competitive Set in Manhattan, Source: Smith Travel Research

Main Holidays and events in New York:

February – Valentine's day

March – St. Patrick's Day

April – Easter; Tribeca Film Festival

July – 4th of July

November – NYC Marathon; Macy's Thanksgiving Parade

December – Christmas; New Year's Eve

Appendix 13 – Main events and holidays in New York

	Fitness Center (0.1)	Equipped for corporate (0.1)	Breakfast Included (0.05)	Restaurant (0.1)	Bar (0.1)	# Rooms (0.05)	Distance to Pestana CR7 (0.05)	Year of Opening (0.05)	Stars (0.05)	Lifestyle/ Tech Hotel (0.25)	Final Score
Holiday Inn Express	0	1	1	0	0	3	2	1	1	0	0,5
Yotel Times Square	1	1	1	1	1	1	1	2	2	1	1
Element Times Square West	1	1	1	0	0	2	2	1	1	0	0,55
Holiday in New york City	1	1	1	1	1	2	2	2	1	0	0,8
Cassa Hotel Times Square	0	1	1	0	1	3	2	2	2	0	0,7
Moxy NYC Times Square	1	1	0	1	1	1	1	2	2	1	0,95
DoubleTree by Hilton	1	1	0	1	1	2	2	1	2	0	0,75
Distrikt hotel	0	1	0	1	1	3	2	1	2	0	0,7
Staybridge suites	1	1	1	0	1	2	2	1	2	0	0,7
Fairfield Inn & Suites	1	1	1	0	1	2	2	1	1	0	0,65
Four Points by Sheraton	1	1	0	1	1	3	2	1	1	0	0,75
Hampton Inn Manhattan	1	1	1	0	0	2	2	1	1	0	0,55

Hotel Name	Final Score
Yotel Times Square	1
Moxy NYC Times Square	0,95
Holiday in New york City	0,8
Four Points by Sheraton	0,75
DoubleTree by Hilton	0,75
Distrikt hotel	0,7
Staybridge suites	0,7
Cassa Hotel Times Square	0,7
Fairfield Inn & Suites	0,65
Element Times Square West	0,55
Hampton Inn Manhattan	0,55
Holiday Inn Express	0,5

Short - List

Appendix 14 - Short-List and Selection Criteria

Location	Room Name	Area (m ²)	Capacity	Price on Hotel's Website
Lisboa	CR	18	2	81,00 €
Funchal	CR	18	2+1	106,00 €
Lisboa	CR Superior	18	2	86,00 €
Funchal	CR Superior	21	2+1	133,00 €
Lisboa	CR Superior Corner	21	2	138,00 €
Lisboa	CR Superior Rooftop	26	2	148,00 €
Lisboa	CR Superior Triplo	25	3	154,00 €
Lisboa	CR7 Suite	54	2	681,00 €
Funchal	CR7 Suite	40	2	336,00 €

Appendix 15 - Types of Rooms on Currently open CR7 Brand Hotels

	Room 1 to Room 2						Room 2 to Room 3					
	Low			Flex			Low			Flex		
	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3
15/01/18	82,76%	5,15%	50,57%	N/A	6,34%	N/A	114,47%	8,39%	0,00%	114,77%	7,95%	N/A
16/01/18	61,90%	5,15%	58,09%	N/A	6,34%	N/A	77,94%	8,39%	0,00%	78,15%	7,95%	N/A
17/01/18	8,43%	5,83%	11,56%	8,70%	6,35%	10,90%	168,89%	9,45%	0,00%	169,00%	9,70%	0,00%
18/01/18	8,43%	8,89%	13,93%	8,70%	9,00%	12,21%	84,44%	12,24%	0,00%	85,00%	18,35%	0,00%
19/01/18	8,43%	8,89%	8,57%	8,70%	9,00%	7,02%	135,56%	12,24%	7,02%	135,00%	11,01%	7,38%
20/01/18	8,43%	7,62%	0,00%	8,70%	7,69%	0,00%	152,22%	10,62%	6,11%	152,00%	9,52%	5,76%
21/01/18	8,43%	8,43%	0,00%	8,70%	8,70%	0,00%	84,44%	13,33%	6,11%	85,00%	13,00%	5,76%
	Median Growth Rate						Median Growth Rate					
	8,50%						10,81%					

Appendix 16 - Growth Rates between different types of Rooms gathered from Booking.com

	Room 1						Room 2						Room 3					
	Low			Flex			Low			Flex			Low			Flex		
	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3	Hotel 1	Hotel 2	Hotel 3
15/01/18	€ 87,00	€ 136,00	€ 176,00	N/A	€ 142,00	€ 274,00	€ 159,00	€ 143,00	€ 265,00	€ 176,00	€ 151,00	N/A	€ 341,00	€ 155,00	€ 265,00	€ 378,00	€ 163,00	€ 274,00
16/01/18	€ 84,00	€ 136,00	€ 136,00	N/A	€ 142,00	€ 223,00	€ 136,00	€ 143,00	€ 215,00	€ 151,00	€ 151,00	N/A	€ 242,00	€ 155,00	€ 215,00	€ 269,00	€ 163,00	€ 223,00
17/01/18	€ 83,00	€ 120,00	€ 147,00	€ 92,00	€ 126,00	€ 156,00	€ 90,00	€ 127,00	€ 164,00	€ 100,00	€ 134,00	€ 173,00	€ 242,00	€ 139,00	€ 164,00	€ 269,00	€ 147,00	€ 173,00
18/01/18	€ 83,00	€ 90,00	€ 122,00	€ 92,00	€ 100,00	€ 131,00	€ 90,00	€ 98,00	€ 139,00	€ 100,00	€ 109,00	€ 147,00	€ 166,00	€ 110,00	€ 139,00	€ 185,00	€ 129,00	€ 147,00
19/01/18	€ 83,00	€ 90,00	€ 105,00	€ 92,00	€ 100,00	€ 114,00	€ 90,00	€ 98,00	€ 114,00	€ 100,00	€ 109,00	€ 122,00	€ 212,00	€ 110,00	€ 122,00	€ 235,00	€ 121,00	€ 131,00
20/01/18	€ 83,00	€ 105,00	€ 131,00	€ 92,00	€ 117,00	€ 139,00	€ 90,00	€ 113,00	€ 131,00	€ 100,00	€ 126,00	€ 139,00	€ 227,00	€ 125,00	€ 139,00	€ 252,00	€ 138,00	€ 147,00
21/01/18	€ 83,00	€ 83,00	€ 131,00	€ 92,00	€ 92,00	€ 139,00	€ 90,00	€ 90,00	€ 131,00	€ 100,00	€ 100,00	€ 139,00	€ 166,00	€ 102,00	€ 139,00	€ 185,00	€ 113,00	€ 147,00

Appendix 17 - Full list of prices gathered on 3 Cheapest rooms of 3 different competitors

	CR		CR Superior		CR Superior Deluxe	
	Low	Flex	Low	Flex	Low	Flex
January	136,97	135,83	148,62	147,38	164,68	163,31
February	147,25	158,66	159,76	172,15	177,03	190,76
March	204,32	227,15	221,69	246,46	245,65	273,10
April	249,98	249,98	271,22	271,22	300,54	300,54
May	253,40	254,54	274,94	276,18	304,66	306,03
June	228,29	230,57	247,69	250,17	274,47	277,21
July	202,04	239,70	219,21	260,08	242,91	288,19
August	204,32	249,98	221,69	271,22	245,65	300,54
September	272,81	285,36	295,99	309,62	327,99	343,09
October	299,06	299,06	324,48	324,48	359,55	359,55
November	249,98	238,56	271,22	258,84	300,54	286,82
December	280,80	324,17	304,66	351,72	337,60	389,75

Appendix 18 - Original Final Table of Prices (without adjustments)

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