

# KPIs Glossary



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Tool = the report or system where you will find this KPI in use

Integrity Test = where a KPI could be altered for a desired result. For example, depending on the comp set you choose, you can wildly skew your KPIs. Choose a “dog set” and you will look like the market leader and that is manipulative.

Discipline = the department(s) that typically uses this KPI

Personas = the stakeholder(s) who is (or should be!) interested in this KPI because it impacts their area of responsibility

<b>KPI</b>	<b>Calculation</b>	<b>Description</b>	<b>Tool</b>	<b>Integrity Test</b>	<b>Discipline</b>	<b>Personas</b>
ADR (RevPOR)	Revenue / Occupied Rooms	Average Daily Rate (Revenue Per Occupied Room): Indicates the average value received for rooms sold	Daily Report, Monthly Financial Statement, Industry Occupancy Benchmarking Report	Inventory composition / Suite ratio / Top-line revenue only / Hotel-chosen comp set	Marketing, Revenue, Sales	Hotel GM, Director of Revenue Management, Director of Sales, Director of Finance, All Personas
ALOS	# of Occupied Room Nights / # of Reservations	Average Length of Stay: Important stat for profit since longer LOS has lower costs than same amount of room nights/revenue with 1-night turnovers	PMS		Revenue	Hotel GM, Director of Revenue Management, Director of Finance
Ancillary Revenue Per Room	Total Non-Room Revenue / Total Available Rooms	Determines total value of sold rooms beyond solely the room rate; can be broken down by segment to understand most valuable guests even if they do not pay the highest room rate	Accounting System		Revenue	Chief Commercial Strategy Officer, Hotel GM, Director of Revenue Management, Director of F&B, Director of Finance
Annual	Actual / Goal	Can be applied to any	Excel Doc		All Depts	All

Goals		metric for the year				Personas
Attrition Collection	Total Contracted Attrition / Total Attrition Collection Actualized = Attrition Collection Success	Performed by Accounting in partnership with Sales to achieve target; should have protocols to ensure hotels collect all revenues owed since they are usually pure profit	Sales System		Sales, Revenue	Director of Sales, Director of Revenue Management, Director of Finance
Brand Contribution	Total affiliated brand contribution / total hotel business (either room nights or revenue)	Percent of business received from the property's affiliated brand; shows the value of the brand with ultimate goal of high direct bookings vs. third-party bookings	RMS System		Marketing, Revenue	Owner, Director of Revenue Management, Hotel GM, Chief Commercial Strategy Officer, Director of Marketing, Corporate Team
Brand Costs	Loyalty + Redemption Loss + Comp Upgrade + Marketing Fees + Reservation Fees = Brand Costs	This exact calculation is unique per hotel, but should consider what fees are clearly in support of the brand / flag (e.g., all hotels would incur a GDS transaction fee, so that fee may not be unique to the brand, but an additional call center fee to support the specific brand could be included)	Accounting System		Sales, Marketing, Revenue	Owner, Director of Revenue Management, Hotel GM, Director of Marketing, Director of Finance, Chief Commercial Strategy Officer, Corporate Team
Cancellation Rate	Total Cancelled / Total Booked = % Cancellation Rate	Valuable for understanding market segment behavior, future pace development, and net ROI for marketing campaigns when some bookings will cancel	PMS		Sales, Revenue	Director of Revenue Management, Front Office Manager, Director of Sales
Catering Contribution Per Group	Banquets/Catering Revenue Divided by Group Room	The amount of banquets/catering revenue a group produces in relation to	Sales System	Varies by line items included in	Sales	Director of Sales, Director of Revenue

Room Night	Nights	the room nights they use		catering revenue and catering-only revenue in/excluded		Management, Hotel GM
Catering Segment Mix	Group OR Local Catering Revenue / Total Catering Revenue	% of catering business associated with group vs. local (social) catering; useful for understanding total revenue value of groups and sales goals for targeting and prospecting	Sales System		Sales	Director of Sales
Channel Mix	Bookings from channel x / total bookings OR revenue from channel x / total revenue	Percent of business received from a given channel. Useful for creating action plans for optimal mix based on channel cost and missing share according to Demand360 or other tools	RMS, Business Intelligence Reports		Revenue, Marketing	Director of Revenue Management, Director of Marketing, Owner, Hotel GM, Corporate Team
COPE Revenue	Hotel Collected Revenue - Booking Costs (channel cost, transaction fee, loyalty fee, consortia fee)	COPE is Contribution to Operating Profit & Expense; revenue after all booking costs are deducted from Guest Paid Revenue, including commissions, channel and transaction fees, loyalty fees, and consortia amenity costs; metric is also applied to ADR and RevPAR	Business Intelligence Reports		Revenue, Marketing	Director of Revenue Management, Director of Finance, All Personas, Director of Marketing, Corporate Team
Cost of Sales	Rooms = TA Commissions + GDS fees + cost of loyalty points awarded + system pass-through + attributed marketing dollars + Sales' salaries and	Direct and indirect costs associated with making a booking; applicable to all revenue streams in order to set profitable pricing for goods and services, limit promotions and marketing tactics to profitable levels, and	P&L	All internal and external costs must be considered	All Depts	All Personas

	benefits F&B = ingredients + service + waste	evaluate optimal business mix by channel and segment cost				
CPC	Campaign Ad Spend / # of Clicks	Cost Per Click: Specific to PPC (pay-per-click) campaigns where you bid for your ad to be displayed vs. competitors' ads; highest bid wins, but is only charged when the viewer clicks on the ad, so CPC should be viewed in conjunction with Impressions and CTR for these campaigns	Marketing System		Marketing, Revenue	Director of Marketing, Director of Revenue Management
CPOR	Total Rooms Departments Cost / Number of Rooms Sold	Cost Per Occupied Room: Indicates the average cost associated with the sale of a room; by assessing if those costs are reasonable and comparing them to industry benchmarks, hotels can optimize rooms profitability	Accounting System / P&L	Compliance with USALI	Revenue	Director of Finance, Hotel GM, Director of Revenue Management, Director of Sales, Owner
CTR	% of Recipients who clicked on a digital ad / Total # of Recipients	Click Through Rate: Applies to eblasts, PPC, remarketing, and any other digital marketing; more meaningful than impression or recipient count, since these are the individuals who showed interest in the messaging and acted on it, most likely of all stats to convert to bookings	Marketing System		Marketing, Revenue	Director of Marketing, Director of Revenue Management
Demand Change YoY	Total Occupancy Previous Year - Total Occupancy Current Year = Change Value	Demand change equates to both ADR and occupancy potential and is needed to understand if demand is keeping up with supply changes	Industry Occupancy Benchmarking Report, Business Intelligence Reports		Revenue, Sales, Marketing	Director of Revenue Management, Director of Sales, Hotel GM, Director of Marketing, Corporate

						Team
EBITDA	<p>Can be calculated in different ways, but the most common method for hotels is:</p> <p>Net Income + Taxes + Interest Expense + Depreciation &amp; Amortization</p>	<p>Earnings Before Interest, Taxes, Depreciation, and Amortization: The profit from all revenues and expenses; in addition to including departmental expenses and undistributed operating expenses, also includes non-operating expenses that are mostly outside of the management team's control. These items include insurance, property tax, lease expense, ownership expense, etc. EBITDA is used to evaluate the overall health of an asset. It is worth noting that EBITDA differs from NOI in that it includes restricted cash (as opposed to unrestricted cash which NOI shows).</p> <p>Other options to calculate EBITA include:</p> <p>= Operating Income + Depreciation &amp; Amortization (where Operating Income is profit after subtracting operating expenses)</p> <p>= Gross Operating Profit – Management Fees – Fixed Expenses/Income (Insurance, Property Tax, Ownership Expenses, Lease Expenses/Income, Other</p>	Accounting System	Compliance with USALI	All Depts	Owner, Hotel GM, Director of Finance, Director of Revenue Management, Chief Commercial Strategy Officer, All Personas, Corporate Team

		Expenses/Income, etc...)				
Engagement	% of Engaged Followers / Total # of Followers	Number of social media account followers who are actively engaged in the account, liking and responding to posts; more meaningful stat than follower count alone, since these individuals are active enthusiasts of your product and more likely to respond to marketing and share it with their connections	Social Media Account		Marketing	Director of Marketing
Follower Count	# of Followers as shown on social media account	Number of individuals who "follow" a specified social media account to view and receive posts; gauge how many individuals your social media account has reached, in order to actively market your product, engage customers, and spread exposure through those followers' connections	Social Media Account		Marketing	Director of Marketing
Forecast Accuracy	Actualized Revenue / Forecasted Revenue	The percent of actual revenue compared to budgeted or forecast revenue; when measuring multiple periods (typically months) Mean Absolute Percent Error (MAPE) should be factored to most accurately calculate Forecast Accuracy (e.g., if the absolute variance for January is 8.0 and the absolute variance for February is 6.0, the MAPE for those two months would be 7.0)	Accounting System		Revenue	Director of Revenue Management, Hotel GM, Director of Sales, Director of Finance, Owner
GOP	Total	Gross Operating Profit:	P&L,	Compliance	All Depts	Owner,

	Departmental Revenues – (Total Departmental Expenses + Undistributed Operating Expenses)	The profit from all controllable revenues and expenses; it is the balance of total departmental revenues (rooms, F&B, communications, other) less total departmental expenses and undistributed operating expenses (A&G, information & telecommunications, sales & marketing, maintenance, utilities, etc.). This metric is largely used to measure profitability and the operating performance of the hotel and its management team, since the items included are within their control.	Industry Profitability Benchmarking Report	Compliance with USALI		Hotel GM, Director of Finance, Director of Revenue Management, Chief Commercial Strategy Officer, All Personas
GOPPAR	GOP / Available Rooms	Gross Operating Profit Per Available Room: Reflects the residual income that remains after accounting for all the costs of doing business divided by the number of available rooms	Accounting System (P&L)	Compliance with USALI	All Depts	Owner, Hotel GM, Director of Finance, Director of Revenue Management, Chief Commercial Strategy Officer
Group F&B Contribution	Total Group F&B Revenue / Total Group Room nights	How much food & beverage revenue a group is bringing to the hotel; when evaluating groups, it is important to consider the Group F&B Contribution in addition to the Room Revenue in order to maximize Total Hotel Revenue; a property's average Group F&B Contribution helps set group parameters for peak and off-peak	Sales System		Sales	Director of Sales, Director of Revenue Management, Chief Commercial Strategy Officer

		periods				
Group Mix	Group Segment Bookings / Total Bookings OR Group Revenue/ Total Revenue	Percent of total business received from group guests; determines marketing plans and strategies based on group mix goal; useful to compare against comp set in STAR to understand group potential	Accounting System, Industry Occupancy Benchmarking Report		Sales, Revenue	Director of Sales, Director of Revenue Management, Hotel GM
Group Slippage	Contract Group Rooms - Actualized Group Rooms = Slippage Value	Crucial for forecasting group revenues and optimizing revenue by setting appropriate oversell factors	Sales System		Sales, Revenue	Director of Sales, Director of Revenue Management, Director of Finance
Guest Paid Revenue	Room Revenue + OTA/Wholesale Margin	The amount of revenue a guest pays for a booking, whether they pay the hotel directly or a third party; differs from charged room revenue mainly for wholesalers and OTAs that upcharge guests from the negotiated discount provided by hotel; metric can be applied to ADR and RevPAR	Business Intelligence Reports		Revenue, Marketing	Director of Revenue Management, Director of Marketing
Hotel Collected Revenue	Guest Paid Revenue - Commissions	Tracks the revenue earned only on the portion collected directly by the hotel so excludes any wholesale commissions paid to third party wholesalers or OTAs; metric is also applied to ADR and RevPAR	Business Intelligence Reports		Revenue, Marketing	Director of Revenue Management, Director of Marketing
Impressions	# of Ad Displays	Number of times a digital ad is displayed to any number of viewers; measures reach of a digital ad campaign for amount of exposure achieved	Marketing System		Marketing, Revenue	Director of Marketing, Director of Revenue Management



Index	(Hotel Metric / Comp Set Metric) x 100	Indices measure a hotel's performance relative to an aggregated set of comparable hotels (e.g., competitive set, market, or submarket); utilize indices to measure performance in three key areas: Occupancy, ADR, and RevPAR; an index of 100 means a hotel is capturing its fair share compared to the set; an index greater than 100 represents more than fair share; an index below 100 reflects less than fair share	Industry Occupancy Benchmarking Report, Business Intelligence Reports	Hotel-chosen comp set	Revenue, Sales, Marketing	All Personas
Intermediary Lead Generation	# of Intermediary Leads OR # of Intermediary Leads / Total # of Leads	Useful for understanding source and mix of sales leads for cost of sales, marketing expense, and promotional tactics; aligns focus for relationship-building with third parties	Sales System		Sales, Marketing	Director of Sales, Director of Marketing
Lead Response Time	Date of first lead response - date lead received (in hours or days)	A time stamp that shows how long it takes sales to respond to inbound inquiries/marketing qualified leads; indicates sales effectiveness and potential staffing level and/or automation/system needs; proven linkage to conversion	Sales System	Time from receipt of RFP to RFP response to client; excluding click of button to stop the clock	Sales	Director of Sales
Lead Volume	# of Prospects / Designated Time Frame	Measures # of inbound leads over a specific time period to determine capacity needs, and value of inbound tools; can be used in sales goals to ensure proactive selling practices and	Sales System		Sales, Marketing	Director of Sales, Director of Marketing

		higher production				
Loyalty Mix	Loyalty program bookings / total bookings OR Loyalty program revenue / total revenue	Percent of business received from members of hotel's loyalty program; evaluates effectiveness of program and associated costs	PMS		Marketing, Revenue, Operations	Owner, Hotel GM, Director of Revenue Management, Director of Finance, Director of Marketing
Menu Engineering	Rev Gen as generated by POS system or Accounting systems	Evaluation of popularity and profitability of menu items in order to set optimal pricing; remove poor performing items and push highest profit items	F&B POS System or Excel Doc		F&B	Director of F&B, Hotel GM, Director of Revenue Management
MPI or Occ Index	(Hotel Occupancy / Comp Set Occupancy) x 100	Market Penetration Index or Occupancy Index: measure's a hotel's performance relative to an aggregated grouping of hotels (e.g., competitive set, market, submarket); if all things are equal, a property's MPI or Occ Index is 100 compared to the aggregated group of hotels (historically described as "fair share"); an MPI greater than 100 represents more than the expected share of the aggregated group's occupancy performance; an MPI below 100 reflects less than the expected share of the aggregated group's occupancy performance	Industry Occupancy Benchmarking Report	Rooms out of order / Top-line revenue only / Hotel-chosen comp set	Sales, Revenue, Marketing	Owner, Director of Revenue Management, Hotel GM, Director of Sales
Net Revenue	COPE Revenue - Sales & Marketing Expenses	Calculates base revenues for profitability after all costs are deducted; metric is also applied	Business Intelligence Reports	Compliance with industry definitions /	Marketing, Revenue	Director of Revenue Management, Director of

		to ADR and RevPAR		Uniformity		Marketing
NOI	EBITDA – FF&E Contribution (where FF&E is Furniture, Fixtures, and Equipment)	Net Operating Income: The profit/cash flow from the property before debt service; another way to say it is net operating income/profit after subtracting all of the operating expenses from the revenues generated by a hotel; the biggest difference between EBITDA and NOI is that NOI accounts for the fact that properties typically put cash into a reserve bank account to save up for any future renovations; used to see whether a hotel is making more than it spends or is operating at a loss.	P&L	Compliance with USALI	All Depts	Owner, Hotel GM, Director of Finance, Director of Revenue Management, Chief Commercial Strategy Officer
Occupancy	Occupied Rooms / Available Rooms	Defines usage rate of rooms as indicator of demand	Daily Report, Monthly Financial Statement, Industry Occupancy Benchmarking Report	Rooms out of order / Top-line revenue only / Hotel-chosen comp set	All Depts	Owner, Director of Revenue Management, Hotel GM, Director of Sales, Director of Marketing
Open Rate	% of Recipients who opened an eblast / Total # of Recipients	Number of eblast recipients who opened the email; specific to eblasts, stat identifies those recipients interested enough in messaging to read it, but not necessarily click on a link to take action; useful for identifying health of your distribution list and targeting	Marketing System		Marketing	Director of Marketing
Pace to Budget	(OTB* / Budget) x 100	The % of Rooms, ADR, RevPAR, or Revenue	RMS		Sales, Revenue,	Owner, Hotel GM,

	*OTB can be expressed in terms of Room Nights, ADR, RevPAR or Revenue	On-The-Books (OTB) versus Budget (e.g., if budget is \$100,000 and OTB is \$65,000 then pace to budget is $\$65,000/\$100,000 = 65\%$ )			Marketing	Director of Revenue Management, Director of Sales, Director of Finance, Director of Marketing
Quality Ranking	% of your Ad Quality Score / Total Average Ad Score competing for the same audience	Relevance score for social media advertising vs. other ads competing for the same audience; measured by the social media provider via metrics on quantity of text, links, visuals, and number of users hiding the ad	Marketing System		Marketing	Director of Marketing
Quarterly Goals	Actual / Goal	Can be applied to any metric for the quarter	Excel Doc		All Depts	All Personas
Rate Efficiency	Total ADR by Room Type / ADR by Room Type Differential Target	Identifies opportunity in pricing structure if retail pricing varies significantly from discounts, group rate, and other rates that make up the bulk of occupancy	RMS		Revenue	Director of Revenue Management
Response Rate	% of Recipients who responded to a CTA / Total # of Recipients	Measures responsiveness to CTA (Call to Action) and success of a non-revenue focused campaign; useful when booked revenue stats are not available (e.g., campaign was to collect RFPs, to gain restaurant interest, social media followers, etc.); useful to know campaign engagement and success by number of recipients who took action	Marketing System		Marketing	Director of Marketing
Review Response	% of response to negative reviews	Best practice is to respond to negative reviews on the major review channels:	Experience Management Platform		Marketing, Operations	Hotel GM, Director of Marketing, Front Office

		Google My Business, Brand Website, Expedia, Booking.com, TripAdvisor, Yelp, other OTAs				Manager
RevPAMR	Total Banquet Revenue / Total Available Meeting Rooms	Revenue Per Available Meeting Room: Differs from RevPAS as it is based on meeting room quantity rather than square footage; less useful for comparison to a comp set or benchmark since revenue potential varies greatly depending on room size	Sales System		Sales	Director of Sales
RevPAR	Room Revenue / Available Rooms OR Occupancy x ADR	Revenue Per Available Room: measures a hotel's revenue success regardless of occupancy or rate strategy skews	Industry Occupancy Benchmarking Report	Top-line revenue only / Index integrity at risk based on chosen comp set	Revenue, All Depts	All Personas
RevPAS	Catering Revenue / Available Square Footage of Event Space	Revenue Per Available Space: calculated by square footage of function space to evaluate demand and catering pricing (F&B minimums, room rental)	Sales System		Sales	Director of Sales
RevPASH	Outlet Revenue / (Available Seats x Hours Open)	Revenue Per Available Seat Hour: F&B's version of RevPAR, breaking down outlet revenue by total available seat potential; useful in analysis of outlet hours of operation based on peak times, optimizing slower periods, and adjusting pricing and seating layout	F&B POS System		F&B	Director of F&B
RevPATR	Total Spa Revenue / Total Available Treatment Rooms	Revenue Per Available Treatment Room: can be calculated by hourly capacity for the period rather than only	Spa POS System		Spa	Director of SPA

		# of rooms				
RFP Conversion Rate	RFPs in definite status / total RFPs received	Indicator of the success of the Sales team at closing deals as a percentage of total opportunities	Sales System		Sales	Director of Sales
RGI	Hotel RevPAR / Comp Set RevPAR	Revenue Generation Index: Measures the relative performance of a hotel's RevPAR compared to a fixed competitive set	Industry Occupancy Benchmarking Report	Top-line revenue only / Index integrity at risk based on chosen comp set	All Depts	Owner, Director of Revenue Management, Hotel GM, Director of Sales
ROAS	Earned Revenue / Campaign Costs	Return on Ad Spend: Different from ROI in that campaign cost is not factored out of the revenue profit; with ROAS, marketing is considered a necessary cost of normal business vs. ROI where marketing is an investment for added incremental revenues	Marketing System		Marketing, Revenue	Director of Marketing, Director of Revenue Management
ROI	(Gained Revenue - Costs) / Costs	Return on Investment: Most important measurement for campaign success when campaign has a specific revenue directive (not general exposure or top-funnel awareness); goes beyond impressions and clicks to see how many bookings were made; all campaigns should have booking tracking	Marketing System		Marketing, Revenue	Director of Marketing, Director of Revenue Management
Room Mix Efficiency	Room Type Mix % / Room Type Mix Revenue Achieved = Room Mix Efficiency Percent	Based on total rooms revenue, measures whether each room type achieved its fair share of revenue; evaluates demand for the room types to be able to price them effectively	RMS		Revenue	Director of Revenue Management
Sellout Efficiency	Measuring days that achieved	Measures revenue management's ability	RMS		Revenue, Operations	Director of Revenue

	90-95% occ / number of actualized at 100% (fully sold out) = Sellout Efficiency Percent	to harness demand on busy nights to oversell effectively and achieve a perfect sell to increase revenues			ns, Marketing	Management, Hotel GM, Front Office Manager, Director of Marketing
Supply Change YoY	Total Number of Units Previous Year - Total Number of Units Current Year = Change Value	This can be defined by market, sub market, or class type and include or exclude temporary closures and renovations; could include total lodging (like # of active short-term rentals in a market, which would require the use of a scraped data tool)	Industry Occupancy Benchmarking Report		Revenue	Director of Revenue Management, Hotel GM, Director of Sales, Owner
Total Spend Per Guest		The amount spent per stay, by revenue outlet, per guest or guestroom. This identifies the incremental revenues during the stay.	PMS, Business Intelligence Reports		All Depts	Hotel GM, Director of Revenue Management, Director of F&B, Director of Finance, Chief Commercial Strategy Officer
Transient Segment Mix	Transient Segment Bookings / Total Bookings OR Transient Segment Revenue/ Total Revenue	Percent of business received from non-group guests; useful for breaking down further by sub-segment, day of week, and source to determine hotel's optimal mix of business	Industry Occupancy Benchmarking Report, RMS		Revenue, Marketing	Director of Revenue Management, Director of Marketing
TRevPAR	Total Revenue / Total Available Rooms	Total Operating Revenue Per Available Room: Provides total revenue value of rooms and local guests beyond solely room revenues in order to evaluate value and potential of outlets and ancillary streams	Industry Occupancy Benchmarking Report, Accounting System		All Depts	Owner, Hotel GM, Director of Finance, Director of Marketing, Chief Commercial Strategy Officer
Turnover/New Hire	Overtime + HR Salary + Missed	The cost associated with the loss of an	Accounting System,		All Depts	Director of HR, Hotel

Costs	Business	employee, both the loss of time associated with leaders searching/interviewing /etc. as well as the loss of business related to not having a person in the chair	Sales System			GM
Unique Impressions	# of Unique Viewers of Ad Displays	Number of actual viewers a digital ad is displayed to, factoring out multiple impressions from a single viewer; more measurable for exposure than basic impression count since calculating amount of actual people reached	Marketing System		Marketing	Director of Marketing
Unsubscribe Rate	% of Unsubscribing Recipients / Total # of Recipients	Proportion of eblast recipients who unsubscribed from distribution after receiving an eblast; like Open Rate, this is a useful measurement of health of your distribution database; eblasts should be targeted and applicable to the audience, so a high Unsubscribe Rate means you are reaching the wrong audience or not engaging them with the message	Marketing System		Marketing	Director of Marketing
Upselling	Booked - Post Booking Change to Higher ADR or Added Value Item = Total Upsold Revenue Value	Measurement can be used for Front Desk goals to create additional revenue and ADR for little extra cost	PMS		Revenue, Operations, Marketing	Front Office Manager, Director of Revenue Management, Hotel GM
Year-Over-Year (YoY) Growth	(Current Year Revenue — Last Year's Revenue) / Last Year's Revenue	Applied to all metrics to evaluate improvement and change from prior year's performance	Industry Occupancy Benchmarking Report,		All Depts	All Personas



	$\times 100$ OR (Current Year Rm Nts — Last Year's Rm Nts) / Last Year's Rm Nts $\times 100$		P&L			
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**Remember, the most up-to-date version of this glossary is online and interactive:**

<https://airtable.com/shrSURTBdK0WcYTMS>

**Weigh in with your thoughts and recommendations by sending a note to**

[info@hsmmai.org](mailto:info@hsmmai.org).