Exploring the Implementation of Revenue Management Approach in the Tourism Industry: The Case of Egyptian Travel Agencies

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Abstract
Revenue Management (RM) Approach is applied in order to maximize the overall profit of an organization. It is used not only to increase revenues but also to satisfy the customers' needs. The hotels and airlines industry, unlike the travel agencies' business, have been successfully applying the RM approach for some time now.

This research aims to evaluate the possibility of applying RM in the Egyptian travel agency sector. An exploratory study was conducted in order to investigate travel agents' perceptions and use of RM practices in their business as well as barriers of implementation. The qualitative approach was applied through conducting in-depth interviews throughout a number of Egyptian travel agencies. Data collected was transcribed and analyzed using content analysis where purposive sampling was adopted. Conclusions of the study show that, despite the benefits of the RM applications, it is not familiar and have not been widely applied among Egyptian travel agencies. Recommendations of the study include the importance of raising awareness of the benefits and conducting applications of the RM approach among Egyptian Travel Agencies.

Keywords: Egyptian Travel Agencies, Tourism Industry, Revenue Management, application, benefits and barriers.

Introduction
The tourism industry has been undergoing many factors affecting it; rapid developments in ICTs (information and communication technologies); e-tourism, globalization, emergence of new players, new and digital customers and disintermediation…etc. Many travel agencies are threatened by these factors and others have already gone out of business.

In order to overcome these threats, travel agencies should adopt advanced operational management methods above which revenue management RM may be the most suitable (Kimes,2000; Chan & Guillet, 2015).

The advances in electronic distribution and management of inventory have tremendously enabled travel enterprises to offer and manage products. These developments were behind yield management (YM) and later on revenue management (RM). It is thought to be a relatively new way of doing business and a very powerful technology (Guadix et al, 2010; Lieberman, 2011).

As usual, airlines, the early adaptors of new technologies and e-commerce, have also been the innovators of yield management YM and later on RM (Hu etal, 2010; Lovrić et al, 2013). YM allows Capacity control optimization (e.g. the maximum number of sales that were allowed at previously established prices), whereby RM adds to the latter Pricing optimization (e.g. determining what prices should be). To make it clearer, YM has no responsibility for setting prices; it determines which fares and how many tickets at each fare could be purchased on each flight (Lieberman, 2011). Hence, YM focuses on maximizing the revenue yield from the combination of selling price and volume of activity. RM can be considered as the development of YM.

RM aims to maximize revenue by segmenting customers and optimizing price and capacity allocation so as to fully use each customer segment's willingness to pay. Capacity is allocated to the most valuable customer segment and prices are set to match the maximum willingness to pay. Here comes the importance of forecasting and optimization
of availability over the time period in which a product/service is sold (Cleophas and Bartke, 2011).

Consequently, in order to successfully implement revenue management techniques, it is essential to have accurate demand modeling and forecasting. Accurate forecasting has always been a challenging task, highlighted mainly by the lack of readily available customer-level data (Lovrić et al, 2013). However, e-travel agencies as well as traditional travel agencies with on-line presence can benefit from the data collected from customers' profiles and usage patterns. Data collected help in identifying and differentiating customer segments (Cleophas and Bartke, 2011).

To make use of individual customer data, travel agencies must develop models that can support what if-analysis and evaluate the impacts of revenue management strategies. Generally, very few travel agents have set RM processes or applications to make price recommendations for their own travel inventory. However, as we mentioned before RM is critical for travel agents to be able to face suppliers’ control of inventory and engagement in direct distribution through their websites. Most of the Egyptian travel agents are small and medium in size (SMEs; small and medium enterprises), facing several threats and challenges like disintermediation and global competition. Thus, they should search for new strategies. RM strategies can help Egyptian travel agencies in facing these threats and challenges, optimize profit and market share without increasing operational costs.

Therefore, this study aims to examine the Egyptian travel agents' perceptions and use of RM practices in their business as well as barriers of implementation.

**Defining and Differentiating RM from YM**

Some of the research articles about RM did not differentiate between RM and YM, for example Lovrić etal (2013, p.1587) mentioned:" *Revenue management, also known as yield management, traditionally entails maximizing revenue growth by optimizing product availability and price level*.

Also, Gökşen (2011) mentioned that airlines used the term Yield Management while hotels used the term Revenue Management and that these terms are synonyms. However, the author stated that there are slight differences between the two terms in that RM is more strategical while YM is more tactical and that RM is applicable in a wider area and considers costs.

There are many definitions of revenue management, but generally they relate to:

*Selling the right product, to the right customer, at the right time, at the right price* (Chan & Guillet, 2010, p.19; Lovric etal, 2013, p.1588).

According to Chen and Mello (2010, p. 294), "*Revenue management involves the application of quantitative techniques to improve profits by controlling the prices and availabilities of various products that are produced with scarce resources*".

Moreover, Lieberman (2011, p.1) stated that Revenue Management is" *the art and science of predicting real-time customer demand at the micro market level and optimizing the price and availability of products*"

Similarly, Schwarz et al (2012, p.501) defines RM as "*the set of pricing and allocation policies designed to maximize revenues for which consumers advance book the service (that is, they reserve the service ahead of the time of consumption) and where the service is highly perishable (that is, the service cannot be stored) is called revenue management*"

According to Rocco & Bernardinello (2013) the aim of RM is to pay attention to the pricing strategy and to set the optimal service rate in order to maximize revenues. Hence, all bookings and cancellations from different distribution channels are drawn into the revenue management system in order to forecast demand and accordingly set rates and capacities.
Thus, successful RM depends highly on price discrimination and other practices such as overbooking that need accurate forecasting of demand and a deep study of consumer behavior, market structure, segments as well as the competitive environment (Schwarz et al., 2012). It also depends highly upon timing capacity of the market and seasonality where capacity is allocated to the most valuable customer segments, and prices are set to match the maximum willingness to pay (Cleophas and Bartke, 2011). Hence, it can be said that RM is the optimization of both revenues and prices.

It was not until the 1980s when YM started to spread to hotels, car rental companies and other segments of the travel industry while other companies continued concentrating on revenue and profit not yield. In the late 1980s hotels also began implementing revenue management system. Leaders were Marriott, Sheraton and Hilton (Lieberman, 2011). In 1990 RM began to replace the term YM because of the desire to broaden the scope of including a wider range of reservation inventory controls than used by airlines, explicit recognition of variable costs and price optimization (i.e., the determination of the best prices to offer) (Lieberman, 2011).

RM functions in hotels were at the beginning slightly different than in airlines, where they were used to control which of several rate tiers should be offered, rather than controlling discount allocations (Lieberman, 2011). Consequently, it can be said that Revenue Management is the use of pricing to increase the profit generated from a limited supply assets (Çakanyildirim); matching demand, capacity and time (Aslani et al., 2014). However, YM is similar to RM but deals more with quantities rather than prices. The service being sold as a result of this discount can vary – for a seaside hotel it may be the winter, for a business hotel the weekends, for a country house hotel mid-week, for a wedding venue mid-week, for a holiday package out of season and so on. Therefore, managers would have experiences from the past to know key points when to offer discount, but this could be risky when a new manager is appointed; he might not have the same understanding of the local environment.

**RM in Travel Agencies**

It is clear in service based situations there are points where discounting, and offering lower prices, is needed to encourage activity (units sold). Anything that has a variable demand and fixed supply can use Revenue Management principles. Usually, RM becomes essential to the service industry when meeting the following five conditions (Kimes et al., 1998; Guadix et al., 2010; Chan & Guillet, 2015):

1. Limited capacity; number of service unit (e.g. hotel rooms or in case of travel agency packaged tour) in a short time period
2. Market segmentation; choosing between different types of customers with different characteristics and needs (e.g. hotels and airlines make refund restrictions)
3. Future demand is uncertain; forecasting demand enables service managers to adjust prices accordingly
4. Perishable units of inventory; the service must be sold in advance (reservation system). Services cannot be stored, thus in service industry an unsold unit after a specific date go to waste and is a loss that cannot ever be made up
5. Appropriate cost and pricing structure; having a fixed capacity cost and a demand that cannot rapidly adjust, while the additional cost of adding a new customer to the available capacity is very low.

RM in travel agencies is rarely talked about. In General, there are very few travel agents that have either set revenue management processes or sophisticated revenue management applications to make price recommendations for their own travel inventory (Chan & Guillet, 2015).
In fact, revenue management is critical for travel agents, where online intermediaries and tourism suppliers have increasingly taken control of inventory and engage in direct distribution through their own websites. With the increasing pressures on travel agents and online intermediaries, it is also time to start giving some attention to Revenue Management. In addition, travel agent will hold a position of strength in following negotiations with its suppliers whenever he achieves a Revenue Management strategy. For example Nick Tsimbidaros, Business Development Manager, OctopusTravel USA) mentioned that "Travel corporations are increasingly being forced to compete on price. Price intelligence reports is a tool which allows us to stay on top of our competition, ensure that our prices are being optimized on a daily basis to reflect market changes and variable demand, and accurately estimate hotel traffic for future dates." (Rocco & Bernardinello, 2013)

Fitting RM within the organizational structure depends on the type of industry and the company itself. Some companies place RM teams within the Marketing section; attracting and selling to customers. Other firms dedicate a section of Finance to handle Revenue Management responsibilities. Some have elevated the position of Chief Revenue Officer (CRO) to the senior management level, handling sales, pricing, new product development, and advertising and promotions. A CRO in this sense would be responsible for all activities that generate revenue and directing the company to become more revenue-focused (Rocco & Bernardinello, 2013).

To implement a formal RM system, travel agencies should have a strong database to optimize revenue for each product. With the right strategies, RM systems can provide accurate assessments of past booking patterns and current conditions to help travel managers make business decisions that result in selling the right product to the right customer at the right price (i.e., the concept of RM), thus maximizing travel agency revenue. The most desirable customer for each tourism product/service should be determined by knowing who provides the highest overall revenue in purchasing tourism products from travel agencies. The fact that often travel agencies provide unlimited discounts resulting in decreasing profitability should be changed by using the right RM strategies (Chan & Guillet, 2015).

Based on yield management analyses, the hotel industry uses price offers to increase ‘revenue per available room’ (RevPAR). In this case the average room rate and occupancy are the main factors for determining room revenue (Shehata, 2005). Similarly, travel agencies can calculate a performance metric by dividing customer revenue from different tourism products in different periods. They should thus focus on ‘revenue per available tour product’ (RevPATP) to maximize each product for profit making. In this case the main factors would be the average expenditure per customer in a group and a pre-fixed group size in the tour product for determining the tour product revenue (Shehata, 2005).

When price is used as an RM tool, travel agents should try to come up with new creative ideas offering more options to increase customer expenditure rather than just relying on discounts. Examples of these expenditure options are: different room categories (sea view, suites), airport transfers or optional tours with additional items offered through suggestive selling. The goal is to achieve revenue optimization and increase customers’ spending. In addition they can develop unique products, such as customized private group tours or charter services, and offer unique pricing to the right customers. They can also separate their products into two types. For group or regular tour offerings, RevPATP (revenue per available tour product) can be used to achieve maximization. Moreover, it is wise to create
more bundling options for tour packages, air seats + hotel rooms + tours, etc... in order to reduce the number of risk rooms and extend their service capacity (Chan & Guillet, 2015).

**From RM process to RM system**

RM is a technique that focuses on decision making in order to maximize profit from the sale of perishable inventory units. New technologies management plays an important role in the development of revenue management techniques. Today decision support revenue management systems and technologies management are crucial factors for the success of businesses in service industries (Guadix et al, 2010).

However, it is advisable to apply RM principles and processes before implementing a sophisticated and expensive RM system. Explained below are the general steps of the RM process leading and followed by the steps of RM system.

**General steps of the RM Process**

Usually Airlines and Hotels follow the following steps in doing the RM process (Shehata, 2005; Gökşen, 2011; Rocco & Bernardinello, 2013; Chan & Guillet, 2014):

a. **Data Collection:** The Revenue Management process begins with data collection. In order to obtain accurate and useful information, it is crucial to work with relevant data. A system must collect and store historical data for inventory, prices, demand, competitors' prices and customer behavior or any other causal factors. This data must be collected, stored, and analyzed.

This process can be done using the appropriate that calculates the day of week (DOW) for the arrival and departure dates and length of stay (LOS) and future arrival dates. The revenue management system (RMS) extracts this data from the PMS (property management system) or CRS (central reservation system) daily (or more often) on an ongoing basis.

In addition, suppliers and travel agents can use Google analytics to study their customer's and viewers behavioral patterns that log into their websites. This information is crucial to start the Revenue Management process.

b. **Segmentation:** After collecting the relevant data, market segmentation is the key to market-based pricing and revenue maximization. Success depends on the ability to segment customers into similar groups based on a calculation of price responsiveness of customers to certain products based upon the circumstances of time and place. In practice, the segmentation approach relies on adequate fences between consumers so that everyone doesn't buy at the lowest price offered. The airlines use time of Purchase to create this segmentation, with later booking customers paying the higher fares.

Revenue Management tries to determine the value of a product to a very narrow micro-market at a specific moment in time and then charts customer behavior at the margin to determine the maximum obtainable revenue from those micro-markets. In fact, the opportunities of revenue maximization arise from segmentation of consumer willingness to pay.

The idea is extracting the greatest level of ‘willingness to pay’ from the entire customer base. Useful tools such as Cluster Analysis allow Revenue Managers to create a set of data-driven partitioning techniques that gather interpretable groups of objects together for consideration. However, this is not always an easy step as clusters are not always easily identifiable and different methods of segmentation could lead to different segments.

As people have all levels of expectations regarding hotel room features and their willingness to pay ranges widely, including all levels of room rates. Nevertheless, constructing a tourist segment of those who are willing to pay a high room rate is possible and managerially useful because marketing messages can be customized to these people...
and marketing expenses can be used more efficiently by advertising only through channels used by members of the “high room rate – high feature expectation” segment. In such a case every single segmentation computation would lead to a different grouping; no stability would be detectable across algorithms or repetitions.

Market segmentation based upon customer behavior is essential to the next step, which is forecasting demand associated with the clustered segments.

c. Forecasting: This is one of the most important steps in RM which involves carefully forecasting of different elements such as demand, inventory availability, market share, and total market. The quality of these forecasts is what enhances the performance of RM, requiring much time to develop, maintain, and implement.

*Quantity-based forecasts* depend on booking curves, cancellation curves among other to reflect future quantities of demand for reservations or products bought. This approach involves various methods that can be divided into three main categories; historical booking models, advanced booking models and combined models. Advantages of the historical method include its easy application and low data requirements. However, one of their main disadvantages they rely on the fact that knowing how certain variables has changed over time (e.g. what was the occupancy of the hotel during the last couple of months) can provide information on how this variable will change in the future, disregarding other variables (e.g. demand or competitors).

Advanced booking models forecast the number of booked rooms on a particular arrival day on the basis of the number of booked rooms on a previous day (called “reading day”) and the pick-up of rooms between the reading day and the arrival day. Thus, it has the same the same disadvantages as the historical method.

On the other hand, combined methods include regression models and weighted average between historical and advanced booking forecasts. These models allow the inclusion of additional variables in the forecasting models (e.g. special event in the destination) and, therefore, might provide better forecasts compared to preceding ones.

Hence, forecasting can be considered as an automated system that scans historical bookings, occupancy patterns, internal and external events, and reservation and rates information and fits quantitative forecasting models and artificial intelligence to the data. Accordingly, the RM system puts out predictions, which are used as inputs for making decisions of rates and allocation.

However, certain events like human or natural disasters or dramatic changes in the economy that have direct influence on the travel and tourism industry, will reduce the accuracy of these forecasting models.

Online travel bookings have made online traces possible of early behavioral indicators of tourist these can be used to increase the accuracy of forecasting tourist activities. It is also worth mentioning that from local Destination Marketing Organizations (DMOs) have made web traffic data available for predicting the demand for hotel rooms in a tourist destination.

There are also price-based forecasts that try to forecast demand as a function of marketing variables, such as price or promotion. These involve forecasting according to market response models or cross-price elasticity estimates as a mean to predict customer behavior at certain price points.

By combining these forecasts with calculated price sensitivities and price ratios, a Revenue Management System can then quantify these benefits and develop price optimization strategies to maximize revenue.

Determinants of demand include consumers’ preferences, income, economic and market conditions and the prices of substitute goods. Many of these factors are inherent in the historical data and need to be considered when analyzing demand sensitivity.
d. Optimization: Optimization is concerned with the way a firm should respond according to forecasts of customer's behavior. It aims achieving the highest revenue according to prices, total sales or customer loyalty etc through using the suitable technique. There are several known techniques of which regression is the most widely used one.

e. Dynamic Re-evaluation: Revenue Management requires that a firm must continually re-evaluate their prices, products, and processes in order to maximize revenue. An effective Revenue Management System constantly re-evaluates the variables involved in order to move dynamically with the market and adjust applied strategies accordingly.

The existence of different classes reflects different customer behaviors. The classical example is that of customers traveling for leisure and those traveling on business. The former group typically books in advance and is more price-sensitive, whereas the latter behaves in the opposite way. Airline companies attempt to sell as many seats as possible to high-fare paying customers and at the same time avoid the potential loss resulting from unsold seats. In most cases, rejecting an early (and lower-fare) request saves the seat for a later (and higher-fare) booking, but at the same time that creates the risk of flying with empty seats. On the other hand, accepting early requests raises the percentage of occupation but creates the risk of rejecting a future high-fare request because of the constraints on capacity (Chen & Mello, 2010)

General Steps of RM system

Usually, any RM system should follow the following steps (Guadix et al 2010; Rocco & Bernardinello, 2013):

a. Price: Typically the business model for travel agents is on net rates or commissionable rates.
Net rates are usually the cheapest rates that wholesaler travel consolidators get from tourism suppliers when taking advantage of buying in bulk. This is resold through travel agents (retailers) after adding a small markup. On the other hand, commissionable rates are used mainly by travel agents when they sell tourism services /products on behalf of the tourism supplier in exchange of a commission (usually 10%) or otherwise they would add a markup to the suppliers' selling price.

Nowadays, software applications enable hoteliers to react on real-time, by collecting all data together and distributing their inventory into the different Rate Groups accordingly. For Travel agents, it is essential to benchmark against your competitor set in terms of price and market share. In order to track competitor pricing, this would involve either manually checking competitor websites or a more systematic approach would be to use a technology partner that can help in using their search engine technologies in tracking the price and availability of competitor firms. One very likely outcome of implementing revenue management principles is establishing dynamic real time pricing of travel inventory for the online intermediaries.

b. Availability: A travel aggregator that has more depth and breadth of inventory can, at times of high demand, afford to charge a higher price as the travel inventory. Pricing will be set according to the market trend, where prices will increase as capacity decreases and vice versa, in a way that optimizes Revenue. This requires that the travel agent constantly monitors competitor’s availability and pricing.

c. Elasticity of demand: in other words, how badly customers need the product or service and how much they are willing to pay. Web analytic software can help in determining customer preferences, their navigational behavior, the frequency and interval of visits to your website. After studying visitors' behavior, a customized revenue management strategy can be followed. This step is very important in order to be able to apply discount policies and promotion programs.
d. Demand forecasting: based on occupation rates from historical data the firm can forecast future demand in a short term period of time. However, a true RMS product should focus also on a forward-looking report; the balance between historically based assessments and a current analysis of the market. A system must be dynamic, accounting for current alterations in the marketplace, and increasingly accounting for this information as the actual booking date draws near.

In summary, a Revenue Management system should only be followed after Revenue Management processes and principles are established. Revenue Management is worth a deeper look to maximize revenue given the current resources. The first step is not a big investment into a sophisticated RMS but establishing revenue management principles across one sales and product teams.

Methodology
As previously mentioned, this study aims to explore the possibility of applying RM in the Egyptian travel agency sector and to investigate travel agents’ perceptions and use of RM practices in their businesses. In addition, the study discusses the barriers of RM implementation in Egyptian travel agency.

A descriptive research design was adopted using a qualitative approach. Alexandria was chosen as the research site and travel agents as the target respondents. In depth interviews were conducted to get a deep understanding of the phenomenon with managers of the case study. According to Saunders and Thornhill (2009), a case study approach is suitable for both explanatory and exploratory researches. Data collected was transcribed and analyzed using content analysis where purposive sampling was adopted.

The in-depth interviews were addressed to the managers of ten traditional Egyptian travel agencies; some of which have on line presence while others with no online presence. Firstly, phone calls were made to set appointments and explain the idea of the research, where the four core questions were introduced. The average duration of each interview ranged between 1 and 1.5 hour. The interviews started from September till December 2015.

The in-depth interview aimed to collect information concerning the extent to which RM is implemented in Egyptian travel agencies. In addition, the interview questions were based on Kimes’ (1989) theoretical framework. The four questions used to guide this study were:

1. What are travel agencies’ perceptions of RM?
2. Can RM be implemented in Egyptian travel agencies?
3. What are the main barriers to this implementation?
4. What factors might facilitate it?

Results and Discussion
None of the interviewees was acquainted with the term RM and have only limited knowledge or misunderstanding about RM. After explaining the concept of RM, they stated that they are familiar with the Implementation of RM in the airlines and hotel businesses and half of them said that this is similar to Yield Management. About 40% were unsure about implementing RM in Egyptian Travel Agencies.

However, about 60% of the interviewees claimed that Egyptian travel agencies can apply RM in business operations. Concerning the extent to which RM is implemented in Egyptian travel agencies, none of the interviewees implement RM strategies or have a RM system.

1. What are travel agencies’ perceptions of RM?
Most of the interviewees (60%) thought that travel agencies could successfully implement RM in order to improve profits. Their understanding of RM was limited and focused mainly on profit maximization. Those who did not approve RM implementation (40%) explained that travel agencies do not own the tourism and travel services and thus have no inventories. They added that they are only intermediaries and they neither do control the inventory nor are able to adjust prices accordingly. They pointed out that most of Egyptian travel agencies are small and medium in size and that most of their work is done manually. Even if they have a website that present their services to be booked online, most of their customers are Egyptian and prefer sending e-mails. The only e-travel agency in Alexandria said that its business relies on foreigners who book tours and services (except air tickets) online and they do not bare the risk of paying to suppliers in advance as they deliver the service upon tourists' arrivals and thus benefits from RM will be limited.

Interviewees suggested that travel agencies who are specialized in Hej and Omra can benefit more from RM, knowing that they are facing the risk of not being able to sell all the rooms they had to pay for in advance to hotels in Saudi Arabia. They added that tour operators, in general, and giant international tour operators, in specific, like "Neckermann" and "Tui" or "Travco" in Egypt are more likely to implement RM as they own hotels, charter airlines, busses etc… and will be able to control and adjust prices and inventory to optimize revenue. However, they ignored the steps, systems, and advantages of RM (previously discussed at the literature review) that are necessary for their business enhancement. RM strategies are not applied in Egyptian travel agencies due to lack of awareness of its practices in their business.

2. Can RM be implemented in Egyptian travel agencies?
Most of the interviewees (70%) are convinced that RM can be favorably applied in order to face global competition and the threat of disintermediation. They regard it as a successful way to increase profit without increasing costs. Also, they believe that RM will help them in managing their capacity and customer durations. However, they are convinced that Egyptian travel agencies will not implement RM in the near future as they are usually slow in implementing any new technologies or strategies. They added that they only take action when they are forced by facing severe business failures.

Interviewees added that traditional travel agencies with on-line presence are more likely to adopt RM in comparison to only traditional ones. Furthermore, chain travel agencies are more likely to adopt RM in comparison to non chain ones. This is due to the lack of awareness and resistance of applying new strategies and technologies by the owners of small family run travel agencies.

3. What are the main barriers to this implementation?
The interviewees showed that most of the barriers for RM implementation were mainly because of the limited knowledge and awareness of the concept and strategies of RM; other barriers were as follows respectively:

1- Lack of human resources aware of RM; whether managers convinced to apply RM or the staff needed to use it in its operations.
2- Organizational structure; large and multinational travel agencies can have financial advantage over small and medium sized travel agencies (SMTEs).
3- Lack of ownership of inventory (unlike suppliers); they do not control their products and face uncertainty in their business operations.
4- Time pressure; last minute discounts offered by suppliers.
On the other hand, Buhalis (2001) and Middleton and Clarke (2001) pointed out that SMTEs are more flexible to adopt new strategies and technologies than large travel agencies with complicated and bureaucratic organizational structures.

4. What factors might facilitate it?
Interviewees explained that Egyptian travel agencies are facing very hard conditions that will drive them to implement RM strategies and then RM systems eventually, these conditions are as follows;
- Current tourism industry's crises that started after the 25 January 2011 revolution
- Economic difficulties and foreign currencies' problems and instabilities in Egypt
- Threats of disintermediation
This in fact aligns with the five conditions presented by Kimes et al (1998); Guadix et al (2010) and Chan & Guillet (2015) that were previously discussed in the literature review that make RM becomes essential to the service industry including travel agencies.
Travel agents noted the importance of enhancing their RM knowledge and understanding as well as pricing knowledge. Having a good information system and strong data base about customers, suppliers, competitors and inventory of products and services is considered essential by the interviewees. Having good relationships with suppliers will help them in capacity management.
They also noted the importance of pricing in influencing demand and maximizing profits; using different products/services and pricing strategies for different groups of customers. In addition, the importance of tailoring products/services becomes significant when implementing RM.
Furthermore, related marketing strategies can help in RM implementation as well as focusing on the basic principles of time (different seasons) and pricing structure control.

Conclusion and Recommendation
The findings of the study suggest that Egyptian travel agents should understand the barriers and facilitators and make use of RM for profit optimization. Moreover, Egyptian travel agents should provide flexible capacity by increasing customer product choices and offer limited discounts during peak season and vice versa. Having a strong data base is essential to implement a successful RM system, where forecasting and segmentation is needed. Applying successful marketing strategies and having an online reservation system connected to an RM system can help increasing customer satisfaction and regaining market share.
Concerning the barriers for RM implementation in Egyptian travel agencies previously discussed, the following can be suggested:
1- Training can play a major role in enhancing the awareness and knowledge among travel agents.
2- Fruitful collaboration between the Egyptian Hotel Association and the Egyptian Travel Agents Association where they can transfer their experience concerning RM awareness, knowledge and practices.
3- Having strong and fruitful relations between suppliers and travel agencies can help in the management and controlling of inventory. Both sides should believe that through their collaboration they can achieve a win-win situation rather than acting as competitors.
It is useful to make in depth future studies about application of RM in the various types of travel agencies and in different regions in Egypt. Future studies can also be made on the relationship between suppliers and travel agencies concerning capacity management. Other future studies might handle the concept of fairness of RM methods in the Egyptian tourism.
industry, knowing that the same service/product can have several prices and some customers know the tricks to buy it cheaper.

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