

whitepaper

Dynamic Pricing for Hostels



“Hostels face a distinct challenge in pricing their unique **bed & room type combinations dynamically.**”

preface

Over the past years, I have seen more and more hostels turn to revenue management to price their inventory dynamically. But hostels face a challenge most systems weren't built for: they don't just sell rooms, they sell beds too, dorms and private rooms competing for the same demand under one roof.

That's why many hostels are stuck choosing between a system that doesn't fit their inventory and pricing by hand, adjusting rates by feel or benchmarking against competitors whose room mix doesn't really match their own. It works, until a rate shifts, occupancy moves, or a group booking throws the calendar off, and **hours** go into repricing while revenue quietly slips away.

Based on **feedback from hostel owners**, we built RevControl to price **every bed** and room type on its own merits, reanalysed every fifteen minutes and benchmarked only against genuinely comparable competitors.

In **this whitepaper**, we show you the logic behind dynamic pricing for hostels. I hope it will bring you a few ideas to put to work right away, so pricing becomes something you can rely on, day in, day out.

Enjoy reading!

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“Hostel managers increasingly understand: a traditional RMS **just won't cut it.**”

“Revenue management fails the moment it treats every room the same.”

about RevControl

Over the past 25 years in hospitality, we've worked with hundreds of accommodations, and if there's one thing that stands out, it's that no two are the same. Revenue management built for a generic "room" rarely fits any of them well.

That's the belief RevControl was built on: **understanding comes before pricing**, not the other way around. Not a system that forces a dorm bed and a private room into the same logic, but one built by hoteliers and software experts who start by learning what makes your accommodation tick.

Today, **more than 750 accommodations** in 24 countries, hostels, hotels and holiday parks alike, rely on RevControl for that same understanding.

So, **what makes your accommodation different?** That's usually where we start.



"I'll admit I was sceptical about handing control to a system, but RevControl has completely won me over. **I wouldn't be without it now.**"

A system that fits



Request a **demo** for more of our hostel-specific features.

We understand your accommodation works a little differently. As a hostel, you're not just selling rooms, **you're selling beds too**, and RevControl was built specifically to handle that. Here is a highlight of **three features** that show what that looks like in practice.



Bed & room pricing: we price every bed and every room type in parallel, something almost no other revenue system is built to do

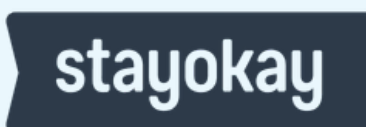


True benchmarking: compare your bed and room pricing to genuinely comparable competitors, rescanned every 15 minutes.



Built for how hostels operate: a broad range of strategic and operational settings, tailored to your day-to-day reality.

TRUSTED BY 750+ ACCOMMODATIONS



Our promises

Our aim is simple: every client should have a system they can trust.

That's why we have **three promises** all of our clients can rely on.



Mutual Understanding

We understand you, you understand RevControl. A system that is fully transparent so you're never left in the dark. We make sure it fits your needs by starting with a genuine interest in what makes your accommodation different.

Flexibility

You stay in control, we stay one step ahead. It's up to you: fine-tune using a broad range of settings - or leave for RevControl to handle with its smart automation. That's what 25 years of staying ahead of the market looks like.

Approachability

Real people, thinking with you. We take that extra step, guided by what makes your accommodation unique and what you actually need. That's also what earned us a **4.9 out of 5 in customer support**.



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Challenges in pricing a hostel

Let's get straight to the point: how do you manage a private room, one that behaves practically like a hotel room, and a dorm bed, one that behaves nothing like one, with a single pricing strategy? The answer is: you simply can't.

This is something most hostel managers understand instinctively, even if they've never quite put it into words, and still can't fully act on. And to be honest, that's not a failure on their part. **A private room and a dorm bed** follow two entirely different sets of rules, and no single strategy was ever built to handle both at once.

Naturally, your beds are sold in high volume, one at a time, to a fast-moving, price-sensitive crowd, so their demand usually smooths itself out, until a single group booking takes out a third of a dorm overnight and every other room type in your building suddenly means something different. Your private rooms behave more like a traditional hotel room, except there are so few of them that one booking can already move the needle by twenty percent. **Two different mechanics, under your one roof.**

That **mismatch** is easy to miss because your inventory looks simple from the outside: rooms and beds, all under one roof. But treating a bed as a fraction of a room, or a dorm as a single unit, hides exactly the behavior that makes your demand volatile in the first place.



Benchmarking puts you in the same bind. Most competitor comparisons look at a hostel as a whole, one average rate against another, but that only makes sense if the room mix behind it matches too.

Your beds should be benchmarked against other beds, and your private rooms against other private rooms, not blended together into a single number that hides which part of your inventory is actually over- or underpriced.

A hostel a few streets away might look like a fair comparison on paper, but if their dorms are half the size of yours or they run far fewer private rooms, comparing your blended average to theirs tells you almost nothing useful.



Real benchmarking means matching bed to bed and room to room, so the number you're reacting to actually reflects the market you're competing in.

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Pricing strategies for hostels

There's no single right way to price a hostel, but two approaches consistently work well together: pricing based on how full you are, and pricing based on what's happening around you. Here's how each one works, and what changes when you apply it to a hostel instead of a hotel.

Occupancy-based

Occupancy-based pricing means your rates move automatically as your beds and rooms fill up, stepping higher as you approach a sell-out and easing off when demand is quiet.

For a hostel, this needs to **run separately** per inventory type: a dorm can jump from half-empty to nearly full in a single group booking, while a handful of private rooms move far more gradually. Treat them as one blended occupancy number, and you'll either overprice your rooms or underprice your beds every time a group checks in.

Comp-set benchmarking

Comp-set benchmarking means checking your rates against a small group of accommodations that genuinely compete for the same guest, so your pricing reacts when the market around you shifts.

For a hostel, that comp set has to be built bed by bed and room by room. A hostel nearby might look comparable on paper, but if their dorm-to-private-room ratio is nothing like yours, benchmarking your blended average against theirs will point you in the wrong direction.



Let's meet

**So, what makes your accommodation different?
We'd genuinely like to find out.**

Hostels that switch to RevControl typically see up to **30% revenue growth**, and get an average of **16 hours a week back** that used to go into manual repricing.

Let's find out what that could mean for you.

Book a demo, and we'll walk through what this looks like for your hostel specifically, and figure out together whether it's the right fit.

Plan your demo



Scan this QR code or
go to
revcontrol.com/demo
to plan our demo.

