

## Tech Tip Tuesday—May 10, 2016

by David Hirsch

### Surge Pricing

It was nice to see so many of you in New Orleans last week. One of the seminars included a discussion of Surge Pricing, or charging higher prices (or a surcharge) when you are busy. As several people in the audience commented, “We are the only segment of the travel industry that doesn’t do it”. The price of a hotel night varies based on when you book and how busy the hotel is; so too, do airline tickets. The price of a rental car varies as well. And, of course, brand “U” practices “surge pricing” as well, not that people are universally happy about it.

The purpose of this Tech Tip is not to recommend that you immediately go out and implement surge pricing. Rather, it is to show you, should you decide to use it, how you would easily implement it in Livery Coach.

First of all, you would set up an Additional Charge/Fee, call it something appropriate (say, “Peak Demand Surcharge”), and set the desired percentage fee. In the screen shot below, we have set it at 20%, and chose to not have gratuity apply.

The screenshot shows the 'Add Charges and Fees' dialog box with the following configuration:


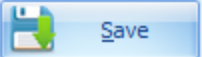
- General Tab:** Description: Peak Demand Surcharge
- Advanced Tab:** Charge Type: Percent of BaseCharge
- Account:** In-House: Trip Charges; Farm-Out Revenue (highlighted)
- Farm-In:** Trip Charges
- Farm-Out:** FarmOut Revenue
- Percent:** 20.0000
- Apply to:**
  - Bonus
  - Driver Pay
  - Standard Gratuity
  - Commissions
  - Reimbursable
  - Taxable
  - Discountable
  - Export To Device
  - Web Phone/PDA

Now obviously, you could just have your reservation agents apply this charge manually when you determine it is a “peak time”, but that’s hard to remember, and doesn’t cover other booking channels, such as the web or app.

What is better is to set up an “auto assign” rule based on day and time. For example, suppose you see that you are really busy on Friday, May 13<sup>th</sup>, between noon and 6pm, so anybody who doesn’t already have a reservation starting in that window will be subject to the surcharge.

While you can go directly to assign the Charge/Fee based on a date/time range, my personal recommendation is to set up the Charge/Fee as a Holiday first.

Navigate to Maintain...Holidays in Setup and create a new Holiday with Name, start date/time, and end date/time.

<b>Holiday:</b>	SURGE PRICING IN EFFECT	
<b>From Date/Time:</b>	05/13/2016 12:00 ...	<b>To Date/Time:</b> 05/13/2016 16:00 ...
<b>Messages:</b>	20% Surge pricing on all reservations -- we are booked!	
 		

Then, select the Peak Demand Surcharge fee in Charges/Fees, click on Assign, pick “Date/Time Range” as the type, and select the “Holiday” you just created. Click Add.

Assign Charges and Fees

**Type** Peak Demand Surcharge **Name**

Account  
Company  
Contact  
Driver  
Payment Method  
Vehicle Type  
Vehicle  
Zone Profile  
Zone  
**Date/Time Range**  
Time Range each day  
Same Day Charge  
Profile: Zone <-> Zone  
VehicleType: CityStateZip <-> CityStat  
Rate Type  
Owner  
Occasion  
Location  
Passenger

From: 05-13-16 12:00 To: 05-13-16 16:00

Holiday List

Occasion	From Date Time	To Date Time
Independence Day	07/04/2016 00:00	07/04/2016 23:59
Memorial Day	05/30/2016 00:00	05/30/2016 23:59
New Years Day	01/01/2017 00:00	01/01/2017 23:59
New Years Eve	12/31/2016 14:00	12/31/2016 23:59
<b>SURGE PRICING IN EFFECT</b>	<b>05/13/2016 12:00</b>	<b>05/13/2016 16:00</b>
Thanksgiving	11/24/2016 00:00	11/24/2016 23:59

Auto Populate Reservation Charges

**Assigned** And

Search: Charges and Fees - Assigned

Assigned Account		
Date/Time Range: Starting at 05/13/2016 12:00 PM and Ending at 05/13/2016 04:00 PM (Auto)	1.00	0

Multi-Selection

Search: Charges and Fees - Exceptions

Assigned Account		
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Add  
Update  
And  
Remove  
Add  
Remove  
List All  
Exit

If you have any exceptions to this rule (e.g. for a particular company), you can create the exception here as well.

Now, when someone books during the surge period, your reservation agent will see the warning flash on the date/time screen, and the surcharge will also be automatically added.

**SURGE PRICING IN EFFECT**

AM  PM

View

Pick Up  Drop Off

◀ May 2016 ▶

S	M	T	W	T	F	S
24	25	26	27	28	29	30
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4



Dwelling Time

0 Minutes

05/13/2016 14:00

Wakeup Alert

Trip Duration

0 Days

1 Hours

0 Minutes

Block Time

0 Minutes

05/13/2016 15:00

Now

Pick Up

05/13/16 14:00

Friday Afternoon

Drop Off

05/13/16 15:00

Friday Afternoon

General

Flight Information

Holiday Message

20% Surge pricing on all reservations -- we are booked!

Note: Time is in 24 hour format

✓ Ok

⊘ Cancel

✓ Hold

✓ Help

Payment Method Selection

Charges

Hourly Option

Door to Door
  Door to Garage
  Garage to Door
  Garage to Garage

Dwelling Hrs:	<b>0.00</b>	Hourly Rate:	<b>60.00</b>
Duration Hrs:	<b>1.00</b> +	Total Hrs - Fixed Hrs:	<b>1.00</b> X
Block Hrs:	<b>0.00</b> +	Fixed Total:	<b>0.00</b> +
Total Hrs:	<b>1.00</b> =	Trip Charges:	<b>60.00</b> =

Additional Charges

Charge Type	Description	Units	Total
Percent of BaseCharge	Fuel	14	8.40
Percent of BaseCharge	Peak Demand Surcharge	20	12.00

Some important notes: The reason we recommend using the Holiday feature is that then it calls attention during the booking to the fact that Surge Pricing is in effect—it doesn't just sneak in there as an additional charge.

Once the surge is over, if you want to set up a new period for the surge, it is a two-step process. First, you must edit the start and end date/time of the Holiday in Holidays.

Then, you must go to the Charges/Fees section, click Assign again, remove the old date/time criteria (although it is harmless, why clutter up the screen), click on the Holiday again (which will use the new date/time you just set), and click Add again.