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Smartpricing in brief

Boilerplate

Smartpricing helps more than 2,000 lodging businesses optimize their pricing. The revenue management software developed by the startup based in Arco (Trentino) uses AI powered algorithms to calculate the ideal sales price. With machine learning and automation, the software enables businesses to increase sales and have the confidence to offer market-driven prices. Since its founding in 2020, Smartpricing has become the fastest growing B2B SaaS company in the European hospitality industry.

Our vision

Become the most useful and appreciated company globally for the lodging industry thanks to the most intelligent and user-friendly software.

Outlook

Smartpricing started its activity in Italy and has been working to establish itself in the DACH region since May 2022. By 2024, we aim to be present throughout Europe.

Fact Sheet

Milestones

2018: We develop the first algorithm to solve our biggest problem: price management

2020: The company Smartpricing comes into being and we dedicate ourselves to our vision full-time

2022: We raise more than 5 million euros from investors and colleagues in the industry to invest in our development

Customers

We serve over 2,000 satisfied customers in Italy and in the DACH region, who achieve an average increase in sales of 20 to 60% with Smartpricing.

Team

Over 100 talents with international experience in tech, tourism and consulting work with us at our headquarters in Arco near Trento and remotely.

Leadership

Co-Founders

Luca Rodella, CEO, graduated with a Bachelor's degree in International Studies from the University of Trento and a Marketing degree from the University of Los Angeles while gaining experience in the international tourism and technology sector.

Eugenio Bancaro, CTO, is a web developer with a master's degree in computer science and worked in tech travel around the world, including Silicon Valley, for several years.

Tommaso Centonze, COO, received his master's degree in business administration from Copenhagen Business School. He worked as a consultant for Roland Berger and developed new strategic accounts in the MENA region as a New Business Partner for Google.

Why Smartpricing exists

The world of tourism has changed. While selling a room was a linear process just a few decades ago, things are very different today.

A host of factors influence and complicate the booking phase: anyone who rents out a room has to manage their offer not only on their own website, but on various travel portals, too, whilst also placing online advertising, monitoring business development data, and much more.

Also not to be neglected are factors that are completely beyond one's control, such as local events, the weather, travel trends and the activities of competitors. How does a hotel business or accommodation find its way in this maelstrom of data and information?

One option is to ignore the flood of data and continue to work with the good old price list. This approach is not only outdated, but actually harmful for business, because it ignores all the ups and downs of demand.

An alternative to this is dynamic pricing: if the market situation changes, the price changes. However, dynamic pricing is difficult to implement for small and medium-sized independent businesses.

Where time is scarce, and the available information is often incomplete, there is no certainty whether you have really decided on the right pricing strategy. In large hotel chains, this task is performed by the professional figure of the revenue manager, but what is a small business left to do?

This is where Smartpricing comes into play.

Smartpricing is a revenue management software that helps hotels and other accommodation businesses find the right price to increase their revenue and leave uncertainty behind.

AI-powered algorithms help analyze the flood of data and automatically calculate the best price.

With Smartpricing, hosts can:

- Determine the **most profitable price at any point in time**
- **Discard stress and uncertainty** about pricing and fear of losing profits
- **Increase profits**, on average, by 22%, with peaks of up to 50%
- **Save time**, up to 500 hours a year
- **Increase the number of rooms sold** and consequently the visibility of their ads on booking portals
- **Automate publication** of prices across all sales channels

Our story

April 2020, the year of the pandemic. Smartpricing has been around for just two months, when tourism worldwide experiences its biggest crisis yet. How great can the chances of survival be for a start-up in this situation?

But let's take a step back. The story of Smartpricing begins in California at the turn of 2015/16.

Luca Rodella, a passionate young entrepreneur, is pursuing his master's degree in marketing at the University of Los Angeles. Together with an American colleague, he starts a property management company. Business is going well, but Luca is not satisfied: he wants to achieve better results and optimize the time he puts into the company.

Calculating the ideal prices for individual apartments based on supply and demand is particularly time-consuming, and there is ultimately never any certainty of setting the right price. However, his partner finds a solution: He buys software that calculates prices automatically with a low error rate, leaving plenty of time for other activities.

A turning point: his apartments yield more profits and Luca's life changes radically. After finishing his studies in Los Angeles, he returns to Italy to repeat his American business success.

He starts running a few vacation rentals on Lake Garda, but quickly reaches his limits. The magic software that had calculated his prices in America doesn't exist in Italy. What to do?

The old system of static seasonal prices would have meant a step backwards, and ignoring the constant fluctuations in demand for rooms goes hand in hand with profit losses.

Calculating dynamic prices by hand means sacrificing many hours without the certainty of having set the right price. Hiring a revenue manager to take care of this alone, on the other hand, is far too expensive for Luca's operation.

So the only solution would be to develop the software himself.

Luca gets in touch with two old friends from home: Eugenio Bancaro, a developer with

recent experience in Silicon Valley, and Tommaso Centonze, who at the time works for Google in Ireland.

Together, they design a prototype of the software and test it on Luca's vacation rentals, where he immediately gets good results. His business achieves sales spikes of up to 70% compared to his competitors in the same area.

The three partners are immediately convinced that their solution could be a game changer for many hospitality entrepreneurs and decide to bring it to market.

Smartpricing is founded in February 2020. After that, the Coronavirus reaches Italy.

The pandemic is spreading, tourists are staying at home and accommodations are closing. For Smartpricing, it looks as if, barely launched, it's already over. But the three are not giving up: they know that a system that automatically calculates prices and is based on dynamic pricing will become even more important in the future.

After the difficult months in the spring of 2020, the three friends begin to sell their software and offer it individually to various lodging establishments in the area. At first, they focus on Lake Garda, then expand their radius to South Tyrol and finally to the neighboring regions. Despite the still difficult situation for travelers, accommodations working with Smartpricing achieve unexpected results and Smartpricing receives more and more requests.

At the end of the same year, the start-up hires its first employees and begins to sell its software throughout Italy. The growth continues and the first investors believe in the project. In December 2021, Smartpricing has about 40 employees and expands its horizons to the international market. In January 2023, the workforce has grown to 100 and customers number more than 2,000.

The forecast? Political and economic crises are looming, but the company has successfully survived a severe crisis before. Smartpricing knows how to master challenges.

Quotes

Luca Rodella, CEO of Smartpricing:

1. *Currently, one phase of uncertainty follows the next. Many hoteliers want to wait for safer times to invest, and many of them are still skeptical concerning digital tools. They need to understand that their investments in technology can reduce costs and increase liquidity in the short term.*
2. *Nowadays, the introduction of new technological tools is a must in order to successfully manage a company.*
3. *Covid has made it clear to many hotel companies that they can no longer stick to the old processes. They have realized that they need to break new ground and modernize their way of working in order to remain competitive under changed conditions.*
4. *Revenue management systems will integrate more and more seamlessly with other tools available to the host. The trend is toward a single all-in-one system that manages every aspect of operations in an increasingly smart and automated way.*
5. *Artificial intelligence algorithms are becoming more and more precise and will play an increasingly important role. We believe it is likely that all operational activities in revenue management will be automated in the future.*
6. *Humans will continue to be critical to maintaining control and operating the software. Smartpricing also learns as you use it, so those who work with it frequently will have an increasingly powerful system.*
7. *It is also thanks to human involvement, that algorithms can become more efficient and act in a way that is tailored to each operation.*
8. *The revenue manager will be a figure who will work less and less on an operational level and more and more on a strategic level.*
9. *The technology will analyze data, perform calculations, and process prices, while the revenue manager will be dedicated to another task: setting revenue targets and optimizing aspects beyond prices that are critical to achieving those targets (e.g., assembling bid packages).*
10. *Artificial intelligence is capable of performing actions with an efficiency and speed unattainable by humans: together, these two forces can achieve*

extraordinary results.

- 11. Many small and medium enterprises are top establishments, where the guest enjoys a special, warm and familiar atmosphere. Unfortunately, these small businesses are very vulnerable to competition from large foreign corporations, new trends and unexpected events.*
- 12. Many hoteliers are not ready to accept challenges and are afraid of change. They do not dare to take risks and do not understand that standing still is the worst choice.*
- 13. The world has changed and will continue to change. Hosts can no longer continue as they did 20 or 30 years ago. The hotels that are successful today are the ones that best deal with change.*
- 14. Smartpricing works best when it is combined with a suitable strategy. The hotels that perform best are those with the strongest strategy, which they develop with the help of our team during the configuration of the software.*
- 15. The last few years have shown us that it is impossible to make accurate predictions. What I can say is that it will be crucial to accept the changes and evolve quickly with them.*

How does Smartpricing work?

Smartpricing uses **artificial intelligence** to calculate the ideal selling price for a room or accommodation. The determined price skims the market demand in real time, maximizing profitability.

This process takes place in three steps.

1. The software **analyzes** lodging performance, competitor prices, occupancy trends and forecasts, and changes in demand and supply in a given area more than 100 times a day.
2. The **intelligent algorithm** works independently and determines the most **profitable price** based on the current room demand.
3. Thanks to the integration with leading hotel management systems (PMS) and channel managers, the prices are **automatically published** on travel portals and on the accommodation's website.

Which features are most valued by Smartpricing customers?

Always up-to-date prices

The software optimizes prices for each room type dynamically, independently and in real time.

On the platform, the determined prices for each room category are displayed in a calendar alongside the current occupancy rate and local events.

For each price suggestion, Smartpricing also shows which parameters contributed to the price variation, making the algorithm's work transparent.

Business Intelligence

Through simple and appealing reporting, hosts always have the performance data (ADR, RevPar, etc.) of their accommodation in view.

The results can be filtered and compared by date of stay, date of reservation or room type.

Users decide how far to go

The system allows setting a minimum and a maximum price at any time to limit the price range.

Users also define the pricing strategy that best suits their needs: for any given time period, they choose whether the software should apply mild, moderate or more aggressive price fluctuations.

Full control

Although Smartpricing works independently, users can intervene at any time. They retain control over the pricing hierarchies they set and can adjust recommended prices individually or over multiple dates.

Ease of use

The software is particularly easy and intuitive to use: The dashboard and various functions are designed to make the experience on the platform smooth and easy to understand.