



REVENUE MANAGEMENT

Beyond the room, there's payoff in plain sight

By **Nellie Day** · Jan 1, 2026 8:00am

CoStar Group

CBRE Hotels Research

Olympia Hospitality

ResortPass



Brian Berry, chief commercial officer of Pyramid Global Hospitality, is fond of working with the space a hotel already has. Famous for its legendary lawns and outdoor spaces, the Arizona Biltmore, for example, often hosts local galas. (Pyramid Global Hospitality)

Even strong brands are bracing for a cooling hotel market as 2025 draws to a close. CoStar Group and Tourism Economics recently lowered their U.S. hotel forecasts, projecting full-year occupancy at 62.3 percent, along with a 0.4 percent drop in RevPAR. Meanwhile, CBRE Hotels Research predicts RevPAR growth of a mere 0.1 percent this year, after lowering its outlook. Twice.

For owners and operators, the message is clear: every square foot needs to earn, especially if rate growth fails to cover cost increases while demand softness persists.

Now, for some good news. There is much more a hotel can sell other than a room. Rooftops, lawns, meeting rooms and pool decks, for example, can unlock new spend and brand touchpoints. In fact, the opportunities for additional activations, partnerships and revenue can exist in almost any non-room space.

When done correctly, these activations are a win-win for hotels, bringing in more buzz, people and money, while allowing guests to enjoy the seamless experience they intended to have.

Lori McNaught, vice president of revenue management at Olympia Hospitality, said that this win rarely happens by accident, however. Instead, it takes intentionality and advanced planning on the hotel's part.

“Every space—whether it is a meeting room, rooftop, lawn or pool deck—serves two purposes: the guest experience and potential revenue generation,” she explained. “If a space can attract local demand or a social or corporate need during non-peak times without diminishing the hotel experience, we see that as a strategic revenue opportunity.”

Spaces That Sell

For Olympia Hospitality, the revenue opportunity spans far beyond the room. McNaught noted rooftops continue to be the most desirable space for private events, commanding premium rental and food and beverage pricing.

“Event lawns and outdoor spaces are desirable for weddings, yoga classes, local ticketed events,” she added. “Pool decks are great for social functions. Sometimes incremental revenue comes from day passes, especially if it’s managed for weekday or shoulder periods.”

Nicole Maddern, vice president of marketing for ResortPass, noted that incremental revenue can be quite substantial for some properties that choose to offer day passes.

“Our top hotel partners see more than \$1 million in annual revenue,” she said. “Hotels with unique amenities like waterslides and lazy rivers perform very well, especially with families, and rooftop pools in urban markets like New York City sell incredibly well.”

These passes also provide opportunities for other purchases. After all, waterslides and children are practically synonymous with chicken tender meals, and who can resist a rosé on a sunny day overlooking Manhattan?

“Our data shows day guests spend, on average, more than \$250 in on-site food and beverages in addition to their day pass, adding to the incremental revenue for our partners,” Maddern added.

One of the biggest advantages of third-party booking platforms like ResortPass is their operational simplicity. They handle marketing, booking and payment digitally, while giving hotels full control over access and pricing. That built-in structure makes them easy for teams to manage, said Jacqueline Dechamps, COO and chief human resources officer at Towne Park.

“Operationally, certain models tend to integrate more smoothly than others,” she said. “Solutions like mobile pre-pay or digital check-in can streamline the process and reduce friction for both guests and staff.”

Executing With Intent and Imagination

A pool deck may be low-hanging fruit in terms of activation, but there are plenty of spaces that can add value (read: revenue). In fact, some concepts prefer the odd, the small, the oft-overlooked nooks and crannies of a hotel.

“Our focus is on finding underutilized or non-revenue generating spaces within the property,” said Dan Zerkowitz, partner and COO of Sushi by Bou, which offers 60-minute timed seatings in speakeasy settings. “Smart hotel owners are looking at dusty and disused spaces but need creative and forward-thinking operators to activate them.”

Zerkowitz’s Omakase concept has activated former hotel conference rooms, unused private dining rooms and even utility spaces.

“Where one sees an old business center or hospitality suite, we see an F&B opportunity unlike any other,” he continued. “It’s easy for hotel operators to see opportunity in traditional spaces, and coming up with a basic beverage concept for poolside is something within most operators’ skill sets. Ours is more driven by spaces that leave operators scratching their heads trying to decide what to do with it.”

Brian Berry, chief commercial officer of Pyramid Global Hospitality, is also fond of working with the space a hotel already has. Famous for its legendary lawns and outdoor spaces, the Arizona Biltmore, for example, often hosts local galas, while the Westin Grand Cayman holds “toes in the sand” beach dinners.

The best part is these activations can be creative or straightforward, depending on budget, staff and goals. Olympia’s spaces have hosted everything from pumpkin carvings and festivals of lights to micro-weddings and mid-week elopements on the lawn.

For teams that don’t know where to start, McNaught offers some advice.

“Start with short-term, low-risk events,” she said. “Yoga on the lawn. Test it out. Be willing to pick a different time, move it to a different area. Look into underutilized days or hours. Don’t allow pool passes on Saturdays if that is when most guests are lounging.”

She also believes in creating clear pricing and even clearer guidelines pertaining to what the activation does and does not include. Ensuring that it pencils is another task that shouldn’t be overlooked. McNaught recommends confirming that the operations team can handle setup and cleanup, for one.

“Don’t do events that strain your team,” she added. “If it requires everyone to be on overtime, the labor expense may outweigh the revenue.”

One area where staff tends to get strained is access control.

“When hotels open up rooftops, pool decks or event areas to outside guests, the arrival experience and guest flow become significantly more complex,” Dechamps said.

The most common challenges Towne Park sees involve parking congestion, access conflicts and unclear arrival pathways.

“Day visitors, rideshares, delivery vehicles and hotel guests all begin arriving through the same entry points, often overwhelming limited driveways and valet zones,” she continued. “Non-overnight guests frequently don’t know where to go or park. This confusion creates additional demand on bell, valet and front desk teams, pulling staff attention away from hotel guests.”

To combat this, Dechamps recommends modeling arrival and traffic patterns to identify where friction is most likely to occur. From there, flexible staffing strategies that adjust to fluctuating guest volumes can manage simultaneous flows of local visitors, vendors and overnight guests.

“When outside visitors know exactly how to arrive, where to park and what’s included in their experience, the pressure on staff and operations drops dramatically, and hotel guests notice the difference in efficiency and calmness,” she added.

And that difference can help determine whether an activation was a success or not. In fact, it can be quantified. Pyramid analyzes three key metrics for each of its activations. They include TrevPAR, revenue per available square foot and incremental spend per guest.

McNaught looks at data points as well.

“Success is when it adds revenue without adding disruption,” she said.

Instead of tracking revenue, Olympia analyzes profitability, including labor, cleaning, security, displacement and wear and tear on the space. The firm also prefers that an event fill a gap between other activations, and that it provide an opportunity for repeat business via referrals or more future bookings. Last and most important, Olympia examines the impact the activation will have on guests.

“We do not want to disrupt guests or receive poor online reviews tied to noise or disruption,” McNaught added.

It’s a struggle Dechamps knows hotels face when opening their doors to non-hotel guests.

“It’s a delicate balance between welcoming outside visitors and protecting the overnight guest experience,” she said. “You can strike that balance by designing operations that prioritize flow, predictability and exclusivity. The key is ensuring that local guests and hotel guests feel equally valued, but never in competition for access or attention.”

With more than a million dollars on the line for renting out a pool, it’s a balance many hotel managers are eager to strike.

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