



## Complete Itinerary Management: Distribution of Non-Inventory Products or Optional Services by Hotels

### Executive Summary

Today's travelers have options to book hotel rooms, flight seats and cars either in single or multiple online workflows. But what's often missing is a single channel to request or book additional itinerary elements for their stay. Complete Itinerary Management, or CIM, offers this feature to travelers today—and it gives the hospitality industry a powerful new revenue opportunity.

Travel planning today means more than simply finalizing a destination or means of travel. What travelers also need is a quick and easy way to plan for time spent on other activities. For business travelers, managing their available time and resources has always been a challenge. Yet leisure travelers typically have just as much trouble exploring their options for all forms of entertainment and recreation at their destination.

Booking travel online through various Web-enabled travel sites has proved to be beneficial for the industry and for travelers. What's more, business travel deals and holiday packages have been able to provide travelers with at least some form of itinerary control. However, tomorrow's travelers will want more when it comes to booking destination activities themselves. For the industry to

provide it to them, the next step forward demands Complete Itinerary Management (CIM).

Nearly all Web-savvy travelers have some plan or idea as to what to do at a particular location for a given period. That's why we believe the time is right to provide travelers with next-generation online tools that enable them to easily self-manage itinerary elements themselves. This list of possible activities includes non-inventory products as well as optional services offered by hotels. A robust system should be able to provide:

- One-stop shopping for all services required for travel
- Ability to book/request services in advance
- Assurance on quality of services delivered by the service provider
- Availability of customized services based on profile preferences and choices

### Non-Inventory Products and Optional Services Offered by Hotels

When staying at a hotel, travelers typically spend time in engaging activities such as dining, spa and golfing. Sometimes conferences or family functions also become part of an itinerary. Such

activities are critical to managers because more than 20% of the hotel's top line is derived from such engagements for in-house guests.

However, few hotel chains today maintain or consolidate the inventories for such products or optional services. That's because many activities are driven by request, and ad-hoc charges are applicable for their usage, based on unit prices. Additionally, many service offerings and prices differ from property to property, even though the format remains the same across the chain of hotels. Self-servicing of such requests by travelers would result in productivity and performance improvements in the hospitality industry.

### Why a 360° View of an Itinerary?

Travelers today have options to book their hotel rooms, flight seats and cars using either single or multiple online workflows. What is typically missing from all this is a single channel to request or book additional itinerary elements for their stay.

Travelers, of course, have many itinerary choices available to them today. Most activities can be grouped under four broad categories: Professional, Social, Personal and Leisure. For many trips, multiple activities may be planned and are likely to be covered at the same hotel or other options available in the city. Figure 1 illustrates the many extended itinerary elements of a traveler who goes beyond the standard services of air, hotel and car.

### Industry Needs of CIM

Hotels providing multiple services beyond rooms should first align their offerings to better manage

#### CIM Defined

CIM is driven by the concept of "rendering services before a customer asks for it." Parallels in other industries where personalization is in high demand, such as banking & financial services (BFS), provide a glimpse of what can be achieved when customers are able to help themselves online. Recent solutions from BFS such as automated check ordering show how far a service provider can go in terms of enhancing the customer experience and gathering critical business intelligence at the same time, such as monitoring – and incrementally improving – customer activity levels.

### Accelerate Your Spa Business with CIM

The spa industry is currently booming, with growth rates in the U.S. of 25% per year. Despite limited data, growth is estimated to be even higher in the UK and Europe.

In 2009, hotel industry surveys showed that profits from spa departments grew by approximately 50%, and that high-end spas generated revenues in the region of US\$30-\$40 per occupied room. Close to 14,000 facilities in the U.S. generated US\$9.7 billion in annual revenues.

Source: [www.HospitalityNet.org](http://www.HospitalityNet.org).

the non-inventory products or optional services that make up much of travelers' itineraries today. Once done, a well-designed CIM system can provide the industry with the following:

- **New revenue enhancements:** More activities booked result in greater wallet share from travelers as they increase usage of optional services.
- **Productivity enhancements:** Less staff time is required to consolidate the details and service requirements from bookings.
- **Better customer service:** Due to simplification of activity management and improved resource planning.
- **Enhanced customer experience:** Guest loyalty increases as a result.
- **More customization:** Offers are based on each traveler's choice and preferences.

### Activity Plot for Travelers: Analyzing a Typical Day

Most hotel managers have a good starting point for a CIM initiative already available to them. Because behavioral intelligence is derived from guest history, hotels can keep this computer information on file to offer choice and preferences tailored for each traveler. Using this data to segment travelers by type can then be used to create an activity plot. Figure 2 is an example of a sample activity plot for two kinds of travelers: a leisure traveler, and a business traveler.

## Taking the 360° View of an Itinerary



Figure 1

Note: The 360° view above covers only the typical activities within each category; it will change based on each traveler's individual choices.

A time chart comparison shows that the average time spent by both kinds of travelers outside their hotel room is twice that of the time spent inside the hotel room. Therefore, Cognizant believes that a full service hotel should be looking to engage with guests for all such non-inventory products or optional services beyond the hotel room—and offer guests a channel to request/book these services in advance.

Note: A guest's activities and involvement may change depending on the location, preferences and purpose of a trip.

### Hotel Alignment to Traveler Activities

Any marketing channel that can enhance the customer experience as well as add to a hotel's revenue is attractive indeed, and CIM can make it happen. Hotel operators know that travelers often inquire about such services offline, on call or through e-mails. In cases of business or VIP travel today, a corporation's facility planner often engages with the individual property to ask about, and book, activities. But what if hotels could offer this service online to all travelers and in such a way that they could easily book their own itineraries?

Figure 3 illustrates some of the characteristics and business impact of non-inventory products and optional services that hotels should be con-

sidering today. The prioritization of services can be done by anyone using a similar analysis for all the services offered by their hotels.

### Looking for Higher Wallet Share

A question that requires attention is this: "If our in-house guests already use non-inventory products/services during their stay today, then why should I invest in a new channel for distribution?"

The direct answer is to increase activity usage, and wallet share, by providing a better customer experience and to create more uniformity of the perishable services getting sold. Above all, CIM empowers hotels with the ability to delight customers with exceptional service and to help provide service excellence in all areas of operation.

### What is Required from Hotels?

To implement CIM effectively (Figure 4), hotels should be prepared to address several key areas, including:

- Consolidation of information across the hotel network for the selected non-inventory products or optional services.
- Utilize existing customer profile information to map some of the regular non-inventory products or optional services used by travelers.

## Activity Plot for Travelers

Leisure Traveler		Time Chart	Business Traveler	
Services Required	Activity	24 hrs. Clock	Activity	Services Required
Room Booking with Breakfast	Check-in/Getting Ready/Breakfast	0800	Check-in/Getting Ready/Breakfast	Room Booking with Breakfast
Individual Tour: Car Booking/Packed Lunch	City Tour With Lunch	0900	City Travel for Meeting/ Use of Hotel Business Center	Car Booking/Business Center Booking
Group Tour: Packed Lunches Only	Option: Individual Tour/Guided Tour	1000	Business Meetings (Individual or group of people)	Optional Services Booking Secretarial Services, Translators
		1100		
		1200	Working Lunch	Restaurant Booking/Packed Lunch
		1300		
1400				
Spa Booking/ Golf Tee Time Booking/ Car Booking	Spa/Golf Tee Time/City Events/ City Market or Other Recreational Activities	1500	Golf Tee time/Press Brief/ Interview/Talk Show/Launch/ Event	Golf Tee Time Booking/Function Space Booking/Car Booking if Done with External Vendor
		1600		
		1700	Meeting Business Prospects/ Top Officials	Room/Lounge
		1800		
		1900		
2000				
Restaurant Booking/ Disco Entry Passes	Cocktail Dinner/Bar Pub/Disco/ Fine Tuning	2100	Cocktail Dinner/Business Dinner	Restaurant Booking/ Function Space Booking/Car Booking if Done with External Vendor
2200				
Car Booking	City Exploration-Night Attractions	2300	Personal Activities/Sleep	Room Booking
Room Booking	Personal Activities/Sleep	2400		
		0100		
		0200		
		0300		
		0400		
Gymnasium Special Requests	Gym Activities	0500	Spa/Gym Activities	Spa Booking/Gymnasium Special Requests
		0600		
		0700		

Figure 2

Note: A guest's activities and involvement may change depending on the location, preferences and purpose of a trip.

## Characteristics and Impact of Non-Inventory Products or Optional Services

Non-Inventory Products/Services	Offered by Hotels	Revenue Stream	Decided by Guest in Advance	Guest's Probability to use without Prior Booking	Hotels May Use this as Differentiator	Enhances Customer Satisfaction
Business Center Booking	Yes	Yes	Sometimes - If Option is Available	Low	Yes	Yes
Secretarial Services	Yes	Yes	Mostly Used by Business Travelers	Low	Yes	Yes
Language Translation Services	Yes	Yes	Mostly Used by Business Travelers	Low	Yes	Yes
Restaurant Booking	Yes	Yes	Yes	Medium	Yes	Yes
Packed Meal	Yes	Yes	Yes	Medium	Yes	Yes
Golf Tee Time Booking	Yes	Yes	Yes	Low	Yes	Yes
Function Space Booking	Yes	Yes	Yes	Low	Yes	Yes
Spa Booking	Yes	Yes	Sometimes - If Option is Available	Low	Yes	Yes
Gymnasium Special Requests (Trainer)	Yes	No	Yes	Low	Yes	Yes
Disco Entry Passes	Yes	Yes	No	Low	Yes	Yes
Recreational Activity Booking (like Movie/Show/Concert)	Yes	No	No	Low	Yes	Yes

Figure 3

## How Hotels Should Approach CIM

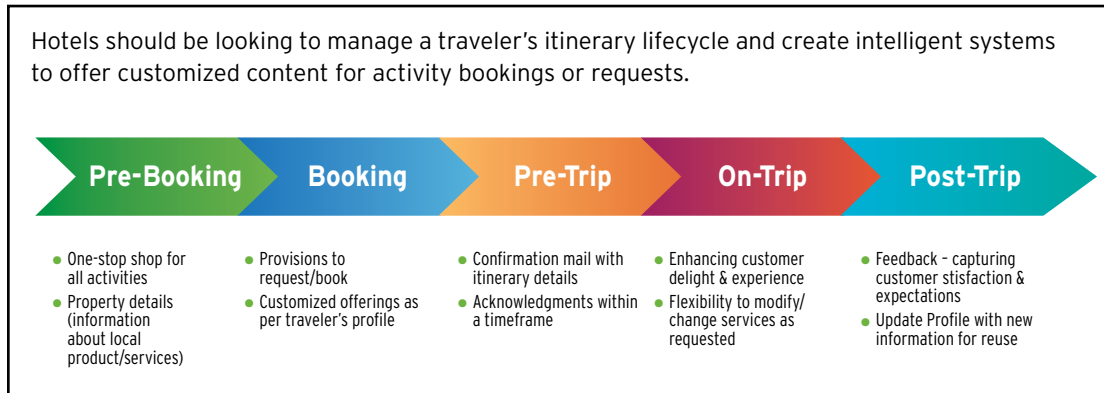


Figure 4

- Establish workflows to manage regular updates for the change/addition of products or optional services offered at the property level.
- Create visibility for the new set of products or optional services offered online, thereby allowing travelers to self-manage their extended itinerary elements.

### Utilizing Existing Channels

CIM systems that are properly deployed and marketed stand the greatest chance of success. Once online, here are just a few ways to promote the service:

**Branded Web site.** In most cases, your hotel's Web site is where most bookings will occur. Therefore, manage all property-level information on the branded Web site with provisions to book/request within the existing room booking workflow. Similar to Hotel Operational Details (HOD), non-inventory product or optional services information should be available at the property level in the central repository for display and action. Property-level representatives to the hotel are generally the ones best suited to manage/update/add information as per their role and access rights.

**Intermediary Web site.** The setup you create for your branded Web site should also be exposed to intermediary sites for bookings/requests within the existing itinerary (air, hotel and car) booking workflow. The level of customization may differ as it is dependent on the availability of the traveler's profile across the intermediary and hotel network.

**Travel agent's network.** The setup created for the branded Web site should be exposed to travel agents as well, who from their desktops can book

and make requests from within their existing workflow for air, hotel and car.

### CIM: From Concept to Solution

A complete itinerary management solution may be considered as an extension to the existing online solution already provided for room bookings (see Figure 5 for a high-level view of a representative solution). Most CIM solutions are created by following a step-by-step process that addresses the consolidation and distribution of services leveraging the existing infrastructure. Hotels that intend to offer an online itinerary booking service will need to follow these steps as they make the necessary changes to their existing systems.

**Step 1: Setup and Configuration Services.** In this step, both chain and individual hotels receive the help they need to create the best activity plot for their travelers and to define the set of non-inventory products or optional services in a standard format for transactions.

**Step 2: Integration Services.** This step enables the bi-directional flow of information from the CRS to the portals/desktop solutions that help travelers and travel agents alike book non-inventory products or optional services. This ensures the availability of a transaction record at each node for customer service and settlements.

**Step 3: Presentation Services.** This includes itinerary-specific offerings in the booking flow or otherwise for travelers and travel agents. This step enhances the existing system interface to include such offerings by property. Alternative options such as "mobile applications" or "call to book" can also be explored.

## Concept Solution for the Hospitality Industry

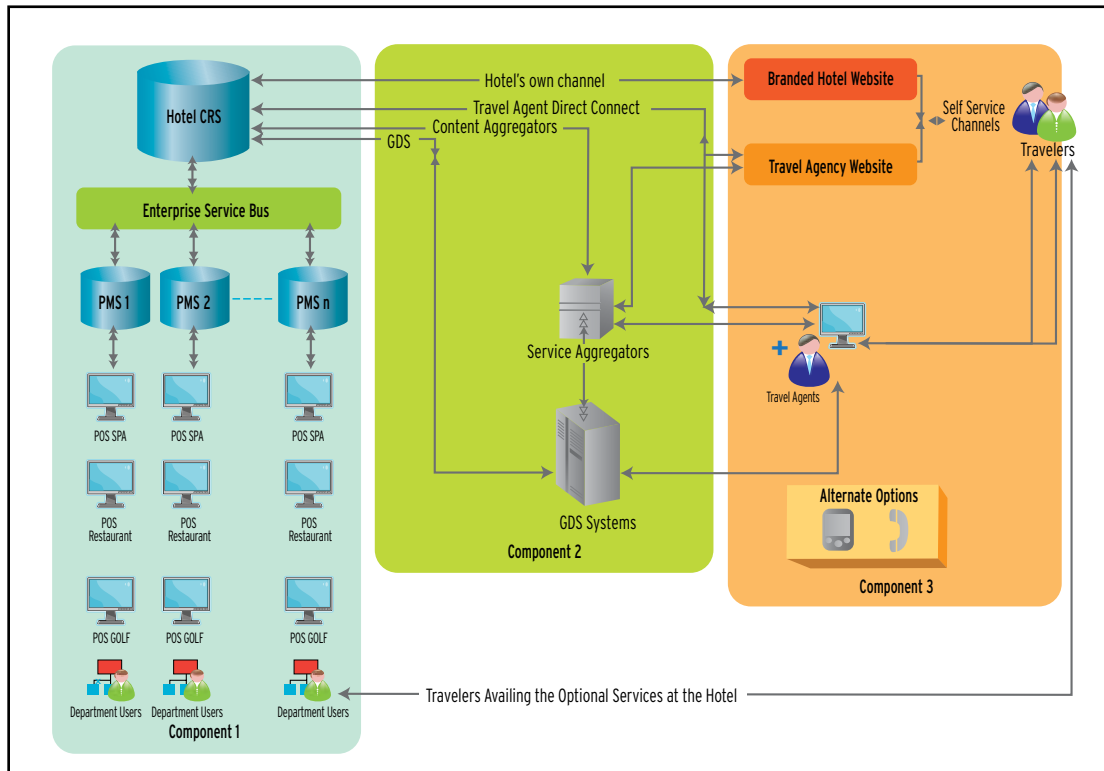


Figure 5

Note: Figure 5 represents a CIM solution for a chain hotel with multiple PMS. Representation may change as per each hotel landscape.

### Conclusion

CIM provides clear benefits to the hospitality industry by enhancing revenues and reducing operational expenditures. It also helps the industry plan and utilize its resources better and enhance the overall customer experience. With increasing involvement of travelers using self-service online tools, CIM has strong utilization potential as it offers travelers a quick and easy way to help themselves.

With CIM, hotel operators can offer their guests continuous access to services from wherever they are and ensure a new standard of quality across all their property sub-brands. And in today's competitive travel environment, being able to offer this service to travelers as a clear differentiator is a big plus.

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## About the Travel and Hospitality Practice

Travel and Hospitality is one of the fastest-growing practices within Cognizant, providing solutions to a variety of clients in almost all the major industry segments, including Airlines, Hotels, GDS companies, Online and Offline Travel Agencies, Car Rentals and Restaurant Chains. The practice leverages domain and technology expertise to drive additional value for its customers and comprises over 1,800 technical and functional experts. It also works with some of the leading organizations in this industry.

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## About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services. Cognizant's single-minded passion is to dedicate our global technology and innovation know-how, our industry expertise and worldwide resources to working together with clients to make their businesses stronger. With over 50 global delivery centers and more than 100,000 employees as of December 1, 2010, we combine a unique global delivery model infused with a distinct culture of customer satisfaction. A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 2000 company and a member of the Fortune 1000 and is ranked among the top information technology companies in BusinessWeek's Hot Growth and Top 50 Performers listings.

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