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NEWS AND ANALYSIS  
FOR THE INDIAN  
TRAVEL TRADE COMMUNITY

## *Measure to improve*

Effective travel business intelligence strategy  
can positively impact a company's bottom line



# Measure to Improve

## Sanjay Mehta CEO, MAIA Intelligence on how effective travel business intelligence strategy can positively impact a company's bottom line

If you can measure it, you can improve it. Data provides the foundation for well-designed goals and objectives, and regular measurement against those objectives tells you just how much you have achieved.

### THE CHALLENGE

It's important to relate effectively with customers. Consolidation and alliances up and down the supply chain are even more vital. More effective human resource and asset management is also important.

The world of travel management inherently relies of multiple sources of information. Information is gathered from bookings, ticketing, usage, cancellations and other stages of a consumers travel experience. This multiplicity means key data may not be noticed, communicated or taken into consideration leading missed opportunities to increase profits, while causing confusion, duplications, and redundancies.

### TRAVEL IS COMPLICATED

- Highly personal impact on travelers
- Huge amounts of spend on Travel
- Tidal waves of transaction data
- Dynamic and complicated pricing
- Content and spend fragmentation
- Sophisticated and stressful negotiations
- Significant cost-reduction pressure

### BUSINESS INTELLIGENCE

Without the right information delivered at the right time, companies cannot effectively negotiate supplier contracts, monitor policy compliance or pinpoint opportunities for additional cost savings. BI extracts meaning information from multiple sources – data that might not be explicitly apparent from simply generating reports. The emergence of BI corresponds to the increasing volumes of business data now captured for analysis.

Travel business constantly needs to track fleet's performance. Are vehicles on time?

What routes perform better than others and at what times of the day?

### BI IN ACTION

Travel industry can [www.travelgazetteindia.com](http://www.travelgazetteindia.com) such as on-time arrivals and percentage of booked seats. The managers are able to drill down to customer demographics. Who are average customers? What kept them loyal to the company? Why are they traveling? How was our service perceived in relation to others?

The sales force in the travel industry is constantly on the road, working on corporate deals that establish their organization as the preferred travel partner for business travelers. BI helps sales team leaders and executives to see the big picture, while the drill-down enables them to identify what, or who, is causing a margin or revenue problem. To make real use of this information, the sales leaders need anytime, anywhere access to their information. Such information enables them to stay current, minimize errors, and feel confident knowing that everyone is working from the same information.

### Examples of how to apply BI tools to a travel business include:

- Understand and analyze industry relevant factors such as sales, commissions, markups and internal operations
- Analyze turnover, expenses & profit in various dimensions such as destination, suppliers, agents, booking clerks and many more
- Create sales and profit targets for branches, team members, agents and suppliers and analyze these targets on a daily basis.
- Identify best-selling contracts to assist in renegotiation and allocation planning
- Identify and reward top agents
- Forecast next year's sales

### Dimensions upon which most travel reports are built

- Total Booked Spend
- Average Ticket Price
- Price per Mile
- Average Room Rate
- Average Rental Rate
- Top 25 Suppliers
- Top 500 Markets

### Three Key Spend Analyses:

- Incremental volume on suppliers
  - Preferred – better discounts, more discounted spend
  - Non-preferred – potential discounts, more leverage with preferred suppliers
- Booking activity by alternative channels
  - Is the supplier's pricing differential enough to warrant the preferred channel's total cost?
  - Where do you need direct data pipes?
- Booked vs. Billed Rate Audits

### Analysis of data within a Travel Management Company with BI:

- Executive Summary
  - Compliance
  - Booking Behavior
  - Vendor Analysis
- BI can help travel agents, operators, wholesalers and retailers gain comprehensive knowledge of the factors affecting their business, such as employee productivity, sale matrices, commissions, markups and internal operations.

BI in the travel services industry can be used in the capture of customer desired activities and constraints. They may also be engaged by the business to link key business segments like market intelligence, customer relationship management, yield management, overbooking and employee scheduling.

BI can help a decision maker to forecast sales, negotiate contracts, manage commissions, create and monitor sales and profit targets and identify opportunities to increase sales and reduce costs. **TGI**