
Provider of Hotel Reservation and Distribution Technology Improves Service to Customers by 13%, Reduces Costs 35%

NTT DATA Americas' customized BPO solution enhances data quality, increases revenue, and reduces costs for one of the largest third-party marketing and reservation providers in the world.

Abstract

Generating more than 3.5 million reservations per year through its central reservation system, this leading provider of reservation and distribution technology, and financial and marketing services in the hospitality industry helps international hotel customers sell more hotel rooms and maximize their business opportunities. To do this, our client must update, maintain, and add data about hotels to its central reservation system, which processes 1 billion transactions for hotels each month. Yet high attrition rates and escalating administrative costs were hampering our client's efforts to meet its hotel customers' time-sensitive demands and high accuracy expectations.

NTT DATA designed a customized BPO solution to capture and standardize processes, monitor and report production outcomes, and leverage a global delivery model to provide multi-shift coverage timed to the expectations of our client's global customers. Within the first year, the company saw quality, accuracy, and timeliness improve, realized a savings of more than 35%, and reduced the business risk associated with high staff turnover.

"Since beginning work with NTT DATA three years ago, our customers have been delighted with the seamless execution – particularly through the annual peak rate loading seasons."

Chief Operating Officer,
Technology provider to the
Hospitality Industry

Challenge

As consumer demand for online booking intensifies, hotels are increasingly challenged to maintain accurate and detailed records about their inventory, rates, and availability across a growing number of electronic distribution channels — in real time. Our client's central reservation and distribution systems connects approximately 85,000 hotels to global distribution systems such as Amadeus, travel Web sites such as Travelocity, and individual hotel sites that enable online consumers and travel agents to easily find a hotel, verify rates and room availability, and book reservations.

Our client's data services department and related call center operations manage this real-time data. In 2006, due to high staff turnover and escalating administrative

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costs, the company struggled to provide consistent, timely, and high quality service to its hotel customers. Undocumented and non-standardized processes created additional challenges for its operations.

Our client's operational challenges were impacting customer satisfaction levels. Inaccurate and untimely completion of transactions delayed its hotel customers from booking rooms and realizing revenues. As a result, key reservations services customers did not renew contracts. Loss of key customers directly impacted our client's revenues and profitability.

In addition, the implementation of a new marquee customer, which would require greater demand of resources during peak rate loading periods, created further stress on its already strained veteran resources.

Our client needed a way to focus on new business and implementations of new hotels to its centralized reservation platform while meeting existing demands. With large seasonal swings in production volumes, the company also needed flexibility in service capacity to meet service level expectations throughout the year.

Solution

NTT DATA designed a three-pronged BPO solution:

- » Data maintenance support for the critical property, room rate, and availability data that comes through a variety of inputs into the centralized reservations system
- » Call center support to respond to travel professional queries on transactions and systems
- » Reporting and systems support and assistance with data analytics for our client and its customers to provide critical business metrics

NTT DATA also designed a sourcing strategy to address the client's specific operating needs and challenges. NTT DATA's ShoreWise Adaptive DeliverySM model provides a dynamic capacity model that enables our client to ramp up resources to meet seasonal spikes and ensure consistent outcomes for its customers.

NTT DATA assessed our client's various production areas, including its travel agent commission processing operations. NTT DATA also designed a new operating structure that incorporated rigorous tracking of key operational metrics and strong attention to quality of delivery outcomes. Additionally NTT DATA implemented a global delivery model that blended onsite and offshore resources by leveraging a select group of re-badged client resources onsite and a large offshore delivery team.

The onsite NTT DATA resources retained the historical knowledge of our client's processes and customers. The NTT DATA offshore delivery team provided multi-shift coverage for more timely responses to hotel customers across all global time zones. Such expanded delivery hours would also help improve transaction cycle times.

NTT DATA teamed with the client to define service level standards around quality and timeliness to ensure compliance with its customer expectations. Consistent and transparent reporting of transactions completed, issues escalated, and operating outcomes provides robust tracking of customer service levels.

NTT DATA designs customized BPO solutions to address specific client needs while leveraging their application and process investments.

Results

NTT DATA's BPO team ensured timely and accurate updates around property, rate, and availability. By providing our client's customers with quicker access to accurate hotel information, NTT DATA was instrumental in increasing bookings and driving revenue for this technology provider's customers.

Other benefits include:

- » **Exceeding service level expectations.** Improved service quality, accuracy, and timeliness by more than 13% within the first year.
- » **Enhancing customer satisfaction.** Our client saw an increase in renewals by key customers and received accolades from some of their most demanding hotel chains.
- » **Lowering costs.** Our client reduced total cost of operations by more than 35%.
- » **Mitigating business risk from high staff turnover.** A blended onsite-offshore model and documented processes retained process knowledge and ensured multi-shift coverage.
- » **Meeting seasonal fluctuations in production volumes.** NTT DATA's ShoreWise Adaptive DeliverySM model enabled resources to be easily ramped up and down while maintaining service quality.

For more than three years, our client has enjoyed the benefits of outsourcing data maintenance, call center, and systems support to NTT DATA. NTT DATA's BPO approach designs customized solutions to address our clients' specific needs and challenges.

About NTT DATA

NTT DATA is your Innovation Partner anywhere around the world. With business operations in more than 35 countries, we put emphasis on long-term commitment and combine global reach and local intimacy to provide premier professional services from consulting, system development, business process and IT outsourcing to cloud-based solutions.

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