

## EUROBOUND TOURS UPGRADES TO E-BUSINESS



### **Eurobound Sees Online Booking As the Key to Growth**

Eurobound Tours has been serving Travel Agents and Travel Suppliers since 1996. This growing Tour Operator has concentrated on seven European Countries, offering travel arrangements from economy to luxury class.

The web site that Eurobound previously had used featured a booking request form. Visitors to the site filled it out and submitted it electronically to Eurobound. The resulting inquiries site increased daily. The demand to provide quotes and handle the details of client requests was stretching Eurobound's staff to the limit. Eurobound's Management was concerned about keeping up with the brisk pace of incoming booking requests. Even more important, in the absence of hard numbers Eurobound's Management could not be certain that the Internet inquiries were converting to completed transactions at rate that was high enough to be profitable. Questions about the conversion experience and a sense that a much more productive way of processing the increasing flow of requests justified Eurobound's commitment to upgrade their web site to a higher level of automation.

### **Eurobound before Web Site Upgrading**

Eurobound's order entry methods were typical of those found among among leisure travel tour operators. Requests for quotations came in by email or phone. The requested itinerary was checked for validity and feasibility. A reservationist often needed to get back to the traveler or agent for clarification of information and choices. Once the trip details were settled the task of pricing the trip began, invariably complicated by rules, contracts, and the traveler's situation. At last, a final quotation was prepared and the reservationist got back to the traveler and finalized the paperwork. Any error in pricing and any change made by the traveler would restart the cycle and/or cause problems later.

### **Eurobound's Approach to Upgrading**

Eurobound engaged Travel Web Works to initiate work on its new web site. TWW is a full-service firm that provides e-travel solutions including web design and software to the leisure travel industry. Travel Web Works had produced Eurobound's previous web site and was hosting the site as well. Together, Eurobound's Management and the Travel Web Works team headed by Gregory Lefevre, President, sifted through priorities, as well as the capabilities of the technologies involved and Eurobound's methods of operating. A contract was prepared that

***“The value of every visitor to our web site has increased – because the ratio of purchases per visitor has improved dramatically.”***

outlined included the scope of work, schedule and budget.

Because so many changes had taken place over the 18 months that preceded the upgrade effort in both the travel industry and in the use of the Internet for promotion and transactions, the project could very easily have become unwieldy with adding new bells and whistles. There was awareness by the teams on both sides that limits were real, and that additional features would be addressed at a later time.

## **Overcoming Challenges**

Several aspects of the web site were addressed during the upgrading. For example, compared to early generations of web sites, Eurobound, like many others in the leisure travel industry, recognized that they needed to have a site that was simpler and that spoke more directly needs of the visitors. They also concluded that their site should be less informational and more sales oriented. The guiding goal was to lead visitors in their choice of travel products and close sales by permitting visitors to enter their credit card information.

A major task of the project involved the data entry of fares information. This information changes annually, and the first-time entry of the information can be a formidable challenge if not handled efficiently. In fact, Eurobound experienced delays with the data entry and needed to apply additional resources to complete the task.

Travel Web Works, using a modular approach and an advanced programming language prepared the database software and the algorithms needed to apply pricing rules and Eurobound's negotiated contract terms. Meetings were frequent, along with adjustments that were needed as Eurobound's team and Travel Web Works moved through the development process.

## **The Upgraded Web Site**

The Eurobound web site features the TWW E-Travel Solution which includes the Booking Engine, the Package Builder, the Online Databases, the Mailing List Server and the Automatic Brochure Fulfillment modules. Eurobound's site has been customized to meet all requirements of marketing and operations, and all modules are tied together to form a fully comprehensive "store" for doing e-business.

The web site now functions as a unified tool for the entire enterprise. Reservation agents use it to make quotations (virtually free of human error). Eurobound's Management uses the web site for feedback and testing of marketing strategies. Sales transactions are closed without a sales agent, and brochure requests are streamlined with automatic printing of labels. A mailing list server collects addresses and stands ready for e-mailing of information about new promotional programs.

An initial "inexperience hesitancy" where Eurobound employees hung back from using the system was noteworthy, but quickly disappeared.

An unexpected but helpful byproduct of the development activities was that Eurobound Management was able to more easily envision their web site in terms of the new capabilities of the Internet, rather than as an online replication of their company brochure.

## **Higher Customer Satisfaction**

Customer feedback has been overwhelmingly positive. Customers are inconvenienced because of the 24/7 availability of the site and its capability to save a trip plan to be accessed at a later time, revised and purchased. The visitor has an enormous range of choices. These branch into two types: flexible trip planning packages and custom travel arrangements. Both types provide the user with many hotel, transportation and other choices at several price levels. Add-ons such as tickets for events and local reservations promote up-selling and add to the commissions and profitability. The web site introduces customers to options they may not have realized they had, making the web site visitor's experience not only trip-centric, but user-centric.

## Changes in Eurobound's Ways Conducting Business

Eurobound's online booking web site has significantly changed its way of doing business. With its newly upgraded web site Eurobound has experienced the most important features to be (1) the online reservation capability, (2) the real-time, automatic pricing, and (3) the complete control over their web site content, including mark-ups.

The goal of improving productivity in responding to the increasing inquiries flowing in through Eurobound's web site is being achieved. Eurobound's Management is encouraged by the higher rate of sales closure in the form of completed credit card transactions. Customer satisfaction, while not yet objectively measured, has risen sharply, judging by the dramatically diminished need for intervention by a sales agent in fulfilling a web site visitors' travel arrangements and the 24/7 availability of the site.

Since the upgrade, a web site administrator processes the net prices from suppliers into the fares database annually. Mark-ups are defined for single products or for product categories. Then when the web site presents the various trip packages and options to the prospective traveler, online payment can be processed to complete the transaction in a single cycle.

In summary, significant ways in which Eurobound's business has changed include:

- **Up-selling of travel purchases online without interacting with the customers.** The 24/7 interactive marketplace including the Booking Engine and flexible travel Package Builder offer a smooth, easy and natural trip planning process for the web site visitor. The customer may review their trip at any time from home, work, or any place that is convenient to them. The process of building an itinerary is trip-centric: it offers all the possible products and services that might be needed by the travelers, including surface transfers and local events and tours. The flexible Package Builder constitutes a great potential for up-selling.
- **Fulfilling 99% of requests automatically and by the pricing rules (week-end surcharges, child rates, special requests).** The Booking Engine contains all of the intricate rules and is programmed to follow Eurobound's contracts with suppliers. Every detail is taken into account when computing the final price. According to Eurobound's Management the new web sites provides a higher level of functioning.
- **Providing taste/price choices and product variety on the web site.** Maintaining a large database of product and services has enabled being able to change the content of offerings quickly with additions, deletions and modifications.

- **Storing all products and services in databases.** Special Search engines have been developed within the system so that customers can easily retrieve all information. TWW has built in customized routines to automatically import information from suppliers into the system (for example, hotels). Special links are also set up with suppliers to provide real-time product availability (for example, car rentals companies).
- **Responding to the higher volume requests with higher productivity.** All requests that are sent by consumers are firm booking, that is, no longer just inquiries. This has allowed Eurobound to reduce the staff involved in handling the Internet bookings.
- **Selling direct to consumers while catering to Travel Agents.** The system is designed to meet all requirements of a mutually valuable Tour Operator/Travel Agent business relationship. Travel Agents can setup their own “logins” and preview their commissions online in real-time. The web site is also programmed to show different content (promos, for example) to Travel Agents than to the direct consumers. This customized approach welcomes Travel Agents and assures them that Eurobound is working towards building a strong relationship with them.
- **Maintaining good relationships and developing loyalty.** Eurobound's new web site allows the visitors to register and save their quotations for a specified period of time. This encourages them to revisit the web site, make any adjustment they wish, and book online with Eurobound.
- **Controlling pricing and markups.** Travel Web Works has made it easy to manage all net rates and mark-ups from a single point.

### Costs, Financial Impact

Clearly, the trend in the travel industry is toward online booking of travel, both for the Travel Agent and end consumer. While the largest travel suppliers have offered real-time online booking engines, they have been too costly for many Tour Operators. Travel Web Works has focused specifically on the Tour Operators' needs to secure web site advantages within the leisure travel field. Taking a modular, building block approach with developed software that is built for ease of modification and adaptation to situation after situation, upgrading to real-time, online booking with TWW's robust products becomes both practical and affordable.

### Benefits Received

- **Increased productivity.** 99% of Customer requests are handled automatically
- **Better ROI** Funds spent on advertising the web site show a higher return because each visitor can now make a firm booking. Loyalty is created without advertising/marketing, and announcements of special offerings can be broadcasted by e-mail.
- **Improved customer relationship management** In addition to interactivity and rapid response, each visitor is treated as a privileged customer who can register to receive special promotional offers. The Automatic Brochure Request Fulfillment feature means quick turnaround of these requests.
- **Increased profits.** With productivity higher and advertising costs lower, the overall profits of the company are growing. Added flexibility in controlling on mark-ups results in more effective pricing strategies, which translates to increased sales.
- **Repeat business.** The client base of frequent users that has discovered Eurobound's web site is steadily growing.
- **Higher competitive Share.** Competitors can barely handle their load of requests, their cost of doing business is high, and they are missing opportunities to sell more. On the other hand, Eurobound can be very competitive with their prices because their cost of doing business is lower.

## **In Retrospect:**

### **Would Eurobound Upgrade If They Could Do It Again?**

Eurobound Management's realization that they needed to automate as much as possible in order to grow smoothly produced an upgraded web site that has fulfilled expectations and has created new opportunities. Management's willingness to forge its way into the future has enabled it to break through competitive barriers and has placed this tour operator on new paths of opportunity.

An important side benefit has been the freeing up of management's time because of the automation of reservation taking. Management is better able to focus on the business itself, including concentrating more heavily on identifying new products and devising additional marketing strategies.

*Doors of opportunity that could not have been imagined before the upgrading are opening every day, as the entire operation is becoming an e-Business.*

In reflecting on its competitive positioning, Eurobound has experienced growth that it could not have achieved without its upgraded web site. Eurobound Management believes that total e-business is the only way to stay competitive and grow their business. It is also the best way to meet the increasing demands of customers today.

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