

Manufacturer identifies €1.65 million savings and 200% return on investment by increasing hotel reservations made through CWT

HOTEL
GLOBAL

FAST FACTS

Industry: Manufacturing

Scope: Global

Volume: €75 million annual travel spend, €11 million hotel spend

Results at a glance:

- Identified additional €8.5 million un-captured hotel costs
- €1.65 million of identified total cost savings
- More than €900,000 savings realized after only one year of targeted hotel initiatives
- 200% return on investment

THE CHALLENGE

A manufacturing leader wanted to tackle their hotel spend in a more disciplined manner and shift the 43% of hotel bookings made through non-preferred booking channels to CWT. The company also wanted to ensure that their preferred hotel properties were utilized and recover commissions from these bookings. They needed more information and a strategy to improve booking compliance and better capture hotel spend to enable improved negotiations with suppliers.

THE SOLUTION

CWT offered the company two powerful resources: fulfillment experts and *CWT Hotel Solutions* consultants who both helped gather information and develop a strategy for success. Studies have consistently shown that hotel bookings made through CWT outperform internet sites and other booking channels in terms of price, availability, and flexibility; and the company wanted to channel all hotel bookings through CWT to maximize this advantage. They estimated their global hotel spend was 11% of their total travel spend; and the leakage identified was an additional €8.5 million in hotel spend. They also wanted all data consolidated in one source to facilitate negotiations with suppliers. CWT Program Management helped the client with change management, demonstrating the value of booking through CWT. These efforts helped change traveler behavior and provide critical performance measurement for success.

THE RESULT

One year after initiatives were in place with this account, the client achieved more than €900,000 in savings. CWT also helped increase hotel commission revenue by 30% by providing higher volumes and a stronger supplier negotiation position for the company. CWT channel compliance increased by 26% with more than 75% of reservations made with hotels in the client's preferred program. CWT helped the client augment its performance by adding the CWT HARP database to its booking channels, allowing access to 160,000 additional properties, including 30,000 with CWT-negotiated rates. The company monitored progress towards goals through easily accessible, highly accurate, consolidated global data available on demand through the *CWT Program Management Center*. Additionally, the company's security for travelers was improved because more information was available in preferred booking channels, enabling more complete traveler tracking in an emergency.