

Case Study: TRW

Client: Alice Cooper, European Travel Manager, TRW Automotive

Overview: TRW, a world leader in automotive safety, chassis manufacture, occupant safety systems and engine components. The company has 3,000 frequent travellers in the UK and 7,000 in Europe.

Alice Cooper, TRW European Travel Manager, wanted to reduce costs by implementing an online travel booking solution—first in the UK and then across Europe—combined with a point-of-sale travel transaction fee. *“The key drive to go online was cost savings. The ‘pay as you fly’ nature of transaction fees ensured that travel costs could be allocated properly across the organisation.”*

Strategies: TRW worked closely with American Express and technology provider Get There to implement an online booking solution in the UK. Concurrently, a point-of-sale transaction fee was introduced to allocate travel costs amongst the various TRW departments and divisions.

An extensive communications plan was developed with input from the American Express usage manager and rolled out with executive support from TRW’s Travel Manager and Global Human Resources Director. This reinforced the savings possible by booking online. In addition, American Express offline travel counselors were asked to encourage travellers to book online.

An eight-week pilot programme of 30 frequent flyers and travel arrangers was held to identify and resolve potential problems before the full product launch. Additional employee training included workshops, a customised downloadable user’s guide and pre-recorded WebEx modules on TRW’s travel Web site.

A companywide “road show” was held six months after the product launch to reinforce the message to book online.

Results:

- 56% online adoption rate
- 40% reduction in transaction fees
- 7% savings on average ticket prices on top ten online routes
- Payback reached in just three months

A Joint Effort

TRW Europe began testing the online booking tool in the UK before rolling the programme out companywide in December, 2002. At the same time, point-of-sale transaction fees were introduced as an industry best practice. As Alice says, the concurrent booking tool and transaction fee launches required cooperation amongst all parties.

“To implement successfully, we felt we needed a joint team effort between TRW, GetThere and American Express. We had weekly meetings and worked together to identify and resolve issues. The American Express Usage Manager provided ongoing training support and ran a useful analytical session identifying areas for improvement.”



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Helping Travellers Select the Best Options

The decision to book online was driven initially by the savings in transaction fees generated through automated e-fulfillment. However, Alice soon saw that the accompanying drop in Average Ticket Prices (ATP) were a great additional benefit.

“ATP savings are driven by the ‘visual guilt’ effect. In other words, travellers are more likely to make the correct decision when they’re actually looking at the lower-cost alternatives and traveller behaviour really has changed. In the past, people often took the most expensive flights. Now they are nearly always booking the lowest fares.”

Communication is Key

Unlike some clients TRW decided not to mandate use of the online booking tool. Instead, travellers were told to book simple point-to-point itineraries online, which made up about half of all trips at TRW Europe.

Communications from Alice and from the Global Human Resources Director reinforced the savings possible with online bookings (lower ATP and transaction fees). Follow up communications after six months highlighted savings achieved, as well as the savings “lost” by booking offline (higher travel processing costs and time lost playing phone tag with agents).

Pilot Programme

An eight week pilot programme was held with 30 frequent travellers and travel arrangers. Their feedback was critical in identifying issues that needed to be resolved before the product was fully launched.

Travel arrangers particularly liked the online booking tool as it gave them the flexibility to do other tasks whilst booking travel.

As one travel arranger said: *“I prefer to use the online booking system because it gives me the flexibility of being able to book other things whilst booking travel. I find the ‘Previous Online Bookings’ functionality very helpful, as I do not have to keep paper or e-mail records. These are all kept on the travel system, so I can look back at any time to find the traveller’s record I need.”*

A Helping Hand from Offline Agents

One effective strategy was to have the American Express offline travel agents proactively encourage travellers to book online. A standard phone message was created, reminding travellers that they could book the trip easily online and at a significantly less cost.

Taking it On the Road

Six months after the programme launch, a “road show” was carried out to reinforce the savings message and to encourage higher online booking adoption levels. Included were additional training and Q&A sessions to capture feedback across the organisation.

And the results have been quite impressive. After only four months, TRW in the UK achieved a 56% online booking rate, cut 40% on their transaction fees and achieved 7% savings in airfares.

“The online booking programme was launched officially in December, 2002 and we reached payback in just three months. Online booking has become accepted across most of the organisation. We are still aiming for a 90% adoption rate and believe this is possible.”

Alice Cooper, European Travel Manger, TRW



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