
CASE
STUDY

BOOSTING ROI BY PROVIDING BOOKING FLEXIBILITY FOR LOYAL HOTEL GUESTS

<epam>



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The client, a British multinational hotel chain with thousands of rooms and hotels spanning over 100 countries, was looking to improve upon a booking system that lacked the ability to easily process price changes, including an option for travelers to use their points and cash to pay for hotel stays. This made calculating costs difficult for both the client and its customers, especially if hotel shoppers hoped to redeem reward points, but did not have enough to cover the full cost of a hotel stay. The difficulty of this process dissuaded customers from using the reward system to make additional bookings with the client, resulting in the loss of potential revenue. Seeking a solution, the client approached EPAM.

THE CHALLENGE: REFACTOR POINTS & CASH FROM END TO END

The client engaged EPAM to create a points and cash loyalty system with a smooth, functional user interface that offers customers a more flexible way to book hotel rooms. EPAM's solution needed to allow users to pay for and spend points in multiple ways, and was guided by the following four-point plan from the client:

- Realign points and cash pricing
- Integrate points and cash pricing with the pricing engine
- Refactor points and cash redemption workflow
- Provide points and cash discounts to select member groups

The system also needed to give customers the chance to buy points in order to meet point minimums in the reimagined points and cash payment option, which would benefit customers by letting them get bundles of points at a slight discount and encourage further use of the rewards system, increasing the client's profit.

The client outlined the following parameters to supplement reward night redemptions:

- 5k points for \$40 USD
- 10k points for \$70 USD
- Points and cash payment option is only available when hotel has reward inventory with points cost greater than 10,000
- Offer is only available through web and mobile booking channels



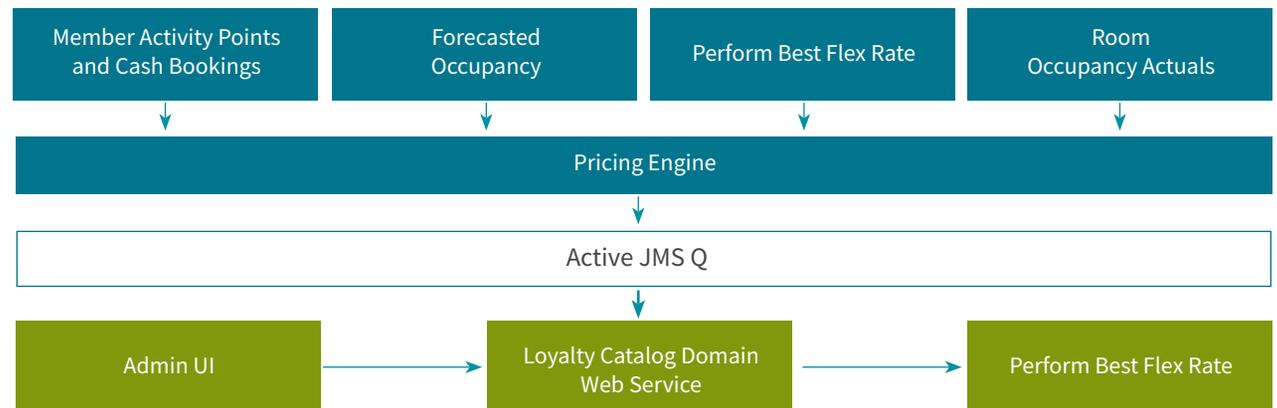
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THE SOLUTION: A REIMAGINED, RE-ENGINEERED POINTS & CASH EXPERIENCE

EPAM rose to the challenge to improve upon the former points and cash payment structure by creating a new system that gives the client's customers more flexibility when booking hotel stays. Here's how:

EPAM re-engineered the entire back-end system, first integrating the realigned points and cash pricing with the client's general pricing engine.





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SOLUTION (CONT.)

With the pricing engine updated, EPAM also gave the client the ability to override pricing engine prices, so that discounts and promotions could be offered for properties with large reward inventories that would otherwise go unused.

Welcome, AMERuser1 POINTS AND CASH ADMINISTRATOR [Sign Off](#)

Points and Cash

Default Pricing Setup **Hotel Variable Pricing** Hotel Variable Pricing History Variable Pricing Setup Discounts

Hotel Variable Pricing Search

Hotel Code Stay Date From Date To Date Point Amount Override Only

Hotel Variable Pricing

Hotel code	Hotel Name	Stay Start Date	Stay End Date	Points	Cost	Currency	Deposit ID	Override
ATLBK	Atlanta-Buckhead	01Dec15	02Dec15	5000	50	USD	TPNC05K	Yes
ATLBK	Atlanta-Buckhead	01Dec15	01Dec15	5000	45	USD	TPNC05K	No

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EPAM refactored the points and cash workflows, upgrading the old system where fixed prices were hardcoded into every channel with a new system that creates points and cash options based on hotel, date of stay, and length of stay. Now, the improved workflows are structured as follows:

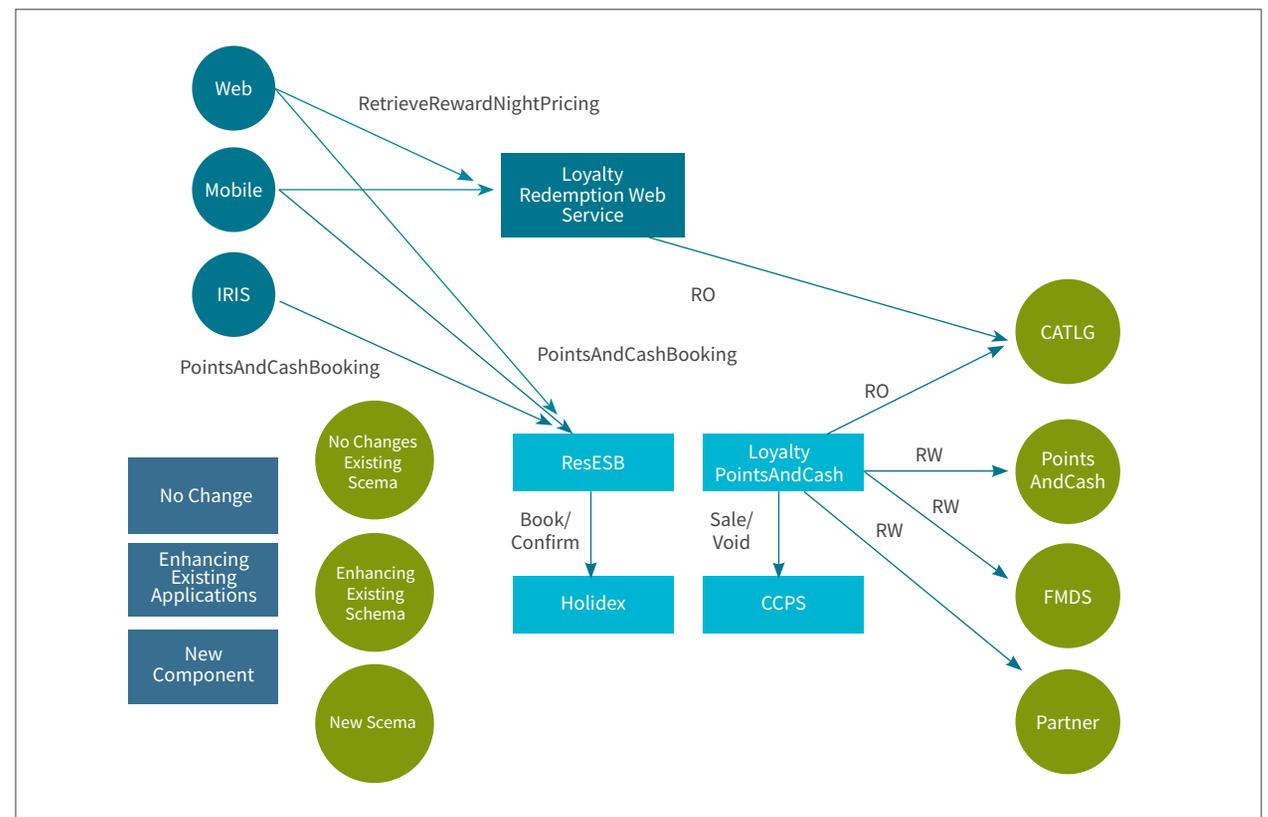
- Channel application (Web, Mobile, Call Center) calls redemption service via the RetrieveRewardsPricing operation and receives points and cash options for specific hotel and stay dates
- Once the option is selected and confirmed by the customer, member and reservation information, including the tokenized credit card information, is sent to the points and cash booking service to buy and redeem points for the reward night

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SOLUTION (CONT.)

These refactored workflows on the back-end are responsible for more flexible points and cash pricing and usage on the front-end. Here's what the workflows look like now:





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SOLUTION (CONT.)

Finally, EPAM added functionality to the user interface that allows the client to provide points and cash discounts to specific member groups, such as those who use a company-branded credit card.

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Points and Cash

Hotel Variable Pricing | Check Pricing | Default Pricing Setup | Variable Pricing Setup | **Discounts**

Points and Cash Discounts Search

Member Group Booking Date From Date To Date Stay Date From Date To Date

[Create New](#) [Clear Criteria](#) [Search](#)

Points and Cash Discounts

Member Group	Booking Start Date	Booking End Date	Stay Start Date	Stay End Date	Discount Percent
PLTN	01Feb16	31Mar16	01May16	30Jun16	50 %
GOLD	01Nov15	31Dec15	01Feb16	31Mar16	10 %
CLUB	01Feb16	01Apr16	01Nov16	31Dec16	5 %

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QUESTIONS?
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THE RESULT: HIGHER POINTS PROFIT MARGINS & A 760% ROI

With the significant updates to the points and cash program completed, EPAM helped the client roll out the new loyalty option in a four-phase process that led to full deployment for booking in all of the client's hotels and gave customers added incentive to stay loyal to the client's hotel brand. Once implemented and deployed, the program had the following results in the first two months:

- 55.9% increase in the number of points and cash bookings
- 2.7% increase in the number of reward bookings
- 39.6% increase in overall revenue from points and cash bookings

Furthermore, in the five-year potential revenue stream calculated after the implementation of the new program, estimates show that the project will yield a return on investment of 7.6/1, or a 760% ROI, which is, according to the client, a "conservative estimate." Learn how an EPAM-engineered pricing engine or loyalty program can unlock your business's full revenue potential by contacting us today!