Dynamic Packaging

Kanishka Sharma
# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Travel Outlook</td>
<td>3</td>
</tr>
<tr>
<td>Dynamic Packaging</td>
<td>3</td>
</tr>
<tr>
<td>Benefits of Dynamic Packaging Technology</td>
<td>4</td>
</tr>
<tr>
<td>Industry Issues</td>
<td>4</td>
</tr>
<tr>
<td>Our Experience</td>
<td>5</td>
</tr>
<tr>
<td>Conclusion</td>
<td>5</td>
</tr>
<tr>
<td>References</td>
<td>5</td>
</tr>
<tr>
<td>About the Author</td>
<td>6</td>
</tr>
<tr>
<td>NIIT Technologies</td>
<td>6</td>
</tr>
</tbody>
</table>
Introduction

The economic crisis had forced individuals and businesses to think differently and cut down on travel. The global economy is recovering slowly and steadily and so is the travel industry. Last year, the main driving force was cost reduction. The future of the travel industry will be characterized by more efficient processes along with technological advancements. Online services have become the norm for travel companies. Personalized services will shape the future of the travel industry and technology will play a major role in changing the face of travel, as we know it today. In the coming years, we will see technology that is greener, smarter and more efficient.

Travel Outlook

There is a general consensus that growth rates achieved in 2006 – 07 might not be replicated in the near future. Due to the economic downturn, airlines have reduced capacity, cut routes and brought down the frequency of services in a bid to align supply and demand more closely. But now, with the economy making a slow recovery, the travel industry is also experiencing resurgence. Rising fuel prices and an upward trend in airfares are predicted. The recession had forced airlines and hotels to reduce rates in order to attract customers. But with increase in demand, travel supporting industries like airlines and hotels can now increase rates. Ancillary revenues have become the flavor of the airline industry and will continue to increase.

Technology continues to revolutionize the way the world travels. Concepts like dynamic packaging, self-service and mobile service will continue to drive change. Technology will seek to enable customers by user-friendly applications and value added services. More number of travelers will use online booking tools as Internet-based ecommerce becomes increasingly widespread.

Cloud computing is also gaining ground and application integration is becoming easier and more cost effective.

Traveler-Centric vs. Trip-Centric Buying

Historically, the travel industry has been a transaction or event-centered industry. The internet has enabled the sale and purchase of business travel components and services in a consumer friendly model. This model incorporates a comprehensive view of the consumer - their profile, preferences, historical behavior and more - during the selling process, thereby providing a richer and user friendly experience. This user friendly experience has resulted in the genesis of Dynamic Packaging.

Dynamic Packaging

In today's world where consumers are far more educated than they were several years ago, the travel industry’s future lies in a customer-driven mix of packages, individual products and self-organized travel. In the last few years, the travel industry has been buzzing with a sizzling new phrase “Dynamic Packaging”. Dynamic packaging helps provide a single, fully priced travel package that hides the price of the individual travel components. It helps airlines, online travel agencies and tour operators to tap into different supplier systems in real time and bundle travel components (air, hotel, car, entertainment) into a single reservation. This is a seamless process which allows the user to choose from a huge range of travel and associated products from multiple vendors. A rules engine is used to configure and manage the different travel products that can be bundled and priced.

for individual customers or groups. Once a dynamic package is created, it is assigned a super PNR (Passenger Name Record) as a reference code for the entire package. Each individual component
Airlines, hotels and tour operators benefit greatly from dynamic packaging technology.

Features of a Dynamic Packaging Application
Some of the key features of a dynamic packaging application are:
• Providing connectors to different suppliers
  - Air
  - Hotel
  - Car
  - Insurance
• Rules Engine
  - Packaging
  - Mark ups
  - Discounts
• Mid and Back Office Support
• Super PNR

Benefits of Dynamic Packaging Technology
Airlines, hotels and tour operators benefit greatly from dynamic packaging technology.

Airlines
Dynamic Packaging is beneficial to airlines as it enables them to tap into separate inventory systems (like Global Distribution Systems [GDS’s], Hotel Inventory Systems or other tour aggregators) dynamically, to create a real time travel package. By creating dynamic packages, airlines can offer a one-stop-shop for the traveler’s complete travel needs. If travelers are already on the airline website, they would naturally be interested to check the available options and this will eventually lead to buying a complete package. Dynamic packaging, hence, will increase consumer spend and at the same time help in increasing customer satisfaction and loyalty.

Dynamic packaging also gives airlines the flexibility to define and manage mark ups and discounts. Airlines can thus increase their ancillary revenues and their return on investment is really justified.

Travel Operators
Dynamic packaging helps online tour operators, travel management companies and other traditional travel companies to sell online. The biggest benefit to packagers is the ability to increase and broaden product offerings. Through Dynamic packaging, the consumer can choose what he wants rather than being forced to choose from certain pre-defined packages. Travel operators can choose to connect air, hotel and other suppliers in such a way that the needs of a broader customer base can be matched.

Hotels
Hotel chains benefit from dynamic packaging primarily because it lowers overhead costs and increases their products’ speed to market. Minimal time is spent in managing rates and products dynamically. They can connect their products to the various sites and be rest assured that packagers and travel consumers will always access the most up-to-date products and pricing.

Better Customer Service
Consumers are spoilt for choice and have become more demanding. Increasing competition along with technological innovations have really changed the way people view and book travel. Dynamic packaging ensures that consumers have a wide range of choices and customized the entire travel booking process. Keeping customers happy goes a long way in ensuring loyalty, which in turn, guarantees repeat business.

Industry Issues
Some of the key challenges faced by the travel industry before implementing dynamic packaging are:
• Travelers manually visited multiple independent web sites or travel agencies to plan their trips or vacations
• Customers spent long periods of time to register on multiple sites or finding out the best agency available in the market
Our Experience
For years, NIIT Technologies has provided cutting-edge technology to the travel industry. We have been at the forefront of dynamic packaging market for over five years, helping airline and travel clients find the right technology and systems.

We have also worked with different product companies like OpenJaw, Revelex and Datalex and enabled our clients connect to different travel suppliers by creating various connectors.

Conclusion
As tour operators and vacation packagers continue to understand the value of implementing dynamic packaging technology, travel consumers are reaping the benefits. Travel consumers can now opt to customize vacations rather than accepting pre-packaged alternatives. Empowered travel consumers are exercising more control over their vacations. Dynamic packaging is thus, the most cost effective way for travel distributors to package, distribute and sell vacation products today.

Choices, coupled with increased flexibility, at competitive prices makes NIIT Technologies’ dynamic packaging solutions the first choice for consumers. Travel consumers are now getting accustomed to the kind of choice and flexibility that we can provide.

References
1. WTO, World Tourism Organization.
3. Fitzgerald, C., Dynamic Packaging: The impact of technology on the sale of commodity products, both online and offline
About the Author
Kanishka Sharma is Senior Business Associate at NIIT Technologies. He is working with the Travel, Transport and Logistics Practice and specializes in the Airlines and Travel Distribution sub verticals.

About NIIT Technologies
NIIT Technologies is a leading IT solutions organization, servicing customers in North America, Europe, Asia and Australia. It offers services in Application Development and Maintenance, Enterprise Solutions including Managed Services and Business Process Outsourcing to organisations in the Financial Services, Travel & Transportation, Manufacturing/Distribution, and Government sectors. With employees over 7,000 professionals, NIIT Technologies follows global standards of software development processes.

Over the years the Company has forged extremely rewarding relationships with global majors, a testimony to mutual commitment and its ability to retain marquee clients, drawing repeat business from them. NIIT Technologies has been able to scale its interactions with marquee clients in the BFSI sector, the Travel Transport & Logistics and Manufacturing & Distribution, into extremely meaningful, multi-year "collaborations.

NIIT Technologies follows global standards of development, which include ISO 9001:2000 Certification, assessment at Level 5 for SEI-CMMi version 1.2 and ISO 27001 information security management certification. Its data centre operations are assessed at the international ISO 20000 IT management standards.