



How to evict squatter rates

Nomura

Case study

The challenge

At its annual review of Nomura's hotel programme, CWT Hotel Solutions Group suggested it run a squatter audit. Nomura travel manager Carol Neil immediately understood the advantages of this and was eager to go ahead. However, the price of the audit was a concern and she was hesitant as the precise outcome was unknown.

CWT account manager Simon Brown was also keen that his client should minimise the potential damage of squatters to its hotel programme. The challenge was to understand more about the value of the audit and what it would deliver.

The solution

Simon liaised with colleague Jaclynn Reinhard, consultant at CWT Hotel Solutions Group, to find out what was behind the cost of the squatter audit. Armed with information about the potential value, examples of previous audit results and details of the cost to CWT, Simon was able to explain the benefits to Carol. She agreed to the audit with the proviso that if fewer than 50 squatters were found, CWT would only charge back the exact cost of performing the audit.

The purpose of the audit was to empower CWT Hotel Solutions Group to take action on a supplier management level to maintain an online hotel programme that supports Nomura's strategy, compliance levels and travel policy. It identified squatters by searching more than 100,000 hotels in the GDS. A preliminary results deck was produced within a couple of weeks and CWT Hotel Solutions Group contacted squatter hotels to request that Nomura rates be removed.



FAST FACTS

Industry

Business Travel

Scope

Carlson Wagonlit Travel clears out Nomura's unwanted hotels

Result at a glance

- Audit reveals 2,570 squatter hotels offering Nomura rates – plus 585 room nights booked at these in one year representing \$38,098 in missed savings
- At CWT's request, 88.6 per cent of squatter hotels have now removed these rates
- Travel bookers can more easily select preferred hotels, with negotiated rates and approved standards, resulting in higher volumes that will improve leverage for future negotiations

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How to evict squatter rates

The results

Nomura's hotel programme contains 350 properties. The audit revealed:

- 2,570 squatter hotels
- 57 chains with squatter hotels
- Nomura travellers had stayed at 110 squatter hotels across 79 cities and 40 countries

"This was a real 'wow' moment for the client," said Simon. "They were genuinely astonished that so many properties were found to have a rate loaded."

Nomura had booked 585 room nights in these squatter hotels in the year to June 2017. With only a rate cap defining where they could stay, this could have taken market share away from key properties and impacted future negotiations. Not only this, but the average room rate difference was \$20.50. This is a missed savings of \$38,098, dwarfing the money spent on the audit.

Since being contacted by CWT Hotel Solutions Group, 88.6 per cent of hotels with squatter rates loaded have removed them.

Nomura travel manager Carol Neil said: "I was amazed at the number of hotels that were squatters and not in the Nomura programme. Left unchecked this could have significantly increased our overall hotel spend over time."



Contact

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