

Hewson *Profile*

The TABS Booking System from Carlton Software Developments

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Introduction

Over the last 40 years the cottage rental market has evolved into a significant part of the tourist industry in the UK. Almost every county is well served by specialist letting agencies and the trade that is generated is important not only to the cottage owners themselves but also to local economies. Recently however, cottage renting has seen massive changes in the marketplace and in common with the rest of the travel industry, transformation has come mainly because of the internet. To state the obvious, no company could now survive on a 'brochure and postal booking' system. But it is also true that the internet as a mechanism is not the sole issue here – added to the mix must be the rise and rise of customer expectations and the change in behaviours that come with this. Consumers – particularly in an area such as cottage renting – will have a dangerous blend of needing instant information, trust in an agency brand and a high level of service execution.

Rapid change in Consumer Trends

The shifts in consumer behaviour are very real and indeed, are only going in one direction. For anyone trying to plan business strategies over say, the next three years it is salutary to look back over the recent past. The Ryanair website did not exist before the year 2000 and as we know, this is now an almost entirely web based operation. In 2004 Google was not a public company and Facebook did not exist. Now these are the top two sites in the UK. Ten years ago Internet usage was negligible; today it is well over 60% of the population and served in the main by an increasingly fast broadband. None of this is to suggest that everything is transacted on the internet; this would be far from the truth. In fact, only about 10% of all goods are purchased this way in the UK (rising to about 40% by 2020). Perhaps more critical to note is the fact that nearly 80% of all electronic goods are researched online before being purchased offline. This is an indication of the complexity of consumer behaviour in different channels and to illustrate this further, recent Hewson Group research in retail banking suggests that new customers may desire a service follow up in a different channel to the one in which they initially acquired a product.

Factors behind high Internet use

James Ellis, marketing director of Norfolk Country Cottages, confirms that the trends outlined above are reflected or perhaps even exceeded in what he sees. “60% of all cottage rental business now comes directly via the web and this is increasing every year, although 40% of business is still via the telephone, so this is still an important part of the mix. What we do know is that 80 – 90% of cottage bookers will use the website at some point to browse property photographs, view virtual tours of properties, check property details, find out what there is to do while on holiday. This is against a 40/60 split web/phone two years ago and I would say only 20% of business coming directly via the internet 5 years ago.”

James also considers that holiday cottage bookers use internet sites for reasons other than just booking. These include:

- viewing other customer’s feedback about a cottage online
- view the property location on a map
- find out about local attractions and amenities in the area
- check for special offers
- check availability of properties
- request brochures
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James Ellis is quite clear about the criticality of Norfolk Country Cottage’s own website: “It’s our shop window. We find that people are very fast to judge these days and they will know what a good booking site looks like. If they don’t get what they want on a first pass they are quite likely to migrate to another company or a different region for their holiday. For us, it is equally important that cottage owners like what we have. When people are researching companies to let their cottage through they will simply walk away from sites that don’t appeal to them.”

Reasons for Success in the Cottage Rental Business

In the country cottage market having a good ‘shop window’ is clearly of great importance. Increasingly, it is the ‘ante’ to play. Having said that, it is also necessary to execute on the brand at all touchpoints with the customer. Most good cottage rental businesses have grown up on the back of outstanding service and intimacy with both the cottage users and the cottage owners. There is no need to doubt that this is still the case today despite the necessity for an advanced technology infrastructure. We can distinguish between customer acquisition and customer retention and it can easily be understood that retention – both of cottage owners and returning cottage renters – is dependent on perceptions of service and friendliness and goes beyond the more anonymous façade of the internet.

James agrees with this view: “I think that many cottage agency owners will be of the mind that personal service is the key and that the internet and other technologies potentially ruin this. This needn’t be the case – making use of modern technologies can save valuable time and enable you to have more space to provide an excellent service to customers and homeowners, rather than ‘wasting’ resources on administration.”

By combining brochure production, website production, reporting, homeowner payments and marketing activity into one easy to navigate system, TABS obviously understands what is needed to run a cottage agency –arguably because it has been designed by not just a single cottage agency but as a result of years of feedback from a number of companies. It combines what is typically found in many different systems into one easy to navigate and intuitive program.

When on the phone to customers, staff have the ability to see everything at their fingertips – including property photos, property descriptions, easy to view availability charts, travel directions, customer booking history, owner details and everything else needed to give a customer exactly the

information they require together with a very personal and professional service. TABS has been designed so that staff will be able to virtually be in the cottage when talking to customers.

Customer and homeowner paperwork can be emailed or printed quickly and easily direct from the system, offering the customer choice of how they receive communications from the agency. This saves time and money on postage where only email is required.

The History of Norfolk Country Cottages (NCC) and TABS

NCC is the leading cottage letting agency in East Anglia – with three offices in the region and two separate websites they offer nearly 350 cottages in Norfolk and 200 cottages through a sister company – Suffolk Secrets – in Suffolk. It is a family run business that has been growing steadily since they started with just one cottage in 1992 and now turns over more than £7m annually. Built on the principles of providing an excellent service to both customers and homeowners, their vision is simply to be the best in the business in their region. Managing Director of NCC is Richard Ellis who is a former Chief Executive of Kettle Chips and who currently chairs the East of England Development Agency.

Richard Ellis' business background instilled in him a belief that the 'right' infrastructure was critical to the future success of the business. This was the prime reason behind embarking on the road of designing and building a specialist booking system in July 2003. Five years later NCC has spent hundreds of thousands of pounds developing TABS to where it is now. Initially, as is often the case with the best applications, they were only building a system to do what they wanted and needed to run their business and help it to grow. However, it soon became apparent as they talked to other friends in the business and in other areas of the country that more people wanted to share in the system that was being developed. Gradually over the years TABS has been installed at a number of different locations nationwide through an offshoot business – Carlton Software Developments.

It has not proved easy developing a system and after years of work, it is still being updated and improved with new features and enhancements. These new features are shared with all current TABS customers, so everyone benefits from the enhancements.

Single Purpose Development

Carlton Software's development team – through close association with NCC have a real and solid understanding of how a cottage agency ticks and have applied their many years of industry experience in creating a system they believe to be the class leader in the market place. They believe that this is because the system has been developed for one purpose – holiday cottage letting – rather than adapted from another application / industry.

The Functional Capabilities of TABS.

Having reviewed the system, Hewson Group believe that the TABS system is probably the stand out application in the Cottage Letting Market. James Ellis has a view on why this might be: "Most systems – although not all - have been adapted from other industries or applications and are therefore a bit 'clunky' when it comes to applying them to the cottage letting agency environment. TABS has been developed solely for this market by leading operators in the field and so it is very intuitive and logical."

Customer relationship management has been an integral part of the design of TABS and users can:

- View all contact with owners, housekeepers and customers within the system, including details of letters, emails and phone calls
- Make comprehensive notes system throughout all areas of the system
- Place warnings on specific weeks for properties, alerting users to issues that they need to inform customers about

All promotional activity is controlled from within the system – the sending of e-mails, newsletters, the updating of website content, special offers and the selecting and sending of direct mailings. TABS also automatically updates websites with ‘real time’ availability, cottage descriptions, pricing and images and automatically downloads any bookings or brochure requests direct from the website into the TABS system. There is a comprehensive set of marketing reports to allow analysis of advertising effectiveness and the results of promotions.

Very importantly, TABS will work from a USB memory stick, meaning that it is possible to work anywhere with an internet connection – and thereby allowing easy home and remote working.

Microsoft based architecture

TABS has been designed in the latest Microsoft VB.NET technology, so is relatively ‘future proofed’ and will work on any modern PC system. Hewson Group regard this as an absolutely critical architecture. Most small to medium businesses are already heavily based around Microsoft technology such as Word and Outlook. Any integration and cultural adoption (by users) of TABS is likely to be far easier as a result. Furthermore, any Letting agency will need to be aware of potential Web 2.0 based developments (Wikis, RSS, social networks) and while .NET offers no guarantees in this regard it is probably the best environment for TABS to keep users abreast of developments in the next two or three years.

Conclusion

The Cottage Letting market now demands, perhaps more than almost any other line of business, a fit for purpose internet ‘front end’ that is integrated to other channels and to the service environment. Failure to perform at shop window level will be obvious to the marketplace and punished accordingly. Paradoxically and perhaps confusingly, service as a differentiator will be a competitive edge to those agencies that can free off time and resources to deliver what the customer wants – always providing that they present to the public in a class leading or equaling way.

Maintaining a competitive presence where technology is involved will become increasingly difficult. Home builds and adapted solutions will be exposed to a discerning consumer market which will readily compare good and not so good operations. The old values of what constitutes customer service and market knowledge remain but to make sure that these continue to be the central success factor most agencies should ensure that their technology base is acquired and supported from a relatively unimpeachable source that will minimize the dangers of IT based market failure.

Hewson Group

Hewson Group was established as an analyst company in 1989 and is widely regarded as a founding influence on the global market for customer management applications. Clients include IT vendors such as Microsoft, SAP and Oracle, as well as class leading end user organisations such as the Nationwide Building Society. Hewson Group has also been involved in advisory work with investment companies such as 3i, HSBC and RBS.

Nick Hewson has written a number of business books including *The Business Use of the Internet*, *The CRM Handbook* and *CRM in the Public Sector*. He has been interviewed by the *Wall St Journal*, *The Times* and the *Financial Times* amongst other publications. Nick is a visiting lecturer and has presented at conferences in Europe, the USA and the Far East. He sits on two industry think tanks concerned with the future of retail banking and is a judge at the annual British Computer Society Awards.

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