

Cox and Kings: Service with a Difference

Cox and Kings (CKS), one of the prominent tour operators of the world, was established way back in 1758 by Richard Cox when he was appointed regimental agent to the footguards of India. By early 20th century, the company was acting as an agent and banker for the armed forces. In 1922, the company merged with the Henry S. King Bank, subsequent to which the banking business was sold. The travel business grew by leaps and bounds and in the early 21st century, CKS was operating various individual and group tours throughout India as well as abroad. CKS offices abroad were known as Indian tour specialists in their respective markets and had destinations from the Indian subcontinent (amongst other destinations) in their product portfolio. They catered to 50,000 inbound tourists to India in the year 2004. CKS identified various needs of customers in different segments and designed customized packages to suit these needs.

They realized that schools needed to provide a common platform for different children across the country to interact and exchange ideas. Therefore, in association with the Andhra Pradesh Tourism Board, they pioneered "Udaan"—an interschool educational tour—in October 2004. This tour included a four-day and five-night trip to Ramoji Film city in Hyderabad, which offered trips to educational places in the city, interschool competition, workshops, etc. Through this programme, they identified a niche segment to which they could market their services. CKS also saw an opportunity in business visitors who travelled to international trade fairs. They devised a value-based package for these visitors, which included confirmed accommodation for the fair period, Indian meals, and additional services such as factory visits, and buyer-supplier meets. These provided comfort to the Indian traveller in foreign countries. With a growing number of customers seeking tour packages covering religious destinations, CKS ventured to introduce religious packages to select destinations such as Vaishno Devi and Puri. These trips had guides going along for the convenience of the travellers. Their Spiritual Sojourn package offered the Art of Living course to customers seeking spiritual fulfillment. In addition, to cater to the up-market tourist who wanted to be a part of the historic Mahakumbhmela in Allahabad, CKS

This caselet was written by Ramya Narasimhan, under the direction of S. V. Rama Krishna, ICFAR Center for Management Research. Caselets are intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

set up five-star-quality tents which provided hot water baths, massages, and other benefits that were the ultimate word in comfort.

Apart from fulfilling the specific needs of customers, CKS aimed at constantly reinventing itself to provide the best services. In 2002, it tied up with Radius, the world's largest travel company, to offer the best prices on airlines, hotels, and other travel related services, which translated into savings for the customer. This partnership gave CKS access to travel reservations and ticketing to a 24-hour-a-day emergency toll-free travel service combined with a global travel management system that used 72 different currencies. Realizing that Indian travellers, with their specific eating habits, faced a real problem with regard to food while traveling abroad, CKS introduced the Kitchen Caravan on its Europe Tours. The Kitchen Caravan travelled with the Eurail, offering all varieties of Indian food. CKS also had a product development cell which conducted market surveys and obtained customer feedback on a continuous basis. As a result of their findings, it offered a special "two-in-one offer" that combined a domestic and an international holiday at the price of one. This offer was launched in Kolkata in October 2000, to coincide with the annual Puja holidays.

In a bid to offer the customer more access to its services, CKS tied up with MSN India to give information on destinations, air tickets, hotel reservations, foreign exchange, domestic tours, international holidays and tours, and also documentation such as passport assistance, medical insurance, etc. This alliance was obviously successful as CKS managed to get 8–10% of its holiday bookings through the MSN India site. To make its trips affordable, it tied up with ICICI Bank to offer instalment schemes on such travel loans. The premium customer could take their pick from various "one-of-a-kind luxury travel packages" which provided private, group tours as well as group and family safaris, while offering the best of accommodation with personalized service. Apart from these, flexi-holidays were provided where the customers could plan their own dates and schedules so that they could avoid travelling in a group. CKS's unique packages and positioning resulted in revenue generation of around INR 50 million¹ in 2004 from the Indian subsidiary. The figures clearly indicated the effectiveness of the strategies.

QUESTIONS FOR DISCUSSION

1. Cox and Kings (CKS) identified revenue sources by introducing new travel packages. Elaborate on this statement by discussing the niche targeting that CKS adopted for various segments in India.
2. To woo the convenience and comfort savvy customer, Cox and Kings introduced many value added services in its offerings. How have these served to help the Indian traveler in easing his/her travel plans and actual trip?