

Valtur improves marketing, sales, billing and inventory management with an RFID solution from IBM.

Overview

■ Challenge

In order to improve billing and inventory processes, Valtur needed to seamlessly link its geographically dispersed point-of-sale locations to back-office systems at headquarters.

■ Why Become an

On Demand Business?

To deliver added shareholder value by leveraging technology to optimize business processes, develop new policies and achieve new levels of responsiveness to customers and partners.

■ Solution

Valtur, a luxury resort company, increased sales, decreased supply chain costs and improved customer satisfaction by implementing a wireless purchasing system that connects all points of sale to corporate headquarters.

» On Demand Business defined

An enterprise whose business processes – integrated end-to-end across the company and with key partners, suppliers and customers – can respond with speed to any customer demand, market opportunity or external threat.



■ Key Benefits

- Increased sales by 19 percent
- Cut costs by ten percent with optimized supply chain
- Reduced billing time at individual resorts by 66 percent

Improving customer satisfaction and optimizing business processes

Valtur, a family-owned tourism company, provides luxurious resort holidays at more than 20 locations, including Italy, Mauritius, Mexico, Maldives, Ivory Coast, Morocco, Tunisia, Egypt and Turkey. Its full-service venues offer entertainment, sports, recreation and classic Italian food, along with shopping, excursions and child care.

“What IBM did for Valtur was to bring an industrial strength, best practices solution to the Italian tourism industry. Tourism is a unique industry, yet IBM’s depth of experience across industries allowed us to implement this innovative solution, which was really a different approach for our industry.”

– Olivia Tarulli, Chief Information Officer, Valtur

On Demand Business Benefits

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- Cut costs by ten percent with optimized supply chain
- Reduced billing time at individual resorts by 66 percent
- Spurred proactive inventory and pricing decisions with real-time view of resort sales
- Enabled a more complete view of customers for marketing purposes

Professional staff members—numbering more than 150 in some locations—pride themselves on anticipating customer needs. With locations in Africa, America, Europe, Asia and the Mediterranean, the company wanted to find a solution that would better connect points of sale at its resorts with back-office functions at its headquarters in Milan, Italy. Valtur sought an automated, flexible, cost-effective infrastructure that would fully support its new sales initiative across the board.

“IBM was our first choice for a technology partner, as we’ve been running IBM AS/400® servers since 1998, without a single problem, even in our most remote African locations,” explains Olivia Tarulli, Chief Information Officer for Valtur.

The company had previously been relying on manual processes and a paper-based fax system to relay point-of-sale information from all the resorts back to headquarters. The system was time-consuming and inefficient, as it required at least one employee at each point of sale, in 20 resorts worldwide, to tally sales and report back to the main office for billing and inventory purposes. Before the new solution was implemented, visitors to Valtur’s resorts would use cash to purchase different colored tickets or necklaces that enabled them to acquire different products and services at the resort bars, boutiques, restaurants, spas and health clubs. This was a labor-intensive process, and tallying the different purchases caused delays and discrepancies in billing at check-out time, leading to customer dissatisfaction.

With such a geographically dispersed business model, rough terrain at some locations and aesthetic considerations that made burying or stringing cable impractical, Valtur turned to IBM and IBM Business Partner WSC—World System Consulting for a wireless radio frequency identification (RFID) solution that transmitted data via a satellite connection to the home office. After a six-month development period, the solution was up and running at the first resort selected by Valtur in two weeks.

IBM and WSC delivered an industrial-strength solution to a small business; while RFID has traditionally been used in large retail and consumer goods companies, very few smaller companies have yet to embrace the technology. To date, the results at Valtur have been very encouraging.

“The solution also helped Valtur easily create a database that we now use for customer relationship management. We can target our marketing to our customer base much more tightly now, based on their past purchases and tendencies.”

—Olivia Tarulli

IBM Global Services—Global Technology Services apply best practices

Valtur's Quick Pay "shop everywhere" solution—deployed in 1998 by IBM and WSC—is an onsite wireless network activated by a smart card, or badge, embedded with RFID technology. Data transmission to Valtur's headquarters is via satellite.

"With employees at all 20 locations manually counting all the cash, the different colored tickets and necklaces, it was an administrative bottleneck. We needed to make a count at each point of sale every night, and bill these back to each individual room. Now, with our Quick Pay RFID solution, this is all automated, and the billing system is transparent to our customers, with itemized purchases," explains Tarulli. The information exchange is immediate for this first-of-its-kind solution, and linked into back-office processes.

RFID-enabled badges issued to guests upon arrival are used as debit/credit cards that may be paid in advance or upon checkout. The badges allow Valtur customers to make purchases quickly and easily from strategically located kiosks that offer food, beverages, clothing and souvenirs. Instead of limiting sales to resort shops and restaurants, the RFID badges make it convenient for customers to order goods and services on the beach, in a spa, in a specialty boutique—or anywhere within its resorts.

Guests who use the badges to make purchases also accrue loyalty benefits, which may be redeemed during the same visit or on a future stay at any Valtur resort. "The ease of use the RFID cards provide can be directly linked to a 25 percent increase in bar sales, and a 20 percent increase in boutique sales," enthuses Tarulli.

"We've also created several different uses of our Quick Pay solution: a prepaid card, a card for frequent visitors with discounts and incentive points, and a prepaid card for children of our customers limited to purchases appropriate for children. All of the cards can be easily reloaded to increase spending limits," explains Tarulli. The RFID solution simplifies purchasing for Valtur's customers by eliminating the need for cash, tickets or necklaces at resorts, and it speeds checkout times thanks to a simplified billing process.

Key Components

Software

- IBM DB2®
- World System Consulting Quick Pay solution

Servers

- IBM eServer™ xSeries®
- IBM eServer iSeries™

Other hardware

- IBM/Lenovo desktop ThinkCentre™ or WiFi ThinkPad®
- APROMIX RFID Standard Reader
- Cisco Systems wireless router
- Cisco Systems Access Point

Services

- IBM Global Services—Global Technology Services

IBM Business Partner

- WSC—World System Consulting
 - Specializing in RFID and wireless solutions
 - Headquartered in Turin, Italy
 - www.wscgroup.it/site/
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Why it matters

Valtur, operating resorts in Europe, Africa, America and Asia, teamed with IBM for new wireless services to simplify and unify tracking of customers' purchases, resulting in a new level of business intelligence that helped the company adapt appropriately and optimize business processes.

Real-time data exchange

A centralized view of all resort sales transactions in real time helps provide the enterprisewide visibility needed to make more informed business decisions about inventory, restocking and pricing. The company is now better positioned to respond to seasonal fluctuations in demand. "With the electronic data exchange the system provides, we've become more responsive to customer needs, as we're also able to talk to our suppliers in real time, and keep our most remote resorts completely stocked with those items that our customers desire most," explains Tarulli.

In addition to the wireless technology, RFID badges and sales kiosks, Valtur's purchasing infrastructure includes Cisco hardware, IBM AS/400 servers, IBM laptops and third-party PDAs. This system has allowed Valtur headquarters to optimize its supply chain and reduce inventory costs by ten percent. Installation of the dynamic, secure and resilient wireless infrastructure was reported as fast and easy.

Ongoing value for the tourism industry

An additional benefit of the solution is the ability to gather and collate information about customer preferences easily. This feature allows Valtur to profile guest needs and serve them even better in the future. The smart card loyalty benefits program has met with enthusiastic customer response. "For us, this Quick Pay RFID solution has completely erased any customer billing discrepancies, and with as many as 500 visitors checking in or out at any time, this has led to greater efficiencies in our administrative activities and increased customer satisfaction," explains Tarulli.

For more information

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