

Sunroute becomes more accommodating with real-time reservation system.

Overview

■ Challenge

Japanese hotel chain needed to transform its cumbersome, error-prone room reservation process to help fight competitive threats and retain its customer base

■ Why On Demand?

By responding to customer demands for a fast, accurate reservation system, Sunroute could offer state-of-the-art services and lower its cost of doing business

■ Solution

Automated self-service reservation system lets customers book and track reservations in real time, dramatically boosting Sunroute's room booking rate, lowering its costs and increasing guest satisfaction and loyalty

■ Key Benefits

200% increase in room bookings; improved customer service through real-time information access; increased brand awareness and customer loyalty; potential new revenue stream



Sunroute's Web site—based on technology from IBM—allows both business and recreational travelers to check room availability and make reservations for any of Sunroute's 76 hotels.

As Internet usage in Japan approaches 70 million households,¹ more and more of Japan's residents are logging on to the Web for information and services. To capitalize on this trend and remain in step with its foreign competitors, Japanese hotelier Sunroute Co., Ltd. (Sunroute) sought to link the growing number of Internet-savvy travelers in Japan with its hotel offerings.

Based in Tokyo with 302 employees, Sunroute (www.sunroute.jp) is part of the JTB Corporation and manages a chain of 76 hotels throughout Japan.

“Before our new online booking system, hotel managers accepted each reservation by phone or fax, checked our proprietary room database for availability and tracked changes in a paper ledger—a very cumbersome process for us and our customers.”

—Mr. Uehara, IT Group Manager, Sunroute Co., Ltd.

Anticipating and responding to customer and market demands in real time

On Demand Benefits

- 200% increase in room bookings
- Increased brand awareness and customer loyalty
- Improved customer service through real-time information access
- Increased opportunities for new revenue stream through sale of reservation solution
- Reduced operational costs
- Decreased potential for bookkeeping errors
- Enhanced system security and resiliency

While American and European hoteliers have featured an automated hotel room reservation capability for some time, Sunroute only offered traditional room booking options. Hotel managers received each reservation by phone or fax, checked the hotel chain's proprietary room database for availability, responded manually to the customer and tracked changes in a paper ledger. The process was very cumbersome for Sunroute and its customers and — like any manual method — was prone to error or misunderstanding.

“Our outmoded reservation system simply could not offer customers the same level of responsive, real-time service that some of our competitors were delivering,” says Mr. Uehara, IT group manager at Sunroute. “Our guests wanted to make their reservations on-the-spot — not be placed on hold or wait hours for a faxed confirmation. And they did not want to deal with human error. We needed to transform our business processes — or face losing ground to the international hotel chains.”

To help ensure guest satisfaction and protect its competitive position, Sunroute needed to transform its reservation process, making it more responsive to customers' needs. It needed to replace its tedious manual reservation processes with an automatic, self-service channel for guests to review amenity information and instantly make their reservations. Deploying such a solution would cut the hotelier's costs by reducing human intervention in the reservation process. It would increase customer satisfaction by delivering accurate, reliable bookings and a streamlined reservation experience.

Integrated approach for real-time responsiveness

The way to do this, Sunroute determined, was to replace its manual room booking system with a highly efficient, real-time reservation system. Such a solution would allow customers to book, change and track hotel reservations on demand, and receive instantaneous, accurate responses and confirmations. To achieve this objective, Sunroute turned to its sister company, IBM Business Partner and systems integrator JTB System Solution, Inc. (JSS).

JSS designed and developed a responsive, integrated, self-service online reservation system that enables customers to check room availability, then book and track their reservations in real time. By logging on to a dedicated Web site, users can now zero in on specific accommodation types at individual hotels and resorts; view

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—Mr. Uehara

typical rooms and suites; review and compare prices, amenities and services; reserve or change accommodations and instantly receive electronic and printed confirmation of their reservations.

Customers interested in specific facilities, such as health clubs or executive business centers, can quickly identify the hotels meeting their requirements and compare their offerings. Experienced and busy travelers can make the reservation process simple and quick while those planning pleasure trips at their leisure can spend time arranging and rearranging the perfect accommodations to suit their tastes and budgets. If customers' travel plans change, they can update and reconfirm reservations at any time by simply accessing the Web site.

Sunroute's online reservation system resides on an IBM **@server** iSeries 820 system at Sunroute headquarters. The system uses IBM DB2 Universal Database to house 105 gigabytes of data related to room availability, reservations and customers. At each hotel property, an **@server** xSeries 200 or 220 is the local file and print server that connects to the main iSeries system through a wide area network. Open standards-based IBM WebSphere MQ is the business integration middleware that links the xSeries systems in the hotels with the DB2 database in the main data center.

Single IBM platform for secure, reliable service

According to Uehara, Sunroute sought a single platform-based solution, with information management and business integration software on one system, in order to help ensure both security and reliability. The database selection was a crucial consideration, and JSS suggested DB2 as a cost-effective information management package that could help Sunroute manage its business-critical data. "The high performance and availability levels of DB2 Universal Database were primary points of consideration in our choice," Uehara notes.

The company reviewed other leading databases, but chose to work with IBM, in part because it would benefit from the stability of a complete solution. "We selected DB2 and WebSphere software running on the iSeries platform because we felt that this combination would create a secure, reliable and complete room reservation and availability system," says Uehara. "Combining DB2 and WebSphere MQ has allowed us to connect our business systems directly with our customers. And by distinguishing Sunroute as a technology innovator, we are positioned for continued success."

Key Components

Software

- IBM DB2® Universal Database™ Enterprise Server Edition
- IBM WebSphere® MQ

Servers

- IBM **@server** iSeries™ 820
- IBM **@server** xSeries® 200 and 220

Business Partner

- JTB System Solution, Inc.

"In the six months following the launch of our online reservation Web site, we booked over 90,000 rooms — more than three times as many as in the same period of the prior year."

—Mr. Uehara

Sunroute previously housed its room availability and customer data on a legacy mainframe, but opted to move to an **@server** infrastructure to improve security and reliability. "The iSeries and xSeries systems have simplified business operations with their easy-to-manage, resilient architecture," says Uehara. "In fact, their self-managing technologies have helped to increase system availability—particularly during high travel periods."

The solution was deployed and tested in just six months. "Engaging JSS allowed Sunroute to focus on its hotel business," says Uehara. "And our IT team gained knowledge by participating in JSS's onsite system maintenance training workshop."

Creating new options to drive future revenue growth

The new online solution has helped Sunroute reduce its operational costs by freeing employees from manual reservation tracking. At the same time, automating the room-booking process has virtually eliminated costly errors.

Due to the increased exposure delivered by the Internet site, Sunroute has dramatically increased its room bookings since deploying the new solution. "In the six months following the launch of our online reservation Web site, we booked over 90,000 rooms—more than three times as many as in the same period of the prior year," says Uehara.

In fact, the new reservation and booking system has been such a success for Sunroute that it plans to join with JSS in selling the solution to other hotels. Uehara concludes, "Our new reservation system, based on IBM technology, has greatly improved the performance and profitability of our enterprise by allowing us to respond quickly and effectively to our customers. In addition to increasing our service options for guests, we have created an unexpected revenue opportunity by introducing our reservation and booking system to the market. In fact, our IBM solution is poised to help shape the future of the Japanese travel industry."

For more information

Please contact your IBM sales representative or IBM Business Partner.

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For more information about JTB System Solution, Inc., visit:
www.jss.co.jp



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¹ Japanese Ministry of Home Management, Public Affairs, Posts and Telecommunications, February 28, 2003.

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