

Mobil Travel Guide stakes out new territory with an IBM on demand solution.

Overview

■ Challenge

Mobil Travel Guide risked losing an opportunity to generate Internet revenues, because it couldn't afford to build or maintain a business system to run an online service

■ Why Become an On Demand Business?

To respond to the shifting preferences of travelers, the company needed to quickly complement its print offerings with a resilient and flexible online electronic service that required minimal up-front investment

■ Solution

Mobil Travel Guide leveraged industry-standard solutions to enter the market with an affordable, online managed IT travel service that integrates seamlessly with external partners

■ Key Benefits

Limited up-front capital investment; lower IT costs; ability to focus on core business; enhanced productivity



Using IBM technology, Mobil Travel Guide was quick to market with an Internet travel service targeting domestic travelers

Sometimes, there's no particular reason to embark on a road trip—just the old desire to be on the move. It's this kind of spontaneity that has made the Mobil Travel Guide (MTG) an essential traveling companion of vacationers for the past 45 years. Available at most major bookstores, these comprehensive, compact guides provide travelers with expert advice on finding lodging, restaurants and special attractions. MTG (www.mobiltravelguide.com) is headquartered in Park Ridge, Illinois, and has 30 employees.

“We saw the opportunity to do something incredible like allowing people to plan an entire vacation in realtime—from driving routes to lodging and dining options to creating a trip diary. But our one big chance to generate Internet revenues was slipping away because we couldn't afford to build or maintain a business system to run an online service.”

—Paul Mercurio, senior vice president and CIO, Mobil Travel Guide

Creating a flexible enterprise by leveraging hosted resources on demand

On Demand Business Benefits

- Ability to offer customers an online, realtime way to plan itineraries has allowed MTG to grow beyond its existing base of publishing revenues and add a foundation for strong revenue growth in travel services
- Managed hosting allows MTG to focus on core competencies, such as developing software applications that continually add value to its service
- Flexible infrastructure can scale to meet variable demands, allowing MTG to meet 50% higher summer usage periods without saddling it with depreciating assets during slow periods

In looking at ways to complement the success of the guides, the company conducted market research that indicated consumers were turning to the Internet to plan their itineraries and make online reservations. The study showed clearly that the timing was right for an electronic companion to MTG's printed booklets. It was imperative that MTG act fast and capitalize on this opportunity, because not only were other businesses eyeing the market, it risked losing its leading industry position if it didn't differentiate its travel offerings with a Web-based service.

"We saw the opportunity to do something incredible like allowing people to plan an entire vacation in realtime—from driving routes to lodging and dining options to creating a trip diary," says Paul Mercurio, senior vice president and CIO of Mobil Travel Guide. "But our one big chance to generate Internet revenues was slipping away because we couldn't afford to build or maintain a business system to run an online service. We're a small company and simply didn't have the resources to tackle a project like this."

MTG needed to find a way to respond to market demands for an online service without investing millions of dollars in costly hardware and software. A key criterion of the new solution would be the ability to integrate with MTG's wide-ranging network of business partners throughout the travel industry. In addition, the system would have to be resilient, simple to maintain—and highly flexible to meet seasonal usage fluctuations, which increase by 50 percent. "We needed to change our entire business model to reflect the dynamic nature of doing business on the Web," says Shane O'Flaherty, vice president of business development for Mobil Travel Guide.

MTG chooses outsourced solution

To achieve its goals, MTG decided to expand its successful MTG franchise with a managed IT travel service that not only provides a complete foundation for its online travel business, but also offers consumers a whole new way to plan their trips. The solution integrates seamlessly with MTG's external business partners, allowing travelers to perform a wide variety of functions over the Internet in realtime, such as booking a hotel room, finding a great restaurant or choosing a campsite.

The MobilCompanion application provides travelers with a whole new way to plan their trips, delivering a dynamic, online environment that simplifies the steps for creating a travel itinerary. For example, the solution presents suggestions for attractions based on the subscribers' profiles, and provides exact, up-to-date prices.

While on the road, subscribers can, if they get lost, contact the call center, where an agent views the subscriber's itinerary and helps the traveler get back on track. Subscribers can upload photographs during the trip, and input their own commentary for a special trip diary that can be printed and sent to friends.

In addition, the variable solution enables the MTG to meet high summer demands without saddling it with depreciating assets during slow periods, allowing it to keep its costs low. By purchasing computing capacity as a utility, MTG pays only for the processing, storage and networking capacity it needs and can scale its virtual system to meet demand spikes. "We now have a solution that delivers server capacity on demand and helps us be more responsive to our customers' needs for realtime travel services," says Mercurio. "As a result, we can provide travelers with a greater level of specialized information and service than was available before."

New system based on Linux and WebSphere software

MTG implemented an infrastructure—based on SUSE LINUX and IBM WebSphere® Application Server—that was delivered as Linux virtual services from IBM e-business Hosting™. MTG chose IBM because it was capable of supporting a resilient, responsive, flexible and open environment.

IBM e-business Hosting provides an IBM @server® zSeries® platform, with Linux® partitions providing virtual servers dedicated to individual customers. Says Mercurio, "We run our entire operations on robust, secure and high-performance Linux-based virtual servers. The solution is highly available, flexible and can grow on demand."

Key Components

Software

- IBM WebSphere® Application Server
- SUSE LINUX Enterprise Edition

Servers

- IBM @server® zSeries®

Services

- IBM Managed Hosting—Linux virtual services
-

“We assumed that delivering a five-star service on the Web would come with a large price tag. But in just nine months, we were able to launch a whole new business channel supported by a very complex underlying infrastructure – and we did it all within budget.”

—Paul Mercurio, senior vice president and CIO, Mobil Travel Guide



MTG uses WebSphere Application Server to publish the service to the Internet and to link to publishing contractors, printers, travel reservation provider Pegasus, restaurant discounter iDine and several other partners for totally integrated and efficient on demand publishing and online services. WebSphere Application Server provides MTG with scalable throughput and around-the-clock availability for its rapidly expanding Internet-based business, and enables flexible integration with wireless devices and new service delivery channels.

In addition, the open-standards-based Linux and J2EE technology components of the solution make developing new business applications easy, which helps MTG speed its time to market for new services. Says Mercurio, "IBM has optimized WebSphere software for Linux. Combined, they provide the high performance and low cost that our online service requires to respond to the needs of our customers."

MTG avoids up-front capital investment

With its robust hosted solution, MTG now has an online service with exceptional scalability, flexibility and support. The solution has allowed MTG to grow beyond its existing revenue base, paving the way for strong future revenue growth from online travel services. And, by avoiding up-front capital investment without sacrificing performance, MTG can aggressively grow its membership and expand directly in line with its revenues. "With the ability to scale our infrastructure dynamically to meet usage demands, we can optimize our spending by channeling resources toward generating new business and revenue," says O'Flaherty. "That allows us to react quickly to new market opportunities, because we can scale with minimal lead time."

Moving forward, the company expects to capitalize on the rapidly expanding wireless leisure traveler market. MTG plans to expand MobilCompanion to provide mobile services over the next 24 months, supported of course by its stable, scalable and flexible IBM hosting solution.

"We assumed that delivering a five-star service on the Web would come with a large price tag," says Mercurio. "But in just nine months, we were able to launch a whole new business channel supported by a very complex underlying infrastructure—and we did it all within budget. This whole project has been an extraordinary success and has placed us in prime position for continued success."

For more information

Please contact your IBM sales representative or IBM Business Partner. Visit us at:

ibm.com/ondemand

© Copyright IBM Corporation 2004

IBM Corporation
Corporate Marketing
New Orchard Road
Armonk, NY 10504
U.S.A.

Produced in the United States of America
11-04
All Rights Reserved

e-business Hosting, @server, IBM, the IBM logo, the On Demand Business logo, WebSphere and zSeries are trademarks of International Business Machines Corporation in the United States, other countries or both.

Linux is a registered trademark of Linus Torvalds in the United States, other countries or both.

Java and all Java-based trademarks are trademarks of Sun Microsystems, Inc. in the United States, other countries or both.

Other company, product or service names may be trademarks or service marks of others.

This case study is an example of how one customer uses IBM products. There is no guarantee of comparable results.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.