



Overview

Country: United States
Industry: Retail

Customer Profile

DFASS is the world's largest in-flight duty free retailer, operating duty free concessions on a number of major airlines.

Business Situation

DFASS needed to reduce manual processes and improve the efficiency of the in-flight sales process in order to continue its explosive growth.

Solution

DFASS rolled out Windows Mobile based HP iPaq Pocket PCs with Initium's mobile SkyShopper point of sale solution, integrated with a SQL server based back office sales reporting, inventory control and accounting solution.

Benefits

- The solution has enabled DFASS to increase sales by over 20% and reduce costs.
- Possessing this technology has helped DFASS secure major contracts against ever increasing competition in the industry.
- The solution guides the flight attendants through the sales and closing processes, giving them more time for other service duties.

In-flight Duty Free Retailer increases sales 20% and halves credit card losses with Mobile Technology

“We have hundreds of duty free carts, operating at 30,000ft, with sales assistants we have never met or trained. Thanks to Initium’s SkyShopper point of sales application we have increased the level of control and accountability.”

Tissa Dharmagunaratne, CFO DFASS Group

DFASS exploits mobile technology to dramatically improve the efficiency of its in-flight sales operation. With the help of Microsoft partner Initium, the company rolled out over 1,000 HP iPaq handheld computers running Microsoft Pocket PC. Initium’s SkyShopper application is a fully integrated solution, providing point of sales functionality and comprehensive sales and inventory management.

“Initium developed interfaces to our current ERP system, further increasing our return on investment by eliminating the need for data entry staff, and thereby reducing the cost of ownership by an additional \$120k per annum.”

Tissa Dharmagunaratne, CFO DFASS Group

“The implementation of a fully integrated system really changed the way we worked. It has allowed our company to continue its dramatic growth, give our customers better service and all with the same number of employees.”

John Garner, VP Vendor Relations - DFASS



Situation

DFASS is the world's leading Duty Free Concessionaire, operating in-flight duty free on over 15 major airlines.

Customers include American Airlines, Continental Airlines, NorthWest Airlines, Air Jamaica and Air Canada.

DFASS operate the in-flight duty free sales process on behalf of the airline – selecting and sourcing product, providing marketing and catalogue design expertise, providing the warehouse and logistics services, and collecting and managing the tender received.

The outsourcing of the bulk duty free sales process allows the airline to concentrate on its core business and benefit from the market leading expertise of DFASS.

As DFASS quickly grew, it realized that the largely manual back office processes, which worked with a smaller number of airlines, would not scale efficiently.

DFASS also recognized that efficiencies could be gained at the point of sale. Accepting multiple currencies for a single sales transaction, hand-written credit card slips and the manual checking of credit card blacklists proved to be very time consuming, impacting on sales time.

On short and medium distance flights the duty free service competed with other cabin duties, for example the meal service. The procedure required to manually close the duty free carts would typically take over 30 minutes and coincided with the busiest period for the crew – the final stages of the flight.

Solution

DFASS evaluated a number of potential solutions and selected Initium's SkyShopper application.

“The SkyShopper application is highly configurable, allowing us to implement a single application across all of the airlines in our portfolio and at the same time accommodate the nuances of each” – John Garner, VP DFASS.

Selecting a Microsoft mobile-based solution provided a wide choice of hardware options. After evaluating the various hardware offerings a 'component' model was selected for the in-flight system – combining 'off-the shelf' HP iPaq hardware with a credit card reader and printer 'sleeve'.

By selecting a standard operating platform, new and faster hardware could be implemented in successive rollouts while utilizing the same software.

The use of standard off the shelf hardware resulted in savings of 80% when compared to 'custom made' hardware.

The ground-based system interacts with the in-flight units, Microsoft SQL Server was selected as a database, and the mobile version, SQL Server CE installed on the mobile devices.

A web-based interface was developed allowing DFASS employees and clients worldwide to access sales and inventory information. The use of Microsoft development tools allowed rapid prototyping of the solution to be undertaken.

Continental Airlines went live only 6 months after the initial discussions between DFASS and Initium – and subsequent airlines have been implemented in as little as 20 days.

Benefits

Faster Sales Process

On shorter flights, where time is limited, processing the sales on the Pocket PCs meant that less time was required for each sale – allowing more customers and therefore more sales to be processed. The results could be seen immediately in a 20% increase in sales volume.

The processing of Credit Cards was much more efficient; the software calculated the order totals with different currencies – eliminating manual calculations and errors. Customers in turn benefited from an increased level of service.

Huge reduction in in-flight closeout times

A manual Duty Free operation can require up to 40 minutes of work to count and record stock levels, sales and tender in order to “close the flight”. This process must be carried out before the carts can be locked and sealed – a Customs and Excise requirement.

This procedure usually takes place during the final stages of the flight – typically the busiest time for the crew.

The SkyShopper solution reduces the time this process takes to approximately 5 minutes, saving valuable time for the flight attendant.

Immediate operational benefits

From the very first week, the results of the operational model could be seen. After flight information was available immediately from the Duty Free carts returned. Sales information and any stock losses immediately identified - previously the sales and inventory information was subject to manual data entry delays and errors.

Reduced staff costs

Typically 4 or 5 data entry staff would be required for a major airline. The automated transfer of data from the handheld solution to the head office system, the need for data entry is eliminated.

Archiving Space

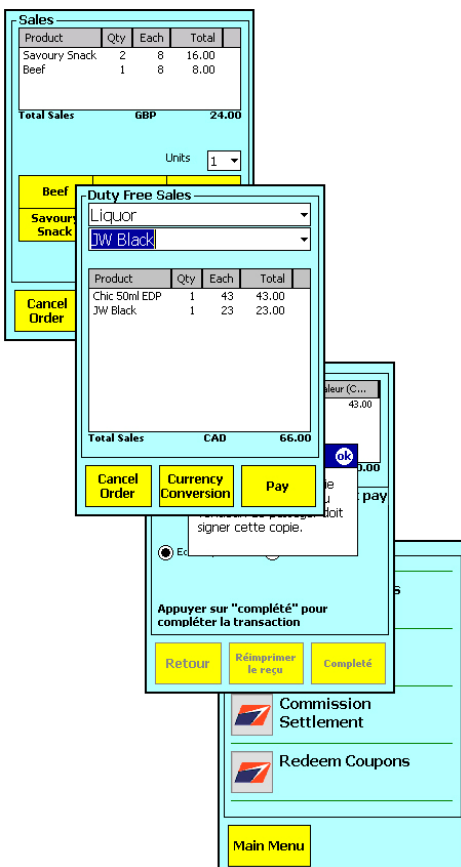
Historically, manual sales and inventory paperwork was couriered to the DFASS head office in Miami, Florida and then archived. The use of the integrated system has eliminated the courier costs and dramatically reduced the archiving space required.

Flight Attendant Commissions

Flight attendants are paid commissions based on the volume of sales. The integrated solution publishes commission information to an internet based enquiry function, allowing the flight attendants to ascertain the commission due. This feedback further motivates the flight attendants sales activities as they can see the direct impact additional sales have on their commission bonus.

Ease of Use

The solution was designed to be as easy to use as an ATM. Several major airlines have successfully implemented the system without the necessity for costly crew training.



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