

Measuring success



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Chairman
Gordon Stewart

Vice President – IT
Roger Seivright

**IT Manager,
Web System, Architect**
Valentin Flores

2007 Revenues—100M
2007 Employees—350

ROI Study Highlights*

ColdFusion 8 Upgrade

- 139% ROI in one year
- 54% IRR in one year
- Achieved payback within four months

Overall ColdFusion Results

- 159% ROI over seven years
- 23% IRR over seven years
- \$6.3 Million Net Savings to date (2008)

Business Benefits

- Average growth in internet booking revenue 300% yr
- 110% more bookings in 2007
- New revenue streams created through the Event Scheduler
- Reduced staffing needed to respond to customer email inquiries

Study Scope

- Unique Vacations, Inc. Online Booking Agent
- Adobe ColdFusion 8

Unique Vacations, Inc. uses Adobe ColdFusion 8 software to generate business value through increased productivity and automation—realizes a 139% ROI in one year

Executive Summary

In 1981, the all-inclusive vacation package was just a great idea in the mind of Butch Stewart. As Mr. Stewart purchased his first two resort properties in Jamaica, he wanted to give customers everything they desired—and more—to exceed their expectations. Now encompassing several all-inclusive holiday locations, Sandals and Beaches resorts lead the Caribbean “ultra all-inclusive” sector by offering guests more of everything they want.

A running jump into e-commerce

In 2000, Unique Vacations Inc. (UVI), worldwide representative of Sandals and Beaches Caribbean resorts, made the decision to replace its static websites. These websites were originally developed using a myriad of open source, functionally specific tools—including PHP. Envisioning a dynamic, internet sales and marketing portal, UVI’s goal was to sell vacation packages the same way online as it did over the telephone, but without time restrictions or delays caused by mailing out brochures. UVI also wanted to increase the booking options and add-on features—like air travel and spa treatments. Another priority was to ensure consistency in prices for its product—across all sales channels—and to serve as an effective communications tool for both guests and UVI affiliates (travel agents).

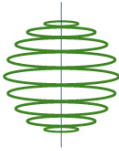
To enter the game quickly, UVI needed a tool that didn’t require highly specialized skills or intense training, but it also sought a robust, comprehensive solution that would scale with its future needs. In early 2001, UVI turned to Adobe ColdFusion which was easy to learn, and required fewer lines of code resulting in the development, testing and launch of UVI’s Booking Agent—a sales and marketing tool—in less than one year.

ColdFusion adoption was very fast with a minimal learning curve for the UVI team. Within a week of receiving ColdFusion and reading the manual, the offshore development team was up and running producing capabilities. Choosing a supported solution was crucial to protecting UVI’s investment in a mission critical sales engine, especially important with offshore development. Using ColdFusion Components (CFCs), UVI is now able to quickly create code that is modular, flexible and reusable which makes for easier application maintenance. By adopting industry standard practices such as Design Patterns and Unified Modeling Language (UML) diagrams UVI is able to develop applications that can quickly scale.

Now with ColdFusion 8, customers fill-out intelligent PDF forms which are processed and is automatically entered into UVI’s Oracle customer database. Additionally, hotel management can view guest satisfaction reports which are integrated from a separate application and made available in near real time. Drawing on a rich set of FAQ responses, replies to most email inquiries can now be automated, leading to ongoing personnel savings.

Using Adobe ColdFusion 8, UVI has improved their sales and marketing processes while increasing revenues and strengthening relationships with affiliates and customers alike, resulting in an impressive 139% ROI in one year.

* Based on entire investment period 2001 to 2008



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“In the past eight years our web business has really grown...we’re light years ahead of others.”

— Roger Seivright
Vice President of
Information Technology
Unique Vacations, Inc.

Unique Vacations, Inc. Business Challenge—Leveraging new, high performance e-Business channel while delivering 100% customer satisfaction

In 1981, the all-inclusive vacation business model was just a great idea in the mind of Butch Stewart as he purchased his first two resort properties in Jamaica. Mr. Stewart’s original idea has expanded successfully to now include many locations beyond its original roots in Jamaica. Locations now include both couples-only and family-oriented, with Sandals and Beaches resorts leading the Caribbean “ultra all-inclusive” sector by offering guests more of everything they want—more amenities, more luxury, more innovations, and more choices.

The idea was brilliant and took the industry by storm, which in turn responded by exploding with new contenders. Always a step ahead, UVI saw technology as way to keep its edge. So, in 2000 Unique Vacations Inc. (UVI), worldwide representative of Sandals and Beaches Caribbean resorts, made the decision to develop a dynamic internet solution for offering booking services to their guests and affiliates. At that time, the Sandals and Beaches websites were just static pages—created using open source tools including PHP. The original websites only provided information about Sandals’ resorts and contact details to request brochures. Vacations could only be quoted and booked via telesales or through affiliates—travel agents. This loosely-structured, manual procedure did not provide any way to consistently capture detailed customer information and it was limited to just the one sales channel—telephone. It also made collecting customer data and feedback difficult and slow.

UVI believed their was a better way. UVI envisioned an online sales and marketing portal which would make all channels available to the customer. Basically, UVI wanted to sell the same way on the web as it did over the telephone, but without business hour restrictions or time lags caused by physically mailing out brochures. UVI also wanted to improve interactions with customers and affiliates—both ease and efficiency—and UVI believed the new solution should also increase the options UVI could make available for booking and quoting.

The management and web developers at UVI decided they needed an easy-to-use platform to help them get into the e-commerce business quickly—one that didn’t require a highly specialized skill set or a great deal of training or programming. With a view to the longer term, UVI sought a complete solution that was not only more robust than the alternatives, but which required less programming and maintenance. UVI’s goal was to streamline coding and maintenance, but with a backstop of support from a trusted provider—UVI required a system that would scale and constantly evolve. In keeping with its 100% customer service business philosophy, it was paramount that the new web platform solution could also accelerate the handling of email information requests, which was seen as growing challenge.

In selecting ColdFusion, UVI was able to quickly learn the new environment and immediately start producing a robust application to meet the growth needs of UVI’s business. Within a week of receiving the ColdFusion product and documentation, the entire UVI team, including offshore members, were able to start producing code in a collaborative fashion. ColdFusion Components (CFCs) was a key accelerator to quickly producing reusable code in developing its sales and marketing Booking Agent with rich features that are helping to drive additional revenue for UVI.

Challenges

- Improve customer service and satisfaction while increasing efficiency and productivity of bookings
- Create additional revenue streams via the internet; increase options available for booking and quoting, e.g., air travel, spa
- Provide a stable, user-friendly interface which offers 24/7 booking availability
- Make current information consistently available for guests and affiliates
- Build a rich customer information database



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“ColdFusion 8 is elegant and powerful yet simple...we would never want to go back.”

— Valentin Flores
Web Systems Architect
Unique Vacations, Inc.

Selection Criteria

UVI chose Adobe ColdFusion to develop the online booking agent because it offered:

- Powerful capabilities without requiring specialized skills to learn and use them
- A quick turnaround on deliverables
- A robust solution, requiring less programming than competitive products to accomplish the same results
- Quick and efficient handling of web requests
- Ease of use for developers and content managers
- Good integration with other web development tools and applications, such as Java

Immediate Business Benefits

Early 2001, UVI chose Adobe ColdFusion to develop its new online Booking Agent, the first version of which was launched one year later. ColdFusion has provided several benefits from its initial investment.

ColdFusion Investment:

- By linking to affiliates’ websites, UVI is able to co-brand the Sandals and Beaches offerings with its affiliates, who are able to retain their commissions for customers passing through to the UVI site for booking
- The Ajax CFC provides an air travel information link with Sabre travel, as a result UVI is now able to offer its customers the convenience of booking air travel online through the Beaches and Sandals websites
- The Database Interaction ColdFusion Component (CFC) has allowed UVI to assemble content and draw on it for automated responses to customer email inquiries, which has substantially streamlined and accelerated this process
- By using the presentation on demand CFC, new options have been offered and made available in multimedia format for online booking, including guest favorites such as spa treatments, candlelight dinners, and outdoor activities
- UVI also took advantage of new streaming video capability to develop a new option for its wedding packages—guests purchasing this extra feature can now share their special event online with family and friends not able to attend.

Immediately following the ColdFusion 8 upgrade

With ColdFusion 8, UVI has a very stable, scalable solution that is continuously available. This low-cost solution augments UVI’s traditional sales channels with no time limitations or downtime. ColdFusion 8 also enables UVI to rapidly develop and distribute rich content to each of its thirteen websites, which now serve as a more effective tool for communicating specials and discounts. With ColdFusion 8, UVI is , providing up-to-date, real-time information and ensuring pricing consistency—especially important to maintain UVI’s Fair Trade policy, under which equal packages must be sold at the same price, regardless of the channel.

Moreover, using tools built into ColdFusion 8 platform—which integrate easily into UVI’s existing Oracle structure—the booking tool is able to capture and feed rich data back to its dynamic customer database. This information can then be used for e-Marketing purposes, as well as for UVI’s loyalty program—“Sandals Select”. Also important, management can now view guest feedback reports daily, in near real-time, making it possible to track and resolve complaints immediately—crucial to UVI’s 100% customer satisfaction business strategy.

Using ColdFusion 8’s image manipulation allows UVI to easily edit graphics (resizing, cropping, creating thumbnails) which is an improvement from the previous versions that relied on third-party java libraries resulting in additional restrictions. This new functionality is also used in the Public Relations application which allows members of the press to obtain official images of the resorts by clicking on a thumbnail.

The server monitoring functionality of ColdFusion 8 provides UVI with greater control of their servers and proactively manage memory or performance issues—this provides superb service and availability to their affiliates without engaging additional resources.



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“ColdFusion 8 is so easy to use...it uses the same language for all its functions.”

— Oscar Arevalo
Senior Cold Fusion
Developer
Unique Vacations, Inc.

Strategic Benefits

- Provides the ability for management to receive and review daily customer satisfaction surveys
- An additional revenue stream; the web portal did not compete or take away from the sales agents or other affiliates
- Co-branding by listing a link on our affiliate’s site, customers are redirected to the Sandals site for bookings; the originating agent still retains their commission
- Provides content for a more detailed rich customer database
- The ability to add the air travel as an option provides identical services for both internet and telephone
- A more direct and effective communication regarding specials and discounts

Business Benefits—Process optimization

ColdFusion is helping UVI to automate and optimize its business processes. The online Booking Agent offers scalability, reliability and performance well beyond what was possible with the manual tools previously used. The automation of certain procedures such as filling out and processing travel agent forms not only makes the process easier for guests and affiliates, but also reduces input errors, shortens communication time and delivers high quality data.

- With the stability and reliability of ColdFusion, the online Booking Agent can scale to accommodate thousands of requests per minute, in multiple countries and languages, with 24/7 availability
- UVI has been able to greatly expand its services portfolio, offering its customers more of the options they want made possible by ColdFusion’s flexibility and the ability to quickly add modules as needs increase and the online business grows
- The popularity and effectiveness of the online Booking Agent have grown exponentially since its inception in 2001. Year-on-year bookings doubled in 2006 and 2007, as the web has an incredible 92% conversion rate from quotes to actual bookings, made possible by the richness of the customer experience

These enhancements have translated directly into concrete economic benefits:

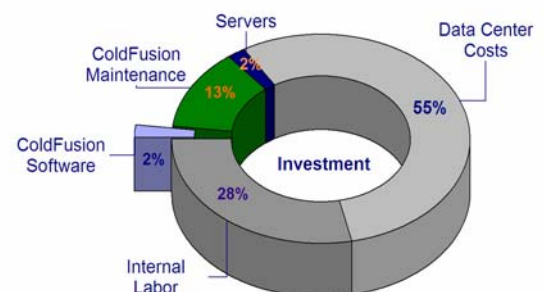
- Since launching the online Booking Agent, UVI has seen average growth of 300% in internet booking revenue. Using ColdFusion, UVI can now integrate the online solution to accept payment in full for chosen packages delivering revenue more quickly and reliably
- Since the ColdFusion 8 upgrade, automating replies to inquiries sent through *info@sandals.com* has not only led to faster response times but has also contributed to saving one Full Time Equivalent (FTE) position per region
- Use of the event scheduling function in ColdFusion 8 has enabled UVI to create new revenue streams, offering spa treatments, candlelight dinners, special breakfasts, a wedding planner, streaming videos, and many more

Quantifying the Adobe investment—Saving time and money

Thoughtware Worldwide’s analysis showed that the Adobe solution provided UVI with automation and efficiency savings. Benefits include improved productivity, the avoidance of labor and more effective processing—all while increasing revenue and ensuring customer satisfaction.

Adobe—Small Investment, big impact

The total ColdFusion investment, including initial and upgrade constitutes only 17% of the overall investment. The investment balance covers the mission critical data centers in which it runs given the revenue implication of the Booking Agent



- ColdFusion software (2%), associated maintenance (13%) and hardware to support the project (2%) constitute the total ColdFusion investment
- Data Center Costs are driven by the environment this mission critical application runs on and the reliability and business continuity required to support the top-line revenue impact, customer satisfaction, and new service delivery like wedding videos



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“The shell of the website is very simple and very quickly changeable.”

— Bryan Stanley
Web Master
Unique Vacations, Inc.

Economic Benefits

- 300% average growth per year in internet booking revenue
- 1 FTE reduction per region for the *info@sandals.com* responses
- Event Scheduler created new revenue streams
- 118% Increase in bookings from Jan 07 to Jan 08
- 102% Increase in revenue from Jan 07 to Jan 08
- Adobe ColdFusion and ColdFusion 8 upgrade account for 17% (2% software license, 13% maintenance, 2% hardware) of the investment but yield 75% of the benefits

Strategic Benefits—Improved service quality, strengthened business relationships

Adobe ColdFusion 8 has helped UVI to accentuate core business values—for example 100% customer satisfaction and Fair Trade Policy—by expanding services, providing the foundation for monitoring guest experience and strengthening relationships with affiliates:

- Through its online Booking Agent and its websites, UVI now offers multiple, continuously available sales and marketing channels for its guests and affiliates to access information (including streaming video) about Sandals and Beaches resorts, learn about specials and discounts, get quotes, and make bookings
- Using the power of ColdFusion 8’s tools to quickly update content, UVI can now ensure that the offerings and prices are consistent across all its sales channels. Furthermore, internet co-branding with affiliates promotes key business partnerships and protects affiliates’ commissions—this reflects very positively in satisfaction levels among affiliated travel agents
- ColdFusion 8 is also used to provide real-time guest feedback from all resorts: timely access to this customer satisfaction data translates into UVI’s ability to track and resolve complaints immediately—and to uphold its 100% guest satisfaction objective

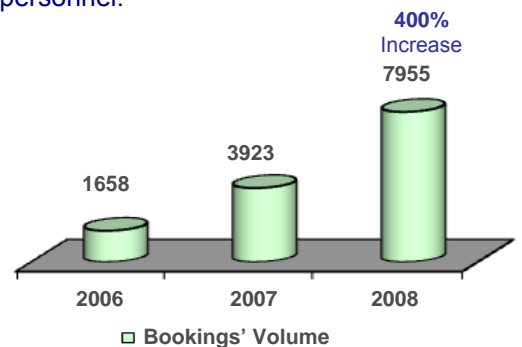
Operational Benefits—greater productivity with high efficiency

The online Booking Agent, powered by Adobe ColdFusion 8, has contributed substantial operational benefits to UVI’s business. In general, these benefits fall under the category of increased productivity—faster turnaround times, continuous availability, instant access to mission-critical information and higher booking volumes.

UVI’s ability to capture personal information from guests has increased exponentially (~7:1) and a knowledge base of standard answers to frequently asked questions (FAQs) is always at the ready for immediate replies to customer inquiries, which used to take at least one day for response. The websites now also provides international access without the need for added shifts of personnel.

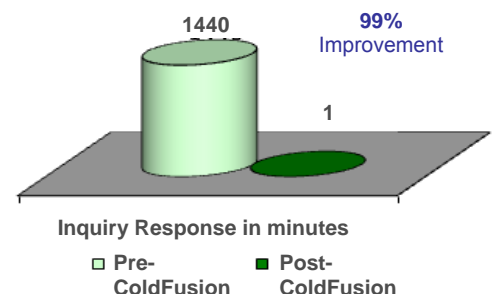
Increased productivity

The dynamic ability of ColdFusion 8’s database interaction, has helped UVI consistently double its yearly bookings. From 01-2007 – 01-2008, the Sandals.com website had a 92% booking conversion rate from its 62,000 quotes. Revenue from those bookings (J07-J08) grew 102% over the previous year.



Quicker response with less effort

UVI has created a database of standard responses to email inquiries (*info@sandals.com*), providing immediate answers to most frequently asked questions. Before, turnaround time on inquiries was at least one day. UVI has been able to reduce the staff required for this purpose by one FTE per region.





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“We’re right in the middle of hurricane territory, so disaster recovery is very important to us.”

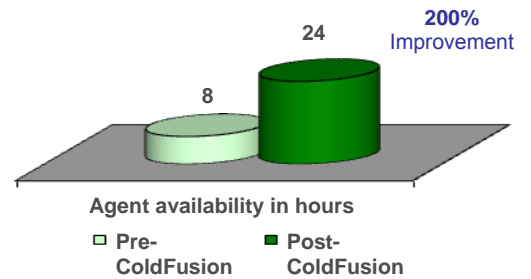
— Valentin Flores
Web Systems Architect
Unique Vacations, Inc.

Operational Benefits

- The ability to capture personal information from guests has increased exponentially
- Knowledgebase of canned response answers questions immediately—compared to a person responding to an email which could take over a day
- Booking has doubled and continues to rise
- Websites provides an international portal without an added shift
- Less programming time and skills needed with ColdFusion 8 tools

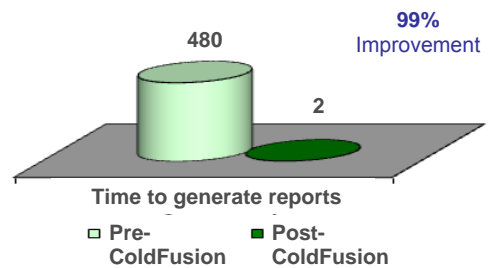
Increased availability

Prior to the online agent, bookings took place when the staff was available. The Adobe solution has made 24/7/365 service possible, in multiple languages, with exact pricing as an option.



Real-time monitoring of crucial data

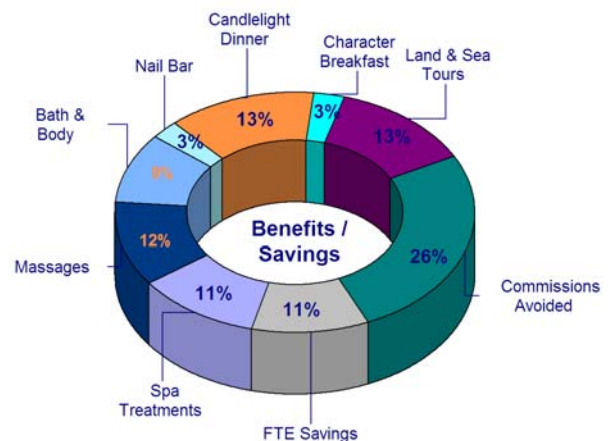
To achieve its objectives of 100% customer satisfaction, UVI relies on customer feedback surveys. Using Adobe ColdFusion 8 has reduced the time required to generate the results from these surveys from 8 hours (480 minutes) down to 2 minutes.



Quantifying the Benefits Achieved from UVI’s Investment

- **New revenue streams from CF8’s Dynamic Multimedia capabilities** — Increased internet sales of guest amenities—from Spa Treatments to Land & Sea Tours—have contributed 64% of the total benefits.

- **Commissions Avoided**—The online Booking Agent also makes it easy for UVI to sell through its own websites directly to end customers, eliminating the sales commissions UVI would otherwise pay to salespeople and third parties. 26% of the overall benefits come the portion of commission avoidance attributed to Adobe’ enablement.



- **Staff Savings**—An additional 11% of the overall benefits stem from the efficiencies gained through the automation of responses to email customer inquiries. This productivity improvement has resulted in the permanent avoidance of adding one FTE position per region given the email inquiry growth. Additional functionality of ColdFusion 8’s server monitoring has also provided additional staff avoidance since the critical services are proactively managed by the ColdFusion developers



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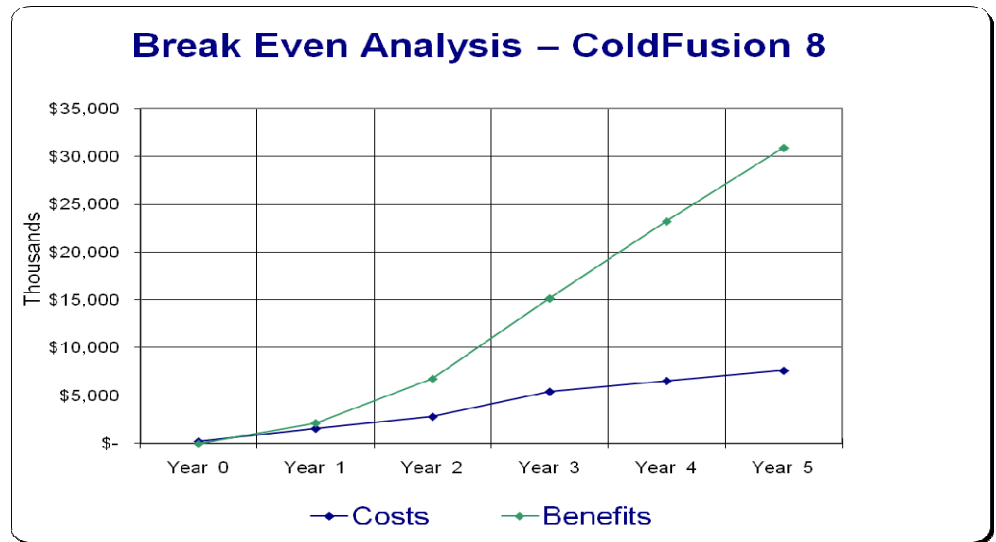


“ColdFusion 8 allows us to capture more guest information quickly.”

— Mario Kuntz
Director of New Media
Unique Vacations, Inc.

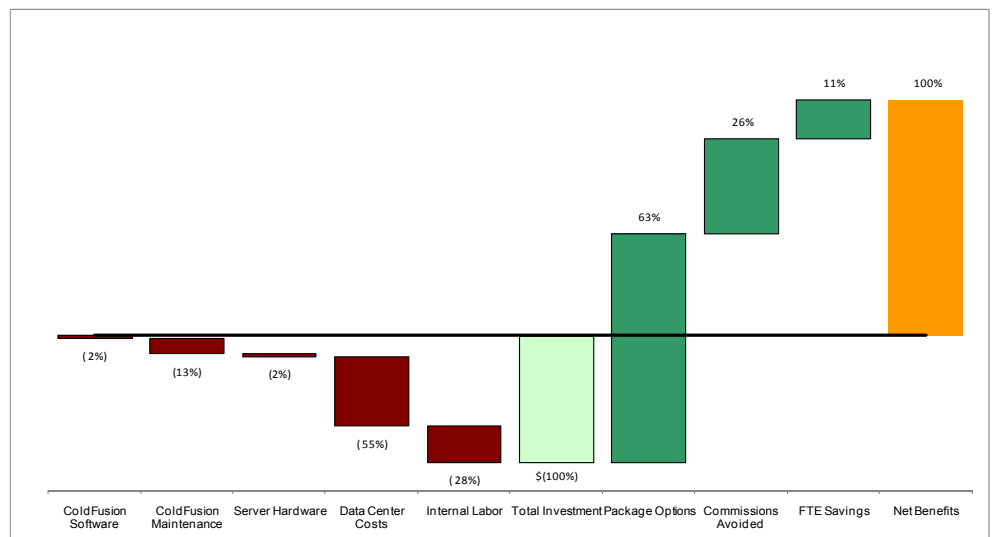
Summary of UVI Return on Investment (ROI)

The power, flexibility of Adobe ColdFusion 8 have provided UVI with a first-class online sales system which offers continuous, worldwide availability in multiple languages. The Adobe ColdFusion 8 upgrade has delivered a ROI of 139% in one year and an internal rate of return of 54% in the same timeframe—illustrating the quality of the investment.



Overall, Adobe ColdFusion products have helped UVI to automate the vacation package quoting and booking process, transforming it from a manual, labor-intensive and paper-based operation to a technologically advanced, reliable and efficient system. This has opened up new revenue streams and helped UVI to achieve its core business principles, but moreover has provided the foundation for customer data insights.

The ColdFusion investment accounts for 17% of the online booking solution yet it has delivered over 75% of the total benefits. The internal rate of return of 23%, confirms the quality and value of the investment. As illustrated in the chart below, the benefits far surpass UVI's investment.



FINANCIAL MEASUREMENT EXPLAINED

ROI (Return on Investment)

- Quantifies how much profit or cost savings will be achieved as a result of the investment
- Discount any future costs/benefits by the Weighted Average Cost of Capital (WACC)
- WACC is an average cost of capital using a combination of equity and debt borrowing
- Demonstrates the overall value of an investment; e.g., is breakeven achieved (100%) or is positive value achieved (101%+; investment plus value)

WACC (Weighted Average Cost of Capital)

$$WACC = E/V \times Re + D/V \times Rd \times (1-Tc)$$

- Re= Cost of Equity
- Rd= Cost of Debt
- E =The market value of the firm's equity
- D =The market value of the firm's debt
- V =E + D
- E/V =Percentage of financing: equity
- D/V =Percentage of financing: debt
- Tc=The corporate tax rate

IRR (Internal Rate of Return)

- Discounted cash flow measure of valuation and investing. IRR is the true interest yield of an investment
- Net benefits restated as an interest rate
- IRR demonstrates how quickly an investment generates positive net benefits



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About the Value Measurement Series

This study is one of a series of investigations into the business value companies have derived from their investment in Adobe solutions. It is intended to serve business executives and managers who are evaluating Adobe Solutions to improve the way they operate their business leveraging technology.

This case study was commissioned by Adobe and is based on original research and analysis conducted by Thoughtware Worldwide, LLC., an independent research and information services firm. Thoughtware Worldwide's research included on-site interviews with members of UVI's management team and reviews of company financial and planning documents.

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For more information about this study, please visit www.ThoughtwareWorldwide.com or contact your local Adobe office.

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UVI Has the Opportunity to Harvest Additional Value

During the course of the Thoughtware Worldwide study, the UVI team identified a number of additional areas where it could maximize the benefits realized from its ColdFusion investment. Leveraging its highly successful Adobe relationship, UVI has the opportunity to harvest additional value by:

- Re-engineering the Booking Agent to enhance:
 - Usability—better integration of promotions and additional points of entry
 - Architecture—ground-up design to optimize performance
- Incorporating an interview approach in its Vacation Planner module
- Using more Java integration with ColdFusion 8

Summary

Adobe products have enabled Unique Vacations Inc. to realize its vision of efficient, fair and continuously available internet sales or e-commerce. UVI's online Booking Agent, powered by ColdFusion 8, has not only increased productivity per quote but also opened up new revenue opportunities for the company—like co-branding with affiliates—and contributed to the fulfilment of its high customer satisfaction objectives.

Today, UVI has a first-class, scalable solution which has streamlined and accelerated processes. The ColdFusion platform has enabled UVI's to capture data with high quality, improved productivity and simplified interactions with customers and affiliates.

Since the upgrade to ColdFusion 8 in 2007, UVI is now able to quickly add rich functionality without additional training or headcount, which enables UVI to constantly innovate and stay competitive with its offers in rapid fashion.