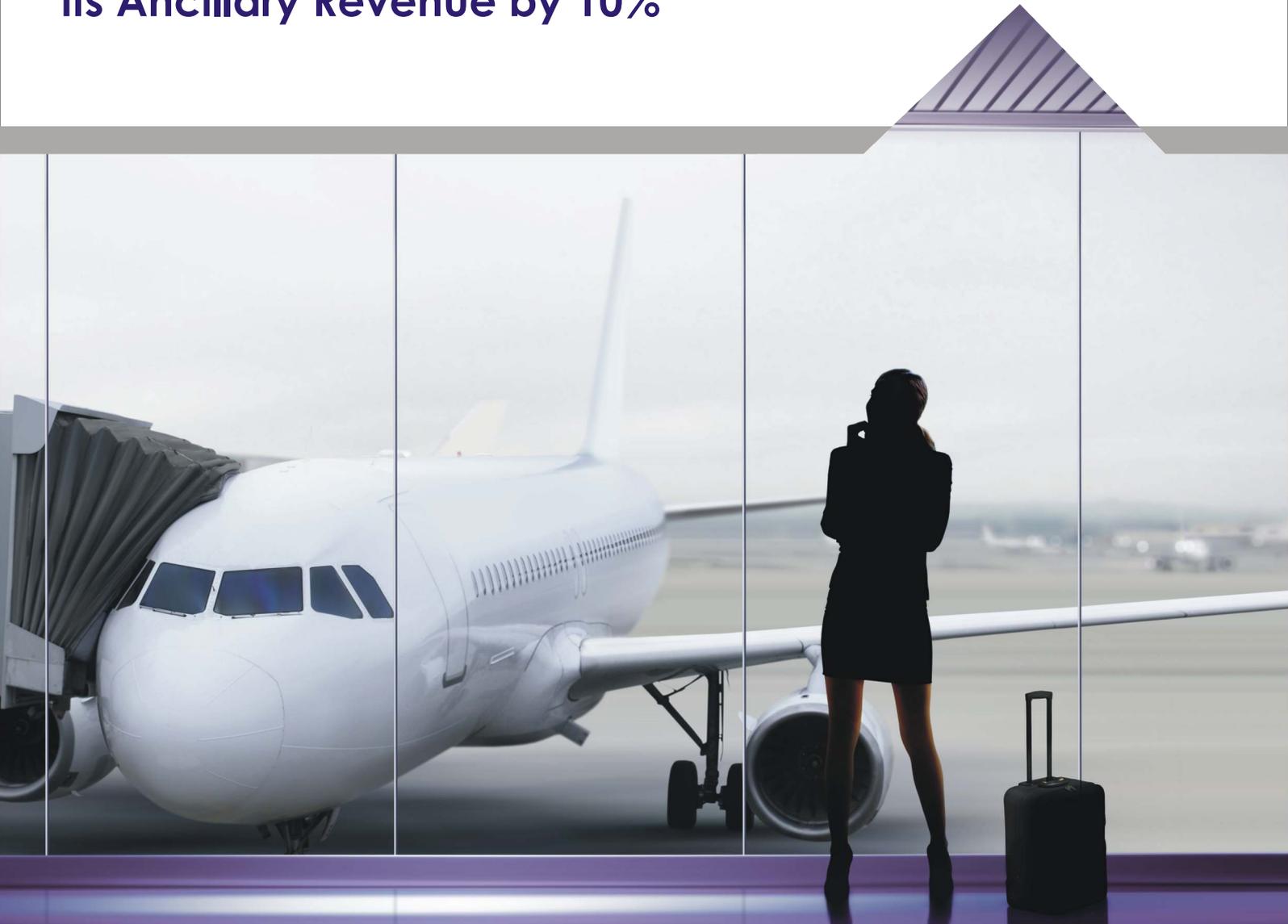


Automated Ancillary Services Offering System Enabled a Leading Airline Increase its Ancillary Revenue by 10%



SITUATION

Deregulations or Open Sky policies led to increased number of Airline operations and also greatly enabled the Low Cost Carrier model. This led to extensive competition and fare wars in turn. The volatile financial market further added to the burden on the industry. Increasing the price was not an option since passengers are price sensitive and have alternate options to choose from. Therefore the airline was looking at alternate sources of revenue and began unbundling its service offerings. The unbundled products were offered as Ancillaries to the passengers

IMPACT

The airline followed a reactive selling approach towards offering ancillaries to its customers. The services were offered to passengers only when they visited the airline website during booking or managing their booking. Considering the rising global trend of ancillary sales, the airline realized the larger potential for revenues that can be generated from ancillary sales. The need of the hour was to opt for a proactive mode of ancillary sale

RESOLUTION

ITC Infotech designed a solution that enabled the client to get an automated and integrated platform to offer its ancillary services to the passengers. The solution was more proactive and intelligent in deciding which passenger is in need of a particular service. The solution not only targets the direct sales channel but also 95% of sales is now happening on the GDS (Global Distribution System) through General Sales Agent. The business process and rules are automated and dynamic

The Customer

The customer is a scheduled Passenger and Cargo airline operator. With a fleet of 72 aircrafts, connecting over 70 destinations, and carrying around 9 million passengers a year, it is one of the oldest airlines in Europe and among the leading operators within the Nordic region.

The Need

The need was to automate, streamline and proactively sell ancillary services.

Globally, revenue generated through ancillary sale has been rising steadily. In 2012, nearly \$ 36 billion of revenue were earned by airlines across the globe from ancillary services sales like class upgrades, preferred seat and extra baggage allowance.

Initially the client had been following a reactive selling approach towards offering ancillaries as the services were offered to passengers only when they visited the airline website during booking or managing their booking. However, keeping in pace with the global trend, the airline decided to opt for a proactive mode of ancillary sale.



The Solution

To address the customer needs, ITC Infotech designed the Ancillary Offer Platform (AOP) based on Intalio BPM (Business Process Management) tool. The solution enabled the customer to have an automated and integrated platform to offer ancillary services to its targeted customers.

The greatest advantage of the solution being built on Intalio BPM platform is that, the business users can set up business rules without any IT support. It also provided the solution with better flexibility in terms of future changes or upgrades.

In order to accommodate the requirements of the customer, ITC Infotech suggested several enhancements on the platform which were acknowledged and introduced by Intalio as a standard platform feature.

In addition to offering ancillary services, the solution also renders notification services which enabled the airline to send notifications such as delays, mishandled baggage, etc. The service is supported by both SMS as well as email notifications, resulting in reduced passenger inconvenience.

The application seamlessly connects and integrates with other systems like Scheduling System to get flight schedules, real time Operational Data Store (ODS) to fetch passenger information, Departure Control System (DCS) to get details on seat availability, Loyalty to get membership details and complete point redemption transactions, and Bookit SMS Gateway to send upgrade/transaction SMSs.

Highlights

- Fully automated and integrated system
- Business rules managed by business users themselves
- Built-in report generation
- FOP (Form of Payment) includes miles or cash
- Addressed Revenue Management challenges by improving the overall load factor

Business Benefits

- Immediate Return on Investment (RoI) through increased seat utilization and reduction of under-load in higher service classes on all its flights

- The introduction of push notifications has resulted in an increase in the number of offers being converted into a sell
- The airline is witnessing an increase in self-service, minimizing staff effort and decrease in support costs
- Enabled introduction of products & services quickly and efficiently by reducing costs and time associated with workflow deployment and process integration
- 15% increase in Business Upgrades
- 2 of 3 passengers accepted various kinds of ancillary services that were offered
- Ancillary revenue increased by 10 % through Notification services:
 - Hits to the website increased by 15-20%
 - Usage of Online Check-in channel increased by 10 %
 - New enrolment to Loyalty program increased by 4 %
 - Usage of SPA increased 10% by redemptions

ITC Infotech's IT Solutions Practice For Travel/Airline Industry

ITC Infotech's Travel practice provides end-to-end technology solution and services to the global Travel and Travel Management sectors, through several growing relationships. These relationships have been established and are operationally successful through our flexible relationship models that cater to unique needs of the clients.

Our experience in the Airlines Industry spans global players including, low cost regional operators and cargo services. We have worked across the value chain of Airline companies from customer management to flight operations to back-office processes. Our domain consulting, technology competence, partnership with Independent Software Vendors and off-shore services combine to provide a cost-competitive end-to-end proposition to our Airline clients.

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