

Mind the Gap

Are airlines leaving money on the table
as a result of revenue leakages?

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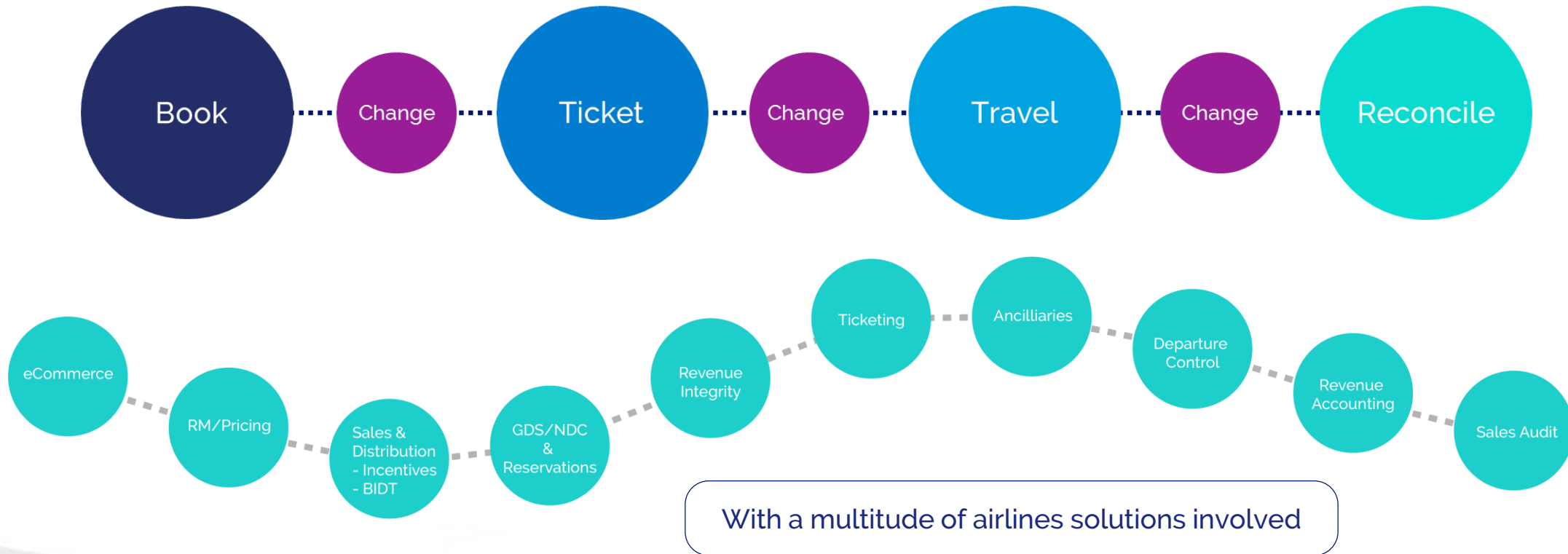


BRITISH AIRWAYS

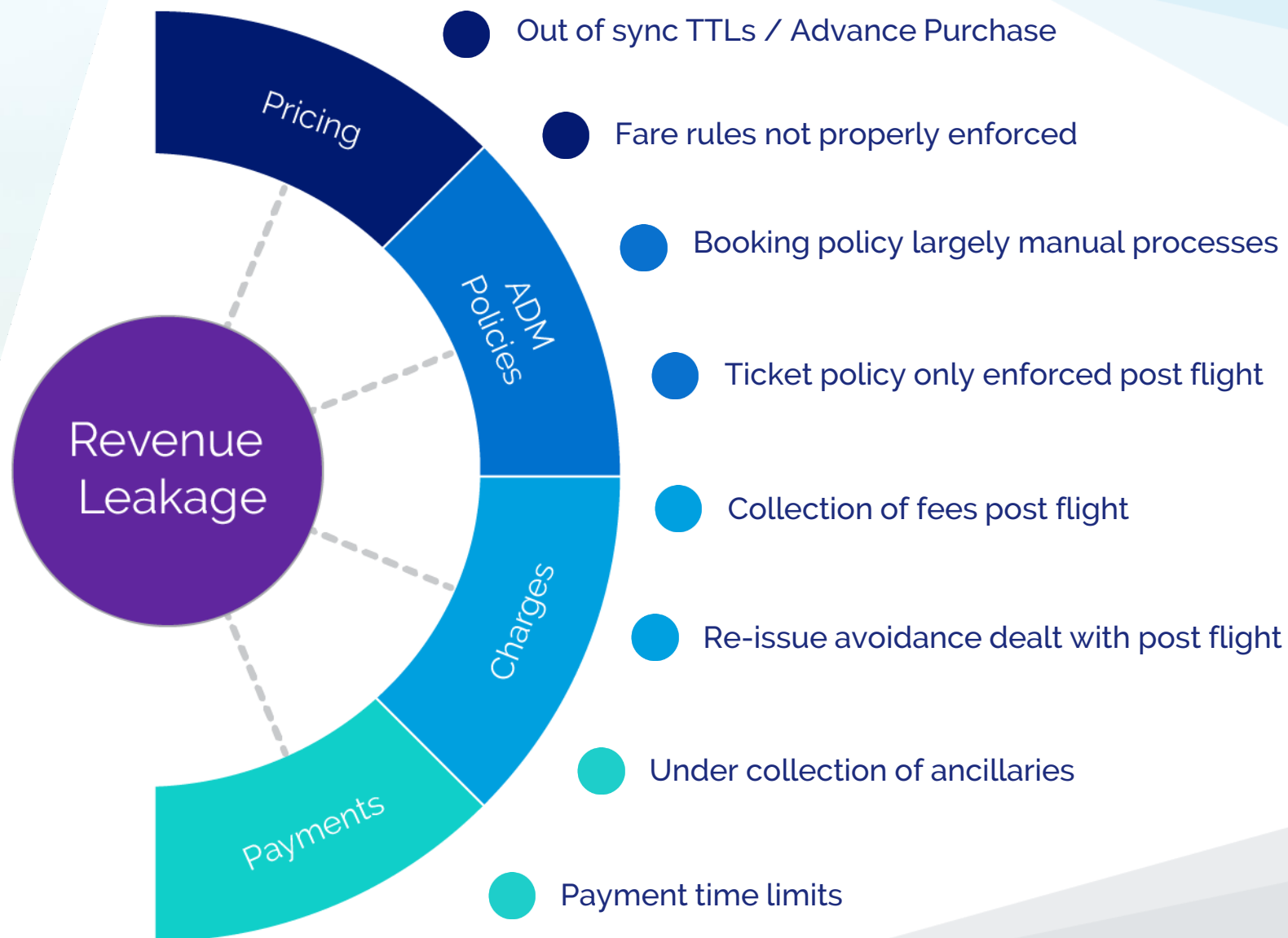
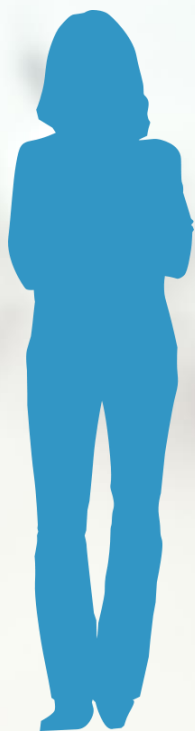


Background

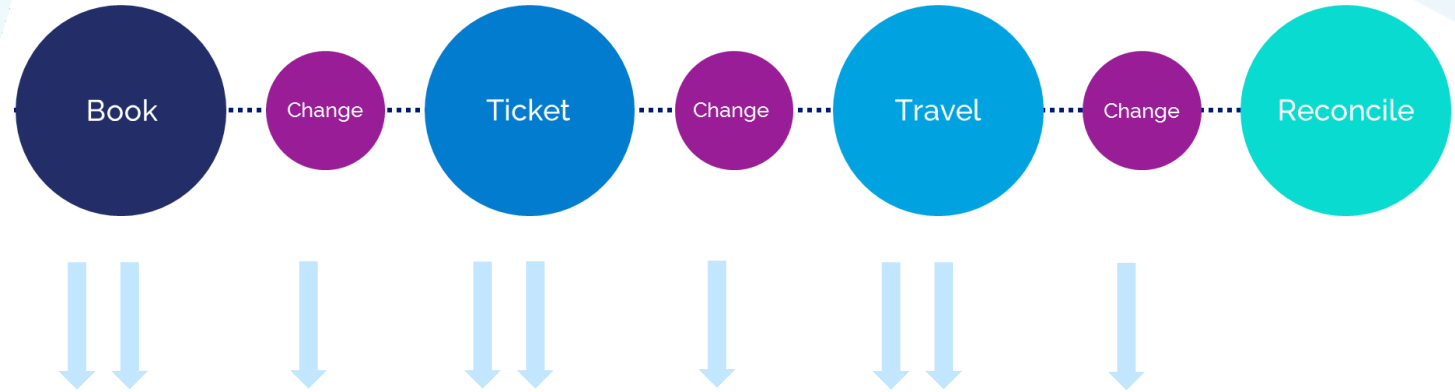
Bookings have a complex lifecycle



“What types of gaps are there in these processes?”



“When do these types of occur in the lifecycle?”



The gaps occur across the whole lifecycle

All Channels

● Indirect

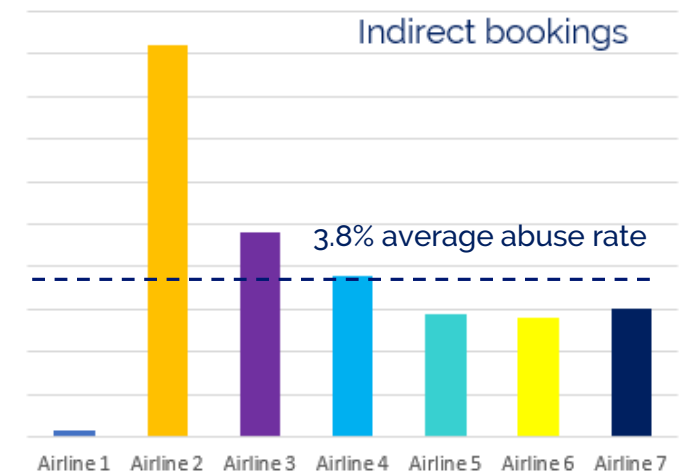
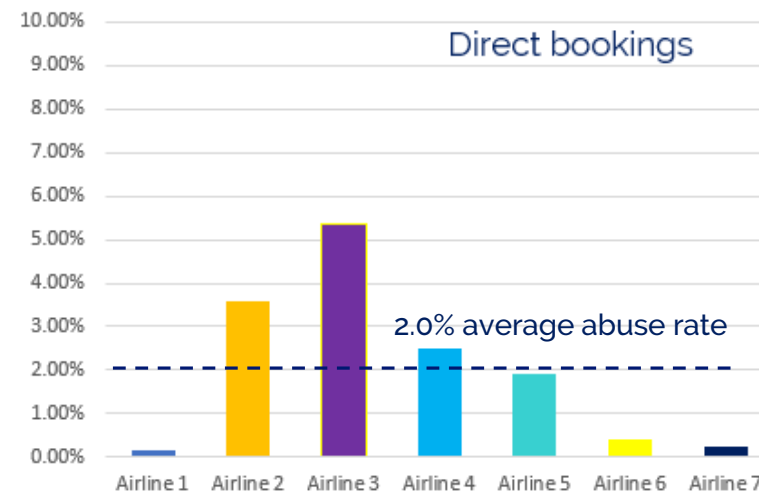
● Direct

● NDC

“Who is causing the problems?”



All bookings are not equal in terms of leakages



Indirect bookings via agents are slightly 'worse' in all bar one example

“What should we do about it?”



All Agents

- Pre-flight booking and ticket policy
- Post-flight booking and ticket policy



Good Agents

- Private fares
- Incentives
- Full content
- ADM Banks
- Back-end commissions



Bad Agents

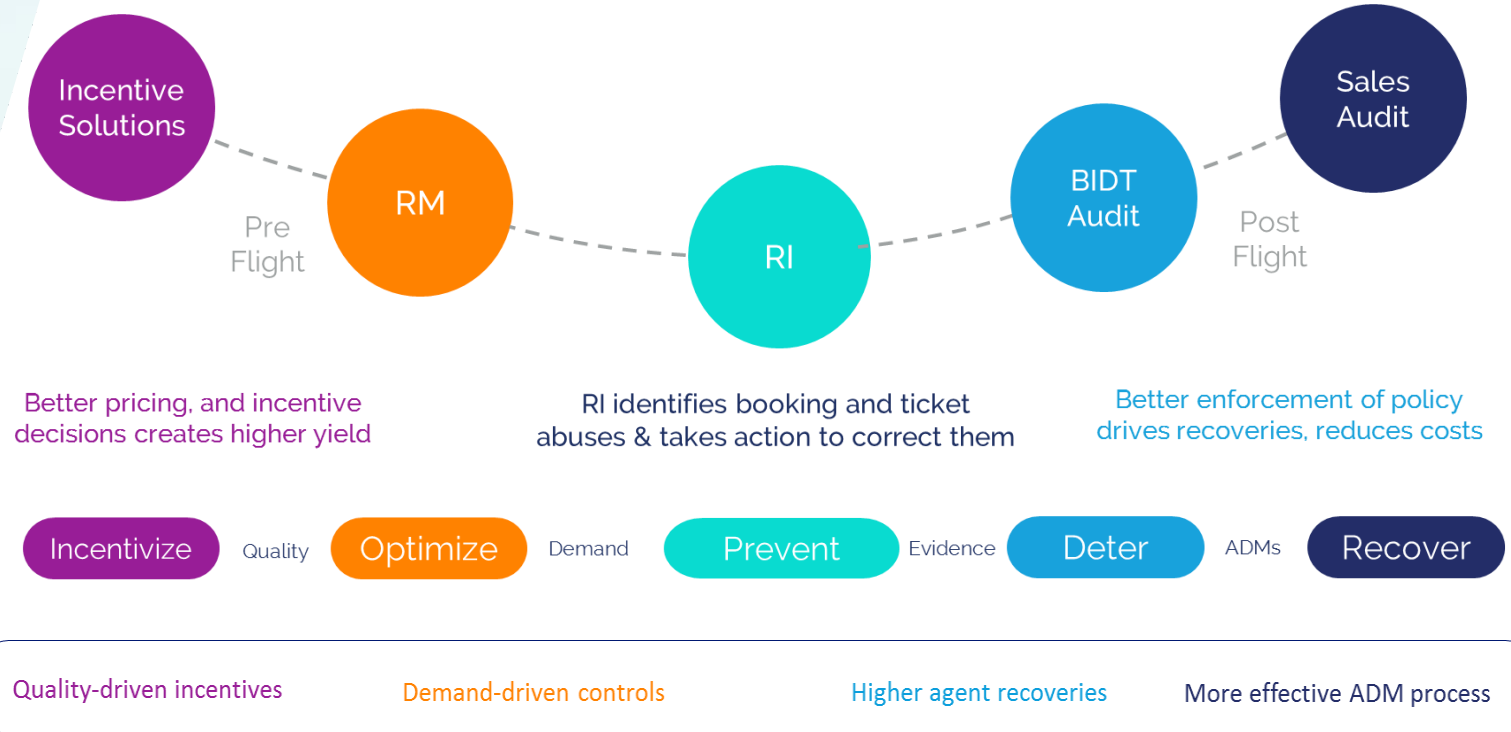
- Tighter control pre- and post-flight
- Fewer tactical incentives
- Full ADM enforcement
- Encouragement
- Education

We can use both carrots and sticks to address the leakages

“What solutions are involved?”



Many solutions cause issues – and can solve them!

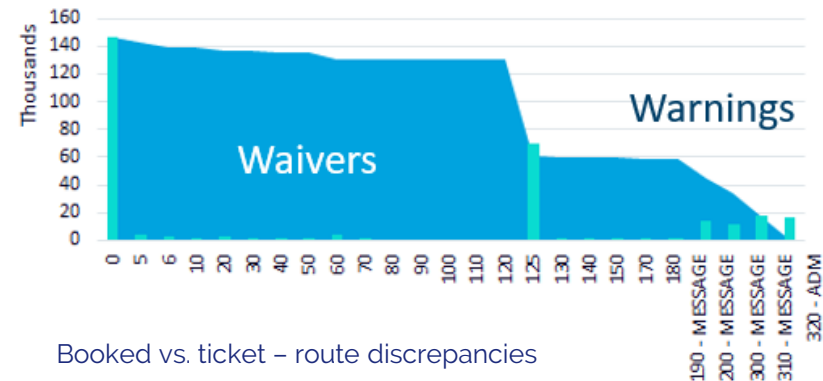


“What are the likely benefits of bringing re-issue checks forward into the pre-flight arena?”

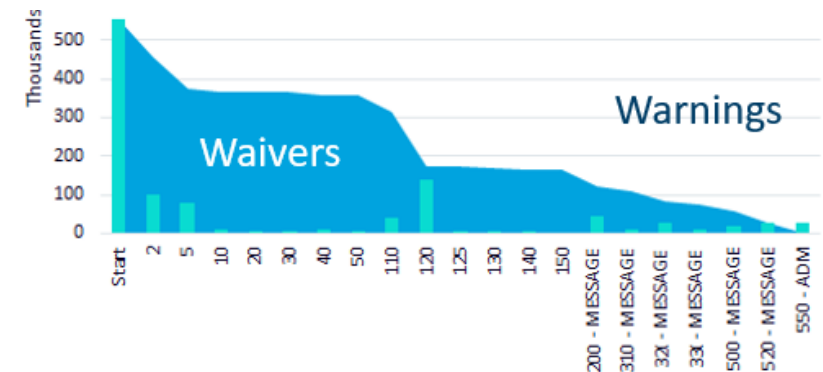


3M coupons (1 month) = 270k re-issues avoided

Booked vs. ticket – class discrepancies



Booked vs. ticket – route discrepancies

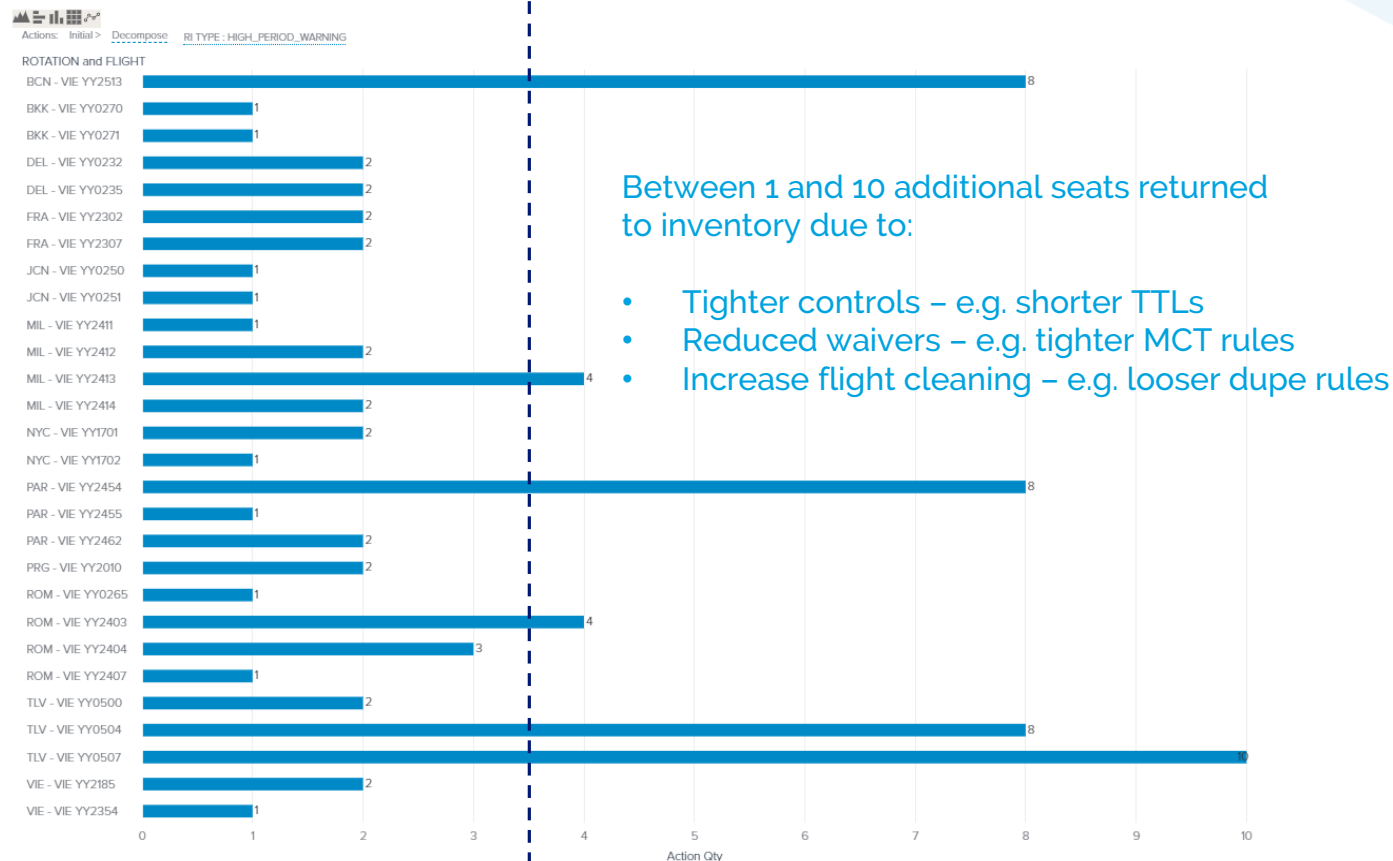


Result = 167k (61%) corrected pre-flight

“What impact does tightening controls on high demand flights have?”



Average of 3.75 extra seats per high period flight



Result = 1.9% increase in high period revenue

“How can we stop the leaks?”



People



- Sales – recognize role in profitability
- RM – Identify high-period flights for control
- RI – Pre-flight, including ticket policy
- Revenue Protection – post-flight

Process



- Continuous workflow
- Pre- and post-flight optimized
- Good communications... not siloed

Solution



- Exist today
- Just need to join up

“It’s not just about the now,
what about the future?”



Convergence

LCCs and scheduled carriers are converging leading to price pressure and unbundled product



New Channels

Consolidation of agents and TMCs, growth of OTAs, NDC and meta-search are shifting bargaining power



Dynamic Bundling

Ancillaries, loyalty and channel management are playing a greater role in profit and success



Innovation

Demand for innovation. Optimising the commercial process, exploiting big data, introducing AI etc.



Revenue and Cost

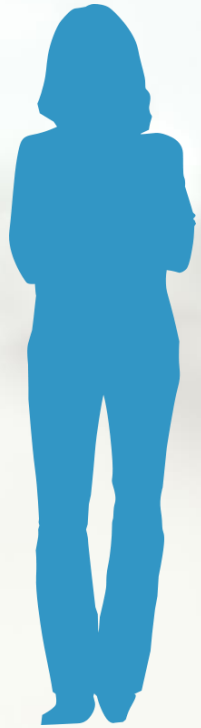
Airlines are having to focus on both cost reduction and revenue growth to survive.



Age of the Customer

We are moving to the 'Age of the Customer' with dynamic, segmented, multi-channel sales.

“What are the key take-aways?”



1

This is doable now

2

Prevent, deter, recover, enforce, encourage

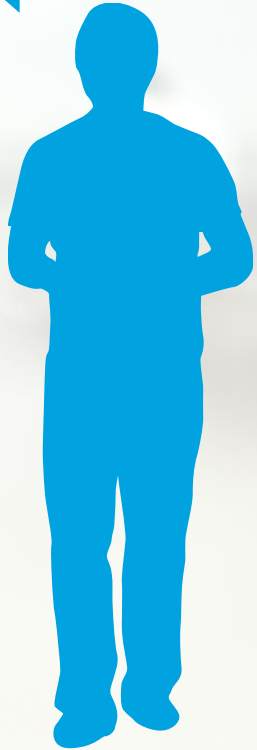
3

The benefits are real

4

Pre-flight and post-flight working together

“What are the benefits?”



Better seat access



Reduced distribution costs



Fewer post-flight issues



Better recoveries



Motivated agents

Thank you for your time