

Creating relevant offers

Sebastien Touraine

Head Dynamic Offers, IATA

Dieter Westermann

VP Revenue Management, Etihad Airways

Dynamic Offers

The road to Customer-Centric Airline Retailing

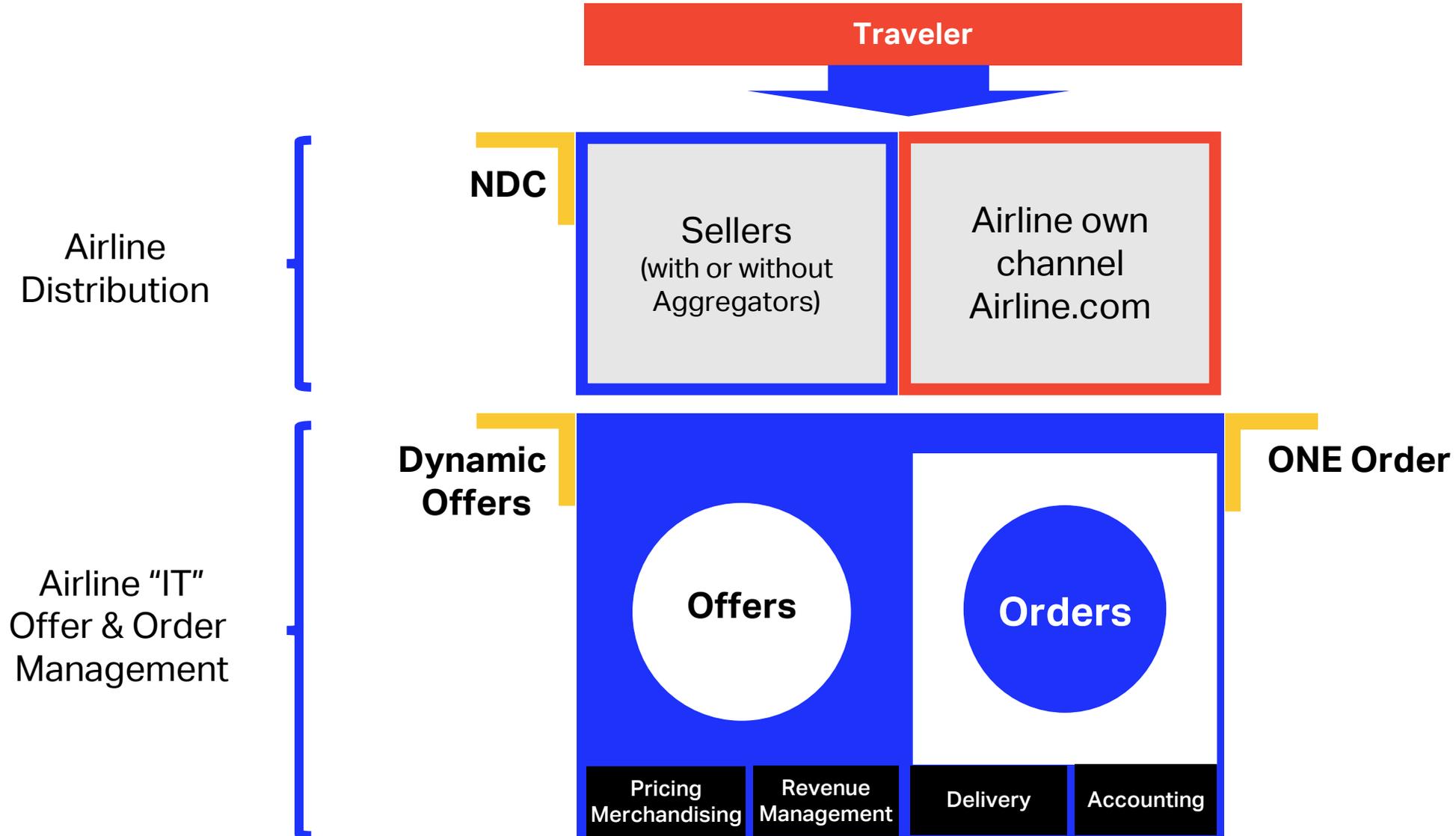
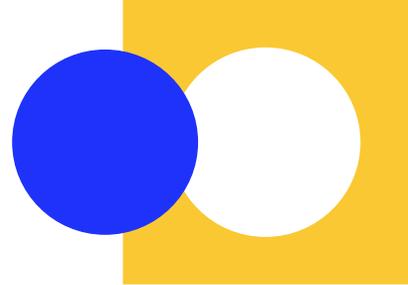
Sébastien Touraine
IATA
Head - Dynamic Offers

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VP – Revenue Management

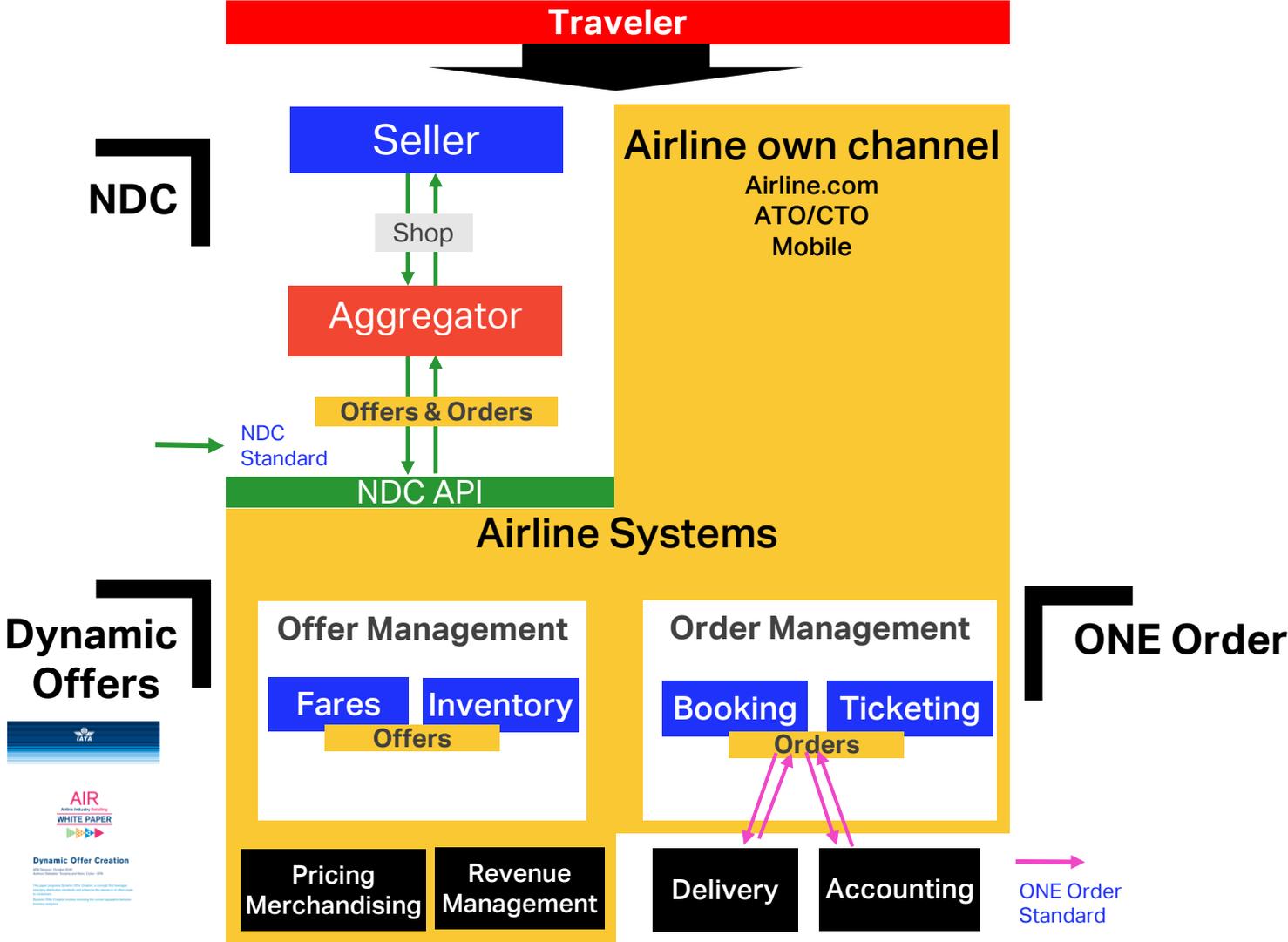
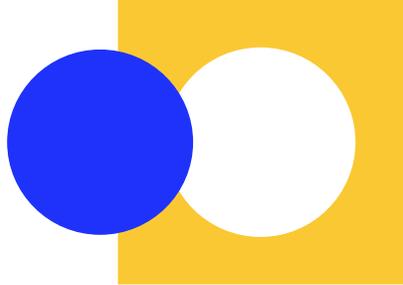
IATA AIR Symposium
Bangkok- October 2019



A world of Offers & Orders



Airline Retailing with Offers & Orders



Dynamic Offers



AIR
WHITE PAPER
Dynamic Offer Creation

ONE Order

ONE Order Standard



Industry Challenges

Granularity of price points



- Continuous or discreet Price points
- Suboptimal results by coupling fares and availability by booking classes



**Total
Offer
Management**

- Overlapping systems and processes
- No holistic view of Total Offer

Personalization

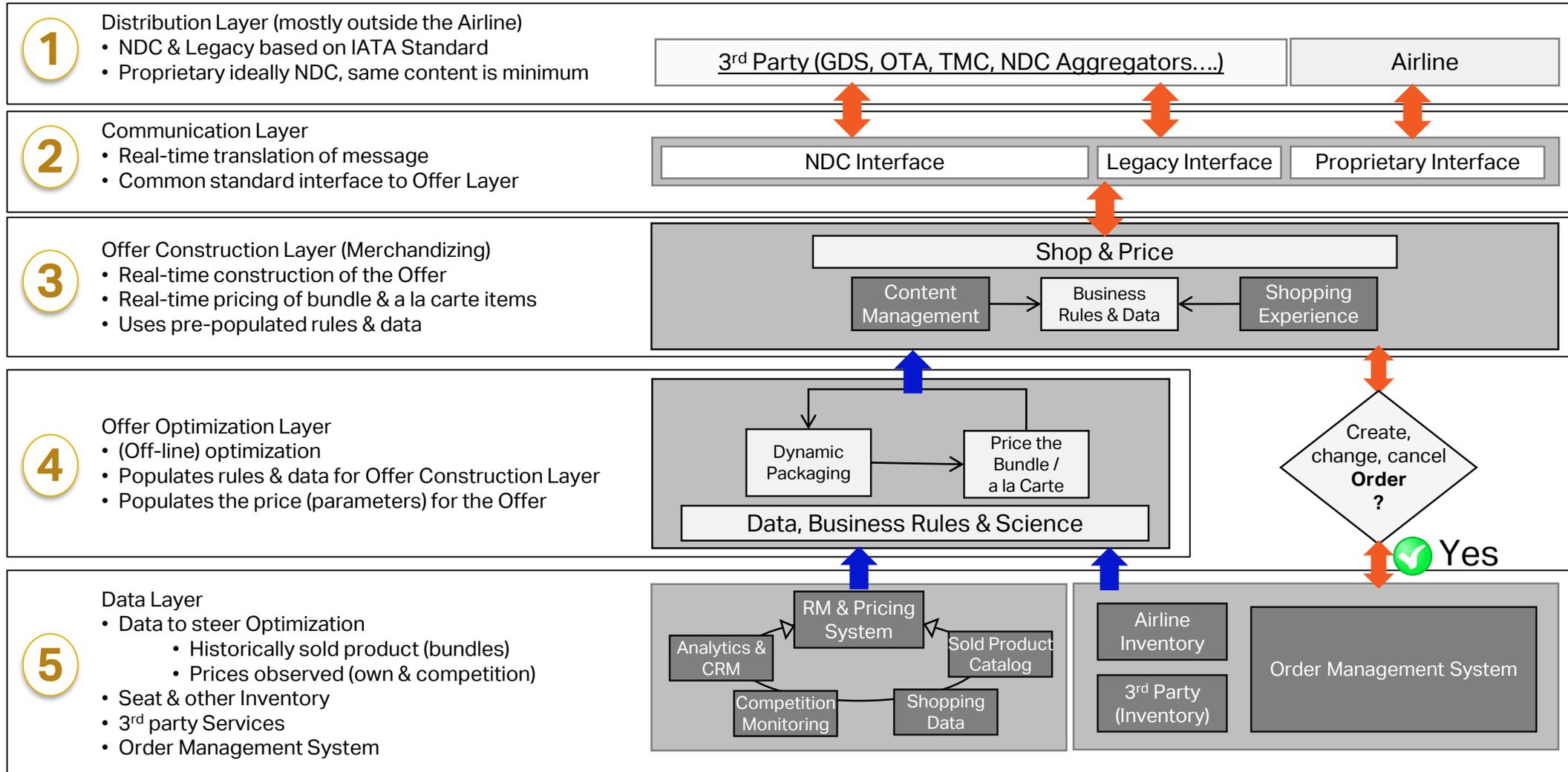


- Limitations of knowing “who is asking” in shopping request
- Agility to change product characteristics based on contextualization



Architectural Overview of an Offer & Order Environment

(Conceptual for illustration purpose only)



↕ = real-time ↑ = offline

Dynamic Offers - Industry Drivers

A WIN-WIN SCENARIO FOR AIRLINES AND CUSTOMERS

Enhanced Conversion

Contextual & relevant offers

Optimal product to the customer
Increase sales conversion
Customer loyalty

Offer Optimization

Continuous price points

Optimal price determination
Improved demand forecast
More accurate willingness to pay

New partnerships

Total offer management

Holistic revenue management
Customer life value
Ancillaries, interlining, 3rd party products and services

Cost Benefits

Offer and Order Management platforms developments and process rationalization

Cost of transition & change management

offset by

Process, organization and system rationalization today vs. tomorrow



The next chapter in Revenue Management ?

1980

2000

2020



- Capacity control
- Leg based
- Fare rules segmentation



- Network optimization
- BidPrice
- Dynamic Availability



- Ancillaries
- Fare families



- Continuous Pricing
- Dynamic bundles
- Total Offer Management

Thank you



AN AIRLINE VIEW TOWARD DYNAMIC OFFER

Christian Popp

Head of Distribution and Revenue Management Strategy and
Business Lufthansa Group

Driving a new era of Airline Offering

IATA Airline Industry Retailing Symposium

29th October 2019, Bangkok

Dynamic Offering capabilities are fundamental to airlines' retailing power

Dynamic Offering

Dynamic Offer Creation & Interactive Distribution



Control Offer Components



Drive innovation

Since 2015

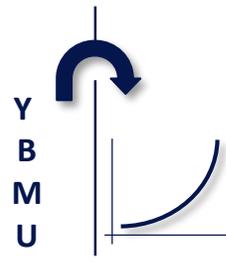
Establish interactive link



Real-time interaction

Roll-out since 2016

Overcome RBDs in RM



Empower retailing

Roll-out since 2017

Technology to create continuously priced and dynamically bundled offers at the time of the customer's shopping request

Dynamic Offer Management

Continuous Pricing



Gain competitive edge

Roll-out since 2018

Dynamic Bundling



Tailor to customer needs

Coming soon

Dynamic Assortment



Increase relevance in display

Coming soon

Methods and processes aiming at optimized customer value and maximized margin

Customer centricity powered by a new era of Dynamic Offering

Customer Centric Offering

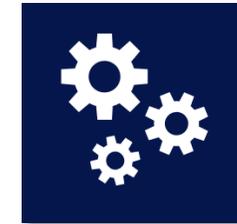


Meet customer expectations by offering more relevant offers and easy access where the customer wants it

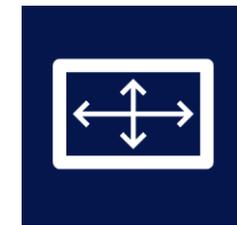
A new era of Offering



> Data-driven



> Dynamic

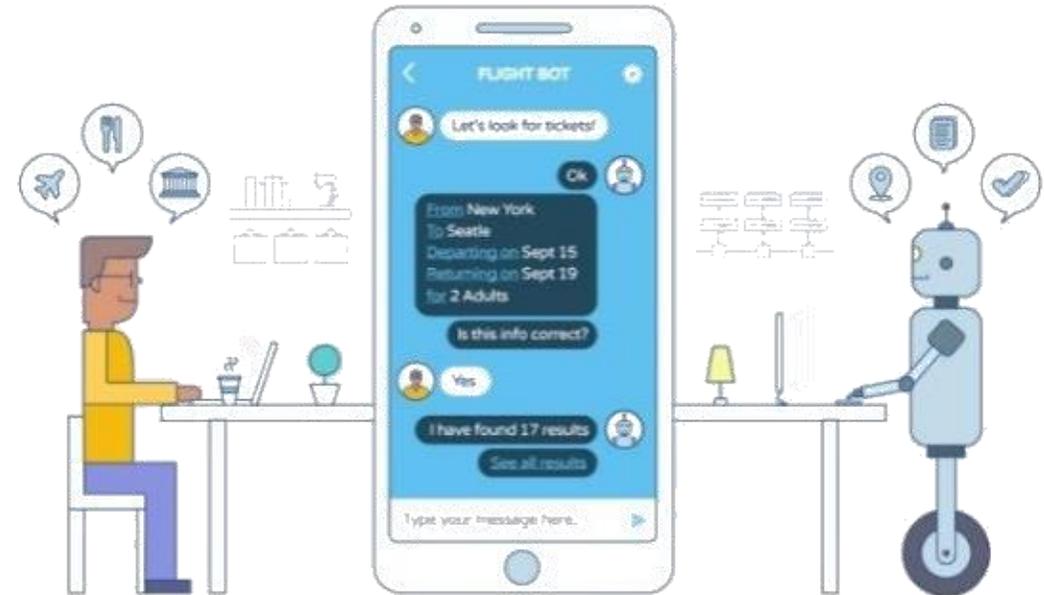
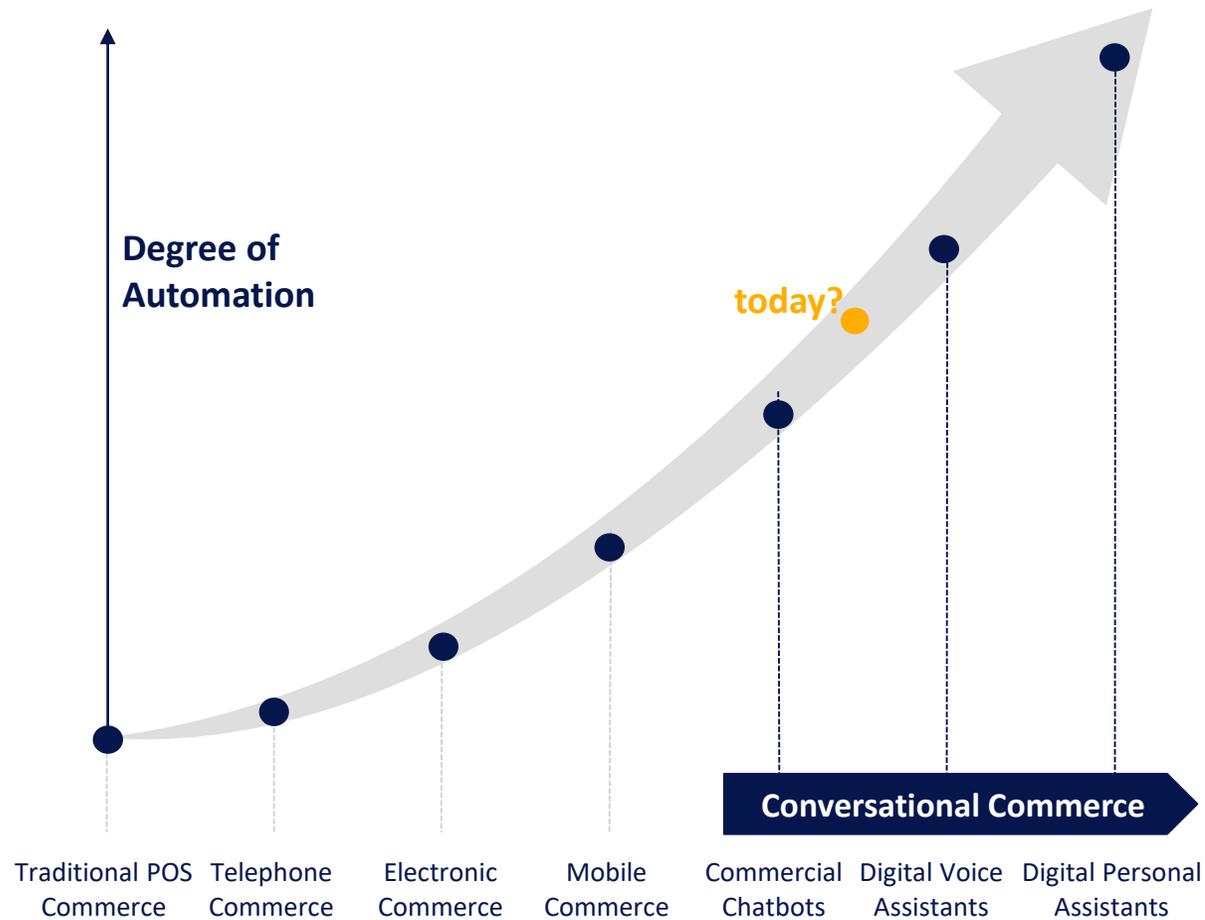


> Scalable

NDC and ONE Order compliment to enable and deliver Dynamic Offering



Next level of customer centricity: Combining interactive distribution with AI based offering to Conversational Commerce



Thank you!
Vielen Dank!
Merci!



ARE VENDORS RE-INVENTING THEMSELVES?

Daniel Friedli, Managing Director, Travel in Motion

Surain Adyanthaya, Senior Vice President of Strategy, PROS

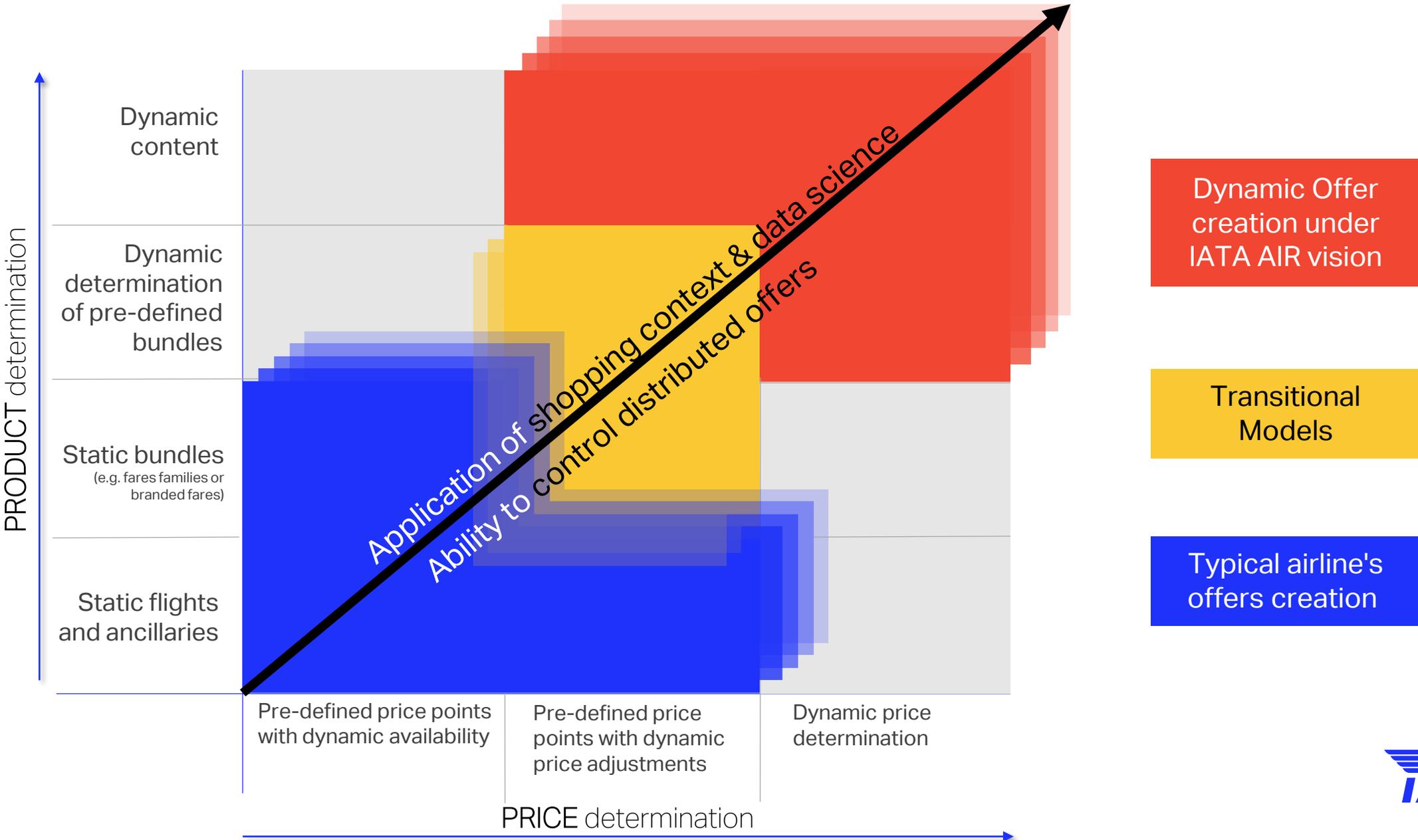
Meg O'Keefe, Vice President, Airlines Offer Suite | Airlines Customer Unit – Solutions, Amadeus

Manish Nagpal, VP Global Sales Engineering, Farelogix

Tom Gregorson, Chief Strategy Officer, ATPCO

Bryan Porter, Chief Commercial Officer, OpenJaw Technologies

Dynamic Offers: a common Industry framework is critical



PROJECT ROBOT – AIR THINK TANK 2019

Andrew Webster

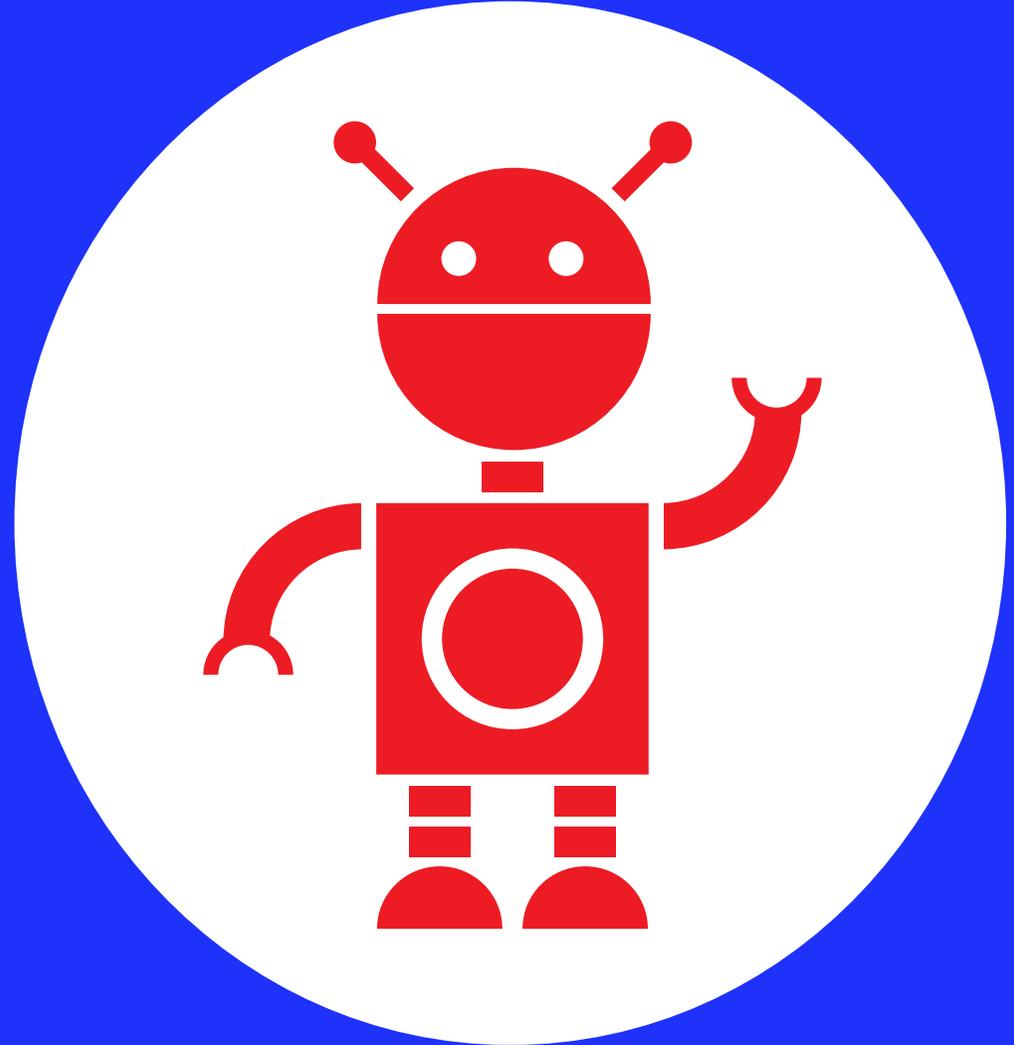
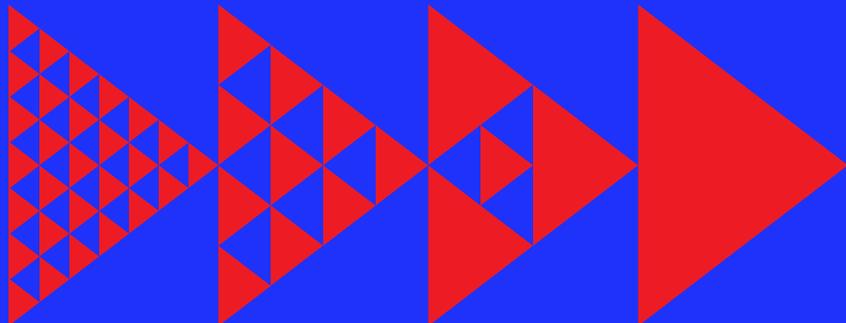
Digital Business Transformation Manager – Shop Order Pay, International Airlines Group

Erik Stogo

Director PreTravel Solutions, United Airlines

Project Robot

Airline Industry Retailing (AIR)
Think Tank

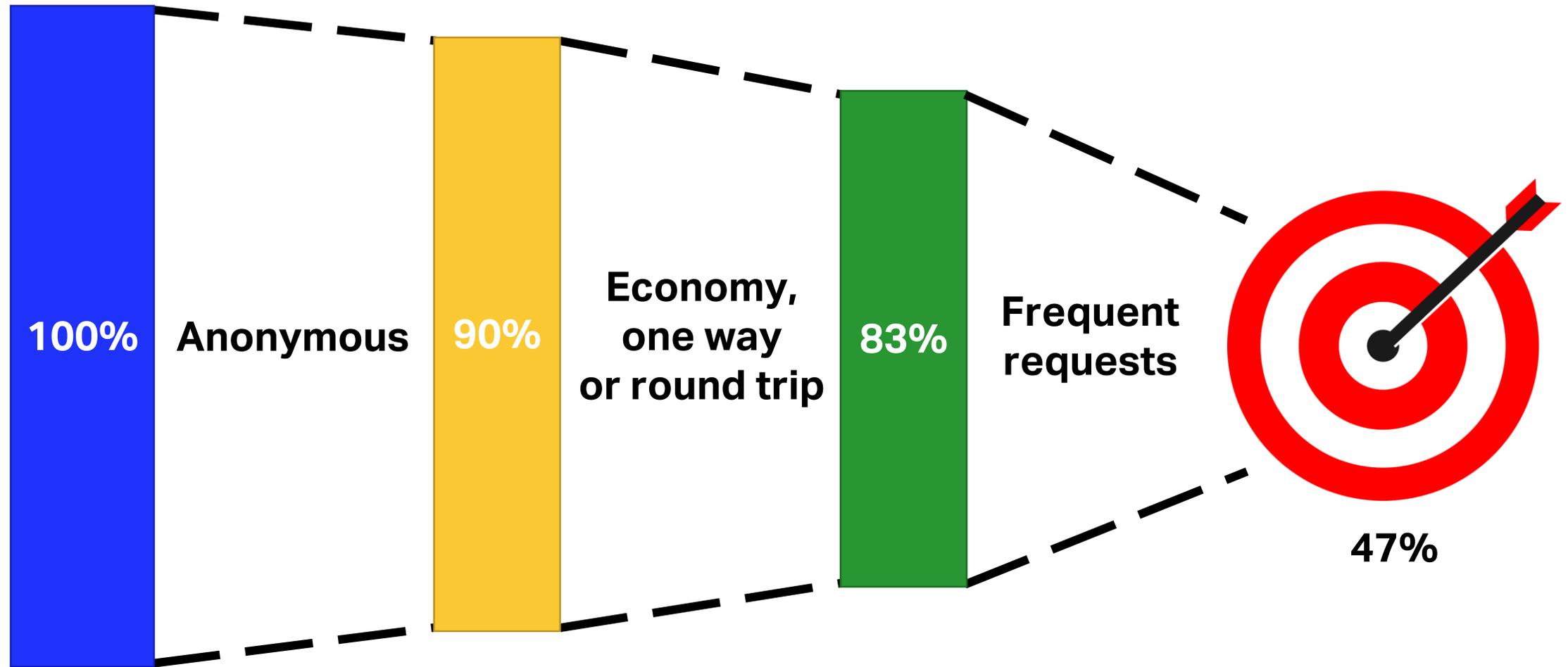


The Problem

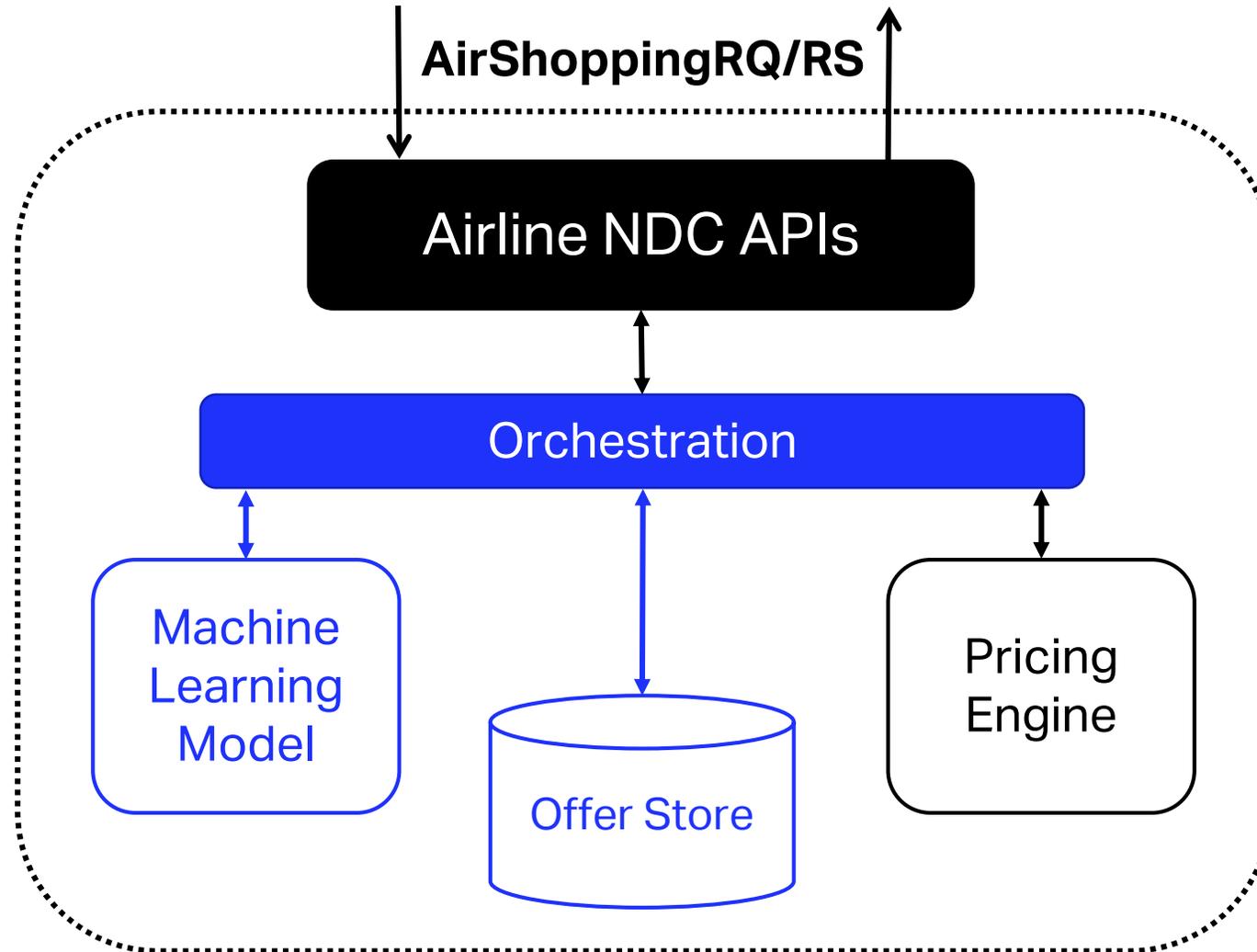
Only one book!



Finding the Bull's-Eye

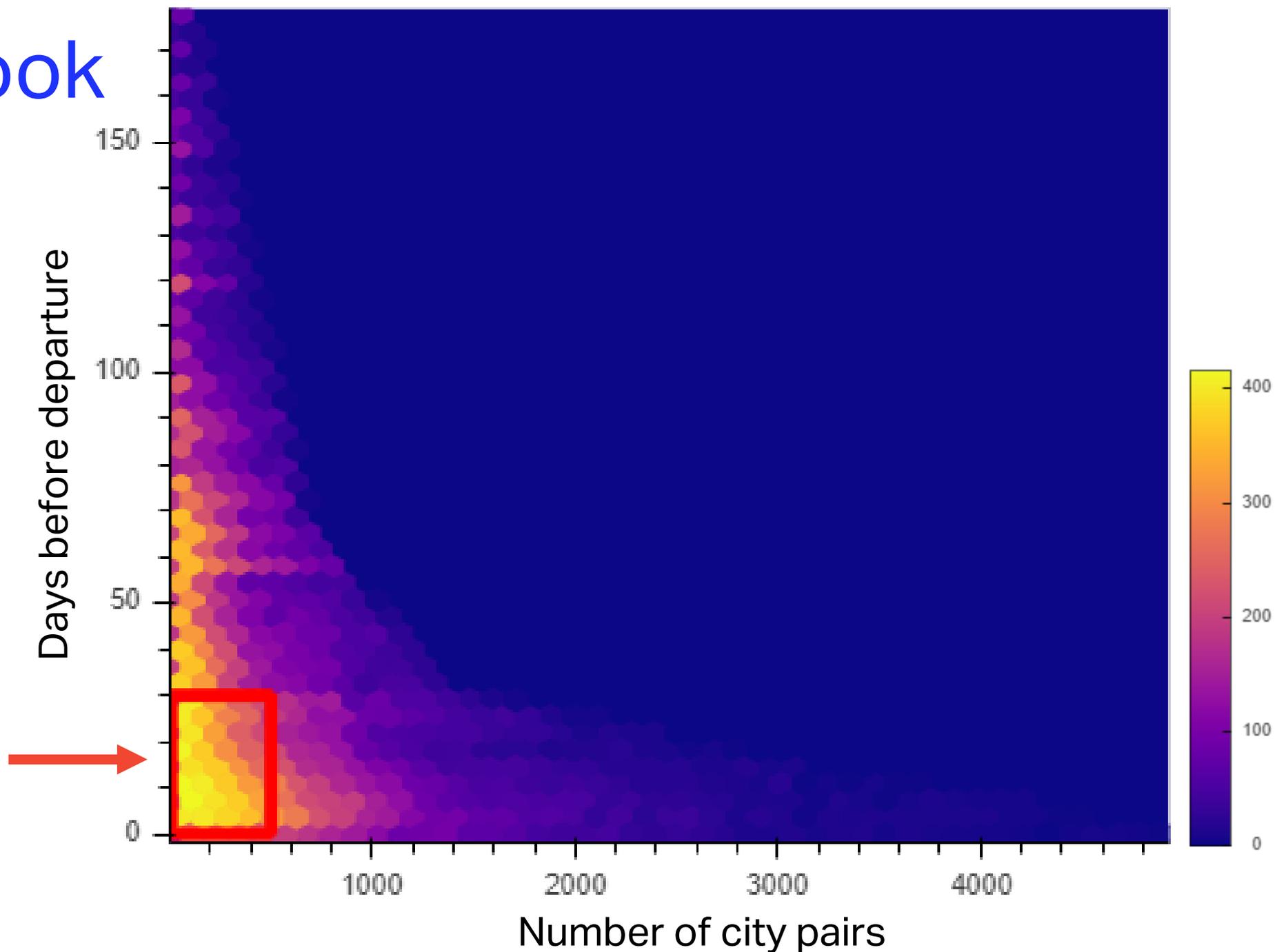


Anatomy of the Robot



A Closer Look at the Data

**56% of all
requests**



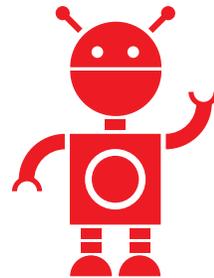
POC – Observations & Recommendations

Concentrated customer shopping behaviours	Opportunity exists for identical shopping requests
Limited by data available	Could identify trends but not set limits

Change model to adjust itself for most popular city pairs	Execute PoC on a larger data set
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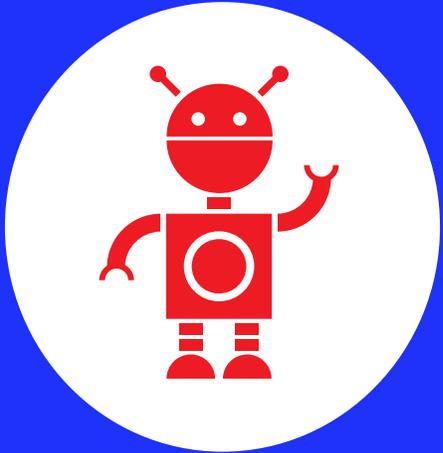
Opportunities & Next Steps

- Airlines have the opportunity to process more data
- Regular fine-tuning of model with offer data stream
- Feedback loop including booking information
- Move from seat only to retail



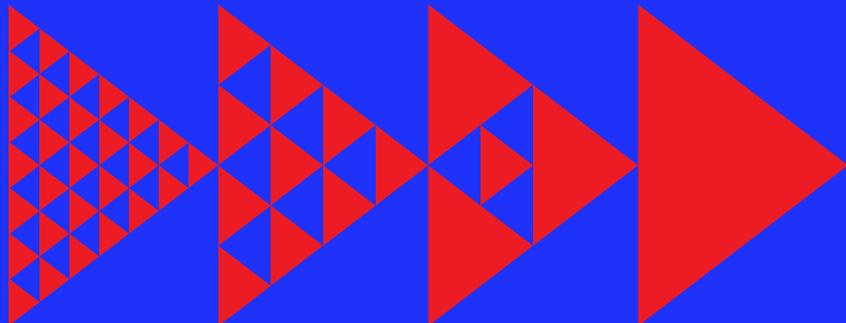
No robots were harmed in the making of this PoC...

Thank you



Airline Industry Retailing (AIR)

Think Tank



CREATING RELEVANT OFFERS: A WIN-WIN SCENARIO FOR AIRLINES AND CUSTOMERS

Sebastien Touraine

Head Dynamic Offers, IATA

Amit Khandelwal, Divisional VP-Inventory, Revenue Steering and Distribution, Emirates

Patricia Hwang, General Manager Sales and Distribution, Cathay Pacific

Dieter Westermann, VP Revenue Management, Etihad Airways

Rogier van Enk, Vice President Digital Revenue & Distribution, Finnair

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