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ascend

taking your airline to new heights

the global advocate



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director general and CEO
International Air Transport Association

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AirAsia overcomes challenges
to its t hai-based subsidiary

Flight

to Boston, MA
to Dallas/Fort Worth
10:4 hrs

this whole itinerary

Summary

Travelers

adults

Taxes and Fees

Service Fee

Total Price

continue



Photo by Stefan Klerr/Stockphoto.com

More travelers are going online to shop for travel, making it necessary for airlines to maintain a user-friendly Web site that provides up-to-date capabilities that facilitate customer purchases.

■ By Rebecca Robinson | *Ascend* Contributor

Success in today's airline industry requires maximizing the online channel, streamlining business operations for cost efficiencies and staying in front of the competition. Having leading consumer shopping and pricing tools, critical components for any airline, can help accomplish all three. The right shopping and pricing tools ensure enhanced customer satisfaction while supporting revenue and revenue management goals. The right tools enable consumers to see the breadth of the product offered while still being able to easily find their desired itinerary and fare. They also enable an airline to control the shopping display so that it presents the flight and fare options that support revenue goals. The right tools enable an airline to accomplish these tasks cost effectively.

Maximize the Online Channel

The rapid growth of the Internet has changed the way consumers shop for air travel

as well as the way airlines conduct business. Consumers are increasingly more travel savvy and demanding, and airlines are increasingly focused on the online direct distribution channel to help reduce their overall costs.

According to the 2006 SITA and *Airline Business* airline information technology trends survey, 28 percent of worldwide airline passengers now book travel online compared to just 20 percent last year. This means that of the 2 billion airline passengers worldwide, 560 million use the Internet to book travel.

Consumers are not only booking online in record numbers, but they are comparison shopping to make sure they find the best deal. According to a 2005 PhoCusWright study, 39 percent of travelers in the United States shopped at least three Web sites before making a purchase. The good news for airlines is that, despite the need for comparison shopping, travelers are still making most of their bookings on supplier sites. In the United

A (BOS)
Worth, TX (DFW)
5 min

LESS SHOPPING. MORE BOOKING.

Price

= \$654.88

= \$ 90.32

= \$ 10.00

= \$755.20 (377.60 Average per person)

shopping

book now



A variety of new shopping and pricing functionality available through SabreSonic Shop enables airlines to maximize their e-commerce initiatives.

POWER



An airline's Web site should offer customers the flexibility to find the desired route, flight and seat for their journey. By providing such options, customers are more likely to return to the site for future travel purchases.

States, supplier Web sites capture about 56 percent of total online sales, according to JupiterResearch.

As more and more travelers turn to the Internet for comparison shopping and booking, and as airlines look to reduce their booking costs, it becomes essential for carriers to have a state-of-the-art Web site. The continuous innovation in retailing and merchandising from the *Sabre Airline Solutions*[®] business enables airlines to maximize their use of the online channel.

With *SabreSonic*[™] *Shop*, a component of the *SabreSonic*[™] *Passenger Solutions*, carriers can be confident they have leading-edge shopping capabilities necessary to direct bookings to their own Web site and to satisfy the needs of demanding travelers who want to ensure they are getting the best fare for their desired itinerary. *SabreSonic Shop* provides leading low-fare search technology, advanced shopping features and merchandising solutions — all the tools required to meet travelers' needs, reduce cost per booking and compete with other travel retailers.

Finding the lowest fare is fundamental. Travelers must shop an airline's Web site

with confidence that it is the best place to find the lowest fares. Proven low-fare search technology within *SabreSonic Shop* finds more low fares than any global distribution system. Based on a recent study by Topaz International, this low-fare search technology finds the lowest fare among all GDSs by an aggregate total of more than 9 to 1. And when finding the lowest fare, the *Shop* component also delivered an average of approximately 50 percent more in savings, meaning an airline can be sure its customers will find the lowest fares on its site — a critical component to creating "stickiness" for an airline's Web site since the majority of travelers comparison shop.

Finding the lowest fare is paramount, but travelers also want choice. Consumers want the opportunity to choose the optimal flight, route and seat for their needs. Providing a breadth of options ensures that consumers will likely return to a carrier's Web site every time they shop for travel, confident in finding the right flight at the right price. *SabreSonic Shop* can provide hundreds of low-fare options, enabling an airline to display its full schedule. Travelers can comparison shop across dates, cities, times of day, class of service and book-

ing-class inventories. These enhanced features enable airlines to differentiate their Web sites by providing a unique shopping experience that satisfies shoppers and drives bookings directly to the airline's Web site.

While finding the lowest fare and being able to view multiple options is critical to customer satisfaction, the ability to do this while maximizing revenue potential is of utmost importance. The merchandising solutions from the *Shop* component enable airlines to optimize the online display by controlling which flight options (based on price, schedule or other criteria) are pushed to customers. Since merchandising rules can be added, deleted or updated in real time, *SabreSonic Shop* merchandising functionality also optimizes the use of the online sales channel by enabling an airline to more rapidly react to changes in the marketplace and respond to competitive pressures.

Combined, these new features help airlines improve the efficiency of their online channel. For example, a leading North American airline cut its look-to-book ratio by 50 percent within a few months of implementing the new *SabreSonic Shop* on its Web site.

Streamline Business Operations

There is tremendous pressure for all airlines to reduce their costs wherever possible by improving productivity, streamlining operations and creating efficiencies. The growth of low-cost carriers coupled with increased fuel costs and high labor costs all contribute to the growing complexity in the airline business and the need to drive down other costs while optimizing passenger yield.

According to a recent International Air Transport Association study, despite rising fuel costs, nearly 45 percent of surveyed airlines managed to reduce total input costs from

+count it up

2.5 million

Number of eliminated minutes of flight time as a result of the International Air Transport Association's "Save a Minute" campaign. The effort saved 1.5 million tons of carbon dioxide emissions and US\$300 million.

7.6

Percentage international passenger traffic grew in 2005, which is slightly higher than the historical average.

3 trillion

Amount in U.S. dollars of global economic activity the air transport industry supports, representing 8 percent of global gross domestic product and 29 million jobs.



HOME
MY PROFILE
SPECIALS
CUSTOMER SERVICE
ABOUT US

Your Request:

Las Vegas, NV (LAS) to Hong Kong (HKG)
Departing Wed, Mar 8
Returning Thu, Mar 16
 1 Adult

Select Travel Dates:

		Return Date						
		10-Mar	11-Mar	12-Mar	13-Mar	14-Mar	15-Mar	16-Mar
Departure Date	5-Mar	\$1344	\$1414	\$1325	\$1455	\$1325	\$1414	\$1308
	6-Mar	\$1455	\$1308	\$1325	\$1344	\$1344	\$1308	\$1414
	7-Mar	\$1308	\$1325	\$1276	\$1344	\$1276	\$1455	\$1455
	8-Mar	\$1455	\$1414	\$1325	\$1325	\$1344	\$1414	\$1414
	9-Mar	\$1344	\$1325	\$1308	\$1414	\$1414	\$1276	\$1308
	10-Mar		\$1414	\$1308	\$1455	\$1344	\$1325	\$1455
	11-Mar			\$1325	\$1414	\$1455	\$1308	\$1325

FLIGHT INFO

Flight Number

or

User ID

PIN

START IN

Home

Remember my FF Number

Offering features such as the Flexible Date Matrix, SabreSonic Shop gives customers the flexibility they desire and encourages them to purchase their travel direct through an airline's Web site. The Shop component enables airlines to present fares that best match their customers' needs.

Evolve With the Industry

With travelers' increasing demands for price transparency, it is becoming more and more difficult for airlines to raise their base fees. Instead, airlines are looking to charge travelers fees for optional services, effectively unbundling amenities that traditionally had been included in the underlying fares. Examples of these services, which may be associated with a fee or surcharge, include form of payment, reserved seats, or meals, resulting in more complex air pricing.

The recent implementation of automated fuel surcharges (YQ/YR) by the Sabre Holdings® business is a perfect example of this trend in action. YQ/YR surcharges are available globally to all users of the Sabre GDS as well as Sabre Airline Solutions and are filed by more than 230 airlines today. Sabre Holdings will continue to enable the automation of fees and surcharges to help airlines recover costs for services rendered, which will soon provide automation of credit card surcharges, ticketing fees, optional service fees and baggage fees. By working closely with carriers on the cutting edge of this trend, Sabre Holdings is jointly working toward industry-standard approaches as well as addressing unique needs or effectively establishing standards where none exist.

With fully automated rules and sophisticated technology, SabreSonic Shop can easily adapt to new industry practices and new pricing strategies. As ATPCO and SITA enhance automated categories or develop new functions, and as carriers adopt new pricing strategies, the Sabre GDS and rule automation will continue to address those evolving needs.

State-of-the-art Technology

These new capabilities are available on the state-of-the-art shopping and pricing platform from Sabre Airline Solutions, a brand new shopping and pricing platform built from the ground up that enables a far greater array of capabilities than what has traditionally been available. More rapid and targeted fare filing, new pricing functionality, and advanced shopping capabilities are all a result of the new platform. In addition to new and advanced capabilities, the new shopping and pricing system enables greater flexibility, accuracy and stability.

The proven technology from Sabre Airline Solutions and the Sabre Travel Network® business meets the needs of all airline business models — online or call center, small or large, domestic or international, point-to-point, or hub-and-spoke. **F**

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March to June, with nearly 60 percent expecting to see no change or lower total input costs during the next year. This cost-containment mindset is now pervasive and will govern most aspects of the industry for the foreseeable future.

Airlines are increasingly approaching vendors to introduce new tools to facilitate direct communication of fare and schedule information. In the case of fare information, it may be cost driven, but it often results from a need to rapidly introduce and quickly remove fares at a pace that traditional tools will not accommodate. Direct fare-loading tools achieve this goal and give an airline the ability to selectively choose where those fares are made available, providing a critical balance between Web-based and GDS fare data. Direct Fare Loading, a feature of SabreSonic Shop, helps ensure fares are accessible in all desired distribution channels.

Direct Fare Loading permits the creation of units of work that define the fares, routes and conditions surrounding fares being offered, including the intended viewership for those fares. Direct Fare Loading creates a user-friendly interface to input data while ensuring the content conforms to industry standards, reducing the number of issues that may be encountered when filing fares under more traditional means. As business models adapt to the fast-paced world, the need to rapidly create and remove fares from the distribu-

tion channel is essential. The direct fare-filing capability is integrated with the SabreSonic Shop automated loading procedures.

SabreSonic Shop is introducing redesigned fare and rule displays to create efficiencies in the reservations office. Airlines often have different objectives, and one solution does not always meet everyone's needs. With redesigned fare and rule displays in SabreSonic Shop, each airline will have the ability to select its own display preferences. The new displays combine standard features with new capabilities and conform to industry-standard rules text and category numbering. The redesigned displays are more concise and provide more information on one screen. Rule displays now use industry-standard text and can support multiple languages, translating to increased efficiency while making it easier for reservations agents to find the exact information they need.

The Sabre® Group Management Tool is a comprehensive inventory product that automates processing of a group of blocked seats, further helping achieve revenue management goals. The Group Management Tool enables travel agencies to request, sell and manage blocked space automatically through the Sabre® global distribution system. Furthermore, this tool supports airline inventory controls, enabling airlines to efficiently manage their group space and to minimize inventory spoilage.