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ON THE ROUTE TO RECOVERY

*A conversation with ...*

**James  
Hogan,  
President  
and CEO,  
Gulf Air**

INSIDE

**19**

**Industry Showing  
Signs of Recovery**

**38**

**Low-Cost Carrier Model  
Continues to Evolve**

**79**

**Recent Breakthroughs  
in Revenue Management**

# Taking its Share

*Mexicana better analyzes its key markets by utilizing leading market data and analysis systems.*



Photo courtesy Mexicana

**Through the use of a new suite of MIDT tools, Mexicana has improved its ability to measure market position and track agency performance, which has helped the airline maintain its share in key origin and destination markets.**

■ By Kathy Loveless and Badal Vyas | *Ascend* Contributors

**L**ocked in a battle for market share with its largest domestic competitor, Mexicana realized it would need to make more informed decisions about its key markets to give it an advantage.

Mexicana and its chief competitor, AeroMexico, contend not only domestically, but on key international routes including Mexico-United States, Mexico-Canada and Mexico-Latin America. With 82 years of continuous operation and one of the most modern fleets in the world, Mexicana needed to focus on maximizing market share opportunities to protect its position as one of Mexico's leading international carriers.

Currently both airlines are owned by government-controlled holding company CINTRA, Mexico's main transportation system. However, each is being prepared for privatization, making it even more important to build upon current strengths in the most profitable markets.

Identifying areas of potential revenue increases, improving scheduling and network planning, maximizing agency sales, and reducing commissions became essential for Mexicana.

In 2000, to achieve those goals, Mexicana placed a newfound emphasis on point-of-sale decision-support technology and began using a system to analyze markets. However, the system was not robust enough to meet the airline's needs. It did not integrate with newer operating systems, such as Windows 2000 or Windows NT, which presented major challenges for the airline's analysts. In addition, the tools were limited in terms of agency data and the different types of queries available. Due to these limitations, Mexicana began researching other market data and analysis tools.

After extensive exploration of available solutions, Mexicana selected the market data and analysis tools from Sabre Airline Solutions.

Last May, the airline implemented the *Sabre*® *TransVision*® traffic flow analyzer and the *Sabre*® *WiseVision*™ sales expansion system in addition to renewing its contract for the *Sabre*® *ProVision*™ MIDT processing service.

The implementation of the systems enabled Mexicana to measure market position and track agency performance, which it was previously unable to do.

"The *WiseVision* system has allowed us to negotiate new commission agreements with agencies, track their performance and greatly increase sales representative efficiency," said Luis Zamudio, sales and statistics manager for Mexicana.

The *WiseVision* system also helps Mexicana sales representatives decrease the time required to analyze and interpret large quantities of market data. By presenting analysis results in multiple ways to support the sales process, the system facilitates productivity and financial savings.

"Our sales people are amazed by the capabilities and amount of information provided by these tools and have noticed a significant difference in the way we operate now versus the products we previously used," said Zamudio. "The system so far has met every requirement we desired."

With approximately 100 sales representatives, the carrier has significantly improved performance with the *WiseVision* system by enabling sales representatives to efficiently run queries and reports and create agency groups to determine the number of bookings for each agency.

Mexicana has further leveraged its market information data tapes purchase with the use of the *TransVision* analyzer in its network management department. The system assists with scheduling and task planning based on traveler booking trends. By reducing analysis time, it also enables analysts to spend less

time retrieving and compiling data and more time making business decisions. Analysis of areas such as route performance, passenger flow and codeshare evaluation facilitates maximized flight schedules. The system also helps Mexicana view potential market opportunities in a variety of ways by extracting valuable transit information from MIDT booking transactions. With this insight, the airline analyzes:

- Transit-point passenger flows,
- Trunk route feeding,
- Onward traffic flows,
- Time-of-day and day-of-week passenger distribution,
- Route and airline preferences,
- Codeshare performance,
- Cabin and yield distribution.

Additionally, monitoring capabilities within the *TransVision* analyzer enable Mexicana to track and evaluate its codeshare agreements. The system provides not only information on its agreements, but also competitive codeshare agreements as well, giving the carrier a strategic advantage during future negotiations.

Mexicana also utilizes the analyzer to determine network utilization. This data-mining tool provides the carrier with detailed analysis of origin and destination data. Details such as passenger travel patterns, segment, feeder and onward traffic flows, and yield and cabin class distribution can be found quickly. Utilizing the in-depth travel analysis, Mexicana's planning and scheduling analysts



are able to modify and adapt flight schedules to fit traffic flow patterns. Due to the tool's ability to identify the most popular routes and transit points, Mexicana can target the best possible departure and/or arrival times and maximize passenger loads.

"When we first implemented the *TransVision* analyzer, our users were taken aback by all of the features and functionality," said Zamudio. "Sabre Airline Solutions has done a good job of addressing our needs, and since the last release, our users can export anything they see on their screens to Excel."

The market analysis tools have already helped the airline toward its market share goals.

"2003 was a bad year for most of the airlines in Mexico, so it is difficult to evaluate the results versus previous years," said Felipe Batres, director, statistics and information at Mexicana. "However, using the *WiseVision* system and the *TransVision* analyzer have enabled us to maintain the same market share that we had in 2002. Our current market share domestically in Mexico is 29 percent and in the international Mexico-USA market it is 21 percent. We would like to realize a 1 percent increase in each of these markets this year,

which we feel is much more feasible by harnessing the capabilities offered by the market data and analysis systems. This would translate to about a US\$40 million increase in revenues for us."

With uncertainty regarding privatization for Aeromexico and Mexicana, it is important to Mexicana that it remains well entrenched and prepared to compete for market share.

"Last year we maintained the same market share while other competitors lost 3 percent to 4 percent in the domestic market and 2 percent in the Mexico-USA market," said Zamudio.

Mexicana has just begun to scratch the surface regarding the capabilities offered by the *WiseVision* system and the *TransVision* analyzer.

"We are at the beginning of the learning curve with the tools, and as we look forward, we would like to have more powerful users capable of maximizing the functionality offered by these systems," said Felipe Batres.

Implemented through the *Sabre*® *eMergo*® Web-enabled and dedicated network solutions, an application service provider delivery method, the market data and analysis systems enable Mexicana to realize significant savings

through reduced maintenance, support, hardware and distribution costs. The *eMergo* solutions give carriers of all sizes access to leading technology, enabling greater integration among software products by delivering quicker implementations, lower total cost of ownership, predictable monthly pricing and fewer complications than running an onsite system.

Providing analysts with systems that offer more efficient ways of detecting market trends and changes has helped Mexicana make wiser decisions.

"By using the *TransVision* analyzer and *WiseVision* system, we now have reliable numbers, giving our sales representatives greater negotiation power," said Zamudio. "With these systems, we have increased overall confidence in the business decisions we make." **E**

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## THE HIGH • LEVEL view

News Briefs from Around the Globe

### Who

ATA Airlines

### What

Renewed its agreement for the *SabreSonic*™ passenger solution and engaged Sabre Airline Solutions Consulting to streamline planning and scheduling processes and improve profits through pricing and revenue management enhancements.

### Why

"Since we achieved 'major carrier' status in 2000, we have continually focused our efforts to streamline our operations and sustain the growth we've enjoyed even in a constrained

market," said Glen Baker, ATA vice president of information systems.

"Sabre Airline Solutions has played a major role in helping us offer reliable, high-quality air transportation services to our more than 10 million passengers annually. *SabreSonic*™ Res empowers our service professionals to provide a streamlined travel experience to our valued customers."

The consulting engagement enabled ATA to identify several areas that will differentiate it in the marketplace and maximize its profitability.

"By optimizing our systems and our processes, we intend to wring every dollar of profitability

from our operations to allow us to reinvest those resources into enhanced services for our passengers," said Stan Hula, ATA vice president, planning. "By teaming with Sabre Airline Solutions consultants — a team with vast airline industry knowledge and experience — we look forward to maximizing our operational efficiency and capturing the highest returns on our technology investments. Having technology is only one part of the solution — what is even more important is making sure we have the right strategy in place to make the best use of the technology." **E**