

Leveraging Navitaire Dynamic Pricing to Achieve New Ancillary Revenue Goals



NAVITAIRE

MINNEAPOLIS,
UNITED STATES

CASE STUDY: NAVITAIRE DYNAMIC PRICING

We put Navitaire Dynamic Pricing to the test, helping an EMEA carrier push their ancillary revenues even higher.

Challenge

LCCs can make up to 50% or more of their revenue through ancillary sales. And while the carrier's ancillary approach produced big results, they felt like analytics-driven pricing would help them yield even bigger revenues. The carrier had adopted Navitaire Dynamic Pricing solution and turned to Navitaire for assistance.

How Navitaire Helped

Navitaire's market-ready dynamic pricing solution is designed to give users the opportunity to increase ancillary product revenues through analytics-driven pricing. It leverages the rich data collected by Navitaire platforms and carriers by capturing every passenger's experience, including travelers' shopping and purchase behavior. With it, the carrier could quickly conduct pricing experiments with control groups to discover which models could produce the highest revenue margins.

Over a six-week period, the Navitaire and carrier teams worked closely together to define their initial offer. During this time, the carrier explored new ancillary pricing tactics and strategies available with Navitaire Dynamic Pricing. Armed with industry best practices, Navitaire's team conducted a three-day training workshop at the carrier's headquarters. In addition to reviewing current strategy and short- and long-term goals, the teams discussed prime areas for growth. At the end of the workshop, the team had the training and product knowledge needed to leverage Navitaire Dynamic Pricing to achieve their ancillary revenue goals.

Results

Navitaire Dynamic Pricing's intuitive, self-service framework made it easy for the carrier to freely explore pricing scenarios on their own timeline. After a series of tests, they were able to identify patterns that helped them achieve the greatest uptick in profits per PNR. And as new business needs arose, the team was able to quickly implement new trials on their own.

Leveraging Navitaire Dynamic Pricing's advanced machine learning capabilities, the carrier achieved 20% growth in ancillary revenue within a year.

"Navitaire Dynamic Pricing for airfare and ancillaries lets us conduct experiments quickly and efficiently, giving us relevant data that we can act on immediately. APO takes the guess work out of finding the optimal price, enabling us to better serve our customers, and most importantly, generate new revenue and growth opportunities.."

EMEA Chief Information Officer