

# AIRLINES ARE UNDER INCREASING PRESSURE TO EARN MORE HIGH-VALUE VOLUME FROM THEIR BUSINESS CUSTOMERS

## THAT LEADS THEM TO GET CREATIVE WITH THEIR CORPORATE CONTACTS

So... When they come to the negotiating table, airlines will leverage everything they can through their complex yield management operations.



Which presents you with **3** options:



Get a Ph.D. in airline distribution and yield management



Hire a traditional sourcing consultant to help you make sense of the contracts



Engage Advito, the only travel consultancy that looks beyond the obvious to get at the real value of the deal

## #3 IS A BIG CLAIM:

THE OTHERS SAY *THEY GO DEEP TOO...* BELOW ARE REAL-WORLD EXAMPLES THAT SHOW EXACTLY WHAT WE DO DIFFERENTLY - LET US PROVE IT TO YOU.



## THIS REALLY HAPPENED RECENTLY:

But... Advito uniquely drilled into the details of how each carrier defines "J class" and looks at base fare rates. We discovered that Carrier A's base class fare is \$5,000USD and Carrier B's average J class fare is \$4,800USD. The real issue lies in how companies quantify the actual value of their program. The great news is that there are new tools and resources to better articulate the value of individual rates throughout the booking process, without creating a significant change management issue for your travelers.



Vs



**CARRIER A OFFERS:**

**20%** off "J class" fares

**CARRIER B OFFERS:**

**20%** off "J class" fares

The traditional sourcing approach says both offers are equal: **A = B**

## HERE'S ANOTHER TRUE STORY:



Vs



**CARRIER A OFFERS:**

**20%** off "D class" fares

**CARRIER B OFFERS:**

**20%** off "D class" fares

Like before, traditional consultants said both offers are the same: **A = B**

IN FACT, **CARRIER B** was better



But... Advito uniquely analyzes market dynamics and inventory availability to get to a true comparison. Our analysis proved that Carrier A had more capacity in this market and had more D class seats available for sale. Therefore, its discount was much more frequent than Carrier B's would be.

## HERE'S ONE THAT SHOWS AIRLINE CREATIVITY:



Vs



**CARRIER A OFFERS:**

**10%** off "B class" fares

**CARRIER B OFFERS:**

**30%** off "Y class" fares, booked as "B class"

**CARRIER B WON:** The traditional sourcing approach said **30%** is better than **10%**

IN FACT, **CARRIER A's** deal was better



But... Only Advito drills into the base fare prices and restrictions of each rate type. Our analysis showed that B class is inventory controlled but has no other restrictions, and base fares for B are automatically 30% less than Y class.

IN FACT, **CARRIER A** offered higher savings



## ONE LAST EXAMPLE:



Vs



Carrier A's contract with you has a **70%** market share requirement

You're performing at **50%** The carrier is not happy and threatens to pull the deal

The traditional sourcing approach looks for ways to increase your market share, to protect your deal

But... Only Advito probes into the root cause of under-performance. Advito discovered that you, in fact, were giving 80% of your high-yield tickets to Carrier A. Of your low-yield tickets, 20% were going to Carrier A, because it was consistently being undercut by other airlines on price.

**YOU BEAT THE TARGET FOR THE BUSINESS THE AIRLINE REALLY WANTS**



**YOU ONLY MISSED THE OVERALL TOTAL BECAUSE CARRIER A'S LOW-YIELD RATES WERE NOT AVAILABLE**

**YOU'RE ABLE TO SHOW THE AIRLINE YOUR TRUE VALUE, AND MAINTAIN YOUR CONTRACT TERMS**



**TAKE NO CLAIM OR ASSUMPTION AT FACE VALUE.**

We are your power negotiator.