

Exploring New Skies®: Americas-Based Airline Soars into New Markets with Navitaire



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The Solution: New Skies

In the past decade, the airline industry throughout the Americas has been in flux, both expanding and consolidating, as domestic and regional carriers have sought to grow their franchises. Numerous factors — including the demand for high-value services, reasonable fares, connections with other airlines, and efficient, low-cost operations — have combined to form a highly competitive market for commercial carriers.

Against this backdrop, a leading low-cost Americas-based airline wanted to increase its global reach. The airline ambitiously set itself the twin goals of serving more inbound travelers via connections to its extensive regional route network, while also offering global connections to its own customer base. With annual revenue of nearly US\$ 4B, this airline was poised to take its service and offerings to the next level.

Although it was a low-cost carrier in its home markets, to capture business with travel agencies in new markets the airline would have to support conventional e-ticketing and sales reporting through local bank settlement plans that integrate with the agencies' standard processes. E-ticket integration was essential to allow agents to easily sell its services on either a standalone or interline sales basis. The airline also needed to adopt the industry standard interline and codeshare practices to interact with other carriers and their reservation systems.

The challenge of accessing a new market of international travelers based outside its home continent represented an incremental revenue opportunity for the airline. From a strategic standpoint, this blended approach — of allowing a low-cost model in home markets while supporting higher-cost industry standards elsewhere — would enable the airline to boost profitability by promoting global expansion without diluting its home market cost advantage.

Airline executives realized that effectively tapping these new markets would require enhancing its existing technology infrastructure to enable greater industry connectivity. In particular, the airline needed a cutting-edge, customer-centric reservation and distribution system that could deliver on the promise of connecting with business partners, devices and technology platforms in use throughout the industry. Executives wanted to be able to offer an Internet-enabled customer experience that would leverage online sales opportunities, while also providing access to traditional and enhanced GDS connectivity, interline sales and codesharing among airline partners. In sum, the airline wanted a lot.

The solution was available in the latest version of Navitaire's New Skies. A leading travel reservation system, New Skies is specifically designed for the airline industry and is used by more than 50 companies, including many of the world's most innovative and successful airlines.

The capability of New Skies that was especially appealing to this airline is its ability to forge tighter connections with other carriers serving an international customer base. Using New Skies, based completely on flexible Microsoft .NET technology, the airline was able to leverage this advanced platform to connect with business partners, while offering a broader array of linkages to other travel industry platforms.

Exploring New Skies: Americas-Based Airline Soars into New Markets with Navitaire (continued)

Some of the key features of Navitaire New Skies are the following:

- Traditional and Enhanced GDS Booking, supporting multiple GDS participation levels and offering instant direct credit card settlement, and optional e-ticket database integration. Airlines can connect to any of 10 GDS platforms.
- Advanced Distribution Controls, enabling real-time fare audits, ability to control distributor access and pricing via custom rules, plus journey and segment controls and automated fee collections.
- Codeshare booking, allowing a carrier to expand its network through codeshare and airline partnerships, including through check-in and interline baggage check options.

Today and in the Future

The Navitaire New Skies system remains at the heart of this fast-expanding airline's marketing, selling and customer relationship processes, serving as the booking engine of the carrier's website. New Skies acts as the central integration point for several critical business processes, including sales, distribution, ticketless reservations and payments. In addition, the New Skies platform offers Web Services that facilitate easy integration with travel distributors and travel service providers.

New Skies also has added features to provide greater flexibility to support the sales practices of travel agents and other airlines, while preserving efficiency in home markets, where possible. For example, e-tickets are accepted for reservations created by codeshare and interline partners. E-tickets also are accepted for reservations created by travel agents using a GDS outside of the airline's home market. Within the airline's home market area, ticketless reservations are created by large travel agencies connected to the airline via Web Services. Ultimately, this allows the airline to operate at a lower cost per booking in its home market where discount fares enable it to be very competitive.

An added benefit to the airline is New Skies' ability to capitalize on a strong web presence via a complete travel storefront offering integrated sales of car rentals, hotel rooms, travel insurance and event/activity bookings.

From a control standpoint, Navitaire New Skies features a Management Console that allows the airline to not only instantly set preferences for sales, fares, booking, scheduling and other policies, but also to see changes reflected immediately. In addition, this console helps the airline manage currencies, taxes, agents, vouchers and promo codes from one screen.

Remaining at the Forefront

The airline's adoption of New Skies has provided a significant boost to the company's ability to excel in the highly competitive industry. New Skies has enabled the airline to vastly expand its distribution channels, adding connections to eight GDS platforms around the world. The company also has added more than 70 interline airline partners — including some of the world's largest carriers — and implemented more than 10 codeshare partnerships, including frequent flyer award and redemption options. Finally, the airline has implemented e-ticketing to support the needs of its business partners while remaining ticketless itself for its online direct transactions and home market travel agency transactions. The airline also offers customers an easy-to-use mobile app built using New Skies APIs.

The net effect of this expansion of its distribution channel choices has been to enable the airline to reach more customers around the world, through its airline business partners and travel agency partners. As a result, incremental revenue has grown significantly. And with this arsenal of flexible tools and technologies, the carrier is better positioned to adapt to future business opportunities and challenges.

Going forward, New Skies serves as the foundation for the carrier's ongoing growth and evolution to help support a vibrant future in a fast-changing, technology-driven global industry.