

amadeus

All Nippon Airways

Travel Intelligence
Case Study

The business context: ambitions for growth

A 2016 report from IATA predicts that 7.2 billion passengers will travel by air in 2035 – nearly double the 3.8 billion travellers in 2016. As passenger demand continues to grow, so will competition within the industry. Airlines will need to attract the attention of new travellers while increasing loyalty amongst existing customers.

In this context, big data is a powerful asset: data analytics empower an airline to benchmark its market position against that of its competitors, identify where sales are coming from, and understand past versus future performance. These insights equip the airline to make strategic decisions quickly, to stay ahead of a competitive market.

All Nippon Airways (ANA) is currently the largest airline in Japan and has plans to increase its growth,

with aims to improve efficiency and increase international passenger revenues by 40% by 2020. ANA sought to use data insights to understand patterns in demand, react to an always-changing environment with tailored pricing strategies, and identify new revenue opportunities.

ANA's previous MIDT solution provided booking data on a biweekly basis. The airline wanted to reduce the fourteen-day delay in obtaining booking insights so it could ensure its awareness of the global market kept pace with that of its competitors, some of whom benefited from daily updates.

To facilitate its growth plans and make pricing and strategy decisions faster, ANA chose Booking Analytics, an Amadeus Travel Intelligence solution.

"Within that 2-week period, we used to have no insights of what was going on in the marketplace. That's why the daily feed as well as the big data functionalities of Booking Analytics were very important factors in our decision to choose this product", said Ryota Shimazawa

"As an airline, our business can be affected by a wide range of unfore-seeable events, such as weather events, epidemics or natural disasters. We need to gather information on these events as soon as possible to determine their effect on our business," said Ryota Shimazawa, Data Analyst, ANA.



All Nippon Airways' goals



Protect and increase revenue by using data insights to understand fluctuations in sales volumes and adjust strategy accordingly

Gain a clear understanding of ANA's own market share as well as that of other airlines

Deliver insight in an easily-understood format that does not require analytic expertise to interpret the information

Make timely, better business decisions based on real-time data

Understanding the whole picture

Booking Analytics provides ANA with enhanced information about its own bookings, updated in near-real time, and a more accurate picture of the current global market.

For example, the airline can identify if a competitor is increasing its market share, which might indicate a specific sales campaign or an attractive low fare. Armed with this insight, ANA can respond with its own competitive fare offering. The airline can also isolate sources of bookings to pinpoint, for example, travel agents that are driving booking spikes for

competitors. This means ANA can prevent lost revenues by making changes to pricing strategy, such as a new marketing campaign or an ad-hoc sales call.

The Revenue Management department now hosts a weekly meeting to present the regional market share of ANA to the region heads. As Ryota Shimazawa explains, *"Previously, we were unable to provide this information so regularly: we were not getting the booking information often enough to do so."*

ANA's previous MIDT solution did not have a booking class table and the airline

was dependent on industry standard information. This led to some inaccuracies when analysing data, as standard information didn't always match ANA's own booking classes. *"With Booking Analytics, we can see one table tailored to our own booking classes, and the accuracy of the data is much higher,"* said Ryota Shimazawa. *"This has changed our perception towards MIDT. Thanks to Booking Analytics, we are really getting much more value for money."*

Amadeus Booking Analytics

_Benefits from the very latest in **big data technologies**

_Allows airlines to extract **new opportunities for growth** from existing Market Information Data Tapes (MIDT) data from over 600 airlines

_Information can be aggregated and **tailored to the specific needs** of each airline

_Users can **visually monitor bookings** per route, per airline, per booking class, per agency point of sale, amongst many other dimensions, and act upon them

_Airline can better manage inventory by adjusting their booking class offering, which in turn helps **maximise revenue**

_Monitor **passenger volumes** right down to an Origin and Destination (O&D) level, with visibility to point of sale level, meaning airlines have the information they need to adapt marketing and pricing strategies.

_Informs decisions on **network planning**, such as opening of **new routes**, and **codeshare agreements**.



Empowering ANA's operational teams

A key benefit of Booking Analytics is its range of graphical modules, which make it easy for those with no analytical expertise to understand the data. **These modules are designed with the needs of each airline department in mind.** Previously, ANA needed to export the information into spreadsheets, modifying the data and creating charts.

Each department uses the solution differently. The Sales and Channel Management team can track ANA's market share by route and agency. The Sales department can identify which travel agencies they should focus on, and make decisions that allow them to achieve sales targets in terms of revenue and load factor. Network Planning uses the data to estimate demand for specific routes and to understand route profitability.

Ryota Shimazawa commented, *"Thanks to Booking Analytics' dashboards, extraction and modification is no longer required. We can instantly share the data in a highly user-friendly format with anyone who needs to access the information."*

The future for ANA and data analytics



For ANA, being equipped to react to changes in the marketplace is key. Currently, the airline's focus is on using Booking Analytics to make better-informed decisions around pricing, to monitor fares and to identify which pricing strategies generate bookings.

As Ryota Shimazawa explains, ANA may look to expand its use of Booking Analytics in the future:

"There is the possibility of using data analytics to identify new routes for our airline. We may also use it as a reference point for other business strategies such as establishing alliances."

Benefits at-a-glance

_Ability to run new and customized reports on a daily basis, an immediate benefit for ANA as previously the airline was receiving biweekly reports.

_Wide range of reports delivered in an accessible format, ensuring recipients don't need analytical expertise to interpret the data – meaning the insights can more easily be shared with a wider range of people.

_Where ANA's previous MIDT tool was dependent on industry standard information, Booking Analytics can accommodate all of ANA's booking classes. This has resulted in increased accuracy and reliability.

_ANA is planning to build on its use of Booking Analytics, combining it with other data sources to assess the potential of new routes.

Shaping the future of travel

With 30 years' experience dealing with travel data and high performance in the travel industry, Amadeus supports its customers at every step of their transformation to the next generation of Business Intelligence. Amadeus works in more than 190 countries and processed more than 590 million bookings in 2016. The Travel Intelligence unit is an area of IT diversification for Amadeus and a key strategic source of forward-thinking technology and future growth. Our ambition is to be the innovative business partner of choice for travel players by empowering the industry with the best advanced analytics solutions, in turn enhancing the traveler experience and boosting performance for our customers.