



Merchandising '17: Trends in Airline Ancillaries

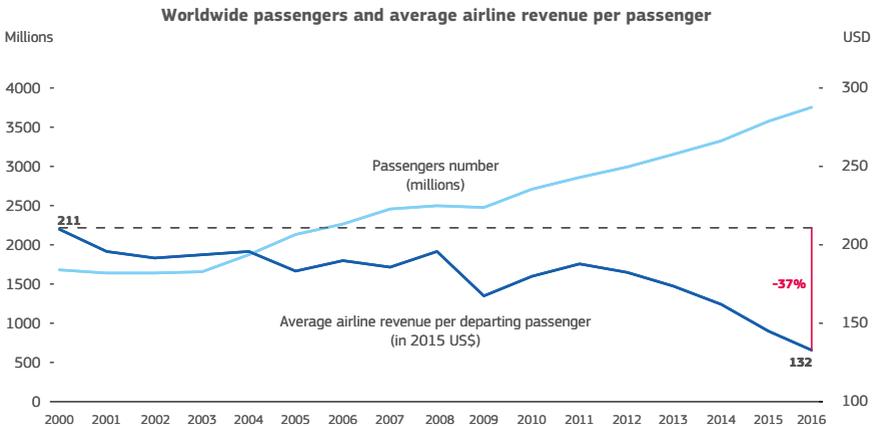


Exploiting untapped strategic opportunities

Airlines led the business world in their development of variable pricing of airfares, known as yield management, and in expanding to revenue management. Airlines continue to lead the business world, embracing the truism that all customers are different and have different needs. Customers fly with airlines for a variety of reasons, from metropolitan boardroom meetings to hangouts with college friends to far away family adventures. Airlines are progressively enhancing their offers to reflect the different needs and values of their customers. And as customers are able to get more of what they need from their airline, the airline is able to capture more revenue.

Airlines are developing this customer centricity against a challenging industry background. With airfares falling by almost 40% over the past two decades, most airline executives cite competition as the greatest challenge facing their respective firms. Established Full-Service Carriers (FSCs) face challenges from Low-Cost Carriers (LCCs) offering low fares and options priced separately, and all carriers confront an array of choices related to how to create offers and communicate with customers.

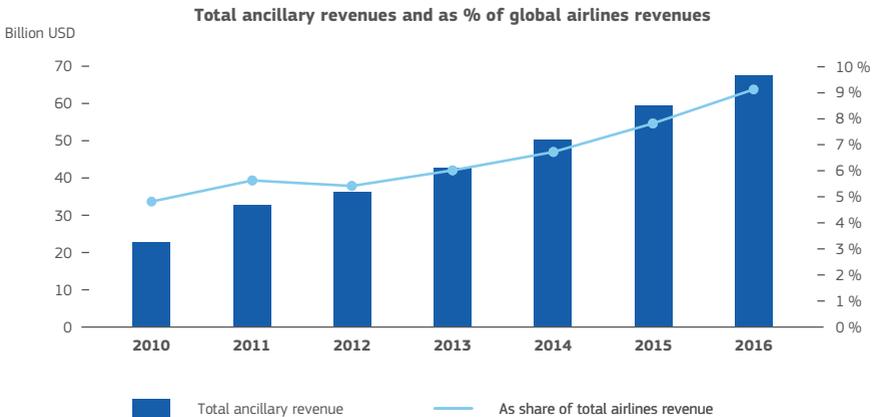
And while the industry faces challenges, demand is rising steadily. Since 2000, passenger volume has nearly doubled.



Source: IATA, Amadeus calculations using IATA & World Bank data

There have been other changes in the industry, too. In commercial departments at airlines around the world, analytics have taken hold and inform more decisions than ever. Those decisions include how, where, when, and at what price to offer options as diverse as checked baggage, pre-assigned seats, onboard meals, and hotel bookings, all of which fall broadly under the category of ancillary. Revenue from ancillary options has almost doubled as a percentage of total airline income from 4.8% in 2010 to 9.1% in 2016. Some airlines book more than 40% of their passenger revenue from these options.

As the percentage grows, and airlines recognize the competitive importance of ancillary, the need for optimisation increases. Ancillary merchandising, the art and science of creating and communicating the optimal mix of options at the right price, at the right time, represents a key driver for airline revenues.



Source: IdeaWorksCompany and CarTrawler

Getting it right: the mix, the match and the math

Therefore it comes as no surprise that carriers are both well-aware and well-positioned to monetise on this opportunity. After all:

- airlines can gain insight from aggregated customer behavior data observed during airline interactions with their customers;
- airlines are uniquely positioned to offer flight-related options, like checked baggage and pre-assigned seats;
- many customers book their flight early in their travel planning process, providing airlines with an opportunity to participate in subsequent decisions, like hotel bookings and rental cars.

Nevertheless, only a few players have so far applied merchandising techniques in a comprehensive way. Many LCCs have created separate offers and ancillary products, but have yet to apply merchandising techniques to them. Several FSCs are meeting the challenge of LCCs in their markets through ancillary offerings similar to the LCCs, but other FSCs display reluctance to offer options to customers separately from the airfare.

The reluctance on the part of some FSCs is understandable. Selecting and managing the right ancillary merchandising techniques is complex, touching on customer insights, competitive intelligence, and the ability of the management organisation to adopt a set of marketing activities previously unnecessary.

Launching an ancillary program represents a real opportunity and a real challenge. An airline can't just copy other airlines and hope to get it right. Uninformed choices can cause an airline to waste resources and valuable time heading off in unprofitable directions. But wise choices, with tactics supporting a coherent overall strategy, allow the airline to increase their customers' satisfaction, increase their revenue, and increase their competitive position.



The Accenture Amadeus Alliance has recently completed an exhaustive study that gets right to the heart of this matter, drilling down to the specifics of describing and analysing merchandising practices and actions employed in real time. The goal has been to

- create a comprehensive overview that reflects the variations in application by airlines,
- give granular details of actual implementation,
- offer sets of informative, neutral, independent data and
- provide an actionable travel guide airlines can use to benefit best from merchandising ancillary services.

To complete such wide-ranging research, the Alliance pulled together its unique, industry shaping assets; Amadeus' long and deep experience and expertise in providing services and solutions to airlines and Accenture's global leadership in digital, advanced analytics and change management. To shed light on the most important dimensions of merchandising ancillary services, the study analyzed numerous real-life examples from 5 different perspectives:

- Product strategies,
- Pricing mechanisms,
- Placement (communications activities),
- Promotion (recommendation techniques),
- Positioning (clustering and targeting).

This enabled the Alliance to describe and explain developments under each of these pillars and in this way guide airlines along their journey towards merchandising ancillary services in a way tailored to give them the best results and then gauge these against disruptors in this ever more important arena.



Amadeus

Long and deep experience
Expertise in airline services
and solutions

Comprehensive overview
Granular details
Real-time implementation
Real-life observations
Neutral data
Actionable guidance

Accenture

Global leadership in digital
Advanced analytics
Change management

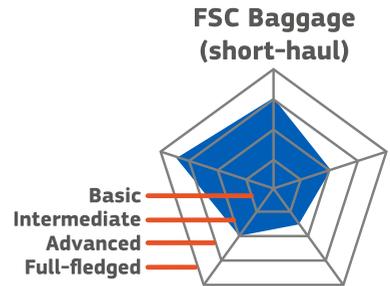
Product strategies

The study captures merchandising of the most important ancillary categories:

- baggage,
- seat assignment,
- unbundling,
- packs of services,
- cabin upgrade,
- Wi-Fi with in-flight entertainment,
- boarding privileges,
- and others².

The study depicts the current state of product strategies in each of the five major regions³ and provides relevant examples and a cross-regional comparative maturity assessment as a summary.

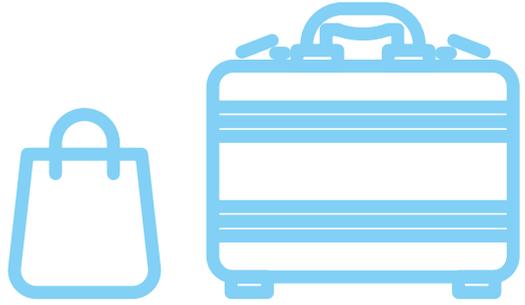
The graph below shows some criteria for assessing the maturity level, here using the example of bag services offered among the wide range of airlines studied.



Basic

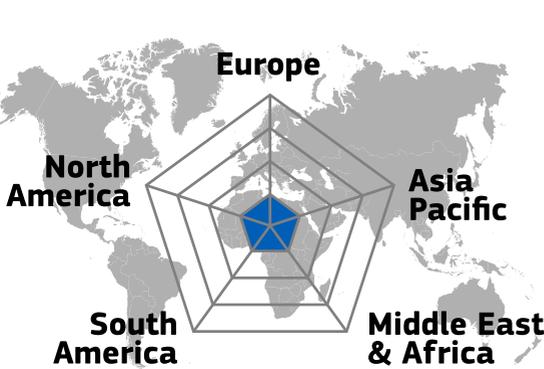
**One size fits all
generous approach**
allow 2 checked pieces included
in a fare for all

The following will give you just a few examples of positioning and merchandising for a small selection of the above-mentioned services.

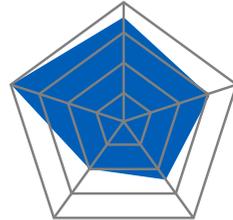


² Including: meals, duty free, extra space, surcharges & fees, dynamic fare families, insurance, third party services, fare lock, flexibility & SMS.

³ North America, Europe (with Russia), Asia-Pacific (APAC), Middle East and Africa, Latin America (with the Caribbean).



LCC Baggage (short-haul)



Intermediate

Advanced

Full-fledged

One size fits all moderate approach
1 checked piece included in a fare for all

Diversified offer with advanced merchandising
0 to 2 free checked pieces, multiple touchpoints

Highly diversified offer with advanced merchandising
additional fare options with limited carry-on allowance

Baggage and pre-assigned seats

The most commonly purchased ancillary options are for checked baggage and pre-assigned seats. The analysis has revealed regional differences in offering baggage services across touchpoints. Whereas most European FSCs offer checked baggage sales at every stage of the customer journey, from booking to check-in, this is not often the case elsewhere. Almost all LCCs offer checked baggage options separately from their base fare. Many LCCs offer the lowest price at initial booking, when the customer books the airfare, and increase the price of the bag option as the customer passes certain figurative gates, like the check-in period, or arrival at the airport, as their departure approaches.

There are several reasons for this tactic, mostly around the creation of a price incentive for a customer to

purchase their bag option early. When presented at initial booking, the customer is able to contextualise the price of the option in the price of the entire journey. Economists call this “price framing.” It also keeps the customer from having to “reach for his wallet” too often, is more convenient and affordable online – an incentive for the customer to book directly on the site – and saves both the customer and the airline’s agents time at the airport.⁴

This shows how honing a strategy to merchandise, monetise and maximise revenue on baggage services requires detailed information so the airline can make the most of its offering while avoiding a costly trial-and-error approach which may waste resources and cause confusion among airline agents and employees.

Purchase of checked baggage policies across regions and customer journey stages

Region	FSCs					LCCs in all regions
	North America	Europe	Asia - Pacific	Latin America	Middle East & Africa	
In-path purchase						
MBB purchase						
Check-in purchase						

While most European FSCs offer bags at every stage of customer journey, it is not the case elsewhere. In the case of LCCs, regardless of the region, they usually offer it all along the customer journey.

Airlines offering pack at a given CJ stage

In offering pre-assigned seat options, LCCs generally emphasize the physical variations between the seat options. Some LCCs offer up to 10 different seating zones with highlighted features, including proximity to the front of the aircraft, extra legroom, or window or aisle seats.

Some FSCs are also starting to offer pre-assigned seat options. These tend to be offered by an airline as part of a strategy to offer some fares structured along the low-fare model employed by many LCCs. Those fares are available for the same flights as other fares that include options like checked baggage and pre-assigned seats as part of the fare. The FSC is then able to offer a low fare that is comparable to the low fare offered by an LCC in the same market.

For FSCs, ancillary options present an opportunity to enhance their competitive position, in addition to meeting customers' varied travel needs. The exhaustive information from the Alliance study demonstrates that airlines have adopted multiple strategies varied by their location, type, and maturity in adopting ancillary offers.

⁴The study also takes regulatory pitfalls into account. Here, for example, the US DOT specifically forbids the use of price ranges for checked baggage, and has the authority to level hefty fines in such cases!



Bundling and packs of services

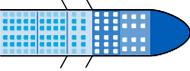
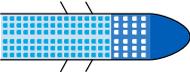
Across industries, product bundling is the act of selling several products for one price. A firm may sell only the bundle, known as ‘pure bundling,’ or may sell the bundle and the included products individually, known as ‘mixed bundling.’ There are many reasons to bundle products; for airlines, a mixed bundling strategy is a powerful way airlines can use to meet varied customer needs and maximise revenue.

Basically, it’s a way to increase volume without decreasing the list price. Some customers value only one product, but value it highly, while others value that same product less. If the airline lowers the list price, both groups of customers will buy the product, but the airline will be undercharging the first group. By bundling the product with others, the airline can continue to sell the first group of customers the product at the higher list price, and the second group, a bundle of products with the product included. That bundle would be priced higher than the individual product, but since the price would be allocated across multiple products, the second group of customers gets the product for less. Both groups are able to buy the product and the airline maximises revenue.

In the airline industry, explicit offers for bundles of products and services varies greatly across geographies and markets, and between FSCs and LCCs. Some airlines have been offering multiple fares, each with different options, for about a decade now. More recently, carriers have begun bundling services as separate from the fare. The main challenge of bundles, also known as “packs,” is to understand how different customers value the options in them, or the mix thereof, and then offer the best bundle personalised to those values. The most sophisticated applications use grouping techniques to associate a customer with other customers and anticipate how the customer will value different options. With that value estimation, bundle pricing becomes an optimisation activity that can be accomplished using linear programming.

The presentation of bundles presents another opportunity. Some airlines have adopted a strategy of using prescriptive analytics to recommend a single bundle, while other airlines offer one or more bundles to all customers. If the airline offers multiple bundles the messaging around each may be designed to help customers self-select based on their own perceived needs.

LCCs lead in many product categories, where FSCs can match without negative impact on the brand

Seat assignment	Packs of services	Boarding zones																								
<p>Some European LCCs, even though having only one economy cabin, are offering up to 10 different seat zones, with distinguished assignment charge for each</p>  <p>Some airlines, instead of creating new compartments, extend seat legroom space zone so that in some cases it takes up to 20% of the economy cabin (in the Americas)</p>  <p>Legend</p> 	<p>FULL SERVICE CARRIERS FSCs in North America and Asia Pacific regions are most advanced in terms of packs of services merchandising techniques development.</p> <p>LOW COST CARRIERS LCCs are more mature in this product category, however, Latin American and Middle East & African carriers still have some space for improvement</p> <p style="background-color: #0056b3; color: white; text-align: center; padding: 2px;">There are two main types of packs of services:</p> <p>MIXING VARIOUS SERVICES IN A MORE PERSONALIZED MANNER:</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Holiday pack</p>  <ul style="list-style-type: none"> Checked luggage Seat in central zone Fast line </div> <div style="text-align: center;"> <p>Business pack</p>  <ul style="list-style-type: none"> Discounted cabin bag Seat in front zone Lounge access </div> </div> <p>ADDING AMENITIES THAT INCREASE VALUE OF BASE PRODUCT:</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Bag + speq</p>  <ul style="list-style-type: none"> Checked-in baggage Sports equipment Additional cabin bag </div> <div style="text-align: center;"> <p>Seat + speed</p>  <ul style="list-style-type: none"> Selected Seat Business fast pass Priority boarding </div> </div>	<p>FULL SERVICE CARRIERS The only FSCs already proficient in boarding zones differentiation are from North America</p> <p>LOW COST CARRIERS LCCs are usually offering more complex solutions, proposing differed boarding zones for customers</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Boarding complex example</p> <table border="1" style="font-size: small;"> <tr> <td>Tier 1 FFP</td> <td>First Class</td> <td>Business Class</td> <td>Tier 2 FFP</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>Tier 3 FFP</td> <td>Priority boarding</td> <td>Other FFP</td> <td>Economy Class</td> </tr> <tr> <td>5</td> <td>6</td> <td>7</td> <td>8</td> </tr> </table> </div> <div style="text-align: center;"> <p>Boarding simple example</p> <table border="1" style="font-size: small;"> <tr> <td>Business Class</td> <td>Tier 1&2 Members</td> </tr> <tr> <td>1</td> <td>2</td> </tr> <tr> <td colspan="2">Other passengers</td> </tr> <tr> <td colspan="2">3</td> </tr> </table> </div> </div>	Tier 1 FFP	First Class	Business Class	Tier 2 FFP	1	2	3	4	Tier 3 FFP	Priority boarding	Other FFP	Economy Class	5	6	7	8	Business Class	Tier 1&2 Members	1	2	Other passengers		3	
Tier 1 FFP	First Class	Business Class	Tier 2 FFP																							
1	2	3	4																							
Tier 3 FFP	Priority boarding	Other FFP	Economy Class																							
5	6	7	8																							
Business Class	Tier 1&2 Members																									
1	2																									
Other passengers																										
3																										

Bundling offers an excellent opportunity to match consumer choice to consumer expectations, and when done optimally it not only gives the customer what he or she wants at the best price, it also captures the greatest revenue possible for the airline.

For more than thirty years, economists have honed bundling strategies, and the Accenture Amadeus Alliance specialises in just this sort of knowledge. The study brings together the most important aspects that account even for issues that might appear at

first glance counterintuitive. For instance, because the bag is such a dominant element of a typical pack or fare, one might overlook that the willingness to pay for it is actually quite low among many high value, last-minute bookers. They prefer to travel with hand luggage so do not require extended bag options. Therefore, bundling of amenities has to remain dynamic to be relevant to each passenger, so that the high value passenger in this example will be satisfied by receiving the lowest fare bundle to meet his needs – without any bag option!

Selected other product strategies highlights

Upgrades: there are several tactics for offering customers the ability to upgrade their cabin of service. A bidding process is most common in Eurasia. North American FSCs tend to put more effort into using upgrades as rewards, and focusing on selling the fares associated with the premium cabins. .

Priority boarding: airlines that offer priority boarding tend to do so either as part of a fare associated with a higher cabin, a reward for loyalty, or sold separately as an ancillary product. As each of these tactics serve somewhat different airline commercial strategies, in airlines seeking to advance each one, balancing the offer of priority boarding and ensuring the delivery of an appropriate boarding process can create a new challenge.



Pricing mechanisms

New technology unlocks optimization and revenue generation

Having developed successful product strategies, airlines need to apply the right pricing mechanisms to optimise ancillary revenue, as they do with airfares. Advances in data science, applied microeconomics, and retailing offer new opportunities to create the right prices for the right customers.

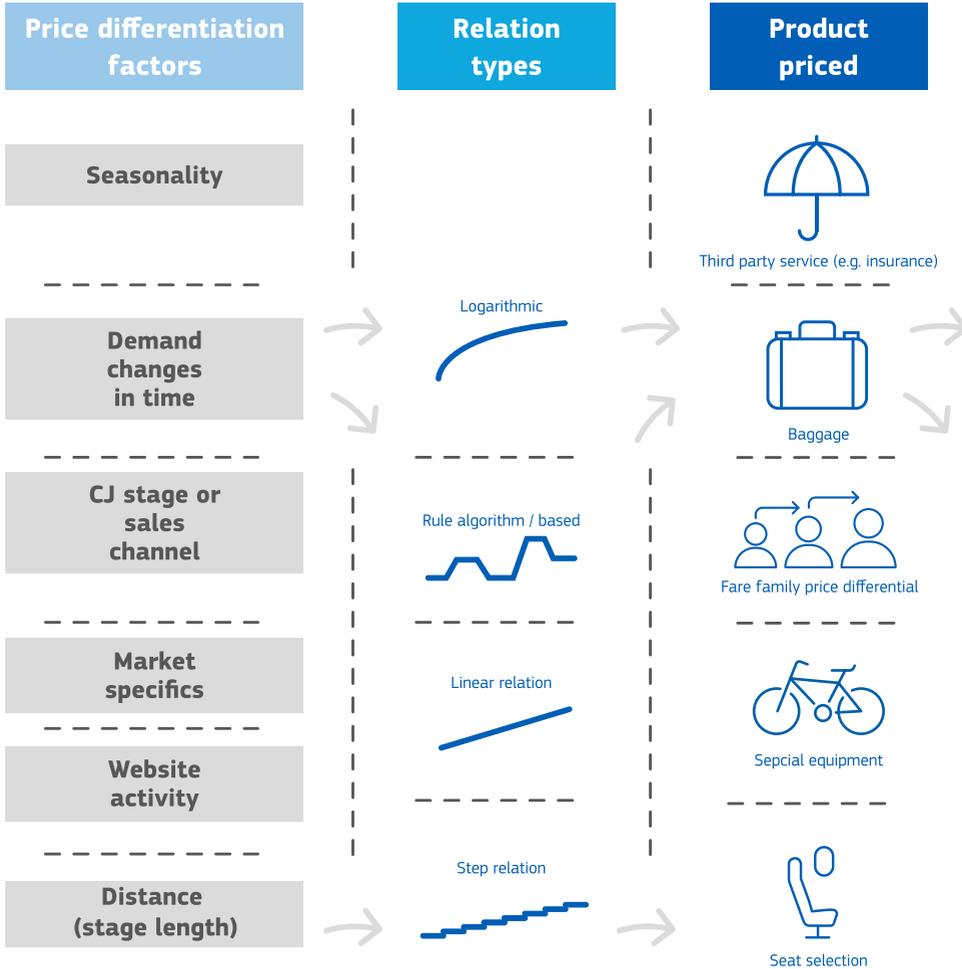
Our research indicates that airlines demonstrate different levels of maturity in the area of ancillary pricing. Many airlines offer static price points, effectively failing to take advantage of the advances in pricing now available. Some airlines using basic calculations to determine ancillary prices, including stage-length based pricing (with no longer flights associated to higher prices) and pegging ancillary pricing to fares. A very few airlines utilise more sophisticated techniques, including dynamic customer grouping, Integer Linear Programming (ILP) optimisation, and frequent changes based on the observed price elasticity of demand for certain products. Some airlines combine data science techniques with heuristics – beliefs that airline management hold about customers, markets, or other variables - to produce their ancillary pricing.

As ancillary revenue represents a greater share of their overall revenue, it's not surprising that LCCs have generally moved ahead of FSCs in the application of advanced pricing techniques.

Specifically, the research shows that some LCCs offer passengers interested in the most expensive fares the highest baggage prices. Analysis of another LCC revealed a logarithmic correlation between baggage pricing and airfare. A third LCC adjusts their baggage offer based on the number of times the customer has shopped the fare, using website analytics to vary the price.



We identified multiple ancillary pricing mechanisms in u

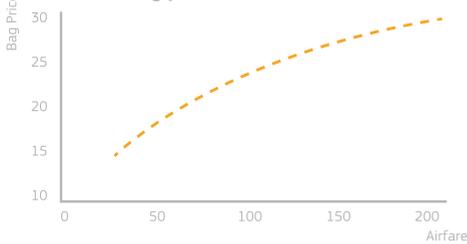


Source: Accenture Amadeus Alliance research

se, based on various price differentiation factors

Selected real life examples

Airline 1:
Fare to bag price relation



- Baggage price is logarithmically linked to airline airfare – the higher the airfare, the higher the bag price, but the pace of bag price increase is diminishing

- Consequently, bag price to airfare ratio varies from 50% (for lowest airfares) to 15% (for highest airfares)

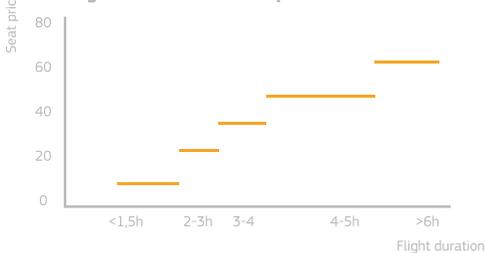
Airline 2:
Fare to bag price relation (in time)



- Airline 2 pegged ancillary price to airfare for the online in-path touchpoint

- When customer selects a fare exceeding certain threshold, the higher baggage price is proposed (for the lowest fare family)

Airline 3:
Flight duration to seat price



- Airline 3 seat selection fee is related to flight duration, but changes in seat prices are not continuous, but discrete

- Flight duration influences seat selection fee as the discomfort of travelling in a standard seat is more burdensome on longer routes



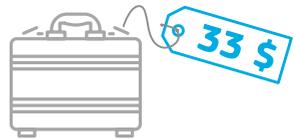
Evolution of changing bag prices along several consecutive purchase attempts



1st attempt



6th or 7th attempt



Source: Accenture Amadeus Alliance research

As with baggage options, the research indicates that airline maturity in price setting for pre-assigned seats varies from very basic static pricing, in most cases, to more sophisticated. The offer for pre-assigned seats is structured differently than checked baggage, and so the relevant techniques are different too. Pre-assigned seats are offered on a seat map of the airplane, with the location and the price demonstrating the characteristics of a menu. Menu pricing represents its own challenges and opportunities, as customers' perceptions are shaped by the prices of all of the offerings. Taking that consideration into account, some airlines are using integrated ILP models

to consider all seat assignment prices at the same time to, as it's put colloquially, "move demand up and down the plane." Insight from the research helps clarify the overall picture of how airlines across the industry are addressing ancillary pricing, and of the opportunity that exists for so many airlines to improve customer satisfaction and revenue generation.

Promotion

The power of persuasion: the way an airline approaches the customer can significantly affect uptake

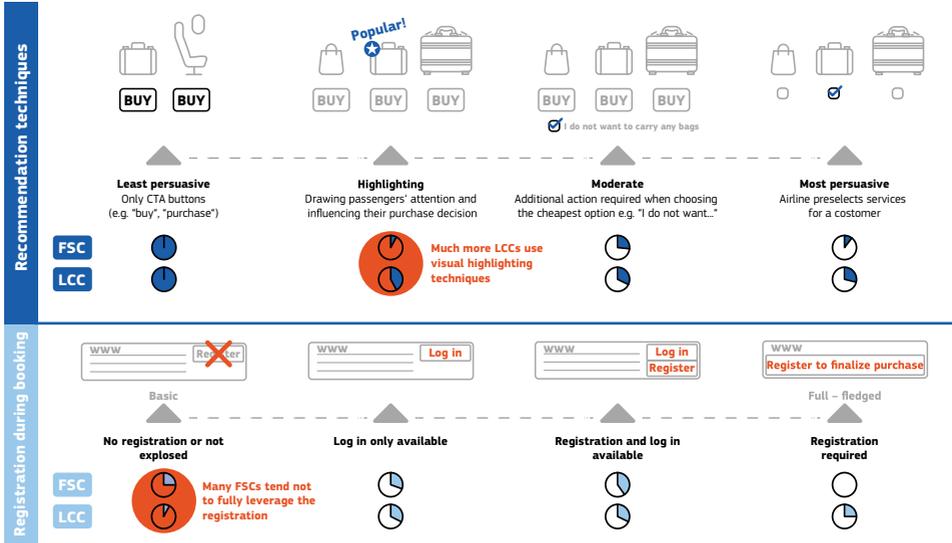
The eCommerce design and user experience offered by an airline represents a key element in how it connects its ancillary options to its customers. This section and the following one deal with how individual offers are promoted and where the offers are placed for the customer.

Airline websites serve many different purposes simultaneously, and the research indicates a wide variety of different approaches to promoting passenger purchases of ancillary services during the booking process. Comparatively, those that could be considered the most advanced utilised established best practices from eCommerce and tactics drawn from

behavioral economics (the study of how consumers actually make choices). Those designs and experiences help 'nudge' customers into making rational choices for their air travel.

Many airlines offer ancillaries in a passive, merely functional, design. In the first design approach in the chart below, an airline offers services during the booking process, but does nothing to promote them. Ancillary options are present but the offer is not compelling or engaging. A step up from this is when an airline uses visual highlighting or messaging to influence a passenger's decision. Airlines in a more advanced position engage the customer in making a decision regarding the ancillary option, to ensure the customer has understood and considered their options. A further, somewhat controversial step is known as "opt-out," when an airline pre-selects additional services using the argument that it saves time, and here the passenger has to take action to remove the added services from the booking. This practice is not considered legal in all territories.





As with all eCommerce, there are many ways to present messaging. Some LCCs encourage purchase of ancillary options by pointing out that those same options will cost more later, or may not be available if not purchased now. Other messages may stress the comfort of a certain option, like a premium seat, or the wisdom of other choices, like purchasing travel insurance.

The traditional method of evaluating these tactics is A/B testing, and some airlines do run it extensively. Most eCommerce A/B testing is designed to consider a change to the website that all customers would see. However, airlines have a unique opportunity to group customers by their likely needs, and to A/B test how each group

responds to different targeted messages.

In order to group customers as they shop on the website, the airline can leverage the data available at the time of the ancillary offering. Generally, airlines collect dates of travel, origin and destination, and the number of passengers before any ancillary offer. Some airlines also collect the traveller's details before surfacing any ancillary offers, which allows for even more accurate merchandising. A few LCCs also require registration before booking a ticket, allowing for the airline to better communicate with those customers, and adding them to the general marketing database.

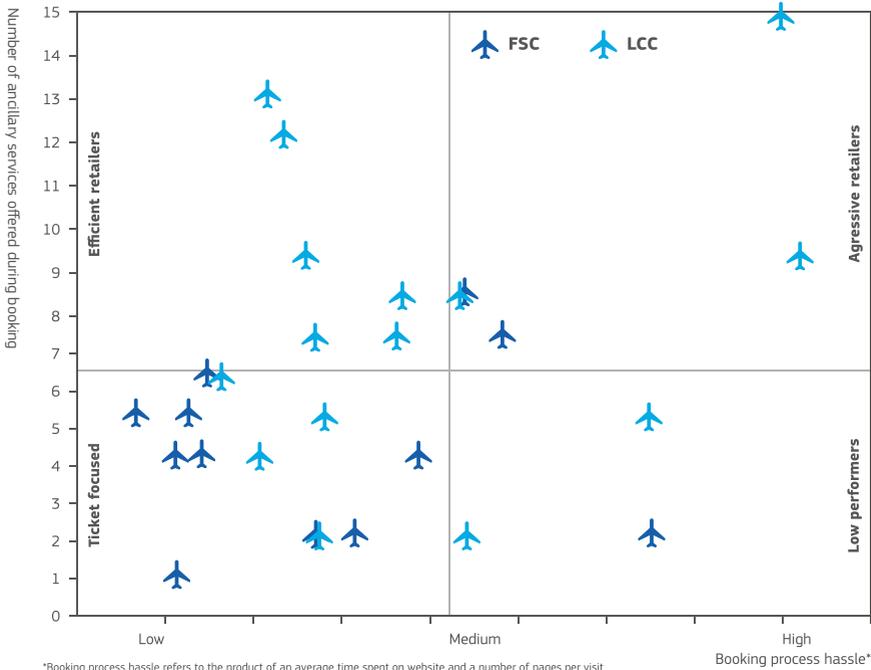
Placement

Making your presence known

In addition to promotion of a specific offer, the channel and time are also important considerations. Airline websites, including web check-in and mobile interactions, are the focus of the ancillary merchandising strategy, along with triggered communications - generally emails - regarding the customer's trip.

The first opportunity for the airline to offer ancillary services usually occurs during the initial booking process on the airline's website. eCommerce best-practices generally focus on the clarity of the offer and the minimisation of any negative user experience. Many retailers who offer commoditised small consumer items focus on the time, in

Airlines merchandising maturity in direct online channel (website)



Source: Accenture Amadeus Alliance research



seconds and in clicks, necessary for the customer to complete a purchase. Using this same concept, the research showed how various airlines performed based on the number of ancillary offers and the time required to complete the initial booking. Results indicate that some airlines make quite a few offers to their customers in a quick and efficient manner. Others take more time, either due to the number of pages in the sales funnel, or “booking flow,” or due to slow page load times. Airlines that consider a rapid booking process to be essential to their website can still offer multiple ancillary products.

Positioning

Getting personal: targeting the right customers with the right offers

Airlines can refine their offers based on the anticipated needs of customers across all promotions and placements. The concept of “customer segmentation” has been around for decades. It is the process of grouping potential customers by persistent characteristics, including age, number of children, and household income. Many industries use this technique widely. Another grouping technique, known as “cohort assignment,” groups customers by more

The Accenture Amadeus Alliance can help airlines streamline the entire process. It can also propose the proper trials and testing to detect and correct errors before they can occur and to combine a great variety of services on offer but still assure a smooth, customer-friendly booking process.



temporal considerations: what they are doing at the moment. In travel, the concept is to associate customers travelling for similar reasons into groups and use that grouping to drive merchandising.

Many airlines still use campaigns and messaging that is the same for all customers and potential customers. Several airlines use customer segmentation to create and drive their market-

ing campaigns, featuring destinations and messaging likely to appeal to people within those groups. Some airlines also try to communicate differently to business travellers and those travelling for leisure, which is an example cohort assignment. Some airlines have recognised that the binary distinction of business versus leisure is not sufficient to describe what a customer will need on their trip. Is the leisure trip a short one to see the customer's daughter graduate from university, or the customer's big annual vacation for two weeks at a beach?

Recognition of the need to develop the capability to predict the relevance of offers based on the customers' needs has increased in the airline industry, though specific applications are few and far between. One airline has a design to surface different types of rental cars based on a customer's cohort, and tailor the messaging to emphasise the quality of the vehicle or the savings.

One airline has created a marketing automation system matrix with rules and logic to target customers with relevant up-sell products. A total of 76,000 unique emails were dynamically generated resulting in a 197% increase in up-selling revenue over just one year. In terms of the nature of the offer, personalizing the messaging

includes recognising the customer by (preferred) name or their previous interactions with the firm. Across industries, personalised emails enjoy higher open rates and higher engagement. Some airlines follow the eCommerce standard of using previous browsing history to personalise their website when a customer returns. Examples include banners with offers that specifically target searches the customer has made previously, often with appropriately pre-filled search boxes. If a customer shops a particular destination but does not purchase, some airlines will remarket to the customer, sending an email about the specific destination or using retargeting advertising to encourage the customer to return.



Guiding airlines on their journey to superior merchandising

Our research demonstrates the wide array of choices made by airlines around their ancillary offers. The offers give customers the ability to choose options, products, and services that will enhance their travel experience, and only pay for those they value.

The relevant considerations to find the right ancillary merchandising strategy are complex. Some elements require advanced data science and applied microeconomics. But the rewards are worth the effort. As airlines advance the maturity of their offers, they will progressively improve their customers' experience and their revenue. Airlines can maintain their brand and improve their competitive position.

Various geographies and business models

- PREMIUM F SC
- TRADITIONAL F SC
- VALUE F SC
- HYBRID LCC
- ULTRA LCC



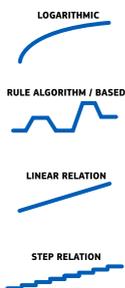
- NORTH AMERICA
- SOUTH AMERICA
- EUROPE
- AFRICA
- & MIDDLE EAST
- ASIA-PACIFIC

Various merchandising technique

VARIOUS PRODUCTS



PRICING RELATIONS



PROMOTION



PLACEMENT



POSITIONING

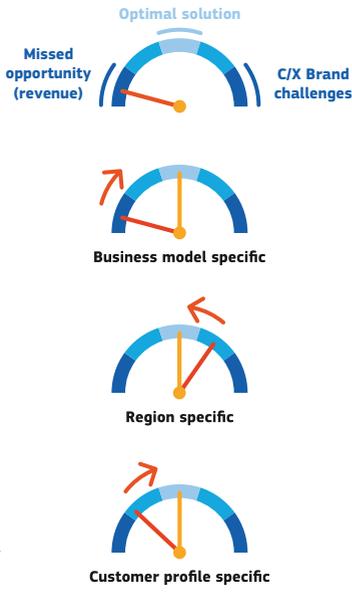


Guiding airlines as they make such far-reaching decisions is precisely why Amadeus and Accenture formed their Alliance. The Alliance pulls together Amadeus' unparalleled, deep industry expertise and handling massive data and Accenture's global leadership in digital capabilities, advanced analytics and change management to deliver industry-shaping assets that give

airlines tangible, actionable and sustainable guidance while taking proper account of all aspects of their business: regional specificities, business models, customer profiles, brand perceptions, etc. This Alliance study aims specifically at helping airlines turn their visions for merchandising ancillary services into reality.

This journey, like all well-planned travel, starts with good research. Your customers seek, appreciate and even demand comprehensive, unbiased information when they make their travel plans. They not only want the best deals, they also want to find the best sights, and get to them in quickest, easiest and cheapest way possible, while avoiding missteps, pitfalls and especially costly and time-consuming tourist traps. After all, their time, effort and funds are limited. Airlines have the same reasons for searching out and demanding nothing less: exhaustive, neutral and clearly actionable research so they do not waste valuable time and resources, a tour guide to lead them along their journey towards transforming their ancillary service merchandising and reaching their destination in the fastest, most expedient and affordable manner possible, making stops only where necessary and maneuvering around all the traps and pitfalls.

Optimal ancillary solution



SETTING OPTIMAL ANCILLARY SOLUTION TAKING INTO ACCOUNT GEOGRAPHIES, BUSINESS MODELS, CUSTOMER PROFILES AND VARIOUS MERCHANDISING TECHNIQUES



Accenture Amadeus Alliance Traveller trends research is an excellent travel guide when it comes to this journey

– not only because of all the data. Dedicated Alliance specialists are available to consult and bring it all alive. They accompany airline clients every step of the way through what it all means for them individually until they can create the framework that fits them best, and then go on to help them scale and adapt with agility over time as their needs change and grow.

Before you take the next step on this journey, contact your Accenture or Amadeus representative or visit amadeus.com or accenture.com



About Amadeus

Amadeus is a leading provider of advanced technology solutions for the global travel industry. Customer groups include travel providers (e.g. airlines, hotels, rail and ferry operators, etc.), travel sellers (travel agencies and websites), and travel buyers (corporations and travel management companies).

The Amadeus group employs around 15,200 people worldwide and does business in more than 190 countries. The company has central sites in Spain (corporate headquarters), France (development) and Germany (operations), and offices in 70 countries around the world.

This year marks 30 years since Amadeus was founded. Throughout 2017, the company will be celebrating 30 years of collaboration with customers, 30 years of technological innovation and 30 years of helping power better journeys for travellers all over the world.

The group operates a transaction-based business model.

Amadeus is listed on the Spanish Stock Exchange under the symbol "AMS.MC" and is a component of the IBEX 35 index.

To find out more about Amadeus please visit www.amadeus.com, and www.amadeus.com/blog for more on the travel industry.

© 2017 Amadeus IT Group
and its affiliates and subsidiaries



About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world's largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 373,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives.

www.amadeus.accenture.com