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How SunExpress improved revenue generation opportunities and boosted yield by deploying a unified seat only and tour operator allotment PSS platform



Client Overview

SunExpress was founded as a joint venture between Turkish Airlines and Lufthansa in October 1989. Based in Turkey, the airline has three main traffic streams: it serves the tour operator market for the European community into Turkish destinations; it is the largest carrier for ethnic travel (VFR) between Germany and Turkey; and it is Turkey's largest domestic carrier outside Istanbul. Through its scheduled and chartered flights, SunExpress carries around ten million passengers per year, serving more than 70 destinations in Europe, Africa, and the Middle East.

The airline has a complex distribution landscape, including strong direct sales, new distribution channels (Metas, modern aggregators, and OTAs), as well as traditional GDS and airline partnerships. With a strong focus on delivering best-in-class passenger experiences, SunExpress invests heavily in innovation, including being among the first 21 members of the IATA NDC Leader Board.



The Context

One of the major markets for SunExpress is the European tour operator package business, which is unique in that it is allotment based and not full charter based.

So SunExpress needs to fill its planes with allotments from multiple tour operators and also from seat only sales through regular distribution channels. Like all other scheduled and charter airlines, SunExpress was using multiple systems and teams to manage both business lines, which resulted in missed revenue generation opportunities, missed ancillary sales opportunities, and costly overheads.

In addition to a robust PSS that could accelerate and broaden its digital distribution capabilities, the airline was in the market for a solution that could address the needs of both its scheduled and chartered business models. Generating additional ancillary revenue from tour operator passengers was also a strategic priority. Following an exhaustive evaluation process for a revenue-managed single inventory solution, SunExpress selected IBS Software's iFly RES platform.



Key Challenges

- **Lost revenue generation opportunities:**
 - Multiple teams managing disjointed inventories caused delays in identifying if soft allotments could be opened for seat only sales
 - Inconsistent revenue management on the same flight and market for allotment inventory vs seat only inventory as it was handled by separate teams in separate systems
- **Cost overheads:**
 - Cost of operating different systems and managing multiple vendors
 - The resources required to monitor the systems and ensure that data was being synchronized across them was high given the significant amount of manual intervention, including maintaining multiple Excel spreadsheets per partner agreement
 - Two Revenue Analysts were required to steer each flight and manually synchronize inventories for the same flight
 - Inconsistent revenue management across two systems resulted in complaints and lost business from tour operators

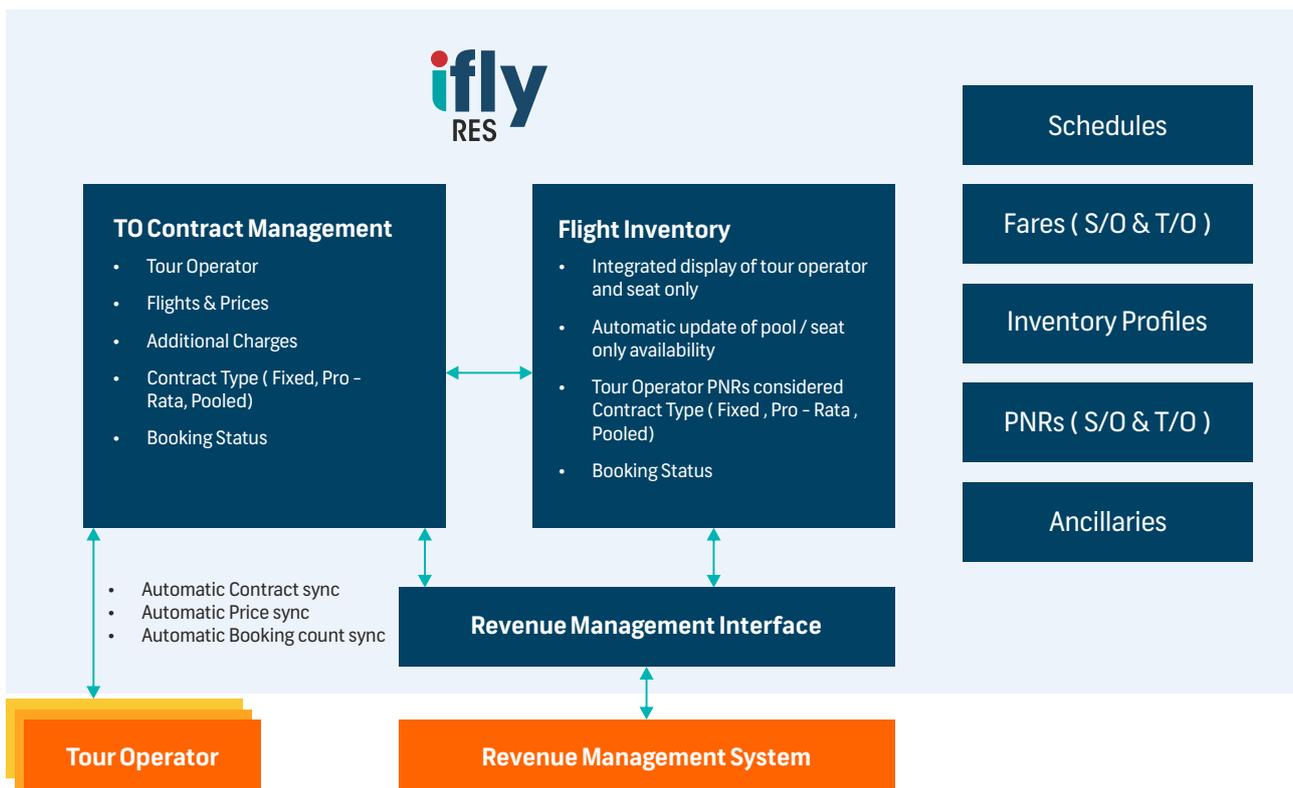


The Solution

IBS Software worked closely with SunExpress and Revenue Management Systems Inc. (airRM) to build a solution that ensured tour operator allotments and schedule (seat only) inventory could be managed and optimized through a single inventory record.

The solution includes a contract management module directly in the PSS that enables creating tour operator contracts (Fixed, ProRata/Soft and Pooled) that are automatically synchronized with tour operator systems. The solution enables the synchronization of allotments, prices, and booking counts with tour operator platforms removing the need for excel sheet based manual processes.

Automatic creation of tour operator allotment records within a single inventory record is also used for steering seat only sales. This ensures that revenue analysts have an automatically synchronized and consolidated view of the flight, allowing them to make consistent revenue management decisions. In addition, the solution supports the ability to exchange allotment, prices, and booking count data with SunExpress' revenue management system (RMS), including the ability to receive recommendations from the RMS for tour operator allotment and prices. This allows revenue analysts to further steer ProRata contract allotments and seat only allocations based on contract threshold dates, which are automatically updated to tour operator systems.



The single inventory record also ensures efficient management of pool allotments, which are seats shared between tour operators and scheduled seat channels on a free sale basis. These allotments are nested together with the seat only inventory and controlled using rules maintained within iFlyRES. The integration with the RMS ensures that revenue analysts can also dynamically optimize the pooled allotment, seat only inventory, and related prices to maximize revenue.



The complex implementation involved connecting and migrating over 115 tour operator interfaces to the new platform with zero disruption to exchange real-time contract, allotment, pricing, and passenger data between existing systems. The migration also required no downtime to online ancillary sales for tour operator passengers and check-in operations.

Key Results

Increase in overall revenue and recovery from pandemic

The initial implementation of the solution contributed to 2 years of record profits for SunExpress. The solution has been even more helpful for SunExpress during the pandemic and has ensured that they could be resilient through this phase and recover quickly after the crisis. The single inventory solution allowed SunExpress to be very flexible with its Tour operator partners and efficiently make decisions on how to manage allocations and allotments. SunExpress has been able to double its capacity every two months and post record numbers compared to pre-pandemic numbers. This has also boosted the airline's credibility and improved its relationship with its partners.

More efficient operations

SunExpress can now work more effectively with tour operators to manage contracts and optimize allotments through a single inventory. The airline also reduced operating costs by replacing multiple inventories and systems with a unified platform.

Improved tour operator relationships

Synchronized and consistent pricing across channels have improved tour operator relationships, resulting in more business opportunities for SunExpress.

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