



Transforming Voyager into a Profit Centre



Client Overview

South African Airways (SAA) is one of the largest African carriers and a member of the Star Alliance. SAA also hosts one of the major FFP programs in the region, called Voyager. Voyager has over 2.5 million members with more than a hundred airline and non-airline partners.



The Context

Voyager was not as rewarding as SAA would have liked it to be. It was still running on a mainframe legacy system whose rigid nature made expansion and scaling up difficult. SAA also found loopholes in the system that led to fraudulent transactions and revenue leakages. To overcome these challenges and to help SAA make Voyager a profit centre, IBS proposed its loyalty management solution iFly Loyalty. iFly Loyalty is purpose built, domain specific and highly configurable and could meet the complex requirements of SAA and its future growth plans.

Maintenance & Revenue Leakage

The legacy system used by SAA to host and maintain its Voyager program became increasingly difficult to maintain and also expensive, with even a minor change resulting in days of work. Also, the shortage in relevant skill-sets became a pain point. The system was susceptible to frauds and this led to considerable revenue leakage. This was a huge challenge that the SAA team faced and the most critical aspect of improving the program's operational efficiency.

Partner Integration

Even with a wide array of partnerships across industries, SAA found that on-boarding a partner to the loyalty program was a big challenge. Establishing required integrations and associated configurations were quite expensive. The system also lacked the flexibility to facilitate easy integrations with these partner systems, thereby making file exchanges complex.

Customer Experience

On the customer experience front, SAA was crippled by the lack of availability of customer data in the form required to drive better member engagement. Absence of a proper mechanism to understand customers and partners better adversely affected the success and reach of the program. Giving a cutting edge customer experience along with seamless integration with other peripheral systems was important but could not be realised due to the legacy platform's inability to scale up.

Challenges

- Low flexibility of legacy platform
- High operational costs for maintenance
- Difficulty in on-boarding and integrating with partner systems
- Difficulty in incorporating industry standards into the system
- Lack of proper customer engagement mechanisms





The Solution

When IBS took over implementation of the Voyager's solution platform, the objective was very simple.

“To build a system that can transform the way loyalty business is performing by making it a profit centre which involves minimal cost of ownership and flexible enough to quickly respond to key market initiatives without impacting the operational efficiency.”

The seamless integration with all self-service channels supported by SAA extending to its members and partners aided by iFly Loyalty brought a centralized approach to store customer data and to effectively use them for targeted campaigns and promotions in addition to a series of passive measures like reporting and dynamic querying.

One critical aspect of the implementation was migration of existing data from the legacy system. Profiles of almost 2.5 million members were migrated from the old system having 3 years of transaction data. This data was tested in 5 dry runs to avoid any discrepancies and the final cutover migration took less than 15 days – including a 48 hr non-availability window.



Key Results

With the adoption of iFly Loyalty, South African Airways managed to accomplish what it had been envisioning for its loyalty program. A solution that has drastically reduced the cost of ownership and is also flexible enough to undergo changes as desired has helped South African to evolve its planned business initiatives into market faster. With this and many other features of iFly Loyalty, Voyager is today transforming itself into a profit centre.

Right Solution at the Right Time

With the implementation of iFly Loyalty, Voyager finally managed to experience the benefits from its proposition. The implementation enabled them to run the Voyager program and the corporate program OnBiz on a single instance of iFly Loyalty, thereby bringing the centralized system to run and manage multiple loyalty propositions. This improved their operational efficiency by avoiding overheads related to two different systems for managing loyalty programs.

After adopting iFly Loyalty, SAA found it easier to be compliant to industry standards and regulations of STAR Alliance, of who they are a member. With iFly Loyalty in place, regulatory and compliance changes could be brought about faster and cheaper with least impact on operational efficiency. Strategy changes around accruals, redemption pricings, running promotions and so on became easier, leading to dramatic changes in cost of ownership and maintenance.



Key Features of the Implementation

-  Fully Compliant for Star Alliance PAI2 requirement
-  Enabling full configuration and control on business interfaces with over 100 Airline and Non-Airline partners
-  Enhanced fraud detection and prevention mechanisms
-  Integration with Communication channels like Email, SMS & Fax
-  Automated Service Request creation from scanner, fax & emails
-  Integration with – SAP (Financial System), Teradata (Data warehouse)
-  Integration with Amadeus for profile updates & online redemption (IRU-Award Shopper)
-  Dynamic redemptions to offer more ease and flexibility for redemptions encouraging members to spend miles
-  Availability of data for IFRIC13 Compliance

Ease in configuring and setting up dynamic redemption options helped the Voyager program to increase redemption activities and improve member engagement strategy. Ease in setting up various types of promotions without having to change underlying source code or database helped them to adopt market strategies faster.



Key Benefits

- Running multiple programs (Individual FFP & Corporates) on a single platform – 'iFlyLoyalty'
- Reduced the overall cost of ownership to manage and maintain the platform
- Reduced revenue leakage with effective fraud prevention and detection mechanisms
- Reduced calls to Service Centre after Amadeus Award Shopper integration
- With revenue leakages under check, Voyager's revenue soared by over 32% in the 2013 FY
- Benefits from IBS' product roadmap investments & user-community based development at no additional costs



About IBS Software

IBS Software is a leading SaaS solutions provider to the travel industry globally, managing mission-critical operations for customers in the aviation, tour & cruise and hospitality industries. IBS' solutions for the aviation industry cover fleet and crew operations, aircraft maintenance, passenger services, loyalty programs, staff travel and air-cargo management. IBS also runs a real-time B2B and B2C distribution platform providing hotel room inventory, rates and availability to a global network of hospitality companies and channels. For the tour and cruise industry, IBS provides a comprehensive customer-centric, digital platform that covers onshore online and on-board solutions. IBS Software is a Blackstone portfolio company and operates from 11 offices across the world.

Further information can be found at <https://www.ibsplc.com>



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