



Enabling seamless business growth
with successful LCC-FSC
integration for a leading OTA



Client Overview

The customer is a leading Online Travel Agency (OTA) in the Asia-Pacific region, with a huge share of the Japanese market in particular. It facilitates both domestic and international air travel for passengers and also caters to a host of ancillary services such as holidays, hotel bookings and insurance. IBS has been a long-term technology partner for the customer, empowering it with digital technology services to propel its growth ambitions. The customer sees the IBS partnership as a key strategic asset to explore the global expansion of its business units.



The Context

The customer had partnerships with leading airlines and other travel and hospitality players to offer a plethora of services to travellers. The partnership allowed the customer to negotiate fares with these providers and offer affordable options to the travellers. However, the entry of big global players with access to a wider pool of international and domestic Low Cost Carriers (LCC) as well as Full Service Carriers (FSC) impacted the ticket sales of the customer. Travellers had more options in terms of destinations and fares from these players and hence the customer was gradually losing its market share. Besides that, the airlines themselves were offering better booking experiences, flexible travel options and lower fares directly to the travellers through their own websites.

The customer wanted to have a solution that would help it achieve increased regional growth as well as fuel its ambitious global expansion plans. It wanted to provide travellers with booking options sourced from multiple LCC and FSC systems at the best possible rates.

IBS built a scalable airline fare aggregation engine that would easily enable the customer to accommodate the best LCC and FSC airlines in its service portfolio. In addition to bringing on-board over 10 different LCCs and several FSC players, the IBS solution provided the customer with a scalable booking engine that can cater to multiple business service lines like booking of hotels, taxis, buses, and tour packages.



The Challenges

Limited travel choices

The customer was able to offer LCC services from only a single fare source—one Global Distribution System (GDS) in the region—thereby limiting choices of destinations and travel routes for travellers. It wanted to provide more choices of air travel by providing coverage of more LCC services from its operating markets.

Higher fares

Since the customer relied on a single GDS to obtain flight services for travellers, the fares offered were higher because of the lack of exclusive LCC options. Additionally, the customer could not offer FSC options to travelers owing to lack of integration with Passenger Service Systems (PSS) of

major FSCs. Higher fares were driving away customers to more powerful players in the region as well as directly to airlines that could offer lower rates and avoid agent commission.

Constrained service market size

Without an increased LCC and FSC travel coverage, the customer was facing severe constraints in its global expansion plans. Lack of provision for a wider choice of airlines, negotiated rates and guaranteed availability were hampering the customer's aspirations to transition from the number one OTA player in its region to a global giant in travel.

Lack of domain knowledge

The customer did not have critical domain expertise to incorporate new LCC and FSC fare sources as it was predominantly an OTA player. For providing a holistic travel experience for end travellers, it lacked a robust and focused plan to on-board global travel systems that provided access to the best LCC and FSC portfolio needed for expansion.

Timeline to market

Due to rapid competition from global players, the customer wanted its service portfolio to be expanded with more LCC and FSC carriers at the earliest. Delays were causing significant flocking of passengers to other OTA players as well as directly to airlines that had more economical options.



The Solution

The core solution was transitioned into the critical backbone of a universal shopping engine for the customer wherein, travellers could take care of multiple needs, including air travel, hospitality, local transport and leisure, from a single point.

Wider portfolio

The IBS solution enabled the customer to offer a significantly large choice of LCC and FSC destinations for travellers. This enabled the travellers to enjoy affordable options for regional or international travel plans.

Extensive global expansion

With a wide network of airlines in the LCC and FSC sector in its portfolio, the customer was able to significantly expand its global presence. Passengers could book travel to more destinations at better fares, thanks to the intelligent fare aggregation capability of the IBS solution. This became the core enabler for the customer's ambitious growth plan across the globe as more airlines could be brought on-board its catalogue rather easily.

Valuable domain knowledge

IBS being one of the world's most preferred airline technology solutions vendor, was able to utilise its strategic domain knowledge to develop and implement the entire solution without disrupting the core business systems and by complying with all guiding principles of the aviation and travel industry worldwide.

Faster time to market

With IBS' strong techno-functional expertise, the customer could complete this large technology-led business expansion exercise in less than 40 days with minimal disruption while ensuring long-term returns on investments.

Improved profitability

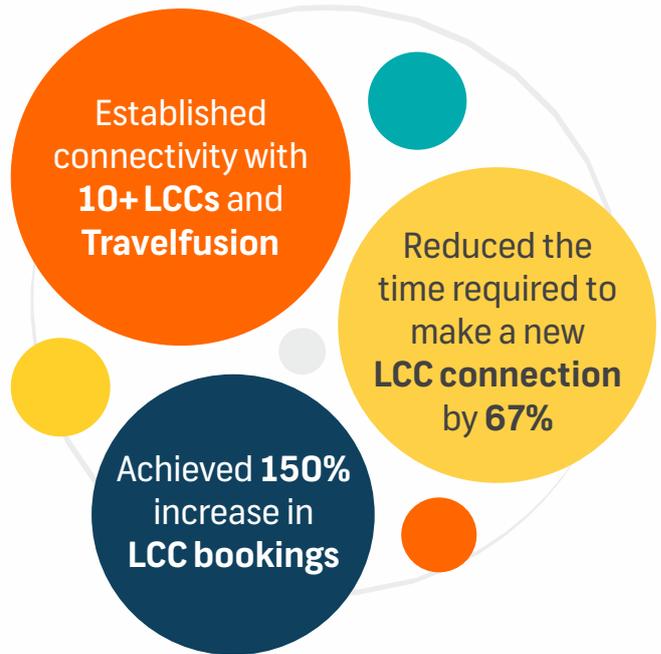
The customer was able to obtain fares of multiple airlines for its users without incurring high costs, thanks to the GDS integration. This led to significant reduction in operational costs and ultimately improved the profit margins.





Key Outcomes

The customer was able to continue with its core vision to enhance traveller experiences with the best of technology solutions. IBS was pleased to partner and guide the customer to grow its regional presence with robust technology solutions. The engagement provided significant benefits in terms of creating valuable experience for travellers and also provided the customer with a striking edge in terms of technology competence. With timely delivery and proactive consulting approach, the customer continues to work with IBS for strengthening its existing as well as building newer business competencies with such state-of-the-art technologiesolutions.



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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