

AIR FRANCE



Air France Case

OPTIMIZING INTERNET MARKETING

TEAM 13

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Agenda

1. Company Overview
2. Problems
3. Regression and Correlations
4. Publisher Analysis
5. Campaign Analysis
6. Bid Strategy Analysis
7. Recommendations

Company overview



BASED IN FRANCE



213 AIRCRAFTS



\$23.2 BILLION ON ANNUAL REVENUE



44.8 THOUSANDS OF PEOPLE EMPLOYED



2,300 FLIGHTS A DAY



\$293 MILLIONS ON NET INCOME



Problems

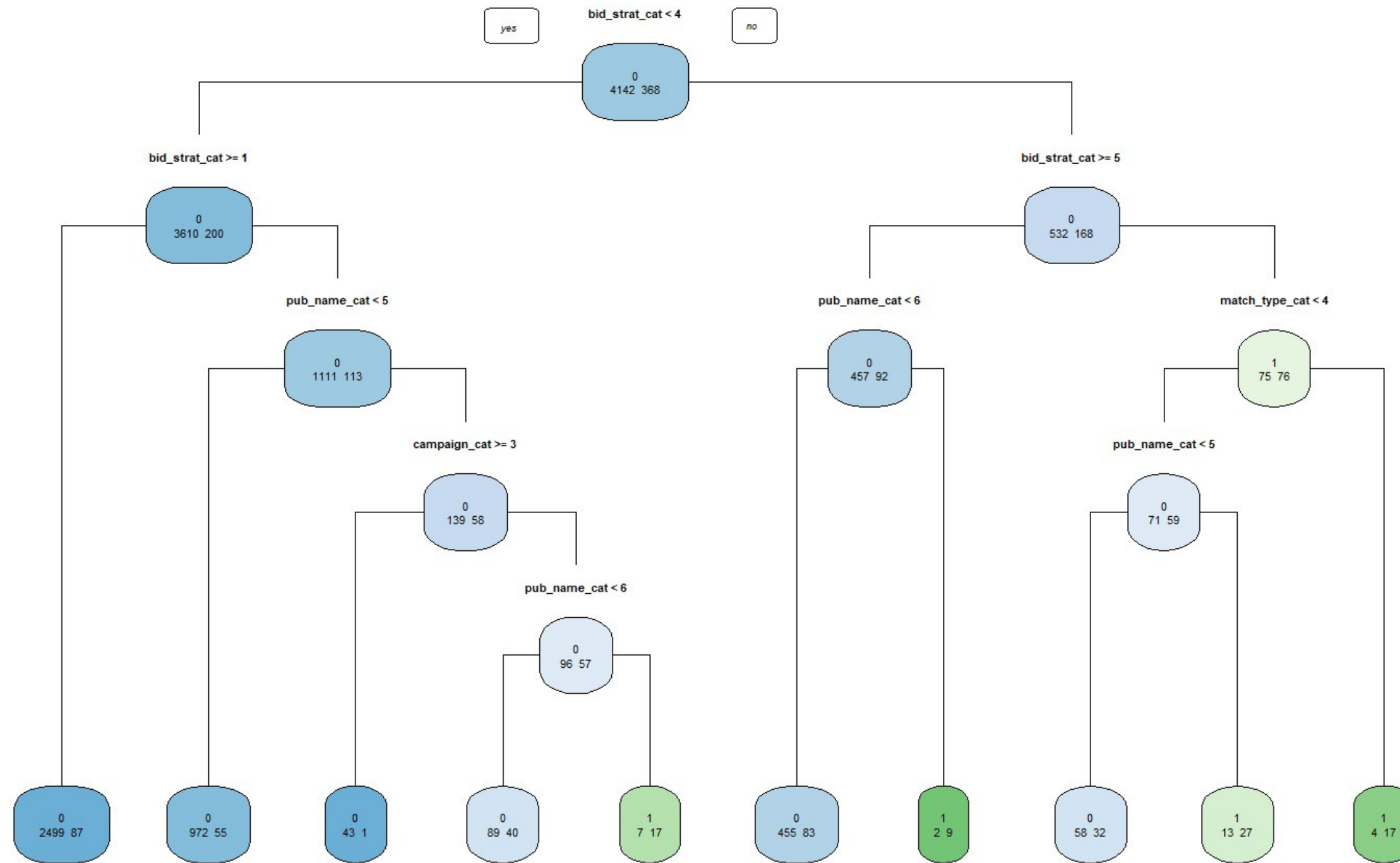
1. Transformation of travel industry towards Internet
2. Search Engine Marketing
3. Media Contracts and Its Partners
4. Elevated cost per click whilst low conversion rate



Analysis: Business success

- To measure business success, Total Volume Booking was chosen as a outcome variable.
- Observations that have At Least One Booking were classified as successful.

Gini Tree Model



- Biggest impact:
Bid strategy
- Other significant variables:
 - Publisher
 - Category of campaign
 - Match type

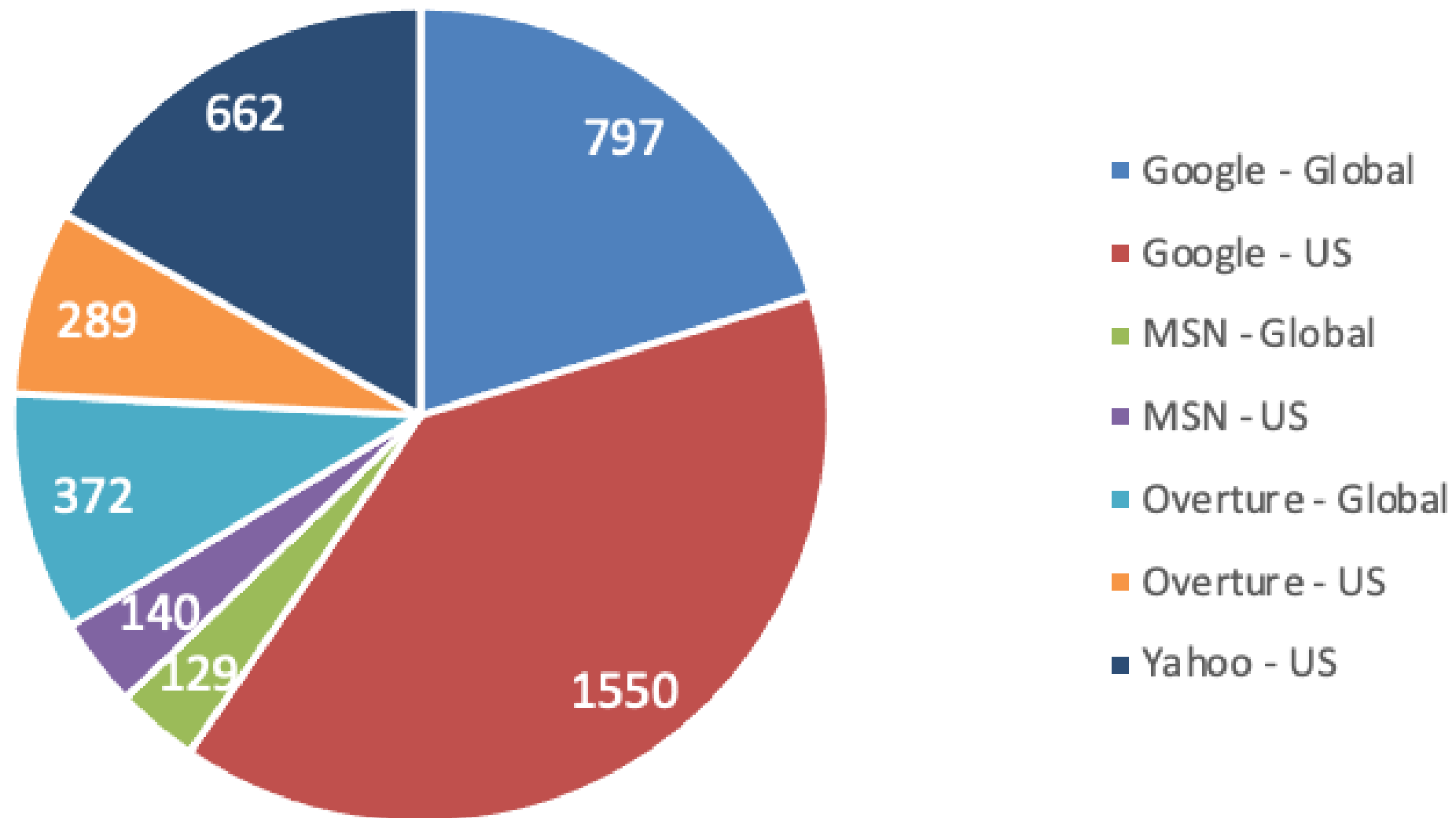


Regression and Correlation

IMPACTFUL VARIABLES

- Publishers
- Campaign
- Bid Strategy


Total Volume of Bookings - Publisher



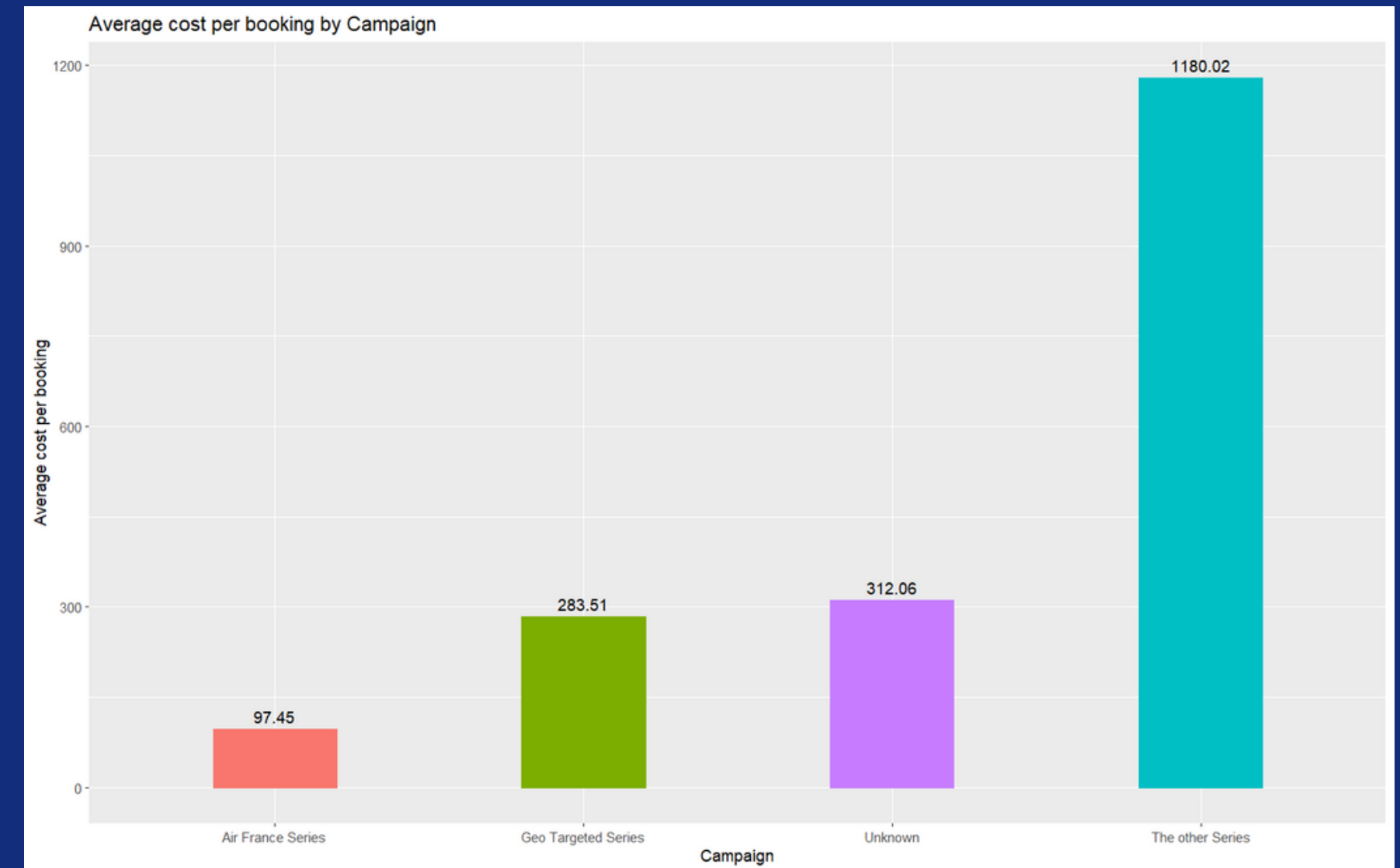
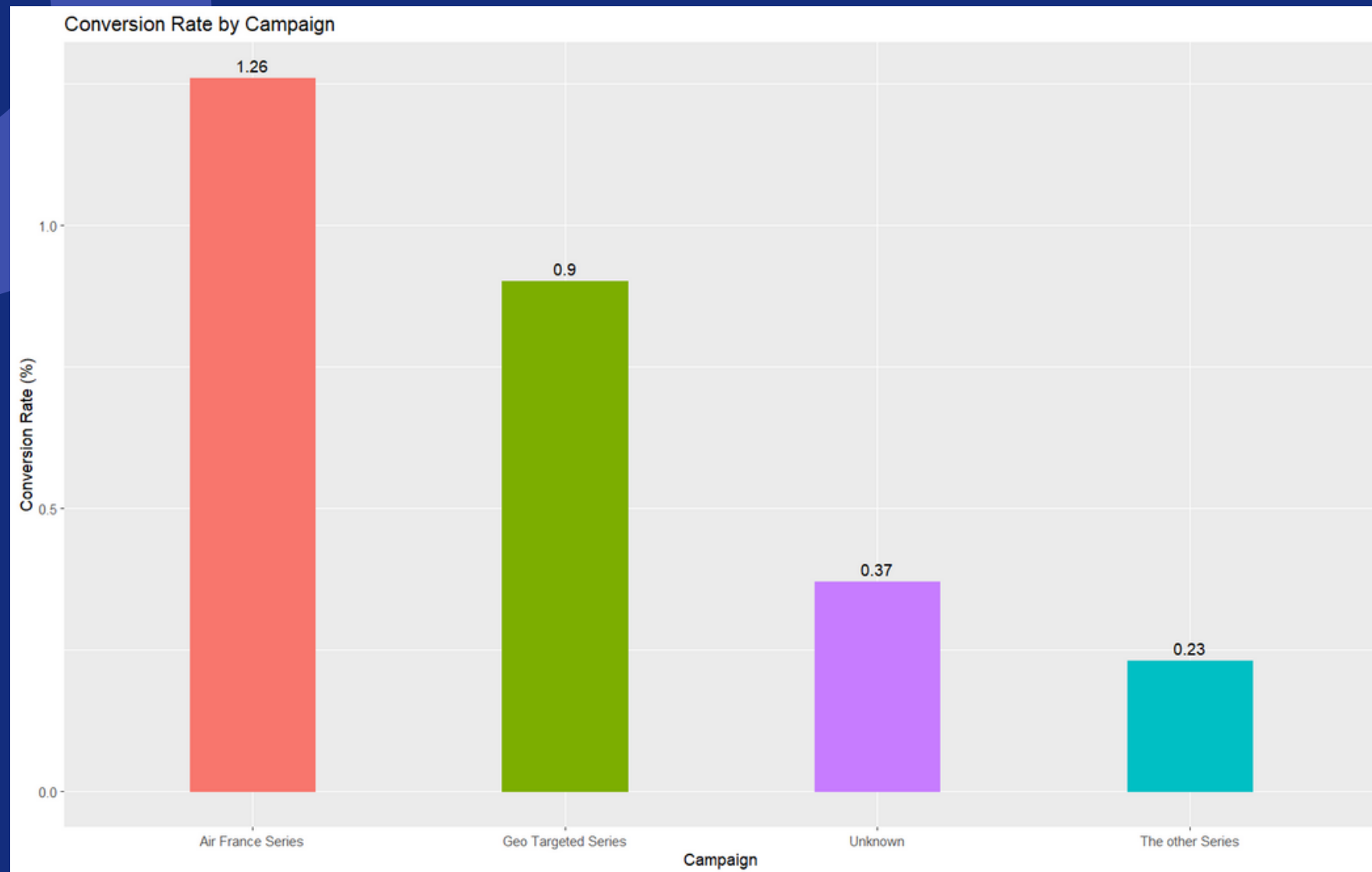
Rank:

1. Google - US
2. Yahoo - US
3. Overture - US
4. MSN - US

Financial Overview - Publisher

Publisher	Average Revenue per Campaign	Average Costs per Campaign	Average Profit Margin
Yahoo - US	\$1,389.43	\$72.75	 94.76%
MSN - US	\$1,852.55	\$164.27	91.13%
Google - US	\$842.82	\$170.76	79.74%
Overture - US	\$525.62	\$214.79	59.14%

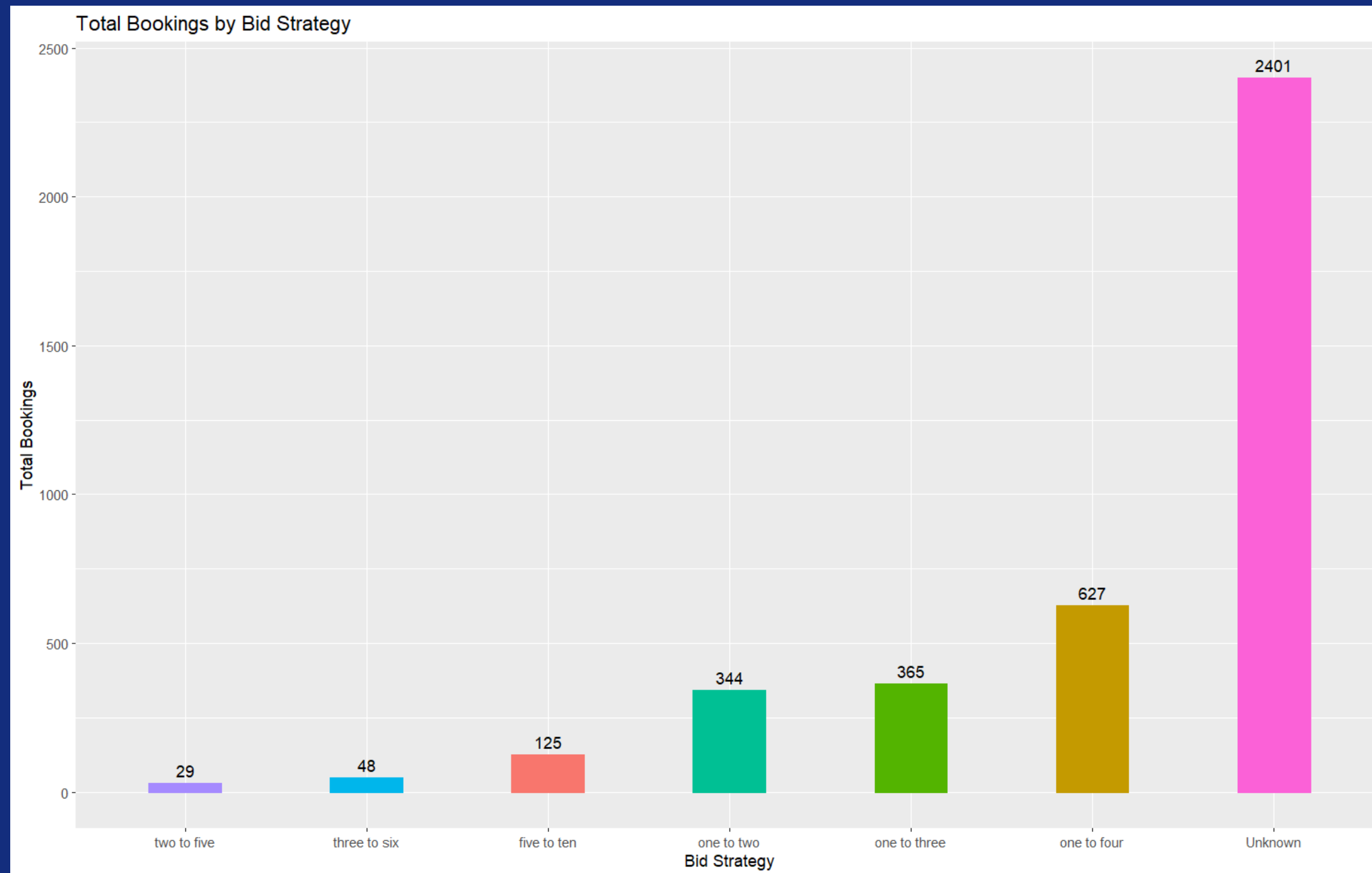
Campaign - Insights



Air France Series:

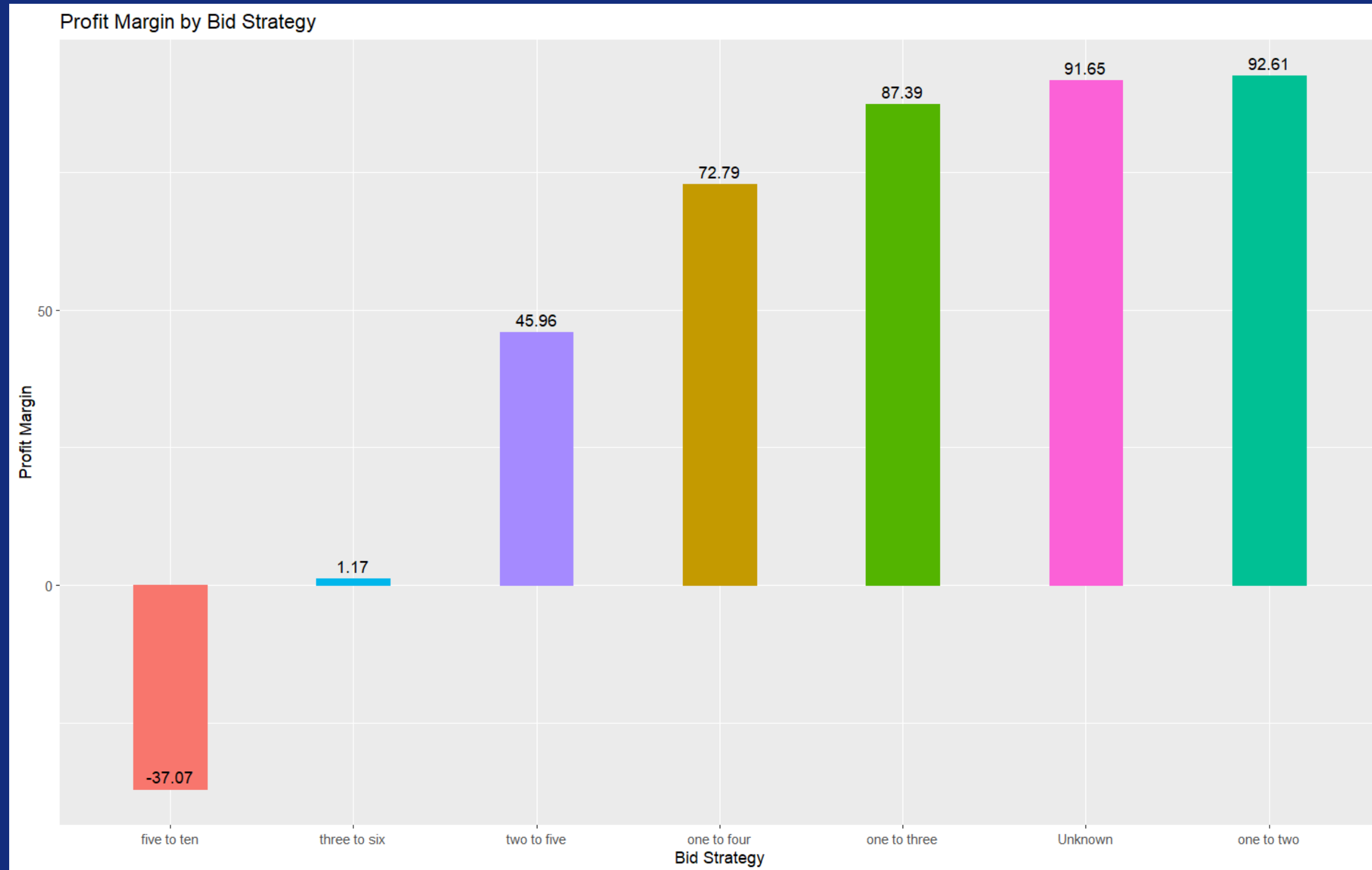
- High Conversion Rate
- Low Average cost per booking

Bid Strategy - Total Bookings



From known
Strategies,
1-4 is most effective
1-2 & 1-3 are also
good options.

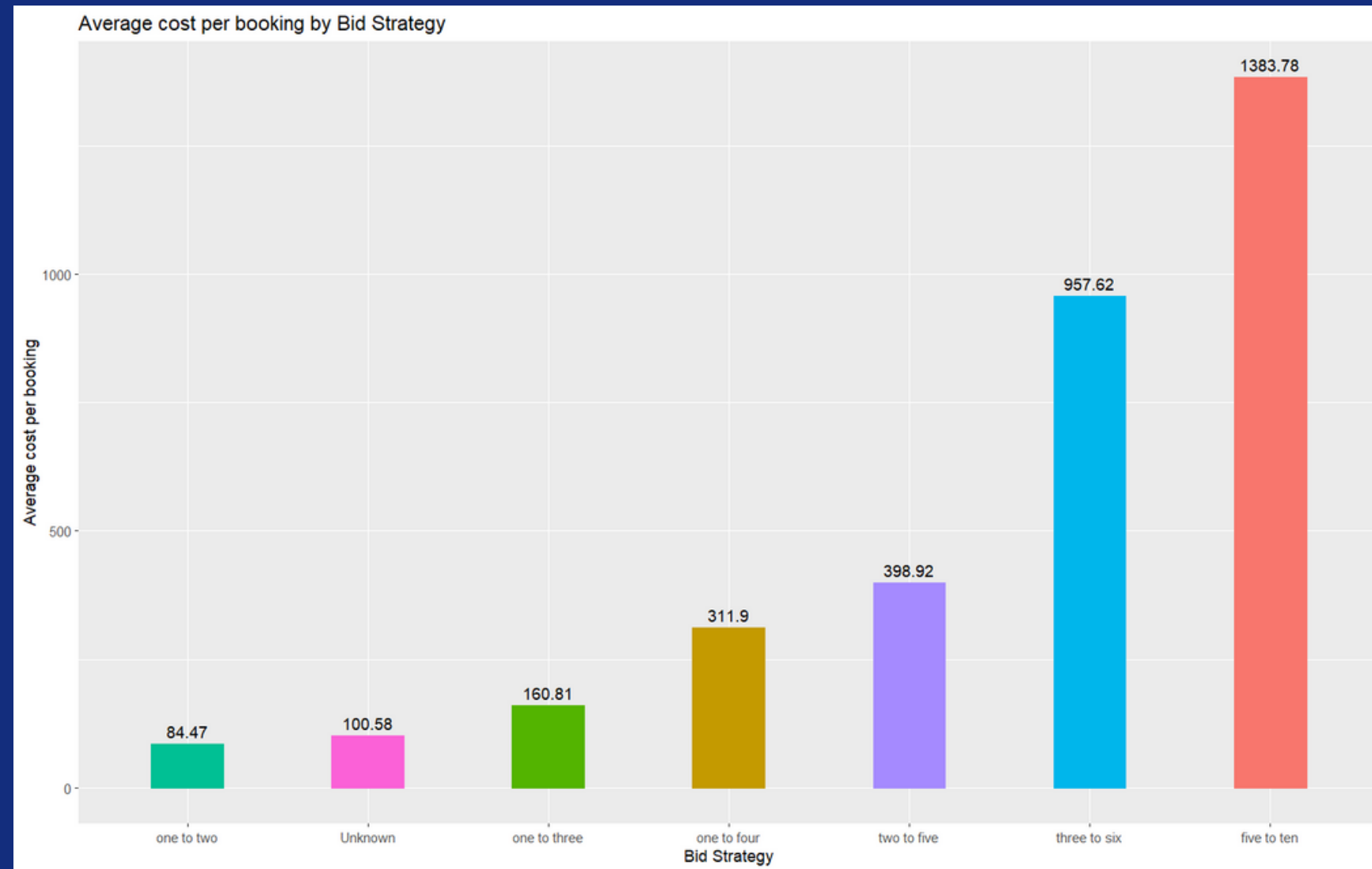
Bid Strategy - Progit Margin



Position 1-2 Strategy:
Highest Profit Margin

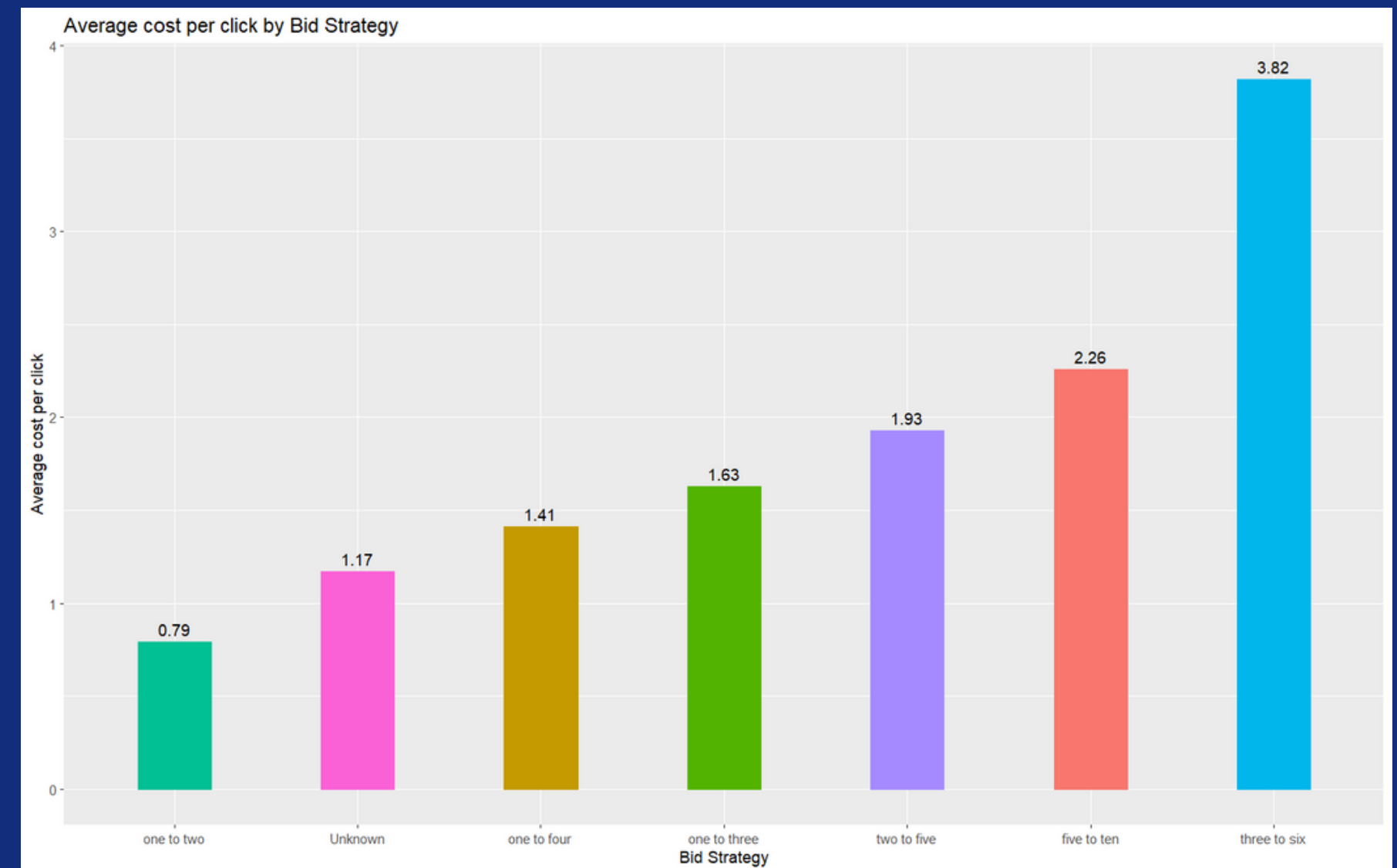
Position 5-10 Strategy:
Negative Profit Margin

Bid Strategy - Cost Overview



Position 1-2 Strategy:
Lowest cost per click

Position 1-2 Strategy :
Lowest cost per booking





Recommendations

- Publisher :
 - Google is the biggest publisher
 - Yahoo & MSN will be an efficient way to open the U.S. market.
- Bidding Strategy :
 - Positions 1-2 Strategy with highest cost-efficiency.
- Campaign :
 - Air France branded is the most effective
 - Collaborating with kayak will potentially generate higher revenue.

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Thank You