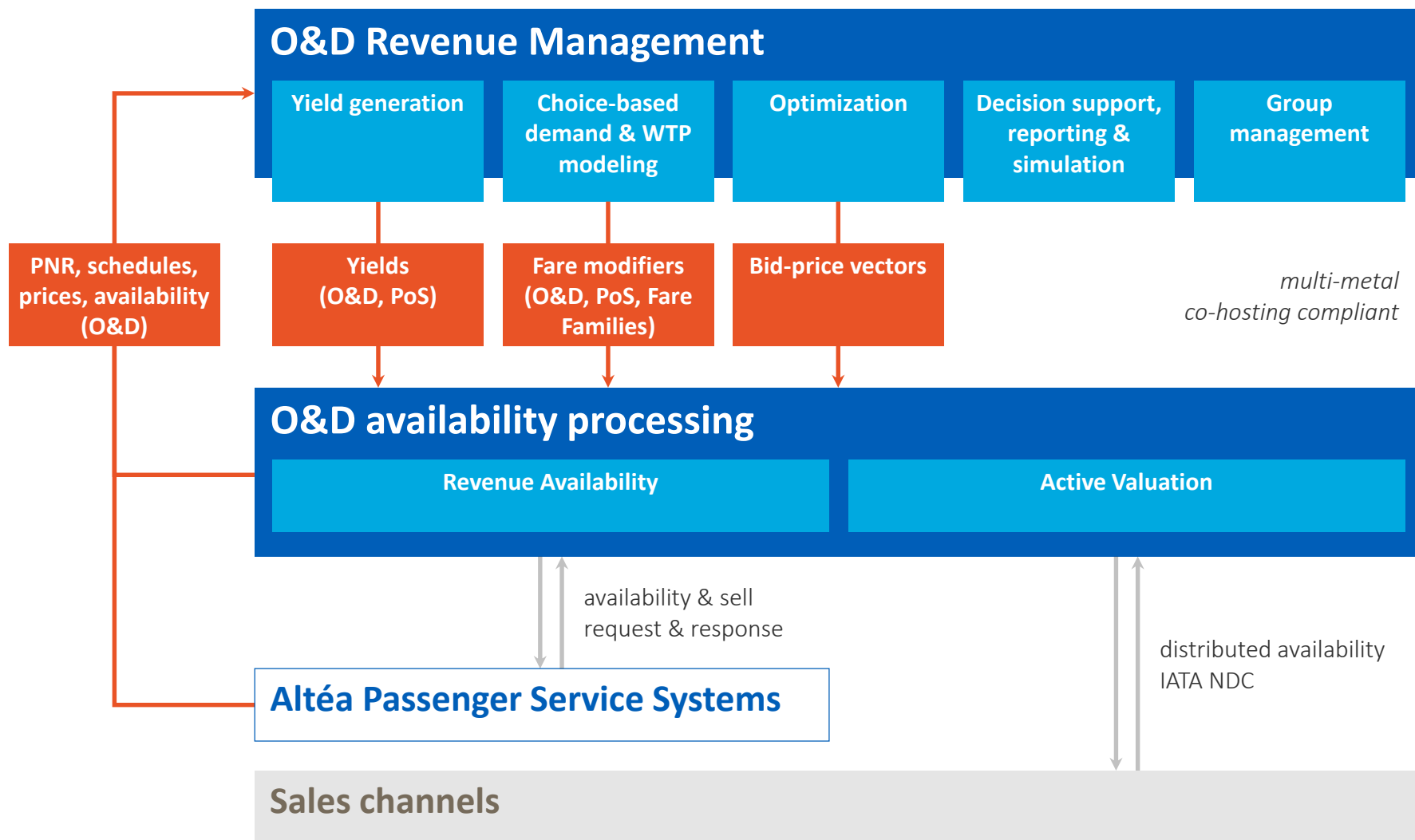# Altéa Network RM overview

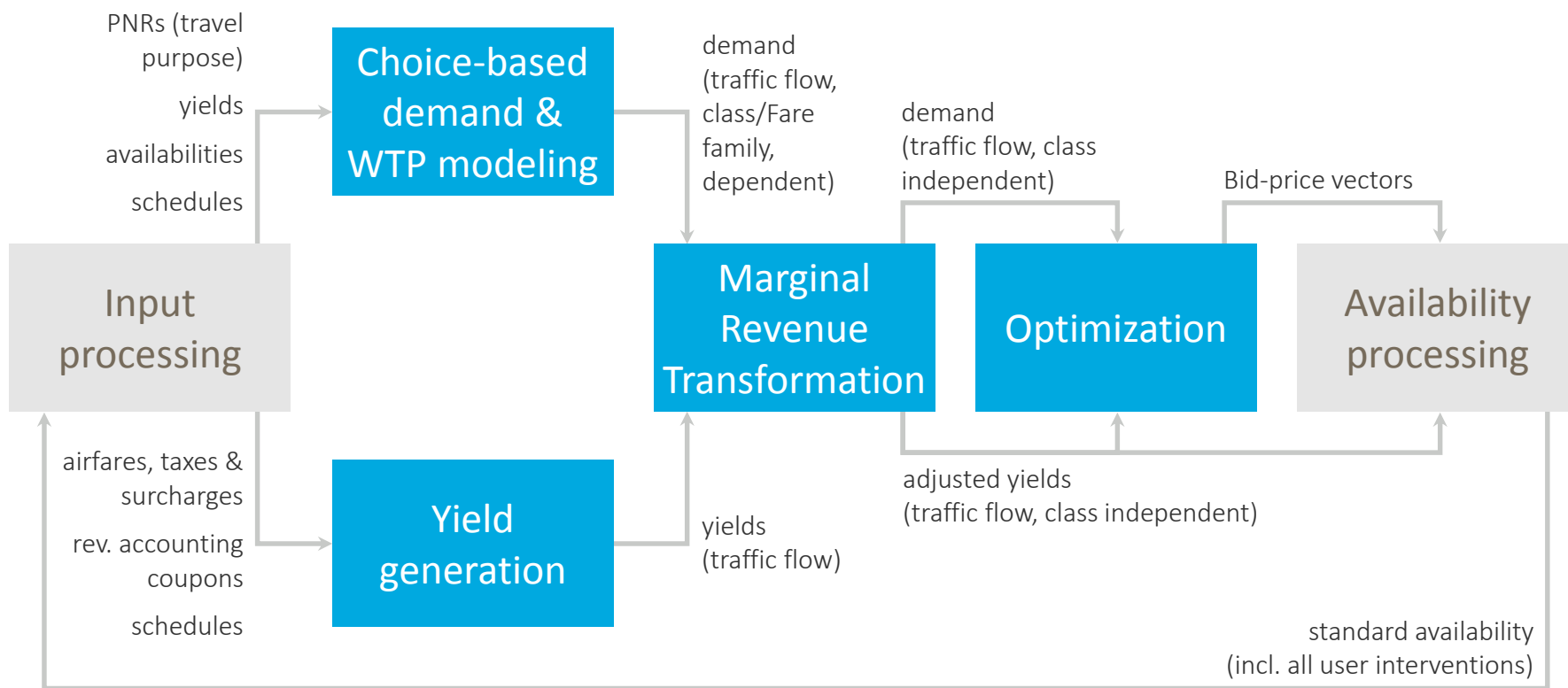## Main functions, workflows and data sources

Remy Le Guen
Product Management, Revenue Management
December 5th 2016, Doha

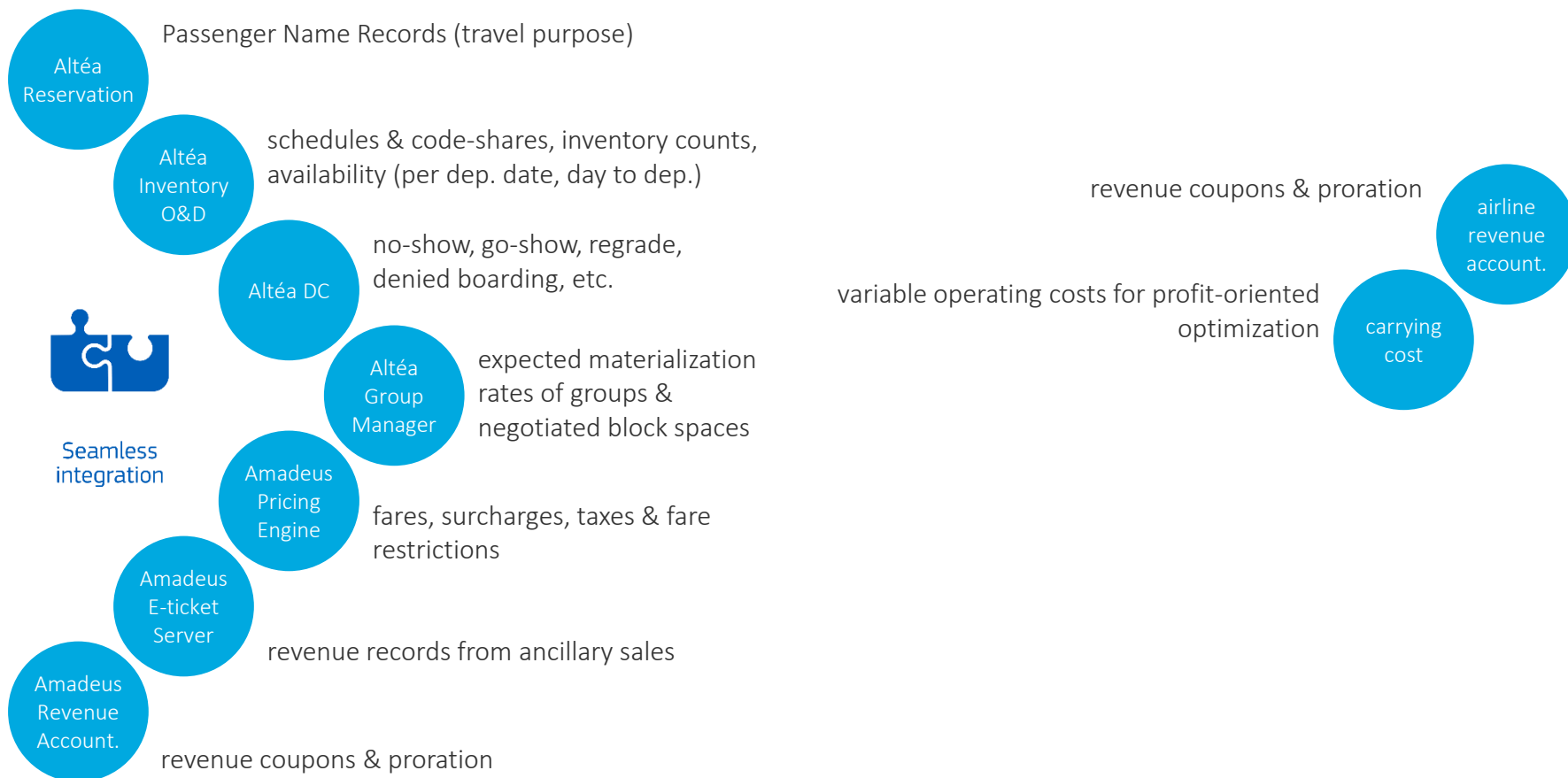# Our revenue optimization solutions leverage investment on Altéa platform

O&D Revenue Management

Yield generation	Choice-based demand & WTP modeling	Optimization	Decision support, reporting & simulation	Group management

PNR, schedules, prices, availability (O&D)

Yields (O&D, PoS)	Fare modifiers (O&D, PoS, Fare Families)	Bid-price vectors

multi-metal co-hosting compliant

O&D availability processing

Revenue Availability	Active Valuation

availability & sell request & response

distributed availability IATA NDC

Altéa Passenger Service Systems

Sales channels

Revenue Management workflow
Data & functions in Altéa Network RM

PNRs (travel purpose)

yields

availabilities

schedules

Choice-based demand & WTP modeling

demand (traffic flow, class/Fare family, dependent)

demand (traffic flow, class independent)

Bid-price vectors

Input processing

Marginal Revenue Transformation

Optimization

Availability processing

airfares, taxes & surcharges

rev. accounting coupons

schedules

Yield generation

yields (traffic flow)

adjusted yields (traffic flow, class independent)

standard availability (incl. all user interventions)

Decision support, reporting & simulation

We leverage a seamless access to the goldmine of high quality Altéa data to improve RM decisions

Altéa Reservation

Passenger Name Records (travel purpose)

Altéa Inventory O&D

schedules & code-shares, inventory counts, availability (per dep. date, day to dep.)

revenue coupons & proration

airline revenue account.

Altéa DC

no-show, go-show, regrade, denied boarding, etc.

variable operating costs for profit-oriented optimization

carrying cost

Seamless integration

Altéa Group Manager

expected materialization rates of groups & negotiated block spaces

Amadeus Pricing Engine

fares, surcharges, taxes & fare restrictions

Amadeus E-ticket Server

revenue records from ancillary sales

Amadeus Revenue Account.

revenue coupons & proration

High quality Altéa data in RM

leverage Altéa PSS platform

In production

Strictly CONFIDENTIAL

Our objective is to develop wider market insights in Revenue Management through wider data

Passenger Name Records (travel purpose)

Altéa Reservation

schedules & code-shares, inventory counts, availability (per dep. date, day to dep.)

Altéa Inventory O&D

no-show, go-show, regrade, denied boarding, etc.

Altéa DC

Seamless integration

expected materialization rates of groups & negotiated block spaces

Altéa Group Manager

Amadeus Pricing Engine

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revenue records from ancillary sales

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revenue coupons & proration

High quality Altéa data in RM
leverage Altéa PSS platform

Wider market insights in RM
beyond the airline own data

revenue coupons & proration

airline revenue account.

variable operating costs for profit-oriented optimization

carrying cost

product quality & pricing of competitive alternatives

competitive pricing & scheduling

competitive sales volumes & market shares

MIDT

100110 011001

Big data

shopping

session information

customer intelligence

customer characteristics & history

airline budget targets

airline commercial objectives

In production   Roadmap

Altéa Network RM model is in line with how you sell your products to your customers

Fare Families

native management of Fare Families & unrestricted fare structures

Customer centric

in a customer **choice-based** model

Buy-down effect

robust estimation of **willingness to pay**

proven algorithms tested for their **business impacts**

Profitability

Seamless integration
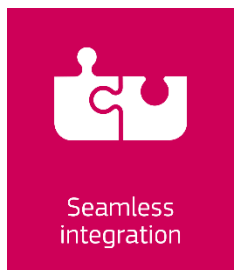
unparalleled quality of input data

This model is also designed to improve the accuracy and the efficiency of your RM operations

Forecasting demand

self-calibration

weekly basis

minimal error-oriented calibration

native monitoring of **forecast quality**

Precision and accuracy

Reduce complexity
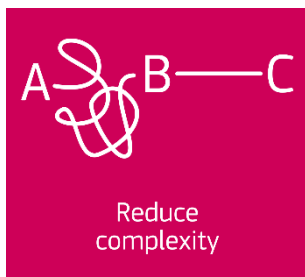
robust

to sparse data

Identification of **new traffic flows**

& automated **sponsorship**

Productivity gains

Optimal price points are delivered, based on the airline pricing & the customer willingness to pay

Yields based on **actual fares** on sale

plus **all surcharges & taxes**

Big data

Amadeus pricing engine

no manual input

Productivity gains
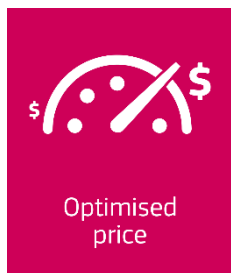
a **single source** of pricing inputs

to any RM function

Optimised price

monitoring tool

price dispersion & yield quality

Precision and accuracy

fare adjustments

willingness to pay

Buy-down effect

New optimization logics maximize further the contribution of traffic flows across your network

profit-oriented
based on carrying costs

Profit

revenue optimization
algorithms in line with
customer choice modeling

Innovation
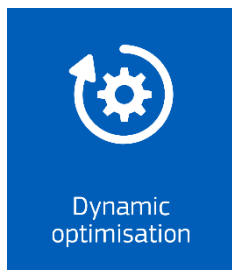
high frequency optimization
after each booking or cancel

Dynamic optimisation
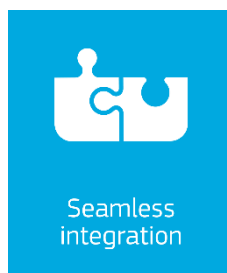
consistent execution of
RM strategies **in all channels**

Seamless integration

Altéa platform allows for greater access to high quality data and processing capability

Process	Frequency
Collection of input data	Daily or interactive
Generation of O&D yield values	Daily
Generation of O&D forecast values	Daily or interactive
Generation of O&D fare modifiers (WTP)	Daily or interactive
Recalibration of the O&D forecast model (choice-based demand & WTP)	Weekly
Application of O&D user interventions	Interactive
Network optimization	Daily
Flight optimization	Daily or interactive after each booking/cancel

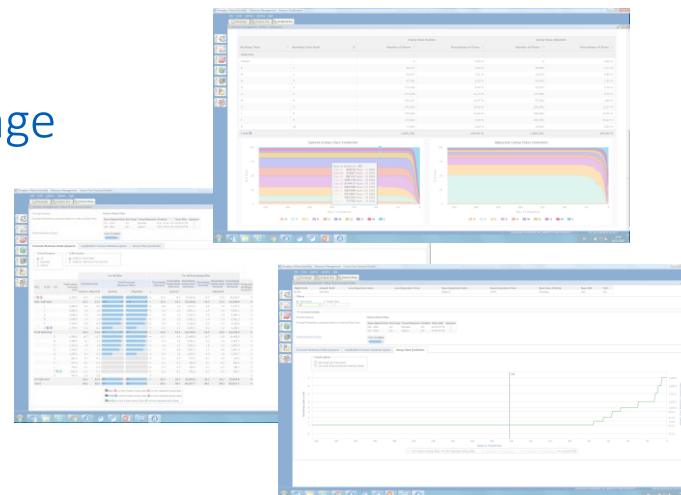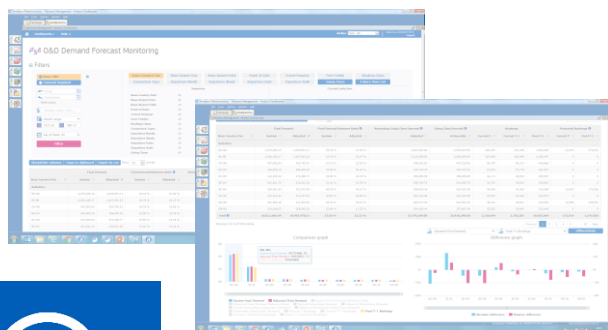# As a natural extension to Altéa platform, usability & efficiency of business operations are increased
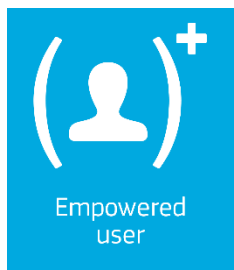
single GUI

seamless interactions
between RM, RAAV, inventory, reservation, group management

Seamless integration

Empowered user
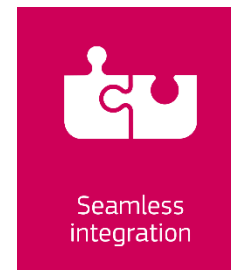
simple & intuitive analytics to manage
customer behavior & willingness to pay

live application
of O&D interventions

User friendliness

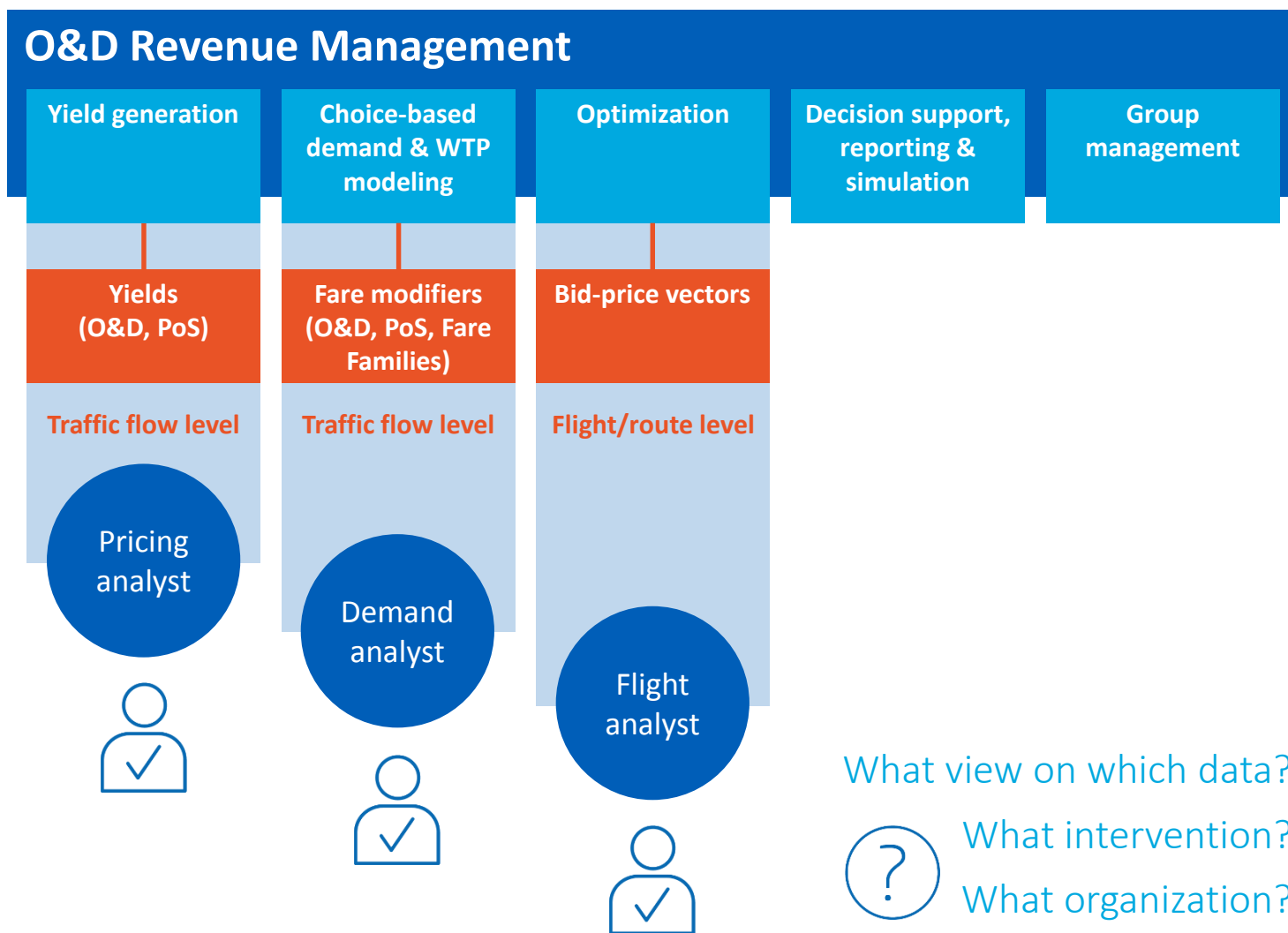Productivity gains

data **quality** & **processing** capability

O&D operations also mean coordination between different user profiles, working on different levels

O&D Revenue Management

Yield generation	Choice-based demand & WTP modeling	Optimization	Decision support, reporting & simulation	Group management
Yields (O&D, PoS)	Fare modifiers (O&D, PoS, Fare Families)	Bid-price vectors		
Traffic flow level	Traffic flow level	Flight/route level		
Pricing analyst	Demand analyst	Flight analyst		

What view on which data?

What intervention?

What organization?
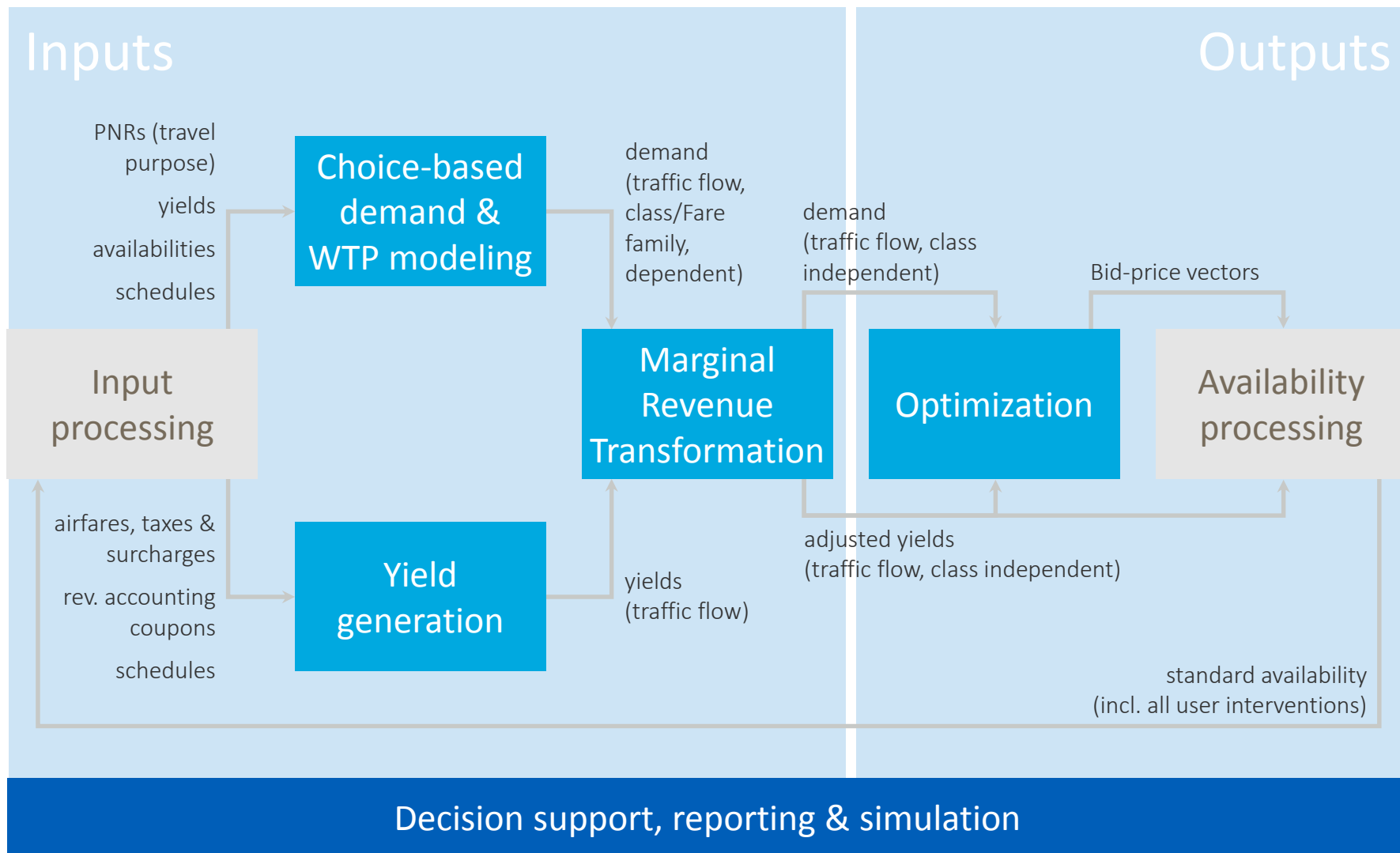
Revenue Management workflow
Data & functions in Altéa Network RM

Revenue Management workflow
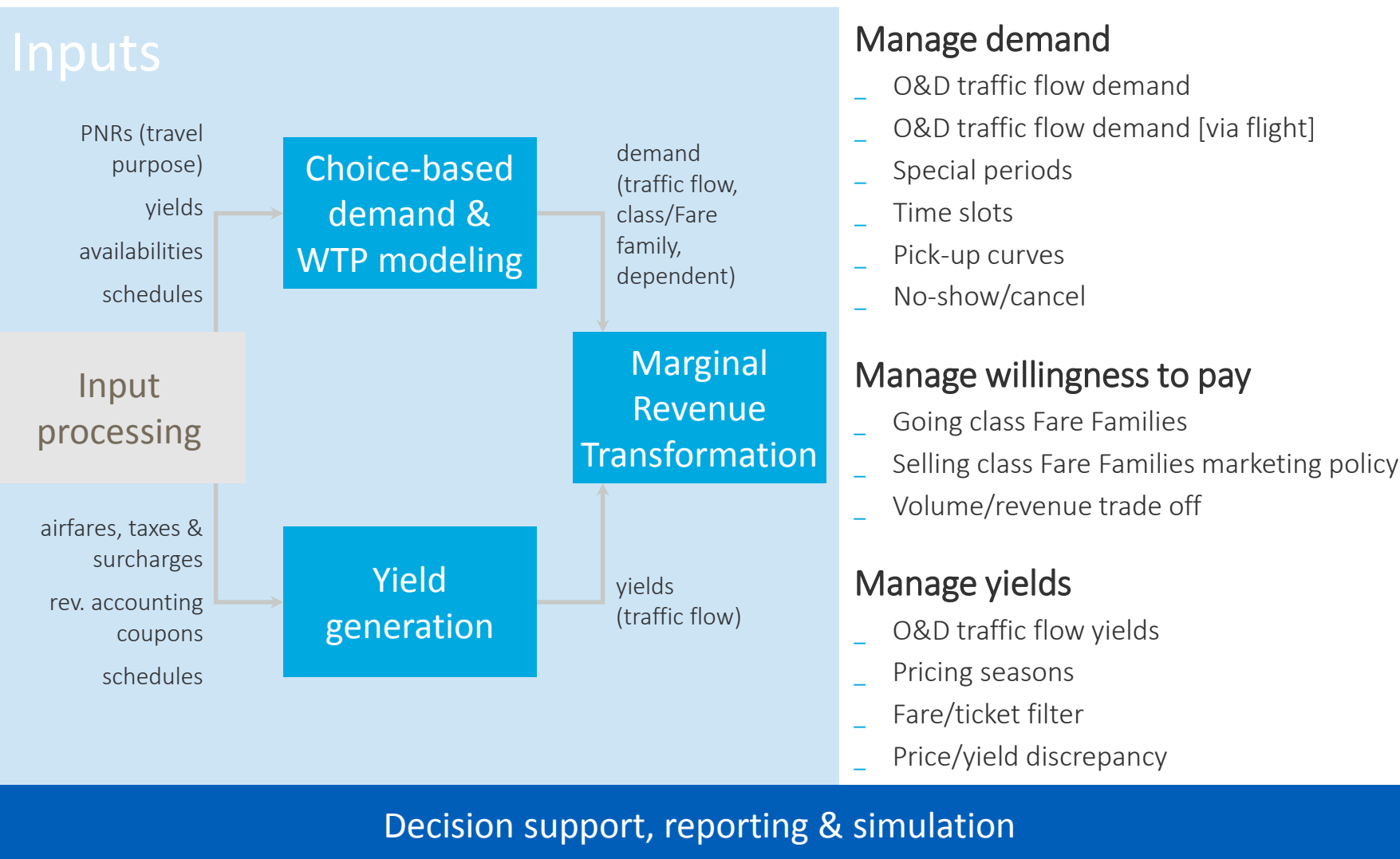## Data & functions in Altéa Network RM

Inputs

PNRs (travel purpose)

yields

availabilities

schedules

Choice-based demand & WTP modeling

demand (traffic flow, class/Fare family, dependent)

Input processing

Marginal Revenue Transformation

airfares, taxes & surcharges

rev. accounting coupons

schedules

Yield generation

yields (traffic flow)

Manage demand

- O&D traffic flow demand
- O&D traffic flow demand [via flight]
- Special periods
- Time slots
- Pick-up curves
- No-show/cancel

Manage willingness to pay

- Going class Fare Families
- Selling class Fare Families marketing policy
- Volume/revenue trade off

Manage yields

- O&D traffic flow yields
- Pricing seasons
- Fare/ticket filter
- Price/yield discrepancy

Decision support, reporting & simulation
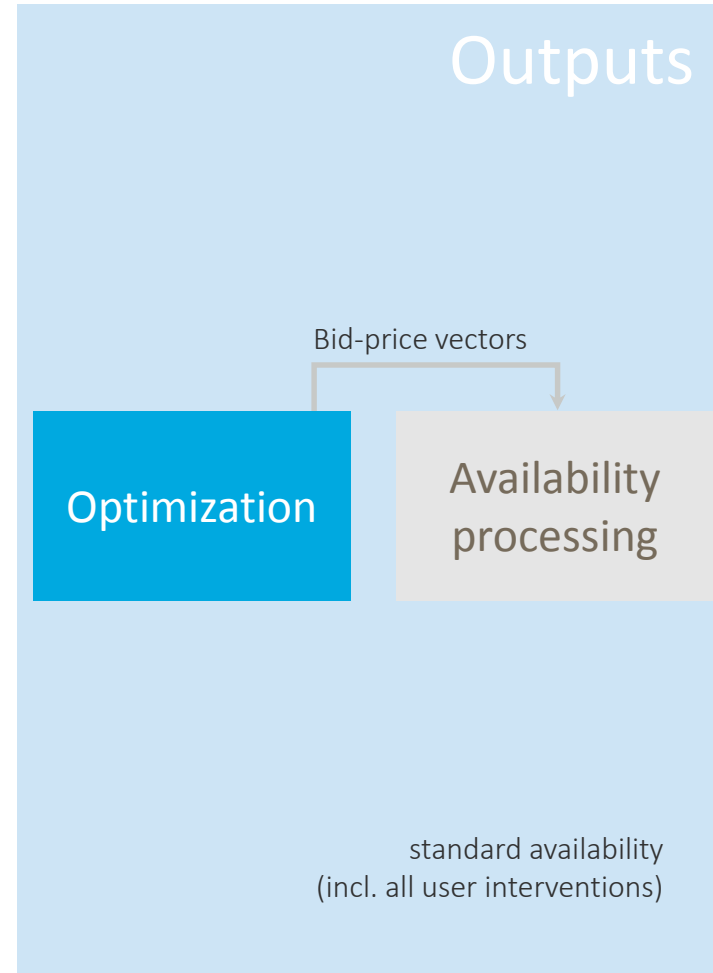
Revenue Management workflow
Data & functions in Altéa Network RM

Manage flights
- Overbooking
- Demand across cabins
- Optimal saleable configuration

Manage real-time availability
- Active Valuation strategies
- Dynamic limits

Outputs

Bid-price vectors

Optimization

Availability processing

standard availability
(incl. all user interventions)

Decision support, reporting & simulation

Thank you!

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