

# MERCHANDISING



*In Action*



## Customized Corporate Offers

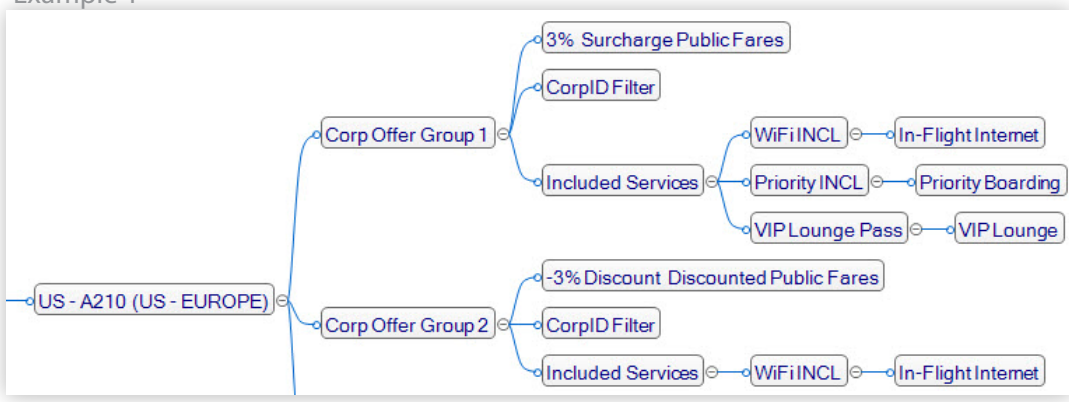
Corporate travel is the lifeblood for many airlines. With competition heating up with differentiators like more comfortable seats, additional legroom, and countless other value-added services, how the airline retains its corporate clients—or woos them from a competitor—is more strategic than ever before.

Just think, not so long ago, in the pre-NDC, pre-merchandising world, the only option for airlines seeking to accomplish a “differentiated corporate product” was to file private/negotiated fares for corporate clients via ATPCO. The extent of the differentiation was the filed fare itself, which was special for that corporation. Missing from that picture was the myriad of other services and privileges

negotiated for that corporate client. Rather than competing on a customized, relevant offer of services, airlines were stuck competing strictly on a number and a fare basis code. Fortunately, those days are behind us. Today, using sophisticated merchandising systems such as FLX Merchandise, airlines can configure customized offers that go far beyond a filed fare and include a series of bundled services or options most relevant for that trip, corporation, and traveler. Let’s look at a couple of related Use Case Challenge examples.

Our first example is a dynamically-built, Customized Corporate Fare that is available in the response to an initial fare search request. This includes the fare itself, plus any additional services and/or entitlements that the airline has added. The image below shows how two offers can be made based on a corporate ID and designated market. One adds a surcharge to the public fare but adds services, while the other offers a fare discount with only WiFi included.

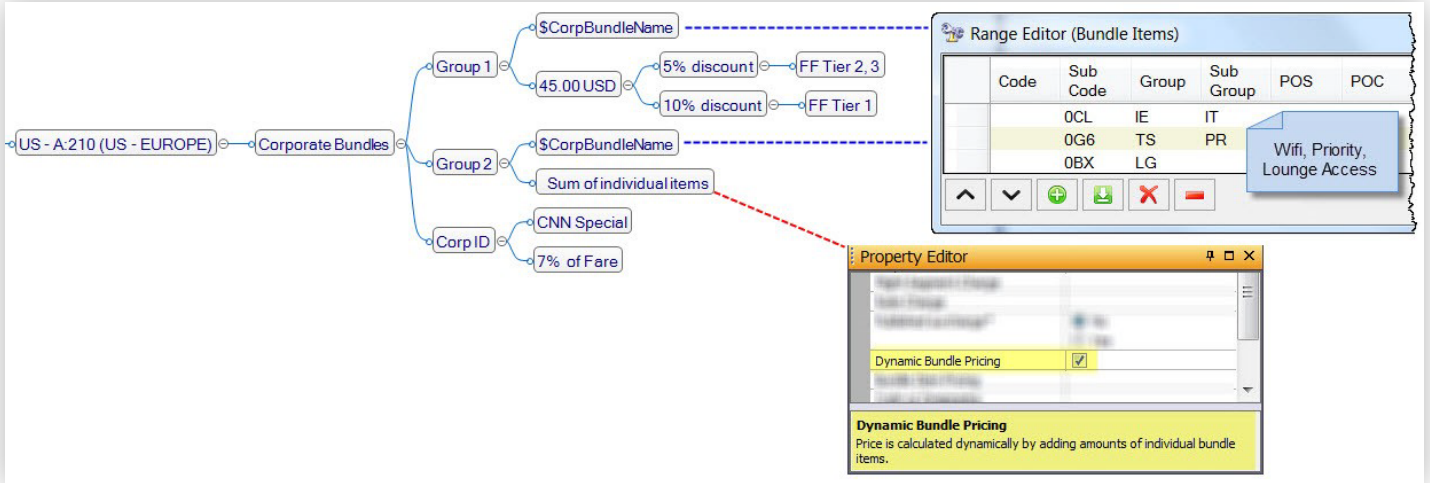
Example 1



Another way to satisfy corporate clients is to dynamically build Customized Corporate Service Bundles. This method allows the corporate traveler to first select any offered fare or fare brand, then after the initial selection is made, a “bundle of services” is offered as per contract terms established between the airline and corporate client. For this method the selected fare is the base for the ticket, while a selected service bundle is issued on a separate additional document (EMD or airline document).

The graphic below shows two frequently used FLX-M methods of pricing a Service Bundle. In one, Group 1 is priced at \$45 for the bundle including WiFi, Priority Boarding, and Lounge Access. Notice the static price is modified based on individual traveler’s tier level—Tiers 2 and 3 receive a 5% discount while Tier 1 receives a 10% discount. In the other case, Group 2 is priced dynamically by summing up the individual item prices into a dynamic bundle price. Each individual item may have conditions to dynamically change the item price prior to creating the bundled sum.

## Example 2



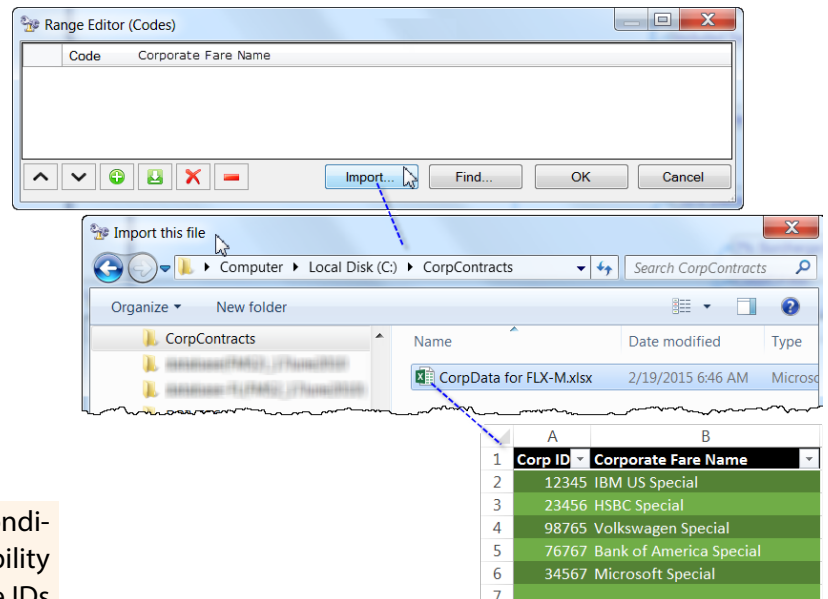
Using FLX-M, airlines can influence price using a wide range of qualifiers tied either to the fare itself, individual services, or a bundled price. For example, the price may be dynamically influenced based on:

- Individual traveler's Loyalty Tier level
- Corporate CRM score value
- Revenue thresholds (pre-set revenue thresholds entitle traveler/corporation to additional benefits and/or discounts)
- Individual 'Events' (such as traveler's birthday, corporate contract anniversary)
- And of course any previously introduced attributes such as equipment type, distance miles, flight duration, departure peak times, seasonality, routing, markets, etc.

**Merchandising Tip:** Use Corporate IDs as a conditioning parameter, so that you have unlimited flexibility in configuring offers for corporate client. Corporate IDs – like any other type of data used by FLX-M – can be made available to FLX-M in three different ways.

- Maintain an internal FLX-M table by either entering applicable values using the range editor function of the FLX-M GUI.

- Import an external file (e.g., flat file or Excel data) using same range editor function.



- Directly link to any external database source (including ATPCO or any proprietary airline database). FLX-M will access and use the data directly during its rule processing.

