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**Maximizing the benefits of IT
in airline marketing & distribution**

7th November 2006

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Airline Regional Director MEA, Amadeus

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Agenda

- ▶ **The travel industry challenges**
- ▶ **Our range of business solutions**
 - ▶ **Distribution**
 - ▶ **Sales & e-commerce**
 - ▶ **Business Management – IT**
 - ▶ **Services & Consulting**
- ▶ **Amadeus & the airlines**



We recognise the travel industry challenges



- ▶ **Growing industry volumes**
- ▶ **Pressure on margins**
- ▶ **Fierce market competition & transparent pricing**
- ▶ **New technologies**
- ▶ **Demanding customer expectations**
- ▶ **Changes in customer behaviour**



And our mission to...

**Become the leading
provider of IT solutions that
enable success in the travel
and tourism industry**



Amadeus offers a coherent portfolio of IT solutions for the travel industry



An essential industry provider

149

hosted airlines

95%

world's scheduled
airline seats

14%

online bookings

241

hotel chains

+450,000,000
bookings processed

280,000,000
transactions / day

+360,000

points of sale worldwide



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Distribution & Content

- ▶ **Widest global reach**
- ▶ **Overhauling our pricing**
 - ▶ Emphasizing value
 - ▶ Offering choice
- ▶ **From distribution to retailing**
 - ▶ Marketing
 - ▶ Up-selling
 - ▶ Maximising revenues
- ▶ **Making management of the Amadeus channel as efficient as possible**



A complex distribution industry



Deregulation

**More
distribution
channels**

**Content
disintegration /
re-integration**

**Shift of the
distribution
cost**

How has the GDS industry responded?

- ▶ **Our competitors have**
 - ▶ **Minimised investment in the GDS**
 - ▶ **Minimised investment in technology**
 - ▶ **Focused on travel retailing**

- ▶ **Amadeus has**
 - ▶ **Begun to redefine and reinvest in the GDS value proposition**
 - ▶ **Developed a growing portfolio of technology-based business solutions for airlines**

Sales & e-Commerce

- ▶ **Facilitating multi-channel direct distribution**
- ▶ **250 airline websites in 23 languages for 70+ airlines**
 - ▶ **Continuous evolution**
 - ▶ **Proven yield and revenue improvement**



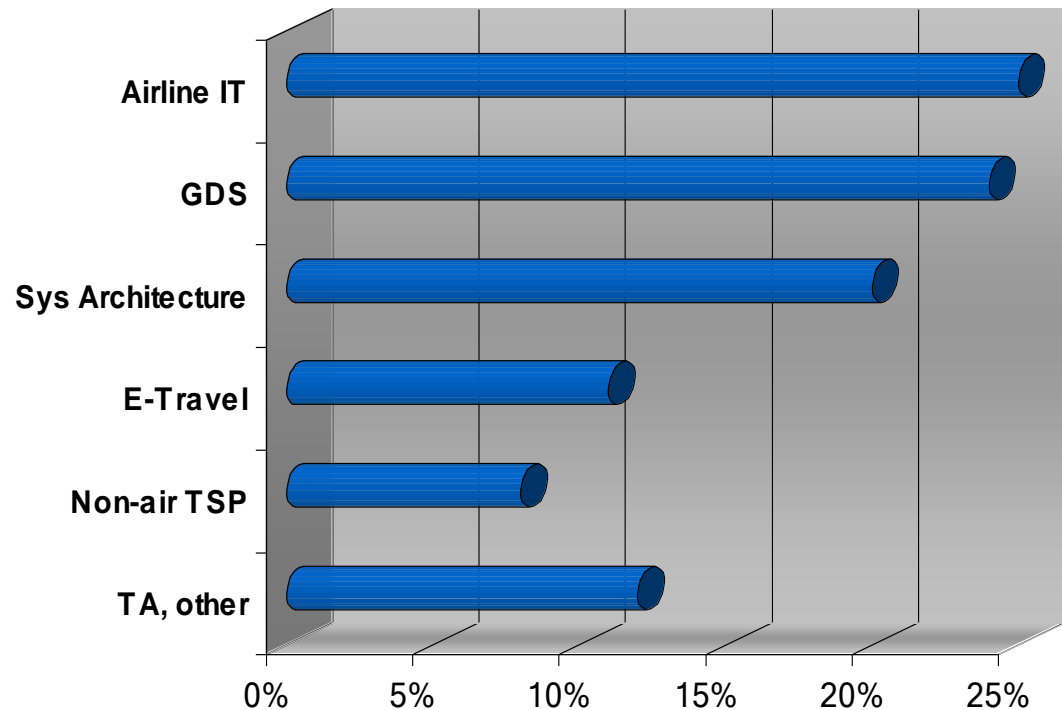
Business Management

- ▶ Amadeus 'System User' concept since 1987
- ▶ Unique IT relationship with Airlines
- ▶ Decision to invest in the next generation of Airline systems (in 2000)



Airline IT is strategic for Amadeus

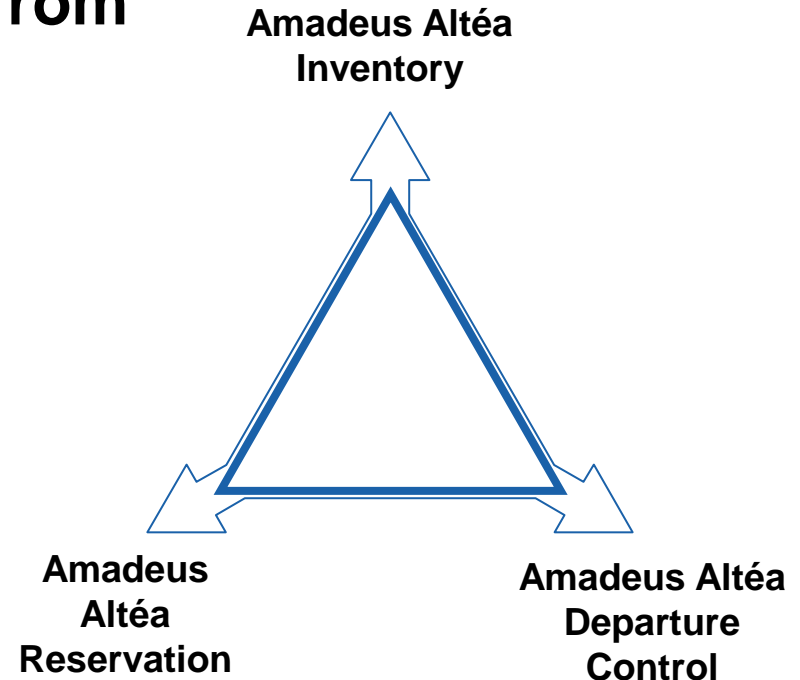
- ▶ **Strategic initiative**
Growth opportunity for Amadeus, ambitious revenue diversification
- ▶ Leveraging Amadeus **Core expertise** & focused on airline Passenger Services Systems
- ▶ Aligned with Amadeus overall strategy to become the preferred **IT provider** of the travel & tourism industry
- ▶ Major internal investment: Amadeus' top priority



Mix of Amadeus 3 year Technology Investment , 2003-5

Amadeus Altéa Customer Management Solution (CMS)

- ▶ **A new generation solution from booking to baggage**
- ▶ **Designed around 5 core concepts**
 1. **Customer centric**
 2. **Revenue maximisation**
 3. **Automation and flexibility**
 4. **Single data source**
 5. **Common platform**



Closer Customer Relationship Insight

- ▶ Airlines' CRM systems can have a strong impact:
 - ▶ On retaining customers
 - ▶ On revenue per customer: pushing promotional offers
 - ▶ On decreasing servicing cost: pushing self service / cost effective channels
 - ▶ On improving market understanding and informed decision making
- ▶ ...but only if:
 - ▶ Comprehensive, **high quality customer data are systematically captured** throughout the entire journey
 - ▶ **CRM actions** are automatically **applied in real time** along the customer management processes

Closer Customer Relationship

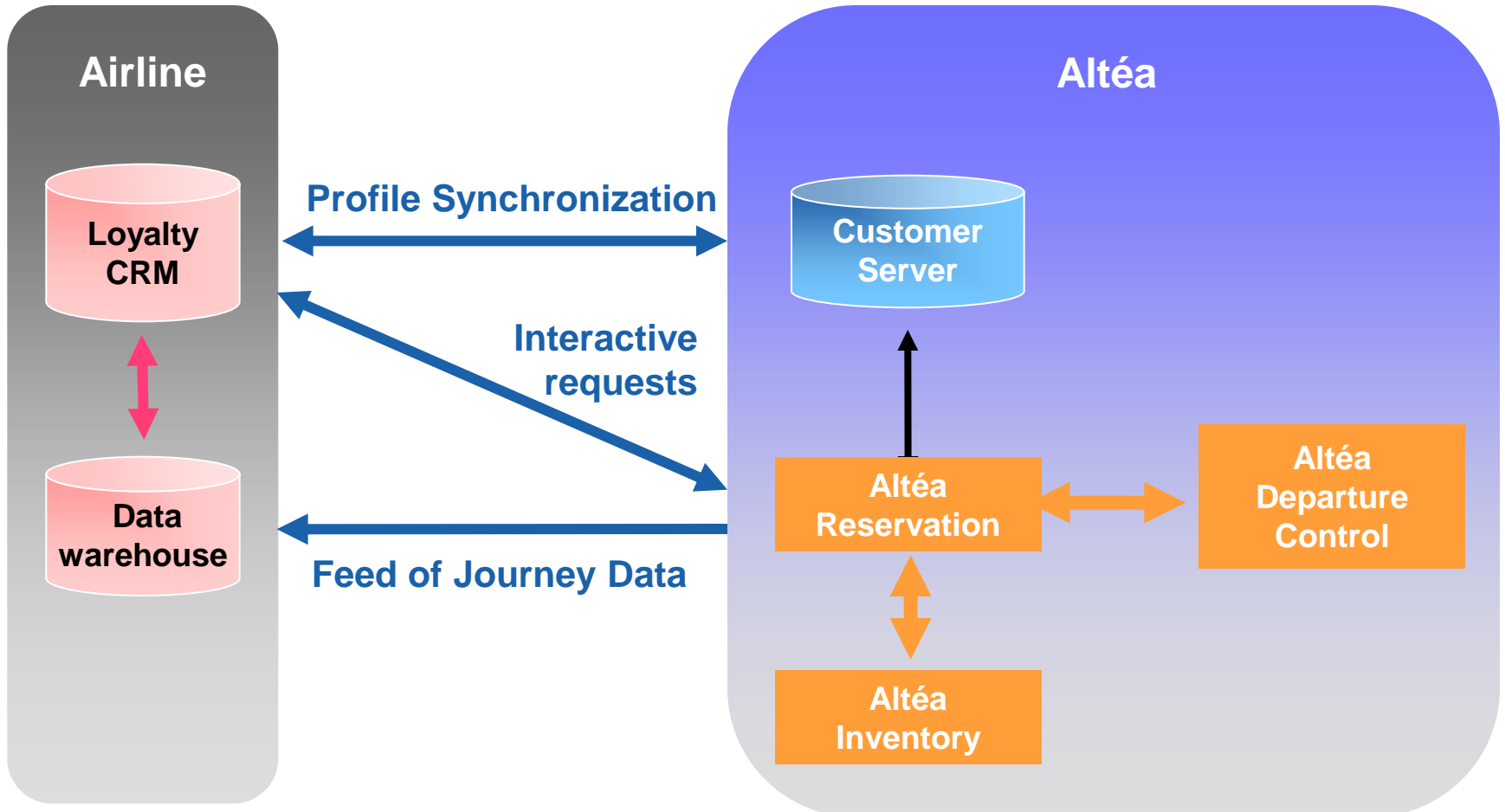
How Altéa will make the difference?

- ▶ Altéa customer server maintains **detailed customer profiles**
 - ▶ Frequent Flyer / Company / Traveler / Staff profiles
 - ▶ Frequent Flyer Profiles exchanged among alliances and partner airlines
- ▶ Journey information **automatically included** in PNR
 - ▶ One single PNR from booking to baggage
 - ▶ All travel information: Air and Non-Air
 - ▶ Single PNR, selective data sharing controlled by airline
 - ▶ Transfer of customer journey information to airline data warehouse
- ▶ Altéa automatically applies **CRM/Loyalty decisions**
 - ▶ Notifications and alerts (to agents and customers)
 - ▶ Customer **service recovery action** (SRE support)
 - ▶ Baggage misplaced, Disruption, Cancellations

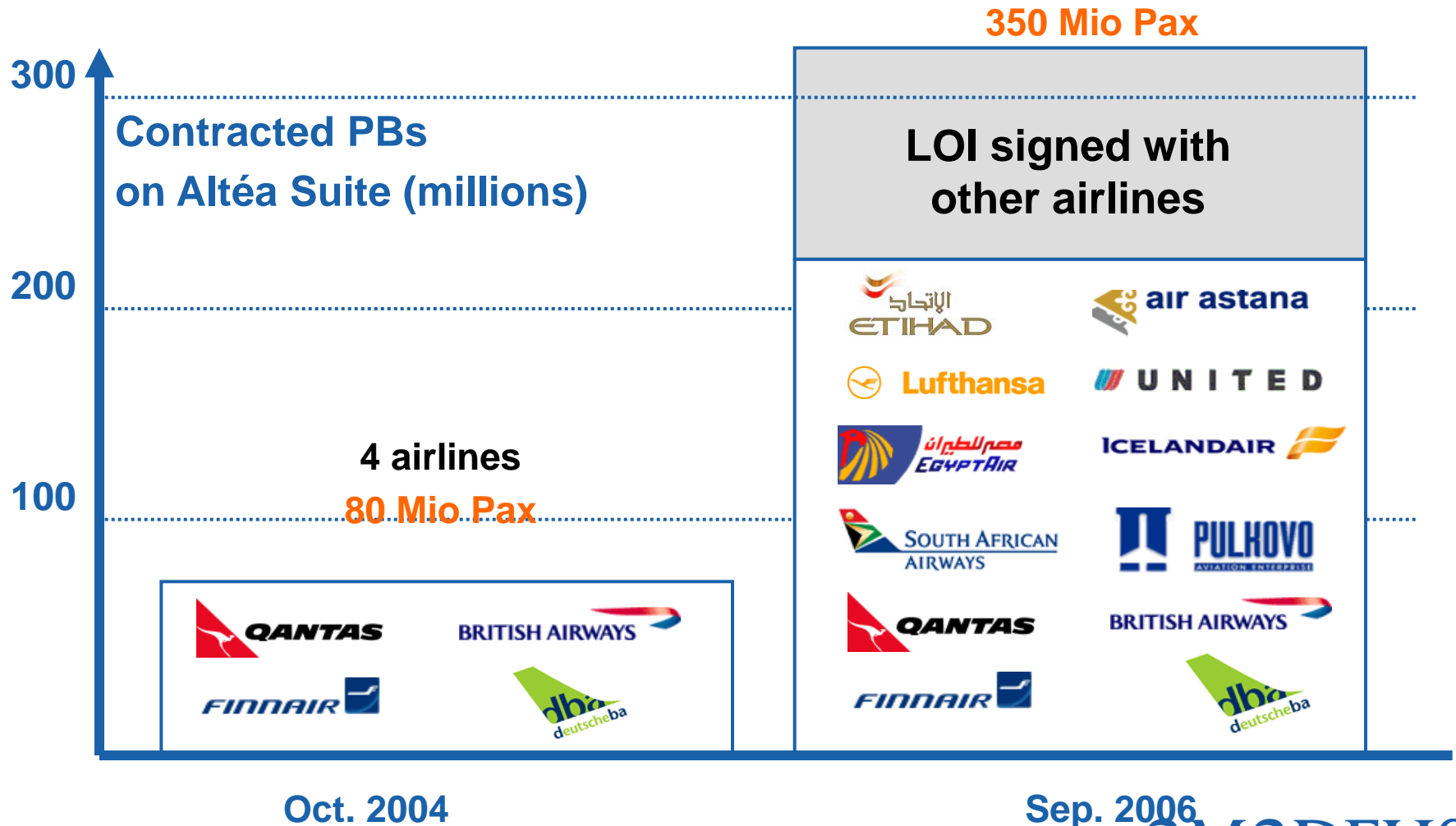
Closer Customer Relationship

How Altéa will make the difference?

(Cont.)



Amadeus has reached the **number 1 position in the PSS market** with the new generation Altéa suite



Services & Consulting

- ▶ **Customised development**
- ▶ **IT systems integration**
- ▶ **Hosting**
- ▶ **Helpdesk services**
- ▶ **Educational & documentation services**
- ▶ **Communication & network services**
- ▶ **Consulting services**
- ▶ **IT procurement services**



We develop our IT Service Portfolio to become a one stop shop provider

Amadeus new generation solutions

- ▶ Customer Management Solutions for all airline segments
- ▶ Specific value-added solutions

Amadeus transformation services

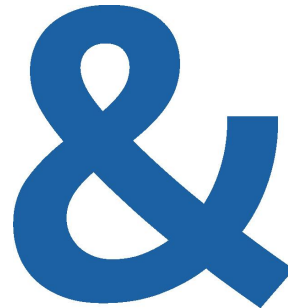
- ▶ Consulting
- ▶ Systems Integration
- ▶ Bespoke Development
- ▶ Support Services
- ▶ Hosting



Amadeus,
your single partner
for fast, decisive
technology-enabled
transformation

Amadeus & the airlines – how we can maximize the benefits of IT together

Our Offer



Your objectives

- Revenue growth
 - Securing current revenues
 - New revenues
- Yield maximisation
- Cost control
- Customer loyalty
- Differentiation



Many thanks

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