12th Ancillary Merchandising Conference – Edinburgh 2018
Lead Sponsor
Maximizing Ancillary Sales via 3rd Parties
EDIFACT to NDC

• ITA Software - Inventory Control
  • Schedule Matching
• Skyscanner Singapore
  • ML-based API Integrations
  • Airline and OTA Analytics
• Gordian Software
  • Airline Ancillaries -> OTAs and Travel Agents
Ancillaries are the New Profit Center

• $82B and counting
  • Unbundling
  • Value add
• Why?
  • High Margin
  • Lower entry price


Ancillary Revenue Conference, 9th – 11th April 2018
Missing 70% of Ancillary Sales

Airline

No Offer: 30%
Missed Context: 40%

Travel
Tip #1: Sell in All Channels

Indirect: 30-60% of customers
Outcomes: Make sale or learn

Airline

Travel
Tip #2: Allow Markups

Align Incentives
Learn from Their Experiments
Tip #3: Increase Price to Match Value

Customers value same product differently
Avoid Lowest Common Denominator
Tip #4: Remove Irrelevant Products

Less is more.
“Didn’t Purchase” is a signal
Tip #5: Sell Need, Not Product

Tailor for job to be done. Control the text and display to customer.
Tip #6: Experiment on 3rd Party

Prove demand here first.
Brand safe, minimal tech investment
Integrating is Painful
Gordian Ancillary Plugin
## Integrating with 3rd Parties

<table>
<thead>
<tr>
<th></th>
<th>Development</th>
<th>Control</th>
<th>Flexibility</th>
</tr>
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<tbody>
<tr>
<td>NDC/API</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>GDS</td>
<td>Medium</td>
<td>Low</td>
<td>Low</td>
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<tr>
<td>Gordian</td>
<td>None</td>
<td>High</td>
<td>High</td>
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</tbody>
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Summary

• 3rd Parties can Maximize your Ancillary Sales
• Critical to
  • Sell to all your customers
  • Sell at the right price
  • Sell the right product
• Take advantage of all your channels
• Shameless plug
Questions?