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Global, unrestricted data exchange via high-capacity and high-availability networks is essential for airlines. With SkyConnect, Lufthansa Systems offers a solution that provides airlines with a reliable and secure wide-area network (WAN) by purchasing network capacities and bandwidth from local providers and combining them to a powerful virtual network. Continuous benchmarking ensures consistently attractive pricing of the solution. SkyConnect from Lufthansa Systems enables airlines to achieve cost savings of up to 30% without compromising on performance.

## Hot Topics

### **Dynamic Price Engine – Lufthansa Systems' innovative solution for real-time availability and pricing**

The dynamics in the airline market have significantly increased in the past years. Faced with the competitive challenges presented by low-fare carriers, network carriers are increasingly forced to introduce low-fare concepts in addition to traditional fare concepts. Most pricing and revenue management systems in use today fall short in the management of this kind of mixed market. Lufthansa Systems' Dynamic Price Engine (DPE) provides a fully integrated approach to revenue management and pricing that serves these requirements, ultimately leading to real time dynamic pricing and availability control. By deploying this innovative IT solution, airlines gain more flexibility and significant competitive advantages by increasing revenues and optimizing distribution costs, giving them the edge they need in today's markets. Lufthansa Systems has already implemented its next generation revenue management solution for the leading Latin-American airline TACA.

With its DPE, Lufthansa Systems offers an innovative tool that enables network airlines to improve their position when directly competing with low-cost carriers. Network carriers traditionally use a static price concept with strictly defined booking classes, while low-cost carriers work with a simple staggered price model. The low-cost airlines apply a pricing model segmenting the market primarily by charging different prices at different times before departure. As a result, network carriers feel the need to adjust their old fare structure since they face a situation of competitive disadvantage when keeping rules and restrictions in place.

The DPE enables airlines to combine both worlds. Immediately upon reception, all booking requests are evaluated in real time on the basis of a vast number of criteria including the point of sale, the utilized distribution channel, the requested travel route (origin and destination) and the prices and availabilities of competitors. The system then automatically responds to each request using either traditional booking classes or a low-fare model. Airlines are therefore always able to take the current market situation into account in order to offer the optimal price.

Lufthansa Systems' solution meets the needs arising from the various business models. This includes low fare airlines, traditional airlines faced by strong low fare competition, as well as network carriers. Network carriers in particular need to maintain the traditional pricing structures on parts of their network while introducing restriction-free fare structures on other parts of the network. At the same time, the solution accounts for the characteristics of the GDS distribution channel which still plays a strong role for many network carriers while making full use of the advantages of alternative distribution channels. DPE is part of Lufthansa Systems' ProfitLine revenue management solution, but also can be used in conjunction with other O&D-based revenue management systems.

### **Lufthansa Systems generates substantial savings with managed virtual data networks**

Airlines require powerful data networks to process reservations, manage passengers, baggage and cargo, and transmit passenger lists, flight and maintenance data across multiple continents and time zones. For this reason they are essential parts of an airline's IT infrastructure. But setting up and operating a wide area network (WAN) across worldwide locations is quite expensive. With SkyConnect Lufthansa Systems offers a solution which enables airlines to save up to 30 percent of their network IT costs.

SkyConnect is a world-spanning multi-provider network, which links resources from various providers and locations to form a virtual, high-availability data network. In order to get the optimum solution it combines the best providers in each region and takes advantage of their local strengths. In addition to a wide area network SkyConnect can also integrate Internet connections to serve as an overflow for non-critical data and large files or as a back-up for the main data line. This becomes important in regions with limited communications infrastructure.

With SkyConnect, airlines benefit from a complete global solution from a single source. Lufthansa Systems manages all network components for its customers and takes care of LAN and WAN integration. The airline IT-Provider operates a 24/7 helpdesk and ensures the security and availability of networks with proven security management. Furthermore, SkyConnect offers cost transparency and control through the aggregated "Easy Billing" which delivers a single, clear invoice from Lufthansa Systems rather than individual statements from different providers.

Lufthansa Systems offers SkyConnect on a modular basis. Thus the solution can be customized and scaled specifically to an airline's requirements. Airlines can choose from range of complementary modules, such as the Webshop, which allows airlines to conveniently order hardware, software or higher bandwidths online. Analysis and reporting tools provide detailed information about e.g. the network availability, performance and load as well as fault analyses. Further add-ons include procurement/leasing services for hardware that the customer requires for its own infrastructure and IT consulting services.

More than 60 customers are using SkyConnect from Lufthansa Systems for reliable, fast and secure data traffic between their worldwide sites. Because of its longstanding history and background in the airline industry, Lufthansa Systems is used to providing the high availability and security required by airlines. With SkyConnect, Lufthansa Systems has established an ideal framework for quickly and securely connecting workstations and operating airline applications at sites around the globe.

## News

### **Royal Air Maroc uses SkyConnect from Lufthansa Systems**

Lufthansa Systems has completed the implementation of a Managed Wide Area Network (WAN) Service for Royal Air Maroc. 46 airport and city offices of the Moroccan carrier in Africa and the Middle East have been connected with Lufthansa Systems' SkyConnect solution that ensures safe and reliable data transfers.

Through SkyConnect, Royal Air Maroc receives a modern data network that flexibly integrates its commercial applications. Internet Protocol technology takes the speed and security of Royal Air Maroc's data transfers to a new level. An Internet connection in addition to the main data line serves as an overflow for non-critical data and large files and at the same time as a back-up for the main line, which is an important feature in some areas of Africa with limited communications infrastructure. In addition, Royal Air Maroc benefits from two Lufthansa Systems network monitoring and support centers in Hungary and Germany to ensure maximum uptime and support.

Combining high availability with exceptionally large data capacity, Lufthansa Systems' SkyConnect solution is a multi-provider network which offers customers high flexibility and the best value for money. With this highly reliable network airlines can reduce their costs up to 30 percent without any performance loss. It provides rapid assistance in the event of a fault as well as the aggregated "Easy Billing" which delivers a single, clear invoice from Lufthansa Systems rather than individual statements from different providers.

Royal Air Maroc is the national carrier of Morocco, based in Casablanca. With a fleet of 44 aircraft, the carrier serves some 70 cities in Africa, Europe and North America. Royal Air Maroc is one of the first customers of the Boeing 787 Dreamliner.

### **Avianca continues to optimize pricing with IT from Lufthansa Systems**

The Colombian carrier Avianca and Lufthansa Systems have renewed the contract for the use of ProfitLine/Price for another two years. The integrated IT solution provides crucial support in the fast, flexible and cost-effective design and monitoring of its pricing structures. Avianca has been optimizing its pricing with ProfitLine/Price since 2005 to maximize the revenue per seat.

ProfitLine/Price is the most comprehensive pricing solution available today. It covers all core processes in reactive as well as proactive pricing. It provides state-of-the-art functionalities to support competitor analysis, fare & rules management, decision support, fare distribution, and business data integration. With ProfitLine/Price airlines can monitor the worldwide fares of competitors and partners and react faster to changes in the market. In addition, powerful analysis tools enable them to develop effective pricing strategies.

Avianca is the oldest commercial airline in the Americas and has been the national carrier of Colombia since 1919. The airline is part of the Synergy Group that incorporates Ocean Air (Brazil) and VIP (Ecuador). It currently operates a fleet of 58 aircraft and serves 49 destinations Latin America, Europe and the U.S.

## Sky Express to increase revenues with ProfitLine/Yield Rembrandt from Lufthansa Systems

The Russian low-cost carrier Sky Express will modernize its revenue management with ProfitLine/Yield Rembrandt, Lufthansa Systems' market leading revenue management solution. The IT solution will enable the airline to match capacity and price much closer to the highly volatile environment and generate additional revenues. Both companies recently signed a five-year contract to this effect.

ProfitLine/Yield Rembrandt is tailored to the specific needs of mid-size airlines and low-cost carriers. It allows airlines to better forecast market demand, analyze competitor's fares and to respond to it with a more flexible pricing strategy. So the airline can grow its market share and increase profitability. Because of its unique set of capabilities, this innovative IT solution even delivers sizable benefits to airlines already using another revenue management system. By switching to ProfitLine/Yield Rembrandt a typical mid-size airline can increase its revenues by up to USD 6 million per year. Customers experience that the investment has paid off after six months.

Sky Express was founded in 2006 and is Russia's first low-cost carrier. It operates flights to nine destinations in the Ural, North-West and South regions of Russia from its hub Vnukovo airport. In 2008, Sky Express carried 1 041,000 passengers and rose to the 5th largest Russian airline for domestic scheduled flights. The unified Sky Express's fleet consists of nine Boeing 737 aircrafts. The company has successfully passed the IOSA audit in 2008 and was included in IOSA Registry.

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## Meet Lufthansa Systems

If you would like to talk to one of our IT experts about any specific solution in detail, we would be happy to coordinate a meeting. You can find us at the following events:

<b>Name of Event</b>	<b>Date, Location</b>	<b>Solutions presented</b>
AGIFORS Crew Management Study Group Meeting	August 16-19, 2009 Las Vegas, Nevada, USA	NetLine/Crew