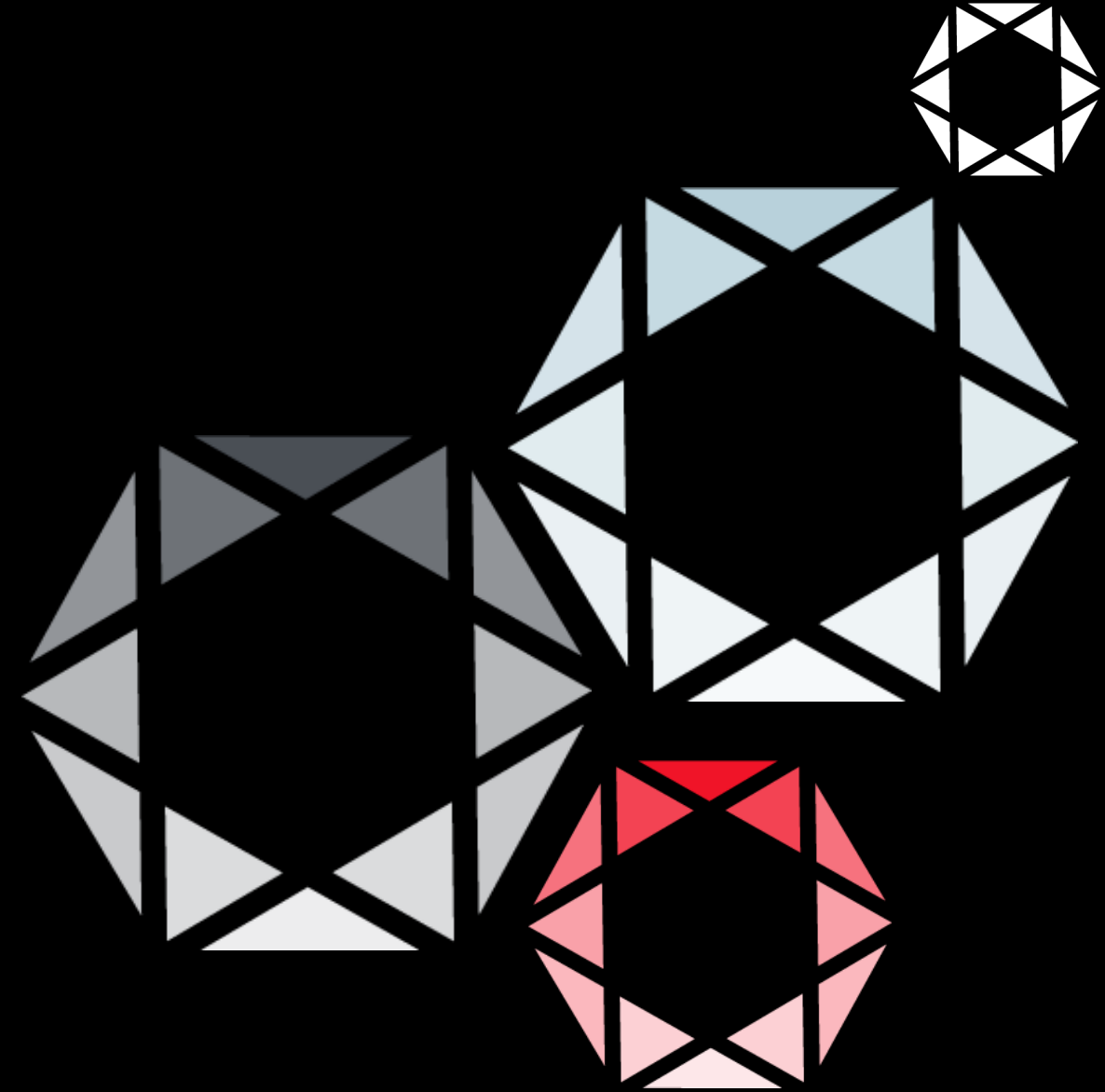




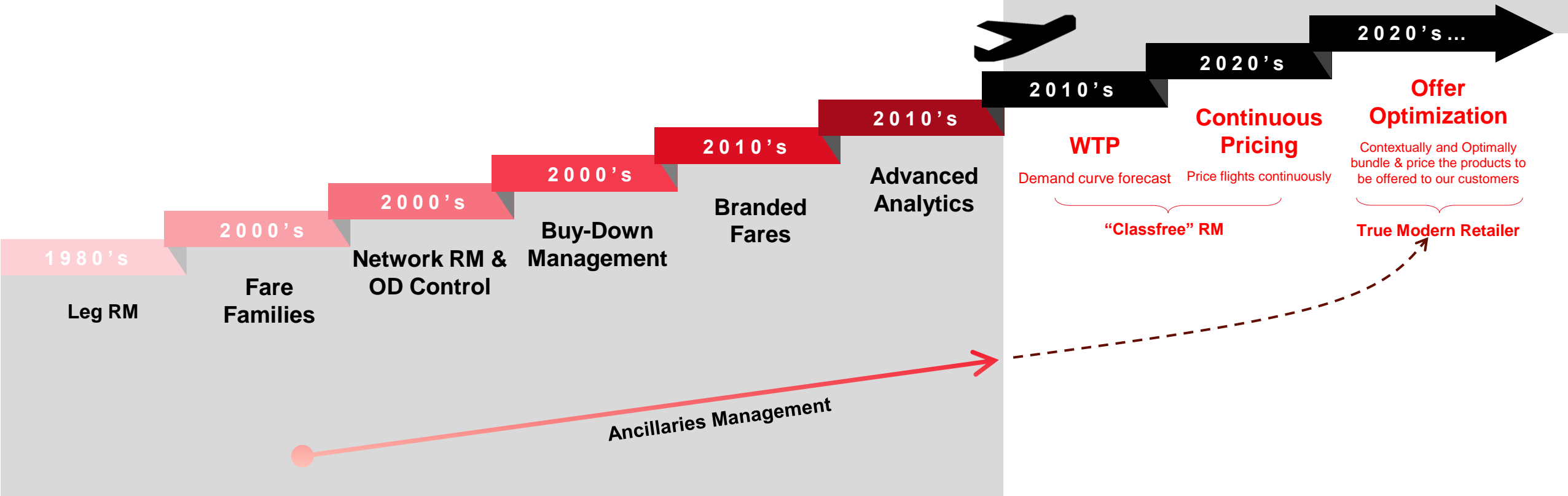
Towards Offers & Orders

The Air Canada perspective

Keith Wallis, Distribution & Payments
Richard Cléaz, Revenue Optimization



Innovation is in this industry's commercial DNA: Its future is ours to own





1AUG MON 1000 YYZ - CDG PARIS.FR<
 YTO-J CABIN-OFFER LIE FLAT SEATS ON 787, 777, 330, MAINLINE 767<
 1 YYZ CDG 1-1805 2-0730 J22 C22 D22 AC 886 763 0<
 Z20 P18 R19 Y42 B42<
 M42 U42 H41 Q40 V40<
 W36 S25 T23 L20 K23<
 F0<
 2 YYZ CDG 1-1940 2-0845 J32 C32 D32 AC 880 77W 0<
 Z29 P25 R28 020 E19<
 N16 Y237 B237 M237 U237<
 H236 Q235 V234 W231 S223<
 T221 L219 K221 F0<
 3 YYZ YUL 1-1700 1-1815 J19 C19 D18 AC 420 333 0<
 Z16 P13 R20 Y180 B180<
 M180 U179 H178 Q177 V176<
 W172 G169 S147 T139 L133<
 A0 K139 F0<
 4 YUL CDG 1-1855 2-0735 J19 C19 D18 AC 884 77W 0<
 Z16 P13 R12 026 E25<
 N20 Y180 B180 M180 U179<
 H178 Q177 V176 W172 S169<
 T139 L133 K139 F0<

Why & why now?

It generates value for us

Revenue
Opportunity

Leverage new
demand trends

Competitive context

It generates value for the
customer

Customer Centricity

Expectations vary
by trip purpose

Relevance fosters
conversion

The technology is ready to
support it

Maturing
Technology

Incorporation of RM
Science

Online real estate
& attention span

Next evolution in airline retailing is as much about elevating our customers' experience as it is about revenue generation – today they go hand in hand



Commercial vision: "Offer Optimization"

Maximizes **total** network revenue by creating **offers** that are better priced and more relevant

1 Dynamic Bundling

Which ancillaries should be bundled with the flight?



2 Continuous Bundle Pricing

Optimal, continuous pricing for dynamic bundles



3 Continuous Ancillary Pricing

Optimal pricing for a la carte services

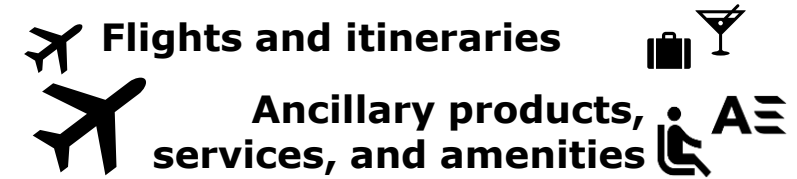


4 Contextualization Throughout

Bundling & pricing strategy varies by trip purpose

Request *What the customer wants*

Product Catalog *Components used to build offer*



Context / Trip purpose *Affects how we optimize*

Determine **most probable trip purpose** based on request parameters; combining with status of network



Leisure? *Business?*



Offers *Shown to customer*

Dynamic, context-specific offers, both competitive and more relevant to the customer's expectation

	Standard	+Bag & AE	+Seat
Included			
A la carte	Flex & AE	+Seat & Wi-Fi	+Lounge
Aeroplan	AΞ 50%	AΞ 100%	AΞ 115%
	\$927	\$957 (+\$30)	\$999 (+\$70)

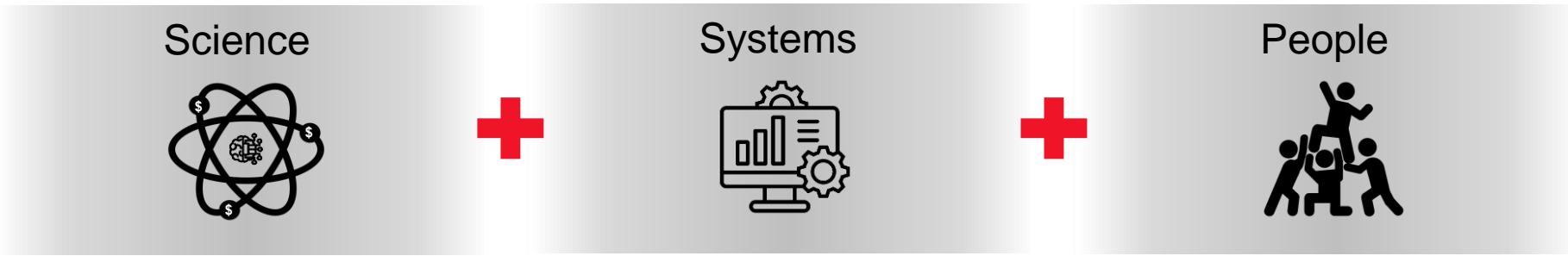




Practical perspective: A commercial ignition ...

- Revenue Generation
- Customer Experience & Centricity
- Global Industry direction

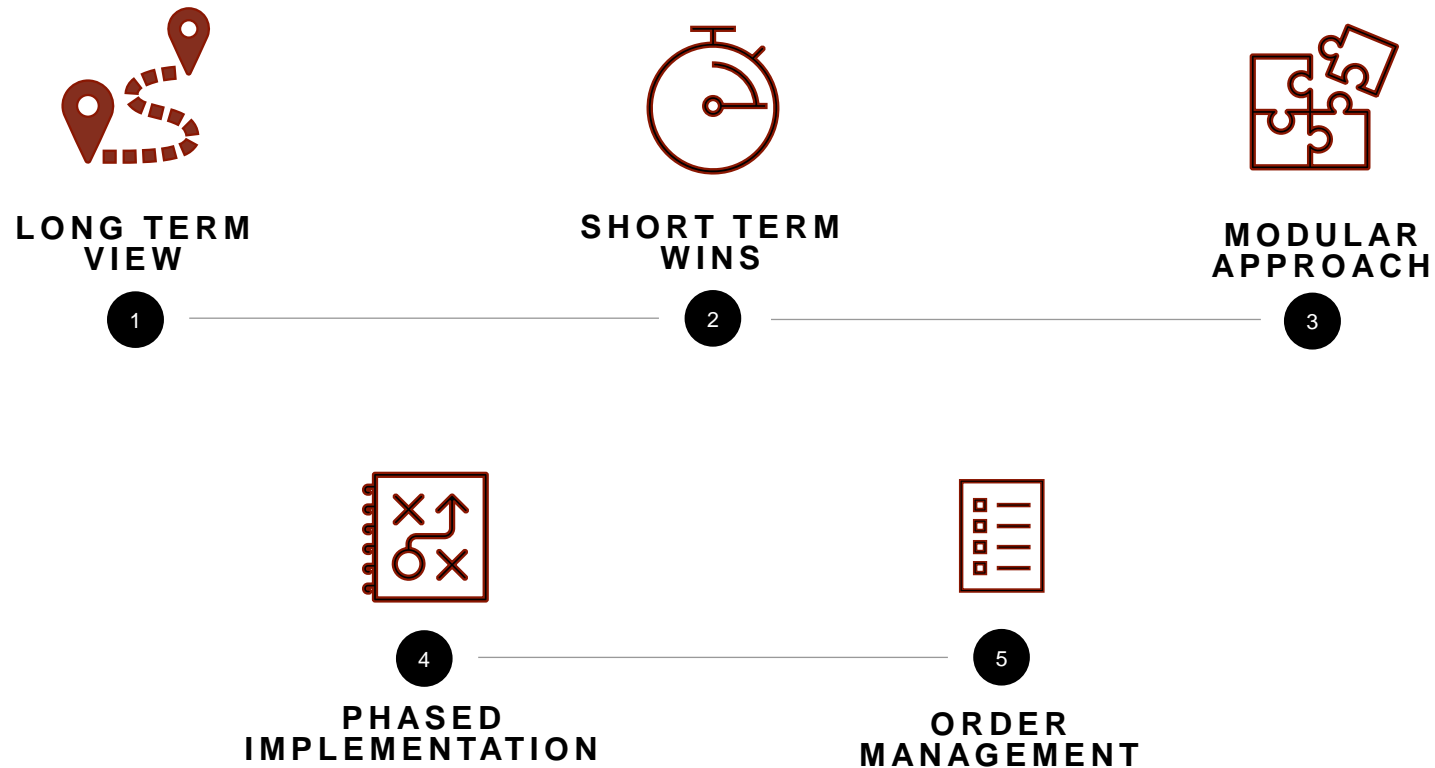
Mandate:
Draw a realistic roadmap, re-engineering AC's retailing capabilities to deliver additional value & improved customer retailing experience



Solid business case supported by a core group of Executive Sponsors
Presentation to the AC Board of Directors and at Investors Day.



... quickly followed by a How to?



OFFICIAL DISCLAIMER: The views expressed here are those of Air Canada and do not necessarily represent the best path forward for any other airline 🕶️

An incredibly high degree of complexity

Engage all impacted stakeholders early

Channel and device agnostic

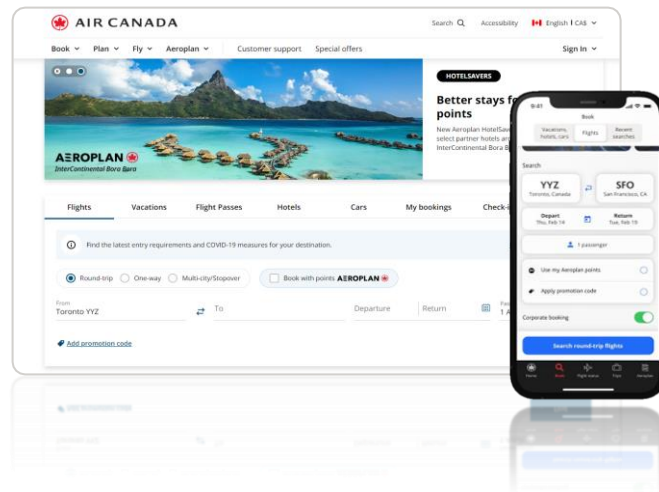
Remain focused on the customer experience



Building Blocks

1

Digital Transformation



2

Distribution

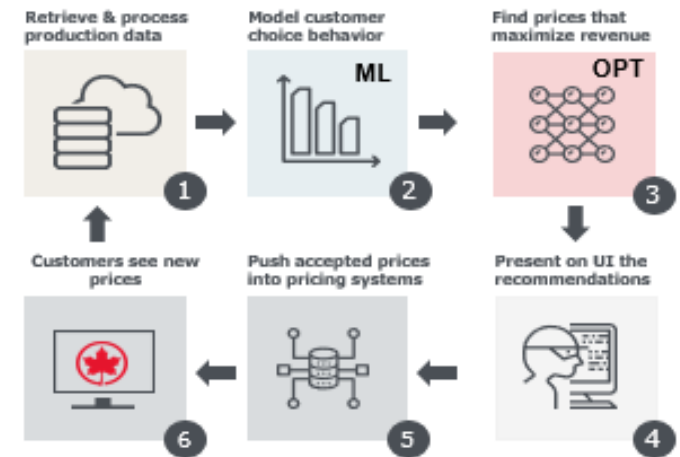
Agencies are limited by legacy distribution technology platforms

To be successful with Offers and Orders, we need to **dramatically upgrade existing distribution infrastructure between airlines and agencies**

Distribution is an enabler of an effective Offer/Order program

3

Estimating & Leveraging Ancillary WTP



Lessons Learned & Open Qs



No One path, and there will be direction changes along the way

Scope Rationality: cannot boil the ocean, but OneOrder is on the horizon

Build vs Buy: both Science & Tech are new - Not your typical RFP!

Modularity: allows for a flexible approach, and deliver benefits along the way

Partners & Interline: include them earlier than you would

Stakeholders: numerous! include revenue accounting, taxation, legal early

A bumpy technological road: hybridness, backward compatibility, standards needed

Be ready for philosophical questions: what is the acceptable level of segmentation?

Buy-in: obtain Exec sponsorship, dedicate a stream to change management



Merci ~ Thank you !

