

Air Transport News & INFARE present

Airlines' Revenue Estimation

Airports' view on it



This Report presents the findings of a survey conducted by **ATN** in collaboration with **INFARE** during the months of July and August 2016.

The survey, available on ATN's website, was focused on the **importance and use of Airlines' Revenue Estimation for Airports.**



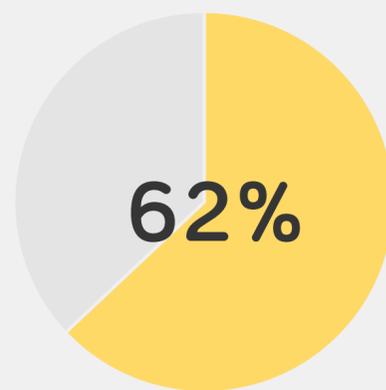
We are thankful to all the participants for sharing their outlook with us.

We hope you will find the report informative.

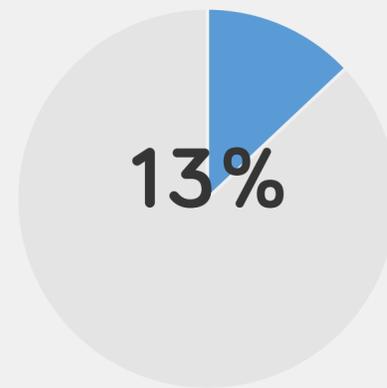
To share your feedback write to us at ggu@infare.com

The Report presents the consolidated views of a number of **Airports Professionals**, whose roles range from Airport Routes Developers to Marketing Managers, from Planning Specialists to Network Development Managers. The respondents represent Airports of all sizes located all over the World.

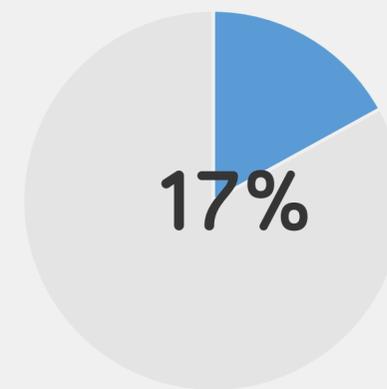
We started by asking to our respondents **HOW BIG** is the Analytic Department where they operate



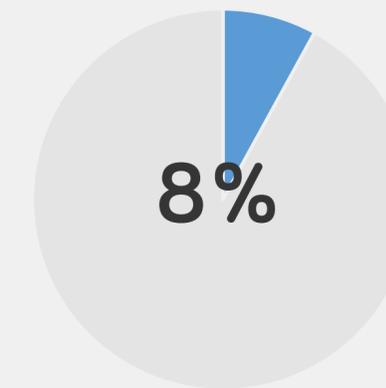
1 to 5 people



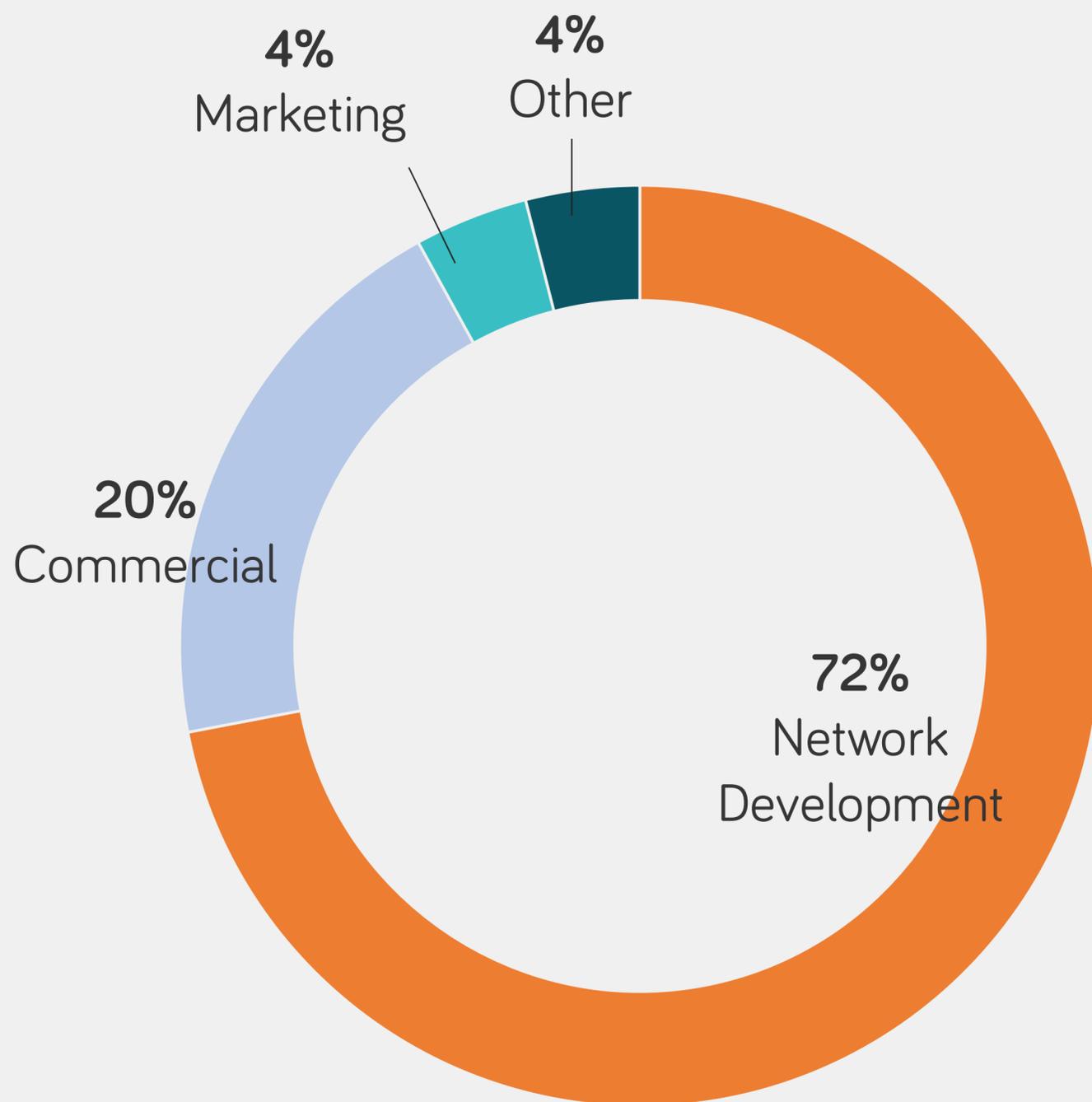
6 to 10



11 or more



Answer N/A



To better understand the profile of the respondents we asked them which is the **AIRLINE DEPARTMENT** they work most closely with.

The vast majority (72%) of the people who took the survey are collaborating with the Network Development Department of Airlines.

A much smaller part of them (20%) with the Commercial Department and only the 4% with the Marketing one.

It is known that many are the Airports who use estimations of Airlines' Revenue to sharpen their **marketing efforts** and to better prepare for periodic **consultation meetings** with airlines.

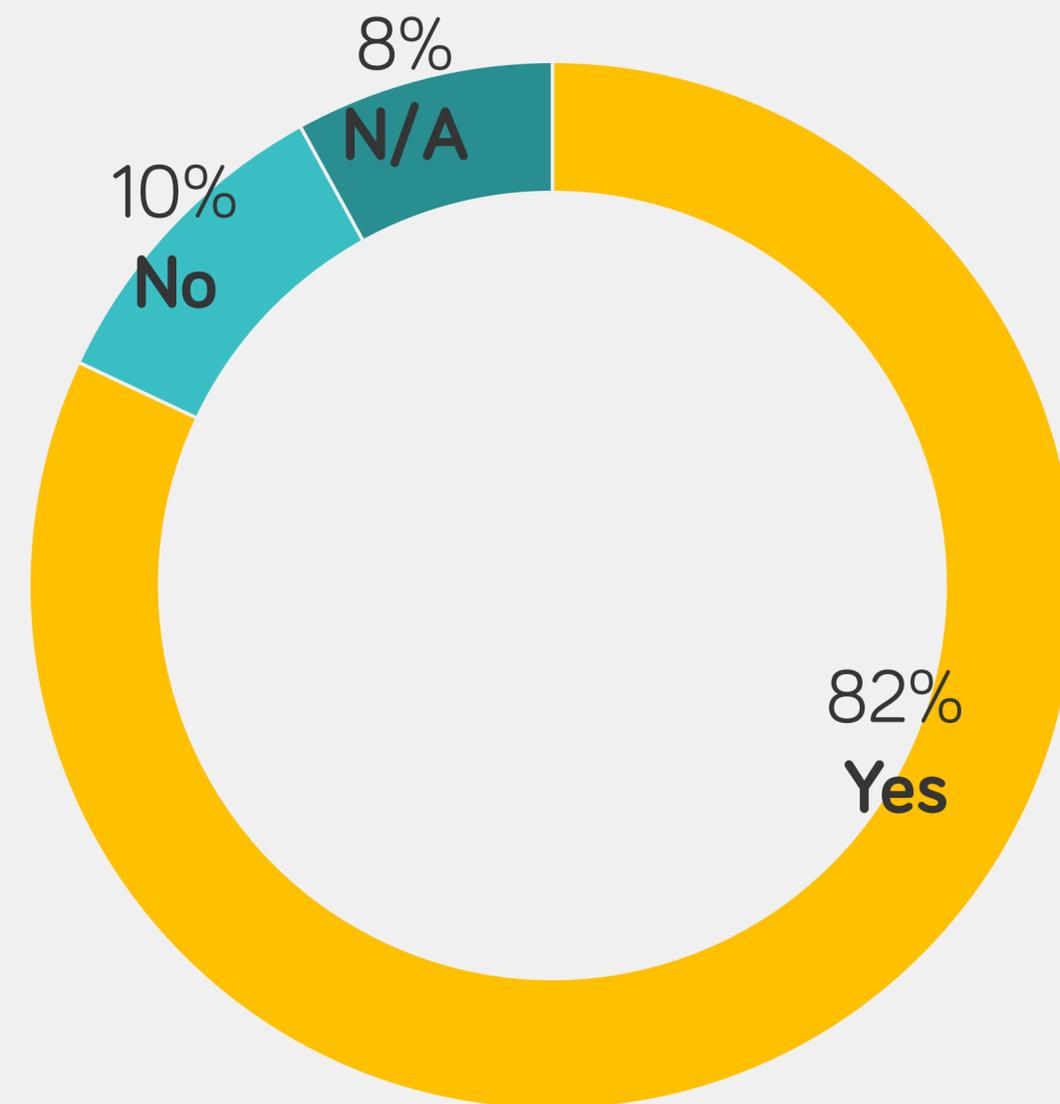
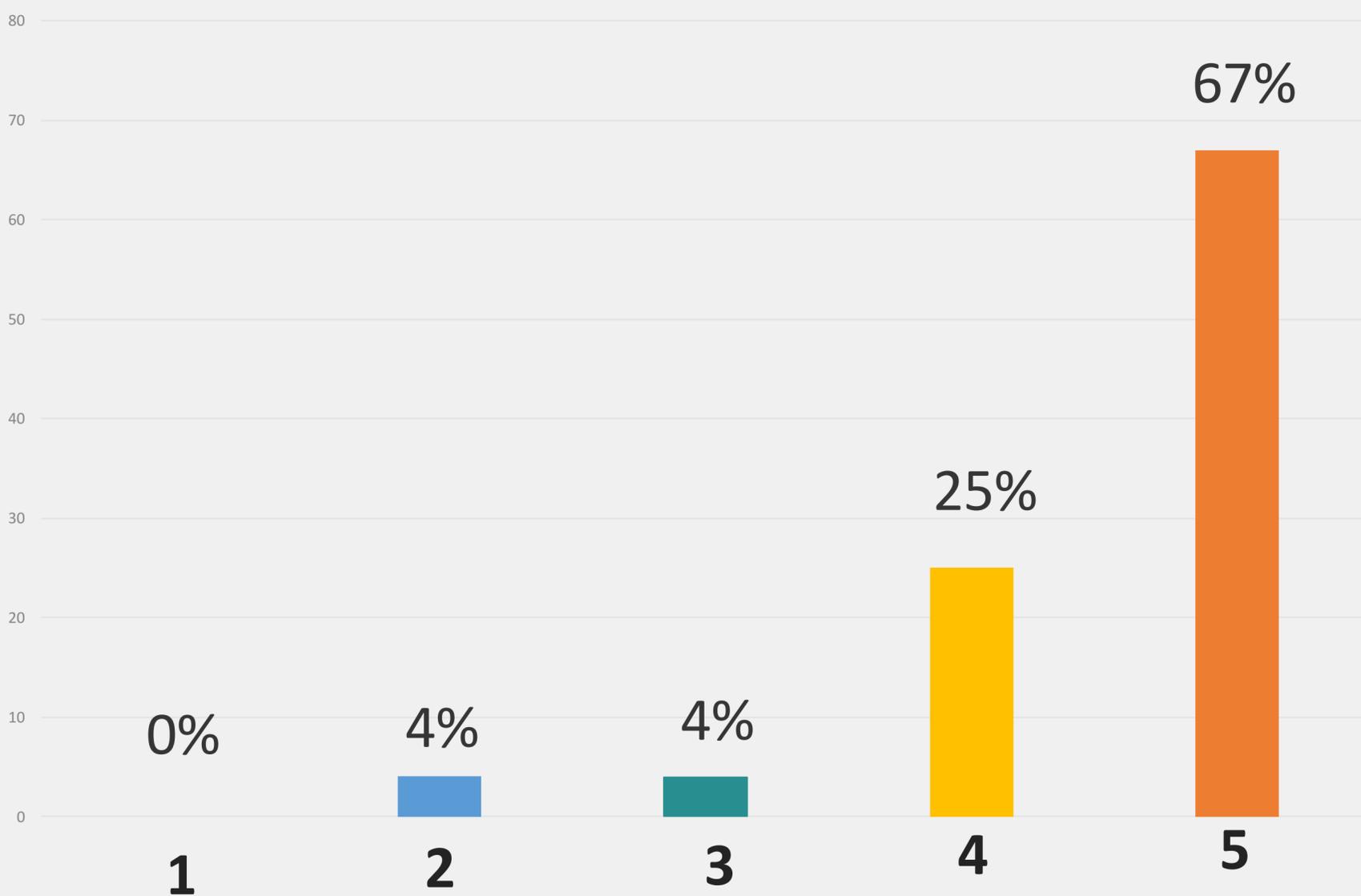


By identifying revenue opportunities for their customers, airports can better direct their marketing activities towards prospects that are likely to benefit from increased revenue. Furthermore, the insight they gain will give them better leverage power when re-discussing standing agreements with airline customers.

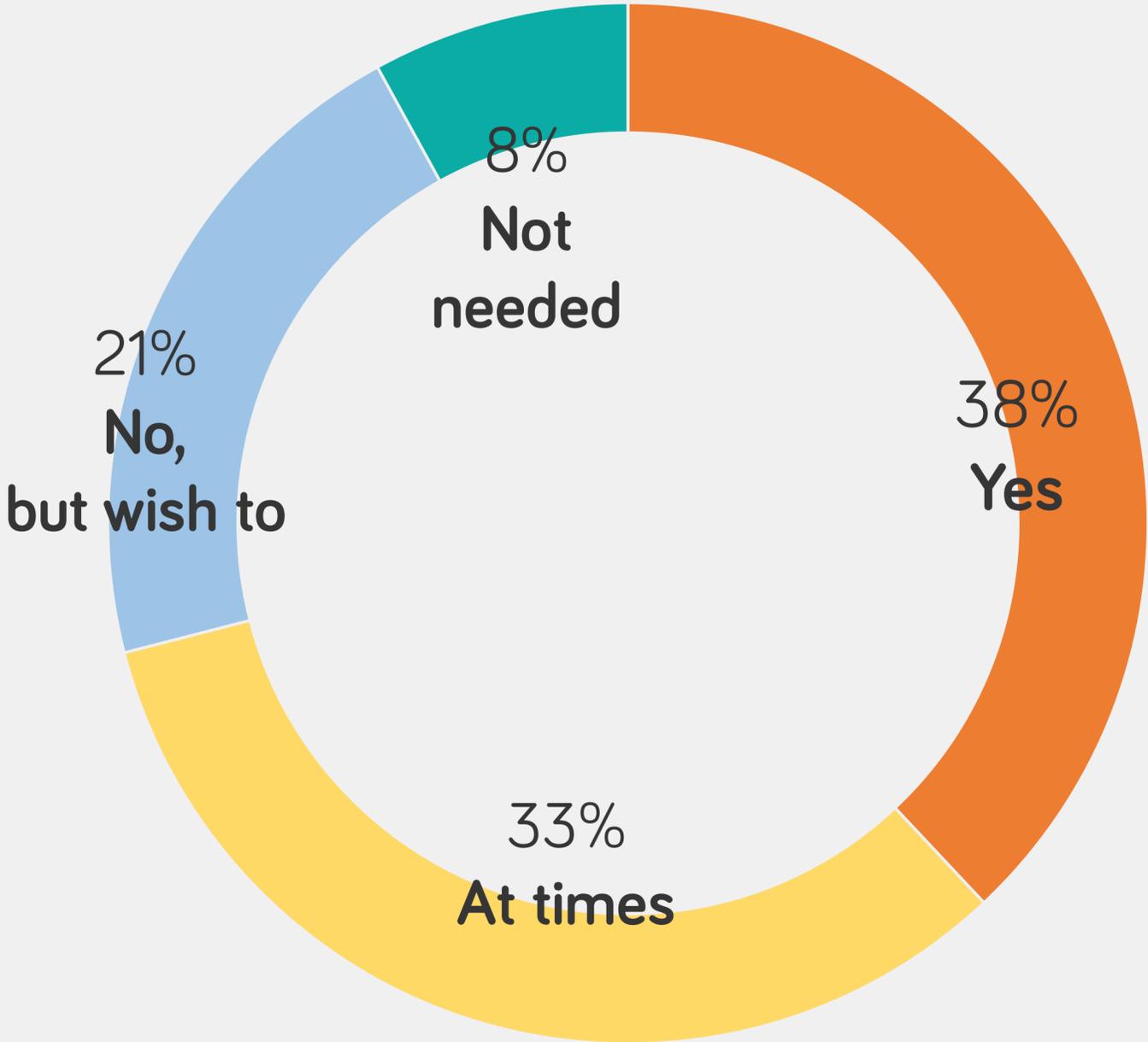
With a set of specific questions we tried to better understand how are information on Airlines' Revenue **considered, accessed** and **used**.

How **valuable** is it to get access to estimations of Airline Revenue?
On a scale from **1** (Not at all) to **5** (Extremely)

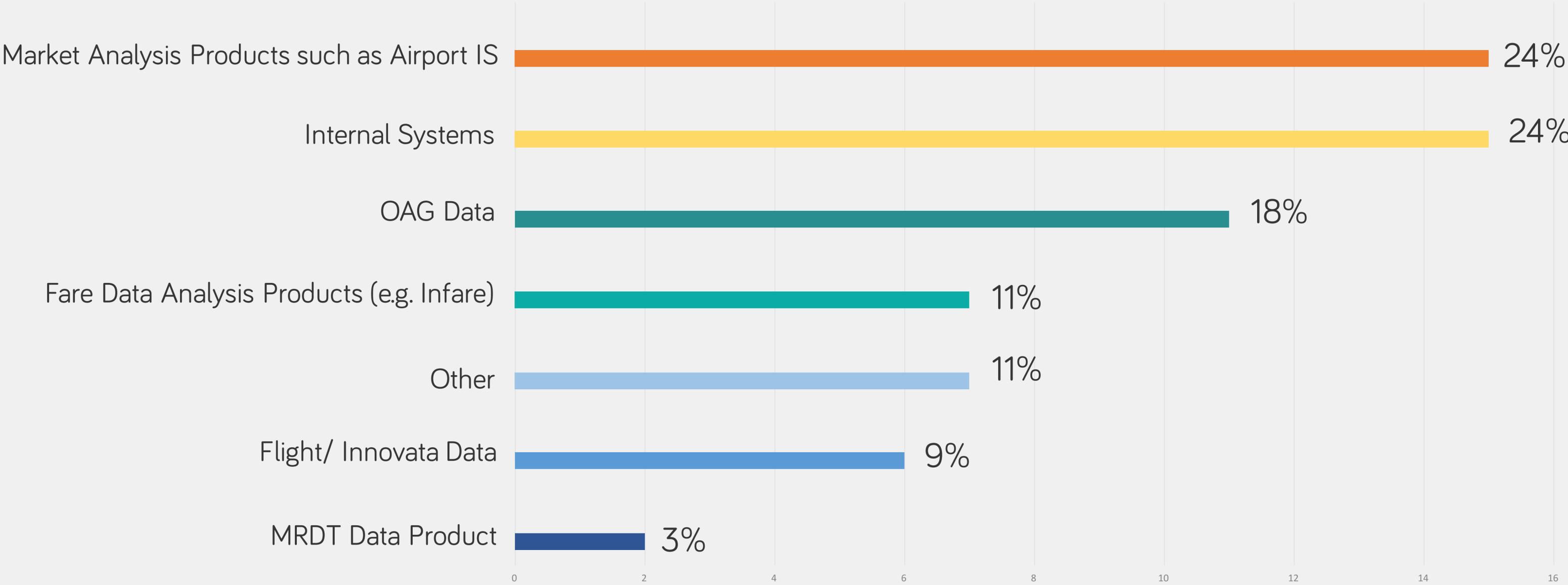
Is data on Airline Revenue needed when building **business cases**?



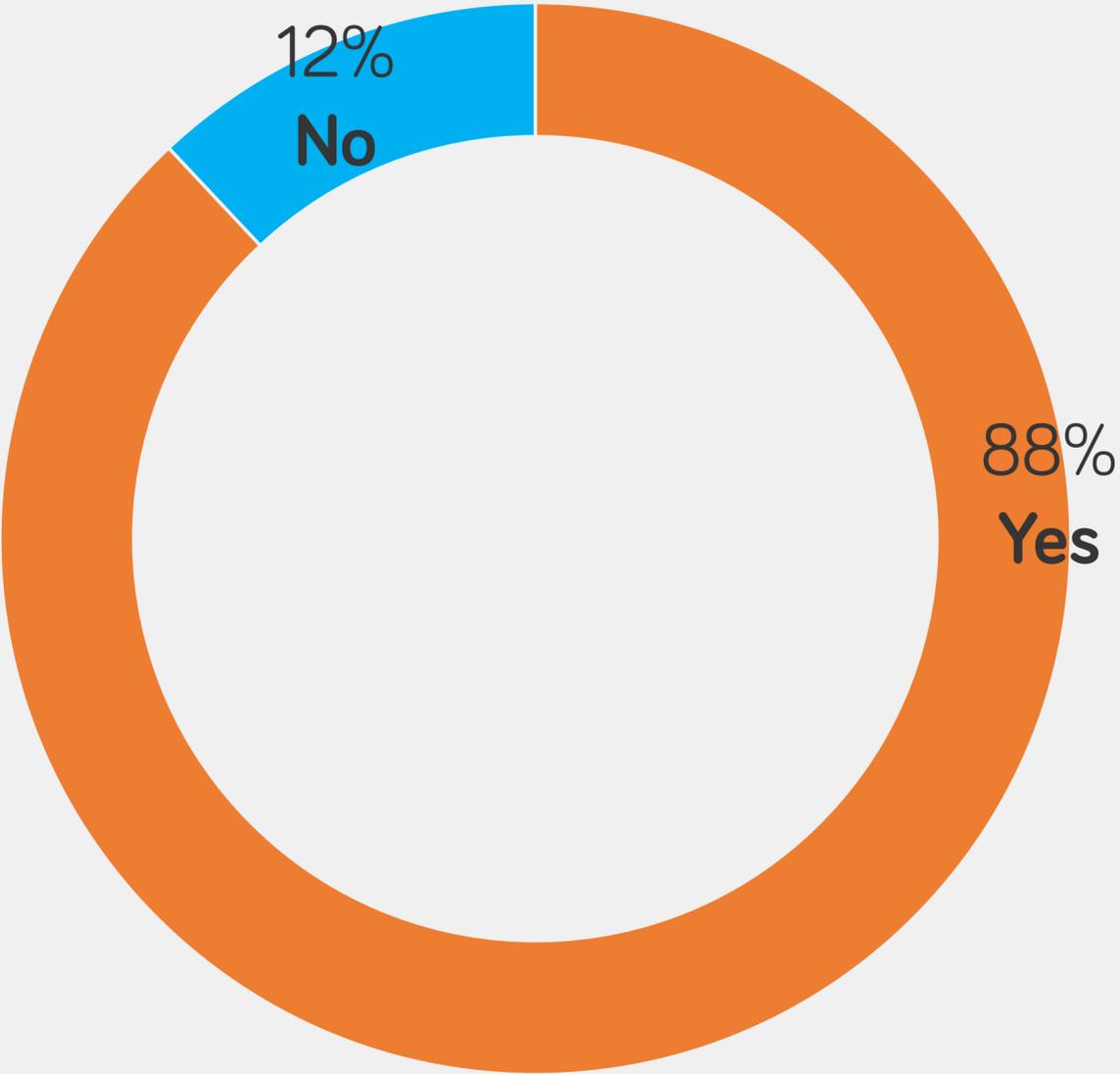
Are you using any **Analytics Tool** to access data on Airlines' Revenue?



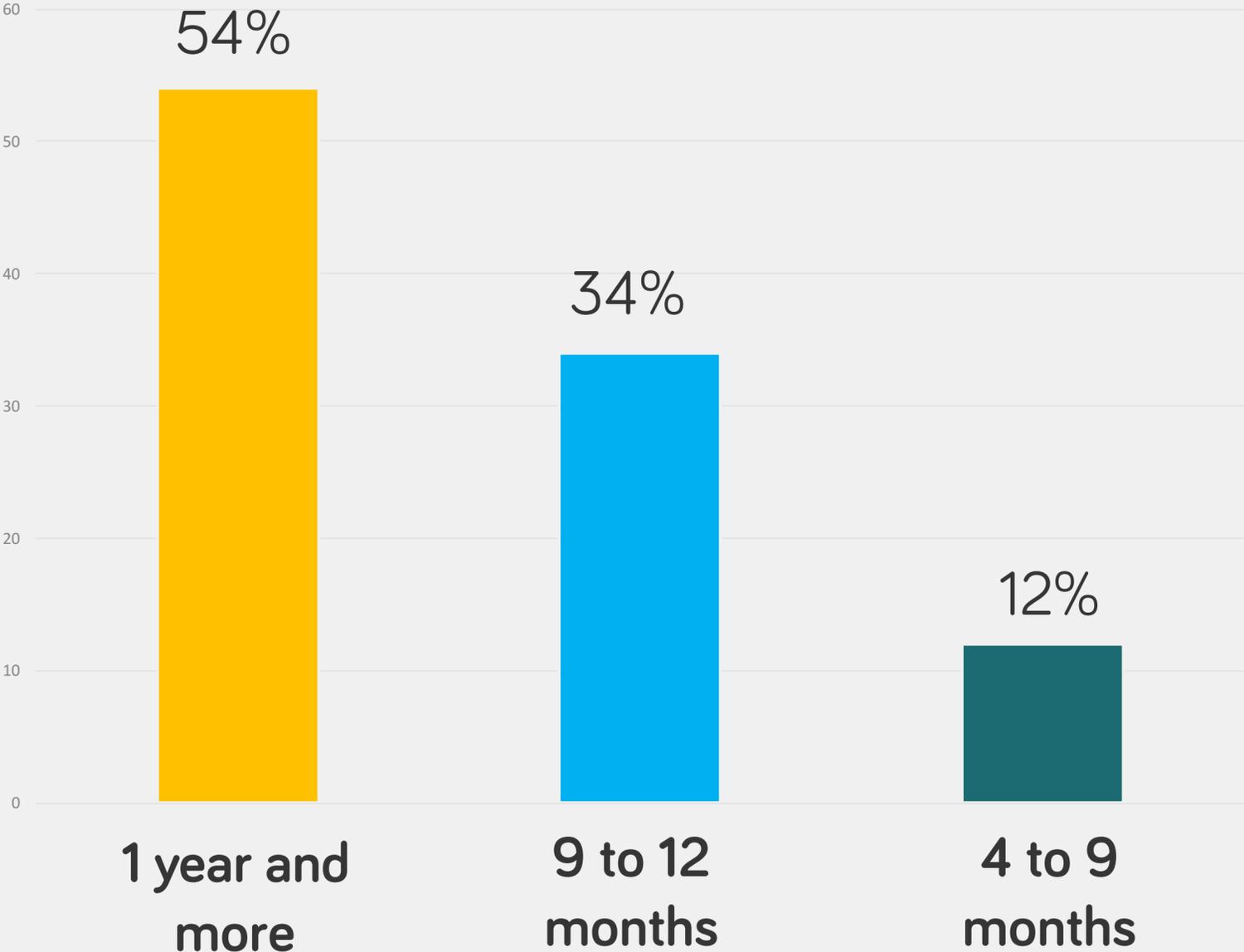
Which are the **tools** you use to collect information on a **Prospect Airline?**
(multiple options available)



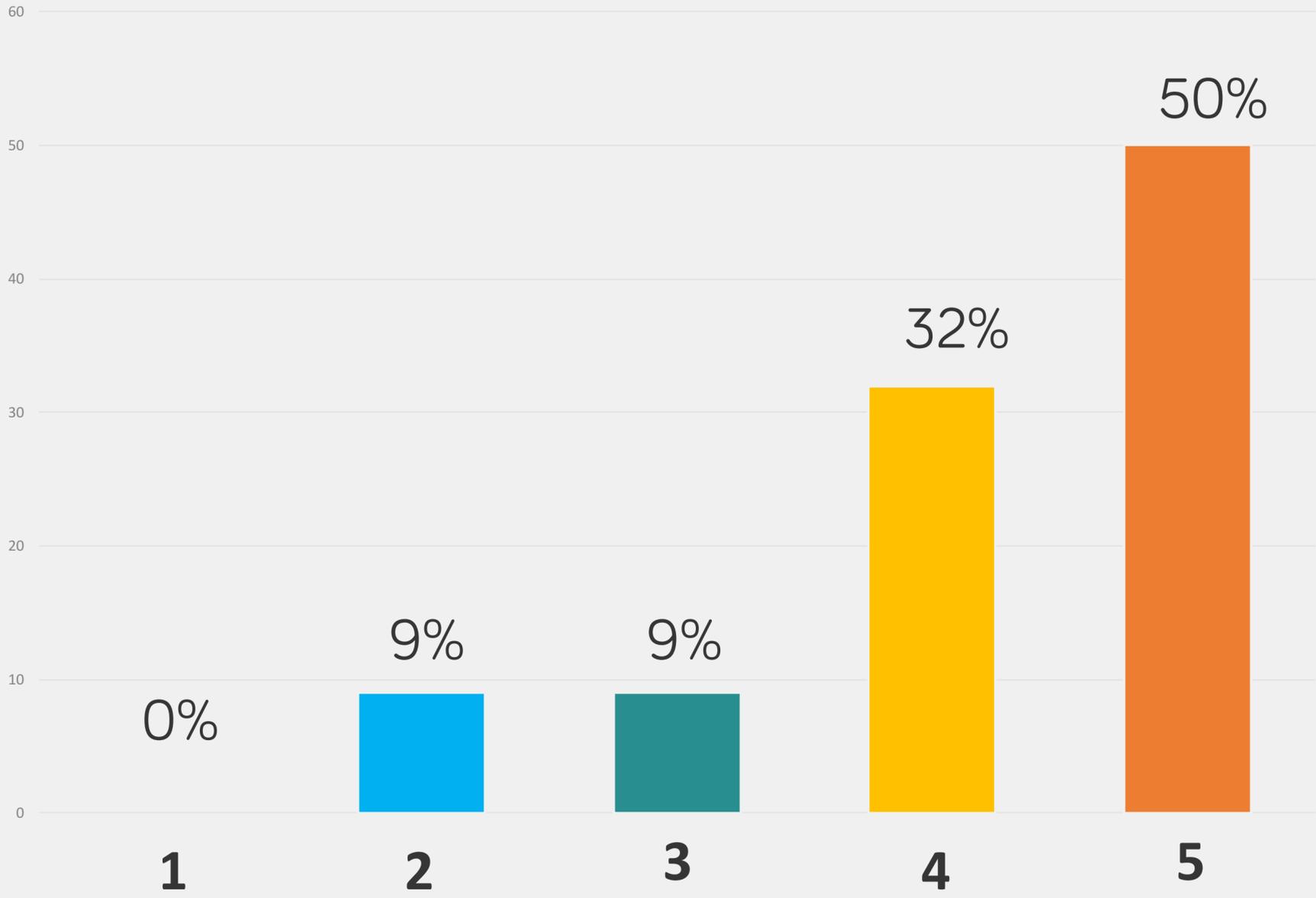
Is **Historical Airfare Data** relevant for your work?



When assessing the **performance of a route** using **historical data** how **far back** in the past do you need to look?



How relevant is it to take into account the **booking curve** when working with **price averages**?
On a scale from **1** (Not relevant) to **5** (Extremely relevant)



Key Highlights



Airlines' Revenue Estimations

92% of the respondents defined **Airlines' Revenue Estimation** as particularly **valuable** to analyse customers Airlines. Furthermore, the **82%** of them considers them necessary to **build solid business cases**



Historical Airfare Data

88% of respondents uses **Historical Airfare Data** during daily work



Routes Performance

54% of all respondents **when assessing routes' performance** will analyse the historical data associated to the **last 12 months or more**



Booking Curve

71% of the respondents will use information on the booking curve when dealing with **Average Prices**

Closing Remarks

Efficiency & Leverage Power

Once detailed Airlines' Revenue Estimation has been carried out, Airports have one more tool to adequately approach customers and prospects.

Airports' marketing departments can address prospects more effectively, as their **business cases will be supported by sound revenue estimations**. In so doing, they will better **allocate resources**, and what is more, they will provide airlines with bullet-proof business cases.

Using data on Airlines' revenue, every airport will be able to easily benchmark itself against competitors for a given destination and catchment area. For instance, providing prospects with different revenue scenarios defined by average price and underlying price volatility.



Closing Remarks

Fares Fluctuations & Volatility

Precise assessments of revenues and costs are essential to estimate earnings.

However, while costs can easily be estimated from airlines' annual report, revenue estimation represents a real challenge.

The main reason behind it being the dramatic **fluctuations of fares** across different departures, as well as, on the same departure date.

Fluctuations which eventually result in considerably **high degrees of volatility** – which Airlines' analysts must cope with.



If you wish to read more about Airlines' Revenue Estimation, take a look at the [WHITE PAPER](#)

ATN & INFARE



Air Transport Network presents series of **Research** and **Analysis** from all around the world, from all sectors of the industry.

It's strong relations with industry executives, facilitate the exchange from major Airlines players who influence our industry.

INFARE is the leading provider of **Airfare Analytics** to the Aviation Industry. Every day INFARE collects 1.5 billion airfares and delivers them to customer worldwide, while providing them with dedicated Analysis Tools.

Its solutions are used by **over 150 Airlines and Airports** all over the world.