JEJU AIR INVESTING IN IT TO DRIVE GROWTH

ENABLING JEJU AIR TO STRENGTHEN THEIR FOUNDATION FOR SUSTAINABLE GROWTH

CUSTOMER STORY
Established in 2005 by the provincial government of Jeju in partnership with the local Aekyung Group, JEJU AIR is the third largest airline in South Korea.

Currently providing regular flights to ten cities in five countries in addition to serving three destinations within Korea, JEJU AIR carried some 4 million passengers in 2012 and projects growth of international passenger traffic by over 54 percent in 2013. Founded on the promise of low fares and dependable service, JEJU AIR is now looking to offer more sophisticated travel options to business customers while at the same time maintaining its appeal to budget-minded passengers.

JEJU AIR is serious about its goal to cement its position as one of the leading Low Cost Carriers (LCCs) in North Asia and strengthen its reputation for reasonable fares and excellent service. So serious in fact, that JEJU AIR is investing 10 billion Won (almost US$ 10 million) in their IT systems in order to improve their flight stability, enhance customer services and, in the long run, reduce overall costs. With this IT initiative, JEJU AIR aims to become a safer, more convenient and more affordable airline.

THE CHALLENGE

Facing considerable competition within Korea and neighboring countries, JEJU AIR is set on implementing a necessary change to its fundamental business model. They are looking for solutions to increase their revenue streams while also finding a partner with whom to seamlessly expand their Global Distribution System (GDS) channels including the flexibility to implement interline and codeshare capabilities in the future. In its 2013 business plan, JEJU AIR clearly states that it plans to “reinforce the fundamentals for sustainable growth by focusing on its core business while enhancing its competitiveness.” Therefore, the key objectives for JEJU AIR are to work from the inside out: keeping what works while at the same time developing innovative yet low-cost solutions to increase ancillary revenue channels.

“THE LARGE SCALE INVESTMENT WILL SET THE FOUNDATION FOR FUTURE GROWTH OF THE COMPANY”

JEJU AIR OFFICIAL
**SITA SOLUTION**

From the time of its launch, JEJU AIR has used SITA’s modular Horizon Passenger Services System (PSS) to handle its reservations, inventory, e-ticketing and departure control services. Already tailored to the demands of the Korean market, SITA’s Horizon PSS also provides built-in functionalities that are typically associated with more sophisticated carriers. By seamlessly implementing these additional features, now and in the future, JEJU AIR will put into operation the following key components:

1. **Airfare Price:** Supporting the soon-to-be launched GDS distribution channel, JEJU AIR will have full control over their pricing activity. Providing all the data and interfaces required to fully support call centers, airport ticket offices and online sales systems, this service helps to get fares to market quickly and make the best of competitive conditions.

2. **Electronic Miscellaneous Documents (EMD) and Optional Service Fees:** These fully integrated products enable JEJU AIR to account for and manage their ancillary sales by tracking items such as seat selection, baggage and ticket change fees. In addition, JEJU AIR may create an even better customer experience by integrating additional services that provide a broader choice of ancillary suppliers such as car rentals and hotels.

3. **Customer Journey:** A component of Reservations, Customer Journey stores data on a passenger’s travel history, past, current and future. This component will give JEJU AIR a detailed view of the customer’s behavior and enhance passenger satisfaction.

4. **Bundling of Horizon PSS and Communications Network:** An integrated offering that is unique to SITA and will help lower JEJU AIR’s operational costs.

5. **Local Language Capability Support:** Allows Korean (Hangul) to be stored in the booking record so it can be shown on customer documents such as the itinerary, ticket and boarding pass.

6. **Web Services:** SITA provides a rich and robust interface to support the e-commerce channels developed by JEJU AIR, to increase the speed of internet reservations and enhance user convenience in the management of reservations.

**THE RESULTS**

The advantage of using SITA’s Horizon PSS suite of products is that these can be implemented quickly and securely to provide the maximum benefit to JEJU AIR in the shortest time possible. In fact, JEJU AIR found that the two most compelling reasons for selecting SITA’s solution were based on effective cost management and efficient operations:

- **Effective cost management:** No integration costs, the ability to link the infrastructure network cost to revenue and no hidden costs related to technology refresh and third-party distribution.
- **Operational efficiencies:** No disruption to business, and a straightforward transformation with a focus on growing the market rather than using resources to manage internal change.

The system today is future proofed – it is already tailored to meet the demands of the Korean market. It has built-in features that will be important to JEJU AIR as it grows – for codeshare management, GDS integration, global partnerships, ancillary sales and optional service fees. One JEJU AIR official was quoted as saying: “The large scale investment will set the foundation for future growth of the company”.

And looking beyond the immediate future, SITA is poised to deliver additional requirements, effortlessly and efficiently, such as self-service applications, social media connectivity and other upgrades.

Kyu Nam Choi, CEO, JEJU AIR said: “During our long-standing partnership, we have come to depend on SITA as they provide us with a cost-effective, flexible and value-centric passenger services system, that is allowing us to expand internationally while remaining aligned to our core values. And above all, we appreciate SITA’s local presence and support.”

Ilya Gutlin, President Asia Pacific, SITA said: “We are proud to help JEJU AIR grow into the leading LCC in the region and I am confident that thanks to our strong Horizon PSS functionality along with our industry know-how, our partnership will help JEJU AIR achieve its aspirations.”
SITA AT A GLANCE

The air transport industry is the most dynamic and exciting community on earth – and SITA is its heart.

- Our vision is to be the chosen technology partner of the industry, a position we will attain through flawless customer service and a unique portfolio of IT and communications solutions that covers the industry’s every need 24/7.
- We are the innovators of the industry. Our experts and developers keep it fuelled with a constant stream of ground-breaking products and solutions. We are the ones who see the potential in the latest technology and put it to work.
- Our customers include airlines, airports, GDSs and governments. We work with around 450 air transport industry members and 2,800 customers in over 200 countries and territories.
- We are open, energetic and committed. We work in collaboration with our partners and customers to ensure we are always delivering the most effective, most efficient solutions.
- We own and operate the world’s most extensive communications network. It’s the vital asset that keeps the global air transport industry connected.
- We are 100% owned by the air transport industry – a unique status that enables us to understand and respond to its needs better than anyone.
- Our annual IT surveys for airlines, airports and passenger self-service are industry-renowned and the only ones of their kind.
- We sponsor .aero, the top-level internet domain reserved exclusively for aviation.
- In 2013, we had consolidated revenues of US$1.63 billion.

For further information, please visit www.sita.aero

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