THE PATH TO EVOLUTION AND GROWTH

TECHNOLOGY PARTNERSHIP DRIVING BUSINESS SUCCESS

CUSTOMER STORY
HOW LONG-TERM PARTNERS COLLABORATED ON A MAJOR TURNDOWN

India is the world’s fastest-growing economy and is forecast to become the third largest over the next two decades. International and domestic passenger growth is averaging 12% annually, reaching a combined 184.2 million in financial year 2015-16. Some projections expect passenger numbers to reach 450 million by 2023.

India’s national carrier, Air India, symbolizes a service brand and trust that has endured and grown ever since it was founded in 1932. Generations of air travelers in India and overseas have been making Air India their preferred airline. It pioneered aviation in India and carved for itself a special place in India’s civil aviation history. Over the years, the airline has kept pace with trends and technology and constantly evolved in sync with changing consumer preferences. It is not just an airline that transports people and cargo. It is an institution by itself. The massive infrastructure Air India has built over the years, like its engineering and maintenance facilities, well-equipped training schools and simulators for pilot training and extensive ground handling facilities, help to keep its resources of men and material in top gear. Headquartered in New Delhi with its main hub at Indira Gandhi International Airport, Air India serves 68 domestic and 44 international destinations across the USA, Europe, Australia, the Far East and Southeast Asia, and the Gulf.

SITA has had a strong local presence in India with over six decades of experience working collaboratively at the heart of Indian aviation. SITA’s pan-India footprint is based on longstanding, strong relationships with customers. It includes 38 airports run by the Airports Authority of India (AAI), Mumbai, Bangalore and Cochin international airports and the airlines AirAsia India, Air Costa, Air India, GoAir, IndiGo, Jet Airways, SpiceJet and Vistara as well as ground handlers, government agencies and policy makers.

Through a partnership of more than 60 years, SITA and Air India have worked together to add value and create growth. Leveraging this close collaboration, SITA has contributed to the turnaround of the national carrier with a suite of solutions that have resulted in numerous technical benefits. One example was in helping Air India meet the Star Alliance’s exacting standards to join the leading global alliance.

THE CHALLENGE

Not long ago, Air India faced challenges on many fronts at a time when Indian air transportation was being reshaped. Liberalization, foreign investment, changing airline business models and the formation of global alliances – all impacted international and domestic markets. It faced a particularly testy time after its merger with Indian Airlines in 2007 with increasing competition, raising the bar to become a Star Alliance member and other core issues related to merger. Air India adopted a turnaround plan in 2010. A critical foundation of the plan was the complex migration of the Air India IT platform to a new Passenger Service System (PSS), while merging and simplifying business processes between the two carriers. The migration was meant to serve as a significant milestone towards Air India’s modernization and also was a key imperative for its smooth entry into the Star Alliance.

SITA SOLUTION

The Horizon® PSS is at the commercial heart of Air India and is critically necessary to support the company’s business objectives. SITA’s PSS provides the carrier with a comprehensive suite of modules that lets them adapt to change and cope with the demands of high-volume, multi-channel sales and servicing.

The Air India portfolio features these Horizon® PSS modules and services:

- **Core systems:** Reservations, inventory, pricing, ticketing, and departure control provide the critical functionality to enable booking and passenger processing.

- **e-Commerce:** Enables online travel booking and payment with calendar shopping integrated to offer additional service options. A growing percentage of Air India’s passengers are now booking online, which helps

“HORIZON® OFFERS A SYSTEM THAT WILL CONTINUE TO EFFECTIVELY RESPOND TO AIR INDIA’S EVER-EVOLVING, COMPLEX MIX OF CUSTOMER NEEDS, MARKET SHIFTS AND COMPETITORS TO ACHIEVE ITS DESTINY AS PER THE TURNAROUND PLAN IN THE INDIA TRANSPORTATION MARKETPLACE.”

ASHWANI LOHANI
CHAIRMAN AND MANAGING DIRECTOR OF AIR INDIA

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strengthen their distribution model. The addition of iTravel® further enables them to keep the more expensive third-party channels in check.

- **Horizon® Loyalty:** This key component of the airline’s alliance strategy is integrated with its website and call center interface. It enables agents to recognize and reward loyal customers as well as integrate with other alliance member systems.

- **Horizon® Revenue Integrity:** Prevents revenue leakage due to no-show passengers and late cancellations by constantly monitoring, identifying and eliminating bad bookings in real-time, providing new revenue opportunities and reducing costs.

- **Business Intelligence:** A unique offering, this service enables the airline to extract detailed data from across its passenger systems to track trends and key business metrics such as revenue and operational performance.

- **iTravel®:** Provides Air India with the country’s leading travel application aimed at meeting the exponential growth in Indian mobile internet users and in line with the vision of the Digital India program of the Government of India. iTravel offers an elevated mobile experience where passengers can easily manage every step of their journey on their phone or tablet with ease no matter where they are.

SITA’s passenger processing management capabilities provide Air India customers with continuous access to advance flight information, booking and ticketing. Its merchandising capabilities will further increase the airline’s ancillary revenue-generating opportunities, maximize its wallet share and yield, reduce costs and improve efficiency. Moreover, SITA has been providing Air India with bundled mission-critical solutions during our long-standing partnership. This includes network connectivity at all domestic and international stations, desktop infrastructure solutions for check-in, air-to-ground communications, fares management and baggage tracing.

In addition, SITA’s dedicated support resources work with Air India’s team of committed professionals to ensure the airline’s success. SITA’s experts bring in-depth knowledge of the ATI and an understanding of Air India’s exceptional business needs, working in partnership to help the airline grow through its challenges.

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THE RESULTS

Since adopting its turnaround plan in 2010, Air India has followed a steady path to profitable growth. Its passenger numbers have been on the rise – from 12.5 million in 2012 to 18.5 million in 2015. The company announced an operational profit of INR 100 Crores (USD 15 million) in the financial year 2015-16 and is projecting a return to cash profitability in 2018 well ahead of the original target set in the turnaround plan.

Following the flawless migration in 2011 of the Air India and Indian Airlines IT platforms to the Horizon® PSS, Air India became a Star Alliance member in 2014. By upgrading processes to match those of existing Star Alliance members, the Horizon® PSS enabled Air India to meet alliance standards and airline member expectations. As the first Indian airline to join a global alliance, Air India’s membership opened the door to increased business opportunities.

Alliance membership offers passengers a seamless travel experience across its global network, premium customer recognition and other benefits. Alliance passengers can earn and burn more frequent flyer mileage points, with code sharing leading to a wider choice of flights and access to over 1,000 lounges. Star Alliance’s 28 members offer a network of 18,500 daily flights to 1,300 airports in 192 countries. Additional revenues generated as a result of Star Alliance membership are estimated at US$3.4 million outbound and US$2.9 million inbound. In 2015 alone, the Star Alliance brought over 152,000 passengers to Air India.

**SITA RECEIVED AN EXCELLENCE AWARD**

The ‘Air India Day’ event in August 2014, focused on major milestones accomplished throughout Air India’s transformation program. The Minister of Civil Aviation bestowed SITA with an Excellence Award in recognition of SITA’s close partnership with Air India, as well as SITA’s contribution to the airline’s transformation – specifically Air India’s Star Alliance entry.
Maneesh Jaikrishna, Vice President, India and Subcontinent, SITA said: “We pay close attention to customers such as Air India, understanding their specific challenges and future business needs. We work closely together to define and deploy suitable solutions while providing strong local support and management to refine business processes and strategies for success. Every customer is different and we do not offer a one-size-fits-all solution – this has been the key to our success with Air India. We will continue to work closely to further remove costs with strong solutions from across the SITA portfolio. SITA’s ongoing investment will support Air India’s requirements for increased operational efficiency, enhanced customer service and increased revenues.”

KEY PERFORMANCE INDICATORS

• Revenue yield, aircraft utilization and flight cancellations have significantly improved.
• Average flight occupancy has increased from 68% in 2011 to 82.2% during April-June 2016.
• On-time performance is over 80% during April-June 2016.
• Named “Most reputed aviation brands 2016” according to the Trust Research Advisory (TRA) Research-BlueBytes report.

SITA AT A GLANCE

SITA is the world’s leading specialist in air transport communications and IT solutions. Owned by the industry, SITA delivers solutions to airlines, airports, GDSs and governments over the world’s most extensive communications network.

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