



SURVEY FINDS CARGO EXECUTIVES WANT BETTER TOOLS TO OPTIMISE REVENUE

News / Airlines



Only one in four air cargo executives feel they are able to optimise revenue for their business, despite an ongoing economic recovery which has driven an increase in freight volumes, according to a survey by Accenture.

The *Accenture 2015 Air Cargo Research: Taking Off for Higher Profitability* – says air cargo executives want and need better tools to help optimise revenues, and half of all air cargo companies (54 per cent) are actively seeking better pricing and reservations software to improve real-time visibility into utilisation and price integrity across the quote-to-cash cycle.

The survey found in a marketplace where increased competition and slowing growth are common, carriers are intent on securing every possible dollar of revenue by decreasing operational costs.

The survey shows 71 per cent of air cargo executives would consider Software-as-a-Service (SaaS) to lower overall costs, improve business agility and speed deployment.

“For many air cargo carriers, limited visibility into capacity utilisation can result in serious revenue leakage through a number of causes. These include unnecessarily shipping low-yielding freight on in-demand routes to under-utilised allocations and being unable to respond to shipment disruption,” says Ganesh Vaideeswaran, managing director, Accenture Freight and Logistics Software.

The research outlines key areas that air cargo carriers are looking at in order to transform their business and grow.

These include more efficient business processes – with 69 per cent of respondents chose “achieving process efficiencies” as one of their top three business challenges. This includes optimising capacity, as underutilising capacity can lead to revenue leakage.

Nearly 40 per cent of respondents point to process automation and improving software tools as twin priorities to manage this challenge.

Another was price integrity as inaccurate and inconsistent pricing is one of the principal causes of revenue leakage across the industry. Additional challenges arise from a lack of visibility into market rates and de-centralised control of sales operations.

Just 14 per cent of air cargo executives indicate their pricing systems allow them to easily create and manage competitive rates. System-level issues contribute to the difficulties in this area – missing information such as cargo details at the time of booking was cited by 61 per cent of respondents as a key challenge.

Lastly was better visibility, as while research shows executives have relatively high visibility into utilisation at each key stage of the shipping lifecycle, only 54 per cent have end-to-end visibility across every stage – from quoting and booking to acceptance.

“Air cargo transports approximately 35 per cent of the world’s trade by volume – it’s a hugely important industry, and our research shows that carriers are under mounting pressure to increase profitability in a competitive and increasingly volatile marketplace,” Vaideeswaran continues.

Vaideeswaran adds: “These findings underscore our commitment to creating software that brings agility, efficiency, and precision to all aspects of cargo operations. By helping to prevent revenue leakage, these solutions create exciting opportunities for boosting growth in a tough operating environment.”

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