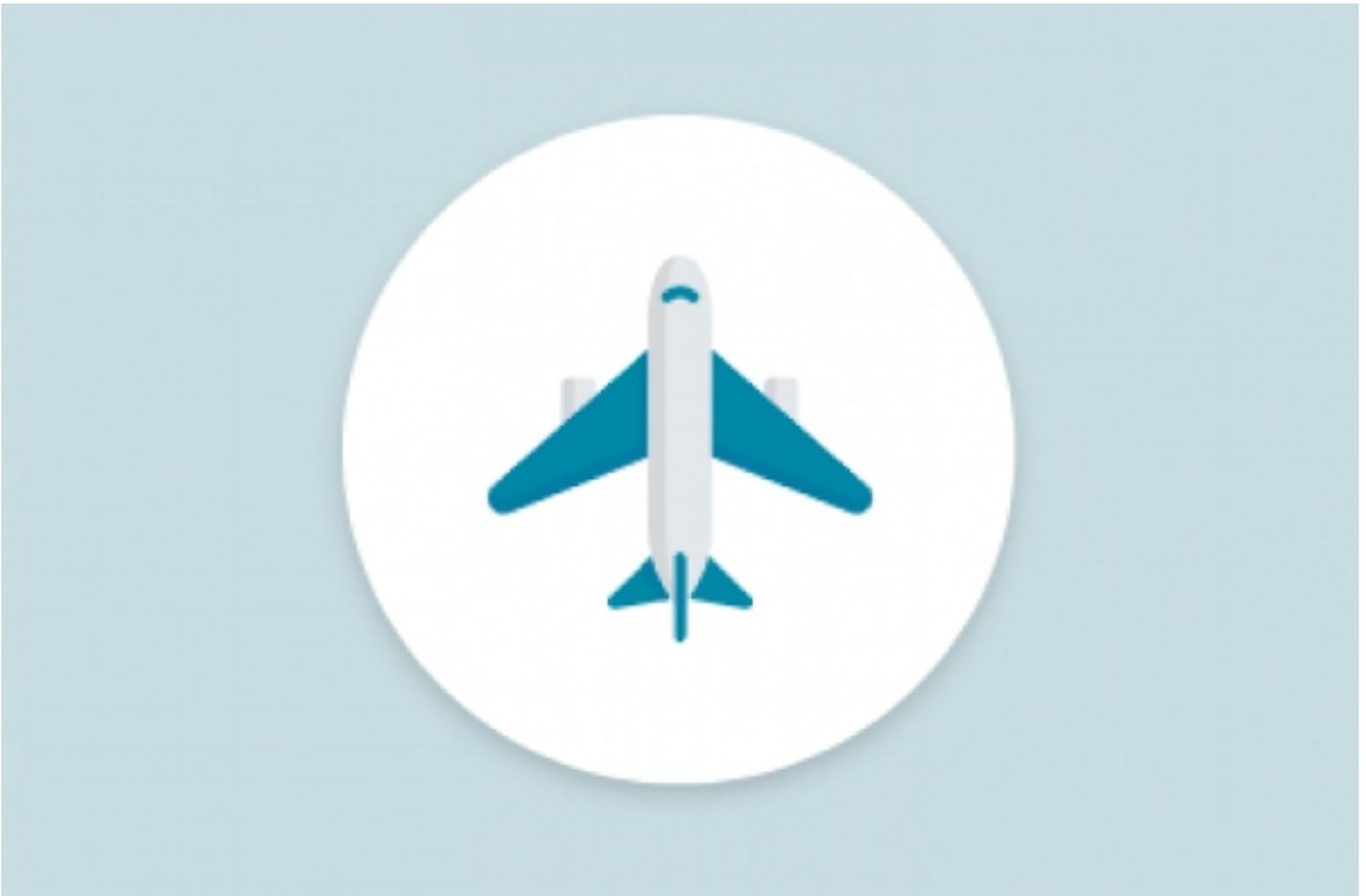# LOW-COST CARRIERS ACCELERATE THEIR JOURNEY TOWARDS EMULATING E-COMMERCE PLAYERS

News / Airlines

We all travel with one or another airlines, low-cost or usual one. Last 3 month there was a lot of information regarding low-cost carriers pricing details, most probably so passangers could be ready for massive holliday season. Let's see low-cost carrier trends from a little bit different angle.

Low-cost carriers accelerate their journey towards emulating e-commerce players, says Infare experts.

Research from Infare has found that the top 12 LCCs globally are already data-hungry, with their consumption rate of competitive airfare data growing three-times faster than network carriers. Replicating the strategy of e-commerce companies, this data-gathering allows airlines to harness insights which create otherwise unavailable pricing opportunities.

Harald Eisenaecher, chief commercial officer at Infare, says: "From our own data, we can see that, on average, LCCs are purchasing seven-times more live snapshots and user-defined searches per day compared to traditional carriers. This allows them to generate deeper and more personalised datasets, and in turn, develop strategic insights into their

long-term pricing intelligence plan.”

For many years, LCCs have been a disruptive force in the airline industry thanks to their direct distribution model and dynamic pricing strategies. Even with rising fuel costs and a challenging global economy, these airlines have continued to outperform traditional full-service carriers.

Eisenaecher continues: “Put simply, LCCs are successful because they look at pricing intelligence in a very different way. By using big data and dynamically reviewing pricing, they have been able to consistently stay ahead of the competition. Also, the influence of artificial intelligence (AI) in e-commerce in starting to infiltrate the low-cost aviation industry, so much so that data science departments are now becoming a critical component for any airline business, and not just for pricing intelligence.”

The vital need for data is only set to exponentially grow. Many airlines are now applying surcharges to global distribution system (GDS) bookings as they seek to encourage more direct business – a trend initiated by LCCs’ direct distribution models. This move gives these carriers the freedom to generate larger amounts of high-quality data and as a result, create richer insights about customers and their needs.

Eisenaecher concludes: “Intense competition is making it even more paramount that airlines closely examine their fares and assess where opportunities lie. Infare’s pricing intelligence solutions play a major role in helping airlines stay competitive. While LCCs consume an increasing amount of airfare data, Infare is prepared for the exciting future ahead; ready to support all types and sizes of airlines.”

10 JULY 2019

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