

Where it all adds up

Advanced measurement for airline revenue management

MEASURING THE IMPACT OF STRATEGIC AND TACTICAL PRICING DECISIONS – AND HOW IT CAN IMPROVE PROFITABILITY AND COMPETITIVENESS

With billions of dollars at stake, every decision made by RM teams is critical. Even a small pricing error can lead to significant revenue loss.

How do we make sure decisions yield verifiably positive results?

- Basic experimentation and measurement approaches, such as simple A/B tests, don't work in the highly confounded environment in which airlines operate.
- Airlines need to balance making quick decisions with ensuring measurement accuracy.

That's where our approach comes in. We developed a methodology that enables RM teams to better measure and confirm the impact of strategic and tactical pricing initiatives.

At ADC Consulting, we partner with RM teams to

- design an experiment
- help with stakeholder management
- navigate tradeoffs
- give an objective view on experiment results to inform the team's decisions

Our big-tech-like measurement capabilities mean airlines can iterate quickly and stay ahead of the competition. With our past client, we quickly saw a **+10x ROI**.

What it means for RM teams

WE HELP YOU RUN BETTER EXPERIMENTS, FASTER, TO MAKE A DIRECT IMPACT ON YOUR BUSINESS

- Increase the accuracy of your measurement (sub 1% revenue change)
- Significant reduction of experiment/evaluation runtime
- Know upfront what's possible to achieve (measurement accuracy, required runtime vs. # of routes)
- Find the optimal mix of certainty and speed for each experiment, depending on business needs
- Streamline communication of actual revenue impact across all business stakeholders

FIND OUT HOW WE DO IT >>>

Our method

MEASURING SMALL DIFFERENCES WITH CERTAINTY – IN A FRACTION OF THE TIME



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| <ul style="list-style-type: none"> • Standardized process maintains experiment standards • Runtime calculation rules out random conclusions • Automated stratification, sampling, and route selection | <ul style="list-style-type: none"> • Can continuously monitor results • Cross-check additional metrics | <ul style="list-style-type: none"> • Make more reliable decisions by accounting for experiments' uncertainty • Statistical machinery significantly improves experiment runtime |
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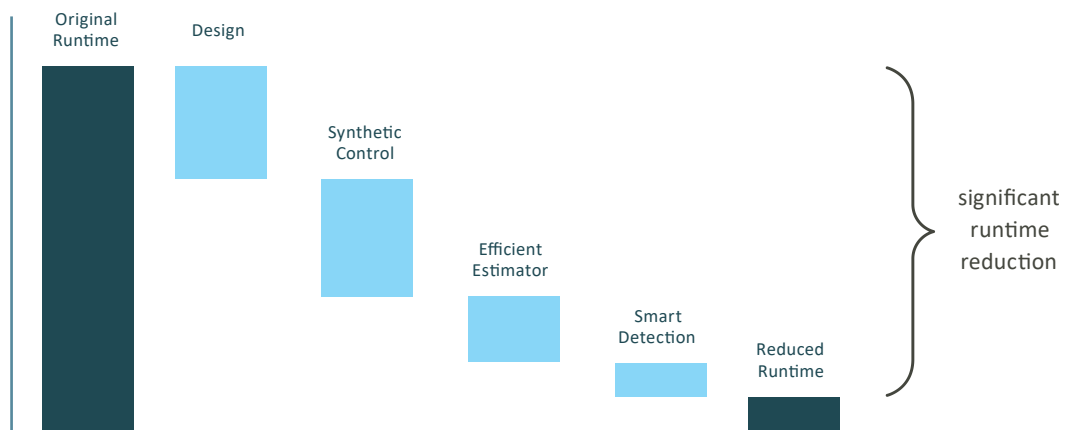
One of these techniques, CUPED, is used by these major companies and more.



Why it works

IMPROVED EXPERIMENTS MEANS FASTER, BETTER DECISIONS

Our methodology lets us measure effects in a fraction of the time. Exact runtime reduction depends on routes selected and experiment length.



Our results

VALIDATED, CUSTOM SOLUTIONS SET OUR PARTNERS UP FOR LASTING CHANGE



Validated impact

An objective way to evaluate your pricing decisions and initiatives that makes impact comparable across different ODs, units, and types of adjustments. It also drastically simplifies internal selling by providing an agreed-upon method to evaluate.



Customization

We tailor our approach to fit your airline's needs and ensure it operates efficiently and accurately.

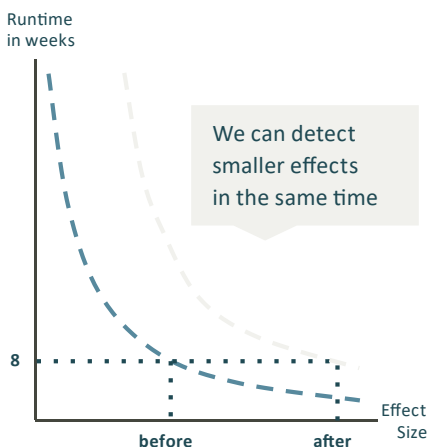


XP framework

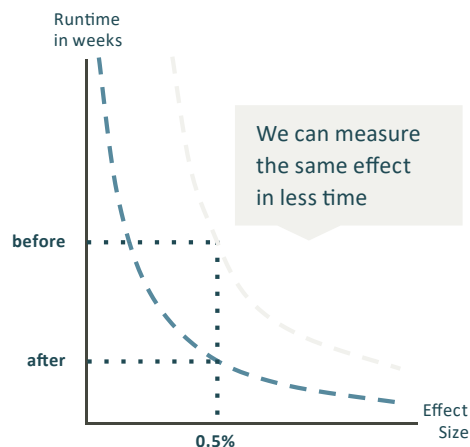
The result is a robust framework to validate pricing and capacity changes. It includes a workflow including signoffs, documentation, and progress tracking, along with a robust software package to set up, monitor, and evaluate your experiments.

The faster we can run experiments, the earlier we can make decisions and improve new strategic pricing initiatives. We then optimize these initiatives with agility and precision for improved profitability and market competitiveness.

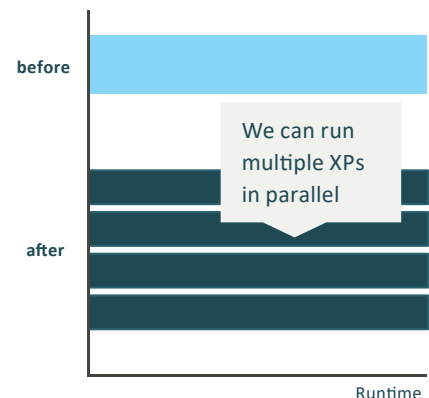
Higher XP standards



Shorter experiments



Parallel experiments



What we do

WE'RE AN AI AND DATA SCIENCE CONSULTING AGENCY THAT CREATES VALUE IN

Measurement

Understand what creates impact with quick and precise feedback cycles in experimentation and change management.

Data-driven decision making

We can help improve and automate key decisions like pricing, replenishment, and allocation.

AI transformation

We'll show you how to leverage AI for new capabilities and efficiencies, plus provide proof of value and help with implementation.

Why we do it this way

OUR PARTNERSHIP APPROACH

We tailor high-impact AI and data science solutions to align with our partners' objectives.

From strategy to operations, we work closely with your teams to ensure seamless integration and knowledge transfer. Our battle-tested approach produces immediate results and equips your team with advanced AI and data science capabilities that last.

How we do it

OUR IMPACT = STRATEGY x SCIENCE x TECHNOLOGY

Strategy

We understand and shape corporate strategy to build what matters.

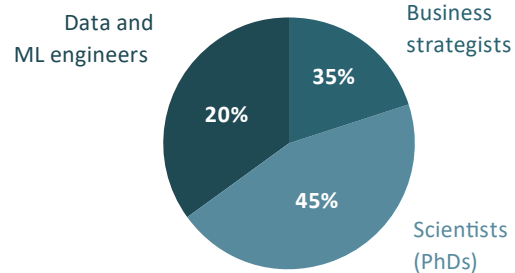
Science

A deep methodological understanding isn't about building the most advanced solution, but producing robust results.

Technology

We leverage the latest in AI and data science to transform data into impactful actions.

We are



As a boutique consulting firm, ADC Consulting gives you the full attention of our experienced partners on every project. We help you understand what's possible, design the strategy, and execute at world-class pace and quality by working closely together at every step.

Want to know more?

Schedule a deep-dive look at pricing-initiative challenges you're facing.