

Case Study

Ovation Travel Group Enhances Airline Relations with Agency BI

Leveraging Ticketing Performance and Benchmarking Tool Helps Leading Travel Management Company Increase Productivity and Transparency in Airline Meetings



About the organization:

Ovation Travel Group is an independently owned, \$1 billion travel management company with over 550 experienced travel consultants in more than 50 locations throughout the United States, servicing clients in finance, law, entertainment and consulting industries.



Challenge:

Ovation's process of consolidating data to prepare for airline review meetings was time consuming and challenging. Without a full picture of ticketing performance or actionable market insights, the airline relations team was not able to effectively prepare for or make an impact in airline meetings.



Strategy:

Leverage ARC's Agency BI data analytics tool, which provides a timely, consolidated view of ticketing data and peer benchmarking, to better understand performance and prepare for airline review meetings.



Results:

The Agency BI tool reduced data compiling and preparation efforts up to 30 hours per month, validated the best incentives were aligned in contracts, ensured the agency was compensated correctly, and most importantly, provided actionable and trusted data to increase transparency and productivity in airline meetings.

Between maintaining strong relationships with airlines and growing agency revenues, it's no secret that airline relations professionals have a challenging role. The responsibility of negotiating, managing and optimizing contracts with each airline partner can be quite challenging, especially with the complexities involved in tracking commitments, commissions, overrides and incentives to guarantee revenue for the agency.

Finding the Right Data

Ovation Travel Group, a leading Travel Management Company (TMC) in the United States, realized that by combining their travel buying expertise with the right data, the company would be able to secure the best deals for their more than 700 clients—and exceed revenue expectations.

Shane Chapman, Ovation's VP of yield management and airline industry relations, recognized that the current process of consolidating data to prepare for airline review meetings was inefficient. Without a full picture of ticketing performance or access to actionable market insights, effectively preparing for airline meetings was challenging.

Shane explained, "Preparation for meetings was time consuming and challenging, as we had to set aside time to piece together ticketing data from two GDSs and five affiliate locations. We would go into airline reviews not as prepared as we would like to be. Plus, the work didn't stop there. We would often leave meetings with a list of takeaways to research and report back on." What's more, Shane was waiting fifteen to twenty days after month end to see Ovation's performance reports from airline partners.

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Ovation decided to explore new solutions to support supplier relations efforts and learned of ARC's Agency Business Intelligence (BI) tool. Agency BI allows agencies to proactively analyze ticketing data and performance on

a weekly basis, benchmarked against a customized peer group and the market as a whole, to better understand trends, make informed decisions and prepare for carrier conversations.

Shane said, "Agency BI provides a consolidated view of our ticketing data in a more timely fashion, helping us easily view changes in performance for our agency as a whole or for certain ARC numbers, while monitoring peer group performance." Shane continued, "Plus, using the same data that airlines use for reporting gives us confidence in our numbers, increasing productivity and transparency in airline reviews."

A Clearer Vision of Performance

Ovation subscribed to Agency BI and now uses the tool on a daily basis. Shane is able to identify booking trends and performance by specific city pairs and carriers, including ticket sales, market share, average ticket prices, cabin class breakouts and revenue fluctuations. These insights allow Ovation to track locations for unusual booking patterns, communicate important changes to front-line travel consultants and monitor ticketing activity in markets, ensuring they are effectively meeting airline contract obligations.

Key reasons for choosing Agency BI:

- Trusted ARC data – same data that airlines use increases transparency and productivity in meetings
- Aggregated peer benchmarking – allows for more accurate measurement of performance in markets
- Timeliness of the data – performance insights in time to take action
- Consolidated view of ticketing data – eliminates work to combine data from multiple locations and GDSs
- Ease of use – visualizations and filtering options help identify opportunities in seconds

With year-over-year performance insight at the branch level, Ovation can quickly identify offices that are underperforming and develop plans to get them on track. Plus, with the ability to benchmark against a selected peer group, the agency can more accurately measure its performance across markets.

Shane can now easily prepare for quarterly review meetings with airlines. Bringing the Agency BI tool into meetings, he can review performance, analyze Ovation's numbers and answer any questions the airline has on the spot—including cause of decreases and increases in certain markets, share shift in locations and cabin class bookings.

The tool also helps to ensure that commissions are only shifting in line with ticket sales changing, and not due to ticket price fluctuations. Shane explained, "I am now ultra-prepared before airline reviews. I can speak in real time about trends happening within the agency. I can pull up answers to the questions the airlines have, reducing

takeaways to follow up on. Additionally, with the tool and underlying data coming from ARC, the airlines trust the numbers presented. It makes for a much more productive meeting for both parties, and conversations aren't as one-sided."

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Armed with Intelligence

Ovation has realized significant value from using the Agency BI tool. With the big picture view of performance, along with ability to quickly find opportunities in the data, Ovation has improved communication and strengthened relationships with airlines partners. Plus, Ovation can validate they have the right deals and incentives in place within airline contracts.

Shane described, "With Agency BI, we have the visibility to make sure we are compensated correctly in the various booking classes, instead of just accepting changing deals. We can realign incentives to different booking classes that meet both of our objectives. Airlines want to have open, honest conversations, so the added data the tool offers has been overall very helpful for our relationships."

By reducing efforts around compiling data, preparing for airline reviews and following up after meetings, Ovation has increased efficiencies significantly. This alone has saved the company at least **four hours** for each airline review meeting, which take place **five to seven times** a quarter, and at least **10 hours** recurring each month.

Most importantly, the data in the Agency BI tool is trusted by all parties, ensuring Ovation gets paid the correct commissions. The tool helps Ovation in explaining any disparity between their performance numbers and what the airline's revenue report shows. Shane explained, "The Agency BI tool pays for itself. In one example alone, we were able to use the data in Agency BI to ensure we got

Agency BI helps agencies answer ...

- Are we effectively balancing contractual obligations?
- Do we have the right deals and incentives aligned in our contracts?
- Are we being compensated the right commission amount?
- How are we performing year over year by location?
- How are we doing compared to a peer group?
- What are our booking trends in a certain cabin classes, city pairs and regions?
- Where are there revenue decreases or increases in certain city pairs?

paid the right commission amount—worth four times the cost of the tool. This has allowed us to reach agreement on commissions quicker with airlines, whereas previously it took weeks to pull together information from our locations and accounting to make a case for commissions earned.”

Ovation appreciates the support and receptiveness of the ARC team in taking suggestions for future enhancements to the Agency BI tool. Shane concludes, “Agency BI is a great product with great data, which has helped me be more productive in my role and more intelligent when speaking with airlines. With data from ARC, airlines believe my numbers now, making for a much more effective meeting. I’m a huge advocate of Agency BI and hope to have the tool used within other groups at our agency as well!”

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About Ovation Travel Group:

Ovation Travel Group is an independently owned, \$1 billion travel management company with experienced travel consultants in more than 50 locations throughout the United States. Ovation is proud to provide global travel management through our affiliation with BCD Travel, the 3rd largest travel management firm in the world. Our network operates in 110+ countries, ensuring in-country local service excellence for multinational corporate clients. For more information, please visit www.ovationtravel.com.

About Shane Chapman:

Shane is the VP of yield management and airline industry relations at Ovation Travel Group. With over 20 years industry experience, he is responsible for airline partnerships, including performance reviews, negotiations and contract terms. When he’s not working, he splits his time between New York and California. Shane is a supporter of the Children’s Health Fund’s Red Nose Day—making a difference for youth—and is also a board member of Rock and Rawhide, which aims to increase adoptions and quality of life for dogs and cats in shelters. And in 2016, Shane was the winner of ARC’s Travel Agent of the Year award!

About ARC

The Airlines Reporting Corporation (ARC) is the premier driver of air travel intelligence and commerce in the air travel industry with leading business solutions, travel agency accreditation services, process and financial management tools and high-quality data. In 2015, ARC settled \$88.3 billion worth of carrier ticket transactions for more than 9,400 travel agencies with 13,000 points of sale. Established in 1984, ARC is headquartered in Arlington, Virginia, with offices in Louisville, Kentucky, Tampa, Florida, and San Juan, Puerto Rico. For more information, please visit arccorp.com.