CrAFT

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Forecast better and maximise the revenue of your airline with CrAFT.

What is CrAFT?

CrAFT is an intuitive and highly effective revenue management solution based on accurate forecasting for airlines, devised by our experts who have decades of experience with designing successful revenue management systems and processes for several international airlines. CrAFT is also having various versions designed to suit airlines with different scales of operations and business models.

Airline key challenges

Seasonality

The airline revenues rise and fall significantly as the result of peaks and valleys in travel patterns through the course of time period. If the airline will not forecast the demand of travel in the coming season then it can not plan properly cater to the demand. That may lead to customer dissatisfaction and potential revenue loss.

Perishability

The issue of inventory perishability is very high in the airline business. Once the airline starts flying means the revenue for the unsold seats can not be recovered. The constant fluctuation in travel pattern of customers during different time period and season add fuel to the issue. The improper forecasting increases the chances of unsold seats as the airline fails to develop strategies for selling more seats and increasing the revenue.

Inappropriate pricing strategy

Aviation is one of the most competitive industries in twenty first century, customers are having lots of options in their hand to choose airlines to travel in a particular sector. In this scenario airlines face difficulties to set the appropriate pricing strategy because of weak forecasting and not considering the proper variables. That makes them loose potential revenue as customers choose a rival airline providing lower fares.

Inefficiency of manual process

The manual Process of forecasting and revenue management incurs a lot of cost, time and resources. More than that, reliability of manual process is very less when the fluctuations of the variables are high. Most of the commercially available automated tools are not so efficient because the algorithms used in the tools consider only some fixed data collection points neglecting other important collection points and techniques.

Our solution

Data collection and seasonality

The system is designed to capture data such as flight booking levels, price points for the market, competitors' availability, their prices and flight capacity etc. This data, collected over a period of time by assigning different seasons to different flight data, is used to analyse booking behaviour and the knowledge of the booking behaviour can be applied to optimise the airline's inventory. This dynamic and flexible data collection functionality is unique to CrAFT and enables airline to predict future demand and booking patterns accurately.

Forecasting demand

The demand for air travel exhibits patterns either cyclic in nature (such as time-of-day, day-of-week or season-of-year demand), or trends (such as growth in demand due to growth in the economy), which can be projected to estimate future demand in each market segment. The demand forecasting module of CrAFT uses proven and advanced statistical techniques of price elasticity, to predict demand based on information from all similar flights for which historic data is available.

Inventory optimisation

Inventory optimisation means determining the optimal number of seats to be allocated to the various price points to generate maximum revenue. The system uses the expected marginal seat revenue algorithm to compute the number of seats to save for late-booking-higher-valued fare products. Using the allocations and keeping track of the seats sold on the flight, the optimisation module calculates the optimal inventory control required to manage the flight in the reservation system.

Pricing strategies

The system is designed to allow the airline's revenue management analyst to choose the pricing strategy that fits an optimised flight best. There are three types of pricing strategies (competitor-based, booking profile/allocation profile-based, authorisation-based) to choose from depending on the characteristics of the flight, data availability, and the analyst's intuition.

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