**Challenge: Maximizing Revenue Yield**

Passenger airlines are challenged to capture the greatest revenue yield from every flight departure. Ultimate success requires not selling too many low-priced seats that turn away higher-priced demand, while also avoiding too-high prices that result in lost demand and too many empty seats. In order to maximize revenue from expected demand, continually fine-tune performance and monitor success, airlines must demonstrate the exceptional ability to manage reservation system pricing and availability controls.

**Solution: Modular, Flexible and Fully Functional**

Based on over 20 years of experience helping leading airlines address airline revenue management challenges, the comprehensive, modular JDA® Airline Revenue Optimizer and Airline Price Optimizer solution design enables core forecasting and optimization modules to be bundled with other modules, including reporting and performance monitoring. You can select the functionality to create precisely the system you need and gain the ability to:

- Implement demand forecasting as independent at different price points, or implement a demand forecasting solution as a function of price
- Implement an optimization solution for setting inventory controls based on opportunity costs of accepting/rejecting demand, or implement an optimization solution to set optimal prices on the combination of opportunity cost and expected contribution
- Choose between a leg (point-to-point flight) forecasting and optimization solution, or a more comprehensive origin and destination (O&D) passenger segment forecasting and optimization solution
- Easily integrate with other decision-support systems, including group management and price/fare filing systems, and enterprise data warehouses
- Leverage highly intuitive user interface to access all key data through flexible and configurable screens that meet current and future business process demands

**Key Airline Revenue & Price Optimizer Solution Capabilities:**

- Forecasts demand, cancellations and no-shows for each of your market segments
- Forecasts customers’ demand sensitivity to price
- Offers optimization solutions for setting optimal selling prices or optimal inventory allocation depending on the business requirements
- Tailors quotes to each specific competitive situation
- Allocates inventory so you do not turn away the most valuable customers or fly with empty seats when demand exists for them
- Enables you to react quickly to competitive changes in the marketplace
- Embeds complex business rules and strategies within a forecasting and optimization framework
- Manages overbooking of inventory to balance risks of displacing passengers against the risks of flying with empty seats
- Monitors overall revenue control performance in order to explain results and guide future decisions
Reaping the Benefits of Advanced Revenue Management

The solution's flexible, modular design supports evolutionary migration to more advanced revenue management techniques over time, such as migration from a leg solution to an origin and destination solution.

JDA's leg solution is designed to create forecasts at the leg class level and includes the following features:

- Daily flight inventory change detection within data loading
- Fully automated schedule change process for matching flights for forecast aggregation
- Demand and no-show forecasting
- Leg-level price or revenue optimization
- User influences and overrides with conditional metrics
- Group materialization and interface with group booking system
- User-customizable screens for picking and choosing fields, sorting, aggregation and graphing

JDA's origin and destination solution builds upon this foundation and is designed to create forecasts at the origin and destination market segment level, boasting powerful features including the ability to:

- Provide daily passenger name record (PNR) processor and data loading
- Take actual booked routings from the PNR data and generate route matches for each market segment
- Generate seasonal independent demand levels, seasonality factors, booking curves, cancellation rates and no-show rates to generate forecasts at the O&D/route/product/passenger-type levels
- Support optimization at the leg level and optimize a set of one or more legs as a whole to produce booking limit recommendations by segment class and segment cabin
- Influence system-produced materialization rates

JDA's price optimization solution for airlines builds on and extends traditional airline revenue management functionality to satisfy problems commonly faced by a low-cost airline business model, in which passenger demand is not segmented and business and leisure passengers buy the same price/product. Moreover, higher-priced products are sold only when lower-priced products are not being made available. Highlights of the price optimization solution include:

- Price-sensitive demand forecasting techniques, whereby passenger demand is modeled as a function of price
- Market response model for estimating price sensitivity coefficients
- Price optimizer for determining price plans for the life of each flight to maximize revenues (not dependent upon having excess demand or a shortage of seats)
- Price optimization user influences for meeting business rules such as setting minimum or maximum prices over periods of time
- Price-sensitive demand forecasting user influences to make adjustments to anticipated changes in demand

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is the leading provider of innovative supply chain management, merchandising and pricing excellence solutions worldwide. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA's multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise.