

The e-ticket challenge

TACA vice-president and corporate controller Jaime Pocasangre explains how the El Salvadorian carrier took on the task of converting to e-tickets and discusses its next challenge – interline e-ticketing



IATA's deadline for 100% e-ticketing is rapidly approaching, but the ultimate question remains: what are the savings?

Airlines around the world are required to invest thousands or even millions of dollars to roll out IATA's Simplifying the Business initiatives. TACA has limited time and resources to implement the highly complex technical solutions necessary, such as creating interline connectivity to share e-ticket information. Despite these challenges, our experience shows that success from business simplification results from creating value by making revenue opportunities or improved consumer benefits rather than simply reducing costs.

Before implementing solutions, an airline is required to explore alternatives to simplify procedures. Take our new excess baggage policy, for example. We went from multiple charges, which were difficult for passengers to understand, to a simple two-tier approach. The results are impressive. There are no more surprises at the airport for the passengers, our customer service agents are more efficient in collecting charges and excess baggage revenue is above what it was a year ago.

When TACA issued its first e-ticket in 2001, implementation was a challenge. Like any carrier we faced strong consumer resistance: do I have a reservation? Will the ticket work at the airport? At first there was a minimal impact on the overall business efficiency and there were incremental expenses.

Positive impact

The first positive results came after the implementation of e-tickets at the travel agency community. Later we were able to leverage on the penetration of other carriers and create the necessary buy-in from the consumers. But the real benefit of e-tickets was implementing the technological platform for growth of our direct channels. Our reservations centres then became selling centres and our booking engine became our fastest growing distribution channel.

Five years after selling our first e-ticket we can declare success with 91% of our sales in electronic format. E-ticketing has enabled centralisation of company processes by dramatically improving internal controls to minimise fraud. Eliminating paper tickets for company travel and industry discount passes and using a centralised desk to handle all company-wide authorisations allowed us to reduce the turnaround time of remote requests and correctly



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vice-president,
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enforce our policy for free passes.

But despite our world-class e-ticket penetration, we still face one significant challenge: implementing interline e-tickets. Unfortunately, time is limited and we recognise that not meeting the December 2007 deadline puts revenue at risk. Rather than becoming one more commercial initiative partially supported by IT, interline e-ticketing has been designated as an enterprise initiative by TACA's chief executive Roberto Kriete. It is regarded as such an important project within TACA that he is personally involved.

The project has dedicated resources from key areas: revenue accounting, airports, pricing and revenue management, operations and of course commercial and IT. Progress is strictly measured by an appointed office.

But again, just replacing interline paper tickets is not enough. The true value of this initiative is creating the opportunity for new distribution channels – to promote, sell and deliver incremental interline revenue.

We clearly saw an advantage on implementing self-service tools, such as web check-in and kiosks at airports. But the initiative goes beyond creating simple tools to deliver efficient customer service at the airports.

Cutting check-in times

Our true mission is reducing the number of transactions that take place at the airports like collection of charges for change of date or excess baggage. Again, rather than creating a technology initiative we have a company-wide programme where we focus on reducing check-in time. At the time of the reservation, we identify premium passengers and their check-in records and take advance collection of change-of-date and excess baggage charges.

The next initiative in simplifying our processes at the airports is at the hardware level. Today we have complex and difficult to maintain hardware to issue magnetic stripe boarding passes. Sometimes check-in efficiency is affected by a faulty printer. As the industry is introducing two-dimensional barcode technology and starting to gain the full benefit of remote check-in, we also expect to realise a significant technological benefit by replacing expensive magnetic stripe printer technology with plain white paper printers.

In summary, as TACA gets ready to implement its first interline e-ticket partner we are focusing first on reducing unnecessary complexity and making sure all key areas are directly involved in the project. But most importantly we are setting the growth expectations that will create the value to offset the thousands of dollars required to launch IATA's Simplifying the Business initiatives. TACA will continue to focus on creating value, rather than just generating savings. ■

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