

# Pobeda – Leveraging Airfare & Ancillary Pricing Optimization (APO) to Achieve New Ancillary Revenue Goals



**POBEDA**

**MOSCOW,  
RUSSIA**

## CASE STUDY: APO

Pobeda, part of the Aeroflot Group, launched in 2014 and has been a key growth driver for Aeroflot – the largest carrier in the Russian federation. Capitalizing on strong growth, Pobeda has rapidly become the largest Russian LCC, transporting over 7 million passengers in 2018. The airline is poised to be among the top five largest air carriers in Russia in 2019.

### Challenge

LCCs can make up to 40% or more of their revenue through ancillary sales. And while Pobeda's ancillary approach produced big results, they felt like analytics-driven pricing would help them yield even bigger revenues. In 2018, Pobeda adopted Navitaire's Airfare & Ancillary Pricing Optimization (APO) solution and turned to Navitaire's APO team for assistance.

### How Navitaire Helped

Navitaire's market-ready APO solution is designed to give users the opportunity to increase ancillary product revenues through analytics-driven pricing. It leverages the rich data collected by Navitaire platforms and carriers by capturing every passenger's experience, including travelers' shopping and purchase behavior. With it, Pobeda could quickly conduct pricing experiments with control groups to discover which models could produce the highest revenue margins.

Over a six-week period, the Navitaire and Pobeda teams worked closely together to define their initial APO offer. During this time, Pobeda was able to explore new ancillary pricing tactics and strategies available with APO. Armed with industry best practices, Navitaire's APO team conducted a three-day training workshop at Pobeda's headquarters in Moscow. In addition to reviewing Pobeda's current strategy and short- and long-term goals, the teams discussed prime areas for growth. At the end of the workshop, the Pobeda team had the training and product knowledge needed to leverage APO to achieve their ancillary revenue goals.

### Results

APO's intuitive, self-service framework made it easy for Pobeda to freely explore pricing scenarios on their own timeline. After a series of tests, they were able to identify patterns that helped them achieve the greatest uptick in profits per PNR. And as new business needs arose, the team was able to quickly implement new trials on their own.

Leveraging Navitaire APO's advanced machine learning capabilities, Pobeda is on track to reach 20% growth in ancillary revenue within a year. Pobeda's pragmatic approach has made it an important voice shaping the future direction of Navitaire pricing optimization solutions.

"Navitaire's Airfare & Ancillary Pricing Optimization solution lets us conduct experiments quickly and efficiently, giving us relevant data that we can act on immediately. APO takes the guess work out of finding the optimal price, enabling us to better serve our customers, and most importantly, generate new revenue and growth opportunities for Pobeda."

### Giorgi Tsilosani

Chief Information Officer  
Pobeda

**navitaire**  
an **AMADEUS** company

©2020 Navitaire LLC, an Amadeus company. All rights reserved.

333 South Seventh Street, Suite 1700  
Minneapolis, MN 55402-2443 USA

+1.612.317.7000 phone  
877.216.6787 USA toll-free

[www.navitaire.com](http://www.navitaire.com)  
[navitaire.contactus@navitaire.com](mailto:navitaire.contactus@navitaire.com)