

## Case Study

# Price and revenue management strategy for a ferry operator

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## Context

**Client:** One of the largest providers of ferry passenger services in Europe

### Challenges:

- **Demand growing but more unstable and less predictable**
- **Increasing competition on some routes**

### Revenue management challenges:

- **Crossing used by multiple source markets** with different willingness to pay and on-board spend
- **Need to set up a system that recognizes differences** and optimizes overall revenue for restricted capacity

### Objectives:

- Develop a pan-European price and revenue management strategy for the company's passenger ferry business
- Develop a revenue management center of excellence for all routes of the company

## Approach

- Developed a set of pricing and marketing initiatives for the company to expand their market size and maximize revenue (3-tier ticket architecture, pricing playbook, marketing strategy to drive brand awareness)
- Developed two fully customized dynamic pricing concepts that fit the company's needs and business model (one for channel ferry routes, one for mini-cruise offerings)
- Translated agreed concepts into a customized software engine which was then incorporated into the client's data warehouse
- Established a RM center of excellence to support the new revenue management solutions and pricing guidelines

## Deliverables

### Pricing logic developed



### Daily price recommendations

<b>Ferry</b>	<b>Dynamic forecast including:</b> <ul style="list-style-type: none"><li>▪ elasticity of demand,</li><li>▪ web demand</li><li>▪ price vs competitor</li></ul>
<b>Cruise</b>	<b>Optimizing cabin prices accounting for:</b> <ul style="list-style-type: none"><li>▪ Differences in willingness to pay</li><li>▪ Differences in propensity to spend on board</li><li>▪ source market</li></ul>

### Fed into reservation system

	<b>Economy</b>	<b>Premium</b>
<b>00:15</b>	€179.00	€239.00
<b>02:00</b>	€179.00	€239.00
<b>02:20</b>	€179.00	€239.00



Implementation of fully customized revenue management solution leading to a **revenue uplift of 4–5%**

**Simon-Kucher Engine** combines over thirty-five years of unique monetization expertise with proven digital solutions that fit to you.

### What we do

**It's simple.** We power businesses' growth. Through our digital technology and business-oriented thinking, delivered as a service. Straightforward and built to achieve the results you need – quickly and reliably. Our team of travel & tourism specialists have experience in building tailored RM solutions for their clients.

### What we deliver

**Easy to use products:** Cloud-based software as a service products, easy to use and implement.

**Tailored solutions:** Designed to help our clients grow and adapt to the ever-changing digital landscape, achieving the results they need.

**Proven results:** Simon-Kucher Dynamia | SmartRates customers report a 2-10% in revenue.

If you want to use digital products to accelerate your company's power, find out what our solutions can do for you. We support your business with intelligent engines, smart toolkits, and intuitive platforms – all quickly and reliably delivered by our team of product managers, developers, and engineers.



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