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Pricing: fare setting, ticketing and revenue management during COVID

UITP Online Course on Marketing and Communication in Public Transport

Santiago, Chile; 8-11 June 2020

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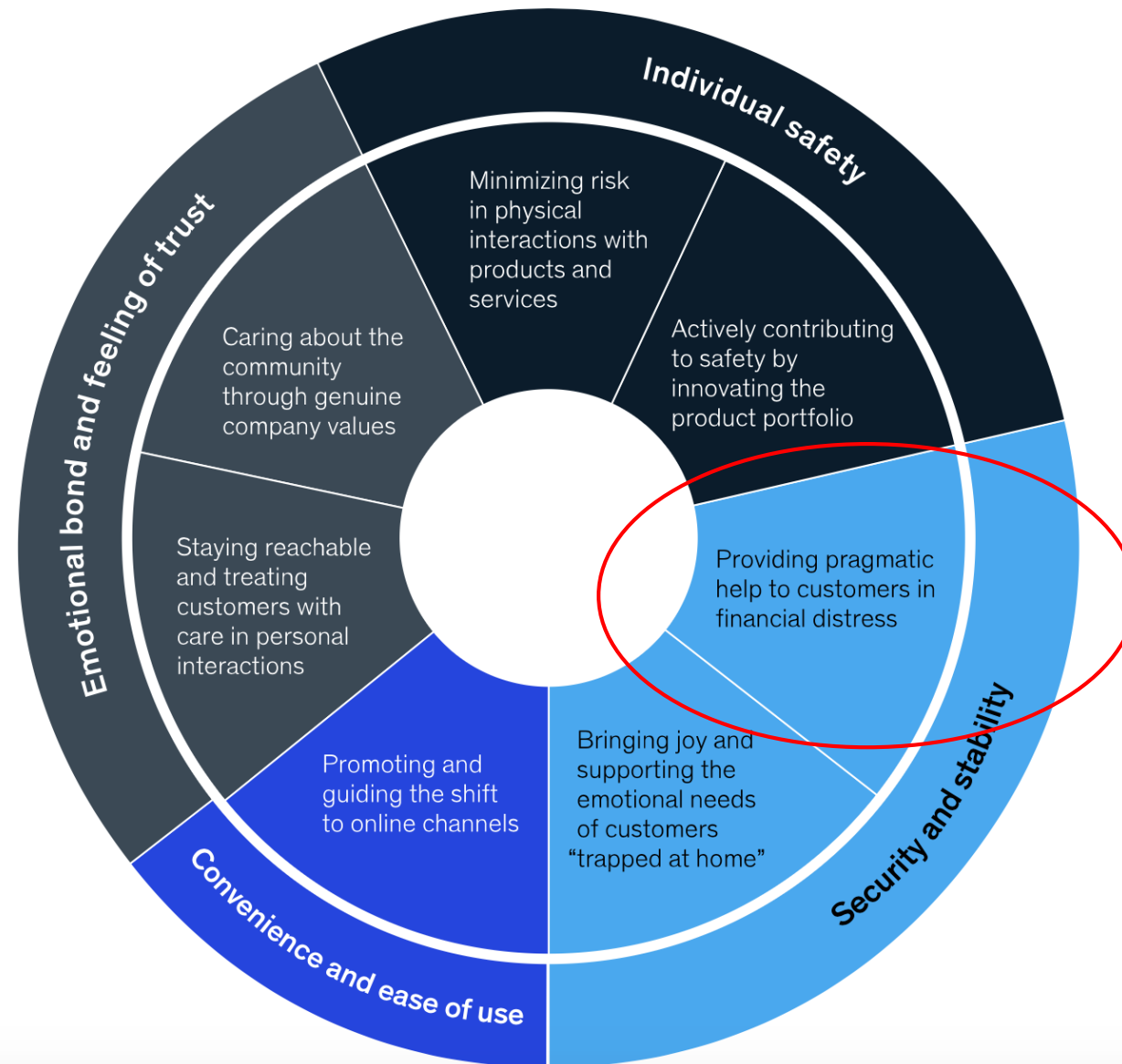
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7 ACTIONS TO EMOTIONALLY CONNECT WITH CUSTOMERS





COVID19: SHARP AND UNPRECEDENTED DROP IN DEMAND

Five things to get right during the pandemic

1. Make sure that every pricing action is legal, ethical, and community minded
2. Take a through-cycle view of customer relationships
3. Strengthen value-focused messaging
4. Create 'flex' in pricing
5. Establish a commercial 'value council'

COVID19: WHAT TO AVOID

- Taking advantage of customers
- Assuming that every demand problem can be solved with pricing
- Relying on old price-sensitivity research
- Slashing prices without considering other options
- Attacking competitors' key accounts without preparing for a sharp response

Learning from others



➤ CHINESE AIRLINES



<https://www.economist.com/business/2020/05/07/chinese-carriers-restart-their-engines>

➤ COVID19-CRISIS OR OPPORTUNITY?

- **China Eastern** claimed the title of the world's biggest airline by current seat capacity in April 2020
- "Passenger load factor" averaged 68% in Q1, down from 80-85% in 2019
- If strong domestic recovery at home coincides with continued deterioration of the world's legacy carriers, the Chinese could even grab a bigger slice of international routes, too.



The Economist





QUESTIONS?



THANK YOU!



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