



# Advanced Experimentation for Airline Commerce

## De-risk innovation and measure what matters

NDC, dynamic and continuous pricing, dynamic bundling, and personalized offer engines — modern airline retailing innovation is here, and a new race for competitive advantage has begun. Airlines are investing heavily in retailing innovation but without rigorous measurement, most of that investment is a leap of faith.

Studies show **only 20–30% of initiatives deliver a positive impact**, while a third actively hurt performance. The question isn't whether to innovate, but how to know what's actually working.

## ADC: your science partner for experimentation

ADC is the decision science partner for airlines. Our advanced experimentation methodology empowers airline commerce teams to accurately measure the outcomes of innovation. When innovation proves to be a qualified success, it can be confidently scaled; if not, it can be optimized or reversed. This approach enables airlines to innovate with confidence and continuously improve revenue decisions. It's a practical tool that supports any transformation journey.

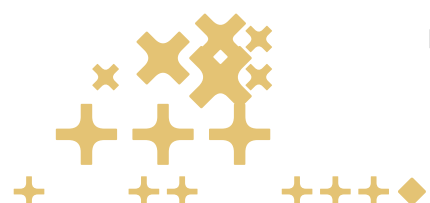
## We remove barriers to accuracy and speed

We've adapted the experimentation methodologies of digital-first pioneers like Expedia, Uber and Booking.com to meet the unique demands of the airline environment.

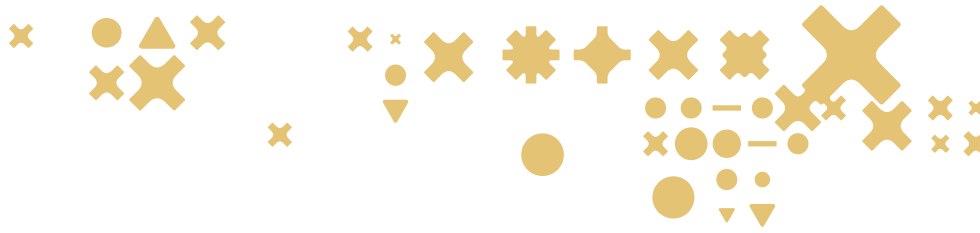
Our experimentation framework readily addresses common concerns, such as:

Small sample sizes	Noise	Complexity	Small shifts
Our framework can be applied to a few routes or small data sets.	Overcomes challenges associated with seasonality, competitor pricing, and economic conditions.	Isolates impact even in complex networks (connections, partners, competitors).	Measures 1% uplift or below





### Results



**Increased accuracy and reduced experiment run-times result in 2.5× faster time-to-value.**



## Transform with confidence

-  Upsell and new branded fare compositions
-  Continuous pricing
-  Classic fare pricing / Static ancillary pricing
-  Dynamic pricing Fare families

- Measure the true incremental impact of new pricing engines, offer systems, or vendor technologies
- Isolate signal from noise across complex route networks and competitive dynamics
- Deliver finance-ready evidence to support scale or stop decisions

## Continuous improvement

Like Formula 1 racing, airline revenue performance is an endurance sport - small improvements have a big impact over time. On-going measurement and fine-tuning bring "kaizen" - the art of continuous improvement - to all airline revenue decisions. Even 3 tactical initiatives with 0.5% incremental gain for a Tier 1 airline with \$5bn revenue is \$75m per year.

## Real-world results

"ADC's contribution has directly impacted our revenue management, leading to significant, measurable returns on investment"

— Andrés Bucchi, CDO, LATAM Airlines

### The solution realized +10x immediate ROI.

- LATAM Airlines needed to iterate quickly and stay ahead of competition.
- ADC created an advanced XP framework and Center of Excellence that allowed the LATAM Revenue Management team to move faster and with higher certainty
- What started as a revenue management initiative has grown into a multi-year partnership, with the XP platform now expanding across business functions.

## How we work



**We've designed experiments that de-risk innovation and deliver measurable gains.**

