

# Revenue Management Solutions for Passenger Rail Companies



## Optimize pricing, performance and profitability with revenue management for passenger rail

In a digital age, consumers know how to navigate travel options and book reservations, all online. Knowing prices can change, customers understand how to tap into price transparency across multiple channels online to find the best value. No customer is the same. Shoppers react differently to factors including departure times, travel duration, levels of comfort and price. This creates a new challenge for passenger rail companies that historically operated with timetables, capacity and price grids fixed well in advance of travel.

Faced with fierce competition, lower demand and increasingly price-sensitive consumers, companies are under more pressure to perform profitably than ever before. The passenger travel industry is becoming more complex and competitive each year with companies optimizing their pricing strategies to stimulate demand and avoid lost sales. Price has become the primary component to trigger demand now that their pricing information, and their competitors', are available online.

To shape demand and drive revenue, passenger rail companies must be able to quantify and predict the price elasticity of demand and its effect on a consumer's willingness to pay. Gone are the days of relying on forecasts produced by a "black box" that can't be clearly understood or modified. The competitive marketplace means companies must have the capabilities to engage in demand forecasting as an interactive, dynamic

## Real results

- ROI within 6 months of implementation
- Increased profitability, improved bottom line for managed revenue
- Improved customer relationships with increased insights into customer needs



process integrating sophisticated inputs, powerful machine learning techniques, analysis and modifications. Advanced demand forecasting solutions should be transparent, responsive, and able to generate forecasts that reflect historical and real-time pricing information as well as external market inputs and user intelligence.

## Why go at it alone? Rely on Blue Yonder, the industry leader

Accurately predict and shape demand to maximize profits with rail price optimizer, part of Blue Yonder's pricing & revenue management solution offering. The solution arms companies in highly competitive price-sensitive industries with the demand forecasting capabilities they need to remain competitive. Instead of a traditional, one-dimensional demand forecast based on a narrow view of historical data, Blue Yonder's solution provides total visibility.

With rail price optimizer you can establish baseline demand, unconstrain demand and normalize for pricing effects (including competitor pricing) when historical data requires correction. Users can modify the forecast based on current booking trends for the most accurate forecast that is a function of price, market factors and customer willingness to pay.

## Revenue management capabilities within easy reach

Blue Yonder's demand forecasting solutions enable you to forecast by price, so you can analyze how a price increase or decrease will affect your future demand. Rail price optimizer uses robust demand segmentation functionality, unlocking individual product or service demand patterns and isolating historical data from the effects of promotions, seasonality or trends for more optimal pricing.

Understanding and leveraging historical demand patterns is critical for a meaningful forecast. In addition to tracking competitor pricing dynamically, rail price optimizer helps you understand booking pace, establish a baseline forecast and adjust it upward or downward as new information becomes available. Blue Yonder's solution automatically adjusts to match the specific observed booking pace in the event of a drop-in bookings or other irregularity.

Along with the ability to forecast bookings, forecasting cancellations can give your business a competitive edge. Gain visibility and insight into booking survival rates and booking rates, ensuring you have the best possible overall demand forecast.

Rail price optimizer includes a host of features to simplify the users' job, no matter the level of revenue management maturity within a business, including a full suite of powerful, user-defined alerts and rules to detect market changes and to automate many routine tasks. The system includes an "Intelligent User Assistant", deploying machine learning to detect and warn of unexpected scenarios. Integrated with most rail industry inventory and booking systems, the solution uploads bulk pricing changes that can be applied instantly while providing easy integration with corporate data reporting systems.

Blue Yonder has transformed traditional demand forecasting and revenue management by delivering a more sophisticated and accurate approach to companies with time-sensitive inventory and complex capacity constraints. Blue Yonder solutions bring this new approach to traditional revenue management targets including hotel rooms, holiday park rentals and passenger seats, as well as more specialized applications like golf tee times and yacht rentals. The solution's innovative approach helps you balance supply and demand through integrated pricing, forecasting and revenue management solutions that drive maximum revenue across every customer segment.

Blue Yonder's highly experienced revenue management consultants have implemented rail price optimizer across four continents. Our team has an unrivalled understanding of the challenges and best practices in different business, technical and cultural contexts.



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