

# THE MARKET FOR AIRLINE PASSENGER SERVICES SYSTEMS - 2016

October 2016



Better Information for Better Decisions

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## INTRODUCTION

This is the eighth edition of T2RL’s report on the market for airline Passenger Service Systems. The first edition was prepared and distributed in September 2009. It was updated in 2010, 2011, 2012, 2013, 2014 and July 2015.

This edition, published in October 2016, describes the current state of the market using the most recently available contract data along with passenger volume information relating to 2015. The data is derived from T2RL’s extensive experience of working with airlines and vendors on the application of information technology to the real world challenges of the modern airline industry.

Market share information is based on annual 2015 passenger volumes adjusted to include current migrations and implementations as at 10<sup>th</sup> October 2016. Details on RFPs issued, contracts signed but not migrated are highlighted in the executive summary.

## EXECUTIVE SUMMARY

The market place for passenger services systems (PSS) was much more active in 2015 than 2014, in terms of airlines competitively reviewing their options and contracting for solutions and acquisitions. However, 2017 will see a significant slowdown in migrated passenger boarded (PB) volumes.

Amadeus’ purchase of Navitaire from Accenture has seen its current global market share reach 37% as measured by passengers boarded processed in reservations by the combined systems. 2016 will see a peak in migration volumes due to T2RL’s treatment of Southwest Airlines’ domestic business.

### Migrations for Airlines over 3 Million Passengers Boarded per Annum

Year	2013	2014	2015	2016 Projected	2017 Projected
Annual PBs Migrated during the year <sup>1</sup>	137.1	38.7	108	270.9 <sup>2</sup>	97.2 <sup>3</sup>

<sup>1</sup> Migrations for 2013 and 2014, expressed in 2014 yearly Annual Passengers Boarded and 2015 Annual Passengers Boarded for migrations 2015 to 2017.

<sup>2</sup> Includes Southwest from Sabre and in-house to Amadeus, Swiss and Brussels Airlines from HP to Amadeus, Air Berlin from Amadeus to Sabre and China Airlines from In-House Mainframe to Amadeus, flydubai from Radixx to In-House IT Department, Alitalia from In-House Mainframe to Sabre, Sun Express from Hitit to IBS, Ukraine International from SITA to Amadeus, Virgin Atlantic from HP to other airline hosted (Delta) and Viva Aerobus from Results to Navitaire.

<sup>3</sup> Includes Copa from HP to Sabre, TAM from Amadeus to Sabre, Japan Airlines from In-House Mainframe to Amadeus and Malaysia Airlines from SITA to Amadeus.

