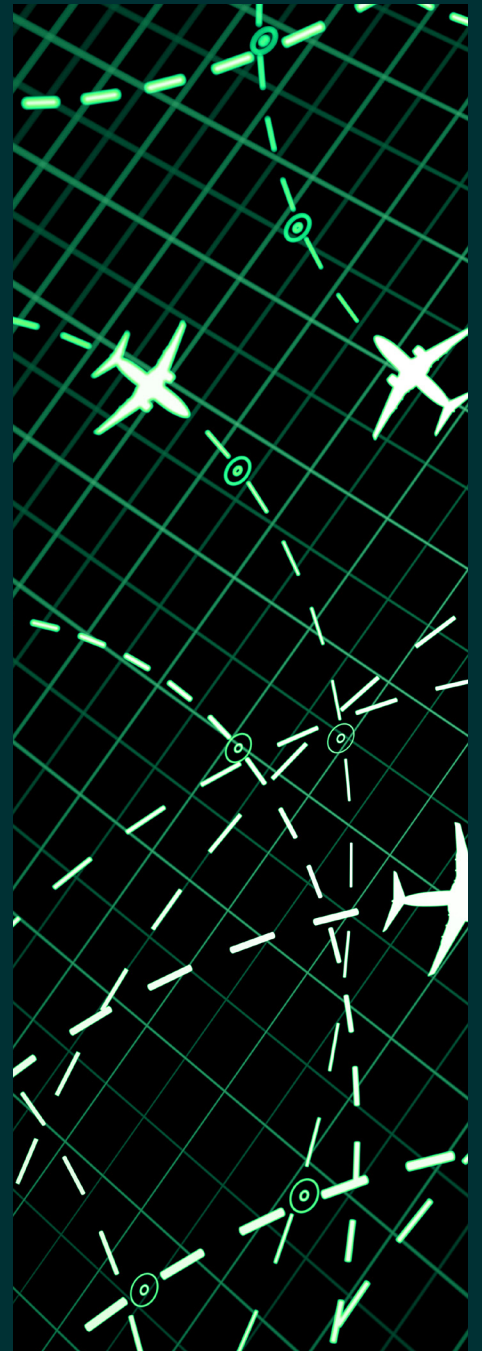


Unlocking profit potential: Strategies to maximize air cargo revenue



Air cargo. It's the unsung hero of the aviation world. While passenger travel steals the spotlight, this industry quietly thrives, evolving along the way. With global commerce expanding rapidly, the need for air cargo services has grown significantly.

To keep the supply chain moving, airlines can continue maximizing their air cargo revenue in several ways, including diversifying shipping routes by embracing collaboration and optimizing processes through innovative technologies. Airlines that continuously seek ways to improve often have a competitive edge, leading to higher customer satisfaction, increased market share and greater profits. Here's how:

According to the International Air Transport Association (IATA), air cargo generated \$155 billion in 2021, a 20% increase from 2020 and a 53% increase from 2019.

The profitability of the air cargo industry has been impressive. Despite the challenges posed by the COVID-19 pandemic, many airlines reported strong profits from their cargo operations as e-commerce surged and supply chains were disrupted.

Several factors contribute to revenue generation in the air cargo industry:

- **Market demand is a critical determinant.** IATA reported global demand for air cargo in 2021 increased by 6.9% compared to pre-COVID levels in 2019 and increased by 18.7% based on 2020 numbers.
- **Operational efficiency must be considered.** Efficient operations can lower costs, quicken considered times and boost customer satisfaction.

These moving pieces contribute to increased revenue as the ever-increasing reliance on global supply chains and the rise of e-commerce necessitate fast, reliable air cargo services.



Diversifying shipping routes through collaboration

The key to enhancing cargo offerings and expanding market reach is forging strategic alliances, primarily through collaboration between freight forwarders and airlines. This symbiotic relationship diversifies cargo offerings and paves the way for a more comprehensive customer-centric approach to service delivery.

As intermediaries between shippers and airlines, freight forwarders bring extensive knowledge about various markets, routes and logistics requirements. Their expertise, when combined with the operational capabilities of airlines, can create a potent partnership that can cater to diverse cargo needs effectively and efficiently.

Airlines that collaborate with freight forwarders can realize both significant growth and increased profitability through the following:

Innovation and service diversification

By working together, freight forwarders and airlines can explore new cargo solutions and service offerings that meet the evolving demands of the market. From specialized handling of delicate or perishable goods to incorporating emerging logistics solutions, these partnerships open possibilities for diversifying cargo offerings and capturing niche markets.

Seamless network expansion

By teaming up with freight forwarders, airlines gain access to an extensive network of global agents and partners. This network allows airlines to extend their reach to new markets and destinations, offering cargo services to a broader customer base.

Optimized cargo utilization

Airlines face varying passenger demand, affecting cargo space. By diversifying sales channels and effectively expanding freight forwarder reach, airlines can fill these gaps more efficiently. Freight forwarders consolidate shipments from various sources, maximizing flight space and helping to ensure consistent revenue regardless of passenger-demand fluctuations.

How to collaborate with freight forwarders

The symbiotic relationship between airlines and freight forwarders holds immense revenue maximization and market expansion potential. By embracing collaboration, airlines can realize the full potential of their cargo operations and solidify their position as market leaders.

Unisys Cargo Portal Services™ acts as this collaboration's fulcrum, providing a platform where both parties can communicate as well as smoothly book and execute cargo shipments. The collaboration platform helps airlines and freight forwarders connect seamlessly and handles the end-to-end shipment lifecycle. With this platform, airlines can utilize cargo capacity through direct bookings and generate higher revenue from each flight by minimizing empty space and overbooking scenarios. Similarly, freight forwarders, with access to a broader choice of carriers and routes, can offer competitive rates to their clients, increasing their business volume and profit margins.

Unisys Cargo Portal Services also reduces administrative overhead for both airlines and freight forwarders. As a result, the platform minimizes the need for manual intervention, reducing the chances of error and loss. These savings, in turn, contribute to the bottom line, boosting profitability.




How airlines can optimize processes with next-gen technology

Data is the lifeblood of airline operations. As passengers and packages make their journeys, each parcel touches different systems and platforms, generating loads of data. This information is precious and can streamline operations, boost efficiency and enhance customer experiences.


The sheer amount of data produced is often fragmented and stored in separate silos, making it tough to get a complete picture and extract valuable insights. Sometimes these silos stand in airlines' way of optimizing their processes. How can you streamline your workflows if you don't have all the data pieces? And let's remember the pesky issues of data quality and accuracy. Wrestling with these data obstacles is more than just a minor inconvenience. If not addressed, they lead to longer shipping times, increased costs and unhappy customers.

Airlines can gain a competitive edge when optimizing their processes by tapping into the power of **artificial intelligence (AI)**, advanced analytics and quantum computing. Here's how:




AI

AI can help airlines learn from past data to make decisions and solve problems, such as predicting demand, optimizing routes and increasing efficiency.



Advanced analytics

Advanced analytics goes further than traditional analytics by using sophisticated tools and algorithms to predict future trends and behaviors. Imagine accurately forecasting cargo demand for the next quarter or year. That's what advanced analytics offers.



Quantum computing

While still an emerging field, quantum computing holds great promise. It uses quantum mechanics to process complex calculations rapidly and, when used by airlines, quantum computing can optimize complex logistical problems in seconds instead of hours or days.

Gaining a competitive advantage by combining emerging technologies

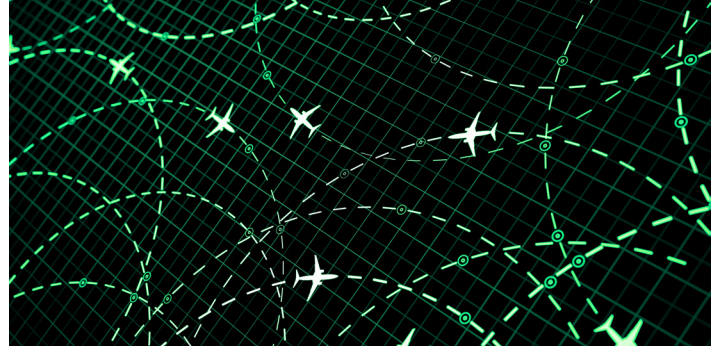
Quantum computing can improve how airlines operate, offering greater efficiencies, reduced risk and increased output — all in an instant. And when quantum computing is paired with AI and advanced analytics, airlines can drive near-real-time decision-making to maximize their revenue and capacity with **Unisys Quantum IQ™**.

With Unisys Quantum IQ's logistics management functionality — called Unisys Logistics Optimization™ — airlines can analyze vast amounts of data from various sources, including historical cargo data, weather forecasts and market trends. This analysis can predict demand and determine optimal cargo routes. The result? Increased efficiency, maximized cargo capacity and higher revenue. With this solution, airlines can maximize revenue by optimizing cargo capacity and route planning (see graphic).



Optimize cargo capacity

Build plans for optimally loaded pallets and unit load devices (ULDs) in near-real-time with 3D visualizations. This helps airlines slash the time it takes to load vehicles, maximizing overall aircraft capacity and revenue with innovative load optimization functionality.



Optimize route planning

Optimizing shipment routing processes results in maximum revenue and minimal disruptions. The quantum-powered routing logic optimally distributes dense shipments across upcoming flights and evaluates multiple third-party data sources and historical data to reduce shipment disruptions.

These technologies will continue to evolve, offering even more opportunities for the airline cargo industry. With continuous innovation and adaptability, airlines can stay ahead of the curve, maximizing their cargo earnings.

Fly ahead of the rest

The global air cargo industry is on the cusp of a significant transformation. From emerging technologies that have the potential to redefine the industry's landscape to increased collaboration among partners, the industry is critical to keeping the flow of goods moving.

While identifying future trends and devising strategies is crucial, the key to maximizing airline cargo earnings lies in collaboration and continuous innovation. The future of the airline cargo industry holds promising opportunities for those willing to adapt.

To learn more about how your air cargo operations can embrace these technologies, [contact Unisys today](#).



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