Internship TNT Express Revenue Management, Price guidance through segmentation

“Capturing the optimal value of delivering the right service to the right customer at the right time using the right asset and for the right price”

Context: The development of Revenue Management is one of the strategic projects of TNT Express. In the Integrator industry Revenue Management is not widely adopted. Main competitors do not have a fully developed RM discipline like the hotel and airline industry. TNT recognizes that developing these capabilities ahead of the market will bring sustainable competitive advantage.

For this journey we are looking to enlist the enthusiasm, scientific skills and curiosity of a Operational Research or Econometrics Student. We offer the opportunity to conduct your thesis with TNT in an intern position.

TNT Express:

TNT Express is a publically listed logistics integrator which operates in a B2B, door to door, express parcel market. The TNT network has a worldwide reach and is a mix of owned assets like aircrafts, trucks and warehouses, and subcontracted network items like trucks and small pick-up and delivery vehicles. Part of the network is fixed and part of the network is variable and can be sources on a short term notice Domestic Markets is the segment which focuses on the countries with a domestic (not cross border) network; UK, France, Italy, Brazil, Chile, Australia.

For this Domestics Market segment we are looking to develop the Revenue Management way of working. Today prices are negotiated for a year where the price discount level is related to the customers expected revenue. Tomorrow we want to be able to optimize based on accurate forecasting of demand, price elasticity and network capacity.

Internship assignment: Price guidance through segmentation

Pricing of mid size and large customers is typically done case by case. Over time this has resulted in a large spread of price points.

TNT is looking for a pragmatic methodology to move to a more guided pricing approach. The goal is to reduce irrational pricing whilst increasing customer retention. To be able to do this the following steps are identified:

1. Define customer segments based on business logic
2. The price of an existing customer in a segment will need to be compared with the price of its peer customers.
3. Based on the above comparison an indicator (Price score) will indicate the relevant price position of a customer.
4. The price score will form a guide in the price increase process
Activities will include:

- Gather, clean, prepare data from various sources and disciplines within TNT
- Create a method to segment customers, score the price, propose business rules to create a new price level
- Validate outcome of methodology with business experts
- Run simulations of various methods

**Revenue Management Team TNT Express**

You will be based in the Hoofddorp Head Office. Some international travel may be required. You will be guided and supported by the Revenue Management team with extensive experience in RM in other industries (Hotels and Cargo carrier) and TNT business experience.

Gwen Roelofs  Industrial Design Engineering, University of Delft

Air France KLM Cargo: 13 years in Revenue Management responsible for design and implementation of processes, tools and reports supporting Revenue Management. Later on responsible for the revenue optimization of the cargo capacity of the flights from Asia and the America's to Europe.

1 year with TNT

Sigrid Geldermans-Smits, Education Graduated from Hotelschool The Hague, Hospitality Business School Marriott International: 15 years in the Revenue Management contributing to the development of the scope, processes, systems and impact of Revenue Management both at Head office and BU level.

Essent 2 years as Manager Commercial Development & Reporting for the B2B market initiating database marketing, performance culture, pricing and deep competitive insights.

1 year with TNT

Giorgio Guarnieri, Education BSc foreign trade, University of Turin

TNT, 8 years initially with Pricing and Commercial team in Italy supporting Major and Key Account pricing. Moved to head office in 2009 supporting Strategic Account as commercial manager for the Automotive vertical market. Joined the revenue management team in September 2014.

**To apply please send you application to;**

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