

TFWA ANNOUNCEMENT

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TFWA AIRLINE WORKSHOP URGES AIRLINES TO MAXIMISE CONTACT WITH CUSTOMERS

Over 80 delegates turned out bright and early on Tuesday 20th October at the Riviera Beach marquee for the annual TFWA World Exhibition Airline Workshop on the theme of 'Personalising the Inflight Shopping Experience'.

Opening the workshop, moderator Doug Newhouse, Editor of The Travel Retail Business, said that the dollar numbers for inflight retailing looked great but they did not reflect the whole story. Eight years ago Generation reported \$1.5 billion in sales and 7.8% of market share; in 2008 however the figure was \$2.5 billion sales with just 7.2% market share. He suggested that delegates could gain useful insight into means to improve that position from the presentations of the following speakers.

Clive Humby, Chairman of DunnHumby which collates data and interprets shopping behavioural information on behalf of retail clients in 26 countries, urged airlines to make greater use of the customer information which they already collect.

Quoting examples such as Tesco in the UK, he explained how market segmentation based on customer shopping analysis could bring great commercial benefits to airlines. He emphasised the importance of making the offer and the promotions relevant to individual consumers based on the information airlines have collected about their preferences.

"Airlines know every person on every flight and they have them for one, twelve, even 24 hours. They can legitimately want to get to know them well," he said. Airlines know where, when and how often their customers fly and also how they pay. And yet he said that few if any airlines ever acknowledge the customer as an individual.

He used the example of a passenger who pays full fare for a flexible ticket; he should be rewarded for paying that premium by allowing him, for instance, to pre-order food to be delivered to his seat before the rest of the trolley service. He urged airlines to ask themselves what they are doing to make their offer more relevant to their customers. "If you are relevant, they will be loyal," he concluded.

Gustav Ljunggren, CEO of Inflight Service Europe AB, explained how his company put the theory outlined by Humby into practice with airports, airlines, cruise and ferry companies.

He said that ISE's role is to help clients to drive penetration, spending and margins and to do so there must be interaction with the customer at several points: at the ticket booking stage, a direct link to the shopping opportunities on the company's website; post-booking and pre-flight several interactions to link the customer to pre-ordered duty free shopping opportunities which are delivered in flight; close to the flight a series of SMS contacts with links to the website.

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“Although this might be considered by some people to be too pushy,” he said, “we find that most people welcome [this communication] because it is relevant.”

Once onboard there is the opportunity for various types of interaction including leaflets in seat pockets and once home there can be follow up emails.

‘The possibilities are huge but the restrictions are us,’ Ljunggren concluded.

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