Presentation 2

Airline Retailing & SITA for Aircraft Perspective
Airline Retailing & SITA FOR AIRCRAFT Perspective

Allows airlines to include more content (legroom, seat pitch, meals and other ancillary offers)

Airlines is in the business of moving person and material from one location to another – Right or Wrong?

How much is airline profitability per passenger? About $6.5

Airline retailing requires placing the customer at the centre at every contact point
- Searching for a ticket
- Buying a ticket
- Checking in (online / kiosk / desk)
- Loyalty portal

In the aircraft
Airline Retailing – Opportunity for African carriers

- Large continent
- Booming economy
- Rich and vast natural resources
- Weak road / rail infrastructure
- Progressive digital cash system
- Strong mobile network

- Captive Customer

- Complete onboard sales system for effective onboard sales, even for short hauls
- Cabin connectivity service
- Reliable service provider
Airlines want to:

- **Boost In-flight Sales**
  increase ancillary revenue

  - digitalize **Paper-Based Sales Operations**
    increasing administration efficiency

  - optimize **Sales Managers’ Decision Making**
    identifying sales trends and patterns with data

  - unlock **Sales Visibility**
    real-time reporting on all relevant activities

  - personalize **In-flight Sales**
    purchasing analysis to understand passengers’ preferences

  - reduce **Costs of Sales Operations**
    consistent stock analysis to avoid waste and overbuying

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**RYANAIR**

5% = $151M

**Emirates**

5% = $8M

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Outdated in-flight shopping processes poorly impact revenue

Digital transformation revitalizes the on board shopping experience and boosts sales

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Airline Retailing – Opportunity for African carriers

The role of cabin crew

Cabin Crew’s primary role is to sell by creating product awareness, talking to passengers, in addition to general inventory management.

In-flight Sales Strategy
- Buyer personas and their behaviour
- Purchase patterns (flights, geos, lengths)
- Seasons

Cabin Crew Training
- Product visibility
- PAX product awareness
- Communication
- Motivation

In-flight Sales Processes
- Inventory
- Payments and transactions
- Handovers
- Reconciliation
- Individual crew performance

In-flight Sales Tools
- POS devices
- Digital catalogues & menus
- Crew apps
Key Functionalities

VENDOR MANAGEMENT tools
- Vendor creation
- Scheduling agreement
- Vendor access
- Vendor information and details

INVENTORY MANAGEMENT tools
- Stock maintenance
- Uplift/Unload locations
- Warehouse/Plant/Station
- Projection

PRODUCT MANAGEMENT tools
- Product Setup, price, images
- Category & Type
- Uplift/Unload locations
- Cart seal number
- Inventory handover

SALES WORKFLOW tools
- Inventory
- Sales
- Refunds
- Reports
- Payments
- Digital passenger manifests
- Handovers
- Synchronization

PLANNING & ORDER MANAGEMENT tools
- Retail menu planning
- Buy onboard settings
- GLP settings
- Order management

ANALYTICS tools
- Historic data
- Reports
- Dashboards
- BI tool
- Big data analytics

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### Market Context

#### Key Stakeholders and Pain points

<table>
<thead>
<tr>
<th>Michael</th>
<th>Digitalization Manager</th>
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<tbody>
<tr>
<td>Hard to source a solution for airline-specific processes</td>
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<td>In-house solution are too expensive</td>
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<td>Unclear future possibilities and developments</td>
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<td>Hard to secure harmonious ecosystem</td>
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<td>Choosing a partner = accepting compromises</td>
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<td>Key market players are closed for co-development</td>
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<table>
<thead>
<tr>
<th>Frederick</th>
<th>Cabin Crew manager</th>
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<tr>
<td>Reaching sales training limits</td>
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<td>No visibility on individual crew performance</td>
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<td>No tools to optimize workflow</td>
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<td>Unhappy crew following outdated processes</td>
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<td>Low passengers’ satisfaction with in-flight experience</td>
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<td>Responsibility for crew errors and mistakes</td>
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<tr>
<th>Igor</th>
<th>In-flight Sales Manager</th>
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<td>Slow, incremental improvements</td>
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<td>Manual analytics</td>
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<td>Outdated information on trends and patterns</td>
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<tr>
<td>Not knowing PAX’s behaviour and preferences</td>
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<td>High admin costs and effort</td>
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<td>Non-moving inventory</td>
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<td>Wasted goods</td>
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<td>Unable to secure sustained sales growth</td>
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<table>
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<tr>
<th>Louise</th>
<th>Cabin Crew</th>
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<tr>
<td>Hard to access inventory, promotions and offers</td>
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<td>Mistakes and errors with manual sales acceptance</td>
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<tr>
<td>Missed opportunities to upsell, relying on memory</td>
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<tr>
<td>Dealing with unsatisfied customers and complaints</td>
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<tr>
<td>Mistakes and errors with manual reporting</td>
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<td>Investing too much effort in cumbersome, outdated processes</td>
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In conclusion

- Digitize cabin crew services
  - transforms your daily operations
  - Implement best practice for inflight sales workflow

- More than 15 airlines successfully digitized cabin crew services with SITA

- Quality cabin connectivity can be leveraged better inflight passenger experience and cabin crew operational efficiency
“Flightpath to Africa’s resilient travel ecosystem”

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