

Strategies to increase onboard food and beverage sales

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Agenda

- Why bother?
- Must do the basics
- Good if you do these
- Better if you do these
- The Clever stuff
- Observations
- Repeating myself!

Why bother?

- Oil price+Economy+Competition = Lower ticket revenues
- Complimentary catering is a wasted cost
- Your competition is or will do it
- No passenger chooses a coach flight for the free food!
- Selling F & B can help replace lost earnings
- Selling F & B can = 10-20% of revenues
- Selling F & B can = 20-30% of profits

Must do the basics

A. Don't give anything away – ever!

- Coffee, tea, water, soda – highest volumes & margins

B. Don't try to sell the crud you give away!

- Passengers aren't completely stupid

C. Become a retail sales outlet!

- Sell F & B & Gifts that people actually want to buy
- Advertise – seat back, luggage rack, boarding card, PA, etc
- Design the service for sales -not the other way around!
- Train the crew to sell & pay commissions
- Use promotions
- Managed inventory = profit

Good if you do these

- Use a lot of promotions
 - Best selling items on most flights
 - The public know & like them – BOGOF, 342 etc
 - Can be used to help with wastage
 - Lets you bundle lower margin items with high margin products
- Give discount vouchers for next flights
 - Put a voucher on their boarding card
- Use POS technology to assist crew and record sales
 - Drives the sales process
 - Makes receipts easy
 - Makes Credit Card sales easy
 - Makes it possible to do more and better promotions
 - Tracks all sales and inventory onboard

Better if you do these

- Pre-ordering – hot meals, luxury goods, DF, celebration stuff
- Branding
 - Sell branded products for more volume and value
 - Link sales to brands on the ground with vouchers for post flight revenues
- Targeted Crew Commissions
 - On top of standard commission, product specific, supplier funded
- Go Green!
 - do a deal with an eco body - for every \$ spent a % goes to the cause
 - pay to off set your carbon emissions for that flight .
 - People tend to not mind spending more in these circumstances.
- Stay Green! Don't ignore cash.
 - About 60% of F & B sales where there is a choice
 - But you MUST have the processes and systems in place

The clever stuff

- **Adopt processes & technology to count and reconcile everything**
 - Get every penny in the bank – including that cash!
 - Make sure it matches the stock you bought
 - Control all stock movements to reduce shrinkage
 - Manage wastage on perishables – get the ordering & loading right
 - Have full visibility of the retail operation – where, when, what, how many
- **Offer passengers more for less!**
 - Virtual Inventory Products have no stock, weight, loading or logistics
 - Destination Attraction tickets, Ground transportation, cell phone top ups, flowers
 - Car rental booking, theatre tickets, Hotel room booking, ground delivered products
 - Some printed straight from the POS, others delivered on the ground.
 - Low cost, high margin so push them hard.

VIP
virtual inventory products™


the new name for Clue® Trader
onboard®
retail solutions
delivering ancillary revenue

Observations

- People have to eat and drink
- Passengers want convenience - VIPs
- Boredom is good – sells more F & B + IFE
- Airport security lines are good
- Secondary airports are good
- Long flights are better, night flights are bad
- Airports are the competition
- US airlines are not good onboard retailers

Repeating myself!

- You're a retailer now
- Don't give ANYTHING away
- Take all payments
- Sales before service
- You're competing with the airports
- Cross sell and up sell always
- Don't ignore old fashioned cash
- Remember VIPs
- Reconcile everything for profit
- Use enabling technology to succeed



They're not just **aircraft.**
They're superstores...
...with wings.

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Onboard Retail Solutions® technology has the power to turn your aircraft fleet into a chain of highly efficient, tightly controlled flying stores, offering an unparalleled range of products and convenience to your passengers.

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