

A MAGAZINE FOR AIRLINE EXECUTIVES

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EXTREME AIRLINE MANAGEMENT

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CEO,
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Preparing for the Changing World of In-Flight Services

New “buy-on-board” programs enable airlines to provide quality customer service while boosting revenues and controlling costs.

■ By Jamie Patel and Erin Bouck | *Ascend* Contributors

Faced with seeking ways to cut costs, yet still provide a high level of service to customers, many airlines — particularly in the United States — have begun experimenting with selling meals to passengers on board their aircraft. The “buy-on-board” programs — enabling passengers to purchase high-quality meals on flights where

in some of the low-cost carrier models. In addition, the industry has seen more and more service strategy volatility mainly due to the need to help drive profits in tough economic times.

Carriers such as America West Airlines, Midwest Airlines, US Airways and United Airlines have already looked into buy-on-board programs.

“The concept earned America West public accolades for its innovativeness,” said W. Douglas Parker, chairman, president and chief executive officer of America West Holdings Corp. “Most importantly, customer feedback has been overwhelmingly positive, and we hope to be able to expand the product.”

The new, and increasingly popular, buy-on-board trend represents a radical divergence from previous service models. The program provides an alternative to simply reducing services offered to passengers. The buy-on-board programs provide airlines another opportunity to outsource a piece of their operations.

Many carriers are looking to their catering partners to run all aspects of these programs for whatever portion of their schedule/class-of-service combination they deem applicable. Such outsourcing activities may even provide further efficiencies and help control

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no other meal service would typically be offered — helps offset the cost of meal service while maintaining, or even potentially increasing, customer satisfaction.

In-flight services — traditionally representing an average of 2 percent to 3 percent of total expenses — have long been a key differentiator for carriers. During the past few years, the variety of business models and strategies associated with in-flight service has grown dramatically to include everything from premium service to virtually no service



Enhancing the traveler experience, many airlines offer brand-name food items — such as T.G.I. Friday’s® and Wolfgang Puck — through buy-on-board initiatives.



costs. Traditional catering leaders such as LSG Sky Chefs and Gate Gourmet are also establishing themselves as the leaders in developing buy-on-board programs for airlines. LSG Sky Chefs launched its In-flight Café concept earlier in the year, teaming with recognized, respected restaurant brands such as T.G.I. Friday's® and Wolfgang Puck. Since launching In-flight Café, LSG Sky Chefs has run tests with five major U.S. airlines and continues to run full-scale programs for two carriers totaling nearly 400 flights per day.

"The successful adoption of the In-flight Café program thus far by airline customers indicates the growing acceptance of the buy-on-board concept as the new model for in-flight dining in the United States, as more U.S. airlines seek ways to offer cost-effective meal service in coach class," said Rex Roe, vice president of design development for LSG Sky Chefs.

Offering programs such as In-flight Café in lieu of, or in combination with, traditional services can prove to be a very beneficial decision for airlines, but it also comes with its fair share of complexity and, in certain cases, may not vastly decrease the effort needed to manage such operations.

For such programs, both airlines and caterers need technology to help them market the buy-on-board programs, operate them efficiently, and drive the largest and most profitable response from passengers. To facilitate such programs, airlines need a comprehensive, integrated system to accomplish pre-flight, in-flight and post-flight activities.

The ideal system provides a single tool to manage all planning, operational, financial and decision-support functions associated with successful buy-on-board programs. Some key points of functionality to support buy-on-board include:

- Environments to support both traditional

and buy-on-board operations as well as multiple parties' schedule policy creation and schedule maintenance. In addition, these same specifications and scheduling functionality should be able to be used as a content management system to inform passengers of what will be for sale on their flights, complete with pricing information as well as a digital image.

- A meal-ordering system that can automatically segment an airline schedule by class of service and provide forecasts for the appropriate class for both traditional and buy-on-board services. For buy-on-board flights, the system should provide meal "sales" forecasts based on real-time information from reservations and departure control systems as well as past historical sales data. This system's meal-ordering functionality should ensure that the right quantity of meals are boarded, minimizing

THE HIGH • LEVEL view

News Briefs from Around the Globe

Who

Qantas Airways

What

Selected the *Sabre® AirFlite™* suite of planning and scheduling solutions to develop the airline's flight schedules and improve its profitability across all the carrier's regional, short-haul and long-haul routes.

As part of the agreement, Sabre Airline Solutions will also establish

a regional Center of Excellence to advise Asia/Pacific-based carriers on fleet scheduling issues. The Sydney-based COE will initially aid Qantas in evaluating the profitability of routes from an entire network and fleet perspective and aims to work closely with other APAC-based carriers.

Why

The *AirFlite* suite will enable Qantas to make flight scheduling decisions from a network-wide

perspective, allocate capacity according to demand, quickly and efficiently develop regional, short-haul and long-haul schedules, and plan and assess the profitability of proposed changes to both the existing network and proposed new routes.

"The installation of the *AirFlite* suite will enable us to quickly allocate appropriate capacity according to consumer demand or during any short-term disruptions," said Alan Joyce, Qantas group general manager network. [e](#)

waste and maximizing revenue.

- Extended data warehouse capabilities that enable storing and reporting on retail-based information for a buy-on-board or gate-boarded environment; provide decision support to drive

pricing decisions, menu decisions, market-segment adoption rates and competitive impacts of other carriers; and automatic cataloging of sales information captured in any handheld technology utilized in the selling

process. It should also manage the revenue-share process across the various parties supporting the buy-on-board program as well as flight attendant incentive programs and tracking of overall performance of the crew.

hightech

News on New and Improved Products and Services from Sabre Airline Solutions

product

Reservations and Departure Control Interface version 2.0.0

description

A new graphical user interface for airline agents to manage reservations and check-in functions from a single, easy-to-use tool.

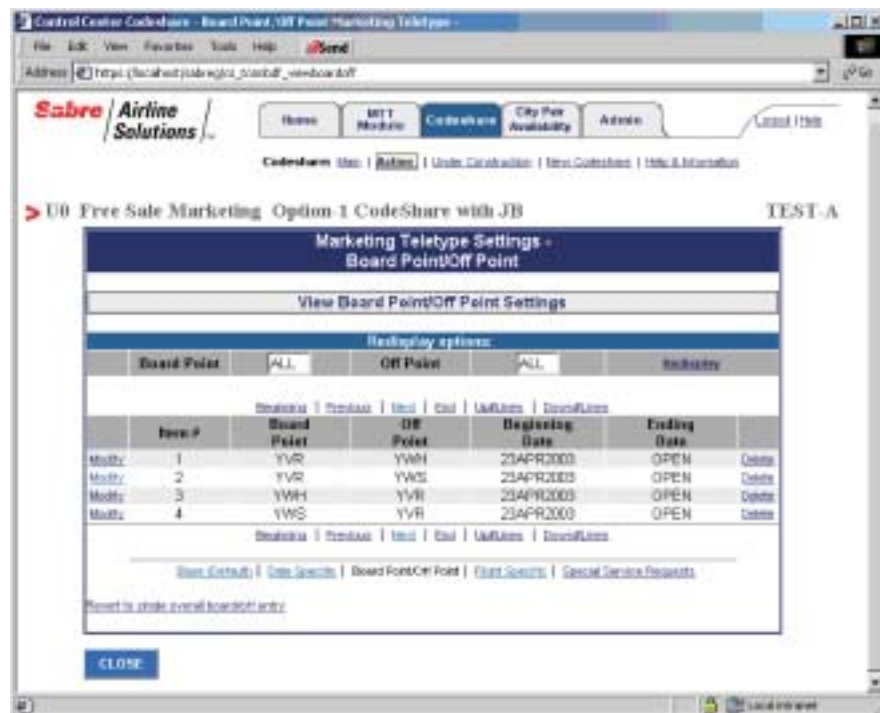
benefits

The combined GUI has been designed to follow natural, intuitive workflows, streamlining agent processes and increasing productivity. By eliminating complex system formats, the GUI enables agents to offer customers more attentive service. The easy-to-use design reduces training time, and the consistent navigation between reservations and airport functions significantly reduces the time for crosstraining. Adopting this combined interface will also ease the process to upload enhancements and new versions as they are released.

features

- Graphical seat maps** — Allows agents to view a dynamic cabin map and quickly identify and assign available seats to customers.

- Enhanced flight check-in functionality** — Increases agent productivity by expanding the functionality available on the check-in screen to include the cabin map, current flight information and passenger counts.
- Consistent, easy-to-use navigation** — In 80 percent of the cases, agent functions are performed within one click from the homepage. The functions are mapped to the natural dialog with the traveler and are equally accessible with or without a mouse.
- Easy-to-read graphical output** — Most system responses are displayed to the agent as dynamic graphical output rather than native green screen host responses. The trip summary window also provides the ability to display large amounts of information in an easy-to-read format.
- Integrated customer relationship management functionality** — Agents are able to quickly identify their frequent travelers and capture additional information about the traveler.





The Sabre® AirServ® aircraft provisioning system, which traditionally enabled an airline to tightly manage all aspects of its “above the wingtip provisioning,” is being adapted to help carriers manage buy-on-board programs or hybrid environments including both buy-on-board and traditional components.

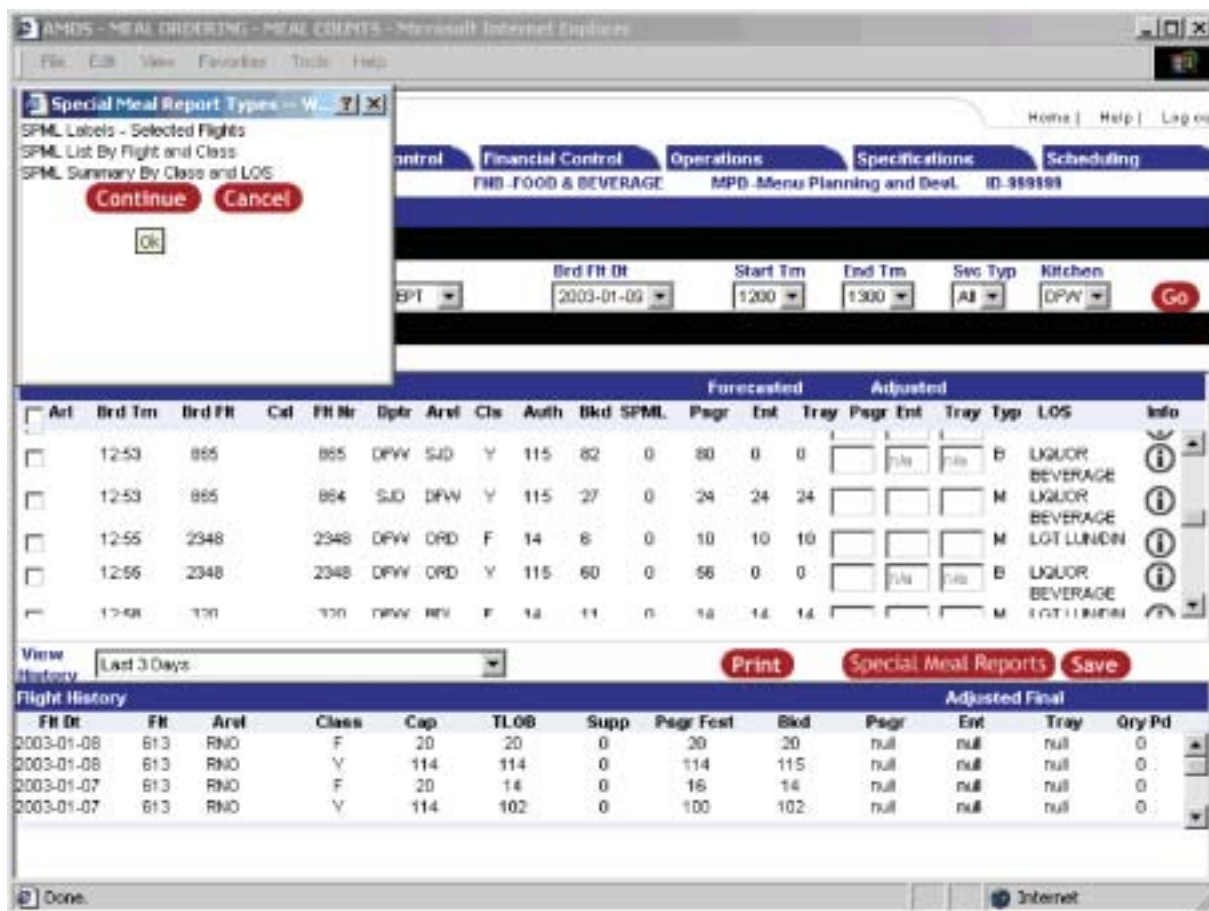
The AirServ system will integrate with many marketing engines to help promote buy-on-board programs to passengers, travel agents and potential consumers. Using the messaging delivery platform available through the Sabre® VirtuallyThere® Web site, airlines can send direct marketing messages to upcoming passengers in a variety of formats and can include specific information about, and even photos of, the meals available

on their upcoming flights. Such messages can also easily be expanded to allow pre-purchasing of meals prior to boarding the flight. On a broader scope, integration with booking engines such as Travelocity add further touch points for consumers as well as opportunities to drive pre-departure sales. Utilization of existing functionality in the Sabre® Global

Distribution System will further expand awareness of such programs by allowing direct marketing to another key player, the travel agent. Targeted messaging to agents about the programs offered by carriers as well as any incentives that might be available can be easily sent through the existing technology.

Marketing buy-on-board programs


more and more vital. Buy-on-board programs represent a dynamic new trend that offers airlines the ability to control costs while providing a desired service. Utilizing the AirServ system in conjunction with other tools available through the Sabre Holdings family will ensure that airlines and caterers alike can support any environment from both



The graphical user interface for the automated meal ordering service, also known as AMOS, helps airlines easily manage, streamline and improve their catering operations.

will be crucial to their overall success, and having a single technology provider across all avenues ensures a concrete and standard message is being delivered regardless of the communication channel.

As the market for in-flight services continues to change, the ability for an airline to adapt will continue to become

an operational and marketing standpoint. Such flexibility will help manage costs in any environment, without having to disappoint passengers. 

Jamie Patel is director of dining and cabin services at Sabre Airline Solutions. Erin Bouck is the product manager for the AirServ system.