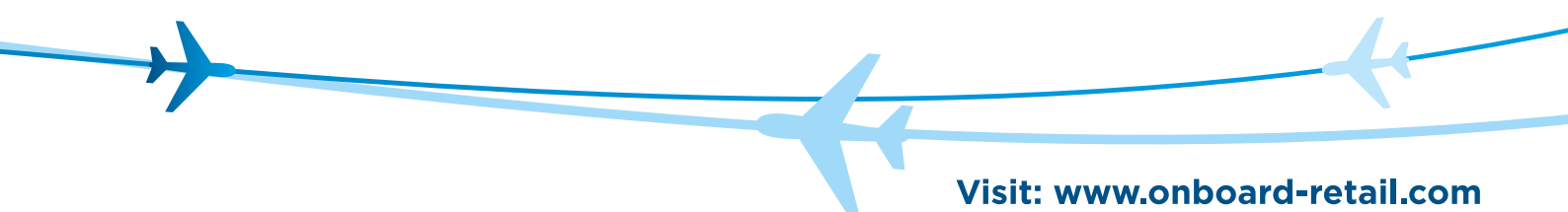


ON-BOARD RETAIL

KEEP IT CONNECTED



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INTRODUCTION

Recently the on-board industry has seen several established airlines move away from on-board duty-free sales, seemingly unable to capitalise on this important opportunity for margin creation. Newer airlines engaging with the unbundling phenomenon have also quickly realised the high levels of complexity involved mean there are no quick returns when it comes to on-board selling.

It's true that a success requires a long-term approach. An effective on-board sales strategy requires careful and pragmatic planning and understanding and, of course, this needs to be approached as one element of a multi-touch, multi-channel customer engagement policy. But the good news is that technology in this area is evolving rapidly and keeping things simple while maximising revenue is no longer the distant or unattainable target that it once may have seemed.

Still, getting the right logistics behind an on-board sales process requires time and effort. After all, the mantra of 'right stock, right place, right time' can be the difference between success and failure. Equally, the ability to complete transactions in the air, by card or cash, needs to be quick, intuitive and accurate. Otherwise there is a risk that crew reject the associated Point of Sale (POS) technology roll out.

So how does the latest technology help?



STRUCTURE

Technology lends a structure to the processes, from the catering and warehouse departments to the crew and the finance office reconciling activities against takings. In fact, most airlines routinely rely on such systems (back office and integrated POS software).

But airlines also consistently fail to maximise the opportunity that this presents. So why is this?

There are several issues that are presented by any programme of businesses change. Inertia, active resistance and lack of resource are just a few of those stumbling blocks. But more and more regularly it is the technology selection itself that becomes the problem.

Unless it has a full, end-to-end view of the processes involved, it becomes onerous and difficult to extract and manipulate data to give management the information necessary to measure, control and performance criteria.

NEW DEVELOPMENTS

The issue with new technologies and the rate of their arrival is that they can cause constant waves of disruption. Providers multiply, with some focusing in niche areas and others acquiring or investing to become one-stop-shop solution providers.

Meanwhile the pace of innovation accelerates, creating greater opportunity for myriad advances in on-board connectivity, IFE content, applications and the creation of new and better sales channels and purchasing opportunities. All this whilst at the same time generating potentially greater complexity for project definition and implementation.

There is no doubt that those with the clearest sense of their objectives and the best decision-making capabilities will be the long-term winners in the on-going battle for market share and customer loyalty.



DON'T FORGET SOFTWARE

The POS software must be intuitive for crew to use and cover all the essential requirements of selling. It should also be highly configurable as each airline will have needs that are unique to them. It is almost inevitable that there will be some functionality desired by the airline that is either not available or works in a slightly different manner than expected (some procedures really are totally unique to particular operators).

Early testing will help identify what these issues might be and, if necessary, configuration or customisation can be added to the project schedule. But the key to resolution is collaborative working between all parties.

SOMEONE TO LEAN ON

After projects go live, support should still be available as users come to terms with the new situation. They will need proactive management to ensure the new system has a smooth introduction and quickly becomes “the way we do things”.

Suppliers should have a professional, responsive and informed helpdesk function. Check this early and test it during the UAT sessions. Agree a schedule and agenda for performance and issue review. Acceptance of go-live or phase 1 of the delivery might be the trigger to commence on the next phase and any momentum needs to be maintained.

All parties can be getting fatigued at this stage. It is therefore important that there is sufficient commercial incentive for the supplier to remain focussed. If a phased delivery has been agreed, ensure that the payment schedule has been designed to reflect a commitment to continued engagement and project completion.



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NEED FOR SPEED

At NOVO Onboard Retail we are often asked: "How quickly can you deliver? Because we need a system live in a number of weeks." It's a surprisingly common situation, possibly as a result of a new catering contract being awarded, or new routes being added to an operation. What is important here is to distinguish between go-live and the end state of the completed project. Sometimes go-live can be achieved with a cut down, simplified system, with no or limited integration to other systems. So, in this instance, the scope is tightly controlled.

But it is important to keep an eye on requirements for the next phases of delivery and to have confidence that the supplier can not only deliver quickly but can do so whilst introducing a system that is flexible and open enough to meet the later requirements. In this case it is common to find decisions being made quickly, under pressure and often times they are reversed as new requirements or more details come to light.

So a phased approach to roll-out can be a useful consideration. It limits the complexity, associated risk and possible impacts as well as breaking the project into clear milestones on which progress can be measured. Additionally, it should mean that you can get the fundamentals in place quite quickly, i.e. being able to sell on-board and capture the outputs of stock, cash and card reconciliations.

OUR SOLUTION

The NovoStar POS and Back Office solution provides the most joined up on-board sales system on the market today. For example, all transactions can be linked to who sold what, when, for how much, by which payment method, on which flight and link all that to a cash bag and payment card.

Stock movements are an additional core piece of functionality, facilitating straightforward stock pick, pack, dispatch and receiving operations. The result is an ability to see and control all key logistical processes, end-to-end. Once an airline has this level of control the opportunity moves to refining and improving by increment. The winning outcome is developed through good procurement and selection processes for sourcing a technology partner and by the application of experience, drive and consistent assessment of outcomes.

Covering everything from key considerations, purchasing criteria, control of implementation through to go live and the support phase, our guide below looks at the main reasons why projects fail and what can be done to maximise positive outcomes.

For further information, read our guide:
Implementing On-Board POS -
A Guide to 'Getting it Right' first time.

