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Simply Magnifique

KLM retail director Anna Ketting follows multiple avenues to enhance retail revenue for the airline and ensure a memorable shopping experience for Passengers.

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IdeaWorksCompany contributed information to this article - - see italics.

On a recent United Airlines flight from Washington DC to London my sister Lee and her friend did something completely unplanned – they spent \$400 on duty free products. The women were on a getaway, and shopping on Portobello Road was on the schedule. So what persuaded them to get out their credit cards before their plane even landed on UK Soil?

“The very friendly flight attendant was enthusiastic about the new fragrances, so we wanted to try them,” my sister said. The problem was there was no perfume tester, so the accommodating employee opened a few bottles as samples. When another flight attendant weighed in with his opinion that one scent was particularly nice, “we were sold,” Lee told me.

I was surprised by my sister’s extravagant purchases but the retail executives at United and other airlines are probably not. Increasingly they are coming to understand that onboard sales are only partly about the product, the other part is the person handling the sale.

“We are very, very aware that if we don’t have crew that can sell on board, then we don’t sell anything,” says Anna Ketting, the new director of retail sales at the Dutch airline, KLM. That’s why the 31-year old Ketting is thrilled that one thousand of the company’s flight attendants have already attended a one-day programme designed to turn them into effective sales people.

THINKING COMMERCIALY

Dubbed Boutique Magnifique, the airline created a buzz within the company when it promoted the employee retreat with an online video promising a full day of music, gifts, drinks, “the glitter of cool brands”, and the opportunity to “be part of something magnificent”. Ketting says the event, held in Amsterdam on 14 March, was booked solid.

Five hundred flight attendants signed up within days of the opening of registration. “The day is entirely about crew. They get information, they can ask questions. They get shows, they get goodie bags, everything to get them totally into a commercial way of thinking,” says Ketting.

The boutique and the training that follows borrow from the retail world. After the first Boutique Magnifique in June 2012, the company saw a “substantial increase in sales” on the planes where attendees were assigned, though she declined to give a specific number, says Ketting.

The challenge is giving flight attendants a more expansive view of their job. “We would like to change the view of ‘we have service and we have sales’,” says Ketting.

She may suggest that flight attendants imagine a passenger like herself; a professional woman who travels frequently for business and for whom an opportunity to examine and purchase products in an uninterrupted, unhurried environment is a treat. “I would love to take the time to do good shopping on board because I’m inside for 10 hours. Nobody is bothering me, I can just look through some products and I don’t see that as a hassle but more of a service to me.”

STAYING RELEVANT

Few airlines are ready to replace a dozen or so passenger seats with a retail area as Korean Air has done with the ‘Sky Shop’ onboard mall it installed on its Airbus A380s. For airlines like KLM, “the space within the aircraft is very limited”, explains Ketting, so the products offered must be closely examined for relevance to air travellers. “We need to prove retail to a much further extent,” she says about the decision-making process that goes into selecting the onboard products.

Jay Sorensen, whose company IdeaWorks offers airlines advice on ancillary revenue, recently studied a variety of retail opportunities at locations where the customer remains in one place and product is brought to the seat, not unlike the situation on airplanes. He reviewed sales in restaurants, on trains and at a sport arena.

“In every case there were two things that were consistent,” he says of his findings. “First, they were very visible with the product. If the customer can’t see it, they’re not going to buy it. And second, a motivated sales person ends every sale with ‘What else can I get you?’ The person asks for the sale.”

Pushing the sale without being pushy is important for flight attendants says Brett Proud, whose company GuestLogix helps KLM process its retail transactions. Good commissions can incentivize the crew but sales techniques are important. Proud says he flies on one airline where the flight attendants start the flight asking, “Can I start a tab for you?” He knows running a tab will increase the amount a customer spends.

The technology GuestLogix provides to KLM gives flight attendants access to detailed information about each duty free product, allows them to view customers’ previous preferences and to track duty free inventory on the aircraft.

KLM's retail department analyses all the products that it sells. Not only what but when and where. Of course, it is obvious that seat upgrades are only of interest to customers with tickets and only prior to the flight. But with social media and the KLM website, shop.klm.com, the airline is able to generate interest in products and even make sales to people who are not travelling.

FRESH EYES

As the former director of social media, Ketting brings a younger sensibility to an industry that is loath to change and to an airline considered by some to be conservative. One of her goals is to dissolve the borders separating departments at the airline.

"We're trying to connect the retail world to other worlds, not to have it be a stand alone – a separate part of the organization." She cites as an example a campaign launched on social media inviting KLM's followers to submit photos of their favourite destinations. The crowd-sourced calendar was sold online, displayed along with KLM branded items and luxury duty free products only available in the sky. "You want to get a potential customer familiar with your online shop and see the assortment that we have tax free onboard for their next flight," says Ketting.

Linking the airline loyalty programme Flying Blue to retail is another way of dissolving borders. Customers can use their frequent flyer miles to buy products even earning miles on those purchases. "Earning is very mainstream, something that has been there forever," says Ketting. "But since we've introduced the [mile] burning, we've seen a significant increase" in sales.

If these incentives aren't enough to encourage passengers to open their wallets, KLM is also a believer in the power of retail to entertain.

On a day in February, on flight 641 from Amsterdam to New York, the cabin crew surprised passengers with an in flight photo exhibition of Dutch photographer Carli Hermes. The flight attendants became human easels walking through the aisles of the Boeing 777, each carrying one in a series of arresting photographs Hermes created for KLM to showcase its new duty free collection.

"We did not inform our customers that they would be on a special flight or that something would happen," Ketting says of the launch of the Sky High Collection. "It was a real surprise and that is exactly what we want to do, make it like a theatre show on a flight, not linked to retail."

At present, KLM does not enable self-service inflight shopping with interactive seat-back screens that Proud says gives passengers the opportunity to make purchases throughout the flight rather than the much more limited time when the duty free cart is in the aisle. And though Ketting would not comment on what specific technology may be in the airline's retail future, she hinted that changes are planned. The airline's "revolutionary future should prove itself", she says.