Inflight shopping is a massive unrealized opportunity. The only solution is onboard hosting of the e-commerce application.

E-commerce generates USD millions in monthly profit for some airlines.
Why would you buy cookware from an airline?
KrisShop 2019/2020: US$31.5 million profit growth

Group Operating Profit FY19/20
Operating loss in FY19/20 mainly due to decline in revenue and fuel hedging ineffectiveness

FY18/19
- Lower pax flown revenue: -1,067.1
- Cargo flown revenue: -269.1
- Merchandise sales: +43.2
- Staff costs: +253.3
- AMO costs: +63.8
- Depreciation & leased aircraft charges: -220.0
- Higher net fuel cost: -49.4
- Higher net inflight catering cost: +32.6
- Fuel hedging ineffectiveness: -709.8
- Others: 59.1

FY19/20
- Total: -1,008.0
(-94.5%)

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Huge potential impact on the bottom line.

$0.9 USD
profit per pax

+15% of the average airline’s profit in 2019
($5.8 USD, source: IATA)
All about curation.
Not exclusive to FSCs.
Nor Asian airlines
Airlines as a lifestyle brand.

- Lifestyle weaved into brand story
- Unique & personal
- Content that creates experiences
Escaping commoditization.
Digitalization unlocks personalization and optimization.
E-commerce is a new profitable revenue stream

+ a means to brand building and digitalization
But...
Consumers today are empowered.

VAST CHOICE
PERSONALIZED
ANYWHERE, REAL-TIME
SEAMLESS
Meanwhile in the sky…
Inflight sales are sinking.

-1.5% forecasted annual decline

70% of buyers are +40 years old

<$1 spend per pax onboard vs $30 in airport shops

1% conversion rate: only 1 in 100 pax buys something

Onboard sales have been in decline for some time now. Many airlines (+30) have eliminated them altogether.

Sources: Counter Intelligence Retail 2019, Duty Free World Council
The storage conundrum.
Products don’t have to travel with pax.

AIRPORT COLLECTION

HOME DELIVERY

INFLIGHT DELIVERY
(Return flight)
Poor connectivity that is expensive.

**Navigation speed**
(Homepage load-time)

**60 seconds**

**Data consumption**
per transaction

**100 MB**

**Data cost per transaction**

**$15**
Inflight opportunity remains untapped

Connectivity is the main roadblock
What is onboard hosting?
Proven results: $100\times$ better

<table>
<thead>
<tr>
<th>Whitelisting E-commerce Solutions</th>
<th>airfree (onboard hosting)</th>
</tr>
</thead>
<tbody>
<tr>
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Inflight shopping same as on-ground

- Unlimited Product Range
- Real-Time (Stock, Payments)
- Data Intelligence
- User Customization
- Integrations (FF, PNR)
- User Account Creation
- Search
- Secure
- Zero Fraud
Unique global partnerships

Panasonic
THALES
inmarsat
Agreements with retailers in +400 airports.
Attempts to replicate e-commerce functionalities inflight via whitelisting have all failed.
Launch very soon on A350 fleet

Chris Pok, KrisShop CEO at the Trinity Forum 2019

[...] inflight shopping is the next industry game-changer [...]

Currently, connectivity in the air is not as good as it is on the ground. But we are working with partner airfree to overcome this problem...
New ancillary business
100% digital
No CAPEX
Transform your passenger experience

w.henn@airfree.aero

William Henn, VP Airlines