

A RETAIL REVOLUTION IN TRAVEL

**Research finds gaps in retail
experience among travelers
who seek more opportunities
to connect and purchase
throughout their journey**



Buying made simple.

Travelers today hunger for the same simplicity and convenience while in an airport that they enjoy in their every day lives, where amenities and other items are a click away on their tablet or smart phone. And, with airlines and airports looking to grow incremental revenue from the sale of on-board amenities and ancillary fees, the answer to satisfying passengers and ramping up a retail strategy may lie within the retail industry itself.

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Traveler Experience Survey

Findings from the 2014 NCR Traveler Experience survey, an annual, global study of consumers and their travel preferences, underscore the retail opportunity and the unmet needs of the traveling public, and how airlines and airports can better connect with their customers throughout the journey, from when they first book their flight to when they reach their final destination.

According to PhoCusWright, “The Web has provided airlines an enhanced degree of direct customer interaction, but to truly meet traveler requirements they need to expand their offerings to become full-fledged online travel retailers.”

Methodology

The 2014 NCR Traveler Experience Survey is an online poll of approximately 6,000 adult consumers in the U.S., U.K., China, UAE, Australia and Brazil, and was conducted in December 2013 by market research firm ORC International.

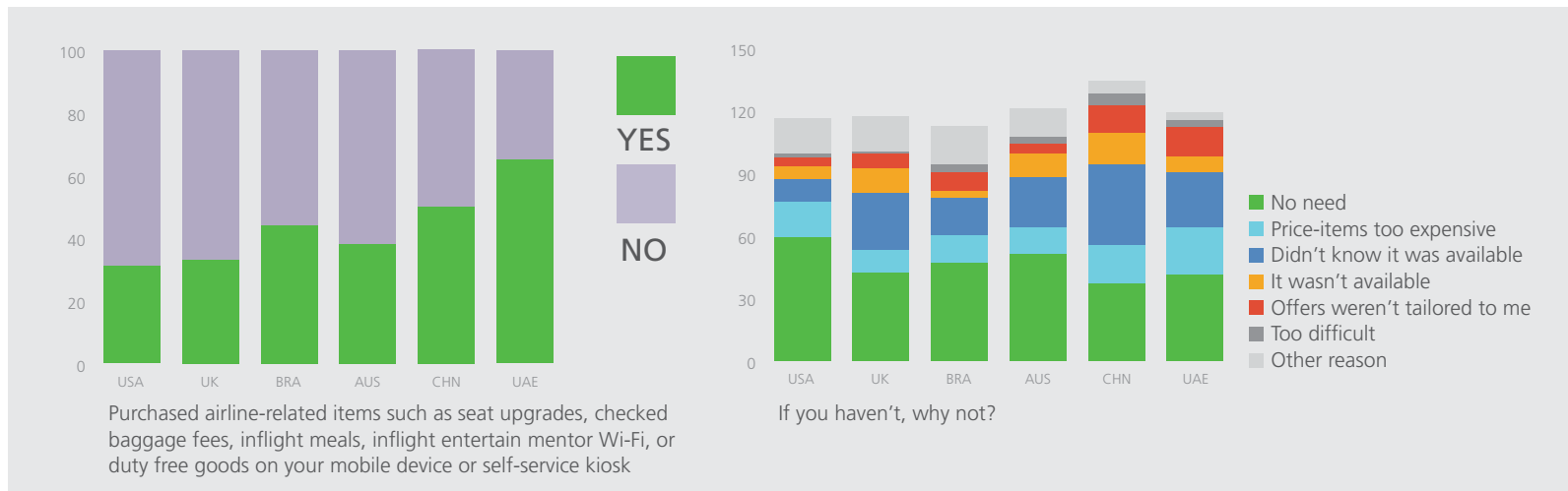


Getting Personal

Travel providers know they need to sell more, but they're not connecting and making it relevant or easy.

What this means for airlines:

Travelers are used to checking in on their mobile device or at a kiosk. Why not make it just as easy to buy things that way as well? While about a third of travelers said they had purchased airline-related travel amenities, such as seat upgrades, in-flight meals, entertainment or baggage fees via mobile or self-service kiosk, the majority of respondents had not. Why? Some said this option wasn't available to them. Others said they didn't know if it was. Still others indicated the offers were not tailored to them.





What this means for airports:

Like shoppers - travelers are increasingly accustomed to online and mobile payments and would like that same convenience when making airport purchases. A majority of respondents indicated they would like to be able to purchase airport items (like parking, meals, souvenirs, reading materials or spa services, etc.) on their mobile device or at a self-service kiosk, and would in fact be willing to provide personalized information in return for targeted offers such as dining coupons at their favorite airport eatery.



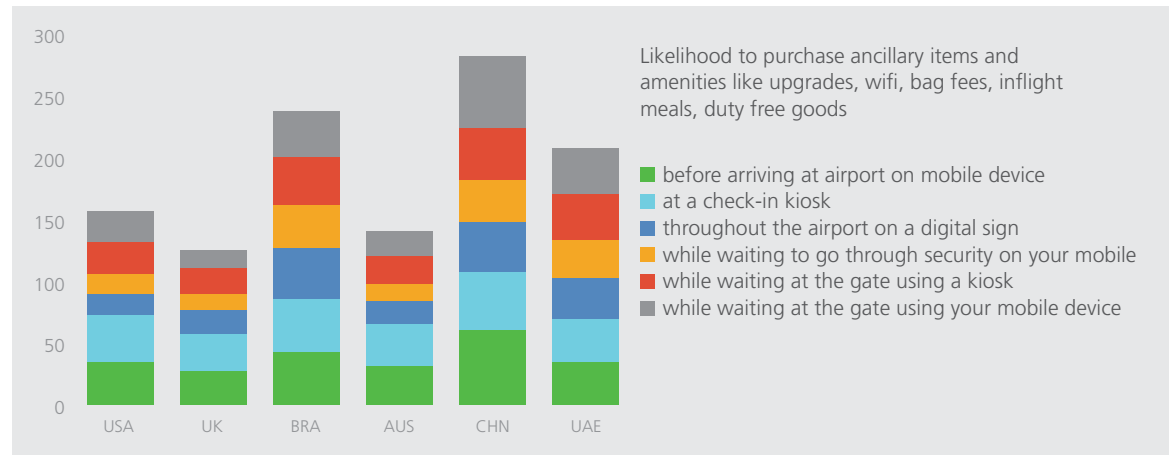


Optimizing Channels

Travel providers are not optimizing all possible merchandising vehicles. Passengers want to buy more items online, via mobile, or on a kiosk – but not everything is available through all channels.

What this means for airlines:

Just as shoppers don't make all of their purchases in the store, travelers want the ability to buy travel-related goods and services at points beyond the check-in lobby. In fact, nearly 4 in 10 respondents said they would be likely or very likely to purchase ancillary items and amenities before they even arrive at the airport on their mobile device. Airlines can meet this demand and boost incremental revenue by expanding their self-service platform to address airside and landside merchandising strategies.





What this means for airports:

Out of stock doesn't have to mean out of luck. Up to 55% of respondents said they wanted to purchase something at an airport retailer that was out of stock or unavailable. That's a lot of money left on the table, and a missed opportunity to deliver an exceptional passenger experience. An additional 8 in 10 surveyed said they would like to use their frequent flyer miles or loyalty points to purchase airport amenities. Technology that can give travelers greater access to available inventory as well as more ways to pay for those goods and services can create new partnerships – and revenue streams – for airports and the airlines they serve.



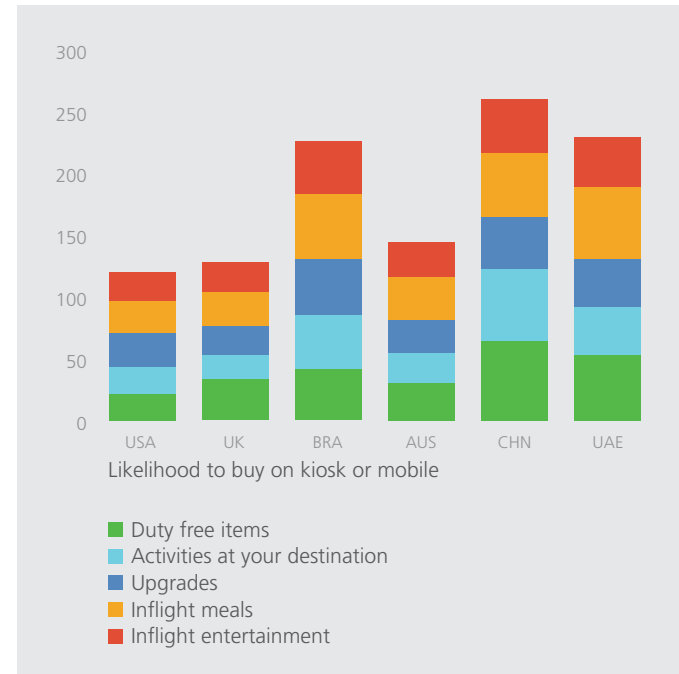


Empowering the Traveler

Self-service continues to drive efficiencies for travel providers. It's also the cornerstone of a retail strategy to grow revenue by empowering travelers with more choices and more control over their purchases.

What this means for airlines:

Passengers have become accustomed to bypassing the agent for check-in, and research shows they are more likely to purchase ancillary items and amenities in that same fashion. Roughly 25% of US and UK travelers would buy duty-free items, destination activities, upgrades or in-flight meals and entertainment from the convenience of their mobile device or an airline kiosk. That number nearly doubles among travelers from China and the UAE. Giving passengers the control to buy what they like, hassle free, when it's most convenient is smart retailing and can lead to more satisfied customers. It can also impact loyalty, as nearly 70% of respondents said they would prefer an airline that allowed them to buy ancillary items and amenities via self-service at any point throughout the journey over one that did not.





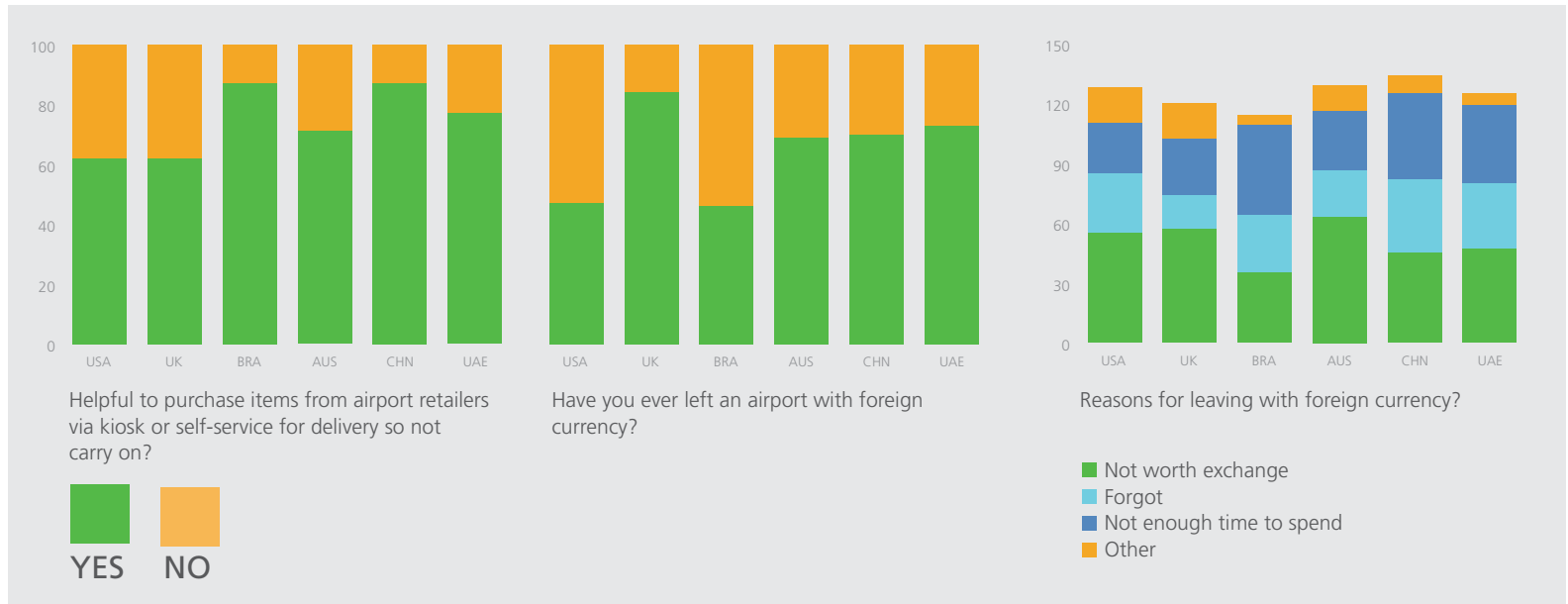
What this means for airlines (continued)





What this means for airports:

Technology could make duty-free shopping a little more inviting for passengers weighing the benefits of carrying yet another package around the airport or on the plane. About two-thirds of travelers said they would find it helpful to purchase items from airport retailers on a self-service kiosk and have them delivered to their final destination. Airports can employ click-and-collect technology, now used by a number of leading global retailers, to make it more enticing for would-be duty-free shoppers. Airports can also drive additional income by targeting smaller, last-minute purchases to the large majority of international travelers who said they left with unspent foreign currency because they either forgot or didn't have the time to exchange it.





Key Takeaways



Get Personal



Optimize Channels



Empower the Traveler

Travelers are also shoppers. Travel providers looking to drive incremental revenue and create an exceptional passenger experience will ultimately create an exceptional shopping experience as well. Like retailers, airlines and airports can drive loyalty and improve their bottom line by employing technology to make travel-related purchases personal, simple and convenient at any point throughout the journey.

Why NCR?

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