

New customer values and behavior of business travellers

AirNeth symposium
October 14, 2010

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KLM



- ❑ Screening new developments
- ❑ Stuck on the escalator
- ❑ KLM response to changing behavior



POWER & REGULATION

RESOURCES & SCARCITY

SCIENCE & TECHNOLOGY

**THE HUMAN WEB
& MOBILITY**

**WAR, TERRORISM &
SECURITY**

VALUES & BELIEFS

HEALTH & CARE

**TRUST &
REPUTATION**

**DEMOGRAPHY &
WORLD POPULATION**

**MARKETING &
CONSUMERISM**



**THE CLIMATE &
THE ENVIRONMENT**

**CAPITALISM &
THE ECONOMIC SYSTEM**

Customer dynamics

Changing society

- Mass leisure globe trotting
- Cash-careful; functional luxury
- 'Gravity moving East' & emerging middle classes
- More diverse travelers



Travel experience

- Price-sensitive, 'value for money'
- In-flight experience & inspiration
- Choice & control (a la carte)
- Strict travel policy (trading down)
- Convenience with tighter security



Connectivity



- Social web and media (web 2.0)
- Person-to-person interaction in real time
- Wifi breaks "free"
- Travel related app's & video
- Transmedia (interactivity)
- Co-creation



Sustainability

- Strong interest in green products
- Ability to demonstrate social values and CSR
- Authentic hospitality experiences



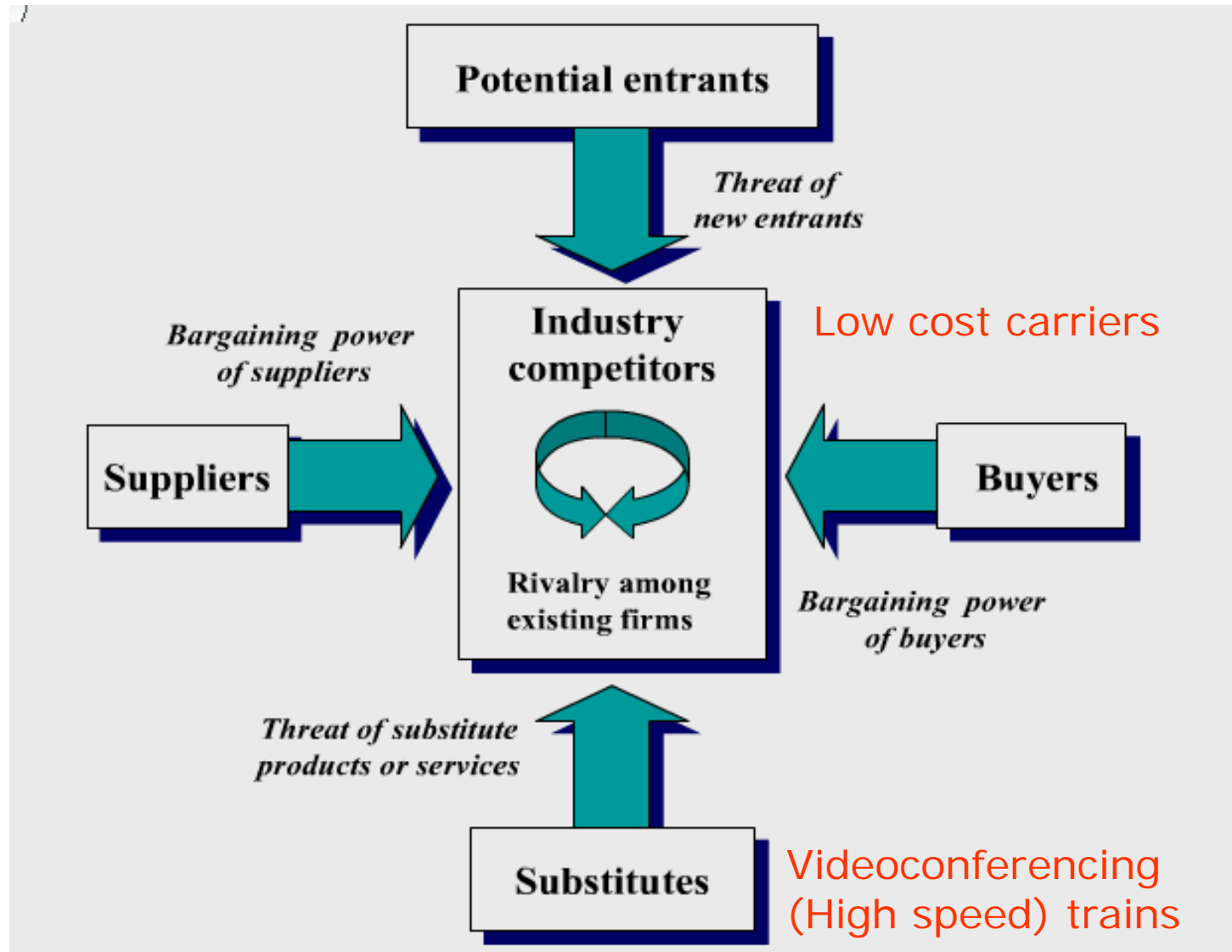
... leading to structural changed customer behavior?

- Price-sensitive (“value-for-money”), less focus on luxury
- Focus on sustainability and “quality-time”
- Customer demands more choice & simplicity
- Customer wants to be in control, inspired, and recognized
- Customer explores alternatives, that meet new customer values (videoconferencing, train)
- Business travelers are “trading down” (to economy class, to low-cost)

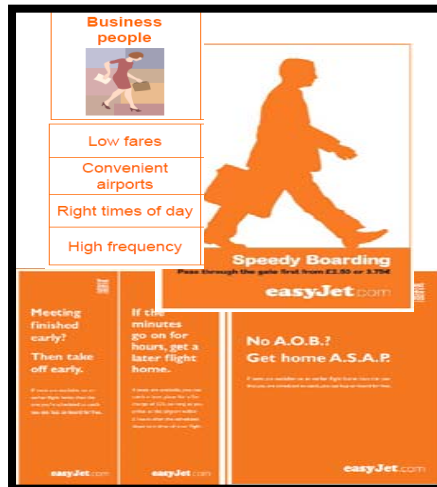
Air France KLM Global accounts behaviour study, Oct 2009

TYPE			OCT 2009			MAY 09	MAR09	DEC 08
			Yes	Yes %*	Change(Pts)	Yes %*	Yes %*	Yes %
PRICING	1	USE OF RESTRICTED TICKETS	116	63%	+20	43%	31%	25%
	2	BEST BUY	95	52%	+13	39%	33%	27%
	3	CHEAPEST PREFERRED CARRIER	114	62%	+9	53%	44%	31%
SHIFTING	4	BUSINESS TO ECONOMY	72	39%	+13	26%	19%	14%
	5	TO LOW COST CARRIERS	53	29%	+10	19%	13%	10%
	6	TO RAIL	64	35%	+6	29%	26%	21%
	7	TO VIDEO CONFERENCING**	64	35%	+21	14%	12%	12%
CONTROLLING	8	MORE CONTROL	136	74%	+16	58%	54%	45%
	9	HIERARCHY APPROVAL	96	52%	+15	37%	31%	24%
	10	ONLY CUSTOMER MEETINGS	48	26%	+1	25%	15%	10%

Competitive forces by Porter



Best of both worlds ... convergence!



Ryanair's O'Leary Plans Shift to Major Airports as Growth Slows

By Steven Rothwell - Sep 23, 2010 1:01 AM GMT+0200

KLM Royal Dutch Airlines

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Travel class
Economy

Adult (15+ years)
1

☐ I am travelling with child(ren) (<15 years)

Stuck on the escalator ■





The answer is in the total
proposition

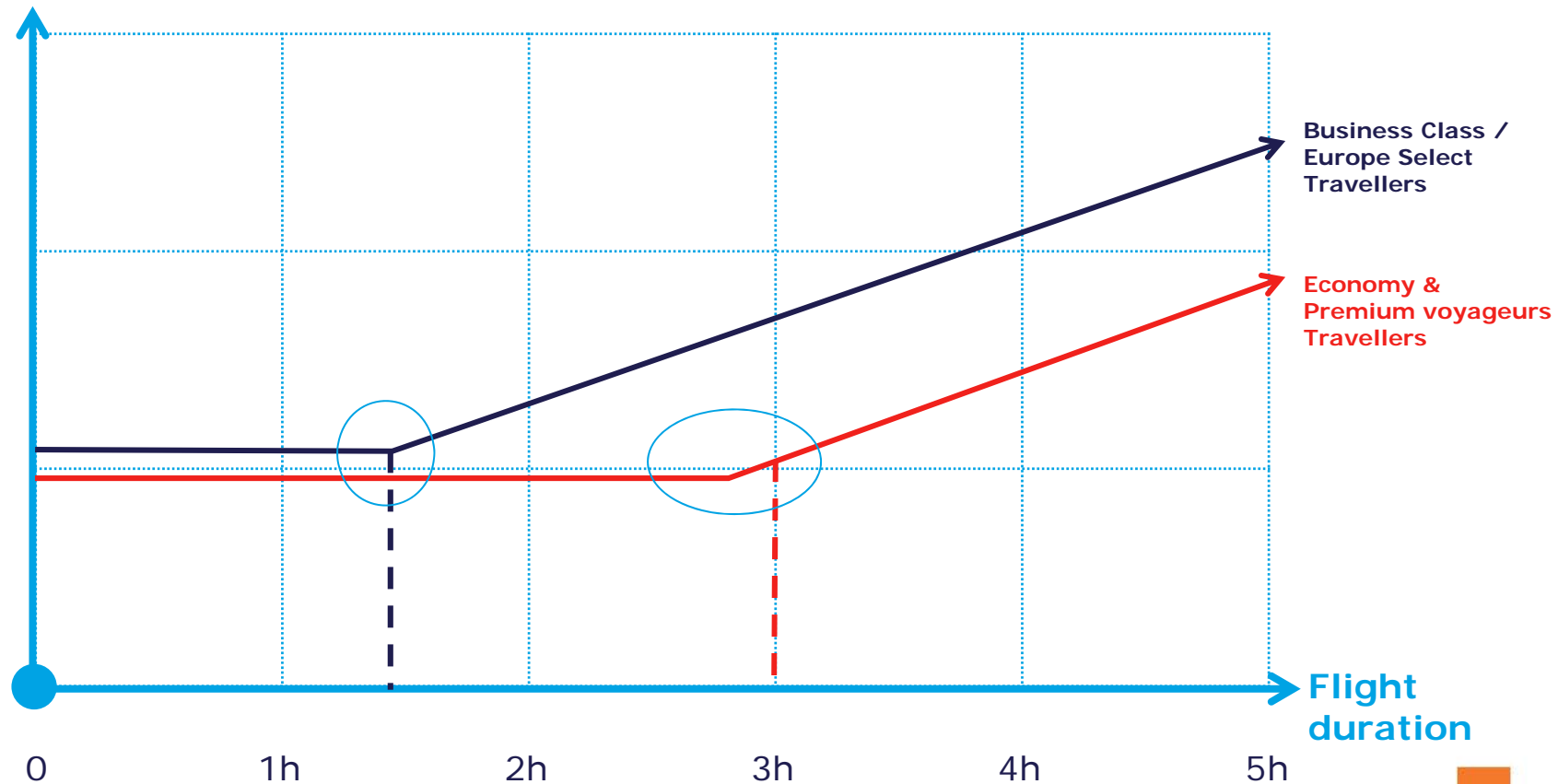
- short/medium haul
- long haul
- general

Short/ medium haul

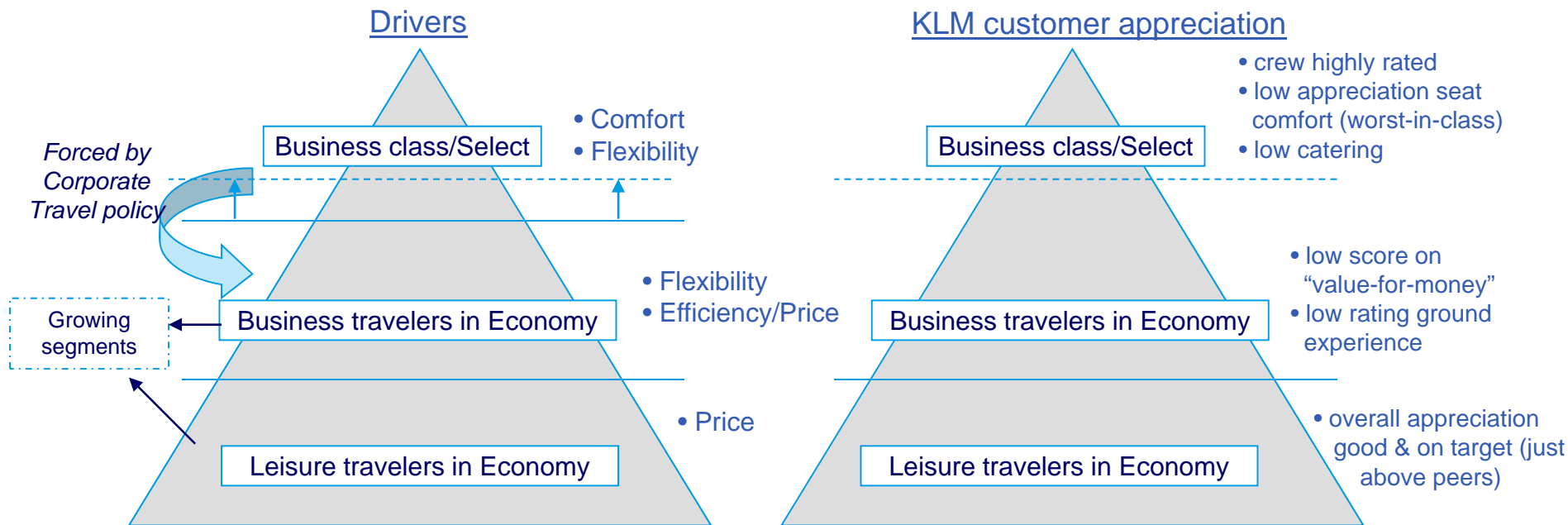
Flight duration affects travellers' needs!

Business class/Europe Select travellers are willing to compromise on comfort on shorter flight (less than 1.5h) and then become more demanding on the on board services and product. All the others are easier and don't expect more (than expect in their class) on flight shorter than 2.5h / 3h

Level of expectations



New European Offer based on requirements and needs



Long haul

Economy Comfort

Meeting new customer requirements



Economy Comfort

Economy Comfort

More legroom, more recline

Economy Comfort provides the added space you need to stretch out and relax on long flights. It's a dedicated zone at the front of the Economy Class cabin equipped with seats offering up to 35cm more legroom than standard Economy Class seats. Economy Comfort seats also recline up to 16cm, as the world's most comfortable benefit from foam distribution.

Economy Comfort is available for 400-4,700 one-way depending on the flight's duration. Flying Blue Gold members enjoy a 50% discount, while Flying Blue Silver members save 25%. Flying Blue Platinum members and passengers who have a fully flexible economy class ticket can receive Economy Comfort seats for free.

Extra Legroom

More room to stretch out

The extra legroom seats sold on our intercontinental and European flights provide significantly more legroom for travellers. Whether you have long legs or simply want more freedom of movement, you can purchase a seat with more legroom for €24-40 one-way, depending on the flight's duration. For Flying Blue Platinum and Gold members, Extra Legroom seats can be reserved free of charge.

Seat in a row of two

Keep your journey personal

Want to travel in a pair without the disruption of a third passenger? KLM offers seats in a row of two on intercontinental flights at €70 one-way per seat. Flying Blue Platinum and Gold members can reserve these seats free of charge.



The benefits of Flying Blue membership

As a Flying Blue member, the more frequently you fly with KLM, the more benefits you enjoy. For this and other reasons, we want to offer discounts to its most valuable customers. As soon as you have purchased your first ticket, you can reserve these special seating options for the additional charge listed here.

	Economy Comfort	Extra Legroom	Seat in a row of two
Members	See below	See below	See below
Gold	50% discount	See below	See below
Silver	25% discount	See below	See below
Platinum	See below	See below	See below



A la carte catering pilot



Choice and control

World-wide portfolio with partners

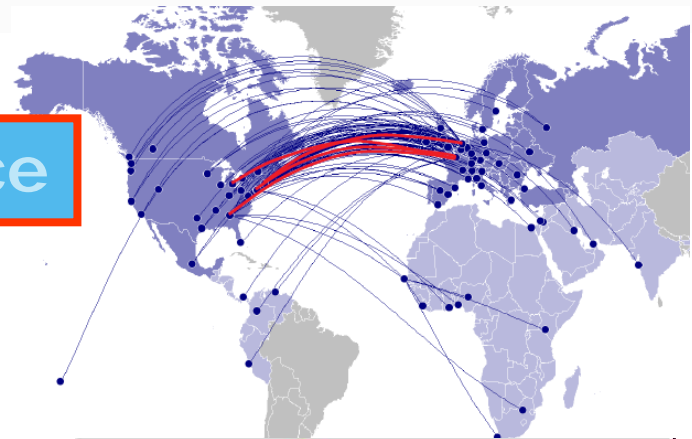


The world's largest network built around two hubs

- 2 hubs: Paris-Charles de Gaulle and Amsterdam-Schiphol
- 244 destinations

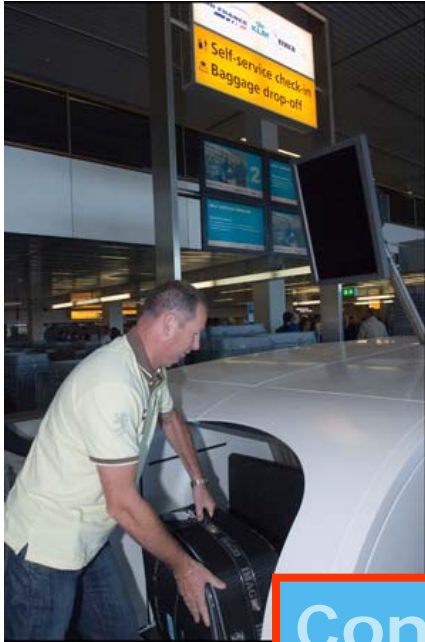


Choice & convenience



General

Travel efficiencies



- Speed on the ground
 - priority lanes at border control
 - priority boarding
- Mobility
 - continue to work in the lounge/at the gate
 - hotspots and battery charge facilities

Connectivity & convenience

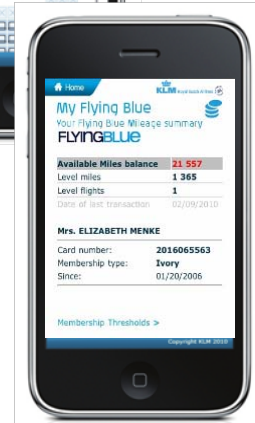
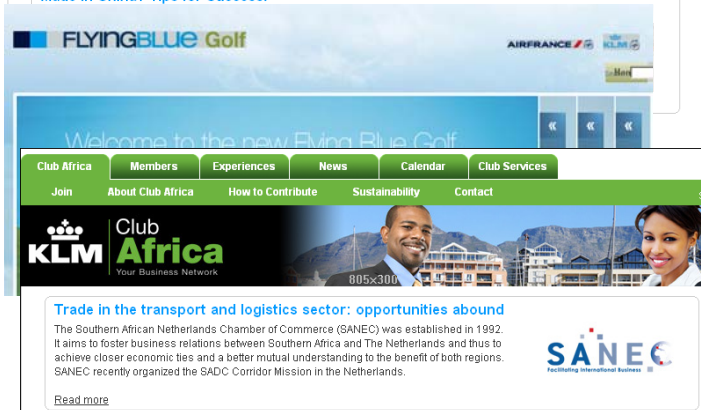


Online products and services

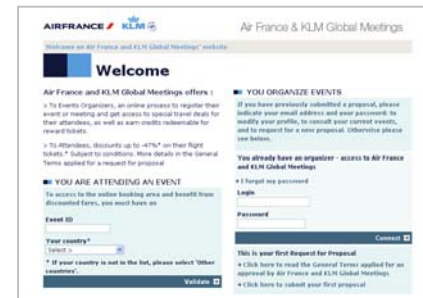
Connectivity & convenience



Made in China? Tips for Success.



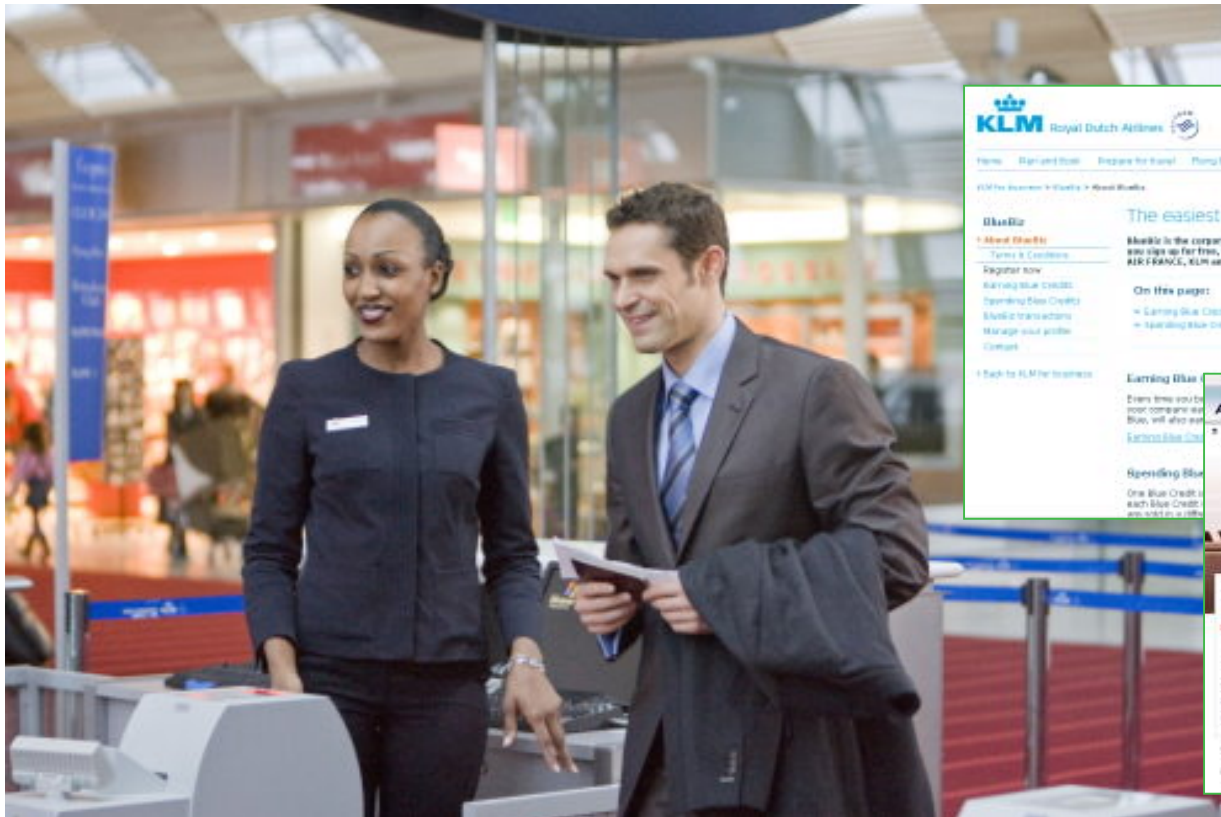
AIR FRANCE & KLM Global Meetings



Enhancing our relation with all business travellers

Recognition

BLUEBIZ



Corporate social responsibility

Pro-active in CSR

