



INFLIGHT SALES GROUP

The Original Inflight Concessionaire

Managing Director TONY DETTER explains how the company became the first, and then the best in the business.

Founded by Chairman Jean-Marcel Rouff in 1982, Inflight Sales Group (ISG) has provided best-in-class in-flight retail solutions, including multi-channel buy-on-board programs, pre-order and delivery services, tactical marketing campaigns, crew engagement and training, warehousing and inventory management, and technology solutions.

ISG originally focused on exclusive duty free product distributorship to airlines in America and Asia, later expanding into the airline duty free concession business. Back then, it was the world's only airline duty free concessionaire. Building upon 30 years of experience, it now serves 28 airlines worldwide (14 in Asia), with offices and warehouses in 11 countries on four continents.

Opportunity in the Orient

"The market for travel retail has shifted rapidly to the East these last 15 years, with Hong Kong being the hub of that activity," says Tony Detter, Group Managing Director since 2006. "Our growth in Asia has far outpaced the overall market. In 2006, we expanded our presence here, centralizing all corporate functions previously handled across regional headquarters in New York, Miami and Toronto.

"ISG is at heart a marketing organization, dedicated to offering the 'wow' factor in shopping onboard, featuring one-of-a-kind collaborations with famous retailers and brands otherwise unavailable in the sector," he says.

"The Asian consumer, while always unique, has become much more sophisticated. We have adapted by offering a significantly broader assortment, featuring more brands and categories than ever before, and services not previously seen in the region. 20 years ago, airline duty free consisted of 60-80 products concentrated in liquor, tobacco and fragrance;



today we carry more than 300 listings across electronics, skincare, wellbeing, and fashion accessories."

Science of Product Innovation

"The essence of a successful in-flight sales program lies in carefully-planned product offerings directly responding to passengers' demographic characteristics and purchasing behavior, thus maximizing sell-through potential. We achieve this through detailed market research and analysis, and by leveraging strong long-standing industry and supplier networks. ISG has a proven track record for featuring non-traditional, non-travel retail brands," says Detter.

"In addition, we specialize in developing targeted promotions and communication collateral specifically designed to convert potential opportunities, driving purchasing behaviour. We are revenue-focused and profit-driven, ensuring that our airlines receive the best possible return on investment.

"Our flexible business model allows us to offer strategic wholesale or supplier models as well as complete turnkey solutions. Whether in-house or through partnerships with other industry-leading service providers, we implement revolutionary measures to meet airline customers' in-flight duty free retail needs. Most competitors only focus on totally outsourced solutions. Our model lets airlines which have a lower operating cost basis achieve a lower total cost of ownership, so we can drive sales while the airline leverages its own cost

basis, increasing their profitability."

Tomorrow's Leader Today

"ISG will continue to consolidate its market leading position in Asia, particularly focusing on low-cost carrier and hybrid airline opportunities in key markets. We are increasing presence in Russia, CIS, and Eastern Europe, beginning with Russia's flag carrier Aeroflot in 2014; three more airlines were added by early 2015. We see considerable potential in many emerging markets," says Detter.

The company has endured many difficulties to get where it is, with more on the rise. "We operate in an industry that is extremely sensitive to geopolitical and economic instability, where most airlines are more in survival mode than strategy mode. We have withstood 9/11, SARS, the 2008 financial meltdown, recent tragedies in Southeast Asia, and various unrest in key markets. We also face increasing competition both within and outside our industry, and are constantly challenged by the consumer in this connected world. Successfully responding to these challenges have nevertheless made our company what it is, and we are optimistic about the future, particularly here in Asia.

"Our core commitment is to provide our customers with real value and financial growth. Our mission began with our Chairman, Jean Rouff, who remains committed to making in-flight retail a value-added service to passengers, an engaging form of entertainment, and an important source of ancillary revenue." ■

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