

Delivery on board

Since ITCA in Barcelona, Mercurys winner Air Meals has moved on to some interesting discussions with airlines and caterers. Patrick Murray talks to company president, Adam Bauer

We think that passengers will be the winners with AM-1. The AM-1 flagship product is basically a web-based software product that is quick to deploy and enables passengers to book tailor-made meals and other services for delivery on board. Airlines will have the capability to offer premium services to those passengers who want them without elevating ticket prices for those who do not. I believe this is the crux in value generation that lies at the heart of the Air Meals opportunity for carriers. "We're now at

various stages of working with airlines, caterers and product suppliers. Most exciting is a pending contract with a regional US airline. Our AM-1 software system fits very nicely into their already robust ancillary revenue capabilities. And we're in early discussions with two US majors, plus several other carriers. We are also beginning to approach charter airlines to help them create a booking flow that encompasses seat selection, meals, inflight services and duty-free, to increase ancillary revenue.

In general, we estimate an airline can



Adam Bauer, president of Air Meals

generate between USD 1–3 million per million passengers using AM-1. We see vacation and long-haul as prime markets. And we believe deployment by a major US carrier will greatly expand market awareness.

working with product companies (digEplayers, Go Sim) on functionality to include within future versions of AM-1 to ensure their goods can be best presented, transacted and inventory-managed by airlines.

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This will in turn beget passenger demand for viewing options and purchasing inflight services with their ticket or at a follow-on touch point - internet or kiosk check-in, for example.

An important development is working with caterers. They view AM-1, as we do, as a critical component in unlocking the pre-ordering channel, hence top-line growth. At ITCA, we discussed this opportunity with caterers and are now moving to explore how best we might collaborate. We are also

Our company strategy is also evolving based upon feedback from carriers. Some airlines seek additional support to drive ancillary revenue in the form of marketing, product distribution, and logistics oversight. While our philosophy is for caterers to take this on, we might fill gaps where and when the caterer does not have the capability to do so. In short, we intend to provide services but not compete with caterers in what we view as their natural role."

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