

PressReader presents

# The Future of Newspapers and Magazines in Flight



An industry survey and trend report

## The future of content, technology and the passenger experience

Every industry in the world has been impacted by the massive technological and social changes that have occurred over the past decade. Music, travel, hospitality, publishing... they're all, in their own way, being rewritten from the ground up as a result.

In the case of airlines, technology has transformed them from a service that transports travellers from point A to point B, into one that can create an inviting and entertaining travel experience, tailored to meet the needs and wants of each passenger.

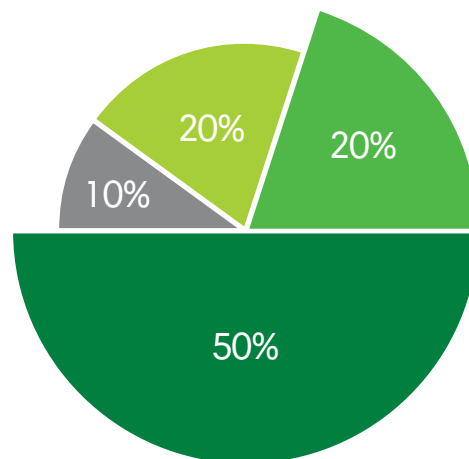
To address one aspect of the on-board experience (access to newspapers and magazines), PressReader

partnered with the Airline Passenger Experience Association to survey its members to gain insights into their plans.

Here are some of the highlights...

### When do you plan to stop offering printed newspapers?

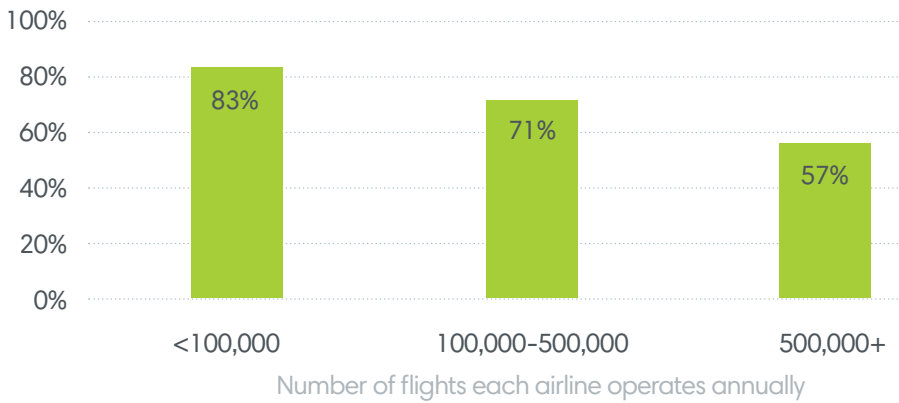
■ We already have ■ Within 5 years ■ Within 10 years ■ Never



**70%** said they have already stopped offering printed media on-board or plan to stop offering print within 5 years.

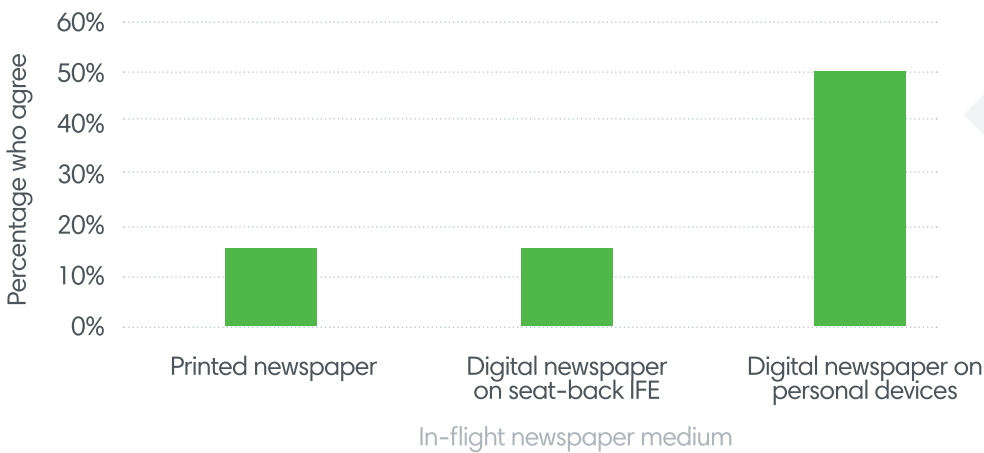
# 3

## Airlines planning to stop offering print newspapers within 5 years



- **76.9%** of airlines with less than 500,000 annual flights have already, or plan to stop offering print within 5 years
- **83.3%** of airlines with less than 100,000 annual flights have already, or plan to stop offering print within 3-5 years

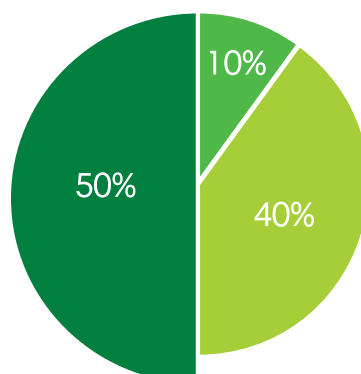
## Percentage of respondents that believe in-flight digital newspapers are hugely beneficial to the passenger experience



- **50%** said that digital access to local and international newspapers on a passenger's own device is hugely beneficial; 55% said the same thing about magazines
- **Personal device access** was valued much higher than access through seatback In-flight Entertainment (IFE)

## What value do your passengers place on digital access to your airline magazine?

- Not important
- Somewhat beneficial to the passenger experience
- Hugely beneficial to the passenger experience



- **50%** of respondents also believed that passengers would find digital access to the airline's magazine beneficial.

# The opportunity is knocking

If ever there was a time for the airline industry to aggressively innovate for a more profitable future, it's now. Every day, new opportunities are opening up to grow loyalty with connected consumers by offering a superior customer experience along every touchpoint in the carrier-passenger value chain.

Most airlines have already instituted loyalty programmes because the potential assets gained can't be ignored. And although loyalty programme success requires a large membership base, what's more important is the retention and longevity of its members because:

- It is [5-10 times less expensive](#) to retain a customer than to gain a new one;
- [Loyal consumers](#) buy 90% more often, spend 60% more per purchase, deliver three times the value annually and are five times more likely to choose the brand in the future;
- [Satisfied customers](#) will share their positive brand experience with nine others, while unhappy consumers will share their displeasure with 22;
- A 5% increase in customer retention can [increase profits](#) by 25-95%

Retaining loyalty in the travel industry is a constant battle in what is no longer a "lowest price wins" war.

According to [Collinson Group](#), airline frequent flyer memberships were down from 65% in 2014 to 55% in 2015. Forrester reported that same year that airlines had the lowest level of loyalty of all the major industries. Only 62% of passengers were reluctant to switch programmes compared to 80% in retail (the most loyal sector).

Airlines have an enviable and unique advantage of having an immersive and up-close-and-personal connection with customers that can last for hours. Very few other industries have that long and uninterrupted opportunity to woo their clients. Airlines need to better capitalize on that by living and breathing a passenger-first culture throughout the entire journey to maximize retention, especially in the air.

# Serving the connected consumer on board

**60%** of airline managers and executives surveyed said the most challenging part of the passenger experience to improve is the in-flight component of a passenger's journey.

In this digitally dependent era, customers expect to be connected at all times and their expectations are growing. Today American adults spend [10 hours and 39 minutes per day consuming media](#), a full hour more than they did a year ago. So it's no wonder that the demand for Wi-Fi and connectivity is increasing, whether it's for email, browsing the internet, accessing social media, streaming music or downloading media (i.e. magazines, newspapers and movies).

The demand is so high that [60% of US flyers](#) say they would be upset if Wi-Fi wasn't available on their flights, with 45% saying

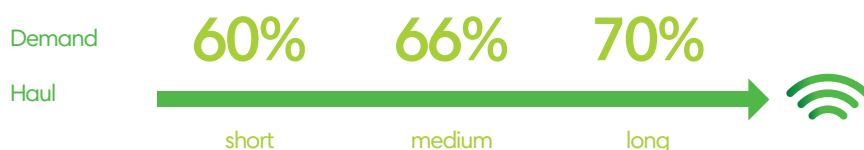
they would not be loyal to their preferred airline if it didn't provide the best Wi-Fi. And for long-haul flights, the demand is even greater.

According to [SITA's 2016 IT Trends Survey](#), approximately 1/3 of airlines today operate connected aircrafts, with 66% expecting to do so within the next three years. 45% of respondents believe improving the passenger experience is the primary benefit.

So how can an airline offer paid services that maximise the potential of retaining an airline's most valuable customers without breaking the bank? Read on...

## U.S business flyer's demand for Wi-Fi, based on length of haul

Source: Experience Radar | Airline Industry



As haul goes up, so does the demand for Wi-Fi

# On-board connectivity on personal devices

In 2013, Federal Aviation Administration (FAA) in conjunction with the Federal Communications Commission (FCC) [relaxed the usage rules for personal entertainment devices](#), driving demand for “Bring Your Own Device” (BYOD) services by passengers.

Of the 9,000 passengers surveyed by SITA, 46% of those who watched a movie on their most recent flight did so on their personal device. 65% said they would like to access IFE on their own devices in the future.

By December 2019, [70+% of airlines](#) will provide passengers with multi-media streaming to

the passenger’s own device through on-board Wi-Fi.

The shift to BYOD has resulted in a declining interest in traditional seatback IFE systems which add both weight and cost to an aircraft. A number of carriers are already beginning to remove them from some of their fleets.

BYOD also improves the potential for enhancing a personalised experience, allowing passengers to interact more efficiently with crew members via the airline’s social media teams to help flight attendants solve problems or improve service faster.

## Airlines driving on-board services to passenger devices

% of airlines planning in-flight services

Source: The Airline it trends survey 2016 | SITA 2016

■ Passenger devices   ■ Airlines-supplied devices

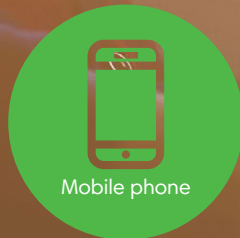
33%  
today

24%  
today

21%  
today

23%  
today

19%  
today



74%  
by 2019

70%  
by 2019

58%  
by 2019

57%  
by 2019

61%  
by 2019

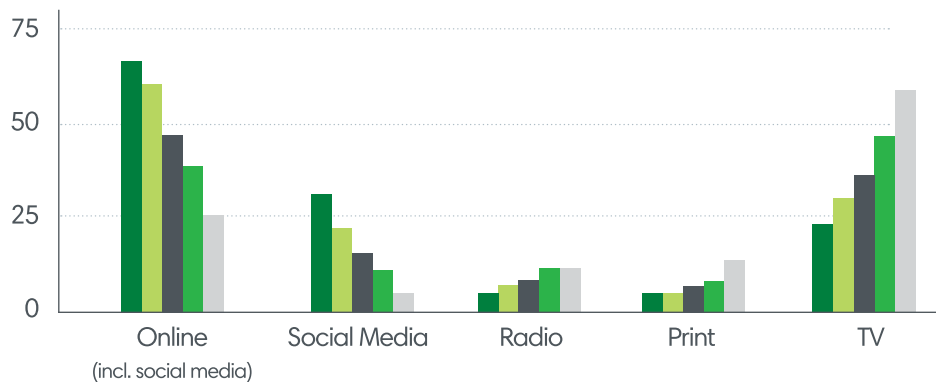
The most popular BYOD in-flight activities include reading, music, games and movies. Taking a look at the reading activity (specifically the consumption of traditional media), it would not be a stretch to assume a passenger's in-flight reading matches to what they do before they board.

# Current news consumption trends

According to [Reuter's 2016 Digital News Report](#), the most popular source of news is digital, regardless of age.

## Main news sources split by age (all 26 countries)

■ 18-24   ■ 25-34   ■ 35-44   ■ 45-54   ■ 55+



And while video is gaining interest on social media, 78% of people still prefer reading news in text form.

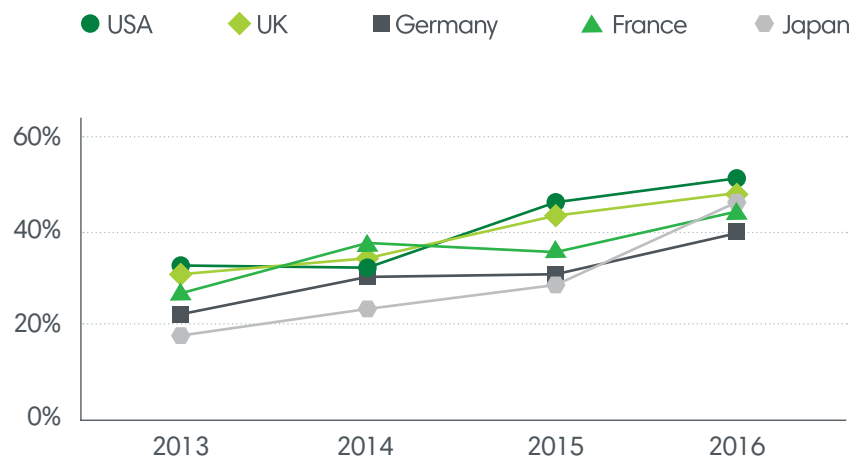
Mainstream media brands that have a strong news legacy (e.g. *The Washington Post*,

*Forbes*, *The Globe and Mail*, *Le Monde*, *Newsweek*, *Bloomberg Businessweek* and *The Guardian*, just to name a few) are the main choice for hard core news. Digital-native brands (like BuzzFeed) are mostly used as secondary sources for softer news subjects.



The rapid [growth in mobile](#) and BYOD offers huge opportunities for media, readers and businesses who provide access to premium news to customers. In the US, 80+% of people engage with digital newspaper content, with more than half using only mobile devices for access.

## Growth of smartphone for news 2013-16 (selected countries)



## What does all this mean for in-flight media?

The digital revolution has fuelled massive changes across businesses, governments and society – changes that have inverted the traditional power funnel that existed between businesses and consumers throughout most of history.

We are living in a new connected economy where consumers hold the power and wield it like a sword, ready to hack institutions off their favourites list in a mobile

minute if they don't give them what they want. Airlines are not immune from this phenomenon and must continually innovate to ensure they stay relevant for the rapidly-evolving generations of flyers.

In the newspaper and magazine world, that means rethinking how content is sourced and distributed to travellers, most of whom aren't willing to pay for it.

The traditional approach to serving up printed media was to offer a few newspapers at the gate, a handful of magazines and newspapers in the lounge and a small collection of publications on board for premium cabins.

But with today's discerning readers who want access to multiple sources of media it goes without saying, that the limited printed publication approach doesn't cut it anymore. Not only does it not serve the needs of today's news-hungry connected consumers, it's adding unnecessary fuel costs with every flight.

Airline executives haven't quite figured out how to thrive in this new economy yet, but many are making some headway with a focus on experience and the connected consumer's values and needs.

For example, PressReader is working with airlines like [Cathay Pacific](#) and others on a number of innovative initiatives designed to:

- Use premium content to drive positive brand experiences across numerous customer touchpoints
- Integrate quality content into their marketing pipelines, including lounges, social media, email, advertising, loyalty programmes and cross-promotional partnership with publishers
- Deliver higher levels of personalisation based on who customers are, where they live, where they travel and their media interests

# The price of the in-flight printed media - widebody aircraft

Source: Boeing



Every extra pound (500 g) of takeoff weight costs the airline up to \$0.50 per trip on a widebody aircraft.



Assuming 25 pounds (10 kg) of newspapers and magazines, removing them results in a \$12.50 per flight of cost savings.



Assuming 1,000 flights per day, that's an annual savings of over \$4.5M

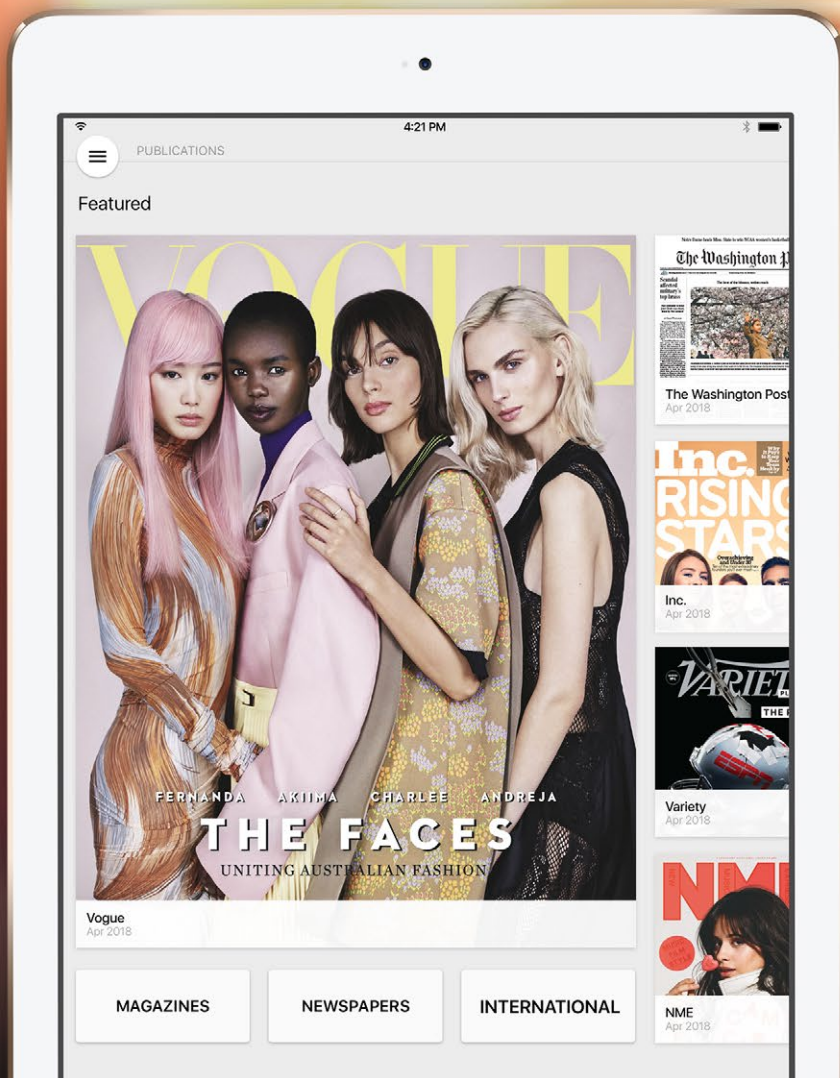
Imagine the savings if narrow body aircraft were added to the equation!



## Let's talk about what PressReader can do for your Airline.

[airlines@pressreader.com](mailto:airlines@pressreader.com)

Thousands of newspapers and magazines, taken to new heights.



powered by  
 pressreader™