

Video clip: Why digitalization is critical to unlocking ancillary food revenue

Ahead of this year's World Travel Catering & Onboard Services Expo ([WTCE](#)), organizers hosted a virtual roundtable in partnership with media partner *PAX International* with the theme "Rethinking food as retail through digital paths to achieve a profitable and personalized passenger experience."

The session brings together a panel of leading experts from across the airline retail ecosystem, including Jane Hobson, Managing Editor at [PAX International](#) as co-moderator with Kai Kosicki, Founder of [ExpAir](#) and WTCE Retail Technology Ambassador; Rodney Duty, COO of [Paxia Solutions](#); Almas Rakhimov, Customer Success and Communications at [Aviasoft](#); Veronica Lauvås Sør Dahl, Category Manager Inflight Retail, [Norwegian Airlines](#); Paul Bilham, Chief Revenue Officer, [Data Clarity](#) – an [Immfly](#) company; and Kian Gould, Founder and Chairman of [Omnevo](#).

The discussion centers on a fundamental challenge: transforming inflight food and beverage (F&B) service from a necessary cost center into a dynamic, digitally enabled ancillary revenue stream. For airlines to thrive in an increasingly competitive environment, selecting digitalization to unlock this revenue is no longer optional; it is a necessity for both financial sustainability and elevating the passenger experience.

Required mindset shift

The first step toward this transformation is a complete change in perspective, moving away from viewing F&B as purely an operational check box. The panelists agree that this mindset must change to view the aircraft as a dynamic, profitable sales environment. Lauvås Sør Dahl summarized this vision, stressing that the Norwegian Airlines team has expanded because F&B is a business opportunity.

"We have put a big emphasis on actually including the word retail in our team. It is not just about what fits in the trolleys. F&B is a big business opportunity for us, and we need everyone to see it that way too," she says. "We like to say that we have one of the smallest shops in the world."

However, the panel agrees that profitability should not overshadow the core mission. Co-moderator Kosicki of ExpAir offers a contrasting perspective, suggesting that while revenue is important, the true metric of success lies in passenger experience.

"The real profit and the revenue derived from onboard retail, especially when it comes to F&B, may assume a secondary importance to the enhancement of the customer experience and personalization," he says.

This view is validated by passenger behavior; Aviasoft's Rakhimov notes that passengers are now so well-travelled that they will proactively ask to buy food if it is not offered, indicating that selling onboard goods is now a "must for airlines" to meet evolving service expectations. To capitalize on this demand within the limited space available, Bilham of Data Clarity emphasizes the necessity of using data to enhance the offering.

"It is about optimizing what you are putting on there, making the most of the space in terms of the passenger satisfaction and the revenue that is coming from it, and trying to view this as a profitable exercise, not a necessary thing to do."

The power of pre-order

The most immediate and substantial financial argument for digitalization lies in operational efficiency, specifically through waste reduction. The process of coupling pre-order sales with data-driven forecasting begins to guarantee a pot of savings. Omnevo's Gould makes a compelling financial case.

"One of the key things that is often overlooked is when you combine pre-order with buy onboard in a very efficient, data-driven, forecasted way, you can save a couple of million on your waste cost as well...and that is sometimes easier than squeezing another £3 million (US\$4 million) out of your profitability of the F&B program itself."

For a pre-order system to achieve the necessary penetration, however, it must overcome the fact that ordering food ahead on a flight is not yet a learned behavior of passengers. Airlines must incentivize them by expanding the menu far beyond standard trolley fare. Lauvås Sjørdahl confirms this strategy is already working.

"We introduced an upgraded meal in addition to the standard meals, and it has performed much better than we were expecting. Admittedly, we were not quite sure how our passengers would perceive this, but the upgraded meal has become very popular. There is definitely a market for better quality or more exciting options out there, and people are willing to pay for them."

Ultimately, these systems deliver measurable operational benefits once the adoption rate moves into double digits. Bilham suggests that for F&B retail, around 30 percent uptake is realistic and achievable for pre-order, to create operational savings in fuel burn and loading logistics.

Complexities of data integration and forecasting

The transition to a highly efficient retail model requires a sophisticated technological and logistical backbone. Advanced forecasting models, now capable of 90 to 96 percent accuracy, integrate historical sales with passenger variables.

Bilham explains, "The same flight on this day last year may have a different number of passengers or have flown on a different day of the week. It also depends on whether or not it is a holiday period. Then you have to look at other external factors, like events and concerts. You also look at the aircraft layout. When you combine all that together, only then can you look at a very significant 90 percent accuracy to predict retail forecasting."

However, achieving successful execution of responsive loading requires joint effort across the entire supply chain. Paxia Solutions' Duty highlights the broad collaboration needed to implement successful programs:

"When looking at a retail program, it needs to take into account the broadness of supply chain partnerships to succeed. For example, the capabilities of the regional catering units are different. They ultimately dictate what type of product can be put on board."

Gould acknowledges that existing operational models present inherent barriers to achieving real-time responsiveness and highlights the necessity for collaborative innovation to overcome fixed production and logistics schedules.

This challenge is magnified by the industry's desire to meet passenger demands for spontaneous purchasing – shortening the pre-order window from 36 hours to mere hours before departure – which strains traditional ground logistics. Kosicki strongly reminds the panel that if the supply chain fails, the resulting passenger dissatisfaction severely undermines the retail effort.

"The most important thing, and that is always the key, on pre-sale, you create an expectation. If you

do not, for any reason, deliver the product that the person bought on board, they are going to be really furious."

The panelists agree that integrating all players in the supply chain and ensuring shared accountability is essential to fulfil the promise of digital retail.

Extending the retail footprint across the passenger journey

A crucial insight from the panelists is that sales opportunities exist across the entire journey, not just inside the cabin. Airlines must embrace a multi-touchpoint strategy, offering spontaneous, personalized buying options. Gould reveals that conversion is amplified by adding multiple touchpoints, with the highest uptake for pre-orders often occurring outside of the cabin.

"What we have found is that every touch point you add, you add exponential conversion along the other touch points. We are seeing the highest conversion points by far for both duty free and F&B are in check-in email reminders that are sent 12 hours before the flight."

Inside the cabin, the crew trolley is rapidly being replaced by a familiar self-service model. The impressive sales increases seen when passengers order from their own devices, including a 41 percent increase in sales and 29 percent more spend per head in one example cited by Bilham, demonstrate that passengers prefer the "Uber Eats spontaneity." This digital self-service model is crucial for both short-haul impulse buys and long-haul personalization, where Kosicki notes a large untapped opportunity to differentiate airline brands.

"It would be a large enrichment and in differentiation for the airline to have this ability to interact with their passengers and to ask them what they want and deliver," he says.

The essential human-digital connection

The digitalization effort must not sideline the human element. Instead, it must support it. Cabin crew remains the primary sales force. Norwegian's Luvås Sør Dahl emphasizes the importance of investing in people.

"We are really focusing on building a sales culture. We are doing a lot of training, and we are tracking the performance of cabin crew in their EPOS devices. We are also bringing in incentives and competitions. At the end of the day, cabin crew make the shopping experience more personalized for the passengers."

To achieve true personalization, the crew needs a single source of data. Gould stresses that if an airline wants to offer personalized service, it must connect all siloed data – from loyalty status and booking preferences to pre-order history – into the EPOS device.

"If you want to do a personalized service on board, the crew needs to have access to data on each passenger, and that data needs to be always there, needs to be consolidated, needs to be live."

This data-driven approach allows the crew to offer genuinely personalized service. Furthermore, the value of direct human feedback is immense. Kosicki champions the simple, yet powerful act of involving the passenger, sharing a story from a recent program.

"In a very simple initiative, we directly solicited passenger input by asking, 'Which of these different types of sandwiches would you prefer onboard?' The item selected by passengers was subsequently the most popular item sold, proving that passengers respond positively when they feel valued by having their opinions incorporated into the airline's offering."

The path to a profitable and personalized onboard experience is a dual one: technological integration₃

is required to drive efficiency and reduce waste, while the human element – the engaged crew and the acknowledged passenger – drives satisfaction and unlocks premium revenue. The digitalization of F&B is not just a retail strategy; it is a core factor of future airline competitiveness.