



## **The Boston Globe**

### **AIRLINES LOOKING AT NEW SOURCE OF REVENUE: YOUR PLASTIC**

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#### **Airline cabins are starting to become credit card friendly.**

That may not sound like much, particularly with plastic ubiquitous on the ground. But giving airline passengers the option of using credit cards in flight not only speeds up transactions (no more waiting for flight attendants to make change), but also offers the possibilities of more and different kinds of purchases. Song Airlines, the low-priced, high-amenity subsidiary of Delta Air Lines, more than a year ago outfitted its flight attendants with hand-held computers to process cash, coupon, and credit card transactions. Now the airline is selling \$8 gourmet sandwiches, \$5 mixed drinks, and \$8 exercise programs. Next month, it plans to start offering \$5 pay-per-view movies that can be purchased with a credit card at the passenger's seat.

Other airlines are headed in the same direction. Delta is accepting credit cards now on 244 of its 2,000 flights, but the scope of its product offerings is much narrower than Song's. United Airlines, Hawaiian Airlines, JetBlue Airways, and American Airlines are all accepting credit cards in some fashion.

Credit card acceptance is spreading across the airline industry because it is an integral part of turning the once-free food and beverage service into a profit center. Song now has a program director for onboard revenues and some airlines are giving financial incentives to their flight attendants to boost in-flight sales.

Airlines are finding that passengers are willing to buy and spend more if they can use credit cards to pay, and carriers are rushing to provide purchase options. Song, for example, is selling Caribbean chicken salad sandwiches, pink martinis, and an in-flight exercise program developed by fitness guru David Barton that can be used right at the passenger's seat.

"It's absolutely become a revenue model onboard the aircraft," said Tracy Metzger, President and Chief Technology Officer at Abanco, an Illinois-based company that developed the software for the portable cash registers used by Song and Delta.

Metzger said 28 percent of the sales on Song flights are by credit card and those transactions are 57 percent higher in dollar value than those paid for with cash. He said the average credit card transaction is \$11.60, compared with \$7.50 for cash.

Pete Ross, Song's program director for onboard revenue, said providing customer choice, not boosting profit, is the airline's top priority.

"Having the ability to pay by credit card is definitely a convenience," Ross said. "Passengers want to save their cash for a taxi ride or tips when they land."

Metzger said the portable cash registers his company developed allow airlines for the first time to track sales precisely and manage what they need on flights.

The hand-held device lets a flight attendant punch in the item being sold and register whether it is being paid for with cash, coupon, or credit card. Attachments can read credit cards and print out receipts. Metzger said no receipts are necessary for transactions under \$15.

The technology helps Song determine relatively quickly what sells best. It also allows Song to provision its planes so popular products don't run out. For example, Ross said, he has learned to stock more food and drink on flights from Boston to Las Vegas on Thursday and Friday evenings. Song, JetBlue, and American are all experimenting with letting customers use credit cards at their seats to pay for movies, video games, and other electronic media.

Song and JetBlue have card readers just under the video screens on the seatbacks in their cabins, while American is testing rentals of hand-held video units that come with credit card readers.

The American device lets travelers watch movies and TV shows and read digital newspapers and books for \$10 to \$12 per flight. The device can be rented only with a credit card. Cash is not accepted.

### **Program extended**

The ongoing test of the registered traveler program, which allows select American passengers to go through security checkpoints faster than other passengers and avoid secondary screenings, is being extended indefinitely at Boston's Logan International Airport and three other airports around the country

The 90-day Boston test was to be completed at the end of this month but will be continued indefinitely. Under the program, American frequent fliers who submit to a background check and provide biometric identifying information that can be checked at security checkpoints, gain access to security lanes faster, and are exempt from random secondary security screenings.

A spokeswoman for the US Transportation Security Administration said the program has been a big hit with the passengers who have been using it, but no decision has been made on whether to open it up to all passengers.

Similar test programs are in place at airports in Minneapolis, Los Angeles, and Washington.

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