



IT'S NOT JUST AN AIRLINE. IT'S ISRAEL

In order to provide a solution to the increasing competition in the airline industry and in order to retain its leading position in the market, EL AL upgraded its fleet of aircraft as well as launched a range of innovations in customer service and in the digital platform

EL AL was officially founded in 1949 although the company's first flight took off in September 1948, bringing President Chaim Weizmann from Geneva to Israel. In 2005, the company's privatization process was completed and ownership was transferred to Knafaim. Over the years, the company reinforced its status as the national airline of Israel and the Jewish Nation. Today, EL AL flies to over 35 direct destinations and to an additional 600 destinations around the globe.

### The Competitive Environment

The global airline market, considered one of the most competitive in the world, frequently changes to adapt itself to the consumer, technology and business environment. The increased competition and the opening of skies in Israel to airlines including the Low Cost airlines, particularly in the unique geopolitical environment, positions EL AL to continually adapt to an array of complex challenges.

### The Marketing Challenge

EL AL realized that in light of the changes that have taken place (and that will take place) in the global airline industry, coupled with increasing competition from foreign airlines that began operating to Israel, an airline that wants to survive and flourish must renew and innovate in every area of its operations. As such, EL AL's marketing challenge

in 2013 was to launch innovation in the interfaces that come into contact with customers prior to, during and after the flight, and to prepare for increased competition in the future as a result of implementation of the 'open skies' policies.

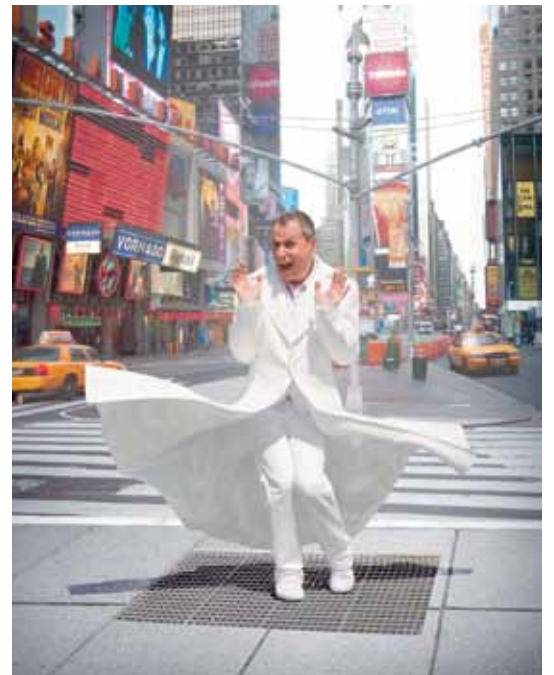
### The Creative Solutions

In order to meet the marketing challenge, EL AL acted in several arenas: renewal of its fleet of aircraft, improving customer experience, broadening its activity in the digital arena and upgrading direct sales channels.

### Upgrading the Fleet of Aircraft

In order to maintain its position as the leading airline, EL AL purchased six new, Boeing 737-900ER aircraft for approximately 325\$ million.

These new aircraft provide EL AL customers with a comfortable, pampering flight experience. With a new, fresh interior design that includes mood lighting that enhances the flight experience, in-flight technological products such as electrical connection for laptops and USB ports in economy class as well, passengers will benefit from a state-of-the-art and pleasant flight; new, comfortable, ergonomic seats and an entertainment system that includes cutting-edge technology with a range of entertainment content that are broadcast directly to the passengers' mobile devices.



### Improved Customer Experience

**Economy Class Plus.** In order to intensify the flight experience, EL AL launched a new service class -Economy Class Plus. The new class offers a comfortable, pampering and more pleasant flight experience. Passengers in this class enjoy improved, more spacious seats with additional leg room, greater seat incline, designated check-in counters, comfort kits for the flight and other luxuries. The launch was supported with a television campaign that starred actor Shlomo Bar-Aba. Since its launch, the Economy Class Plus has proven to be a tremendous success and customer satisfaction with this product is extremely high.

**Upgrade of King David Lounges.** In order to continue





[www.elal.co.il](http://www.elal.co.il)

to improve the pre-flight experience for First Class, Business Class and top frequent flier passengers, EL AL has launched throughout the years, numerous resources in the lounges it operates at the Ben Gurion Airport and at airports in New York, Paris and London.

**Upgrade of meals.** In order to improve and upgrade the flight experience, in recent years EL AL has been working with Chef Segev Moshe, who plans the menu for all classes. In 2013, emphasis was placed on upgrading the meals for first class passengers, currently known as "Segev's Choice" and includes not only rich ingredients and exceptional meals, but an enticing presentation as well.

## Upgrading Direct Sales Channels

Since it was launched, EL AL's online website allows Israeli travelers to obtain a wide-range of information about destinations and tips about the destination, etc. The site allows users to purchase tickets, and the ability to select their seats, select meal options and to carry out early check-in. In addition, passengers can perfectly plan the flight, including purchase of a range of other tourism products. Passengers can also review a wealth of information on trips and vacations, beginning with tips from EL AL's flight attendants to weather at the destination.

**EL AL Upgrade.** The new service allows customers to upgrade from economy to business class or, alternatively, to purchase another empty seat in economy class in a bidding method. Once passengers purchase their plane tickets, they can submit a price quote to upgrade to the

business class or upgrade to other seats in economy class. If their proposal is accepted, they will be notified within 30 hours prior to their flight and pay for the upgrade at the price they submitted at the time of the bid.

**Supplementary Vacation Services.** Today, EL AL customers can also order on the website other vacation products, such as hotels, cars, tickets to tourist attractions, transportation from the airport, travel insurance, order cellular modem for wireless surfing anywhere around the world etc.

**Vacation Packages.** In addition to independent and separate purchasing of tourism services, EL AL expanded its value offers that it provides in the recreation sector, and the site includes a special interface that allows customers to purchase vacation packages that include flight and hotel at attractive prices. In addition to the standard vacation packages, customers can find on the website recreational packages for live performances, soccer games and other cultural events.

**Upgrade of mobile application.** In order to respond to the trend in which customers inquire, review and purchase tourism services, not only in front of a computer screen but also through their smart phones and tablets, the EL AL mobile application was upgraded in 2013 and it now allows customers to order and pay for flights, early check-in, seat selection and other transactions offered on the website. Through the application, EL AL club members can also receive all updated information about their account status including latest transactions,

conversion calculator and update personal details.

## And in the future

At the start of 2014, the airline industry in Israel is scheduled to undergo a dramatic change with implementation of the "Open Skies" policy, which will increase competition on the part of international Low Cost airlines that fly to and from Israel. In order to maintain its status as the leading airline to and from Israel, EL AL will launch a new business strategy compatible with the changing competitive environment. This business strategy will be based on the EL AL brand's reputation, as well as innovations adopted to improve the customer experience, and a new business structure that can provide a response to competition from Low Cost companies that operate on routes shared with EL AL.

## Things You Didn't Know About EL AL

- The name EL AL was chosen by Israel's first Minister of Transportation David Remez, and is based on a verse from the Book of Hosea.
- In 1961, EL AL set a world record for the period for the longest commercial flight: flying without any stopover from Tel-Aviv to New York on a Boeing 707.
- As part of "Operation Solomon", 1087 immigrants from Ethiopia were placed on one EL AL jumbo jet.
- Aircraft will soon be equipped with internet streaming capabilities during flight.



### 1948

EL AL is launched, with its first flight carrying Israel President Chaim Weizmann.

### 1950-6

EL AL spearheads Operations "Magic Carpet" and "Ezra and Nehemiah", airlifting immigrants from Yemen, Iran and India.

### 1991

Over 1000 immigrants from Ethiopia enter on one jumbo jet in "Operation Solomon".

### 2005

The EL AL privatization process concludes, control of the company transferred to Knafaim.

### 2012

Launch of Economy Class Plus, for a more comfortable, pampering and pleasant flight experience.

### 2013

EL AL upgrades its fleet of aircraft through the purchase of six state-of-the-art Boeing 737-900ER planes.