



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

The story of EL AL is intertwined with the history of the State of Israel. The opening of the skies to competition and various strategic challenges in the global airline market compelled the company to develop new horizons that would retain and reinforce the brand and the company's status both in Israel and around the world as the civilian airline of the State of Israel and the Jewish nation

EL AL was officially founded in 1949 although the company's first flight took place already in September 1948, bringing President Chaim Weizmann from Geneva to Israel. In 2005, privatization of the company was completed, with ownership transferring to Knafaim. Throughout the years, the company has maintained its status as the leading carrier of the State of Israel and of the Jewish nation, currently flying to 35 direct destinations and another 600 stopover destinations with a fleet of 37 planes. During the year, EL AL will increase its fleet of planes following the acquisition of new Boeing 737-900s.

## The Competitive Environment

The global aviation market, considered one of the most competitive in the world, frequently changes to adapt itself to the consumer, technological and business environment. The increased competition as well as the opening of the skies in Israel to additional airlines and Low Cost carriers along with the unique geopolitical environment, poses extremely complex challenges to EL AL.

## The Marketing Challenge

EL AL must differentiate itself and create strong preference among consumers, in a reality with increasingly stiff competition in the sector. To generate identification

among the Israeli audience, and based on the insight that consumer culture is undergoing a process of localization in general, and branding localization in particular, EL AL has placed its 'Israeliness' at the top of its hierarchy of values to connect the brand with the values that comprise Israeliness: deep-rootedness, warmth, belonging, security, national pride, empathy, enterprising, connection to values, etc. To cope with the marketing challenge and competitive environment, EL AL is continuously initiating and expanding its basket of products and services that it offers in order to make the company the premier choice among consumers both in Israel and around the world, while adhering to the foundations that make the brand unique: pilots, technicians, flight attendants and security staff who are the best in the world, coupled with the feeling of "home away from home".

## The Action Strategy

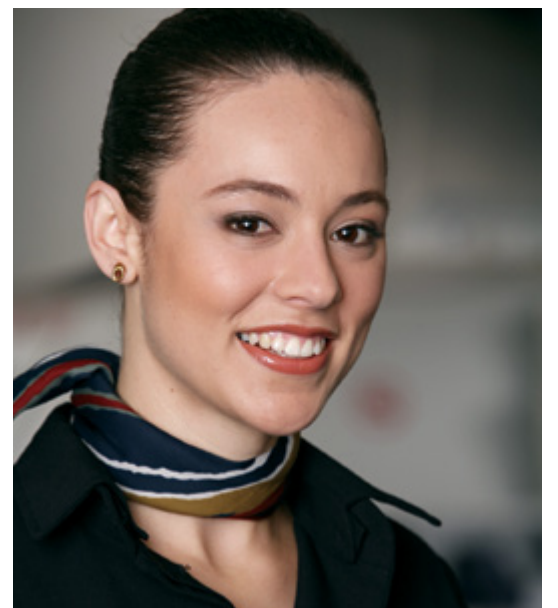
**Reinforcement of the Brand and its Values** – Brand identity of EL AL focuses on four differentiating values that generate the sense of being "home away from home".

1. **Sense of security** – in the broadest sense of the word possible.



2. **"National Responsibility"** – maintaining EL AL's status as the national symbol that proudly bears the Israeli flag to anywhere around the world.
3. **"Constant Renewal"** – a company that does not remain stagnant but diversifies and renews its planes, products and services.
4. **Sense of belonging** – EL AL's ability to grant a sense of belonging to its customers, whether they are on vacation or on a business trip, by empowering the customers' travel experience, interaction with EL AL employees and encounter with service components of warmth, family, accessibility and availability.

**Strategic connections with leading entities in Israel**





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

**and abroad** – These connections are forged in Israel and around the world in a range of sectors (insurance, aviation, hotels, car rentals, etc.) in order to offer customers the best product and services.

#### **Upgrading the customer experience –**

The company has invested in recent years in the creation of a uniform and differentiating brand experience in every point of contact with the customer – before, during and after the flight.

For example, EL AL allows customers to purchase plane tickets in one of the sales channels most suited for them, as well as to receive information and tips about the travel destination and the possibility of creating a vacation package that includes lodging in a range of affordable hotels, attractions, travel insurance, etc.

At the same time, launched at the King David lounge were two services for lounge guests: the Shizan spa that allows them to enjoy a massage before their flight and an exclusive cigar lounge.

To enhance the flight experience, a new class of service was launched in the fleet of jumbo aircraft this year, Economy Class Plus, which offers a comfortable, pampering and more pleasant flight experience, similar to leading airlines around the world. Passengers in this class enjoy improved seats with more leg room, greater chair tilt, designated check-in counters, a comfort kit and other luxuries. This new class of service has proven a tremendous success since its launch, and customer satisfaction on the flights is extremely high. As a result of its success, the class will be launched in the future in other fleets of planes.

The flight experience is also upgraded in other ways, such as distribution of iPads, which offer entertainment content on the fleet of 767s to the Far East, South Africa and Canada.

Beginning in the fourth quarter of 2013, the EL AL fleet of planes will be upgraded again by the introduction of



Boeing 737-900 planes, considered the 'planes of the future', that will offer passengers state-of-the-art seats, LED lighting and other technological luxuries that are at the forefront of the aviation world.

**Upgrade of the direct sales channels** – since its inception, EL AL has been developing its website as a user-friendly sales site and a source of content related to travel and vacations, beginning with tips to travel sites to updated information about weather at the destination. Today, customers can purchase plane tickets on the site, choose their own seats or meal, carry out early check-in that saves them waiting time at the airport, register for the Economy Class Plus class or order a preferred seat on the plane. Recently, the site launched another innovative service known as EL AL Upgrade, which allows upgrading from Economy to Business Class in a bid method. As part of the service, following the purchase of a ticket, passengers can submit a price quote to upgrade their seats to Business Class. If their offer is accepted, they receive a notice 30 hours prior to their flight.

In addition, EL AL expanded its products by offering, via the website, vacations by integrating a special interface that offers vacation packages at attractive prices as well as lodging options in hotels around the world.

**Upgrade loyalty channels** – EL AL has continued to invest this year in improving awareness of the frequent flyer club as a platform to create long-term loyalty and expand its customer base. During the past year, the company launched the GLOBALY program for club members who are foreign customers. A key element is that EL AL contributes 5% of total points accumulated

## Things You Didn't Know About EL AL

- The name EL AL was chosen by David Remez, Israel's first Minister of Transportation; it is based on a verse from the Book of Hosea.
- In 1961, EL AL set a world record for that period for the longest nonstop commercial flight: direct flight from Tel Aviv to New York on a Boeing 707.
- As part of Operation Solomon, 1087 immigrants from Ethiopia were flown on one EL AL jumbo jet.
- EL AL flights will soon serve special blends of coffee, with a flavor and aroma that was specially created for EL AL.

by its customers to certain non-profit organizations.

#### **Development of destinations and improving timetables**

– EL AL significantly increased the frequency of its flights and the number of seats to Mumbai, New York, London and Germany, while focusing on the unique needs of premium customers and the business sector. EL AL also increased the range of "beyond" destinations in Europe, North America and the Far East in order to enable optimal flexibility and connectivity to a range of destinations around the world through strategic commercial agreements with various airlines.

## The Marketing Achievements

The EL AL brand successfully maintained the preference of the Israeli passenger during a period of increased competition compared to other airlines around the world. The "vote of confidence" in the brand was reflected, inter alia, in the achievements made by the frequent flyer club, that crossed the 1,000,000 customer threshold, and in the fact that immediately following the launch of the new Economy Class Plus, thousands of customers purchased, upgraded and tried the the class during their flights with EL AL.

In addition, EL AL presented a growth in the amount and scope of transactions made as part of direct sales for tickets on the company website. In the international arena – and due to the enrichment of point realization program – EL AL's frequent flyer club won first place in the BEST PROMOTION category among airlines from Asia, the Far East and Australia, as part of the Freddie Awards – the "Oscar" for airlines around the world.

