

THE WAY FORWARD FOR AIR CARGO

Third Town Hall
seeks to encourage the
sector's professionals
studying the pros
of the pandemic



DATE: April 3, 2021

CENTRAL IDEA:

Reinvention of the Air Cargo Industry
and the future trends for Air Cargo
in 2021



SPEAKERS:

Mr. Jasraj Singh Chugh, Co-Founder and Director

Mr. Gautam Mandal, Director of Products

MODERATORS:

Ms. Suheena Arora and Ms. Sucrita Kukreja (Pre-sales team)

“The year 2021 brought several unwanted and unwelcomed challenges, yet for the cargo operators, the year once again brought back hope and more yields”, the moderators began. The pandemic had a significant impact on the aviation industry due to travel restrictions and a collapsing demand among travellers. The major reduction in passenger numbers has resulted in flights getting cancelled, or planes flying almost empty between airports, thus, causing a massive reduction of revenues. “However, we have been reminded of the Air Cargo as a noteworthy contributor to the global economy and international trade alongside its role in preventing and backing the disastrous economic effects due to the lockdown.”

The value of Air Cargo to its stakeholders and government has become more evident in response to the COVID-19 crisis.

Gautam Mandal: “The year 2020 has witnessed a change, bringing the whole world to almost standstill. However, even this dire situation showed the entire world how important Air Cargo is to the supply chain. Airlines were tasked with ‘work of the century’ to deliver the vaccines and essential goods across the borders during the pandemic’s peak time. Air Cargo also ensured the purchase and exchange of goods and necessities through e-commerce and online portals, during the lockdown.

For decades, the Air Cargo sector has not grown as expected and remains as a small slice of the entire air traffic because it is still perceived as a secondary activity by most carriers. On average, the Air Cargo business generates approximately nine percent of the total airline revenues, which is almost double the revenue from the first-class segment of airlines and yet Air Cargo doesn’t get the respect that it should.

Today’s challenges of Air Cargo include outdated technology, poor data and limited information sharing, thus, affecting the financial performance of the carriers, and unnecessary complexities with the supply chain, hiking the cost. This sector was always technologically challenged due to being labelled as unimportant.

COVID-19 brought Air Cargo the respect and attention that it never received in the past and suddenly, this sector became the sole revenue-generating segment of airlines, also making it convert passenger carriers to temporary freights. This opened the management’s eyes to the state of neglect and non-developing, mainframe system.

Recently, we encashed this opportunity well and signed agreements with our second and third-biggest carriers, to date, namely the Philippine Airlines and Kenya Airways. We are pursuing several other airlines taking advantage of the current times. 2020 also saw the emergence of Cargo GDS allowing a convergence of multiple airlines and forwarders on a singular platform. With such emerging opportunities, Cargo Flash aims to be the change leader in this disruption”

Jasraj Singh Chug: “The world is gradually getting smaller owing to travel, technology and communication and also from the perspective of commerce as any product, worldwide, is now available anywhere, worldwide. Secondly, the world is also ageing. It is gradually becoming older except for India where the PFR of the total fertility rate is still above 2.2 per cent. The biggest effect on commerce that can happen to an ageing country is that it will have fewer people to work for them. Therefore, such countries will depend for their daily needs and services on younger countries like India and the trade flow shall reverse.

Air Cargo got stuck in a time zone for 60 to 70 years and COVID-19 has been the Black Swan event for Air Cargo. The sector realized that they are looking at ancillary revenue. As a reaction, some have increased the capacity of the number of freighters while some have increased the caps. Some of them have converted their existing passenger aircraft into brand new cargo carriers. So, COVID-19 is telling the entire airline management how we have neglected Air Cargo for so long.

Also, a larger E-commerce initiative is going online, this is another big change that is happening in the world due to the lockdown. The supply chain is also changing, which we call big data analytics and machine learning. People are depending more on screens, which is aiding the Air Cargo world. Most importantly, today, information is easily available compared to the expensive data exchange of the past.

The geo-politics of the globe is changing and I see India becoming the next big production powerhouse owing to the younger generation demographics. It is India's time and we are at the right place at the right time; hoping that our governments can structurally prepare us to make the best of this in the next 20 years.”



MARKETING PLANS FOR Q2

Bhavna Khera, Head of Marketing announced the forthcoming marketing plans and strategies.

Cargoflash is coming up with the **ICE (Influencer Credibility & Expertise) Program** that will involve the veterans and white-collared professionals of the Air Cargo industry to represent Cargoflash as Brand Ambassadors, aligning with the influencer marketing. The campaign will allow the advisors and veterans of this sector to promote our brand to this demography, in terms of geographical proximity and stronghold in the industry.

Further announcements for the **launch of Cargoflash's refurbished website** to be shared, internally, soon as the team expects to make the website live by mid-April.

TOWN HALL

Issue 3, April 2021

cargoflash
creating value

We are soon launching a Podcast series named **“On Air with Cargoflash”**, which will be available on YouTube, Spotify and Amazon Podcast. A promo video for the same was shared by Bhavna with all the participants of Town Hall.



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KEY DECISIONS & POLICIES: By Jasraj Singh Chug



“To get ourselves moving in the right direction, we have taken some important decisions in the last year and continue taking more. The new policy matrix is changing the way we work, as an organization, and I always believe that to achieve a tall building, one must have the right foundation.”

New Normal Policies: The COVID-19 is spreading again instead of weakening. Our people need to be very cautious and careful about protecting each other and we keep our social distancing and maintain higher hygiene. The policy of working from home, as informed earlier, prevails.

On-job Training: Cargo Flash has approved a budget of INR 6.5 million for the current financial year, allotted to the training of the employees channelised through external consultants or online learning.

Technological Updates: The organisation's HRM and metric systems, training calendars are undergoing updates for more visibility.

New Infrastructural Changes: Cargo Flash's partial operations will move to a new building, shortly. We are improving the infrastructure of existing (UV 142) premises, working on the cafeteria and basement floor.

Augmenting Womanpower: Rising from the last year's figures, our current organisational workforce consists of 28% women. In the next six months, we are going to hire more women to increase the ratio. The company is presenting itself as a women-friendly organization and we will have to make some policy changes to support the image. We are making avenues to bring in new or returning mothers as employees.

Brushing up the Image: We are ensuring that our people, through website like Glass Door, have better visibility about the changes that are being brought in alongside connecting with both our past and present employees.

We all have to feel encouraged with the continuous journey of improvement and in every Town Hall session, I ensure that we will have news, progressing in line with our long-term objectives.