Standards set in other industries fuel airline passenger expectations

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EXPECTATIONS OF airline passengers are shaped not only by how well an airline performs compared to its direct competitors, but also by standards set by other industries. Innovative products and services in one industry can raise the bar for all industries, including commercial aviation.

Ron Verweij, manager, development galley equipment at Driessen Aircraft Interior Systems, says, “The benchmark for customers is not only the experiences they have with airlines and at airports. The benchmark is set by the likes of Apple, Amazon and Zappos, who are centred around staging the best customer experience over and over again and who have lined up every detail in their organisation to deliver simple, consistent and burden-free experiences over every channel and touch point.”
This means airlines and airports need to tune into the customer from a holistic perspective when designing passenger services, so they operate more from the outside-in.”

An example of an airline that has embraced this holistic service design approach is Cathay Pacific, which states “customers do not view experiences via a single lens. Their expectations are constantly evolving and are viewed relatively, as they expand beyond the category and are shaped by cumulative experiences. Consumers have access to information via the internet anytime, anyplace and, as product life cycles are becoming ever shorter, ‘new and improved’ quickly becomes ‘expected’.”

So how can airlines learn from industries such as automotive, retail, hospitality and consumer electronics to improve the passenger experience?

**AUTOMOTIVE**

A challenge that the airline and the automotive industry share is that companies in both industries aim to offer travellers a comfortable and safe journey in a limited amount of available space. One good example of a project in which an airline has adopted expertise from the automobile industry can be found at British Airways. In developing its new first class (launched in 2010), BA’s in-house design team collaborated with Forpeople, a British design agency that was born out of ingeni, Ford Motor Company’s global concept design centre. Forpeople had been working with Ford’s luxury brands Aston Martin and Jaguar for years, and has been responsible for the overall look, feel and styling of BA’s new first-class cabin, as well as all aspects of the brand, product and service elements.

According to BA, the design of its first class is inspired by classic British luxury car brands, featuring dark blue leather seats with a cream leather trim around the headboard, while “a silver-coloured knob, that looks as if it should be on the dashboard of a Bentley, gives the passenger precision control over the seat position.”

BA design manager Peter Cooke says, “We felt we needed to play catch-up with a lot of automotive interiors — it was important to replicate some of those amazing trims and finishes you get in expensive cars. The customer shouldn’t feel they are stepping out of one experience into a lesser one.”

**RETAIL EQUATION**

As ancillary revenues have become a major revenue source for airlines — if not the lifeline for many — airlines are thinking of more ways to derive revenue from all phases of the customer journey. Ancillary revenues specialist Collinson Latitude sees three phases in the development of ancillary fees: the first “product unbundling” phase is about introducing fees for services such as ticket booking, baggage check-in and seat selection; in the second “product enhancement” phase, passengers can purchase paid extras such as priority security, lounge access and inflight internet; while the third stage is a “repackage/rebundle” phase in which airlines rebundle paid services in packages.

Travel retail solutions provider Datalex believes that airlines have only reached the tip of the iceberg in ancillary revenue opportunities.

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of the ancillaries iceberg, as their opportunities for growth include selling a much broader range of products and services before, during and after the flight.

Cormac Whelan, the former CEO of Datalex, says, “The airline industry is rapidly evolving to become retail-focused and airlines will have to reinvent themselves as retailers. Airlines could learn a lot from retail chains like Wal-Mart and Tesco, especially when it comes to offering the right product to the right customer at the right time.”

For example, says David Doctor, director of distribution marketing at Amadeus, “Airlines should learn how to display an airline product on their websites so customers are shown not just the difference in price between two offers, but what they get for the higher-priced fare. The key is to customise, to understand how travellers make decisions and how they want to shop. Retailing is paramount.”

According to Doctor, Amadeus is replacing the traditional focus on distribution, which is driven by efficiency, with a focus on retailing in order to facilitate the growing number of airlines that are making their ancillary services available through the global distribution systems (GDS).

“Increasingly, we’re thinking of ourselves not as global distribution systems but as global retailing systems,” says Doctor. Perhaps in five years’ time, we will all be talking about the GRS.”

Several airlines, meanwhile, have started to hire people from retailers instead of traditional airline people. Delta Air Lines, for example, a few years ago hired Bob Kupbens, who had been responsible for e-commerce at US retailer Target, as VP of marketing and digital commerce.

On-board aircraft, airlines are also adopting tricks from the retail industry in efforts to increase ancillary revenues per passenger. Virgin America – which lets passengers order and pay for food, beverages and merchandise via its RED IFE system – has introduced a so-called “open tab” function on its seatback system. The open tab feature, passengers only have to swipe their credit card once per flight to buy the items they want. The tab stays open until a passenger closes it, or until the aircraft descends and reaches 10,000 feet, at which time it will automatically be closed.

According to the airline, passengers expect more when they fly than when they travel on other modes of public transport, and while the book is largely related to the airline’s operations, the underlying principles can easily be applied to other service-related industries. According to the airline, passengers expect more when they fly than when they travel on other modes of public transport, and while the book is largely related to the airline’s operations, the underlying principles can easily be applied to other service-related industries. Service in the Sky has been written by training instructors from Cathay’s Inflight Services Training and Development department and includes 24 real case studies depicting difficult situations and recommended approaches, articles on different aspects of Cathay Pacific’s service beliefs, and its cabin-crew training modules and job requirements.

Besides learning from the hospitality industry, airlines can also incorporate tangible

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HOSPITALITY

An obvious industry that airlines can learn from is the hospitality industry. Although for both airlines and hotels the attitude and professionalism of their staff is a key area of differentiation, many airlines can still learn a thing or two from luxury hotels in terms of treating passengers like real guests.

A telling example is that few airlines – Virgin America and Abu Dhabi-based Etihad are two of the exceptions – refer to their passengers as guests. Another exception is Switzerland-based PrivatAir, which operates business class-only flights for Lufthansa, SWISS and KLM. PrivatAir’s cabin crew receive part of their service training from the world-renowned Lausanne Hotel School.

Airlines such as Singapore Airlines, Cathay Pacific and ANA, which are also known for their high service standards, add small and personal touches often seen in the hotel industry to their on-board service. Cathay Pacific and ANA crew, for instance, welcome passengers aboard with a small handwritten note, while passengers travelling in Singapore Airlines’ first-class suites find a small card that says “This suite has been specially cleaned and dressed by…” in their private cabin.

This is not to say that other industries cannot learn from the service expertise from airlines.

Cathay Pacific, one of the few airlines in the world that has been awarded five-star status by Skytrax, has published a book called Service in the Sky in which it shares its expertise in training cabin crew.
products developed by hospitality brands into their onboard experience. For example, a few years ago United Airlines teamed up with Westin Hotels to provide Westin’s so-called “Heavenly Pillows & Blankets” to passengers on its transcontinental premium-service (p.s.) flights. The cooperation between the hotel and the airline – which was terminated recently – also saw Westin open “renewal” lounges inside United’s Red Carpet Clubs at JFK, LAX and San Francisco airports.

On a similar note, Japan Airlines has commissioned Tempur – a brand known for its quality mattresses that mould to the body and recover when the weight is removed – to custom-make the mattresses for its first-class suite. Passengers can also opt for a pillow made by Tempur.

CONSUMER ELECTRONICS

Another reason for airlines to team up with companies from other industries is that product developments are going too fast for them to keep up. This is especially true in the area of inflight entertainment, where passengers want to have access to electronic devices and connectivity options akin to those available on the ground. This development has led several airlines to opt for commercial, off-the-shelf technology for their inflight entertainment systems instead of proprietary systems. American Airlines now provides first-class passengers on its Boeing 757 and 767 aircraft with Samsung Galaxy Tabs. And, realising the IFE systems on its fleet of Boeing 777-200s were outdated, for several months of last year British Airways offered first-class passengers iPads while they refurbished their aircraft. According to BA, the iPads resulted in an increase of passenger satisfaction with the overall entertainment offering by 30 per cent.

LEARN, COPY, COLLABORATE, INTEGRATE

In order to meet the demands of demanding travellers – whose expectations are shaped by experiences in a wide range of industries – airlines should look outside the industry in order to understand how standards are being set by other industries, as well as learn from the expertise from companies operating in other sectors. Furthermore, to meet these expectations, a growing number of airlines are realising that instead of developing elements of the passenger experience themselves, it makes more sense to team up with well-known brands that stand for quality in specific fields instead.

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