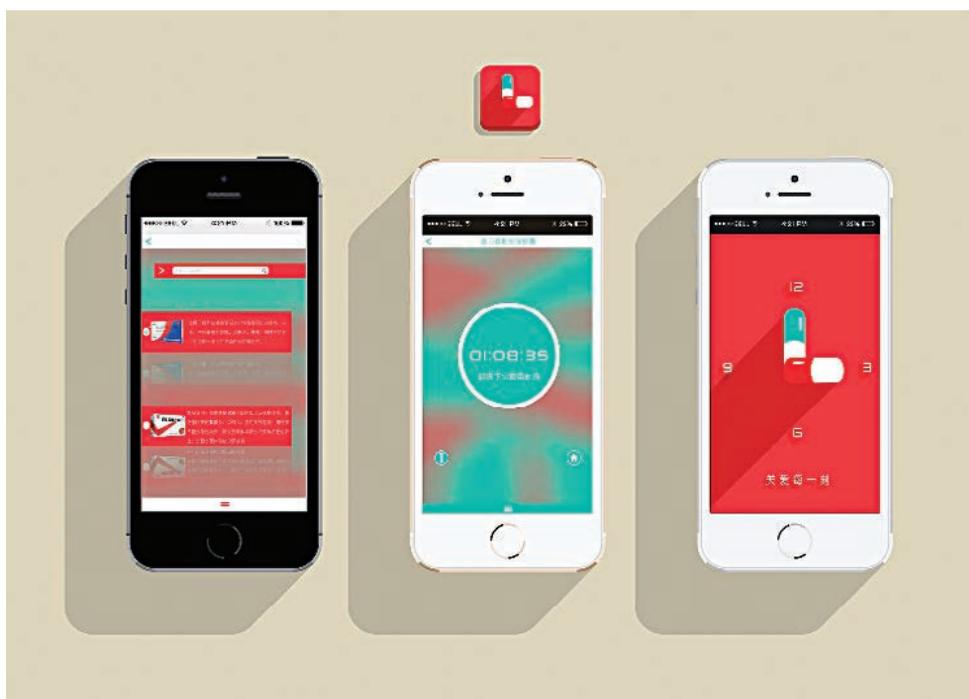


timed digital customer-centric solutions, saving airlines from having to continue growing those departments as their customer base grows.

Moreover, there is such a thing as positive social chatter. By identifying the various travel “nexts” during which customers have gone on social media to complain, we can build a road map for “aha” moments. At this point, social-media sentiment metrics become useful tools to measure the effectiveness of customer-centric retailing. Is negative sentiment high? What can we do to build sufficient positive customer memory that might address the negative impressions?

## Converting Captured Data To Capital



Airlines capture at least as much personal data — perhaps more — about their customers as Amazon. However, while the retail colossus has intelligently applied it, airlines often leave it sitting quietly and going stale in silos. That data is a competitive and capital asset — gathering it is a cost burden for airlines in hard and soft systems alike. Airlines should ask some key questions as they examine how to best use their data:

- Are we applying the data we have on our customers effectively enough to anticipate when they might need something and offer it, instead of waiting for them to ask?
- Are the improvements we are making to our digital-retailing and service models effectively driving customer sentiment to positive impressions?

- Which areas do we need to focus on right now?
- Which areas do we focus on next?

We can easily measure the status quo on digital channels, and we have. What we have found demonstrates the gap of engagement with customers throughout the journey and, as such, lost opportunities not only to increase ancillary sales but also to build the lasting bonds between customers and the airline brand.

Currently, just under one-third of travelers we surveyed do not bother with airline apps. While some may simply not be digitally minded, others simply find insufficient value in the assistance provided by the app to rely on the app throughout their journey.

Of the remaining two-thirds who use airline apps, the overwhelming majority, 40 percent, use the apps to replace paper tickets and boarding passes. They are the next most likely to use apps to make flight arrangements or to manage flight disruptions around, 13 percent each. Booking extras, ancillary items, only occurs to 2.2 percent of those surveyed as a potential benefit of apps. We say as a potential benefit because the numbers of this survey of consumer associations with journey touchpoints are directly reflective of the focus airlines have had for the application of customer-centric technology.

Most airlines have only explored their apps as substitutes for these hard-wired legacy travel transactions. And to be honest, the benefits of driving customers to check-in through the app and use electronic boarding passes are as far from customer centric as you can get.

Rather than solve a problem for a customer, they solve a problem (paper) for the airline. Consumers flocking to use these features may appreciate the convenience of never losing a ticket, but the payoff for consumers is at an extremely low bar, and there is more of an “ahem” than an “aha” at this digital touchpoint.

Using apps for travel planning and bookings is a bit higher-level thinking. It demonstrates that airlines recognize the rapid rise of mobile passengers. But incentives to buy — such as app-only discounts on standard ancillaries, discounted fares to new destinations

that need pushing or app-only travel destination offers raising load factors off season — could prove a greater incentive to customers, which raises usage above the 13 percent mark.

The 13 percent of passengers who would use an app to manage travel disruptions may simply be booking new tickets on-the-go or keeping an eye open for alerts about travel disruptions. However, there is a missing link in the “next” chain of customer-centric retailing if disruption notices do not directly link to opportunities for alternative bookings, or to coupons for meals and hotel arrangements under the worst of circumstances.

In its report, Crimson Hexagon found that the “chatter” around airline brands intensifies around seasonal cycles that are most likely to lead to disruptions.

“We see increases in post volume at similar times each year,” as stated in the report. “The major increase that we see repeatedly is the summer travel rush, from late May to early June, and then we see smaller increases in March, October and December. We could look at these as peak problem seasons to shore up customer service response — which is good. Or we



could look at these peak times as new opportunities to engage with problem-solving solutions before complaints reach the customer-service response team.”

Day to day, airline operations are relatively smooth — even if social chatter promoting positive is low at these points. But those smooth operations should not translate into a hands-off approach with customers. They are ideal moments to sell “next.”

“It’s all about timing,” said Joe Leech, author of *Psychology for Designers*, and an expert in the design of customer experience for maximum consumer engagement. “There are two ways to sell any item: Talking about the positive things that purchase gives you, or about the negative things that purchase solves. During overnight flights, you’re most likely to upgrade if it’s a flight when you want to sleep. Flying back, it could be about getting a better seat with four inches of extra legroom.”

Leech suggests the customer experience opportunities lost in digital apps are messaging prompts around those particular travel-mood moments that could sell ancillaries.

“The thing is to highlight the right benefit at the right time, in the context of the journey,” he said. “The most successful upsells are at the right time when the problem might arise. Selling travel insurance two or three days before they visit, for example.”

Leech suggests that insurance may be a hard sell at the time of booking, but as the date of the journey approaches, and customers prepare for

their trip, they may be thinking about problems that could arise during their travels, and insurance to resolve those problems will seem more attractive.

Similarly, he suggests that passengers may be more likely to buy extra luggage allowance on their return trip — when they may be packing their bags and find they have purchased more at their destination than they can fit. A call to action for extra baggage allowance through email, app notification or text message is ideally timed at this point in the journey. It is also the “next” gap in the design of many airlines’ ancillary sales digital systems.

The empathy demonstrated by such digital engagement can become an important brand differentiator as a moment of surprise and delight. Leech cautions that in designing these moments, letting the consumer opt-in to prompts is critical. Otherwise, he said, unwelcomed engagement can lead to a feeling of intrusion, building consumer resentment.

He also emphasizes a simplified customer-experience process that does not force consumers to think too carefully before pressing the buying button.

“The call to action wording must be right,” he said. “It must emphasize the problem you’re solving. That’s far more effective than a ‘buy now’ button. Ensure you are solving a problem and have one thought process per page. If we, as consumers, have to think too much about it to make a decision, then we simply won’t make a decision. Try to sell things they would be thinking about: the right thing at the right time.”

There is another advantage to this type of ancillary unbundling and contextualized offers. The individual price point of the product or service is divorced from the journey booking total. At the time of booking, when a consumer looks at the total price on his or her shopping list, every small charge can be a discouragement. A separate offer — even for the identical price offered at the time of booking — could make the unit cost more appealing and





lower consumer resistance.

While airlines have unbundled their products, making such “on-time” sales possible, they have then rebundled the products in the shopping cart, resulting in consumer resentment over being charged extra. The consumer benefit of unbundled — that they only need to buy what they will use — gets lost in the total bill of that overloaded shopping cart. However, as Leech suggests, consumers are more likely to welcome problem-solving buys timed when they will use it.

A seat-selection buy around the time of flight check-in, extra legroom seat sales, cabin upgrades, special meals, extra baggage, ground transport and hotel offers — can all be made at various points in the journey, each timed so the price point for that service stands alone. Leech calls this the Twix sell — the item bought at the cash register before leaving the shop. Those are the last-minute temptations that might make the flight more pleasant, or less painful, and are priced so it is optimally attractive to the consumer.

But before planning Twix sales, airlines need to decide where along the “next” purchasing path consumers are most likely to develop an appetite for a crunchy cookie with a chewy caramel center and a delicious chocolate coating.

Leech’s analogy can be applied literally. Why not make problem-solving “buy” prompts inflight, before the cart comes around with the goodies? The best way to decide is to demonstrate empathy with the consumer in systems design. Leech tells us the best way to ensure that systems are designed to be customer centric is for those designing the various travel touchpoints consider the journey through the traveler’s perspective — not the company’s —

point design in said, “The travel industry is pretty good. It’s better than financial services, though not as good as retail.”

On a scale of one to 10, Leech rates travel at a five. So we’re halfway there ... we just need to get to “next” on our journey to memorable.

## Mapping A Digital Pathway: Kulula.com



Kulula.com, a low-cost-carrier unit of South Africa-based Comair Ltd., has strategically upgraded its digital channels, and it has recently introduced a new mobile app that demonstrably improves the airline’s digital relationships with customers, as well as the overall efficiency of airline operations.

“The mobile app we introduced was a simple extension to our customer self-service that took place on our website,” said Iain Meaker, Comair’s executive manager for commercial distribution. “It is a simple application that