Reimagining the Passenger Experience:

The Importance of Building a Customer-Centric Strategy

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Across the globe, an air travel renaissance is happening: more passengers are flying on airlines and moving though airports than ever before. However, despite new investments and technological advancements, passengers still perceive the travel experience as having deteriorated.

The expectations of customers and, by extension, aviation passengers have changed dramatically in the past decade. While companies like Uber, Blue Apron, and Netflix have raised the bar for customer experience by providing customers with what they want, when and how they want it, airports and airlines have struggled to keep pace.

Airports and airlines no longer get credit for delivering on the basics; they need to exceed expectations through innovative, useful, and usable customer-centric solutions. To reap the financial benefits of this cultural shift, airports and airlines must examine today's travel experience through the same customer-centric lens and work collaboratively to design and implement creative solutions.
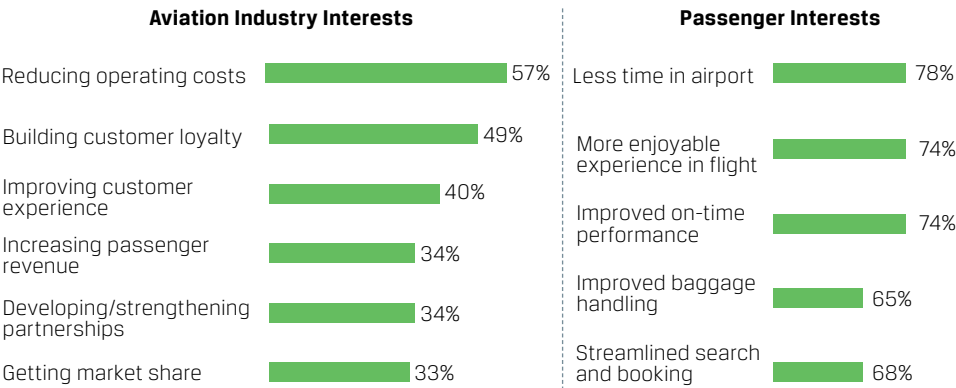
Divergent Interests: Passenger Interests vs. Airline/Airport Interests

The pressures of ongoing passenger growth and delivering more with less have negatively impacted air travel. Increasingly, there is a misalignment between the passenger's needs and the airport's/airline's needs, and customer experience has suffered. As seen in the graphs on the following page, the goals of airports and airlines are to generate more revenue, reduce operating costs, and increase asset utilization—all while simultaneously strengthening customer loyalty.

The goals of passengers are different. Passengers want to spend less time in airports, arrive at their destination on time, and have a comfortable experience on board.

AVIATION INDUSTRY AND PASSENGER DIVERGENT INTERESTS

Aviation Industry Interests		Passenger Interests	
Reducing operating costs	57%	Less time in airport	78%
Building customer loyalty	49%	More enjoyable experience in flight	74%
Improving customer experience	40%	Improved on-time performance	74%
Increasing passenger revenue	34%	Improved baggage handling	65%
Developing/strengthening partnerships	34%	Streamlined search and booking	68%
Getting market share	33%		

Source: Economist Intelligence Unit, 2015

While divergent interests will continue to exist, investing in an extraordinary customer experience translates directly into dollars. If an airport or airline can successfully execute an innovative, customer-centric strategy, the enhanced customer experience will translate into measurable financial benefits.

For an airport, an efficient and well designed journey for passengers from the curb should provide a passenger more predictability in the time required to reach their departure gate. This may result in the passenger engaging more with airport vendors, yielding more revenue for the airport. Recognizing that the passenger journey is from curb to curb, which often includes connecting itineraries and service disruptions, improving all aspects of the journey will lead to higher customer satisfaction and positive economic benefits. Optimizing the configuration of airport terminal space leads to a balanced passenger flow and more efficient space utilization, thus requiring less capital investment.

Examples from other industries around customer experience indicate that even minor enhancements and improvements can boost performance:

- **Strengthen loyalty:** By building multiple sales and marketing channels (e.g., online, in-store, and phone), fashion retailer Superdry saw an 80%

increase in customer retention. They also noted that omnichannel customers spend 2.6 times more than those who only used a single channel.

- **Reduce costs:** The UK's Government Digital Service created digital services that were "simpler, clearer, and faster" to use. This resulted in savings for the UK government of £3.5 billion between 2012 and 2015.

- **Increase revenues:** In making its B2B tools significantly easier to use, Facebook saw a 56% increase in ad revenue in the quarter following the change.

The new passenger mindset demands that airports, airlines, and other aviation stakeholders work together in new ways to offer a seamless customer-centric experience. Even though airports and airlines may view their respective roles in the travel chain quite differently, the customer views all phases of air travel as a single journey. For this reason, to successfully transform customers' perceptions, an integrated design of information and communications is required to provide one dependable voice to the customer.

It does not matter whether customers experience frustrations at the airport or on the airplane—both contribute to a negative experience overall. To combat this, aviation stakeholders from across the travel chain must work together in new and innovative ways. Stakeholders must improve performance measurement of discrete elements of service delivery. They must employ new strategies, processes, and technologies that provide the information for coordinated decision-making, rethinking service delivery and organizing staff in more efficient ways. Embracing engagement with passengers, as customers, will result in better customer-centric offerings.

## A Human-Centric Approach to Solving Customer Experience Problems

Adopting a customer-centric approach requires tactics and action plans that speak to the traveler as an individual, provide a better overall travel journey, and empathize with the needs of passengers. Solutions should focus on the mental, physical, and emotional needs of the traveler.

- **Mental wellbeing: Providing real-time information to ensure a stress-free experience.** From long security queues to inclement weather, traveling can often be an anxiety-ridden experience. Passengers' expectations are influenced by the experiences of others, whether that is from a personal experience on a prior trip or from a social media post of a friend who had a poor experience. Airports and airlines must understand, assess, and react to the various information channels currently utilized by their passengers.

- **Physical wellbeing: Awareness that physical design can contribute to a positive travel experience.** With more passengers traveling than ever before, both aircraft capacity and terminal capacity are reaching their limits. Given the large capital investment required for infrastructure renovations, airports and airlines must understand and rethink how passengers interact with their environment. There is an opportunity to tailor amenities and services such that limited space is optimized, making cramped quarters more enjoyable.

- **Emotional wellbeing: Empathy toward the stress commonly associated with travel.** Traveling can trigger a range of emotions. A first time flier might feel both apprehension and excitement. A vacationer embarking on a family vacation might feel more relaxed. And the same individual will experience different emotions depending on their traveling circumstances: a business traveler trying to navigate a crowded airport for a one-day trip might feel stress and frustration, but when they return to the same airport as a vacationer preparing for a family visit, they might feel happiness and relaxation. The most successful airports and airlines will be those that can anticipate the diverse needs and desires of their travelers and create positive experiences for each of them for each of their unique traveling circumstances.

An improved airport/airline experience does not start with the solution; it starts with the customer. And a one-size-fits-all approach simply will not do. It must be custom-tailored and targeted to the unique expectations of the airport's or airline's particular market. To help airports and airlines improve their customer-centricity, ICF has built a holistic approach to understanding the passenger experience unlike anything else in the industry:

HOW TO IDENTIFY CUSTOMER-CENTRIC CHALLENGES
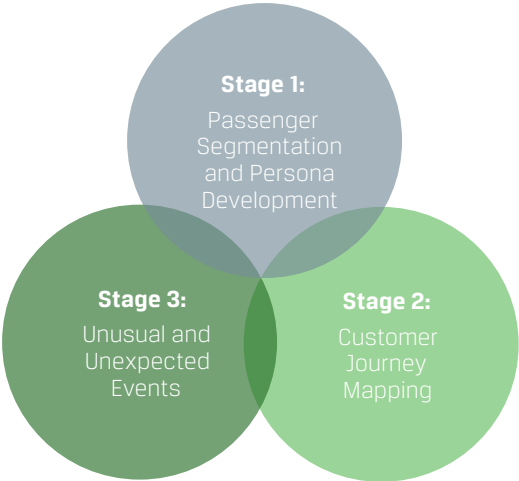
Stage 1: Passenger Segmentation and Persona Development

Just as there is no common person, there is no average traveler. Each individual who steps into an airport and onto an airplane possesses a unique set of beliefs, perceptions, and desires. However, through a blend of stakeholder workshops, customer interviews, and social media analysis, airports and airlines can begin to segment their market. They can identify the desires and expectations common among different groups of individuals and get to the heart of what drives these traveler typologies. Whether that's the family journeyer, the weekend warrior, or the business commuter, airports and airlines can better uncover memorable and issue-free experiences for each type of traveler. They can identify what specific experiential components will help boost loyalty, increase revenues, and support lower costs.

Stage 2: Customer Journey Mapping

An effective journey map for each persona unveils any issues or perceptions (positive or otherwise) along one's travel path. An infrequent traveler's journey map may bring to light how well an airport conveys distance-based information, while a journey map for a person with disabilities or a senior citizen traveler may reveal the difficulty in quickly locating access to assistance, if needed. A journey map for the former would not reveal key issues for the latter or vice versa, which is why it's important to complete journey maps for each customer segment. By identifying the different demographic profiles common within a certain airport or flying a certain airline, specific plans can be created that reach and address each of these customer segment's behaviors, attitudes, and needs.

Stage 3: Unusual and Unexpected Events

Too many consultants build solutions only for the ideal case. However, the airport and airline experiences remembered and talked about most are the ones that are handled well during the less-than-ideal situations. Whether it is addressing the fallout from a lost bag, canceled flight, or hour-long security wait, solutions need to be designed that answer these challenges, too. These solutions will differ by persona, and they will differ by airport or airline. What a major metropolitan international airport requires will differ greatly from what a rural regional airport needs.

Collaborative Customer-Centered Solution Examples

The goal of any customer experience strategy is to bridge the divide between what airports and airlines want and what customers value, ensuring that the passenger's needs are a high priority in every solution. The airport's or airline's job is no longer about getting people to buy and do what *we* want, but rather helping people buy and do what *they* want.

Innovations that put the passenger at the heart of solution design include:

- **Dynamic Queue Management:** As seen in the table on the next page, airport and airline queues are one of the greatest complaints of passengers. But airports have yet to address how time of day and time of year affect staffing requirements and, in turn, passengers' travel experiences. Using new technology, proactively measuring performance, changing responsibility for managing queues, and working with airlines to ensure staff understand and comply with relevant protocols can have a profound impact on the customer experience through the travel journey.

TRAVEL EXPERIENCE PRIORITIES RANKED BY PASSENGERS

Areas of importance while traveling	North American passengers ranking	Global passengers ranking
Waiting time in check-in queue/line	1	1
Ease of finding one's way through the airport (wayfinding)	2	2
Waiting time at security inspection	3	5
Cleanliness of washroom/toilets	4	3
Internet access/WiFi	5	4
Comfort of waiting/gate areas	6	8
Availability of washrooms/toilets	7	9
Restaurant/eating facilities	8	16
Feeling of being safe and secure	9	7
Courtesy and helpfulness of security staff	10	11

Source: Economist Intelligence Unit, 2015

- **Innovative Mobile Apps:** According to SITA, a UK-based air transport communications and technology company, 83% of passengers carry smartphones. Airports must be equipped with mobile applications that are usable and useful. Using a model similar to popular apps like Pokémon GO, airports could leverage smartphone cameras and GPS to overlay additional contextual information onto the airport's physical environment, enabling passengers to select navigation to key locations (e.g., nearest toilet or restaurant) and follow Google Map-like directions. Airports could address language barriers by integrating technology such as Google Translate to relay loudspeaker announcements and transcripts. Airports could work with airlines to ensure these mobile apps are useful to passengers by also providing desired data that only the airlines can provide, such as gate changes and flight delays.

- **Increased Staff Presence:** Not all solutions must be technological. In fact, process improvements are often easier and less costly to implement and can lead to near-immediate change. Adding airline helpers equipped with the right information and the right attitude at potential check-in bottlenecks helps relieve passenger anxiety, keeps queues and other high-traffic areas clear, and leads to a more efficient process. Adding duty-free concessions staff who speak multiple languages results in greater sales among foreigners who would otherwise choose not to shop due to communication anxiety.

- **Security Fast Track:** Airports could enable any passenger to opt-in to an expedited processing lane for security and customs. Some customers (e.g., passengers pressed to make a connection) may be inclined to purchase access to a "fast lane," if offered and if they could do so via an airline's or airport's mobile app. This revenue could be shared by both the airline and airport. Moreover, airports could embrace variable, demand-based pricing to increase the cost of the fast lane when the general processing lines are longest, similar to high-occupancy vehicle/toll lanes on roads.

Conclusion

Airlines and airports share the need to develop customer-centric strategies to improve the passenger experience in all phases of air travel. If done thoughtfully, core business objectives can be met by improving revenue generation and customer loyalty, while driving down costs.

The challenge for both airlines and airports is to meet the needs of the passenger by developing customer-centric solutions that align with core business objectives. If customer-centric solutions do not improve revenue, strengthen loyalty, or reduce costs, there is little incentive for change.

ICF is uniquely positioned to address the challenges associated with implementing customer-centric solutions. Our domain expertise in airports and airlines, combined with our experience in customer behavior across multiple market segments (including travel and hospitality), addresses all perspectives of this complex issue. This enables us to design integrated, holistic customer experience solutions that provide best-in-class and next-in-class solutions that are specific, actionable, and customer-focused.

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About the Authors

About ICF

ICF (NASDAQ:ICFI) is a global consulting and technology services provider with more than 5,000 professionals focused on making big things possible for our clients. We are business analysts, policy specialists, technologists, researchers, digital strategists, social scientists, and creatives. Since 1969, government and commercial clients have worked with ICF to overcome their toughest challenges on issues that matter profoundly to their success. Come engage with us at **icf.com**.

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Eliot Lees leads ICF's airport passenger experience service line and specializes in applying technology and business intelligence to improve passenger experience through improved operational performance, optimized capital investment, and enhanced airport management decision-making. For more than two decades, Mr. Lees has advised airports, governments, investment banking firms, and operators regarding airport transactions, as well as strategic planning and implementation. He brings experience managing large, complex projects with multiple workstreams and developing pragmatic client solutions. Prior to joining ICF, Mr. Lees was an investment banker specializing in infrastructure finance. He spent more than 10 years in various finance positions with leading New England financial institutions, including serving as Vice President of the Bank of New England. Mr. Lees has an M.B.A. from Boston University and a B.A. in economics from the University of Massachusetts.

Stephen Freibrun brings more than 30 years of management and real estate experience in the public and private sectors. He assists airport clients, airlines, and airport investors with concessions projects, property management, and facilities planning. His responsibilities have included the evaluation, definition, and coordination of concessions facility implementation to meet client goals of balancing improved customer service and revenues to the airport. He has seen many clients almost double their sales per enplanement after implementation of their concession master plan including Miami, Richmond, and Anchorage. Mr. Freibrun has an M.A. in International Management from Thunderbird - American Graduate School of International Management and a B.A. in Political Science from the University of Illinois.

Mark Drusch helps identify and implement new market and revenue opportunities, restructure and transform operations to achieve higher profitability, and integrate management teams to maximize results and minimize cross-company inefficiencies. In the 15 years Mr. Drusch served as Senior Vice President at Delta Air Lines and Continental Airlines, he led transformations in commercial airline strategy and execution, revenue management, route planning, scheduling, alliances, loyalty, distribution, regional carriers, and catering. Mr. Drusch also offers experience building customer facing platforms from the ground up, integrating airline and hotel systems, and digitally interfacing with businesses' clients globally. Mr. Drusch has a B.A. in Political Science and International Relations from Northwestern University.