



THE RISE OF CUSTOMER-FOCUSED AIRLINES

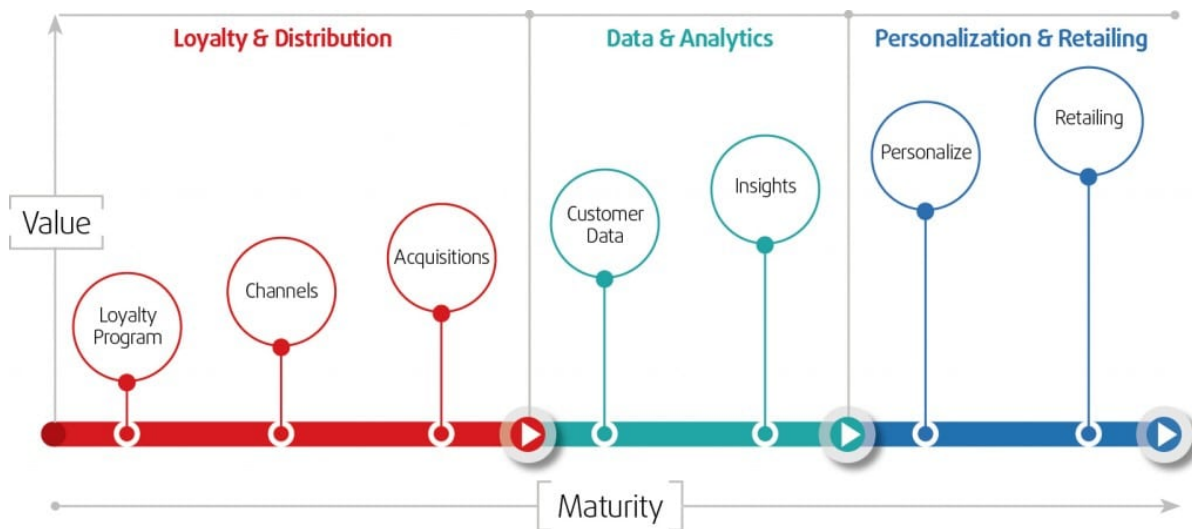
News / Airlines



Airline carriers are in a highly transformative period in which they are changing their retailing practices to be more customer centric. This shift in retail strategy has proven to lead to an improvement in profitability and customer experience.

To fully realize the advantages of a customer-centric retailing approach (improved customer experience, increased product sales, and improved product margins), market leaders are emerging with a retailing maturity model and early proof points that a migration to a customer-centric retailing approach opens a wealth of opportunities.

The idea behind building a customer-centric retailing technology platform is to help airlines successfully manage the complex data sets, customer analytics, and operational hurdles, so they can focus on the customer, not on the technology platform. There is more to the story than simply the innovations in technology. Airlines need to define their strategy, empower their teams, evolve their culture, and adopt best practices for in order to bring customer-centric retail to the market.



A maturity model has been adopted that defines some of the core steps of maturity that an organization should achieve before they are able to move to the next echelon of retailing maturity. Many of the foundational steps to Customer-Centric Retailing are already within the current or future investment plans for many airlines. The new frontier includes the areas of data, analytics and personalization. Not only are these new technologies for some airlines, but new functional areas altogether. This is leading to new roles under the CIO and CMO forming in the areas of data science, omni-channel, mobile retailing, database analytics, predictive analytics and many others.

Customer data must be gleaned to produce true insights at the individual customer level and then finally these customer insights are used to enhance the customer experience, not just from a day-of-travel perspective, but potentially over the life of the journey.

The investment in customer data and personalization is a vital necessity in moving forward in airline retailing. It changes the conversation from revenue-per-seat to revenue-per-customer. This is the foundational element upon which airlines will build their retailing business. Once the foundation is in place, airlines who have adopted Customer-Centric Retailing will begin to separate from their competitors, taking with them more profitable, loyal customers with who have no interest in turning back.

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