



INTERVIEW WITH APEX'S NEW CEO ON AIRLINE PASSENGER TECH TRENDS

News / Personalities



Last September, Joe Leader became chief executive of the Airline Passenger Experience Association (APEX).

He has viewed the association, which works with executives at airlines worldwide and other key industry players to shine a spotlight on innovation in the flier's experience, as a quiet company. He wants to make it louder.

One initiative whose components are planned for release this year is APEX FlightTrack, which is described as “the first standardized system of reporting of IFE flights, combining airline tail tracking with hardware data.”

Tnooz recently caught up with him to find out what's new in “PaxEx” — particularly on the technology side.

(Interview has been edited for brevity.)

Tnooz: Where were you before coming to APEX?

Joe Leader: I have backgrounds in both high tech and aviation.... I became the most-frequent flyer of a major airline and gave them ideas to help them dramatically improve their ability to attract

similar business travelers....

Then... I created the Air Taxi Association. I also created technology that allowed people to book charter flights on-demand over existing booking sites. That became part of Travelport, the global distribution service company.

Right before coming to APEX, I was the chief marketing officer of [BlackJet](#), a private jet by-the-seat company.

Tnooz: What should people who work for travel technology firms outside of airlines and IFE manufacturers know about what's trending in the industry?

JL: We are at the cusp of a new golden age with the passenger experience. Before, people purchased airline tickets based on price and the speed of getting from point A to point B. Then loyalty came into play.

Now the passenger experience is surpassing loyalty on the decisions they make.

And this helps airlines in terms of ancillary revenue. Passengers mind much less being charged for additional services now as long as they see the value in the service they receive....

Tnooz: Will streaming services get big in the global markets that have high-bandwidth connections inflight?

JL: Inflight streaming is not as good as what you get on 4G cellular phones yet, but it will get there. It's far more efficient for airlines to have a library onboard streaming content to passengers because it's less cost per megabyte to transmit.

It could be between 5 and 10 years, but the day you can stream content onboard flights will come.

Tnooz: Do you think airlines are going to partner with services like Netflix or Amazon to offer custom-branded interfaces?

JL: You're going to see Netflix and Amazon try and keep the experience as close to what their customers are used to as possible.

So, for Amazon to offer only a handful of its content inflight isn't probable. The more holistic reason is it believes that its customers deserve the same experience on their phone, their television, or on an aircraft.

Tnooz: What have been some of the more interesting things you've seen since coming to APEX on the passenger innovation side?

JL: From the passenger experience perspective, the most exciting advances revolve around individuals and personalization.

When you go to an airline, you look at cost, schedule, and the number of stops. You don't see information what the experience will be like on an aircraft.

But airlines are not commodities. They take different approaches. By personalizing the experience for each individual, they will work hand-in-hand with you to know things like your favorite drink or snack and offer them by default.

I can see airlines being able to interact with the payments functionality on your smartphone and bill

your credit card on file.

Tnooz: Do airlines risk losing opportunities to upsell to the customer?

JL: It depends on the airline. Southwest Airlines tries very hard not to charge extra for anything because that's their business model.

But legacy carriers charge for things like bags, food, wifi and change fees. And ultra low-cost carriers charge for everything. But airlines are positioning themselves to allow passengers to know what their options are.

For example, when I purchase inflight Internet, if I only need it for a few minutes, I buy the smaller package at \$4.95 rather than \$19.95 for the entire flight.

Gogo started charging up to \$50 on routes like Boston to San Francisco because there were too many business travelers using the service and everyone was having a poor experience. So they priced it so people could have a better experience.

Tnooz: What opportunities do you see for the airlines in inflight merchandising and retailing?

JL: I think that so long as they don't have to carry more physical weight in an aircraft, the opportunities are there. It's a benefit for passengers to know that, when they land at their destination, what they ordered is there. That's a good revenue sharing model.

Once SkyMall went away, there was a great opportunity to look at other channels. We're not far away from seeing more sponsored inflight opportunities for airlines that allow passengers more options for shopping.

Studies find that people are five times more likely to buy when traveling rather than at home.

Tnooz: What trends do you see coming down the pike from the airlines when it comes to tech and the passenger experience?

JL: We'll see a lot more integration in very intelligent ways. For example, airlines are using Facebook Messenger to speak directly with passengers.

Google's also an innovator. If you're looking for flight prices, you can press a button on your smartphone for Google from New York to Los Angeles on a Monday, it will come back with flight prices. Most consumers don't realize they can book flights in that manner and trigger price alerts, but awareness will grow.

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