The travel industry is undergoing a fundamental shift and is on the verge of disruption owing to the growth of an informed, digitally equipped, and always-on customer base. Passenger expectations are evolving as they become increasingly connected. Customers want to feel empowered and in control of their options and choices through the journey lifecycle. With this customer ‘awakening’—increased awareness and knowledge—airlines are taking every measure to ensure a stress-free, easy, and relaxed journey for their customers. This is leading to enhanced technology implementations and a digital revolution, influencing and changing customer behavior and expectation faster than ever before.

Abstract

The travel industry is undergoing a fundamental shift and is on the verge of disruption owing to the growth of an informed, digitally equipped, and always-on customer base. Passenger expectations are evolving as they become increasingly connected. Customers want to feel empowered and in control of their options and choices through the journey lifecycle. With this customer ‘awakening’—increased awareness and knowledge—airlines are taking every measure to ensure a stress-free, easy, and relaxed journey for their customers. This is leading to enhanced technology implementations and a digital revolution, influencing and changing customer behavior and expectation faster than ever before.
Airline Industry: One Size Does Not Fit All

The digital evolution is fast gaining momentum and is changing the way business is carried out for every industry and the airline and the travel industry has to keep up. This has given rise to a new breed of customers—Digital Natives—who want to remain connected 24x7, use digital technologies, and manage travel in real time. Digital technology is providing passengers with more control of their journey.

The rise of personalization is also becoming crucial for success and customer engagement. Personalization is all about providing information that is relevant, making the customer feel special, and catering to their individual needs. Providing personalized services and offering more customized solutions and services based on customer needs and preferences enable airlines to increase their ancillary revenue.

Today, customers are ready to pay for what they use, what they feel, in order to have a stress-free travel experience. For instance:

- If a passenger is getting delayed and cannot make it to the airport on time, then the customer will appreciate the airline providing an option to skip queues at check-in and bag drop
- If a customer has to catch a connecting flight then they will need updates on the flight and gate information at their fingertips
- In case of flight disruption, which is a stressful experience, the airlines can enable the customer to rebook their own flights
- Customers want convenience. They want a simplified booking process on POS channels. They want ‘BRING YOUR OWN DEVICE’ capabilities even at 30,000 ft.
- Customers will appreciate being reminded of special service requests, especially the ones that they will need during travel. For instance, a passenger requires gluten free meal during journey, which they have already mentioned in profile registered with airlines, they will expect a reminder from the airlines 24 hours prior to departure to order their preferred meal

So in essence, this paradigm shift is resulting in empowered and demanding passenger looking for personalized and stress-free travel experience. This also means that airlines have to ensure they keep up and be the ‘First Choice’ for their customers.

Technology: An Enabler for Enhanced CX

Emerging technologies are disrupting our world and facilitating increased efficiency, better customer engagement, automation, and simplified processes. Technology is shaping the future of air travel and ushering in an era of digitization, automation, and hyper personalization.

The concept of Internet of Things (IoT) is set to transform air travel from a customer experience perspective. With proximity beacons and sensors to locate passengers and bags and much more, IoT will bring automation to reality.

Wearable devices too are playing a key role in ushering in the next level of automation. Apple Watch apps from major airlines allow travelers to board quickly and effortlessly. Airlines are also piloting the programs around wearable glasses to offer a personalized customer experience.

- Virgin Atlantic, for instance, has conducted a Google Glass pilot to identify an elite passenger as soon as they reach the airport and enable airline staff to know their preferences to serve them better
- Biometrics is also enabling the next wave of automation in air travel. Airlines and airports have already started conducting pilot projects.
  - Air New Zealand’s biometric-enabled bag drop is a reality today
  - Australian airports biometrics plan through Australian immigration without human involvement are clear examples of big traction in this area

Augmented Reality help increase passenger convenience and will also offer an opportunity for airlines to upsell and cross-sell services. Augmented reality, for example, will provide passengers the ability to find their way around the airport.

Chatbots also, have already left a lasting impression on customers in this digital age. They enable a high degree of personalization clubbed with Artificial Intelligence (AI)
to predict the personalized needs of travelers. This in turn will help create delightful experiences for customers and better monetizing opportunities for airlines. Robotics and AI is also an upcoming technology being used by airlines like KLM and Japan Airlines, who are experimenting with robotic customer service agents.

Tech-Driven Disruption: The Long and Short of it

Like all other industries, the airline sector too will experience short-, medium-, and long-term technology disruption across the customer journey lifecycle—from trip planning phase until the traveler reaches the final destination.

Trip Planning Stage

A key trend, which has already started becoming reality, is the Digital Travel Concierge (DTC) or Digital Travel Assistant. This is essentially a chatbot working as personalized assistant on a mobile device or website. This concierge, with its capability to integrate with external parties, will provide customers options based on multiple parameters for example profile, preferences, miles, duration, theme to name a few. Qantas has recently launched Qantas Concierge through Facebook messenger.

Over the next year, Natural Language Processing has enabled DTC to converse with customers in simple language. With Siri and Google Allo as examples, technology definitely is no longer a constraint. By end of 2018, we will see DTC further maturing and robotic agents doing video chatting with travelers, influencing them to take holidays to dream destinations.

Booking

Other than DTC playing a key role in providing personalized merchandizing, IATA’s ONE Order will play a significant role in shaping sales and distribution of the future.

The other trend is the omni-channel experience. If we assess the retail industry, it gives customers the freedom to choose an item on Amazon, put it in shopping cart on one channel (e-commerce website) and then check-out and pay for the same item on a different channel (mobile commerce). Taking a cue from this, airlines have also started working towards providing similar experience across multiple channels to their customers.

Another interesting innovation is the Digital Wallet. There may be differing opinions on the Digital Wallet but customers are getting more and more accustomed to them and their use will help increase ancillary sales.

Day of Travel

Day of Travel is stressful for travelers and especially for people with special needs or those who are traveling with small children. This stage of the journey is also very important from the airlines perspective to leverage monetizing opportunities. Customers are ready to buy services as long as these services are providing a better, stress-free travel experience. DTC, with its external integrations with traffic conditions, weather data, and GPS capabilities, will clearly play a key role in relieving
the anxiety in this stage of journey.

- Imagine travelers getting notifications on their phone to leave for the airport early as traffic condition is bad and time taken to reach the airport is more than usual
- Imagine travelers getting notifications of bad weather predictions, advising them to leave early
- DTC will prompt users with offers for last minute add-on baggage and lounge passes, upgrade, and other monetizing moments
- Passengers will not mind using the extra services if their experience can be improved

At the Airport
IoT and Biometrics are the two most powerful technology advancements driving innovation at the airports. It offers benefits across the entire journey.

In the short run:
- Dynamic boarding passes in your mobile device wallet will automatically start reflecting the new gate number in case of a gate change
- Real-time baggage tracking is already in advanced state. Passengers today are getting notifications about their baggage during boarding, transit, and arrival. This trend will continue to evolve and mature over the next year
- Robotic way-finders will greet and guide the travelers to gates, lounges, or restaurants and provide interactive experience. Airlines have already started running pilots in this area—Japan Airlines has started trials with customer facing robot at the Tokyo International Airport
- IoT will enable personalized shopping offers, driving your cross-selling potential. For example, consider a traveler who has pre-booked meal getting a notification as soon as he enters the airport terminal saying your meal will be ready in three minutes and pick the same from supplier outlet
- The concept of an airport queue manager uses IoT to dynamically adjust the airport staff depending upon the passengers queue at check-in desk or baggage drop location using video analytics. This is indirect way to enhance passenger experience by exploiting the technology advancements available today

One year from now:
- Biometrics will become more popular, enabling faster check-in and immigration experience for the passenger. Imagine passengers getting automatic check-in as soon they enter the airport or go through the automated immigration gates and reach right at the airport gate with complete self-service capability. Keeping in mind security concerns and regulations, Biometrics can bring in revolutionary services
- IoT sensors will enable real time journey tracking of your near and dear ones. Imagine the passengers’ near and dear ones getting notifications throughout the journey, of the traveler whereabouts. This feature is useful in case of unaccompanied minors or elderly passengers or even first time travelers

In the longer run:
- Imagine a passenger, who is late in reaching the gate and is notified on his wearable device to board the nearest cart. Cart driver is also notified to bring this passenger at the desired gate. The burden of offloading the passenger/luggage is also gone creating a win-win both from the operation as well as the traveler experience perspective

In-Flight
On-board WiFi and BYOD are quickly becoming the norm. The use of digital wallets to pay for in-flight services is also a common sight. The couple of revolutions in this space are happening around seat sensors gauging customer’s temperature, dehydration,
and comfort levels, and enabling the cabin crew to take appropriate steps to serve customers better. The future could see the use of edible pills to track the customer comfort during the journey.

At the Destination

IoT and Biometrics will again be the key drivers for innovating the business processes at arrival airports. Abu Dhabi and other airports are already piloting the concept of automated immigration. The biggest revolution in this will be around IoT-enabled baggage delivery. Imagine the passengers getting notification like, we have located you and your bag is being delivered in three minutes on carousel number five which is nearest to where you are standing. This is the kind of experience that airlines and airports need to deliver to their customers.
The Coforge Thought Board: Reshaping the Future of Flyer Experience

Why is customer experience gaining greater significance in the travel sector?

- Enhanced personalization
- Improved loyalty
- Stress-free travel experience
- Enhanced journey experience

Which technologies help improve traveler experience?

- Internet of Things
- Wearable devices
- Chatbots and AI
- Augmented Reality
- Biometrics
- Robotics

How are some airlines using emerging technology for better CX?

- Virgin Atlantic is using Google Glass to identify elite passengers and serve them better
- Air New Zealand is using biometrics-enabled bag drop
- Australian Airports Biometrics Plan requires no human involvement

How can technology improve traveler experience?

- Dynamic boarding passes on mobile device
- Real-time baggage tracking
- Robotic assistants to greet and guide travelers
- Personalized shopping offers
- Airport Queue Manager to adjust the airport staff
- Biometrics for faster check-in and immigration
Making Customer the King: The Way Forward

The traditional way of transactional and user initiated actions is quickly being replaced with technology empowered interactive, intelligent, and personalized passenger experiences. The airline industry needs to take the necessary steps to keep up with their customers, changing technology, and competition. Technology can help enable the airlines deliver personalized services and increase ancillary revenue.

The airlines’ architecture can be organized and visualized at three levels:
1. The bottom layer includes customer data both from internal and external sources
2. The middle layer includes integration and channel enablement
3. The top layer includes system of engagement and customer touch points

Airlines have to deduce data at the bottom layer in order to deliver personalized services to the customer through the top layer. This is possible by:

- Making sense of the internal customer data combined with data from social media and external sources
- Revisiting integration strategy to enable engagement channels, giving personalized services to passengers
- Injecting new technology into your digital strategy roadmap to embrace this next level of automation

Airlines need to incorporate Natural Language Processing, wearable devices notifications and tracking, IOT, and Biometrics to remain aligned with industry dynamics.

Along with adopting new technology, airlines also need to align the digital strategy and act on it in order to stay ahead of the competition and keep their customer base loyal.
Coforge is a leading global IT solutions and services organization which believes that real transformation cannot be driven by thinking in technology terms alone. With a mission to “Transform at the Intersect” it aims to bring both deep domain and deep emerging technologies expertise to achieve real-world business impact. A focus on very select industries, a detailed understanding of the underlying processes of those industries and partnerships with leading platforms provides us a distinct vantage. We leverage AI, Cloud and Insight driven technologies, allied with our industry expertise, to transform client businesses into intelligent, high growth enterprises. Learn more about Coforge at: www.coforgetech.com

Stay connected: