

# SIMPLIFYING THE CUSTOMER EXPERIENCE



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**Airlines once made money by selling seats—the nicer the seat or the more they sold, the more money they made. This led to more and more complex fare structures, with more and more fare conditions, all designed to extract the maximum revenue out of each ticket sold.**

Times have changed. Airlines have had to lower fares, reduce costs, sell ancillary products and drive up yield due to 'price' competition versus 'service' competition. Automation is the order of the day. As a result the direct channel to the customer is increasing year on year. However, trying to sell the traditional fare structure to an untrained audience has resulted in lower-than-expected online penetration.

Many customers still ask why fares are so complex, what different fare conditions really mean, and what is included and what is not. Be honest, does your airline still ask the customer to accept these fare rules knowing they make almost no sense to anyone but a highly trained professional? Even if the customer has been persuaded to part with their hard-earned cash, they are often dissuaded from making any changes to their travel plans—even though in many cases this offers a real opportunity for the airline to make additional revenue.

The same complex fare rules the customer was asked to accept become a barrier. Simple online changes and the up-sell of extra air-related components or cross-sell of third party content present a real opportunity for airlines to maximize their revenue. However, appropriate post-booking touch points must exist.

Customers want a product they can understand, with real value propositions. Whether the airline operates a one-way or a more traditional round-trip fare structure does not matter to the customer. They have requested a price for a specific itinerary and need to be presented with numerous offerings that closely match their requirements. Flexible date search, length of stay functionality and attribute searches all help provide the value proposition that may make this customer the all-important book in the look ratio.

But what about these complex fare rules? Fare branding, fare families, fare merchandizing or whatever you want to call it, simplifies them into language a lay customer can understand and entices them to make a purchase. Whether an airline decides to completely unbundle the air components into the requisite parts, or simply repackage them, the simplicity for the customer is there to see.

In addition to helping the customer to understand what they are buying, fare branding also helps the online channel provide post-booking functionality.

This elevation of the rules away from the fare to the branding concept makes changes easier to calculate. Now an airline can encourage a post-booking change, driving additional revenue where before there was only an incremental cost. Studies show that once a customer is clear on the value proposition, over 40 per cent choose to purchase a fare that is not the cheapest but represents better value for their needs. This could include fare flexibility, lower change fees, extra miles, extra bags or a better seat or meal. The aim is to let the

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customer choose at purchase time and continue to up-sell at all post-booking touch points.

Remember, the customer does not stand still and will continue to demand new ways to search, book and manage your products. Choose a technology partner that can enable fare branding, provide new ways to shop, up-sell and cross-sell additional components and, at the same time, provide the flexibility to change and evolve with expectations.

With the Internet now readily available and the e-commerce process increasingly familiar to people, purchasing and managing a booking should be just like buying music, books or concert tickets online. Uncertainty around terms and conditions stops users in their tracks and steers them to your competitors.

An airline that focuses on the customer experience from the outset not only drives the customers to the lowest cost channel, but in turn simplifies the business. The sales cycle is simplified, post-booking management becomes obvious to the customer and the business focus moves to revenue generation rather than juggling additional costs.

Adopt standards where available, refine and simplify the business process where it makes sense—but absolutely simplify the customer experience now. ■

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