

# The Journey to Customer Centricity

Over the last two years, we've not only seen the journey to digitalisation accelerate, but the needs and expectations of customers change and develop. Today, customers don't just want personalisation; they demand it. And with McKinsey reporting that 71% of consumers expect companies to deliver personalised interactions, there's never been a more critical time for airlines and airports to focus on customer centricity.

The IATA Airlines Magazine AGM Issue recently explored the topic of customer centricity from an airline's point of view. The article, 'The Journey to Customer Centricity,' discusses the development of New Distribution Capability (NDC) and how it will transform the airline retailing ecosystem, with benefits including:

- The ability for airlines to build, develop and adapt offers on their own IT platforms
- Increased ownership of customer data for the airline
- The option to differentiate from competitors
- The opportunity to give customers more choice with different offers for different needs
- The ability to deliver tailored prices, packages and products via targeted channels
- Providing the right fare and offer to the right customer to improve conversions, increase revenue and gain customer loyalty through an enhanced, personalised shopping experience

*"Modernising distribution has remained among airlines' top priorities," says Yanik Hoyles, IATA's Director of Distribution. Adding, 'it creates value for our members and their customers, and that will drive its success.'*

It's a really exciting development for airlines, with retail opportunities moving in the same direction as airports. Thanks to digital technology, both stakeholders can deliver the personalised, seamless passenger experience customers have come to expect. And we think it's important to highlight the many benefits of airlines and airports working together to offer the customers they share, the best possible passenger journey, online, at the airport and in the air.

## Retail experience at the airport and beyond

While the IATA Airlines Magazine hones in on the developments of NDC for airline retailing and customer centricity, the airport industry has been equally busy implementing digital technology to increase retail offerings to passengers.

Yes, over the last few years, we have seen many airports offering a host of new services, following the transformation trend into major hospitality and retail hubs. In addition, investing in

ecommerce platforms, like the Rezcomm Marketplace, super apps, and experiential retail has fused the online and offline airport retail journey, creating a more seamless passenger experience.

As a result, airports can now offer a wide range of travel products to customers via their ecommerce websites, including flights, hotels and holidays, all of which they earn a share of the profits from. Additionally, airports can offer pre-arrival purchases for duty-free, retail products, food and beverage, airport lounge, parking, and more, with attractive upsells, like fast track tickets and queueless journeys. All make for a more seamless passenger experience while generating even more revenue for the airport.

But, it's not just about unlocking revenue. Like the IATA Airlines Magazine said, it's about '*making true customer centricity possible*.' And with more control over retail offers, dynamic pricing, personalised content and passenger data, both airlines and airports can ensure everything is geared towards offering passengers the personalised experience they've come to expect.

## Creating a seamless passenger journey

When discussing what the new NDC protocol means in practice, the IATA Airlines Magazine article says that '*whether customers buy via the airline website or through a travel agent, they will be able to see the value in the offer through a multitude of options beyond fare and schedule*.'

Previously, with the Global Distribution System, airlines could not offer product differentiation and had little control over their distribution channels. For example, if an airline wanted to change its prices, it had to be done on a 3rd party system - a time-consuming process that left airlines taking a significant hit to one of their key profit sources.

Now, thanks to NDC, personalised offers and customer data are put back in the hands of airlines. As a result, airlines can get to know passengers personally and provide them with tailored bundles incorporating flights and relevant ancillary products and services for a more personalised and seamless passenger experience.

For example, let's say a business traveller previously booked a seat in business class on a direct flight and checked a second bag. With NDC and access to these insights, airlines can offer this business traveller a tailored package that includes the direct flight, extra checked bag and seat in business class next time they perform a flight search. The result? A quick and easy customer-centric shopping experience for the passenger and more revenue for the airline.

Similar is happening in the airport industry, with an increasing number of airports using ecommerce platforms, like the Rezcomm Marketplace, to offer improved airport retail journeys to

passengers. Instead of losing valuable customer data to online travel agencies and the like, airports can now engage with and sell to customers at a much earlier touchpoint, take control of the passenger journey and own their data.

As a result, like airlines using NDC, airports can design their offers and bundles for flights, parking, airport lounge, and more, with personalised booking journeys that use customer insights, interests and behaviours to make for a more seamless passenger experience. In addition, with access to solutions like Rezcomm's Centralised Customer Information Management module, airports keep customers at the heart of their operations, identifying and catering for their needs and storing data from all customer touchpoints to improve the passenger journey.

## Interoperability with airlines

While the news that *'most players in the distribution value chain will be using the [NDC] standard by the end of 2023'* may be of concern to airports, who are competing for customer ownership with airlines, we'd argue the case for interoperability. After all, airports and airlines serve the same passengers, and both want to improve the retailing experience to offer greater customer centricity, so why not work together?

Airlines are your stakeholders, not your competition. Without airlines, the airport wouldn't exist and vice versa. So, now is the time to think about how you can support airlines and, in turn, the passengers you serve.

As discussed in our article, 'Can Airport Flight Search Support Airline Relationships,' the airport needs to make money to sustain itself as a profitable entity. But, at the same time, when airlines are flourishing, they continue to serve the airport with new routes and services for passengers to achieve sustainable growth.

One of the ways we believe airports can support airlines is by using Rezcomm's Flight Search tool. This handy plug-and-play widget is easy to add to airport websites and enables passengers to search and book flights directly. It offers a wide range of benefits for both stakeholders, including:

- Increased visibility for all flights, which benefits airlines
- Improved load factors
- More choice for customers (key to customer centricity)
- Airlines benefit from airports' travel marketing campaigns
- Shared revenue between the airport and airline, so both benefit financially

Integrating sales channels to boost revenue from customer purchases

In addition, there are benefits to be realised for all parties in achieving interoperability during the customer booking journey. For example, offering personalised, relevant products and services from the airline and airport within packages, and sharing revenue from all customer sales, means both stakeholders benefit financially.

Integrating sales channels might mean airlines including airport lounge, parking or fast track tickets within the customer booking journey or pre-order retail products in-flight that passengers can collect from the airport on their return. In return, airports can market in-flight food, drinks, retail and WiFi to passengers during the online booking journey or later when passengers are at the gate through push notifications to generate more revenue for the airline.

Let's refer back to our previous example of the business traveller. In partnership with the airport, along with a direct flight booking in business class and an extra bag check, the airline could also offer the customer an upsell of airport lounge entry or fast track tickets during the booking journey. Both make for a more comfortable and efficient passenger experience and are likely to be of interest to the business traveller. As a result, the customer feels 'known' by the airline and airport, improving customer loyalty, and both parties benefit from increased passenger spending.

## Integrating loyalty schemes

Another way airports and airlines can improve the overall passenger experience is with shared loyalty schemes. Enabling passengers to collect loyalty points from airline and airport purchases and spend them interchangeably makes for a more seamless passenger experience while encouraging spending with both parties.

By working together, airports and airlines can help to boost each other's profits, ensuring they weather the storm caused by the COVID-19 pandemic and recover. At the same time, achieving interoperability in the retailing process is in the best interest of passengers, who benefit from a more efficient and seamless passenger journey from booking flights to returning home.

Airports and airlines are natural partners, and working in collaboration, rather than competition, they can collectively boost revenues, lower costs and improve the customer experience.

## Achieve customer centricity and interoperability with Rezcomm

As technology partners, we are always excited to see new developments in the industry, and it's great to see that airlines are moving in a similar way to airports to offer a better passenger experience. But, despite technological advancements, no airports or airlines will truly achieve customer centricity in their passenger experiences if they work in silos.

Interoperability is the key to customer centricity, a seamless passenger experience and ultimately, greater revenues for both airlines and airports.

Discover how our Airport Marketplace and expertise can help you achieve it. [Download our brochure](#) and [book a meeting](#) to discuss your next move with the Rezcomm team.