Experience Radar 2013

Lessons learned from the Airline industry

Locating the sources of value behind truly exceptional customer experiences

Volume 5

October 2013

pwc

Experience matters

Customer expectations are set and reset everywhere today. Business leaders must learn wherever they can.

Faced with rising operating costs, evolving customer needs and global challenges, the Airline industry offers a great learning place for other industries. On and off the runway, customers are pushing airlines to think more like retailers and less like a mode of transportation. Expectations around seating packages, interactions with staff and priority treatment are some of the experiences that matter to customers.

Differences across customers go beyond the typical leisure and business divide. Behaviors, preferences and attitudes are shaping what customers want—and with emerging markets fueling travel growth, so too are cultural distinctions.

PwC's Experience Radar can help point the way to value–and profits–by uniquely identifying ways to better serve the ever-changing demands of air passengers. Airlines that can get to the core of who their customers are and what they value will be the winners. Business leaders across industries can take a page from the Airline industry playbook.

How to read this report

This report covers two elements critical to pleasing customers and growing your business:

- **Experience segments:** Natural groupings of customers that appear based on the feature values, sociodemographics and behavioral profiles of the survey respondents. They're who you can build a business around.
- **Experience enhancers:** Market insights that, when translated into practical actions, can create value for your customers. They're what you might do to grow your revenue or loyalty.

Sincerely,

Paul D'Alessandro
PwC U.S. Customer Impact Leader

Jonathan Kletzel
PwC U.S. Transportation and Logistics Industry Leader

A different class of insights

PwC's Experience Radar helps businesses find the often hidden sources of value that drive exceptional, differentiated customer experience.

By helping companies rank their product and service features, Experience Radar locates opportunities to create value and thereby bolster top-line growth and bottom-line results.

The Experience Radar assigns value to a broad set of customer experience attributes broken down into industry-specific elements and then ranked by what target segments value most.

Our methodology employs a conjoint survey technique to reveal insights that can be honed to improve precision. Other, more traditional customer experience studies typically do not tie to "hard economics" like value measures, price elasticity[1] and churn metrics. Experience Radar does.

While the results outlined in this report are at the industry level, PwC can use this same methodology to develop an Experience Radar that is customized to your business.

Who we surveyed

PwC surveyed nearly 2,000 adult business and leisure flyers[2] across the U.S., UK, China and Brazil. An online survey was given to a representative mix of each country's flyer population who varied in their air travel frequency, spend and preferences. With air travel spend high in developed markets and growing in emerging markets, a cross-section of countries were selected to reveal global consumer trends.

Why these customers

- U.S. leisure and business flyers: U.S. leisure and business flyers: In 2012, U.S. flyers took over 735M trips*. This is expected to steadily grow through 2017 [3].
- Chinese business flyers: Set to become the globe's largest business travel market by 2015,[4] China is expecting the number of air trips in the country to double by 2020.[5]
- UK business flyers: As a top country for air travel volume [6] and with expected acceleration in 2014 of its international business traveler sector [7], the UK will continue to influence the air travel market [6]
- Brazilian leisure flyers: With departures expected to rise by 17% between 2012 and 2017,[8] Brazil is one of the fastest growing outbound travel markets--with incomes rising among a newly emerging middle class, so too will their air travel

*Trips are defined as revenue passenger enplanements, or the number of passengers boarding an aircraft at an airport; does not include arriving or through passengers

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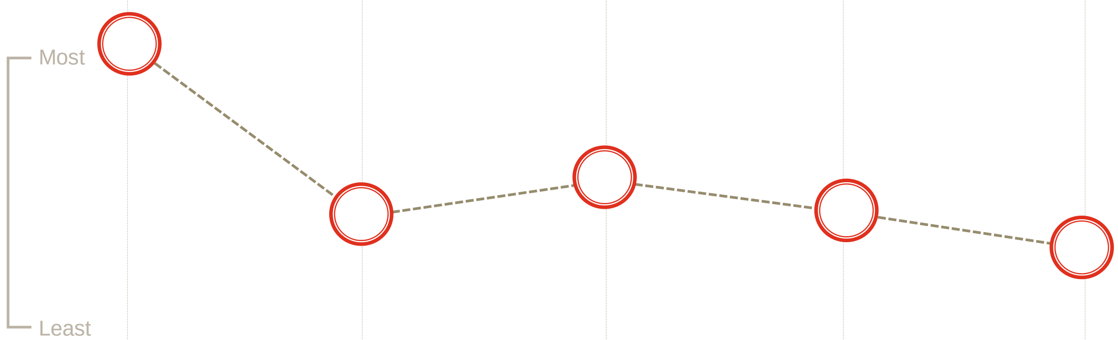
Experience segments

Experience Radar’s U.S. **business** customer segmentation

Which segment has the greatest lifetime value?



High-standard Hal

Influential executive at a large corporation

Efficiency Erin

Successful career-oriented millennial

Upgrade Earl

Affluent boomer who uses travel as an escape

Deal-seeking Debbi

Middle-income, value-oriented Generation X’er

Functional Frank

Self-employed millennial in a major-metro area

Snapshot of U.S. business segments

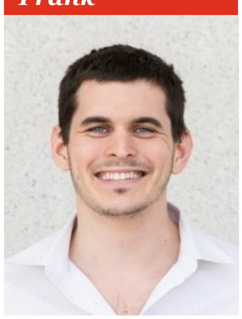
High-standard Hal

Efficiency Erin

Upgrade Earl

Deal-seeking Debbi

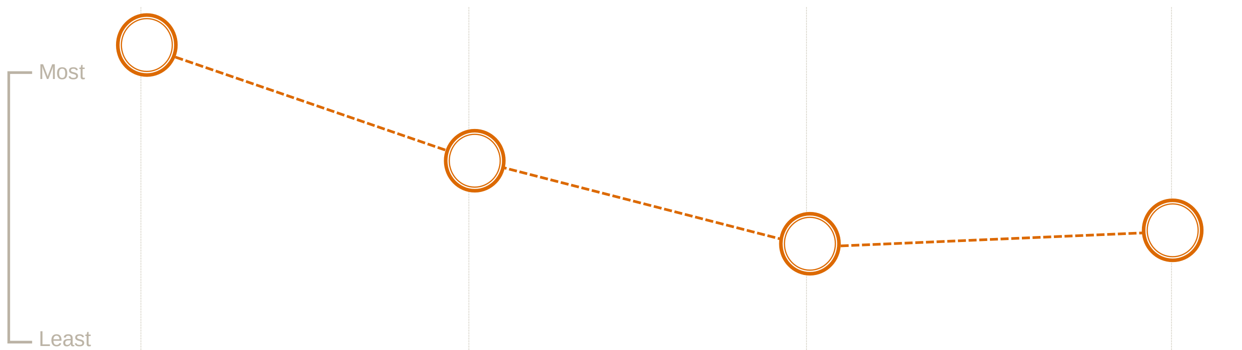
Functional Frank



High-standard Hal	*Efficiency Erin*	*Upgrade Earl*	*Deal-seeking Debbi*	*Functional Frank*
What does this segment value?				
• Status and recognition • Exclusivity • Comfort and luxury	• Convenience and productivity • Getting back to work	• Experience and escape travel offers • Status and perks	• Deals • Convenience and customization	• Self-service options • Timing of flights and access to basic necessities
How does this segment behave?				
• Shares experiences about frequent travels in intimate circles • Will pay to upgrade	• Will pay for upgrades and add-ons that increase efficiency • Prefers self-service interactions	• Will upgrade for luxuries within reach that increase experience	• Looks for deals • Will customize add-ons to ensure she's getting the best deal	• Appreciates helpful staff • Will not upgrade or purchase many add-ons

Experience segments
Experience Radar's U.S. **leisure** customer segmentation

Which segment has the greatest lifetime value?



Globe-trotting Gabe

High-income Gen-X'er in a large metro area

Vacation Vicki

Affluent empty-nester, or families with grown children. Late-stage career

Solitary Steve

Retired, or near-retired boomer who lives alone in a small town

Practical Polly

Millennial to Gen-X'er. Middle income with family in suburban area

Snapshot of U.S. leisure travelers

Globe-trotting Gabe

Vacation Vicki

Solitary Steve

Practical Polly

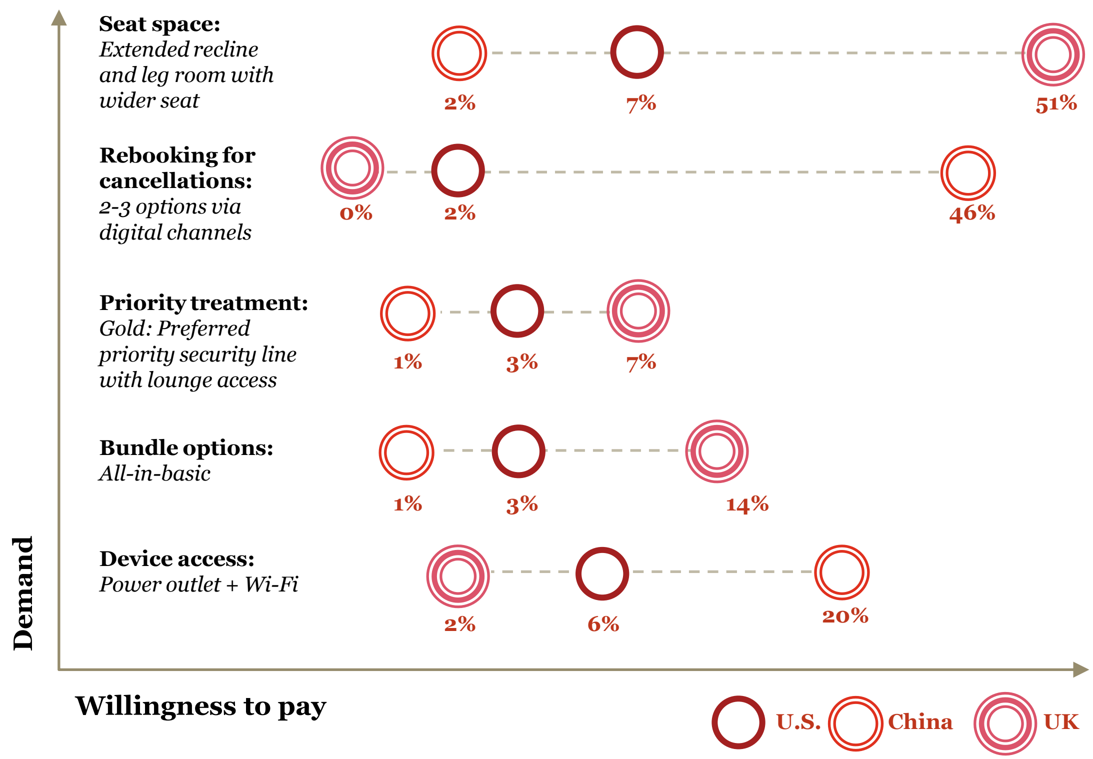
	Globe-trotting Gabe	***Vacation Vicki***	***Solitary Steve***	***Practical Polly***
What does this segment value?	• Experience and comfort • White-glove service • Extensibility of status	• Experience and personal attention of staff • Add-ons that increase comfort and bundles for convenience	• Basic no-frills travel • Flexibility in itinerary • Price sensitive	• Convenience (though she is price-conscious) • Options to bundle and make her family travel easier
How does this segment behave?	• Elite traveler who flies long distances often for business and pleasure • Very loyal	• Wants to start vacation as soon as she gets to airport • Will purchase add-ons to make trip more enjoyable	• Will not purchase add-ons aside from refundable tickets (risk-averse)	• Has a growing social network and is apt to share widely on and off-line • Will pay for convenience but is careful with her money

Business travelers: Willingness to pay

With China's major international airports struggling to improve on-time flight departures, Chinese business travelers will pay a premium for timely transactions—such as rebooking after delays or cancellations—via mobile devices.

International business flyers from the UK care the most for physical comfort. When traveling long-haul distances, they will pay the highest premiums for seat space and lounge access. But it doesn't stop there—they are the most likely group to pay premiums for bundles.

Customer value for top features



This chart ranks features based on customer demand and willingness to pay for each feature. The percentages indicate the premium size customers are willing to pay for each feature.

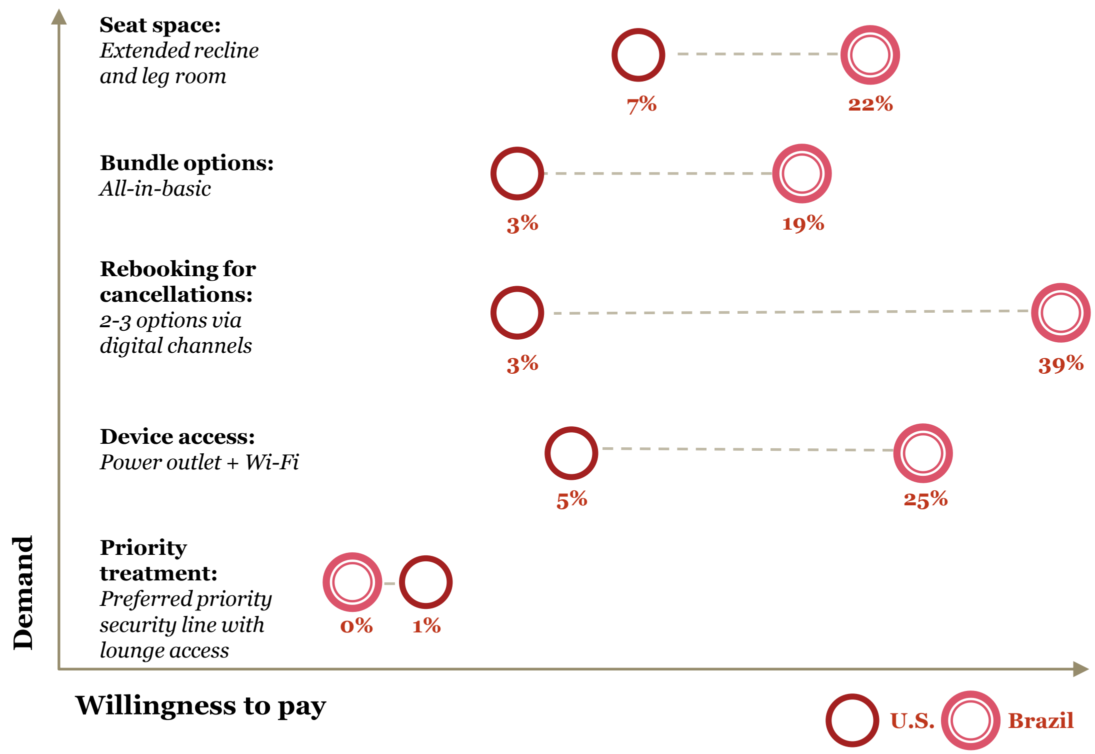
Axis labels: Demand = relative importance of feature assigned by customers; willingness to pay = incremental feature willingness to pay. **Other comments**: The following features were tested but not displayed above due to insignificant customer value relative to the feature set: ambience, flight change flexibility, in-flight entertainment, in-flight socializing and cultural inclusion.

Leisure travelers: Willingness to pay

Brazilians will pay for seat comfort that gives them ample knee and elbow room. They'll also pay for the convenience of staying connected on their personal devices in-flight to mimic their preferences for connectivity on the ground.

U.S. leisure flyer preferences for seat space are on par with in-flight connectivity. Lower willingness to pay among these flyers—compared with international travelers from Brazil—is indicative of our testing preferences across short-, medium-, and long-haul flyers. There are certain experiences that travelers value more on long-haul flights.

Customer value for top features



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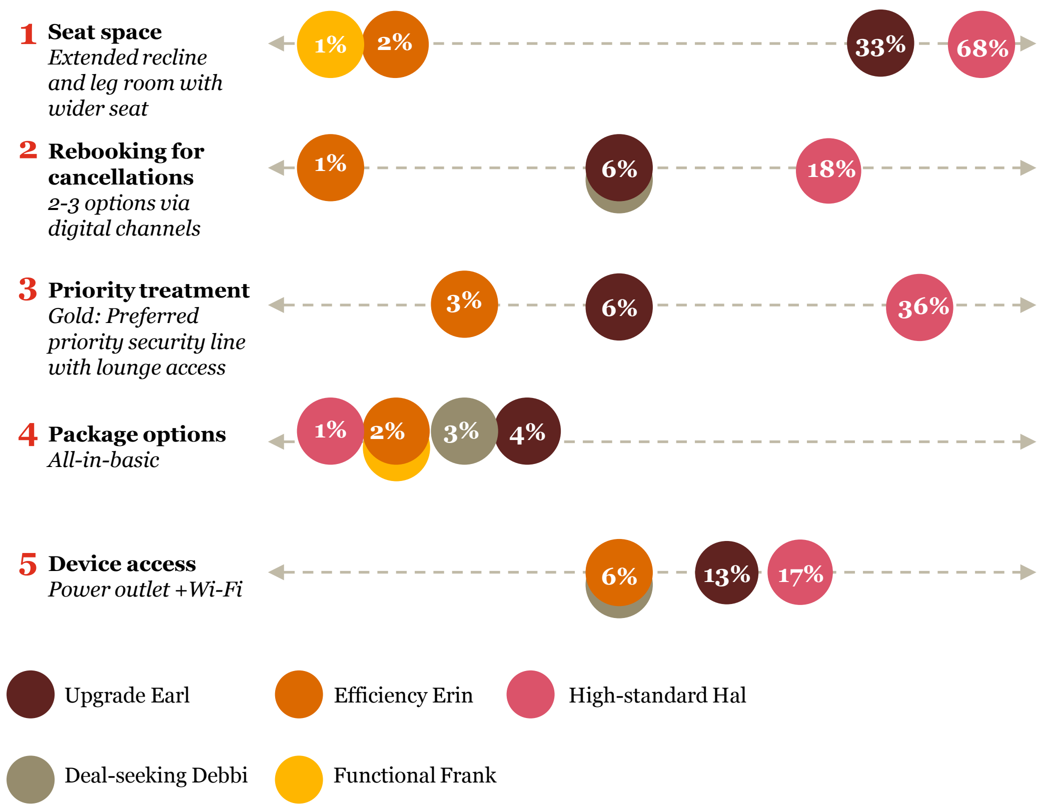
U.S. business flyers: Willingness to pay

What do U.S. business segments value, relative to the overall population?

As a frequent flyer, High-standard Hal will pay to expedite his journey through security lines and to access airport lounges. Both he and Upgrade Earl will pay a premium for additional knee and elbow room in-flight. On the other hand, Functional Frank will occasionally pay for additional seat space.

Digitally savvy and constantly on the go, both Deal-seeking Debbi and Efficiency Erin will pay for in-flight Wi-Fi.

Comparative willingness to pay a premium for top features



This chart compares business segments' demand for individual features as well as their willingness to pay for the feature. The percentages indicate the size of the premium that the segment is willing to pay for an enhanced experience with that feature.

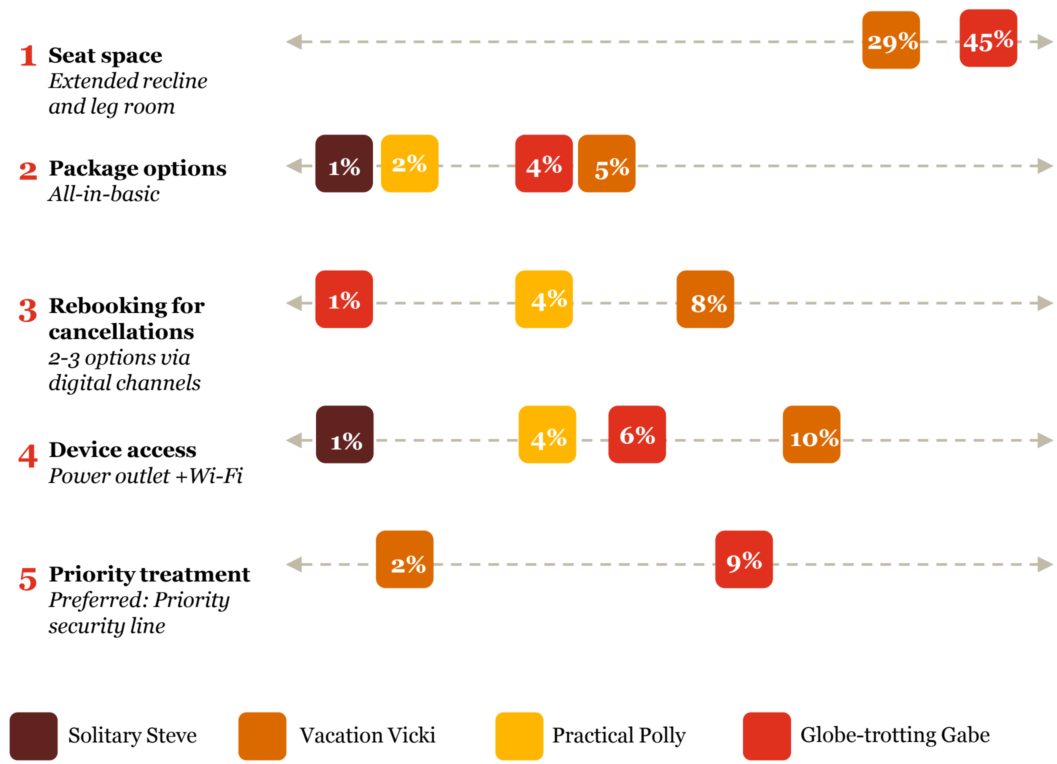
U.S. leisure flyers: Willingness to pay

What do U.S. leisure segments value, relative to the overall population?

Seat space comes at a premium—and both Vacation Vicki and Globe-trotting Gabe value this comfort highly. Because Globe-trotting Gabe flies long distances with his family, he'll treat his travel companions to hassle-free lines at the airport.

When cancellations happen, Vacation Vicki will pay to have her choice of alternate flight times sent directly to her mobile. Often flying with children, Practical Polly will pay to bundle her add-ons to make her life easier on the road.

Comparative willingness to pay a premium for top features



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Airline experience enhancers

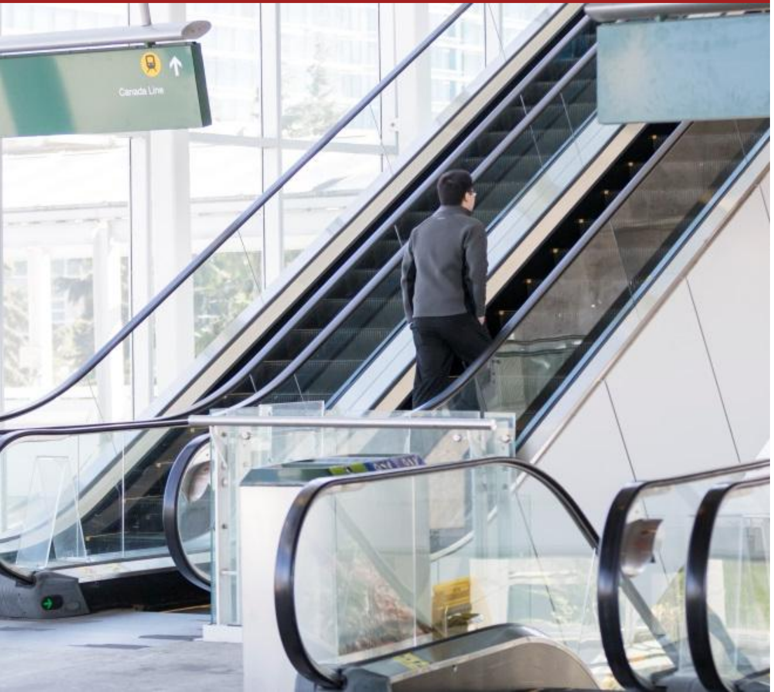
The five behaviors that airlines can adopt to enhance customer experience and create value are:

Balance tech with touch	Technology and automation are changing the ways customers interact with airlines. However, airline staff are just as important as ever—especially at times of issue resolution. Keep customers cool before the heat rises.
Enable the vocal voyager	Mobile devices are flyers' #1 travel companion—not only for travel-related activities but also for sharing experiences. Proactively listen to quell negative brand blasting, while encouraging positive brand building.
Provide a new class of comfort	In-flight comfort isn't limited to seats. Flyers find comfort in food, entertainment and sitting next to travel companions. Give flyers the emotional and physical comfort they seek.
Elevate connectivity	Travelers want to stay connected from the ground up—whether for work or entertainment. Match connectivity product offerings with customer needs and preferences.
Bundle fees	Flyers expect to pay for add-ons. Make their lives easier by offering bundles that suit their travel needs without going overboard on their wallets.

Balance tech with touch

Technology is transforming the travel experience.

Simple, routine tasks can now be automated. From check-in to boarding, flyers across the globe seek do-it-yourself (DIY) options.



DIY channel preferences vary by country

Purchase & Research → ***Chinese*** business flyers use **tablets** ***3.5x*** more than flyers in any other market

Check-in & Boarding → ***U.S.*** business flyers use **smartphones** ***1.8x*** more than ***UK*** business flyers

Check-in only →
- ***Brazilian*** leisure flyers rely on **staff** ***3x*** more than ***U.S.*** leisure flyers
- Due to increasing congestion in ***Chinese*** airports, flyers check in using **kiosks** ***2.4x*** more often than ***UK*** flyers

Business vs. leisure

Time-constrained business travelers prefer the convenience of using their ***mobile device*** for routine tasks more than U.S. leisure travelers do.

Business travelers are **1.8x** as likely to use mobile as **leisure** travelers

Balance tech with touch

The self-service tech-savvy customer is the new norm. That is, until they run into a complex itinerary. For simple itineraries, tech-savvy travelers prefer to rebook on their own using their mobile device. But frequent flyers with more complicated itineraries want an agent to help.

This segment

Deal-seeking Debbi

- Travels monthly
- No status
- Short to medium haul

prefers

mobile device **1.7x** as much as other segments

and will pay a

6% premium

High-standard Hal

- Travels bi-weekly
- Elite status
- Long haul

prefers

talking to a dedicated agent **5x** as much as other segments

7% premium

Cellular roaming is costly— as much as $25/megabyte.[9] Avoiding these costs is one reason people flying internationally prefer to rebook via Wi-Fi on their mobile device.

Spotlight

More flyers from emerging markets prefer to rebook via mobile device—especially given the costs of calling when overseas.

Prefers to rebook via mobile

Brazil 65% *and will pay a 39% premium*

China 62% *and will pay a 46% premium*

U.S.* 40% **UK** 42%

*U.S. long-haul and business travelers

Balance tech with touch

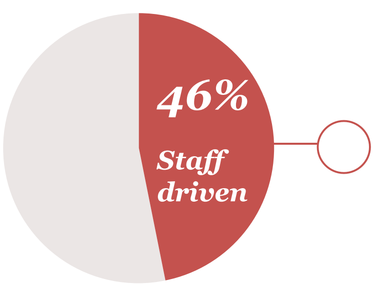
When dealing with heated issues—such as canceled or missed flights—most travelers want the peace of mind that comes from working with an airline agent.

2 in 3 *U.S. flyers prefer an agent to* **resolve issues**

How agents handle these issues is critical to travelers' experience of an airline. Nearly half of flyers' good experiences are attributable to agents. Even if a journey starts off poorly, an agent can turn a bad experience into a good one. On the flip side, nearly a quarter of travelers' poor experiences with airlines are associated with staff.

What is the role of staff interactions in customer experience?

Good experiences



Nearly

2 in 5

of these good experiences started off badly and staff turned positive

Bad experiences*

17% Rude, unhelpful, bad attitude

+4% Lack of communication

21% Attributable to airline staff

> *"Flight attendants noticed I had a bad day and went out of their way to make me smile. It made my trip."*
>
> - U.S. business and leisure traveler

*Non-staff sources of bad experiences include delays, cancellations, membership issues and issue resolution.

Balance tech with touch

U.S. flyers expect prompt help to resolve issues—but they often do not receive it. Compared to other industries, airlines are falling short in meeting customer expectations.

Comparatively, how many issues go unaddressed?[10]

Groceries	Hotels	Retail banking	Communications	Airlines
23%	30%	40%	45%	49%

Airlines let more customer issues go unaddressed than hotels do by: **63%**

Flyers have choices when they travel. If nothing is done to help resolve their issues they will leave.

U.S. flyers switch carriers when an airline takes no action

32% Do not fly with airline again

More repurchase when an airline offers…

an apology **63%**

compensation* **66%**

*but over a **third** do so only because the airline is their best option*

*Includes but not limited to vouchers, upgrades and miles.

Flyer forgiveness after a bad experience

Travelers in China are relatively forgiving after a bad experience.

Flyers who do not repurchase after a bad experience

China	18%
UK	42%
Brazil	45%

Nearly ***1 in 2*** *will not return*

Balance tech with touch

Recommendations

Give agents more control

Delays are the top source of frustration for flyers—and unhelpful customer service only makes things worse. Provide staff with the appropriate tools to quickly access customer information so they can provide personalized assistance. Empower agents to resolve issues based on their judgment of the situation.

Ramp up the smiles

With increased automation in travel, staff interactions are even more important in creating memorable moments. Invest in your people from hiring through training and in your technology for servicing support. To manage technology's fast changes, pilot new features with early adopters and roll out to more traditional staff over time.

Balance face time and screen time

Many flyers value the convenience of DIY channels while others prefer the personal touch of speaking to someone face to face. Integrate digital and traditional systems to allow flyers to access information and interact with the airline through either channel. Continue to ramp up self-service options for the DIY customer and low-effort transactions—while catering to segments who desire higher touch by focusing on relationship building during issue resolution.

Help in hot spots

For international travelers, data and voice roaming costs are soaring. Many of these same customers prefer to interact with their airline over DIY channels (e.g., mobile apps and the mobile web). Develop that low-cost engagement channel. Enable flyers through Wi-Fi customer service hotspots—which will cut their costs and also decrease the load on airline staff.

International spotlight

Demand for premium and luxury airport amenities

International tourists are driving up spending in the U.S., generating 10% more in revenue ($168B) than last year. [11] Many of these spenders on luxury goods are from China and Brazil.[12] Their taste is similar to that of business travelers in other markets.

And these tourists are looking for these goods at the airport—after all, shopping can alleviate the stress of delays and help pass the time before a flight. Travelers want premium elements like organic food and special interest shopping. Luxury elements such as fine dining and high-end retail and spas are also in demand.

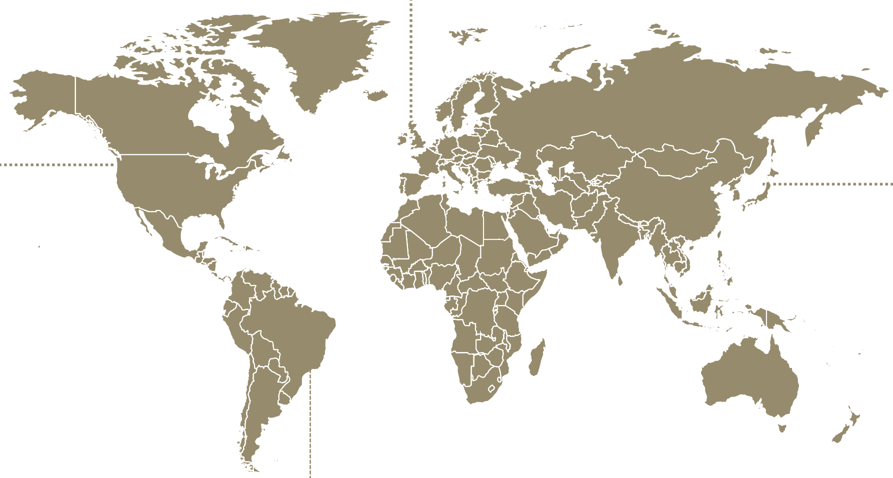
"No one from the airline was in sight and no food… everything in the airport was closed."
– U.S. business traveler

1 in 2

U.S. millennial business travelers value **premium/luxury** amenities **20%** more than other U.S. business travelers

3 in 5

Brazilian leisure travelers value **premium** and **luxury amenities**—which is double the number of travelers from other countries*



over half

of **UK** business travelers **value premium** and **luxury airport amenities** like fresh organic foods and clothing

4 in 5

Chinese travelers value **luxury amenities, 1.3x** more than travelers from other countries†

*UK, China, U.S.
†UK, Brazil, U.S.

Listen to the vocal voyager

Issue resolution is key to flyer satisfaction. A staggeringly low number of flyers are satisfied with how airlines address issues.

In fact, satisfaction levels have dropped by 31% since last year's study.[13]

Low levels of satisfaction with issue resolution

1 in 5
U.S. travelers are satisfied with resolution of issues.

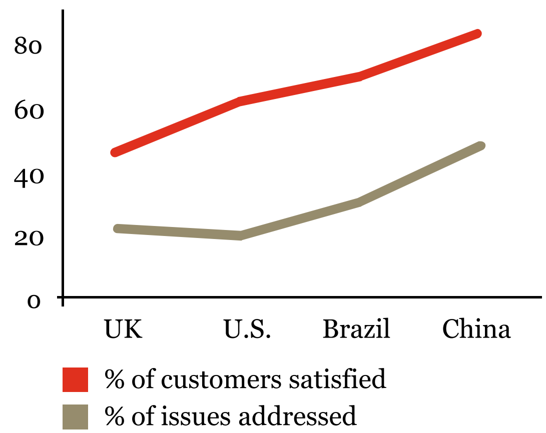
3 in 5
are dissatisfied flyers who repurchase.

Though customers may continue with their carrier after negative experiences, many become liabilities. They switch when they can and spread the bad word.

Of dissatisfied flyers who stay with an airline:

6 in 10 repurchase because they have no choice.

1 in 3 actively discourage others from using the carrier.



Internationally:

As the percentage of issues addressed increases, so does customer satisfaction.

2x Chinese travelers are more satisfied than others because more of their issues are addressed.

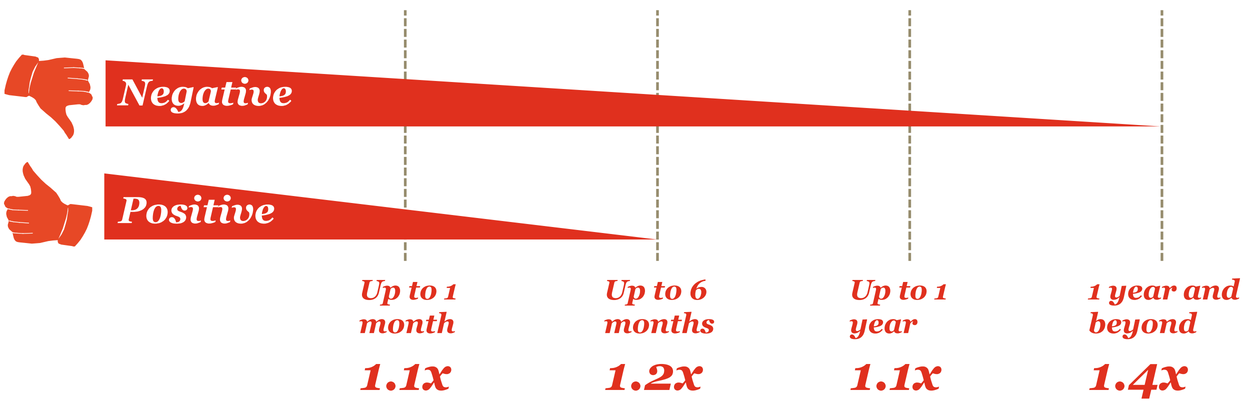
Listen to the vocal voyager

Word of mouth travels faster than flyers. Across the globe, business and leisure travelers alike are busy sharing their stories.

99% of travelers worldwide **share memorable experiences** with others.

Of these memorable experiences, bad stories are told and retold for a longer period of time. Social media is giving these negative experiences even longer shelf life.

Length of time U.S. travelers share memorable experiences

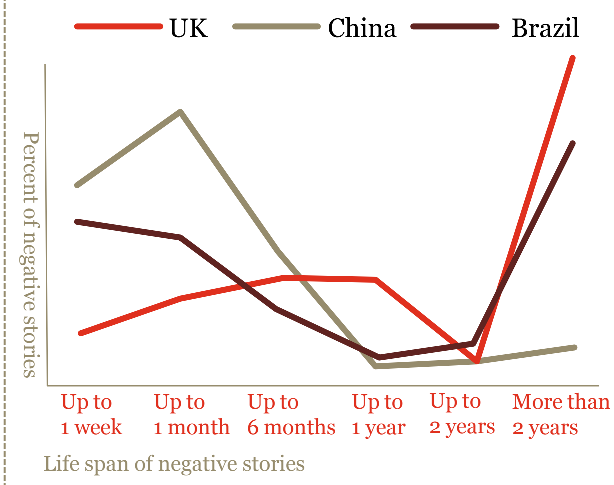


After 1 month, **negative** stories start to outlive positive ones. At 1 year, negative stories are shared 1.4x more than positive ones.

Around the globe:

Negative stories last a long time internationally as well

In China, flyers broadcast bad stories fast and move on...



but in Brazil and the UK, negative stories are shared widely even two years later.

Listen to the vocal voyager

Which flyers are brand advocates? Brand detractors? And which could be both advocates and detractors simultaneously? Airlines need to know so they can encourage positive brand building—and quell negative brand blasting.

Brand advocates

U.S. business flyers

High-standard Hal

He shares good experiences with everyone he knows **50% more** than other business segments do. With a powerful, high-spending network, his influential recommendations matter.

U.S. leisure flyers

Practical Polly

As the **highest user of social media** among U.S. flyers, more than **half** share memorable experiences on social sites.

Brand detractors

Functional Frank

Though almost half have been loyal to an airline for 10+ years, **he doesn't talk about good experiences at all**. When things go wrong, 3 in 5 are quick to discourage others from using the carrier.

Globe-trotting Gabe

He broadcasts negative experiences **27% more** than others do. And good experiences don't prompt him to talk—he broadcasts the bad **~2x** as much as the good.

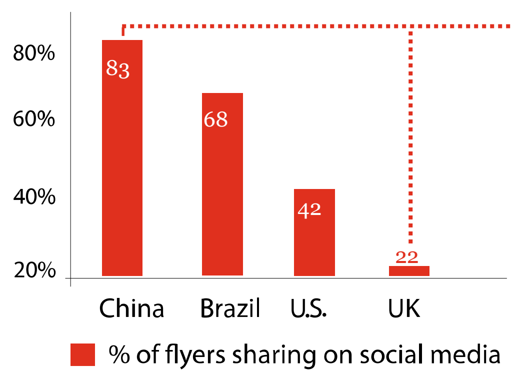
Listen to the vocal voyager

Flyers in emerging markets share experiences via social media more often than in person. In contrast, 85% of flyers in developed countries still gravitate to sharing stories face to face.

in China: 53% who still prefer to share **in person** versus **83%** of travelers are sharing on **social media**

Social media conversations are not subject to the same level of censorship as content on Internet sites. Chinese flyers therefore value social media highly as a form of personal expression and freedom.[14]

China leads in sharing airline experiences via social media



Chinese business flyers share **3.8x** more on social media than ***UK*** flyers do

Worldwide, social media usage will continue to rise. Growth will be faster in emerging markets, especially in China and Brazil[15]

Similar trends, different industries

The rise of social sharing in China is not unique to the airline industry.

We know that Chinese business flyers are eager to share their experiences on social media.*

77% Similarly, in retail, **Chinese shoppers** are inspiring lively conversations via social media.[16]

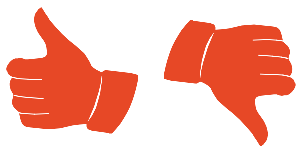
*Chinese social media sites include Weibo and Renren.

Listen to the vocal voyager

Reputation plays an important role in flyers' choices, particularly in emerging markets. Worldwide, vocal voyagers are talking. The stories they share drive your reputation up or down. Potential customers may choose another airline after reading a few negative reviews.

Globally traveler stories are widely shared—and they will impact your bottom line

93%
Recommend after a positive experience



56%
Discourage after a negative experience

Price vs. reputation as the top purchase driver

Price is the #1 purchase driver in most markets—but for Chinese business travelers, reputation is #1. To be competitive in emerging markets, you must earn flyers' trust.

	Ticket price	Reputation
U.S.	68%	11%
UK	56%	14%
Brazil	48%	27%
China	23%	37%

2.8x
Business flyers rely on reputation almost 3 times more in ***China*** than in the ***UK***.

Similar trends, different industries

Strong personal networks are an important factor in establishing trust and loyalty—in **retail** as well as in the **airlines industry**.

#1

Reputation is the top purchase driver for **Chinese retail shoppers** as well as **business shoppers**.[17]

Listen to the vocal voyager

Recommendations

Listen and respond

Social media has become a powerful customer service channel. Take this power to the next level through holistic listening and insight development. Integrate the information gleaned from the social web into operations to deepen your customer understanding, create a channel for feedback and become an early detection system for crisis monitoring.

Address it fast

Staggering numbers of customer issues are going unaddressed, especially when emotions are high. Often issues can be resolved quickly without expensive solutions. Apologies and compensation (separate from complete refunds) are effective and affordable options, especially in time-sensitive circumstances. Look for innovative ways to address customer issues without prolonging angst—and thereby increase customer satisfaction and retention.

Give them wings

Advocates and influencers, when engaged and fostered, can be powerful tools in the social web to help quell negative word of mouth and drive positive brand interactions. Build a dynamic advocate and influencer program grown from rich social data to encourage positive sharing, increased customer loyalty and positive word of mouth.

International spotlight

Managing uncertainty

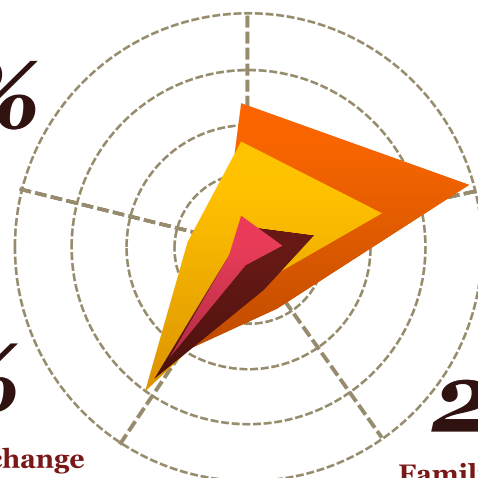
There are deep-seated differences across cultures in how uncertainty is managed. In risk-averse cultures, such as China and Brazil, people look for ways to increase security in how they live and in how they purchase. Political and logistics—as well as increasing rates of consumer fraud and lack of options for resolution—amplify these responses. This risk adversity is displayed in people's travel preferences.

- China
- Brazil
- U.S. long-haul business
- U.S. long-haul leisure

Brazilian (**3.6x**) and Chinese (**4.7x**) travelers are more likely to want traveler insurance than their U.S. counterparts.

4.7x

Travel insurance



25%

Concierge

Nearly 25% of Brazilian leisure travelers value **concierge services**, easing the burden of traveling to an unknown place.

3.0x

Refundable tickets

Refundable tickets are the most popular with Chinese business travelers—who prefer them **3.0x** over U.S. business travelers. Brazilian leisure travelers prefer them **3.4x** over U.S. leisure travelers.

33%

Flight change flexibility

More Brazilian leisure flyers than Chinese business flyers value **flight change flexibility**, adding a layer of security to the expense.

2.0x

Familiarity

Twice as many Chinese business flyers rely on familiarity of personal experience when deciding where to buy to avoid uncertainty, compared with U.S. business flyers.

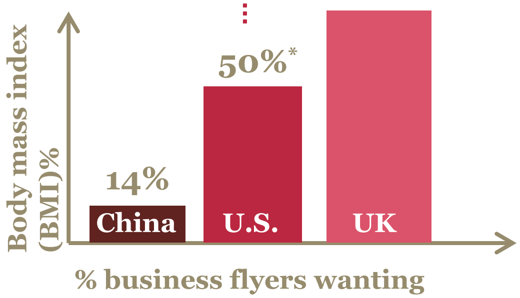
Provide a new class of comfort

Seat space significantly affects passenger mood—however seats are shrinking, not waistlines.

For business travelers, body mass is directly correlated to the demand for seat space. That means business travelers in developed markets that have a higher BMI are far more willing to pay a premium for extra recline, leg, and hip space.

Business

BMI[18] drives demand for extra recline, leg, and hip space on long hauls



High-standard Hal will pay **68%**

The rest of U.S. travelers will pay **9%**

UK business flyers will pay **51%**

Chinese counterparts will pay **3%**

"I'll pay for any flight where I have lots of space to work and stretch out." – UK business traveler

Though hip space matters less for Chinese travelers , they're still looking to kick back and relax on long haul flights. They'll readily pay for more recline and leg space.

Extra recline & leg space is important to

3 in 5

Asian business travelers — or **2.8x** more than **UK and U.S. business travelers**.

27%

of **Chinese business flyers** will pay **3x** as much as **U.S. business flyers** for the extra recline & leg space.

*U.S. long-haul business flyers only.

Provide a new class of comfort

Leisure

Most leisure travelers want more space—though how much they will pay for it varies. In the U.S., leisure travelers value extra hip space significantly more than extra leg and recline space. But Brazilian leisure travelers value these different types of comfort almost equally on their long-haul flights.

U.S. leisure travelers' willingness to pay for space

2 in 3

leisure travelers want more space

Vacation Vicki

will pay 4x as much as the average U.S. leisure flyer

Globe-trotting Gabe

will pay 7x as much as the average U.S. leisure flyer

Brazilian leisure travelers' willingness to pay for space

4 in 5

prefer extra room

Recline & leg room

2 in 5

And will pay **22% *as much*** for it

Recline, leg room, & hip space

2 in 5

And will pay **21% *as much*** for it

Overall, U.S. leisure travelers will pay a 7% premium for extra recline and leg space and a 6% premium for extra hip space.

"The only problem with flying coach is the seats are too cramped and I can't afford 1st class."

-Brazilian leisure traveler

Provide a new class of comfort

Business & Leisure

Seat comfort is not just about space. Cushions are getting thinner[19], which makes seats less comfortable. Some business and leisure travelers in the U.S. are unwilling to compromise—particularly on long-haul flights.

U.S. travelers' demand for plush seats

Nearly

1 in 3

U.S. travelers value plush seats

As the highest spenders and most frequent long-haul travelers, **these segments value plush seats more than others do**.

High-standard Hal

2x

Globe-trotting Gabe

1.8x

Demand for plush seats in other markets

Overseas **business travelers** have an even stronger preference for **plush seats**.

1 in 2

Chinese and UK travelers value plush seats

Chinese business travelers will pay a **21%** premium, which is **4x** more than **UK business** travelers and **11%** more than all **U.S. travelers** will pay.

63%

U.S. business long-haul flyers value **plush seats** more than medium- and short-haul flyers.

Provide a new class of comfort

Business & Leisure

Cultural dynamics surface in travel preferences. Collectivist cultures such as China and Brazil tend to identify among groups—and how airlines handle these relationships impacts flyers' comfort. Chinese and Brazilian flyers value the opportunity to sit together.

Travel companions

3 in 5

Chinese business travelers **fly with colleagues**.

Business travelers from **China** fly with colleagues **3.3x** as much as **U.S. business travelers** and **2.3x** as much compared to **UK flyers**.

Group seating

1 in 3

One-third of **Chinese business flyers** value **protective group seating** and use face time to build relationships while in transit compared to **4%** of **UK and U.S. business** counterparts.

A quarter of **Brazilians** show a **strong preference** for sitting together in flight.

*"With **group seating**, I managed to **rest** and **move** as I wished without needing to bother anyone I did not know."*

- Brazilian leisure traveler

Food and entertainment

Nearly **half** of flyers from **Brazil** and **China** want ethnic content and meals in-flight and they're willing to pay a **premium**:

China **9%**

Brazil **3%**

*"There was a great **entertainment** selection and the **menu** options were presented in **more than one language**."*

- Chinese business traveler

Relationships with people are one thing. Equally important to Chinese and Brazilian flyers is their relationship with food and entertainment. Amenities like these set the tone for the flight.

Provide a new class of comfort

Business

Complementary upgrades are a leading driver of great experiences—and whet travelers' appetite for more. Indeed, some U.S. business travelers will pay for upgrades out of pocket when their company won't foot the bill. Offering free or discounted upgrades often leads to additional purchases.

Impact of free upgrades in great experiences

Staff	Free upgrades	On-time arrivals	Food and beverage	Status perks
46%	16%	7%	6%	4%

Willingness to pay for upgrades out of pocket

Close to **1 in 5** **business travelers** will pay for **upgrades** out of pocket, if offered a discount

Whetting business travelers' appetite for more

Business travelers who would purchase these add-ons:

- **Priority check-in** → 140%
- **Seat location upgrade** → 100%
- **Seat-type upgrade** → 80%
- **Business seating on some flights** → 40%

more likely to purchase additional add-ons than those who do not purchase these upgrades

> ***"I work for the federal government so we can never fly first class…***
>
> ***getting upgraded was such a great experience, even if I have to pay the difference, I will always do so."***
>
> -U.S. business traveler

Provide a new class of comfort

Recommendations

Cater to culture	Food and entertainment content engage the travelers senses and allow the airline to create experiences and build relationships in an intrinsically relevant context. Accommodate the differing tastes of international and domestic travelers. Offer culturally specific products/services such as ethnic meals and entertainment content.
Optimize space	Lean on customer preferences and market insights when planning routes and designing aircraft. Features like lighting, seat space and in-flight entertainment will be valued differently based on the market and customer segment. For example, BMI trends should factor into seat space for planes assigned to specific routes.
Charge by design	Travelers have adjusted to airline fees, but they still don't like the feeling of being nickel-and-dimed. Charge fliers thoughtfully. Be generous with low-cost amenities that increase goodwill and loyalty. Use higher-value upgrades not only to delight targeted segments but also to whet the appetite of flyers who are very likely to purchase upgrades in the future.
Deliver a data-driven experience	Build a data-driven product and promotions competency. Use available customer data and segmentation to learn what types of products, add-ons and upgrades your customers want and are likely to buy to personalize their flying experiences. Mine the same information to target customers at the right place and time—based on factors such as booking window, preferences and travel purpose.

Elevate connectivity

Connectivity does not stop at the gate. Once a novelty, on-board Wi-Fi is now a standard service.[20] According to IHS, the average personal electronic device user spends over 40 percent of their flight time using their devices.[21]

Business flyers who pay for in-flight connectivity expect that service to be reliable.[22] The longer the haul, the more willing U.S. business flyers are to pay. And Chinese business flyers will pay an even higher premium than long-haul U.S. travelers.

Business

U.S. business flyers' demand for Wi-Fi, based on length of haul

Demand	*60%*	*66%*	*70%*
Haul	short	medium	long

As haul goes up, so does the demand for Wi-Fi

Willingness to pay a premium, based on length of haul

Efficiency Erin

Travels frequently—but shorter hauls

Values Wi-Fi much less than others

6%

willingness to pay

High-standard Hal

Flies longer-haul, overnight flights

Is willing to **pay more than double** what Erin will

17%

willingness to pay

"Having Wi-Fi, a personal power outlet...all in one flight... AMAZING and exactly what I want."
-U.S. business traveler

Chinese business travelers

3 in 5
value in-flight Wi-Fi on personal devices

3x
more want Wi-Fi with power over power alone

20%
will pay a premium for in-flight Wi-Fi

Elevate connectivity
Leisure

Leisure flyers are just as connected as their business counterparts.
98% take mobile devices on vacation—and nearly **4 in 5** use them "all the time."[23]

Over half of U.S. leisure flyers value in-flight Wi-Fi

Young travelers are particularly reliant on in-flight connectivity—they value it **1.7x** more than baby boomers.

Willingness to pay a premium, based on length of haul

Many U.S. leisure travelers will pay for Wi-Fi—though affluent older generations will often pay more for the service. In contrast, younger flyers—like millennials—are more likely to expect Wi-Fi to be available for free.

Solitary Steve

will pay
1%
premium for in-flight Wi-Fi

Globe-trotting Gabe

will pay
6%
premium for in-flight Wi-Fi

Practical Polly

will pay
4%
premium for in-flight Wi-Fi

Vacation Vicki

will pay
10%
premium for in-flight Wi-Fi

Brazilian leisure flyers

"I love being able to access the internet and voice chat while in flight"

3 in 5 value in-flight Wi-Fi on personal devices

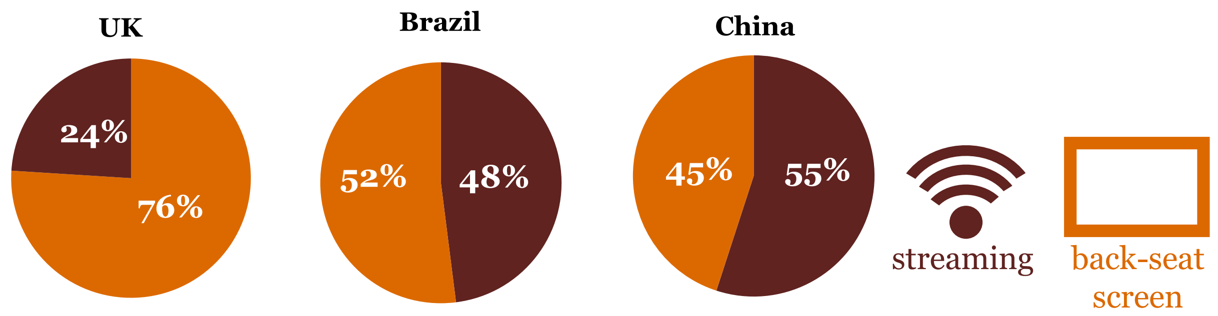
25% will pay a 25% premium for in-flight Wi-Fi on long-haul flights

Elevate connectivity
International Business & Leisure

Seat-back screen or personal device? Flyers' preference for how they view entertainment content on long haul flights varies by market.

In the UK, nearly ***4 in 5*** flyers prefer viewing content via traditional means—on an airplane screen. But flyers from international developing* markets want to stream real-time on their own devices.

In-plane screening vs. streaming (Wi-Fi enabled)



Brazilian and Chinese travellers surpass those from developed markets in tablet ownership—so the preference for streaming is no surprise.[24] But the markets do differ in the type of content flyers want to watch.

Chinese flyers are
5.5x
as likely to stream **airline vs. personal** content on their own device.

compared with

1/4
of **Brazilian flyers who** want to stream **personal** content on their own device.

"Developing" includes Chinese business and Brazilian leisure flyers.

International spotlight:

Half

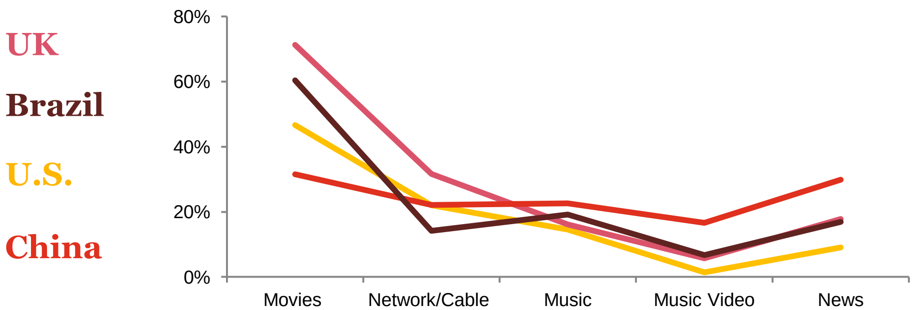
of flyers from **Brazil** and **China** want to access content on their personal devices while in flight.

Elevate connectivity

Business & Leisure

Flyers expect variety in their in-flight entertainment. Airlines are offering a wide range of niche programming, from children's shows to foreign language films content.[25]

Preferences for in-flight entertainment content



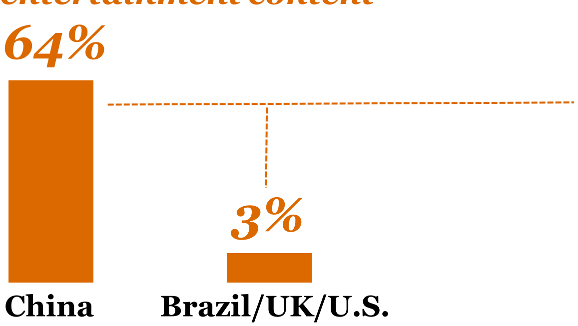
3.2x

Chinese flyers value news content more than flyers from other markets and **3.3x** more than **U.S.** alone.

Flyer frustration due to limited in-flight entertainment

Chinese business flyers place high value on in-flight entertainment—a platform for freedom. For these travelers, limited entertainment options are as frustrating as delayed flights.

Magnitude of frustration for limited in-flight entertainment content



18x

More **Chinese business** flyers are frustrated by the lack of in-flight entertainment options than all other flyers.

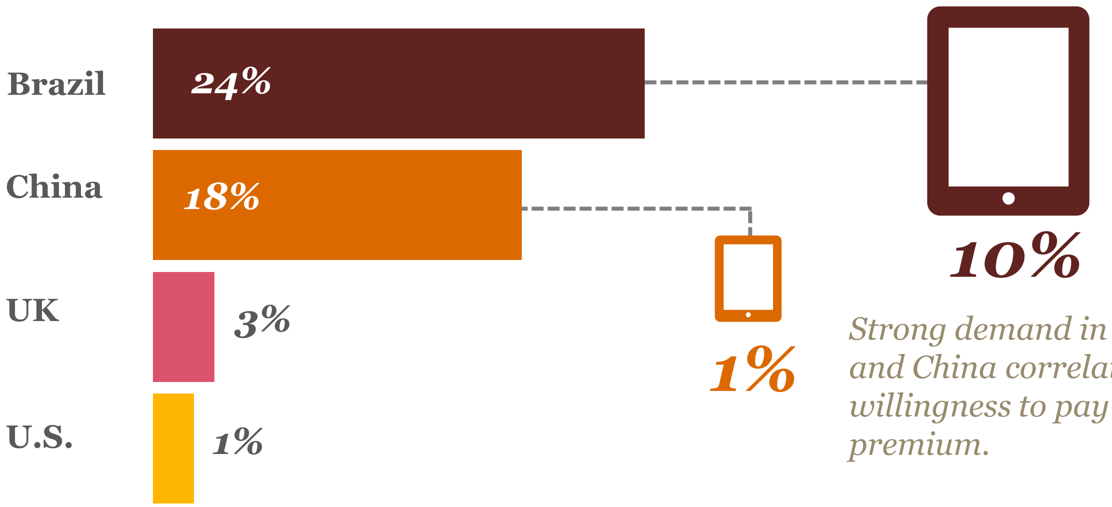
"I was frustrated by the limited entertainment options and the screen was visible only from certain angles."

- Chinese business traveler

Elevate connectivity
Business & Leisure

Demand for tablet rentals varies widely across the globe. Fewer than 1% of U.S. flyers want to rent tablets. But there is a strong demand for this service in China and Brazil, given the explosive growth in tablet adoption in these countries.[26]

Preference for in-flight tablet rental



Strong demand in Brazil and China correlates to a willingness to pay a premium.

10x

Brazilians are willing to pay far more for rented tablets than flyers from U.S., UK and China.

With rising crime rates,[27] Brazilians tend to leave their tablets at home.

Elevate connectivity

Recommendations

Invest in infrastructure

Flyers' embrace of mobile devices is driving up their demand for Wi-Fi and connectivity. Some want to send a quick email or two—while others expect bandwidth-intense streaming all flight long. Structure Wi-Fi offerings to meet the wide range of usage levels on board. Anticipate future increases in demand by developing solutions that enable agility and create defined upgrade paths. Leverage customer and market-level insights to inform prudent investments in Wi-Fi.

Turn to tablets

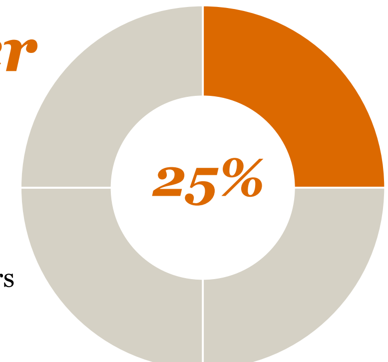
Turn to tablets not only to reduce fuel costs, but to offer passengers access to entertainment beyond traditional seat back systems that are costly and maintenance intensive. While demand for tablet rentals in the UK is minimal, consider supplying rentals to passengers on routes originating from Brazil, since this market shows significant demand and willingness to pay for rental tablets. Passengers in China prefer and will pay a premium to access airline content on their personal devices, making the case for on-board streaming over seat back systems. Given operational complexities, study the in-flight infrastructure required to support customer devices (e.g., power outlets, right-sized tray tables) as well as connectivity (e.g., streaming Wi-Fi, airline hosted content).

International spotlight
Concierge Services

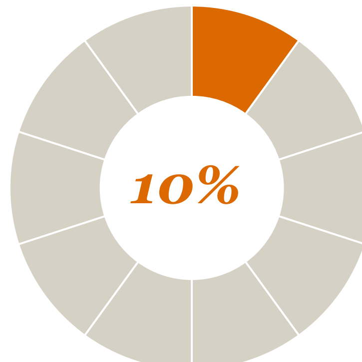
International travel can be exciting, yet intimidating, to those who are exploring new parts of the world. Concierge services—such as car services, tours and transfers—can pick up where travel agents leave off. Even though the demand for these services is less than impressive overall, concierge assistance appeals to certain travelers.

Nearly a *quarter*
of **Brazilian** leisure travelers value concierge services—

3.7x
as much as U.S. leisure travelers



vs.



...but fewer than
1 in 10
Chinese, U.S., UK business travelers care for concierge services

Concierge services are not just for elite travelers anymore

International travelers are looking for accessible ways to decrease anxiety and increase enjoyment of their trips. Event ticket purchases, restaurant/hotel reservations, luggage delivery and airport assistance are all tempting options for these travelers.

Leisure travelers in the U.S.—especially those traveling with family members or friends—would also ***benefit from concierge services***.

Globe-trotting Gabe:
As an elite international traveler, Gabe values concierge services for assisting his family

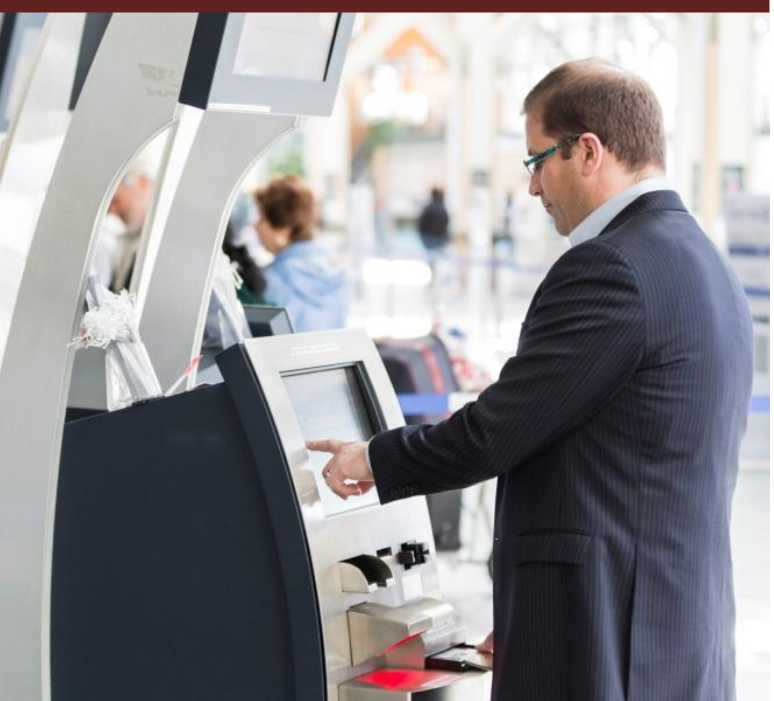
4x
more than other U.S. leisure segments do.

*Using **relevant customer information** to provide targeted and well-positioned **concierge services** showcasing benefits and accessibility will **increase awareness and demand**.*

Bundle fees

Airlines can profit by helping flyers manage their budgets.

Fees and add-ons have raised airlines out of an ocean of red ink—but now flyers are burdened with too many choices. In every market we surveyed, flyers would prefer to bundle trip extras.

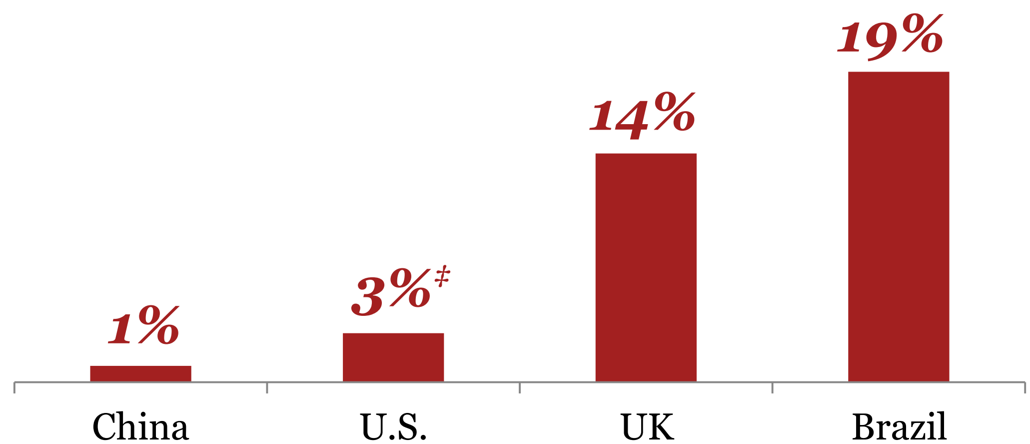


Preference for bundling trip extras vs. à la carte

Business	83% UK	67% China	53%* U.S.
Leisure	83% Brazil	49%† U.S.	

"Loved not having extra charges during the flight. Everything was included!"
- Brazilian business traveler

Willingness to pay a premium for packaged bundles



Travelers from the UK and Brazil are more likely to pay a premium for bundles than U.S. travelers.

Brazil - 6.7x ***UK - 5.0x***

*Compared with long-haul U.S. business travelers.
†Compared with long-haul U.S. leisure travelers.
‡U.S. leisure and business overall willingness to pay.
.

Bundle fees

Changes in travel itineraries are inevitable. Flyers who travel frequently or have companions will pay for bundled ticket options that allow future flight changes.

Leisure travelers

Globe-trotting Gabe

- Travels with family
- More likely to book 6 to 9 months in advance than others

Business travelers

High-standard Hal

- On average , travels twice a month
- Dynamic work schedule

2.3x Want the **flexibility** to change flight date and time within 24 hours... **1.8x**

as likely as other leisure travelers

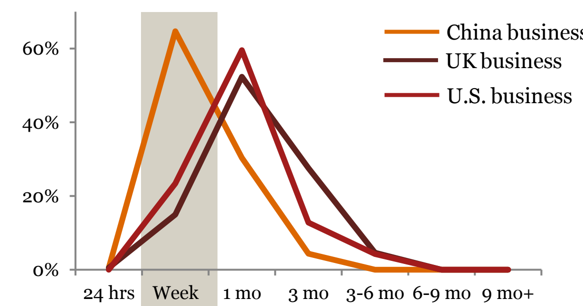
as likely as other business travelers

2% ... and will pay a **premium** to change his flight date and time within 24 hours of flight **9%**

Market spotlight:

4x

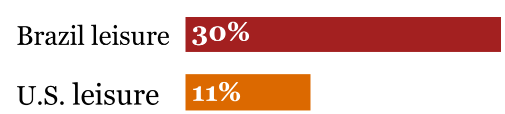
more Chinese than UK business flyers book **within a week** as a result of rapid business growth.



2.7x

more Brazilian than U.S. leisure flyers book **1 month** in advance.

Within a month



Bundle fees

Bundles can be specific to the in-flight experience—or include airport or VIP features.

In-flight services

Flyers like:
- ***Deal-seeking Debbi***
- ***Practical Polly***

will pay a 5-7% premium to bundle basics.*

In-flight basics bundle

- In-flight Wi-Fi
- In-flight food and beverage
- Baggage

Price-sensitive and valuing the basics, these flyers prefer only in-flight add-ons.

VIP services

Flyers like:
- ***Globe-trotting Gabe,***
- ***Chinese business traveler***
- ***Brazilian leisure traveler***

are frequent† long-haul‡ flyers who want to feel like a VIP and have everything taken care of when they travel.

Luxury bundle

- Concierge services
- On-board lounge
- Luggage pick-up and delivery

Bundles can curate a VIP experience for frequent flyers beyond the airport.

In-flight and terminal services

Some segments want bundles that extend to the terminal.

Flyers like:
- ***Chinese business traveler***
- ***Efficiency Erin***

prefer the efficiency bundle.

Efficiency bundle

- Priority check-in
- Security line
- Flight change flexibility

Often on the go, these frequent flyers value efficiency and last-minute flexibility.

Flyers like:
- ***Vacation Vicki***
- ***Upgrade Earl***
- ***UK business traveler***

prefer the comfort bundle.

Comfort bundle

- Seat type
- Seat location
- Lounge access

Older flyers who will not compromise space, these flyers seek comfort on and off the plane.

Flyers like:
- ***Globe-trotting Gabe***
- ***Chinese business traveler***
- ***Brazilian leisure traveler***

prefer the entertainment bundle.

Entertainment bundle

- Tablet rental
- Specific content
- Wi-Fi (air and ground)

Digitally connected and traveling with companions, these flyers value the ultimate entertainment package.

*Basic add-ons include, but are not limited to, baggage, priority check-in, extra mileage, in-flight Wi-Fi, in-flight food and beverage.
†7 or more round trips per year.
‡Long haul is a minimum 6-hour flight.
.

Bundle fees

Recommendations

Promote bundles

Business and leisure travelers alike range from experience seekers to price-sensitive travelers. Target add-ons to these varied segments by providing tiered and customizable packages with amenity options based on customer data and preferences.

Forgo unfair fees

Travelers have gotten comfortable with paying fees for certain elements of travel. What they're not comfortable with is the perceived lack of transparency. Offer custom fee structures based on how far in advance an itinerary changes. Bundle change fees into packages, giving flyers insight into, and power over, their travel expenses.

Customize flexibility

The price gap between refundable and nonrefundable tickets is prohibitive for many customers, yet they want flexibility to change their itinerary if needed. Provide a middle ground by offering the ability to build flexibility into their ticket price with a smaller fee at the point of purchase.

Mapping attributes to segments

What does this mean for how you build customer experiences?

The 5 core attributes of the Airline customer experience

Quality 1

Performance and value received

Support 2

Friendliness and ease of obtaining help

Convenience 3

Anytime, anywhere access

Presentation 4

Aesthetics, arrangement of offer

Community 5

Customer's personal brand and connections with others

Mapping attributes to segments

Globally, quality reigns supreme—but it takes different forms around the world. Chinese business travelers care far more about in-flight entertainment, whereas UK passengers value seat space more than anyone else. In Brazil and the U.S., the quality of connectivity and content are paramount.

What does this mean for how you build customer experiences?

Quality

Performance and value received

Support

Friendliness and ease of obtaining help

Convenience

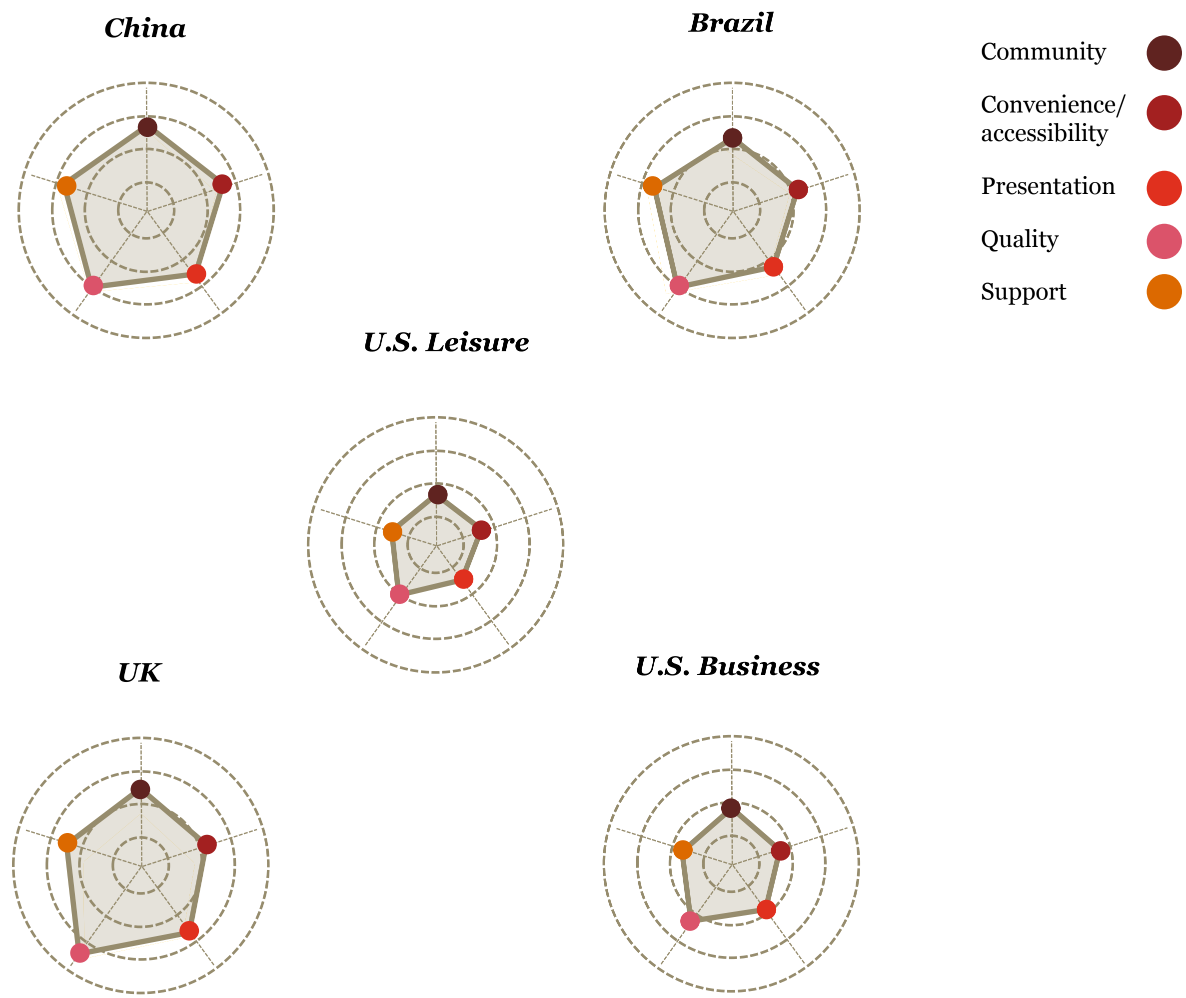
Anytime, anywhere access

Presentation

Aesthetics, arrangement of offer

Community

Customer's personal brand and connections with others



Mapping attributes to segments

Quality

Performance and value received

Support

Friendliness and ease of obtaining help

Convenience

Anytime, anywhere access

Presentation

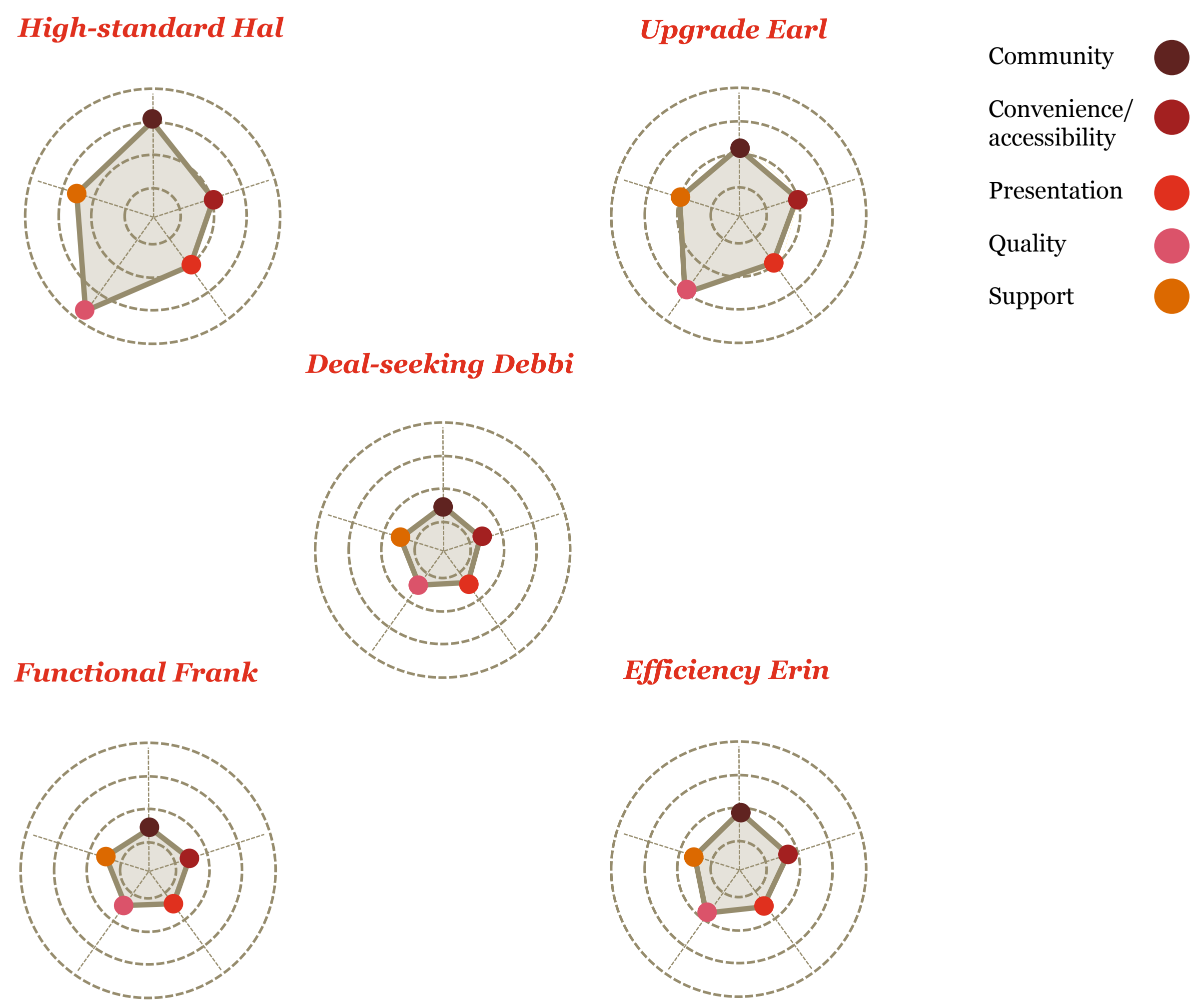
Aesthetics, arrangement of offer

Community

Customer’s personal brand and connections with others

U.S. Business

U.S. business travelers range from minimalist fliers to frequent travelers with high expectations. Basic fliers like Deal-seeking Debbi and Functional Frank set the bar—and expectations rise from there. High-standard Hal and Upgrade Earl are far more concerned with convenience and quality. They are willing to pay for upgrades that increase the enjoyment of their trips like seat comfort and priority access.



Mapping attributes to segments

Quality

Performance and value received

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Anytime, anywhere access

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Aesthetics, arrangement of offer

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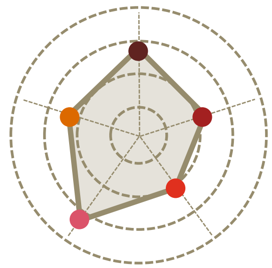
Customer's personal brand and connections with others

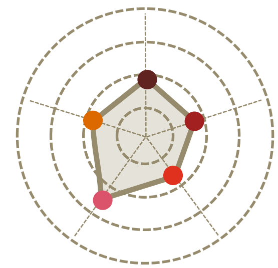
U.S. Leisure

For our more discerning leisure segments, Vacation Vicki and Globe-trotting Gabe, **quality** is far and away the most important quality. Globe-trotting Gabe expects white-glove service, including priority access and upgraded cabin, for himself and his family—and is willing to pay for it. Vacation Vicki wants her trips to start at the airport and appreciates lounge access and a variety of amenities there.

Globe-trotting Gabe



Vacation Vicki



Community

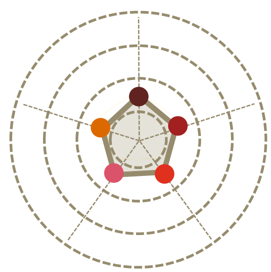
Convenience/ accessibility

Presentation

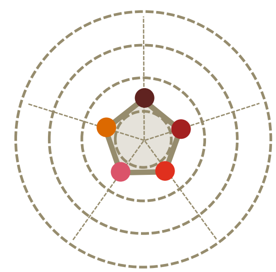
Quality

Support

Solitary Steve



Practical Polly



High-standard Hal

Business, elite segment

Who he is

- *Most affluent segment*
- *Urbanite Gen-X flyer*
- *Frequent flyer*
- *Seasoned executive traveler*
- *Holds a high position in a large corporation*

What he does

- Half spend more than $25K annually (with 1 in 5 spending over $48k)
- Has elite status and expects priority treatment such as security line lounge access
- Willing to pay a premium for upgraded seats and in-flight content
- Will share his experiences, both negative and positive, with everyone but prefers intimate (in-person, email) conversations to social or online sharing

How to serve

- Treat him like the elite flier that he is
- Provide the comfort, luxury and hands-on experience he values the most
- Offer rewards from premium status (recognition of his position and tenure with the airline)
- Make him feel exclusive by giving access to special perks to grow loyalty

High-standard Hal

Business, elite segment

Key[1]: Very High, High, Moderate, Low, Very Low

Demographics

Age	Generation X and baby boomer
Gender	Equal
Annual household income	> $150K
Marital status	Married
Company type	Large corporation
Position type	VP/Sr. VP level, CEO
Minority presence	35%

Top purchase drivers

Routes/times	51%
Ticket price	49%
Loyalty/reward programs	40%

Top experience themes

Friendly staff	#1
Helpful staff	#2
Upgrades and freebies	#3

Top preferences

Extended recline/wide seat space	62%
Priority security line and lounge access	75%
Wi-Fi for 1 personal device	63%

Sharing behaviors

Recommends airline	83%
Repurchases after bad experience	75%
Discourages after bad experience	61%

Travel profile

Purpose for travel	Mostly business
Avg. business travel frequency	27 RT per year
Annual business travel spend	> $24K
Highest status	Elite
Haul type	Long/ overnight
Cabin class	Business
Time of purchase	Within a week

Top add-ons

Likelihood of purchasing any add-ons	68%
Food/beverage at the airport	25%
Checked baggage at the airport	31%
Seat location	34%

Channel usage

Research	Smartphone
Purchase	Laptop
Check-in	Smartphone
Boarding	Smartphone
Issue resolution	Smartphone

Efficiency Erin

Business, elite segment

Who she is

- *On-the-go, career-oriented and high-income millennial*
- *Frequent flyer*
- *Values convenience above all else*

What she does

- Values seat comfort and do-it-yourself trip management
- Puts productivity at the top of her list—likes to get settled in and back to work quickly
- Has the airport down to a science and values an efficient and hassle-free terminal experience
- Will share if prompted—but her bad experiences last longer than her good

How to serve

- Provide Wi-Fi access, priority treatment and mobile apps to help her feel in control and productive when she is on the road
- Keep her loyal by providing convenience and efficiency

Efficiency Erin

Business, elite segment

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics

Age	Millennial
Gender	Equal
Annual household income	>$150K
Marital status	Single
Company type	Small business
Position type	Director level or contractor
Minority presence	22%

Top purchase drivers

Routes/times	61%
Ticket price	57%
Loyalty/reward programs	38%

Top experience themes

Helpful staff	#1
Friendly staff	#2
Upgrades and freebies	#3

Top preferences

Extended recline/ leg room	46%
Priority security line	69%
Wi-Fi for 1 personal device	51%

Sharing behaviors

Recommends airline	90%
Repurchases after bad experience	79%
Discourages after bad experience	52%

Travel profile

Purpose for travel	Mostly business
Avg. business travel frequency	28 RT per year
Annual business travel spend	$12-$48K
Highest status	Elite
Haul type	Short
Cabin class	Coach
Time of purchase	Within a month

Top add-ons

Likelihood of purchasing any add-ons	76%
Food/beverage at the airport	48%
Food/beverage in-flight	38%
Wi-Fi in-flight	29%

Channel usage

Research	Tablet/laptop
Purchase	Laptop
Check-in	Smartphone/ kiosk
Boarding	Kiosk
Issue resolution	Laptop

Upgrade Earl

Business, middle-of-the-road business traveler

Who he is

- *Affluent baby boomer*
- *Views travel as an escape from the daily grind*

What he does

- Travels frequently enough to have status with his airline of choice—and loves the perks that come along with it
- Is inclined to pay for small luxuries like seat space and priority treatment to make travel feel like a getaway
- Will share both his good and bad experiences—but if he runs into a tiff with an airline, he is not as forgiving as others and may not repurchase

How to serve

- Delight him with the perks that come with status and with loyalty programs—these are one of his top 3 purchase drivers
- Provide discounts to tempt him to upgrade
- Highlight the benefits he is receiving and look for small ways to please him—these will go a long way to increase his loyalty

Upgrade Earl

Business, middle-of-the-road business traveler

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics

Age	Generation X
Gender	Equal
Annual household income	$100-$150K
Marital status	Married
Company type	Medium sized business
Position type	Mid-level staff
Minority presence	25%

Top purchase drivers

Ticket price	62%
Routes/times	49%
Loyalty/reward programs	22%

Top experience themes

Upgrades and freebies	#1
Helpful staff	#2
Food and beverage	#3

Top preferences

Extended recline/wide seat space	47%
Priority security line and lounge access	42%
Rebooking via digital channels	51%

Sharing behaviors

Recommends airline	91%
Repurchases after bad experience	64%
Discourages after bad experience	54%

Travel profile

Purpose for travel	Equal for business and leisure
Avg. business travel frequency	8-9 RT per year
Annual business travel spend	$3-$6K
Highest status	Premium
Haul type	Medium
Cabin class	Coach+ or Business
Time of purchase	Within a month

Top add-ons

Likelihood of purchasing any add-ons	77%
Checked bags at the airport	39%
Seat type	37%
Food/beverage at the airport	36%

Channel usage

Research	Tablet/laptop
Purchase	Laptop
Check-in	Laptop
Boarding	Smartphone/ laptop
Issue resolution	Call airline rep

Deal-seeking Debbi

Business, price-sensitive segment

Who she is

- *Gen-X bargain seeker*
- *Earns a moderate income*
- *Travels from time to time*

What she does

- Is value conscious
- Prefers all-in package options, which make her feel like she's getting a deal
- Abides by the mantra "waste-not-want-not" with both time and money
- Is most likely to purchase add-ons—this bargain-savvy flier will remain loyal if she continues to feel like she's getting a good deal
- Will share experiences online in the short term, primarily with friends and family

How to serve

- Meet her needs by allowing her to customize add-ons and package options
- Provide promotions and rewards—these are important to her and will continue to engage her loyalty

Deal-seeking Debbi

Business, price-sensitive segment

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics	
Age	Generation X
Gender	Female
Annual household income	$50-$75K
Marital status	Married
Company type	Small business or government
Position type	Manager-director level
Minority presence	30%

Top purchase drivers	
Ticket price	73%
Routes/times	54%
Loyalty/reward programs	26%

Top experience themes	
Upgrades and freebies	#1
Helpful staff	#2
Friendly staff	#3

Top preferences	
Wi-Fi for 1 personal device	74%
Rebooking via digital channels	70%
All-in-basic package options	46%

Sharing behaviors	
Recommends airline	85%
Repurchases after bad experience	67%
Discourages after bad experience	49%

Travel profile	
Purpose for travel	Equal business and leisure
Avg. business travel frequency	8 RT per year
Annual business travel spend	$1-$6K
Highest status	General
Haul type	Short/ medium
Cabin class	Coach
Time of purchase	Within 1-3 months

Top add-ons	
Likelihood of purchasing any add-ons	86%
Food/beverage at the airport	45%
Checked baggage at the airport	44%
Wi-Fi in-flight	28%

Channel usage	
Research	Smartphone/ laptop
Purchase	Laptop
Check-in	Smartphone/ kiosk
Boarding	Smartphone/ kiosk
Issue resolution	Smartphone/ airline representative

Functional Frank

Business, price-sensitive segment

Who he is

- *Young and pragmatic*
- *Married millennial*
- *Self-employed in a major metro area*
- *Wants the bare minimum*

What he does

- Perceives travel as functional—will not indulge in amenities or elements of comfort
- Prefers to interact with the airline as little as possible
- Is most concerned with the timing of his flight and access to food and beverages
- Is not likely to share positive experiences—but will share negative stories for a long time

How to serve

- Provide the friendly and helpful staff he likes
- Demonstrate he is valued and is not being nickel-and-dimed
- Build his loyalty by getting him to where he needs to go, showing him that he's saving money and that his business is appreciated

Functional Frank

Business, price-sensitive segment

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics

Age	Millennial
Gender	Male
Annual household income	$50-$100K
Marital status	Married
Company type	Government
Position type	Entry, mid level
Minority presence	26%

Top purchase drivers

Ticket price	72%
Routes/times	51%
Loyalty/reward programs	28%

Top experience themes

Upgrades and freebies	#1
Friendly staff	#2
Helpful staff	#3

Top preferences

Back seat in-flight entertainment	100%
Standard seating without in-flight socialization	98%
Automatic rebooking	89%

Sharing behaviors

Recommends airline	85%
Repurchases after bad experience	68%
Discourages after bad experience	60%

Travel profile

Purpose for travel	Mostly business
Avg. business travel frequency	11 RT per year
Annual business travel spend	$1-$6K
Highest status	General
Haul type	Short/ medium
Cabin class	Coach
Time of purchase	Within 1-3 months

Top add-ons

Likelihood of purchasing any add-ons	68%
Food/beverage at the airport	41%
Checked baggage at the airport	40%
Food/beverage in-flight	27%

Channel usage

Research	Laptop
Purchase	Laptop
Check-in	Laptop
Boarding	Laptop
Issue resolution	Airline rep

Globe-trotting Gabe

Leisure, experience-seeking traveler

Who he is

- *Gen-X segment with highest income*
- *Primarily lives in large metropolitan areas*
- *Well-established in his career*
- *Is a very loyal flier with elite status*
- *"Wants it all" when he travels*

What he does

- Flies long distances and sometimes internationally for both leisure and business
- Expects the airline to recognize his family as an extension of him
- Wants his family to experience culture before they arrive at their destination
- Appreciates flight flexibility in case personal itineraries change

How to serve

- Recognize his status when pricing amenities he cares about
- Give him—and his travel companions —the "white glove" treatment he expects

Globe-trotting Gabe

Leisure, experience-seeking traveler

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics

Age	Generation X
Gender	Equal
Annual household income	>$150K
Marital status	Married
Employment status	Employed full-time
Travel companions	Dependents and partner
Minority presence	39%

Top purchase drivers

Ticket price	60%
Routes/times	44%
Loyalty/reward programs	29%

Top experience themes

Upgrades and freebies	#1
Helpful staff	#2
Seat comfort	#3

Top preferences

Extended recline/wide seat space	51%
Priority security line and lounge access	66%
Most flexible flight change policy	42%

Sharing behaviors

Recommends airline	88%
Repurchases after bad experience	61%
Discourages after bad experience	58%

Travel profile

Purpose for travel	Equal for business and leisure
Avg. leisure travel frequency	6-7 RT per year
Annual leisure travel spend	>$10K
Highest status	Elite
Haul type	Long/ overnight
Cabin class	Above coach
Time of purchase	Within 1-3 months

Top add-ons

Likelihood of purchasing any add-ons	84%
Food/beverage at the airport	43%
Food/beverage in flight	40%
Seat type	34%

Channel usage

Research	Smartphone/ tablet
Purchase	Laptop
Check-in	Smartphone
Boarding	Smartphone
Issue resolution	Call airline representative

Vacation Vicki

Leisure, experience-seeking traveler

Who she is

- *Generation X and baby boomer segment*
- *Affluent empty nesters or families with grown children in small cities*
- *Works full-time but skews part-time or retired*

What she does

- Is ready to take advantage of her new-found time to travel
- Will fly a few times a year and plans 1-3 months ahead
- Second-least price-sensitive segment, with her higher income
- Typically purchases add-ons to increase enjoyment of her vacation
- Remembers and values personal attention from airline staff
- Wants to start her vacation the moment she arrives at the airport

How to serve

- Provide the opportunity for her to pay for priority treatment, seat comfort and other add-ons
- Consider bundling options for upgrades and ancillary purchases to increase convenience

Vacation Vicki

Leisure, experience-seeking traveler

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics	
Age	Baby boomer
Gender	Female
Annual household income	$100-150K
Marital status	Married
Employment status	Part-time or retired
Travel companions	Partner
Minority presence	26%

Top purchase drivers	
Ticket price	74%
Routes/times	44%
No additional fees	26%

Top experience themes	
Upgrades and freebies	#1
On time/early arrival	#2
Friendly staff	#3

Top preferences	
Extended recline/ wide seat space	45%
Wi-Fi for 1 personal device	65%
Rebooking via digital channels	50%

Sharing behaviors	
Recommends airline	88%
Repurchases after bad experience	66%
Discourages after bad experience	49%

Travel profile	
Purpose for travel	Mostly leisure
Avg. leisure travel frequency	2-3 RT per year
Annual leisure travel spend	<$1K
Highest status	None/ general
Haul type	Long
Cabin class	Coach
Time of purchase	Within 1-3 months

Top add-ons	
Likelihood of purchasing any add-ons	82%
Checked bags at the airport	49%
Food/beverage at the airport	43%
Food/beverage in flight	31%

Channel usage	
Research	Smartphone/ tablet
Purchase	Laptop
Check-in	Kiosk
Boarding	Laptop
Issue resolution	Laptop

Solitary Steve

Leisure, price-sensitive segment

Who he is

- *Retired or near-retired baby boomer*
- *Lives on his own in a small town or rural area*
- *Most price-sensitive segment—desires the basics of travel*
- *Risk-averse*

What they do

- Only flies 1-2 times per year for short distances
- Travels by himself or with peers
- Purchases refundable tickets to allow flexibility
- Is uninterested in purchasing add-ons
- Often keeps to himself and doesn't care to share opinions unless asked

How to serve

- Offer promotions and early bird specials—these appeal to him because he likes to plan ahead to save as much money as possible

Solitary Steve

Leisure, price-sensitive segment

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics	
Age	Baby boomer and older
Gender	Equal
Annual household income	< $75K
Marital status	Widowed or divorced
Employment status	Retired
Travel companions	Alone
Minority presence	22%

Top purchase drivers	
Ticket price	85%
Routes/times	39%
No additional fees	33%

Top experience themes	
Upgrades and freebies	#1
Friendly staff	#2
On time/early arrival	#3

Top preferences	
Back seat in-flight entertainment	95%
Standard seating without in-flight socialization	95%
Automatic rebooking	82%

Sharing behaviors	
Recommends airline	88%
Repurchases after bad experience	66%
Discourages after bad experience	43%

Travel profile	
Purpose for travel	Only leisure
Avg. leisure travel frequency	2 RT per year
Annual leisure travel spend	<$1K
Highest status	None
Haul type	Medium
Cabin class	Coach
Time of purchase	Within 3-6 months

Top add-ons	
Likelihood of purchasing any add-ons	69%
Checked bags at the airport	41%
Food/beverage at the airport	37%
Food/beverage in flight	22%

Channel usage	
Research	Laptop
Purchase	Laptop
Check-in	Laptop
Boarding	Laptop
Issue resolution	Laptop or airline representative at the airport

Practical Polly

Leisure, price-sensitive segment

Who she is

- *Millennial and Generation X segment with middle income*
- *Mainly lives with her family in a large urban area or surrounding suburb*
- *Price conscious and convenience-focused*
- *Is willing to pay a little extra for convenience*

What they do

- Typically travels by herself or with her children
- Worries about taking care of herself and her companions' needs during travel
- Is careful with her money
- Has a growing social network and isn't afraid to spread the word about her travel experiences—both good and bad, on- and off-line

How to serve

- Values an option to bundle basic add-ons as a way to stretch her dollar
- Appreciates premium airport amenities to smooth travel process—anything the airline can do to keep her children happy in-flight goes a long way

Practical Polly

Leisure, price-sensitive segment

Key[1]: Very High | High | Moderate | Low | Very Low

Demographics

Age	Millennial/ Generation X
Gender	Equal
Annual household income	$75-$100K
Marital status	Married, single
Employment status	Employed full-time
Travel companions	Children
Minority presence	32%

Top purchase drivers

Ticket price	79%
Routes/times	45%
No additional fees	29%

Top experience themes

Upgrades and freebies	#1
Helpful staff	#2
Food and beverage	#3

Top preferences

Wi-Fi for 1 personal device	59%
Rebooking via digital channels	51%
Pay-as-you-go, no package options	51%

Sharing behaviors

Recommends airline	85%
Repurchases after bad experience	65%
Discourages after bad experience	56%

Travel profile

Purpose for travel	Equal for business and leisure
Avg. leisure travel frequency	4-5 RT per year
Annual leisure travel spend	$1-5K
Highest status	Premium
Haul type	Short
Cabin class	Coach+
Time of purchase	Within a month

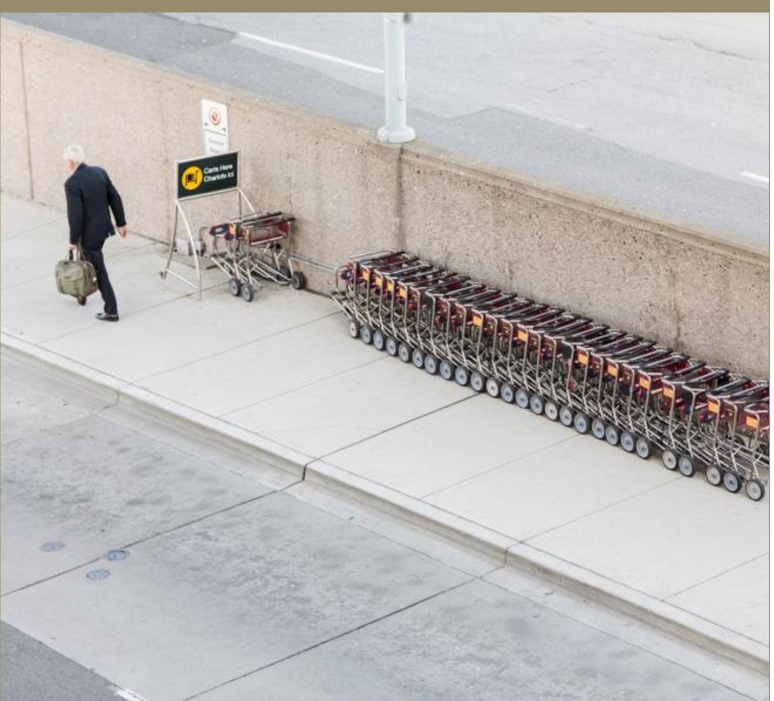
Top add-ons

Likelihood of purchasing any add-ons	85%
Food/beverage at the airport	54%
Checked bags at the airport	47%
Food/beverage in flight	34%

Channel usage

Research	Smartphone/ tablet
Purchase	Laptop
Check-in	Smartphone
Boarding	Smartphone
Issue resolution	Call airline representative

We hope these insights prove useful to your business



While the results outlined in this report are at the industry level, PwC can use the same methodology to develop a customized Experience Radar study and uncover opportunities to accelerate your business.

If you'd like to discuss these findings or how PwC can help you apply them to your business, contact:

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For more information on the Experience Radar and survey methodology, visit:
pwc.com/us/en/advisory/customer-impact/pwc-experience-radar.html

For more information on the Airline industry visit:
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