

Airlines in the digital realm - putting data in the driving seat

By  Andy Hedley

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Raise your hand if you feel that visiting an airline website today can be described as a playful experience...

Chances are that reading this statement will have you raise your eyebrows, but not your hand. Airline websites today can be useful and efficient, but fun is perhaps not the most adequate way to describe them.



Andy Hedley, GM Southern Africa, Amadeus

This is about to change. Airlines have never had such access to the brains and feelings of their customers as they do today, according to Amadeus' study, [Embracing Airline Digital Transformation](#). By leveraging this data, airlines will be able to start experimenting with creative and fun new tools, which will allow customers to playfully interact with them.

The fourth industrial revolution is definitely knocking at our door and we are entering an exciting era of datafication, constant connectivity and digital workforces. It's a time where we will see more potential than ever for brands to get closer to consumers, understand what the consumer values, and use machine learning to drive better-informed decisions about how to market to each of these customers.

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The fight to win and retain customers

Until now, the airline industry has been lagging behind when it comes to understanding retail consumer techniques. Traditional airlines have historically always had a monopoly over regions and routes, and therefore they were under very little pressure to win over travellers or achieve brand loyalty. The story is slightly different with the low-cost carrier business model.

Today, however, airlines all face saturated markets, where they have to fight to win and retain customers. They've had to up their game when it comes to marketing strategies and need to always be ready to respond with relevant offers that will deliver something of value to the customer, then and there.

In the coming years, we can expect airlines to start using the digital realm more and more to build emotional connections with travellers and to stand out among the digital noise. The gap between businesses that are embracing the changes this era will bring and those that are failing to innovate will soon become apparent. This means airlines will need to speed up, put data in the driving seat and find new ways to become even more connected to customers.

What can we expect?

Airlines will increasingly strive to understand what individual travellers value each time they make a booking, and start bundling or unbundling their offering appropriately to drive a sale. We'll see situations where travel behaviour will be analysed to the extent that airlines will be able to predict where customers are going to fly to next.

Consumers can also expect airlines to enhance their booking experience, and to follow them through their journey, offering relevant touchpoints and service enhancements along the way. They'll provide micro-moment information. Do you have a layover of several hours? You can expect the airline to get in touch with you and send you an offer for lounge access. Have you tagged the airline on social media? They'll wish you a good trip.

Airlines will need to be on alert for information overload, though. During the fourth industrial revolution, more information than ever will reach the consumer, making the complexity of choice an obstacle in the decision making process. Customers will only tolerate brands that present them with a relevant, speedy user experience, and will turn away from brands that don't.

As well as catering to their customers in the best possible way, and upholding the principles of moment marketing, airlines will therefore also need to factor in the real-time influences on their offering. Technology will be an enabler that will help simplify the airline's offer as much as possible. This will capture the attention of consumers suffering from information overload, and present a much-needed clear path to purchase.

The rewards are there to be reaped by those who are willing to embrace the challenge, make brave changes to how they engage with their customers, and have faith in the power of technology. Exciting times are ahead!

ABOUT ANDY HEDLEY

As general manager for Southern Africa, Andrew (Andy) Hedley oversees Amadeus' commercial and operational strategies. He has a wealth of commercial, travel and online experience and is well versed in international management. A true tactical leader, Hedley has successfully positioned several brands for sustainable growth in the past.

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