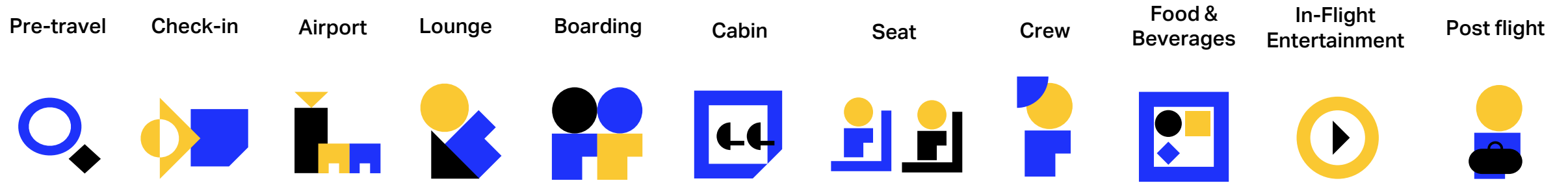


IATA WEBINAR

VOICE OF THE CUSTOMER

18 June 2020
15:00 CET / 09:00 EDT





Voice of the customer



Speaker
David Rockland
Rockland & Dutton
Research & Consulting



Speaker
William Mitchell
Customer Research
American Airlines



Speaker
Andrew Matters
IATA Economics



Speaker & Moderator
Kasia Berbari
IATA Surveys

Competition Law Guidelines

Any discussion regarding matters such as fares, charges, division or sharing of traffic, or revenues or concerning any other competitively sensitive topics outside the scope of the agenda is strictly prohibited.

IATA will not answer questions pertaining to individual policies or commercial decisions and/or being subject to bilateral commercial discussions between airlines and their suppliers or customers.

Passenger landscape before COVID-19

Kasia Berbari

Surveys Portfolio Manager

IATA

IATA WEBINAR 18 JUNE 2020
SPECIAL SERIES: RESHAPING THE PASSENGER EXPERIENCE
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Industry standard: Airsat Passenger Satisfaction Benchmark

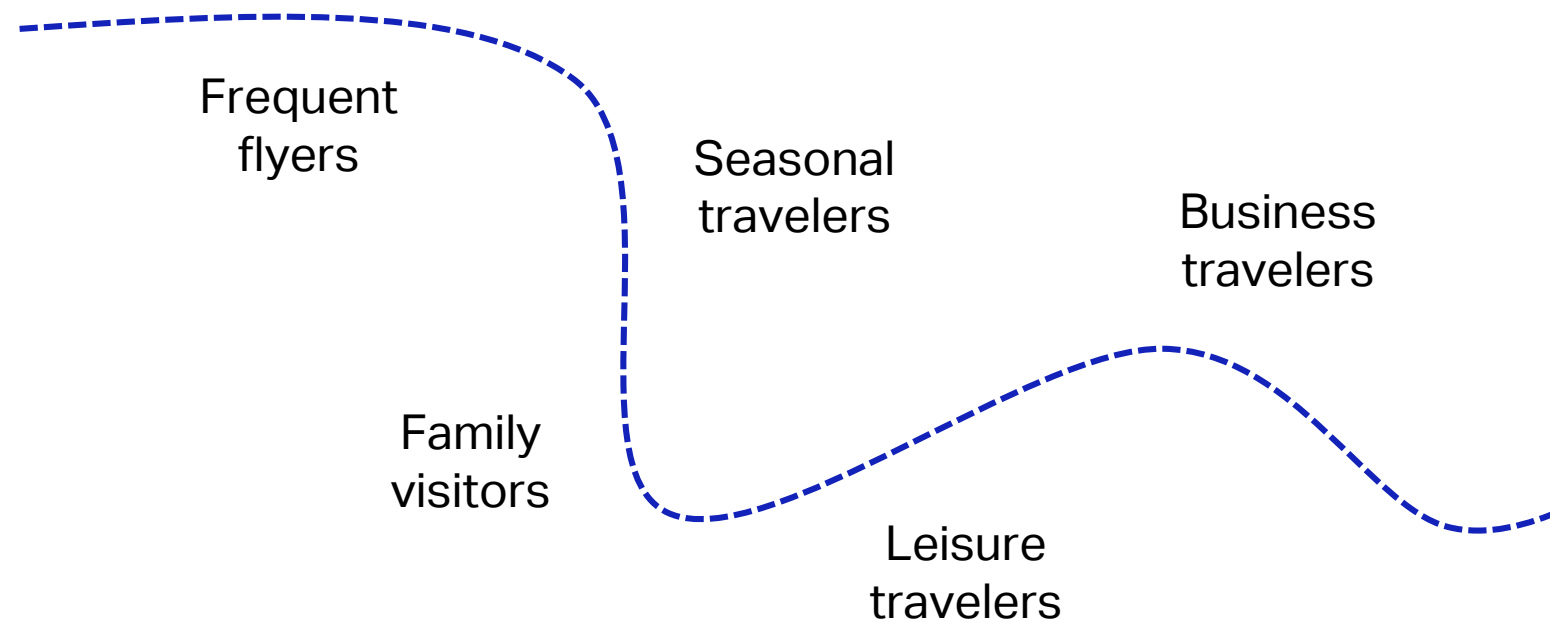
75,000

passengers
surveyed in 2019

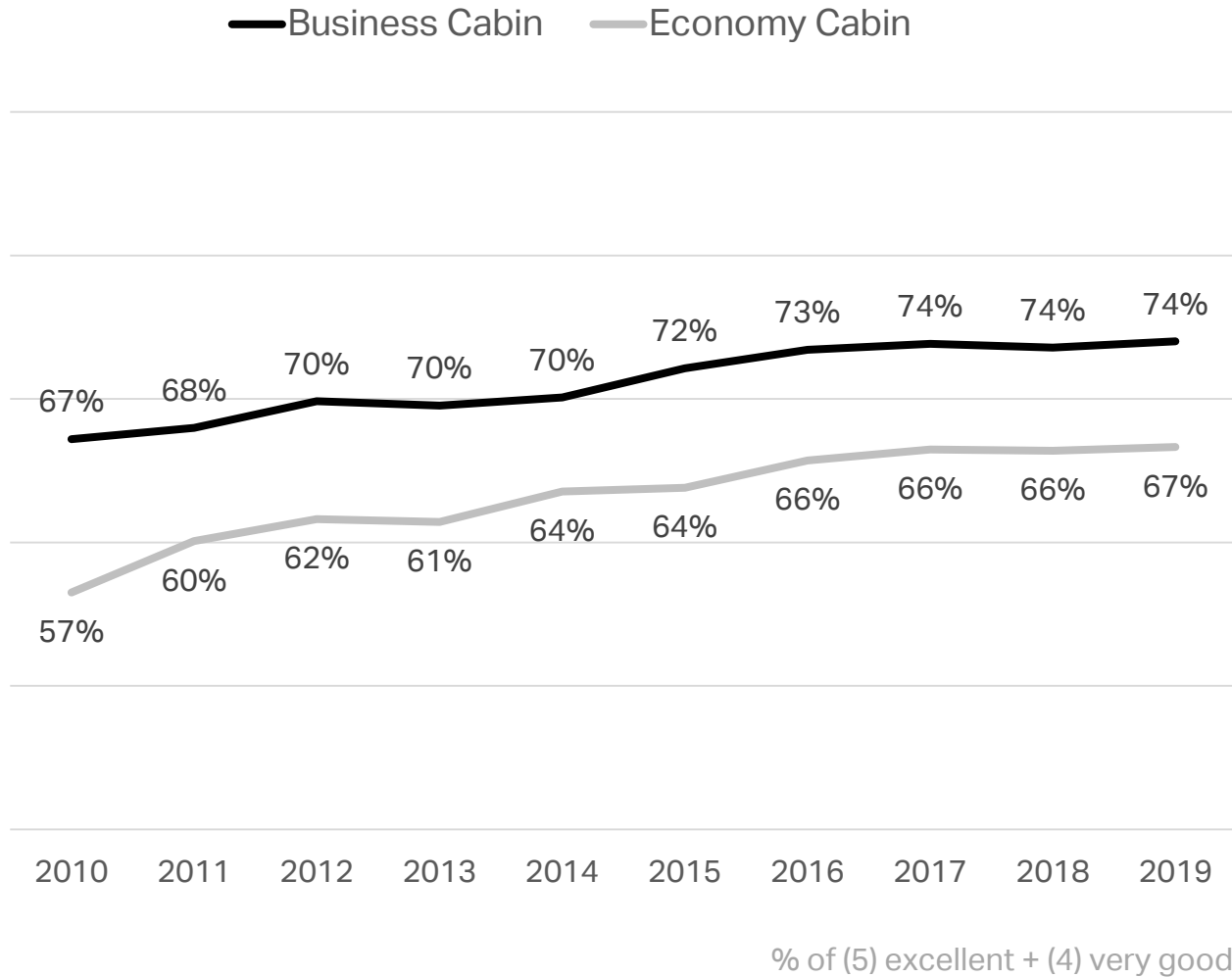
Recruited at

40

global airports



Positive trend in passenger satisfaction since 2010



Passenger satisfaction

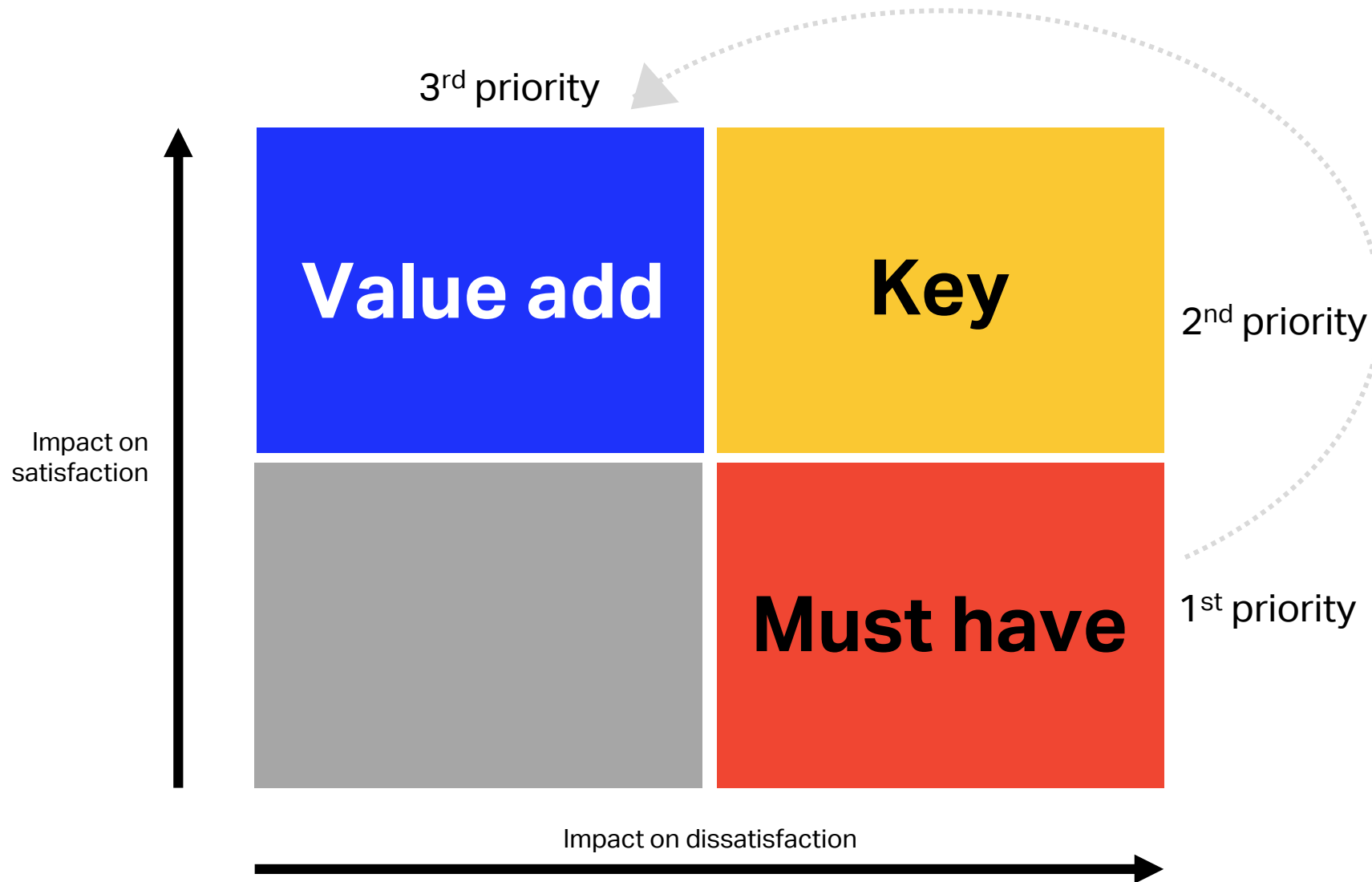
Measured on a 5-point scale where 1 - poor and 5 - excellent



Your most unhappy customers are your greatest source of learning."

Bill Gates, Founder of Microsoft

Exploring true passenger needs and satisfaction drivers



Poll

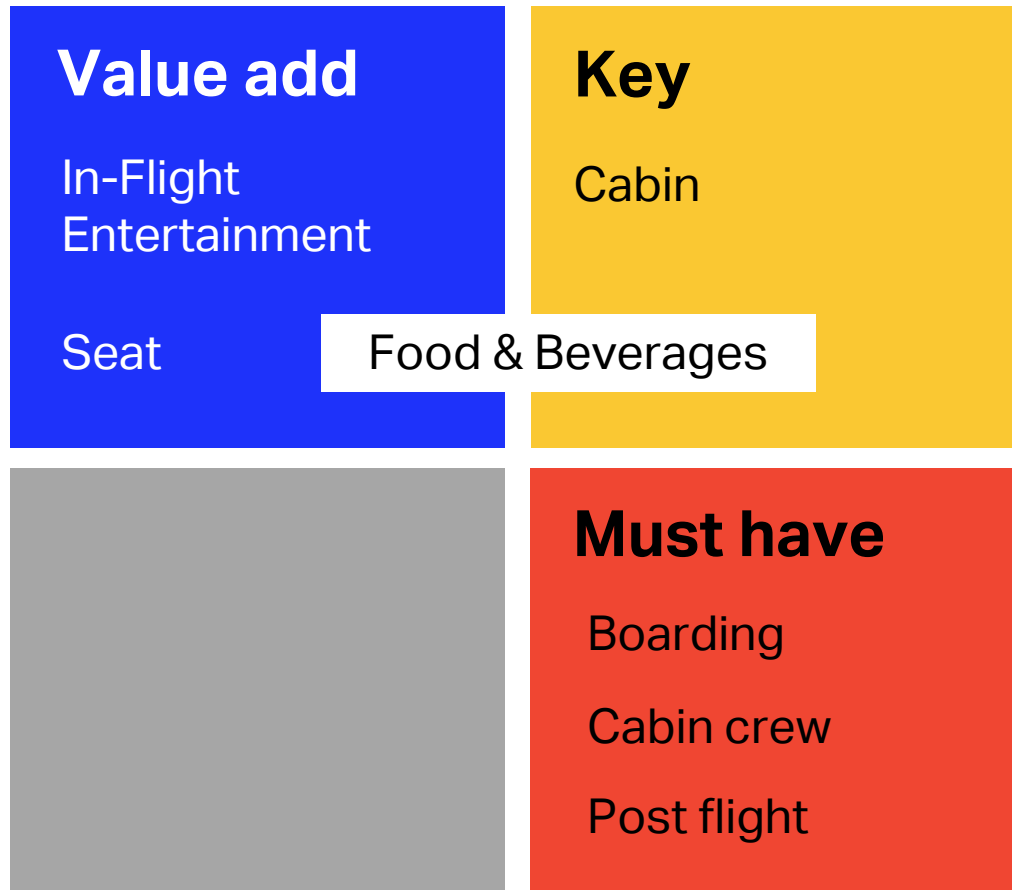
Which part of your air travel experience is

your must-have?

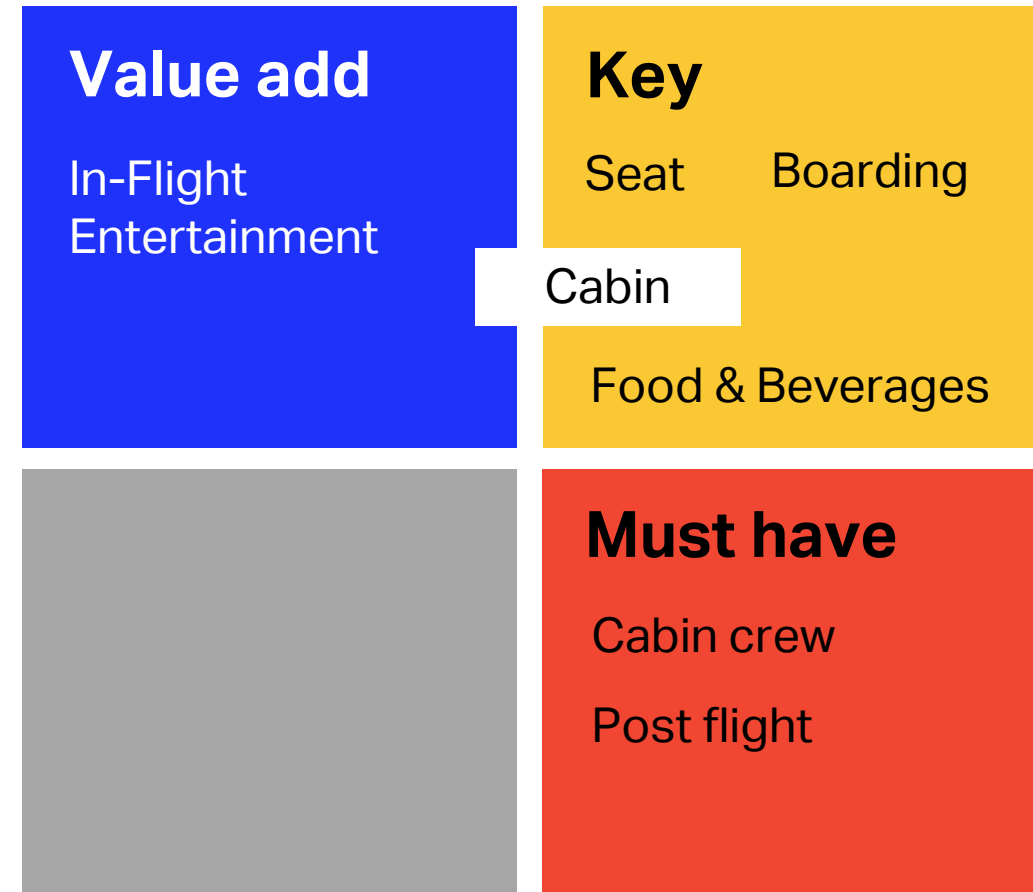


Key Driver Analysis – overall areas

ECONOMY

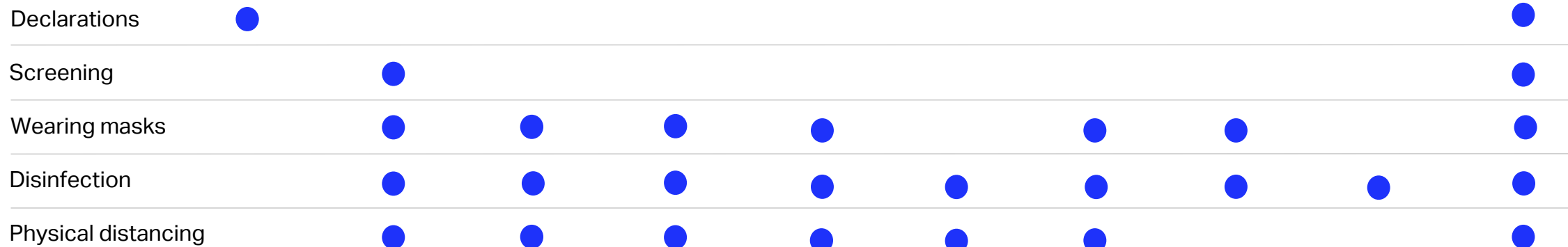
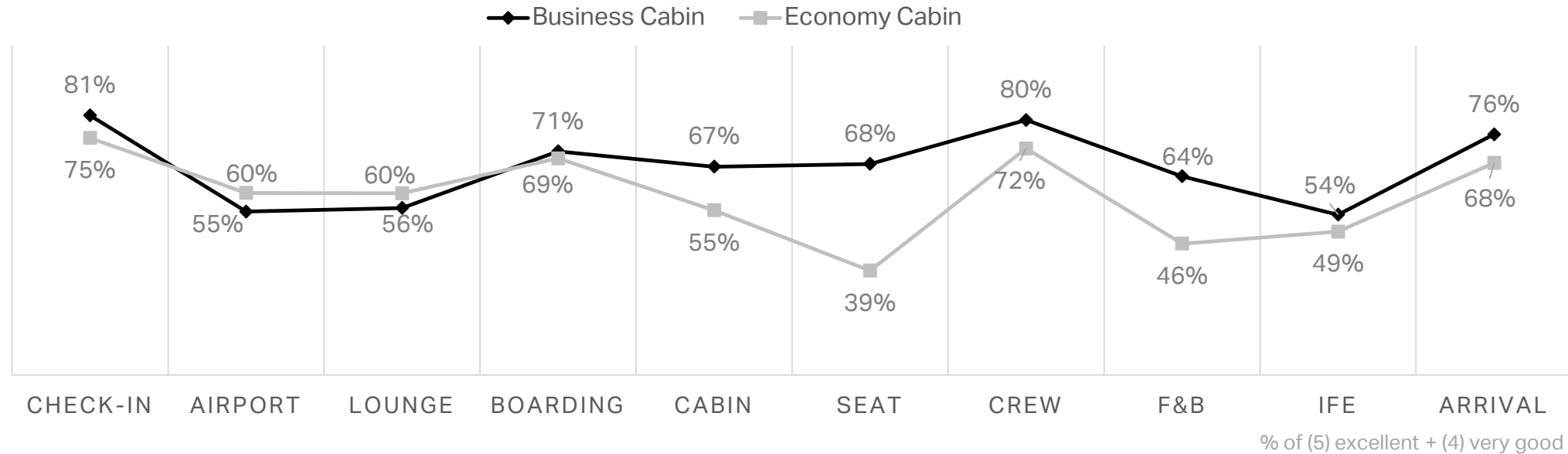


BUSINESS



Impact of new processes and standards on experience

Satisfaction measured on a 5-point scale where 1 - poor and 5 - excellent



Must-have detailed attributes

Professional appearance of **cabin crew**

Helpful and courteous **cabin crew**



BUSINESS:
Speed of onboard meal service

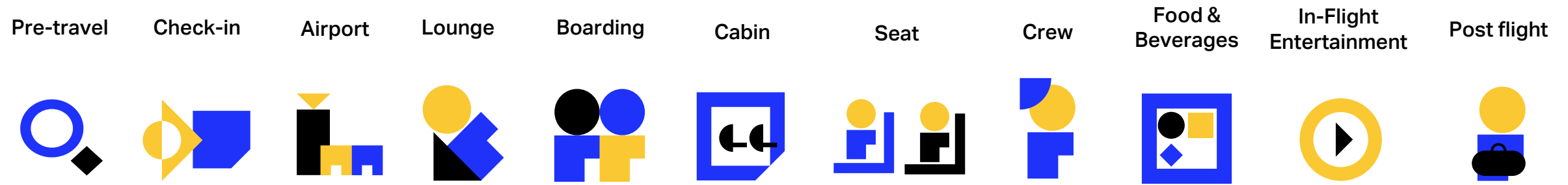
Key detailed attributes

	BUSINESS	PREMIUM ECONOMY	ECONOMY
Condition of cabin interior	●	●	●
Spaciousness of cabin	●	●	VALUE ADD
Selection of drinks	●	●	●
Cleanliness of seat/table			●

Value add detailed attributes

	BUSINESS	PREMIUM ECONOMY	ECONOMY
Selection of newspapers and magazines	●	●	●
Cleanliness of washrooms	●	●	
Visual appeal of meal	KEY	●	●
Selection of meals	●		●

Securing passenger experience is key to restoring the demand



establish
TRUST

provide feeling of
SAFETY

CONFIDENCE
in flying again

Thank you

Kasia Berbari

Surveys Portfolio Manager
IATA

survey@iata.org

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Air Traveler Response to COVID-19

An 11-Country Survey: Wave III

David B. Rockland, Ph.D.

Wave 1 – February 2020

An invitation to participate in an on-line survey was sent to the panel members in the following countries:

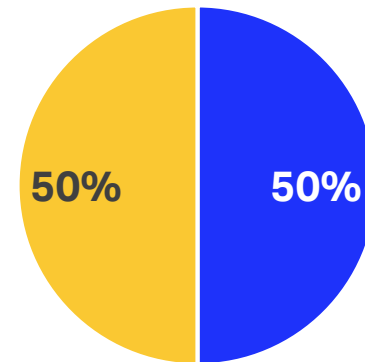
Wave 2 – April 2020

Wave 3 – June 2020

4,700

recent air
travelers

(traveled since July 2020)



■ Business Traveler ■ Laisure Traveler

Australia

Canada

Chile

France

Germany

India

Japan

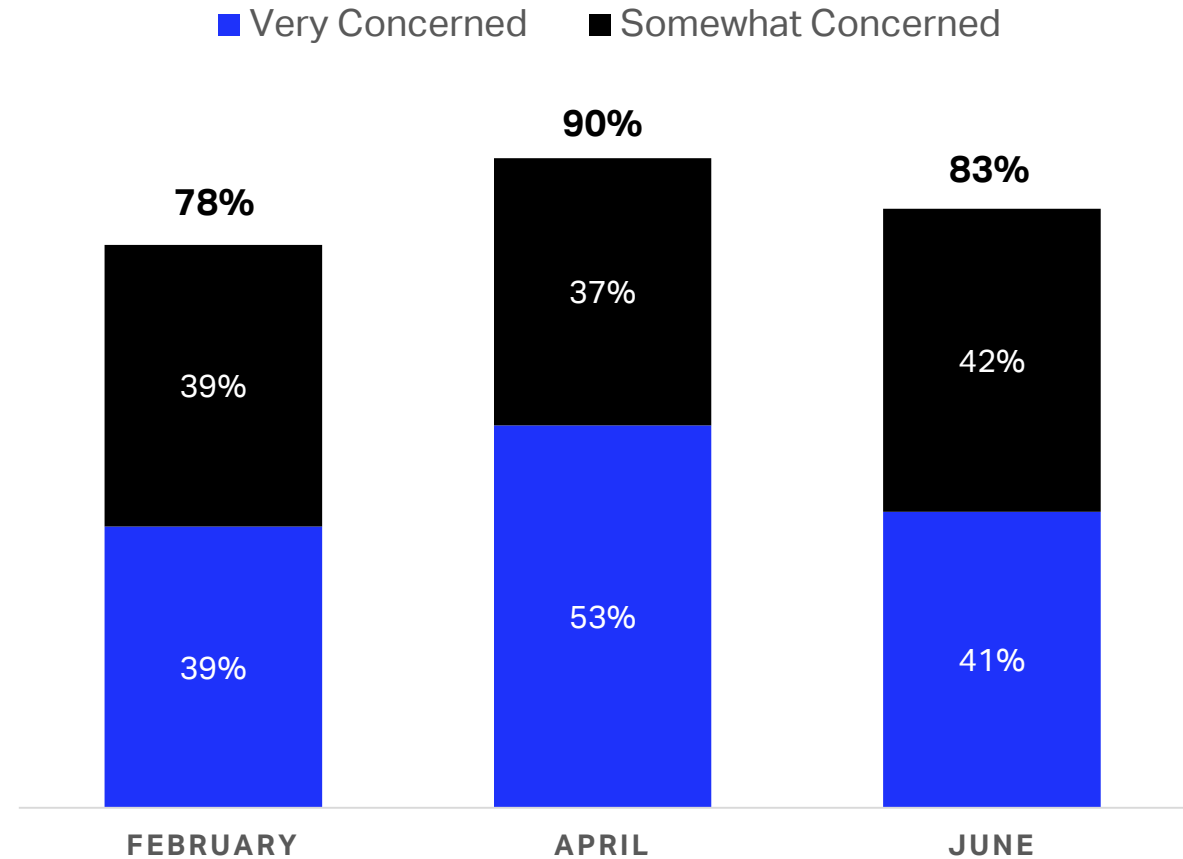
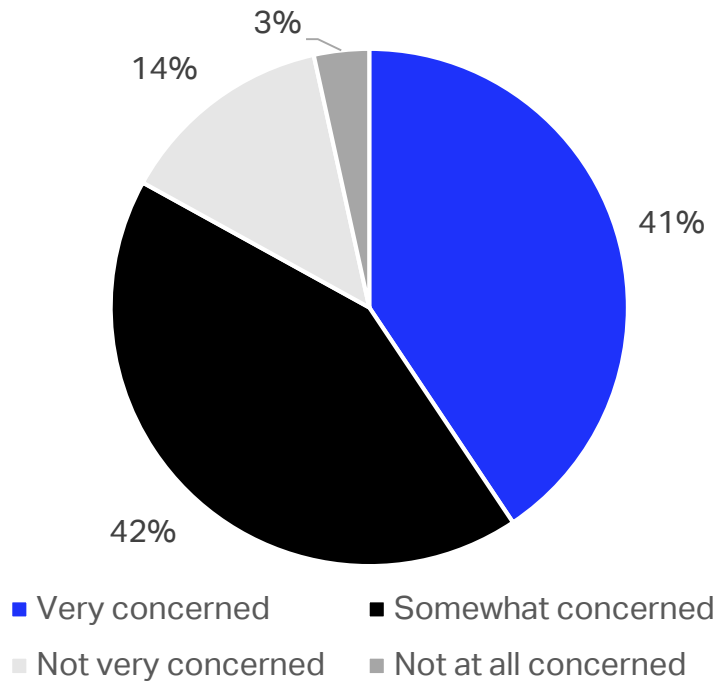
Singapore

United Arab Emirates

United Kingdom

United States

Concern about contracting the virus



IATA COVID-19 Passenger Insights – Issue 2
N=4,700

Q: How concerned are you personally about contracting the coronavirus/COVID-19 – very concerned, somewhat concerned, not very concerned or not at all concerned?



Concern about contracting the virus

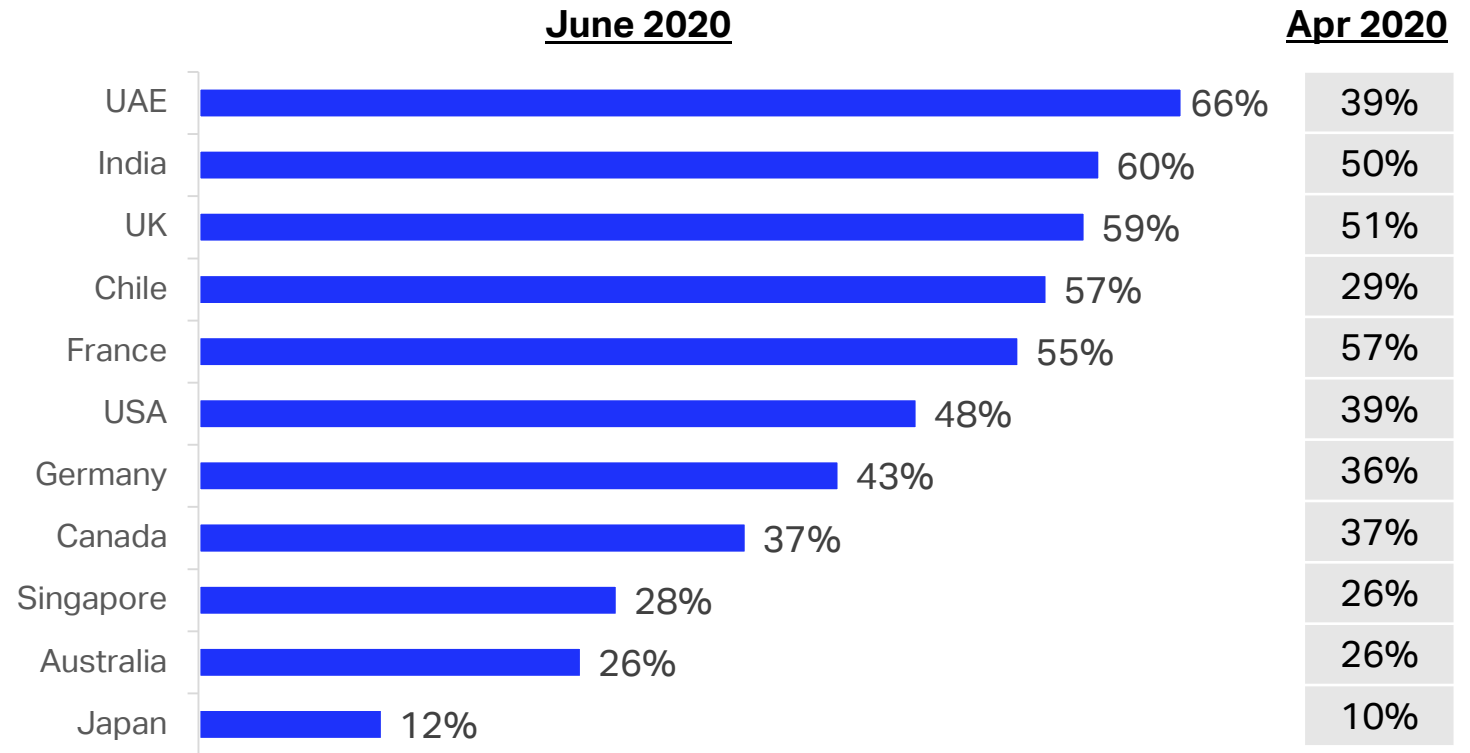
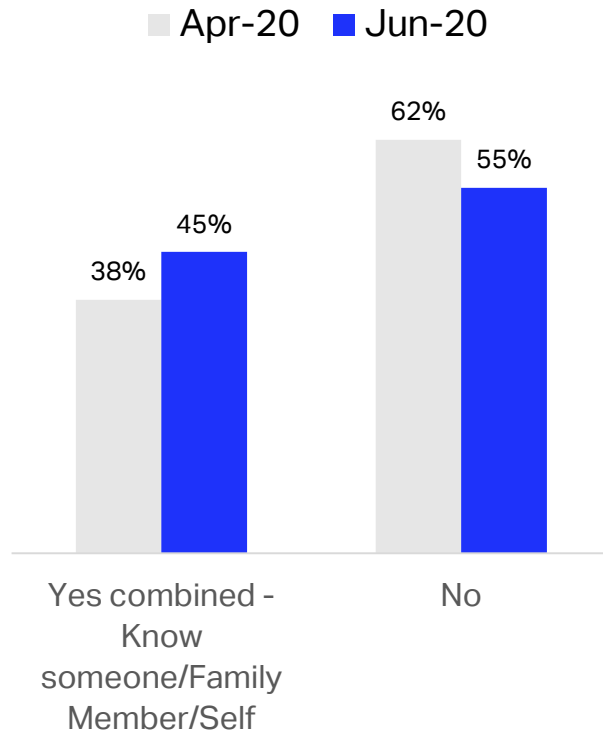
Very/Somewhat Concerned About Personally Contracting Virus

	February	April	June	Change vs. April
Total	78%	90%	83%	-7
Australia	66%	85%	76%	-9
Canada	63%	92%	80%	-12
Chile	-	95%	94%	-1
France	71%	84%	69%	-15
Germany	76%	84%	77%	-7
India	96%	98%	97%	-1
Japan	87%	93%	87%	-6
Singapore	92%	96%	91%	-5
UAE	88%	94%	91%	-3
UK	73%	90%	84%	-6
USA	74%	92%	80%	-12

IATA COVID-19 Passenger Insights – Issue 2
N=4,700

Q: How concerned are you personally about contracting the coronavirus/COVID-19 – very concerned, somewhat concerned, not very concerned or not at all concerned?

Knowing someone who might be infected

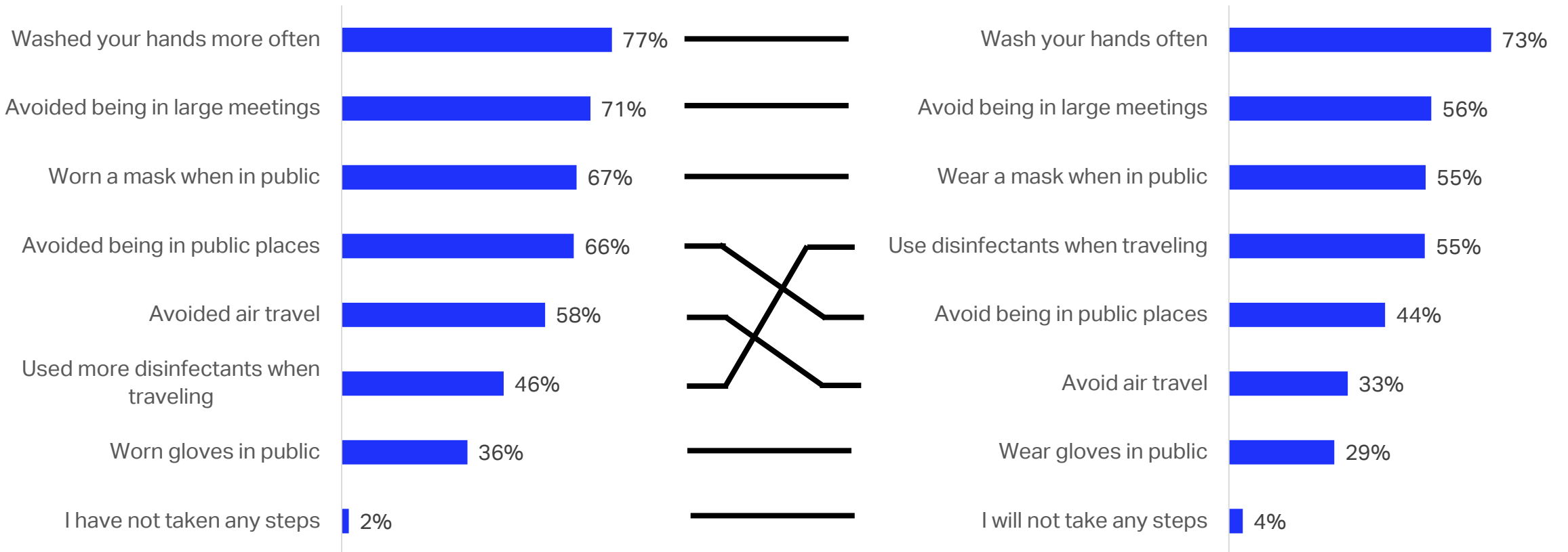


■ Yes combined - Know someone/Family Member/Self

Steps to avoid contracting COVID-19

Have Taken Steps to Avoid Contracting COVID-19

Expect to Continue Taking Steps to Avoid Contracting COVID-19



IATA COVID-19 Passenger Insights – Issue 2, N=4,700

Q: What steps, if any, have you taken specifically to avoid contracting the coronavirus/COVID-19?; Once the pandemic has subsided, what steps, if any, do you expect to continue to take specifically to avoid contracting coronavirus/COVID-19?



Top concerns around contracting COVID-19

At the airport

TOP 3

- 59%** Being in a crowded bus/train
- 42%** Queueing at check-in /security /border control /boarding
- 38%** Using airport restrooms /toilet facilities

On board the aircraft

TOP 3

- 65%** Sitting next to someone who might be infected
- 42%** Using restroom /toilet facilities
- 37%** Breathing the air in the plane

IATA COVID-19 Passenger Insights – Issue 2
N=4,700

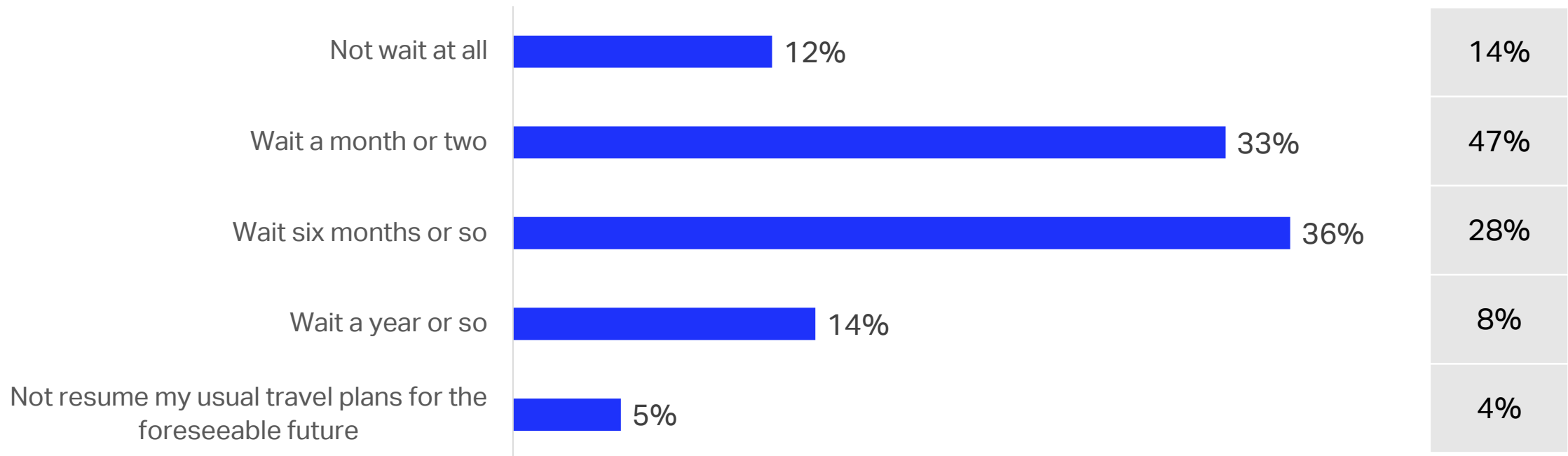
Q: Once the pandemic has subsided, how concerned would you be about each of the following at the airport / on board the aircraft – extremely concerned, somewhat concerned, not too concerned or not at all concerned? Of the following, which three concern you the most?

Return to travel: when?

When Will Passengers Return to Travel After Pandemic Subsided

June 2020

April 2020



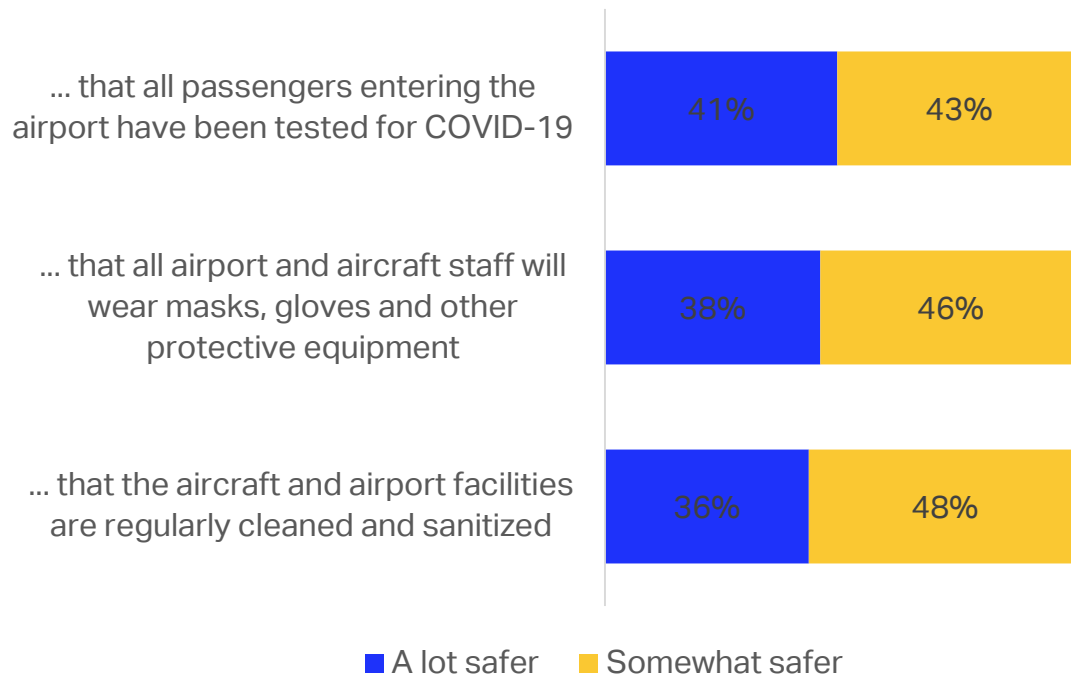
Return to travel: when?

	Total	Australia	Canada	Chile	France	Germany	India	Japan	Singapore	UAE	U.K.	USA
Not wait at all	12%	15%	10%	7%	19%	16%	9%	6%	5%	9%	11%	13%
Wait a month or two	33%	25%	31%	44%	38%	37%	38%	27%	24%	48%	28%	30%
Wait six months or so	36%	42%	33%	34%	31%	32%	38%	34%	46%	29%	40%	38%
Wait a year or so	14%	13%	18%	13%	8%	10%	13%	20%	20%	11%	15%	15%
Not resume my usual travel plans for the foreseeable future	5%	5%	7%	2%	4%	5%	2%	13%	5%	3%	7%	4%

Knowledge about safety measures

Measures That Would Make Passengers Feel Safer

TOP 3



Preferred Methods to Receive Communications from Airlines About Safety Measures

TOP 3

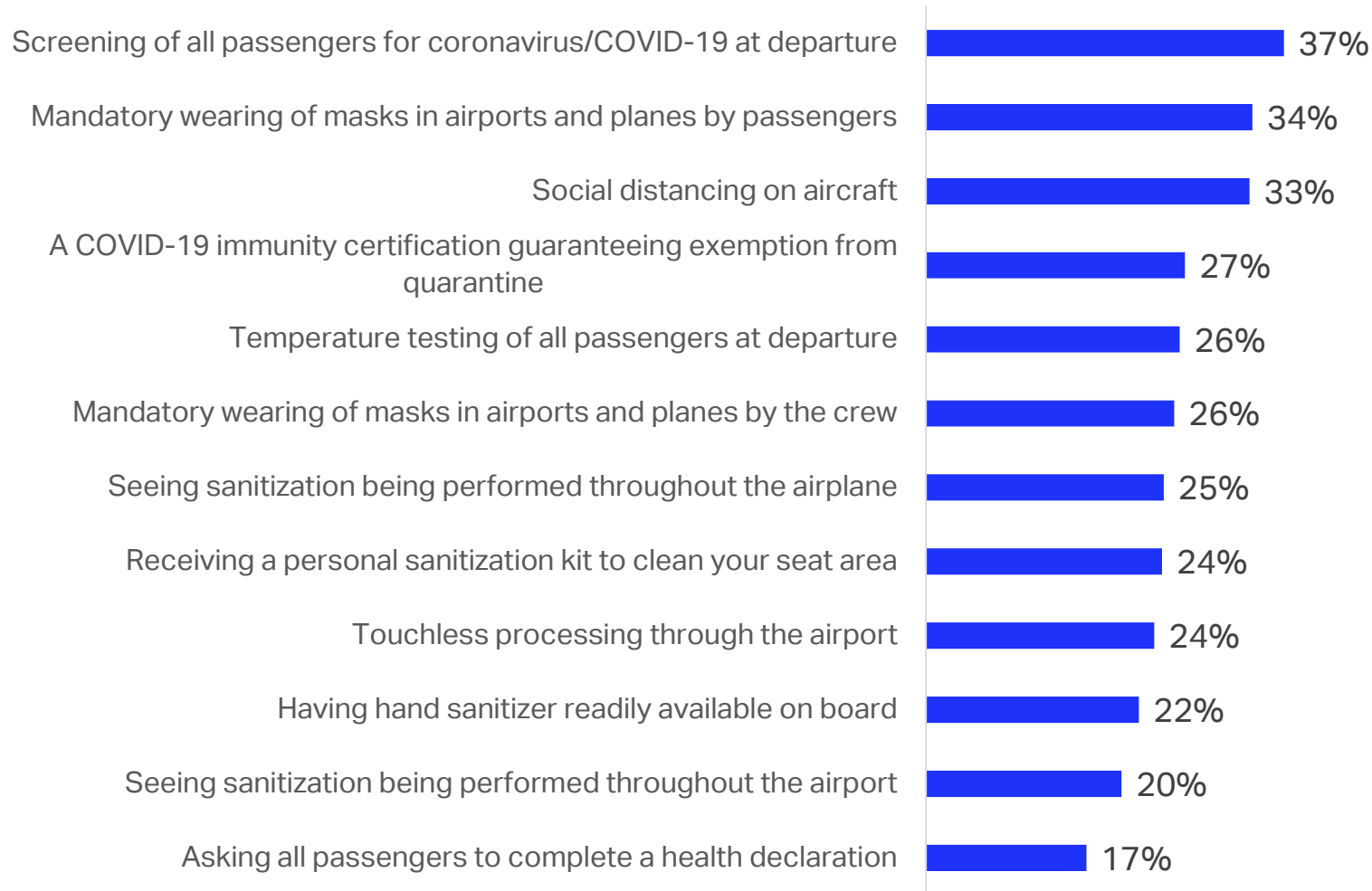
- 41%**
Through e-mails from your airline/travel agency
- 36%**
During online check-in on airline website or app
- 34%**
On airline/airport/travel agency websites

IATA COVID-19 Passenger Insights – Issue 2, N=4,700

Q: Once the pandemic has subsided, if you were going on a trip how much safer would each of the following make you feel – a lot safer, somewhat safer, not much safer or not at all safer? ; How would you prefer to learn about measures that airlines are taking to keep you safe while traveling? Select 1-3 items.



Measures contributing to the feeling of safety



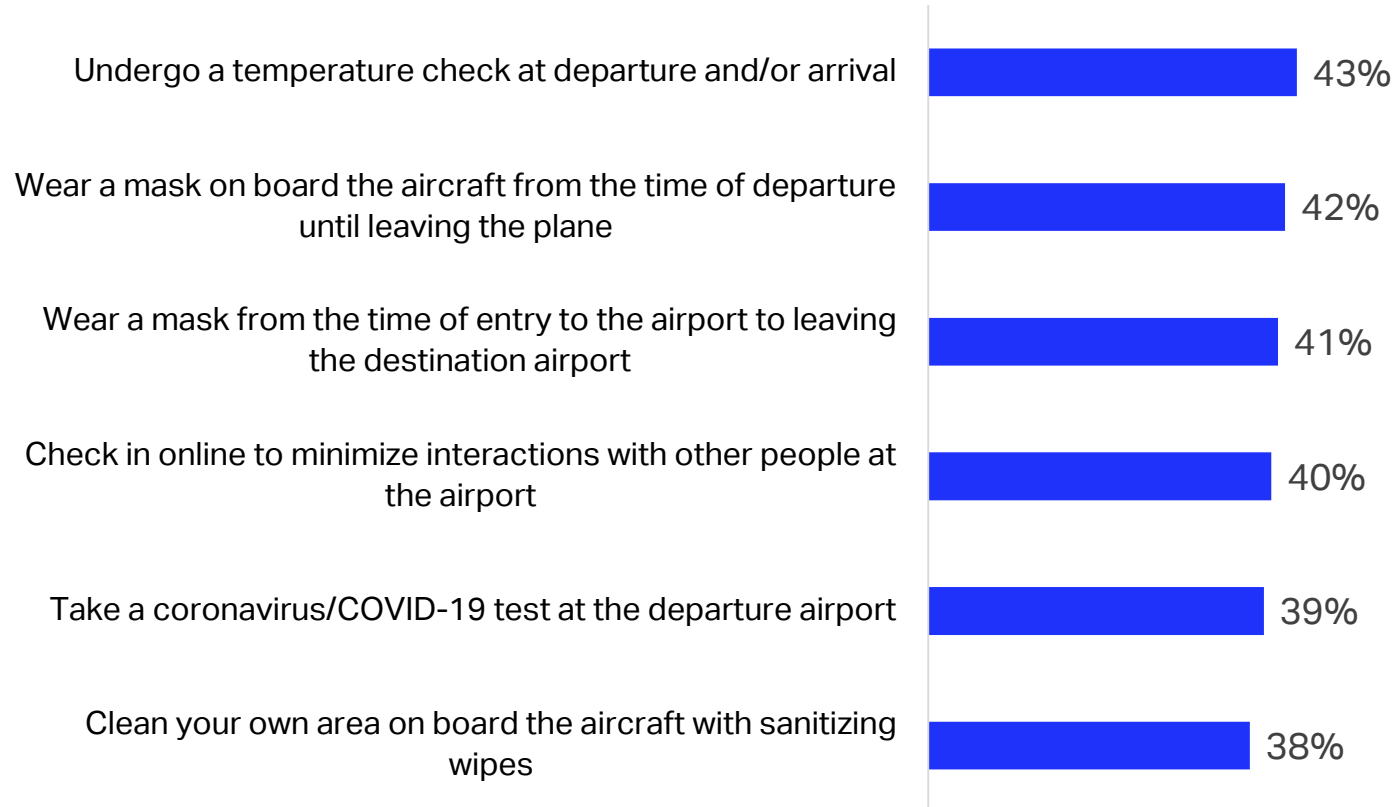
IATA COVID-19 Passenger Insights – Issue 2
N=4,700

Q: Once the pandemic has subsided, how much safer would each of the following make you feel about airplane travel – a lot safer, somewhat safer, not much safer, not at all safer?
Of the following, which three would make you feel safest?



Return to travel: willingness to adopt new measures

TOP 6



The least preferred option:

17% are willing to undergo a 14-day self-isolation



Thank you

David B. Rockland, Ph.D.

RESOURCES

Passenger insights

www.iata.org/passenger-insights

COVID-19 insights

www.iata.org/covid-survey

Contact us at:

survey@iata.org



IATA Webinar: Reshaping the Passenger Experience Listening to the Voice of the Customer & Helping AA Navigate the New Normal

*AA Customer Research and Insights
June 18, 2020*

- Learning from parallels to the COVID-19 pandemic (9/11 and the 2008 recession)
- Benchmarking with other carriers and IATA to see what other carriers were doing to gather insights post pandemic declaration
- Early data sources:
 - Tracking data from AA's customer satisfaction survey
 - 3rd party surveys:
 - US population studies
 - Global studies
 - Travel studies
- Strengths / Weaknesses in these types of data sources
 - US population studies not likely to represent travelers
 - Sampling issues for many travel studies
 - Needed more specific questions on what actions seen as most by customers important in keeping customers safe from COVID-19

Weekly COVID-19 Tracking Survey



- Weekly 10,000 AAdvantage customers, elites and more frequent flyers
- Weekly waves with same base questions every week
 - Concern levels
 - Main areas of concern (small business and economy #1 and #2 issues ...)
 - Emotional impact of crisis (how customers “feel”)
 - How long crisis seen as lasting (over by when?)
 - Signs crisis will abate (vaccine, etc.)
 - Most important measures airlines can take (cleaning, fogging, HEPA filters, etc.)
 - Corporate travel restrictions (by type)
 - Willingness to engage in certain travel and non-travel related activities
 - Recent travel-related activities (like canceling, booking and shopping)
 - How meeting cleanliness expectations (those who have flown)
 - How we’re seen as handling the crisis (all passengers whether flown or not since WHO declaration)
 - Awareness of AA COVID safety measures
 - Press coverage
 - How AA perceived versus others
 - Travel less, more, same in future?
 - Open ended question on what more can we do?
- Weekly “special questions”

Weekly COVID-19 Tracking Survey



- Usage and release of the study
- “Data democracy”
- Shared with AA teams on a targeted basis
- Shared with partners (agencies, airport authorities, etc.)
- “Who is traveling?” study
 - Demographics and industry types
 - Frequent flyer status and past patterns
- Conjoint study
 - Measuring perceived importance of COVID-related actions individually
 - ... And as bundles

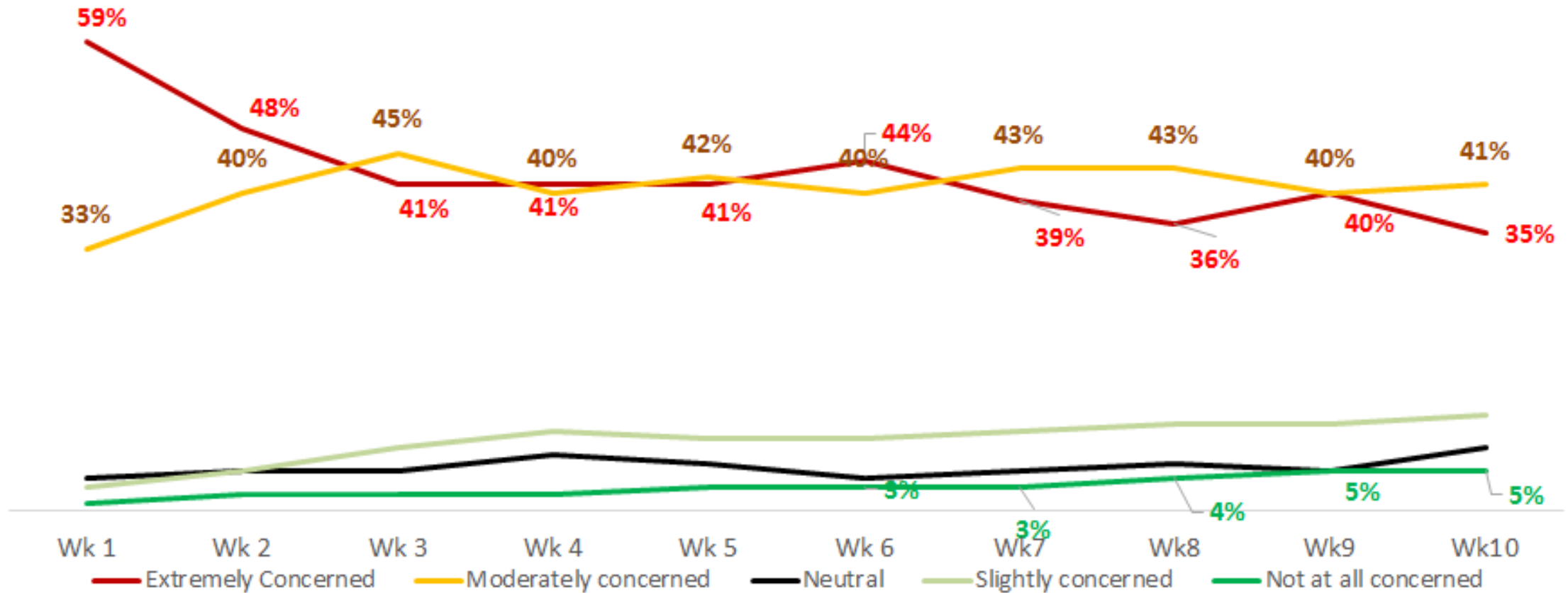


A Few Key Insights

Level of Concern



In general, what is your level of concern related to the current coronavirus outbreak?

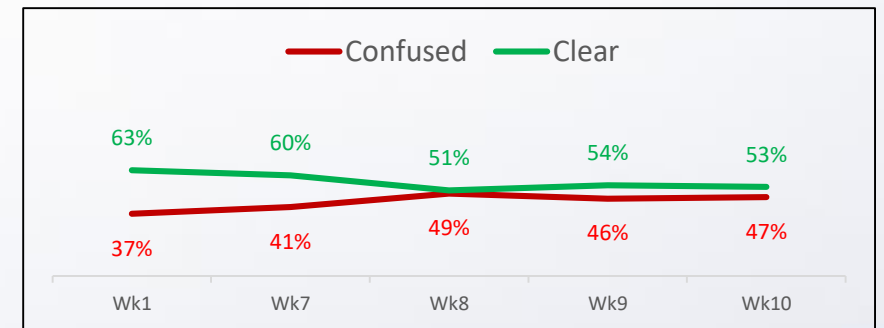
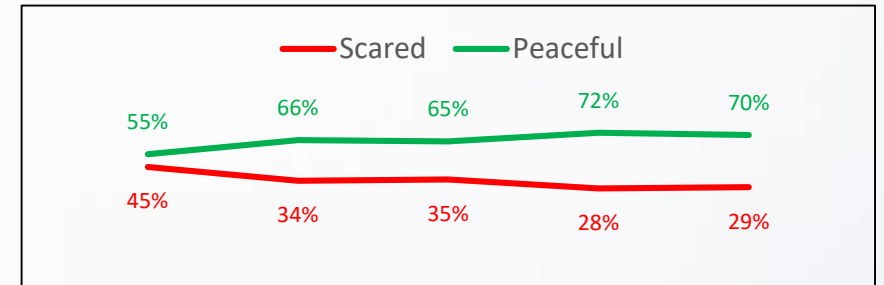
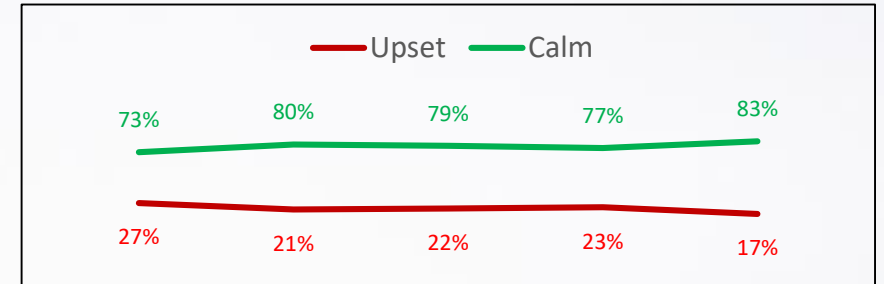
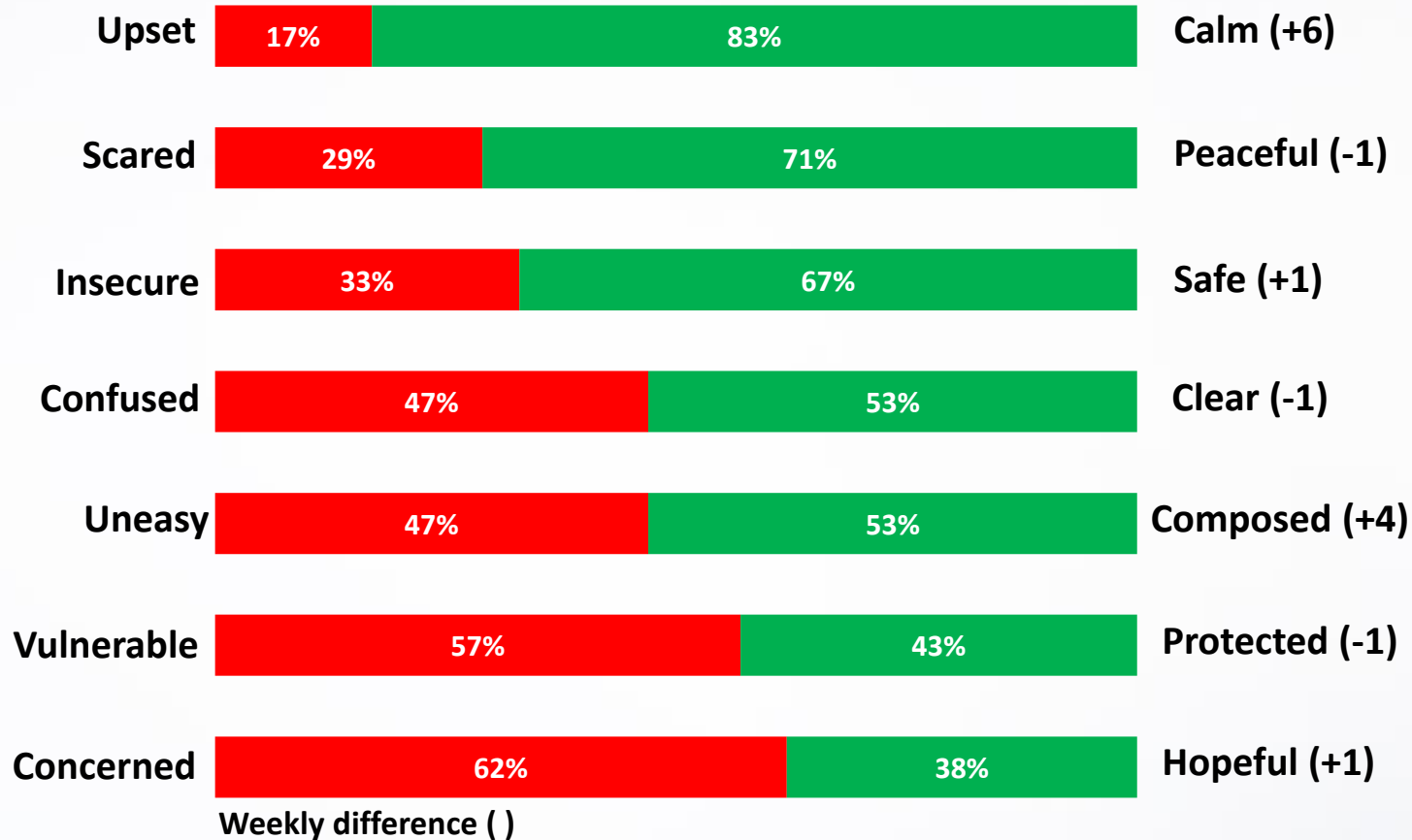


How Customers Feel About The Crisis

Calmness and composure has increased the most over the past week.

Over the 10 weeks of tracking, calm and peacefulness has increased the most, even through a high degree of confusion.

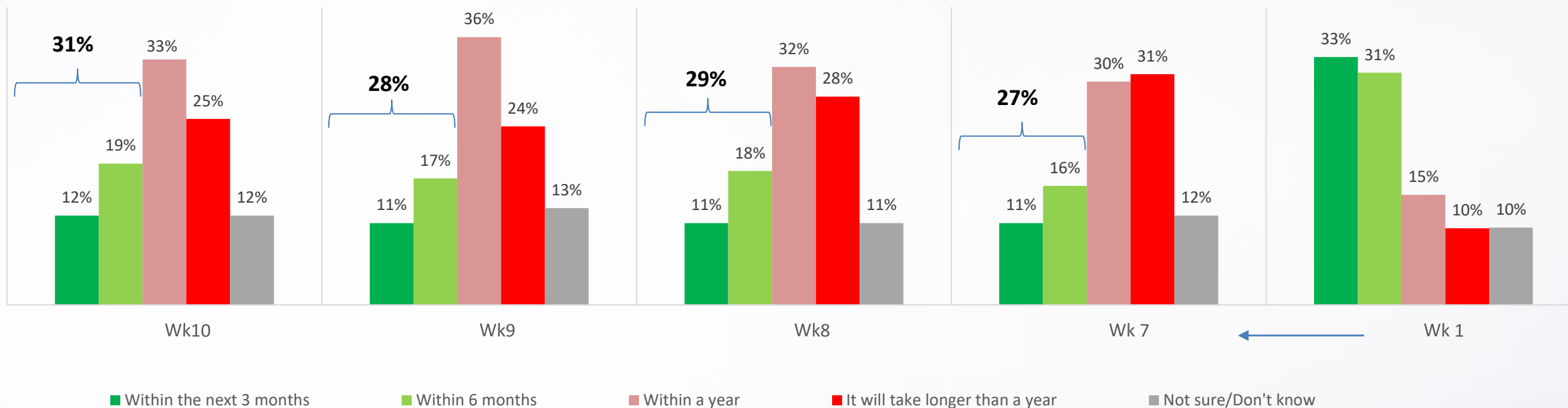
How are you feeling about the coronavirus?





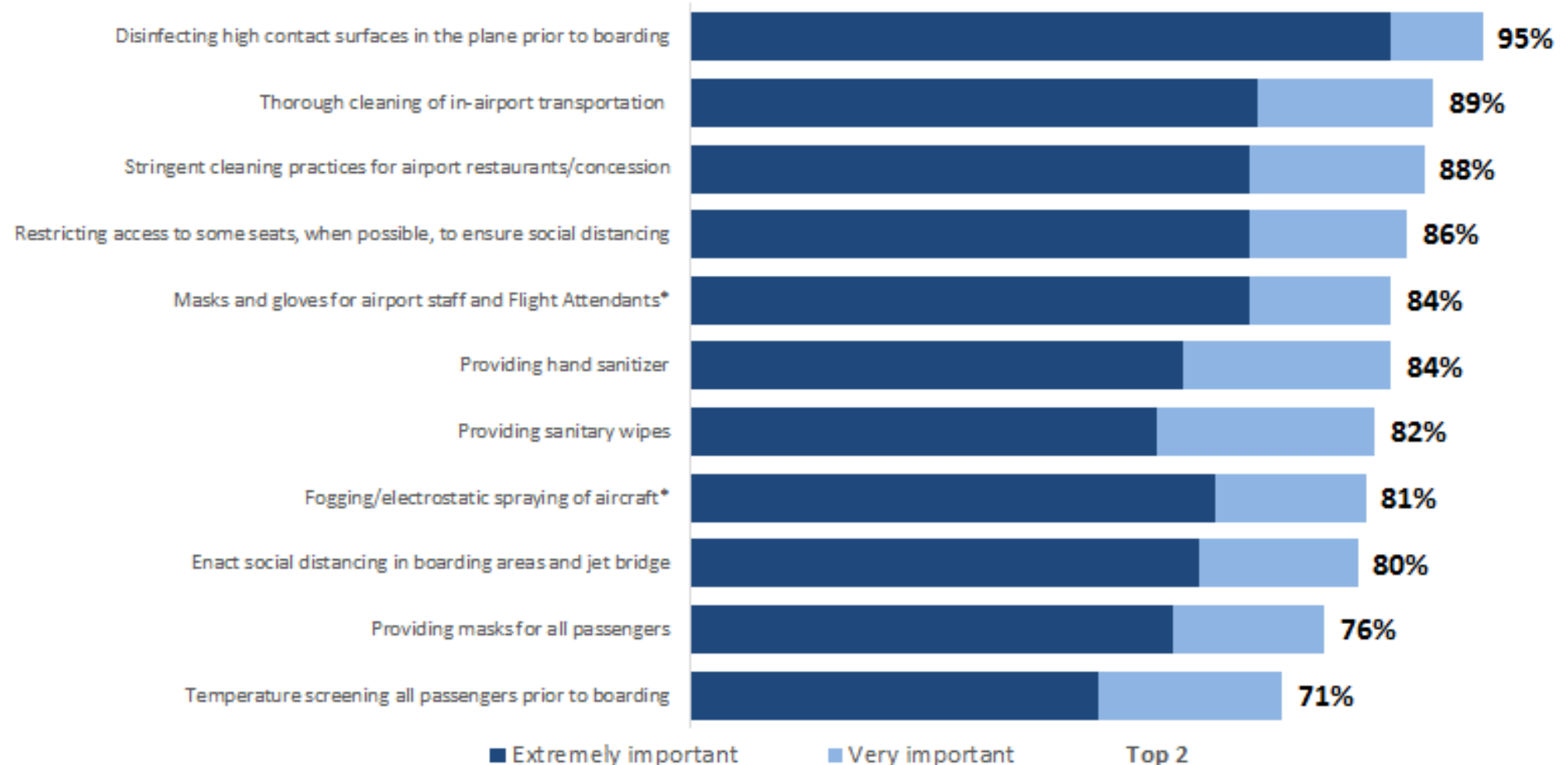
When will it end?

In your opinion, how long before the situation will come to an end?



AA's Response: Importance of Actionable Responses

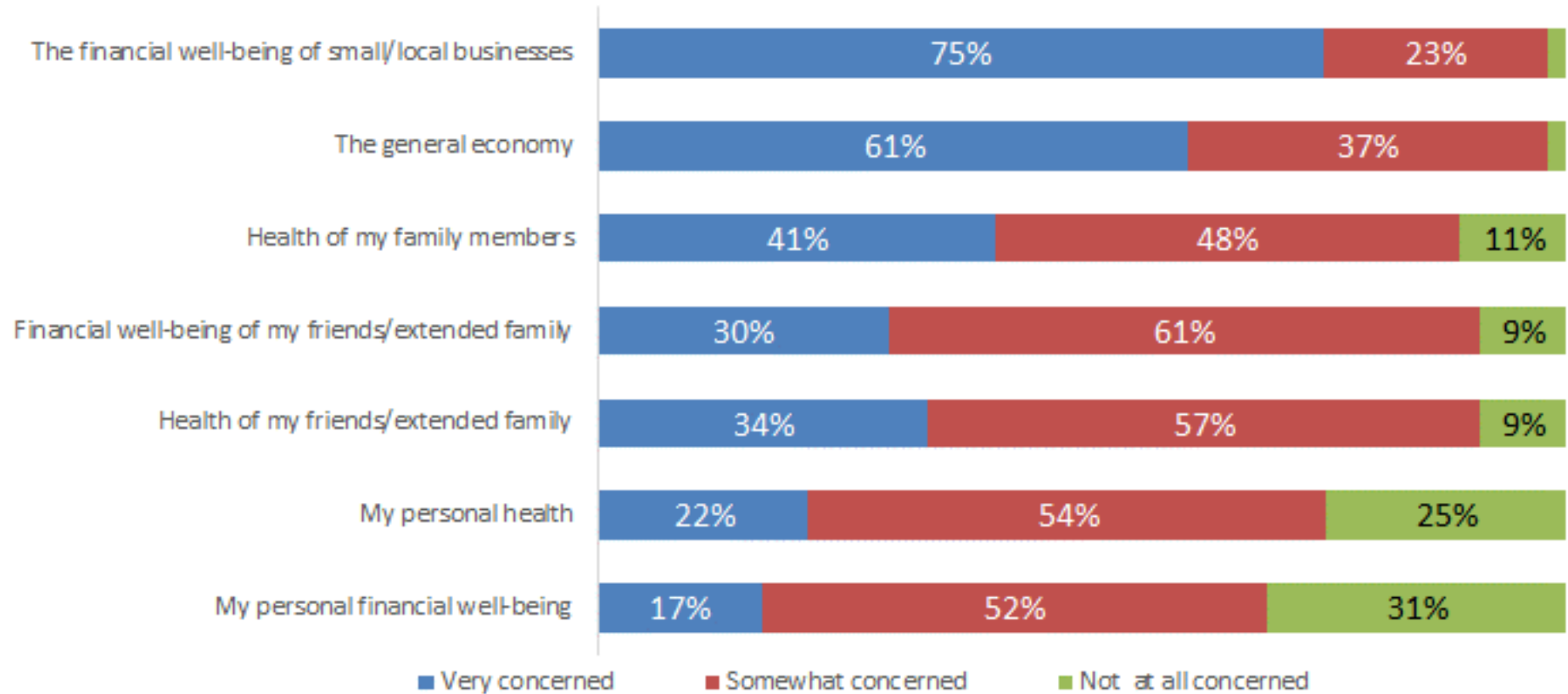
How important do you feel the following steps are for an airline during this coronavirus outbreak?



Health & Financial Well-Being Concerns



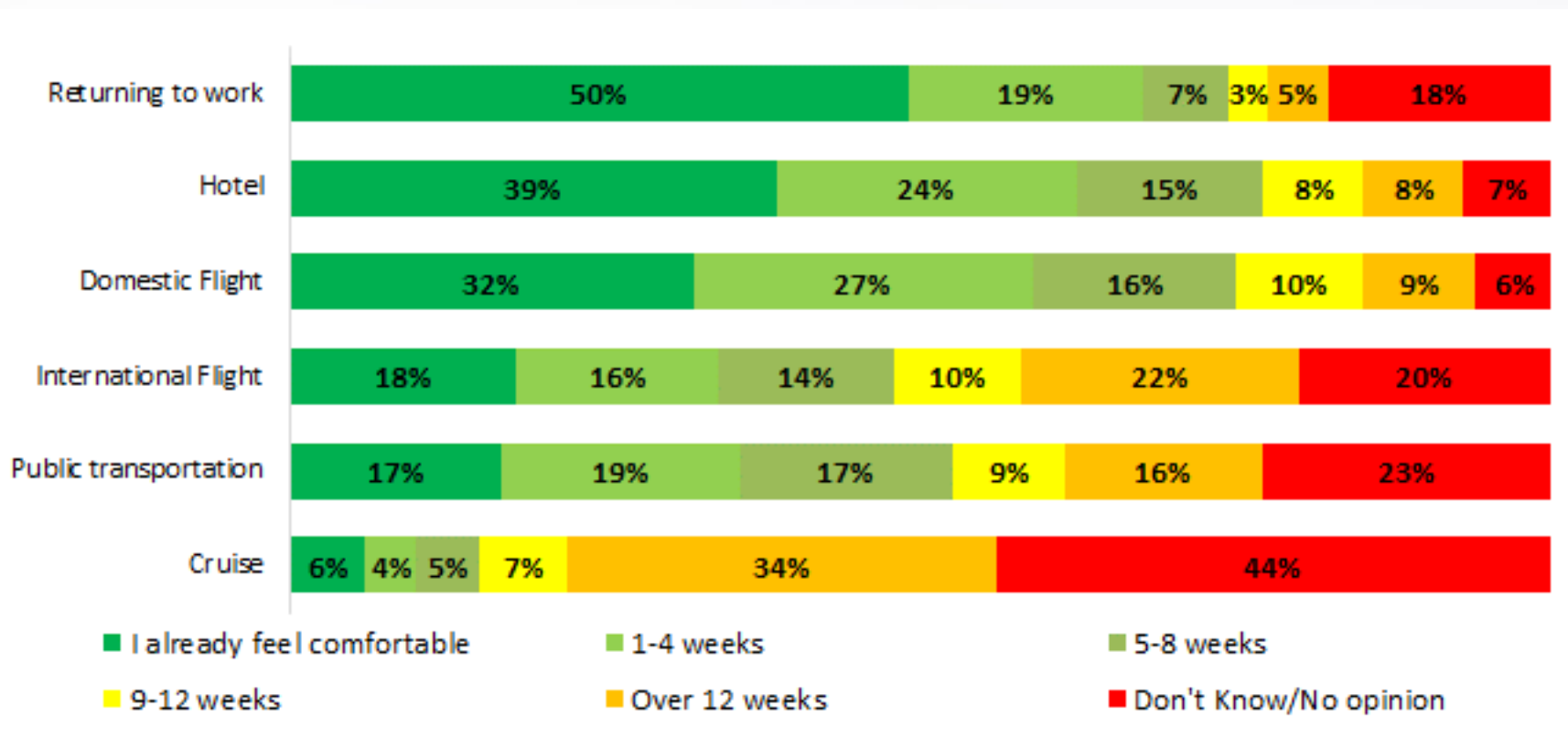
During these times of uncertainty, how concerned are you with each of the following?



Return to Travel...



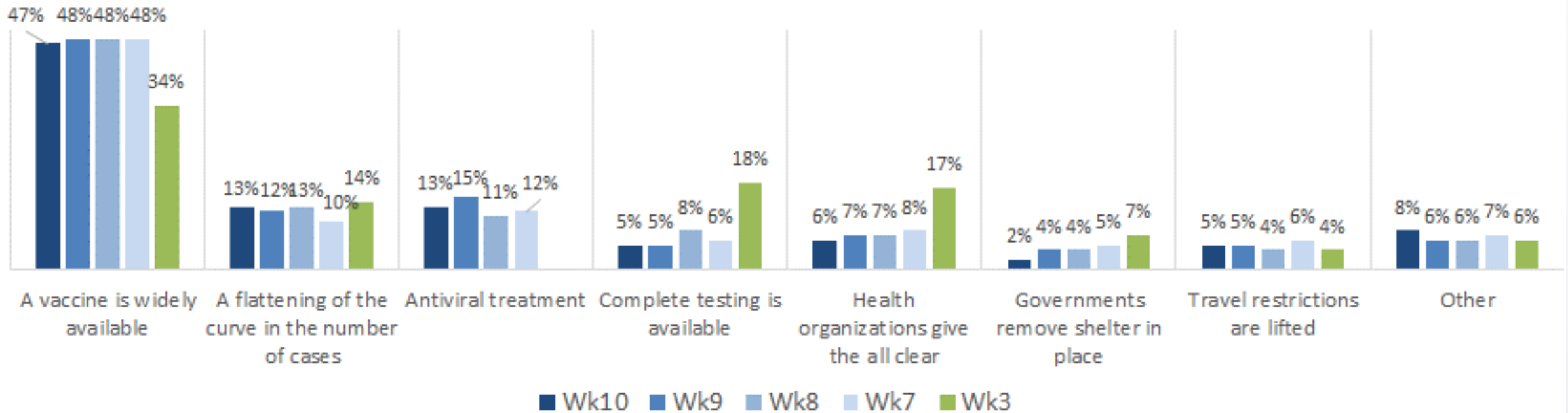
Once an organization or someone you trust has confirmed that the coronavirus is no longer a threat or dissipates, when will you feel you will be comfortable returning to these activities?



Crisis-Ending Indicators



Which of the following do you believe is the BEST indication the coronavirus threat is subsiding?



Top Reasons Members Will Travel Less After “All Clear”

1) Increase in virtual meetings

- *Fewer work trips. More virtual meetings.*
- *We have proven that we do not need as many face to face business meetings*

2) The fear of getting sick makes me hesitant to fly

- *I will not be comfortable until an effective vaccine is available, or at least an effective treatment for COVID-19.*
- *Because there will never be an all clear until a vaccine is produced and fully distributed*

3) Mostly travel for business and employer is cutting travel expenses/will continue to have travel bans in place

- *I think the company that I work for will not allow so many trips... they are already encouraging to use telepresence apps for our meetings*
- *Less work travel. My company is limiting travel for the remainder of the year and clients are not likely to have visitors for a while. Video conferencing has proven efficient for getting work done.*

4) Though my employer has allowed me to travel, my clients may not be allowing visitors

- *Fewer clients wanting physical meetings.*
- *I travel for work primarily visiting clients; I don't anticipate all my clients will accept on-site visits, or they will try and reduce the amount of on-site visits.*

Tracking Survey Learnings



- *In a pandemic like this, all eyes are fixed on customer insights*
- *Data democracy critical – this is a shared crisis and sharing insights is critical*
- *Tie survey data to ops and financial data*
- *Focus on customer's emotional state – how customers are processing pandemic*
- *What worries people most in terms of the crisis, safety measures, and their lives*
- *Focus on demand and customer behaviors*
- *Keep key questions constant for tracking*
- *But make changes to other questions as needed*
- *Cascade the data throughout the organization*
- *Leverage open-ends*



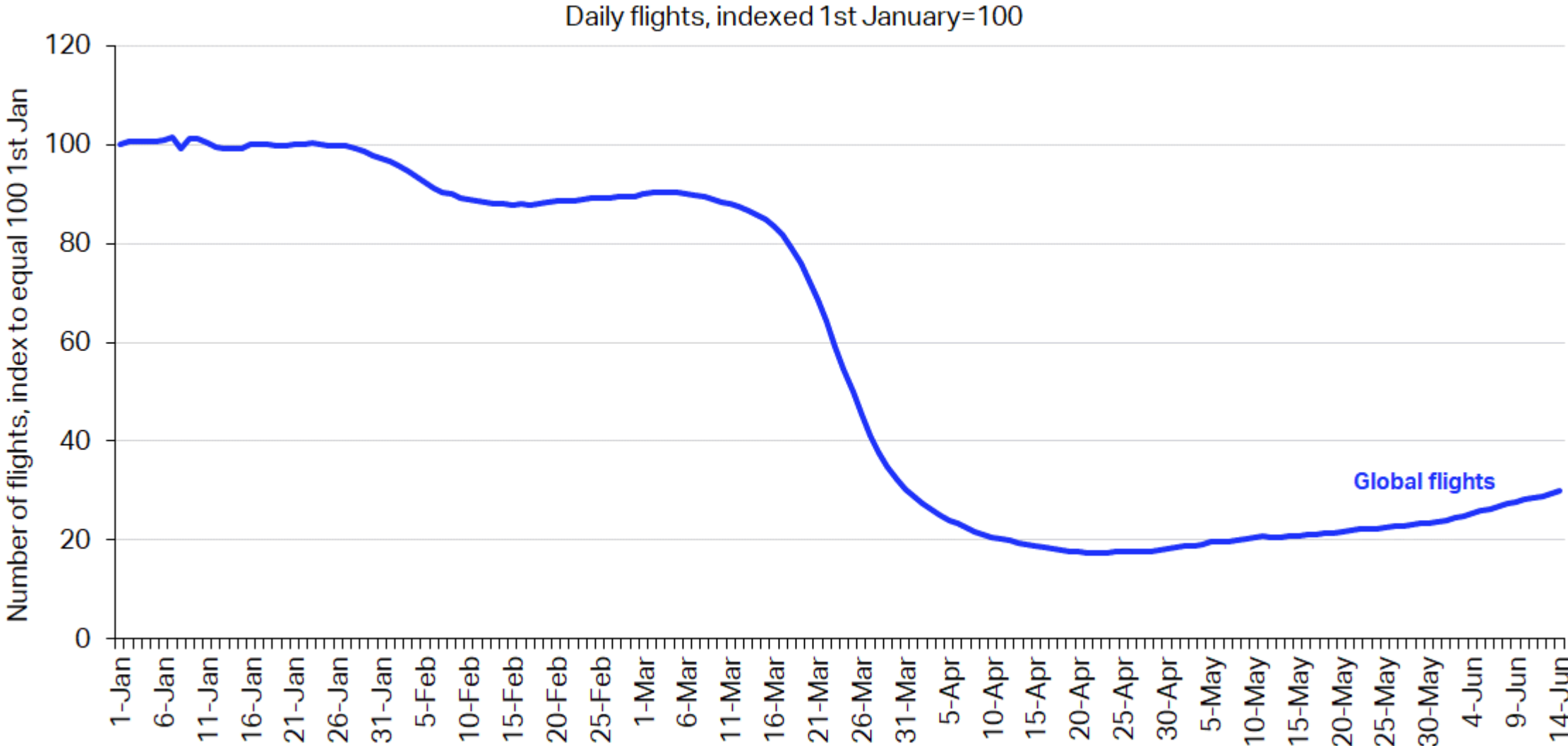
Thank You!

COVID-19 and the near-term industry outlook

Andrew Matters
Deputy Chief Economist
IATA



Worldwide flights are still down 70% vs 1 January



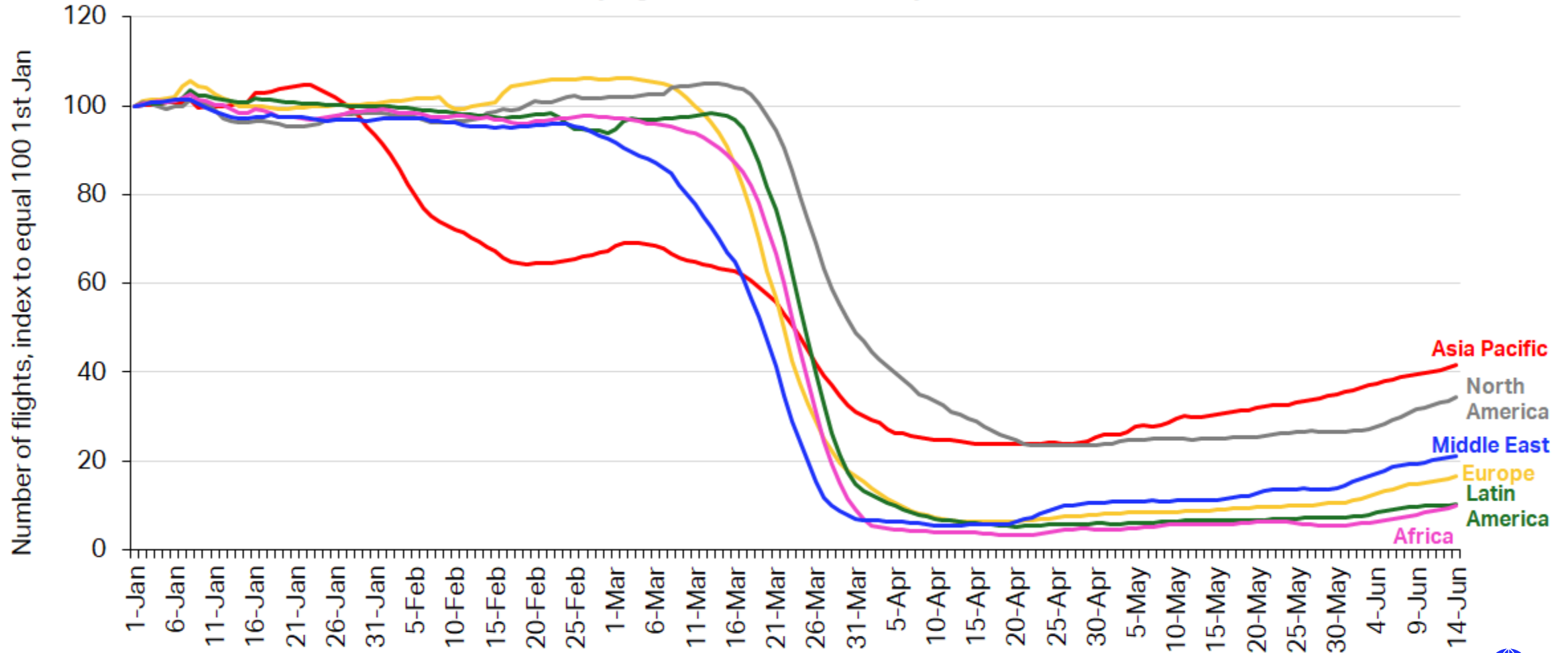
Global flights



Regional performance is mixed...

...with Asia Pacific and Nth America outperforming

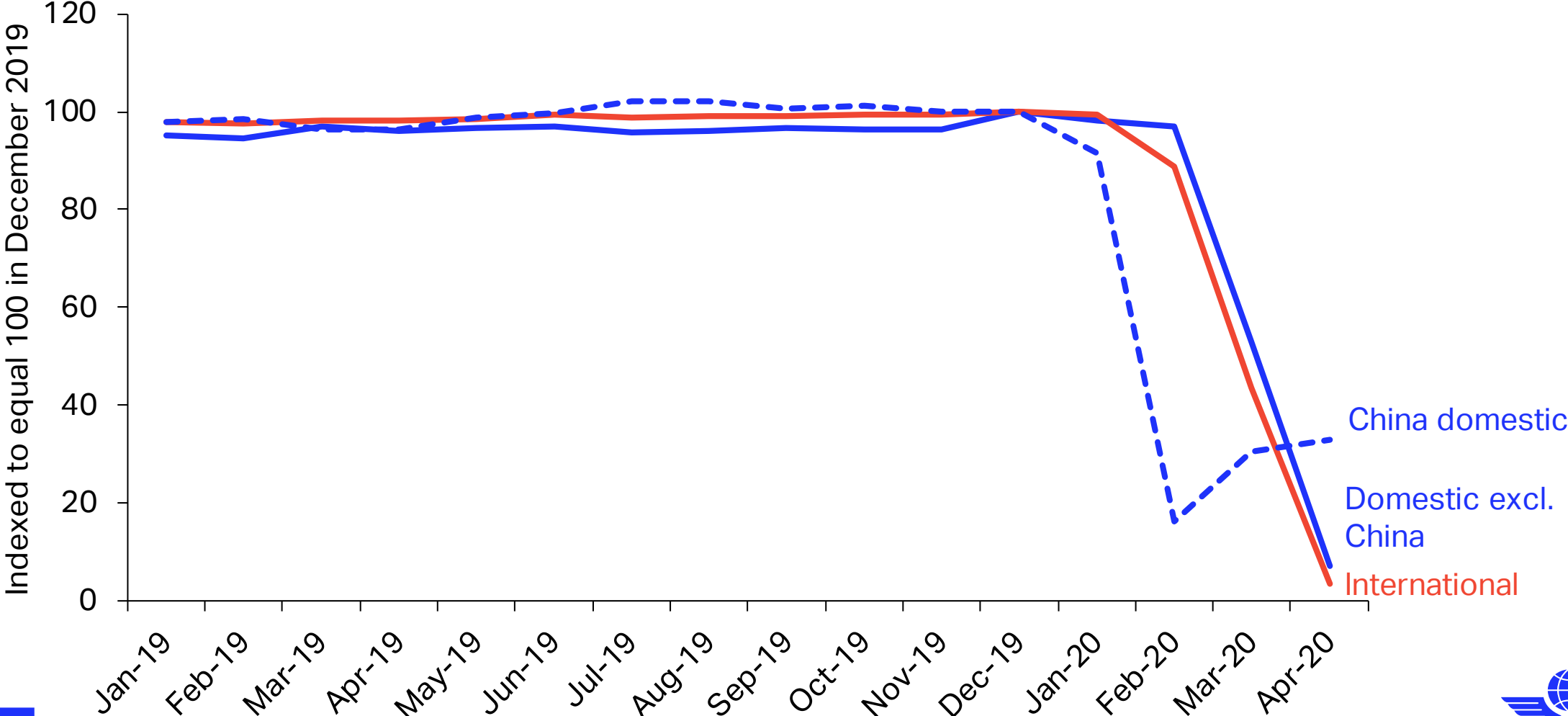
Daily flights, indexed 1st January = 100



China's domestic market was the exception in April

Other domestic and all international markets saw virtually no air travel

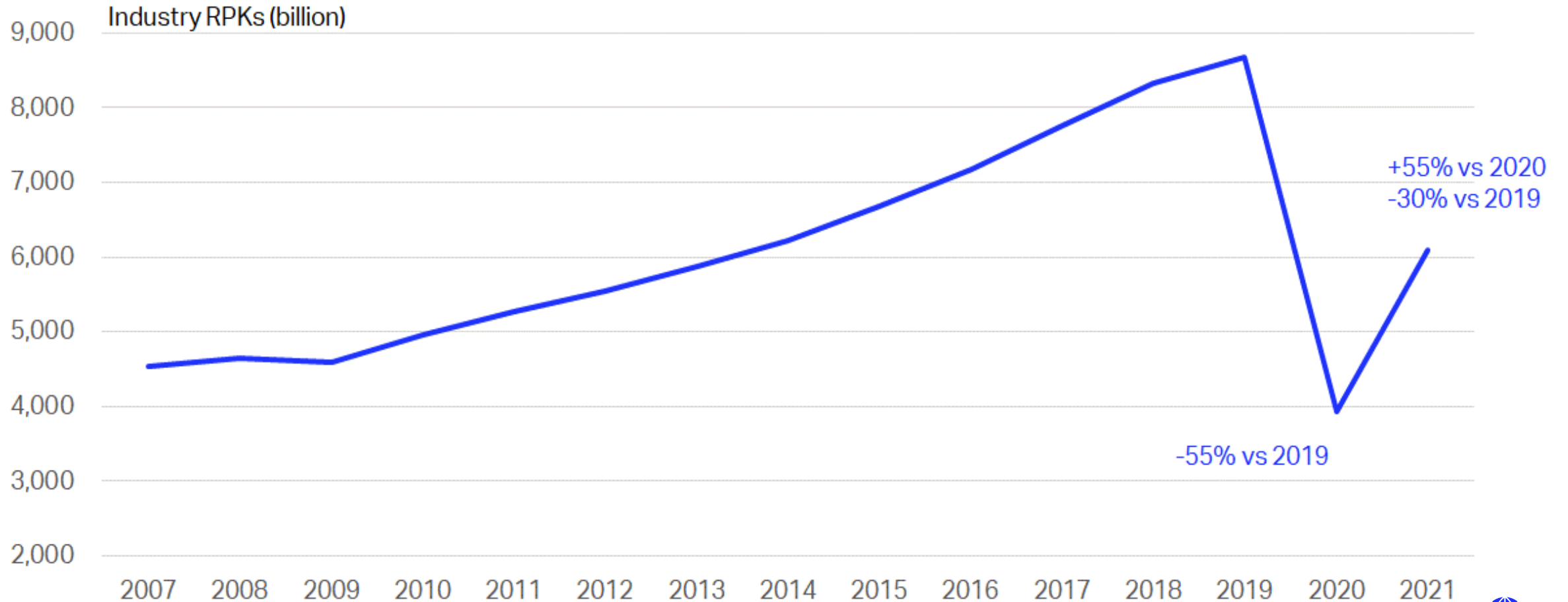
Air travel measured by RPKs, indexed to December 2019, seasonally adjusted



Demand for air travel expected to rise sharply in 2021

Stronger volumes next year but demand remains well below 2019 levels

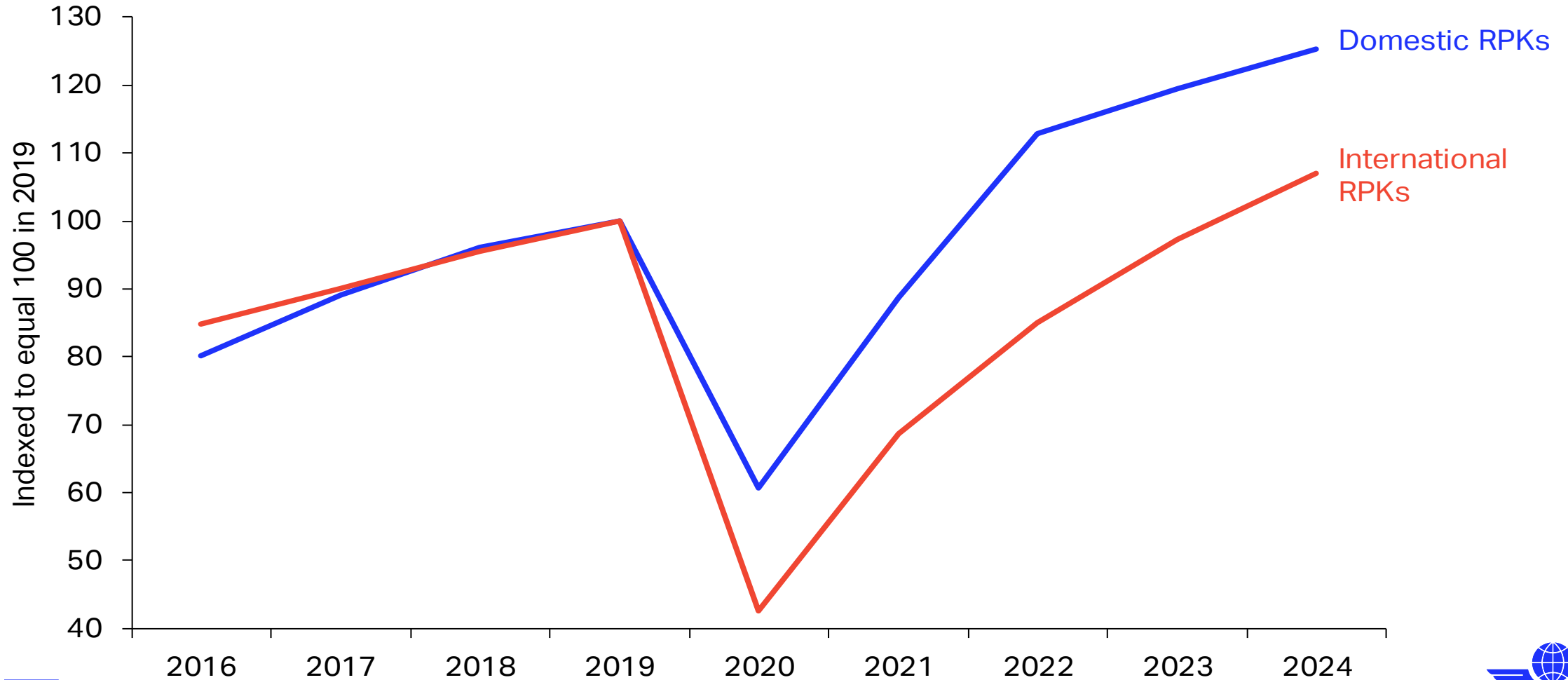
Global Revenue Passenger Kilometers (RPKs) flown



International RPKs will lag domestic air travel markets

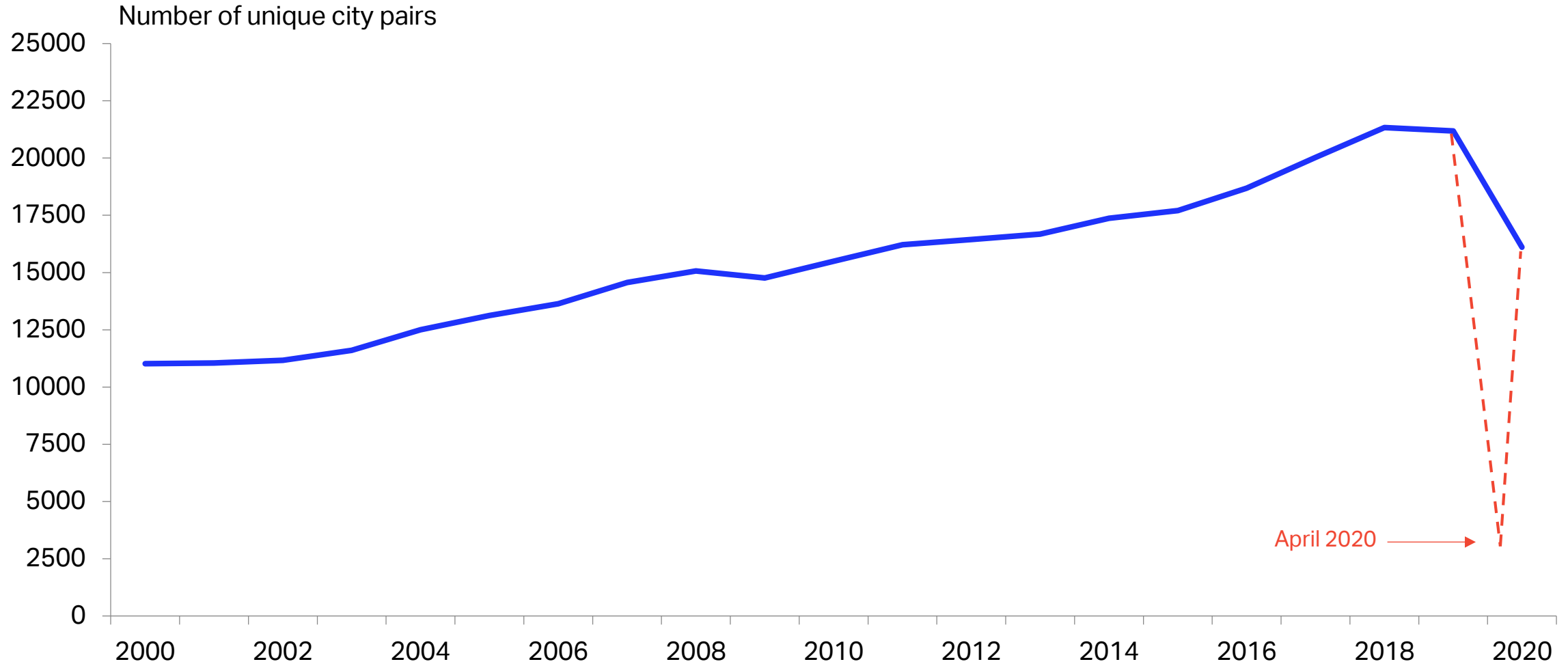
International air travel may not recover 2019 levels until 2023-24

Global domestic and international RPKs, indexed 2019=100



Risk that city-pair connectivity may not fully recover

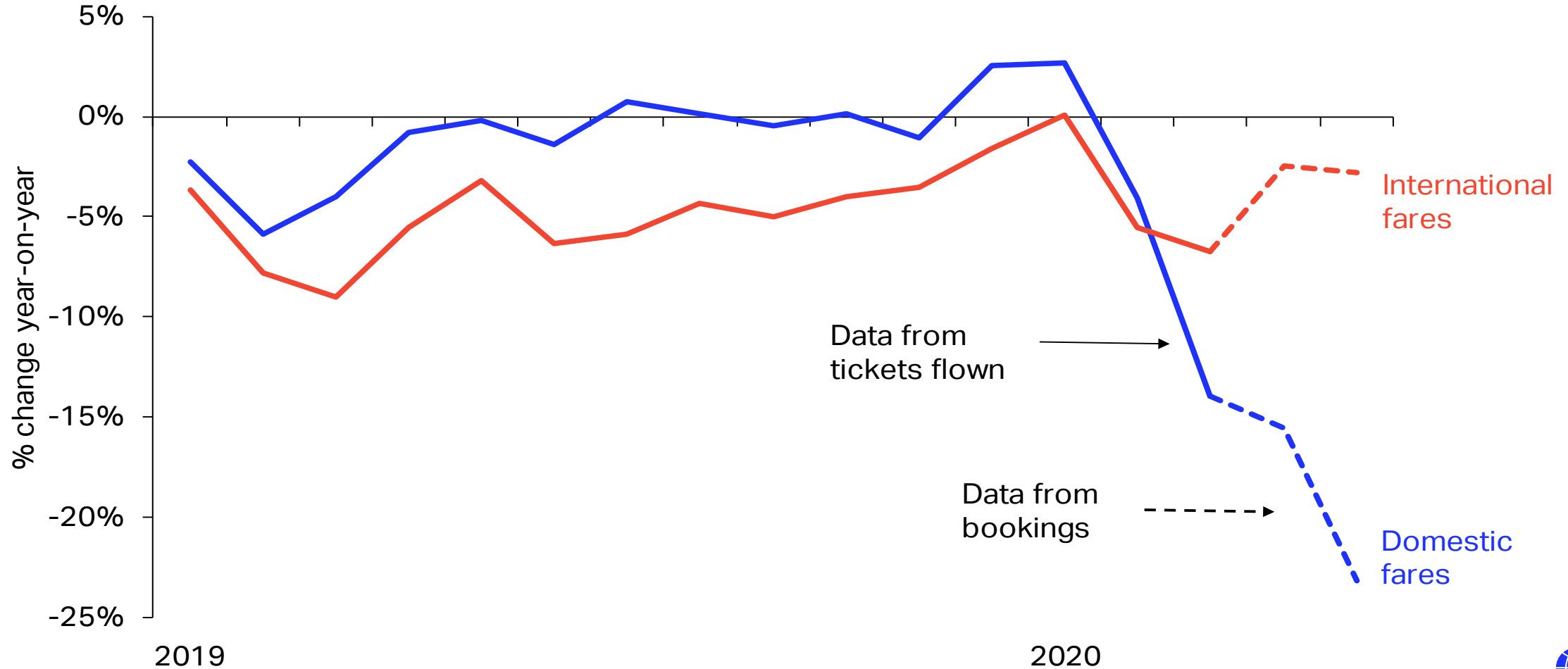
Flows of trade, investment, tourism critical for wider economic recovery



Airlines are trying to stimulate demand with low fares

Air fares for travel on domestic markets in May are 23% lower y-o-y

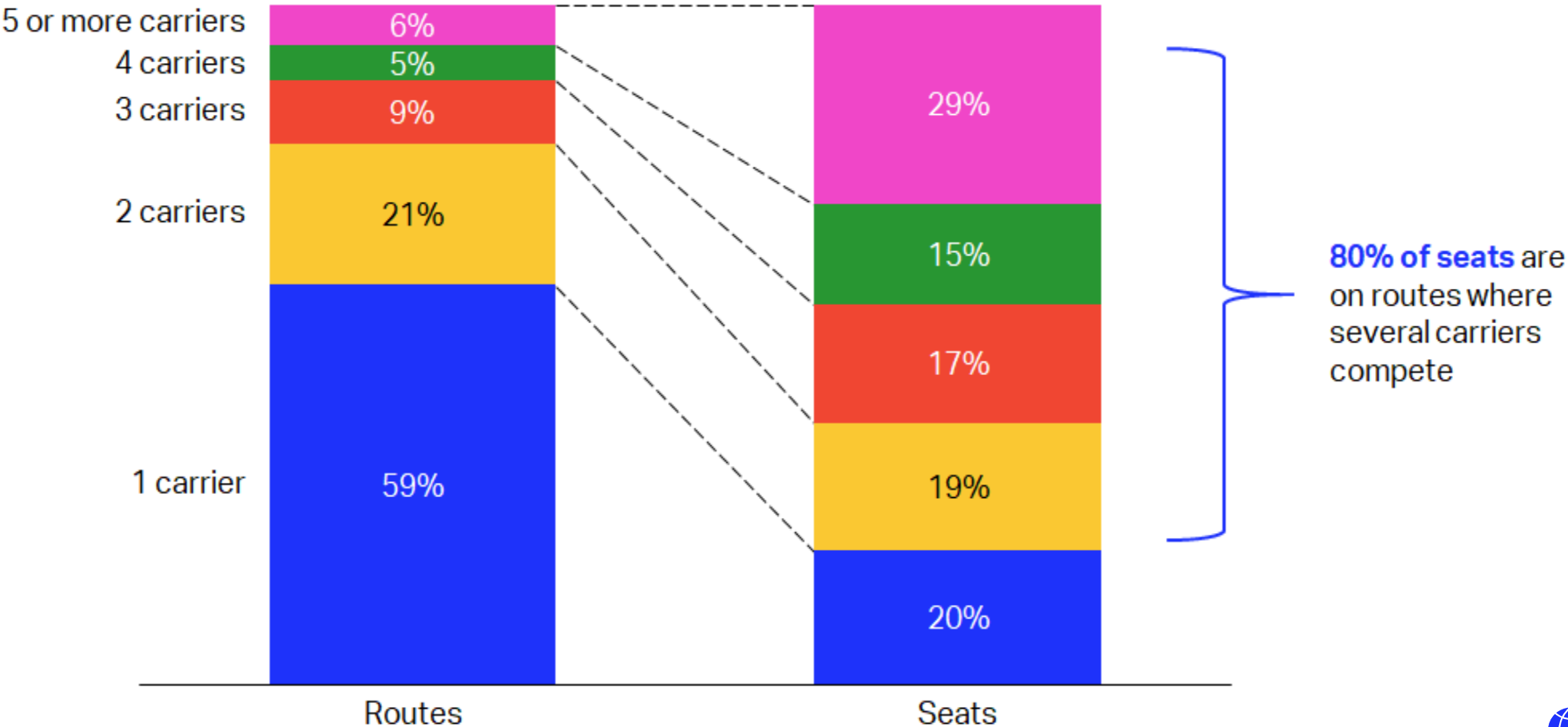
Growth in average air fares, domestic and international



Competition potential to be fierce as markets open up

Despite consolidation 80% seats on routes with 2 or more airlines

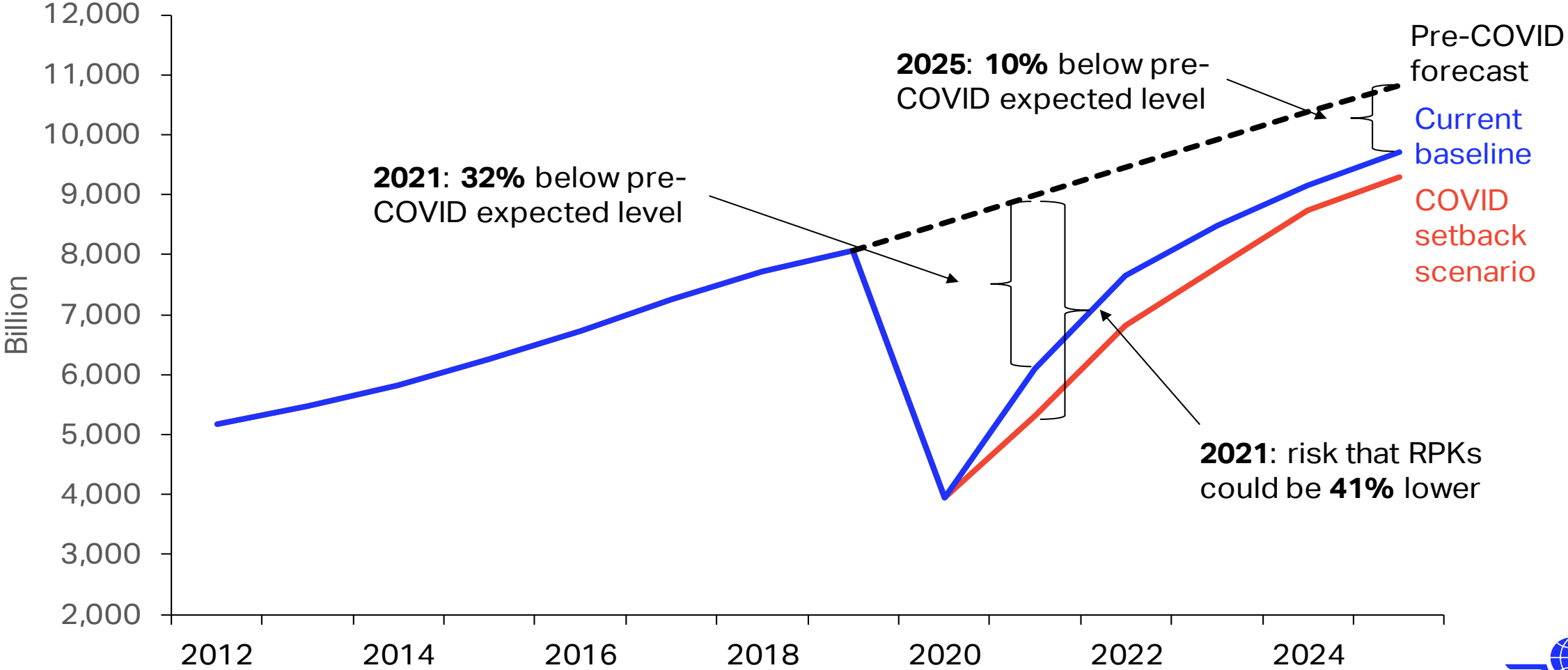
Distribution of global routes and seats by number of carriers competing on route, 2019



A return to growth post-COVID...but at a lower level

Global RPKs forecast to be 30%-40% below expected levels in 2021

Global RPK medium term scenarios



Contacts

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www.iata.org/economics



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Q & A





The How and What of
Customer Data, Tools
and Methods

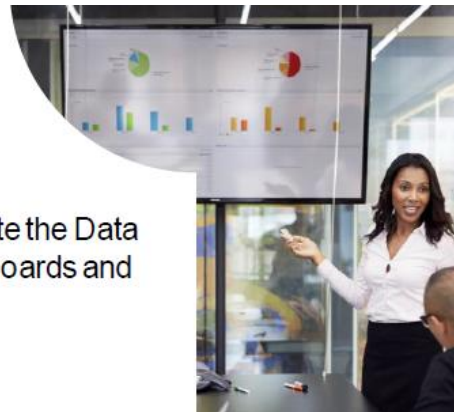
Module 2



Building a strong VoC program



Communicate the Data
using Dashboards and
Storytelling



Interested in exploring **customer insights** programs and **market research fundamentals**?

IATA Training:
Enhancing Customer Experience through Data and
Insights

www.iata.org/training-paxex



Questions & Answers

Moderated by: Andrew Price, Head Global Baggage Operations, IATA



Speaker
David Rockland
Rockland & Dutton
Research & Consulting



Speaker
William Mitchell
Customer Research
American Airlines



Speaker
Andrew Matters
IATA Economics



Speaker & Moderator
Kasia Berbari
IATA Surveys

Thank you for your participation

Passenger Insights (Airsat, COVID-19, other)
www.iata.org/passenger-insights

Contact us at:
survey@iata.org

Economics
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Customer Insights Training
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Webinar Series: Reshaping the Passenger Experience
www.iata.org/passenger-webinar