

**Shaping flexible organizations –  
A customer experience perspective on how to deal with COVID-19-induced uncertainties**

October 2020 by Sarah Espinoza

The COVID-19 crisis challenges airlines and airports to regain passengers’ trust in air travel whilst focusing on the right measures to spark interest in air travel again and at the same time avoid unnecessary cash-outs. Consequently, understanding the customer has never been more important in order to identify and prioritize product and service investments effectively and succeed in the swelling war for passengers.

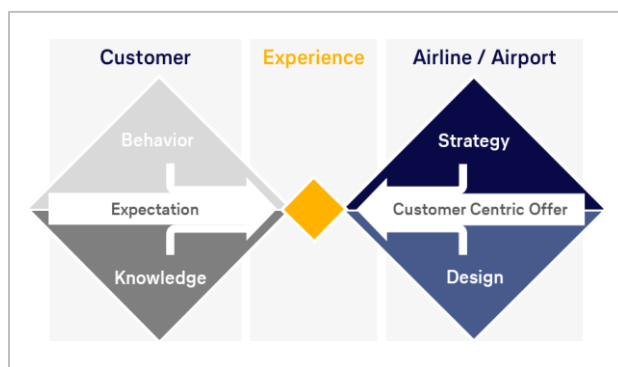
**Today and the way forward**

As a direct impact of the COVID-19 crisis, passenger numbers have dropped drastically and are expected to be 58.4% below 2019 levels according to FlightGlobal<sup>1</sup>. This means for airports as well as airlines that the war for the remaining 3.8 billion passengers in 2020 has intensified. Furthermore, pressure has increased to implement the right measures to regain customers’ satisfaction and trust as well as to build long-term relationships with them. This is especially important because the war for passengers is not only a short-term occurrence. It will accompany the aviation industry throughout the upcoming four years, when passenger numbers are predicted to level pre-COVID-19 ones. Additionally, this highly competitive situation is intensified by the continuing consolidation of the entire industry, in which fewer but larger competitors are expected to rule the market in the future.

Consequently, the big challenge for the players of the aviation industry will be to find ways to remain successful in this competitive environment with its uncertain future.

**Why customer focus is so important - especially now**

Lufthansa Consulting believes that airlines and airports should now follow a customer centric approach in response to these uncertainties, on both passenger and business side. Customer centricity as an organizational strategy enhances customer experience by aligning its offer with individual customer expectations. Moreover, it enables companies to quickly develop and deliver the right products and services to fulfill passengers’ current and future needs and there contributes to the long-term revenue generation of the company.



*Customer Centricity Model (Source: Lufthansa Consulting)*

<sup>1</sup> <https://www.flightglobal.com/networks/airports-face-long-wait-for-air-traffic-return/140106.article>



This mindset shift from a product-centric to a customer-centric way of thinking has gained even more in relevance throughout the last few months since passenger needs are changing at faster levels and most past data on passenger habits is no longer useful.

In fact, in reaction to the COVID-19 crisis, it becomes visible that some airlines and airports have shifted their focus towards understanding their customers better and fulfilling their needs in a faster and more flexible manner. For example, in order to increase reaction speed to changing customer preferences and comply with new regulatory requirements, [crisis teams working as 'near-agile' units](#) were established in most likely many aviation organizations to accelerate both decision-making and the execution of measures. Moreover, in order to flexibly identify and create suitable products and services, customer feedback became key. By capturing customer insights on a constant level, data can be analyzed and evaluated to identify conclusive future fields of actions which are targeted to satisfy customer needs. Additionally, the implementation of customer related KPIs enables companies to assess the effectiveness of measures taken, quantify the process made or stop initiatives in a timely manner to avoid unnecessary cash-outs.

Use cases of new products and services that have been introduced during the last few months can be identified when comparing the pre-COVID-19 situation with the [new sanitized air travel customer journey](#). To satisfy the increased need for information, aviation companies started communicating for instance countries' entry restrictions or testing requirements. Furthermore, to meet social distancing requirements, additional contactless self-services, adjusted boarding and de-boarding procedures were introduced. Besides that, new [personalized offers](#) were created such as the paid-for free-middle-seat, fast lane accesses or flexible rebooking options.

These changes show that aviation companies have started to see the importance of understanding and reacting to customer needs quickly in order to regain trust and ensure revenues in the long run. However, the question arises which measures should be prioritized especially in times when budgets are tight. By taking Maslow's famous hierarchy of needs into consideration, it becomes clear that airlines and airports must initially satisfy passengers basic needs of security and safety in order to counteract unpleasant feelings or mistrust. Hence, aviation companies should be on high alert and react quickly and flexibly to fill the customer expectation gap regarding the mask obligation. Today this is oftentimes inconsistently enforced by ground and board staff. This is currently one of the top customer pain points<sup>2</sup> and leads to feelings of insecurity during the travel journey and thus negatively impacts customer satisfaction. Aviation companies' reaction speed and flexibility to these customer insights become crucial, since negative customer experiences hamper the rebuilding of trust and spread quickly via social media channels, potentially negatively influencing many other passengers. This highlights once again the importance of near-agile units within organizations that can react quickly and flexibly to ensure long-term customer satisfaction.

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*"It takes **12 positive experiences** to make up for one unresolved negative experience."*

*Ruby Newell-Legner, Experience Designer*

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Once customer trust in air travel has been re-established, airlines and airports should concentrate on technological and digital advances to satisfy the increased customer desire for simplicity and personalization along the

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<sup>2</sup> <https://www.travelport.com/insights/infographic-10-measures-will-get-travelers-moving-again>



customer journey. In fact, digitalization along the air travel customer journey holds the potential to create competitive advantages in the war for passengers. It is believed that digitalization drives aviation's return to profitable growth in the long run<sup>3</sup>. How to exploit this enormous potential in attracting and satisfying customers and which prerequisites are relevant for the long-term success will be discussed in an upcoming article by Lufthansa Consulting focusing on identifying digital and technological opportunities along the entire air travel customer journey.

## **How CX helps to get passengers back on board**

In order to regain passengers' trust in air travel and identify the right measures to avoid unnecessary cash-outs, Lufthansa Consulting recommends aviation companies to deliberately invest in customer experience improvement measures today to stay competitive in the market in the long run. This is especially relevant now, in times of fast changing customer needs, low predictability levels and reduced passenger numbers. By analyzing customer feedback, companies get the opportunity to quickly identify and flexibly create new products and services tailored to the specific passenger needs as well as to uncover untapped potentials. As a result, passenger trust will be rebuilt, brand loyalty increases and continuous revenue streams are ensured in the long run.

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Sarah Espinoza works as Consultant for Lufthansa Consulting and is an expert of the Customer Experience Solution Group.

Further insights from Lufthansa Consulting's aviation experts are available at

<https://www.lhconsulting.com/insights/news/>

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To learn more and discuss how your organization could benefit from Lufthansa Consulting's expertise on Crisis Recovery, please get in touch at [ALcrisis-solutions@LHConsulting.com](mailto:ALcrisis-solutions@LHConsulting.com)

**Together, we can make it through to better days.**

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<sup>3</sup> <https://www.forbes.com/sites/gabrielleigh/2020/07/14/how-top-aviation-leaders-see-the-future-of-the-airline-industry/#27da211f7b85>