

**Muhammed Haqq**



*"I hope that I can use those tiny utensils and operate the remote control OK - otherwise I'll get very bored and very hungry!"*

- 37 years old
- Single
- Computer programmer
- Broken wrist

**Lisa Robertson**



*"I hope the kids cope OK with the flight, but I'm really looking forward to just getting there"*

- 35 years old
- Married to Dan
- Primary school teacher
- 2 children, Zac (6) and Chloe (2)

**Arne Rijkssen**



*"My knees are always crushed against the seat in front. I envy smaller people when I fly!"*

- 33 years old
- Furniture designer
- Single
- Dutch

**Phillip Anders**



*"I'd rather fly Business but unfortunately the company can no longer afford it"*

- 49 years old
- Married with a teenage son
- Plastics sales manager

## individualquest

Airlines that take the time to really understand passenger needs through the use of customer profiling are realising increased revenues through game-changing products

GUY BIRD, AIRCRAFT INTERIORS INTERNATIONAL

“Know your customer” is an oft-repeated business mantra, but the number of airlines that truly take the phrase on board when developing new products and services is debatable. Too often complacency leads to a lack of innovation and stagnation and ultimately poorer profitability or worse. Profiling is one way to get to know your customer better, and if done well can make a massive difference to designers, marketers and managing directors sometimes more used to acting on their hunches. As Richard Stevens, creative director of Forpeople, the design agency involved in British Airways’ new First experience candidly declares: “Most airlines and designers fall into the trap of designing for this sector based on assumption rather than any real understanding.”

Getting those parties to understand the importance of customer profiling is key. For some businesses like Air New Zealand, necessity proved to be the mother of invention. After a period of financial turmoil in the early ‘noughties’ with an ageing fleet and dwindling fortunes, the company

was reborn with new management that acknowledged they needed to take a completely new look at long-haul travel in order to survive.

The resulting research created a series of customer profiles that were amusingly equated to characters from the TV show *The Simpsons* for ease of understanding – more of which later – and spawned among other new products, the critically acclaimed Skycouch. Now entering service, the three-seat economy product can be converted into a couch via a lift-up extension to the seat base to allow a couple or a parent and kids to get some sleep. A formal adaptation of what some long-haul economy customers try to achieve anyway when the seats around them are free, it’s nonetheless a genuine breakthrough that is proving very popular with passengers. Crucially, the decision to make it only came after detailed customer research.

“If you look at the Skycouch it looks like a leg rest on a seat and essentially that’s what it is,” says Air New Zealand’s manager of aircraft programmes, Kerry Reeves. “A lot of

**John and Anne Throsby**



*"Travelling in economy plus was a real treat, but not worth the added expense for this trip"*

- 67 and 66 years old
- Married
- 2 children and 4 grandchildren
- Retired, used to own and run a café

**James Strathfield**



*"I can't hear any of the announcements, so I'll be no use if there's an emergency!"*

- 65 years old
- Deaf
- Divorced with one daughter, Lou 32
- Retired military

**Claire Ashford**



*"I'm really excited about my trip but Mum's terrified I'm going to get lost or miss my flight or something..."*

- 18 years old
- Single
- Just finished school
- Wants to be a social worker



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- 01. Air New Zealand's Space Seat offers two experiences: central 'inner' Space Seat pairs offering a social environment;
- 02. While 'outer' Space Seats are better suited to those who would rather not be disturbed

people have said to me, 'that's so simple, why didn't someone do that before?' but you have to understand that it is the outcome of all of the work we've done."

**DIFFERENT APPROACH** Air New Zealand is an interesting case study because of the amazing depth and time spent on this research. The firm picked San Francisco-based innovation company IDEO to start the process back in 2006 and took their time to really establish what the brief should be before they even tried to meet it. "We didn't race ahead to develop ideas," says Reeves. "That's probably the mistake many organisations make. They want to innovate but they don't, they just improve on where they are. Going back to understanding what your whole proposition and customer journey should look like then creates the questions we used to develop products to answer those questions. Evolving existing product isn't true innovation."

Andy Baker of Davis Associates, which has provided user insight research for projects including British Airways' First offering to staircase solutions for the Airbus A380, agrees

carriers need to adopt a more scientific approach: "An airline may have a stereotypical view of a business-class customer," he says, "but as ergonomic experts we consider the profiles that really test the design."

Baker cites the case of a young mum travelling with two kids who might be familiar with business class as a solo businesswoman but now has a new mindset and priorities. "Customer profiles, or 'personas', provide the airline and the design team with a precise, shared vision of the range of customers to be considered. The profiles help to define and illustrate the functional and emotional needs of customers and, by doing this, inform the prioritisation of design options. It is this guidance of the requirements process which is the true benefit of customer profiling for the final design."

Air New Zealand's Reeves says carriers really need to go the extra mile in their efforts to understand latent passenger requirements: "We thought we'd done customer research previously but really we'd only scratched the surface," he says. "The work we did for Skycouch was much more in-depth and structured. For our observational research we sent people on actual flights as passengers and even trained the IDEO people as crew to observe customer behaviour from a crew perspective."

Customer surveys were also involved but ultimately Reeves found the observational research more useful: "It's very difficult to put down your true feelings in a couple of lines or by ticking a box. But when you're flying on an aircraft and watching what people do all the time, how they sleep, what positions they take, where their feet go, that's a very powerful way of understanding their needs."

Reeves confesses to a whopping 12 months researching – a serious commitment in money as well as time but one his team was ultimately able to convince management about. "A year might sound like a long time," he says, "but it wasn't until the last three to four months that we started to get real clarity. It was very important to bring the management along on the journey too. If you disappear into a cave for 9-12 months and pop out at the end and say 'well this is what our passengers need', especially when some of the findings are quite radical, it could be very easy for a management



team to dismiss it. They have to be a part of that process or they will never buy into the outcome."

And indeed the Air New Zealand management team were involved. Reeves says all the senior management train as flight attendants and, at various times of the year, still operate as cabin crew.

**BART OR BURNS?** The upshot of all this research was the identification of a series of customers with different personalities and thus onboard requirements that were allied to characters from the *The Simpsons*. Reeves explains: "The *Simpsons* reference was simply a way for us to easily understand customer segmentation and the types of people we were designing for. They're universally known characters. Rather than a very detailed description of a particular character type, saying a person was a 'Bart Simpson' or a 'Mr. Burns' was just so easy for the designer to know exactly what that person is like."

The biggest customer group (29%) in Air New Zealand's findings was defined as 'Socialites' or 'Bart Simpsons' – i.e. those that are highly involved in the flight and those around them. The second biggest group (26%) was defined as 'Territorialists' or Mr. Burns – mainly frequent flyers, who know exactly their entitlements and expect very high service. These groups defined the two basic passenger needs – to socialise or be left alone – while other characters acted as off-shoots of these ideas: the 'Positivists' (10%, Marge); 'Cocooners' (17%, Lisa); and the 'Disengaged' (18%, Moe).

## digital personas

Effective passenger profiling is particularly relevant to an airline's IFE offer. The latest IFE systems allow customers to purchase anything from car rental to theatre tickets via the seatback screen. Tailoring particular services or specific offers more closely to the seat demographic could help boost profits: "Through our technology, we can see who is buying, where they are buying, what they are buying, and when," says Richard Cushing at Guestlogix, which helps airlines to create, manage and control onboard retail environments. "This provides us with extensive insights into product purchasing habits on board."

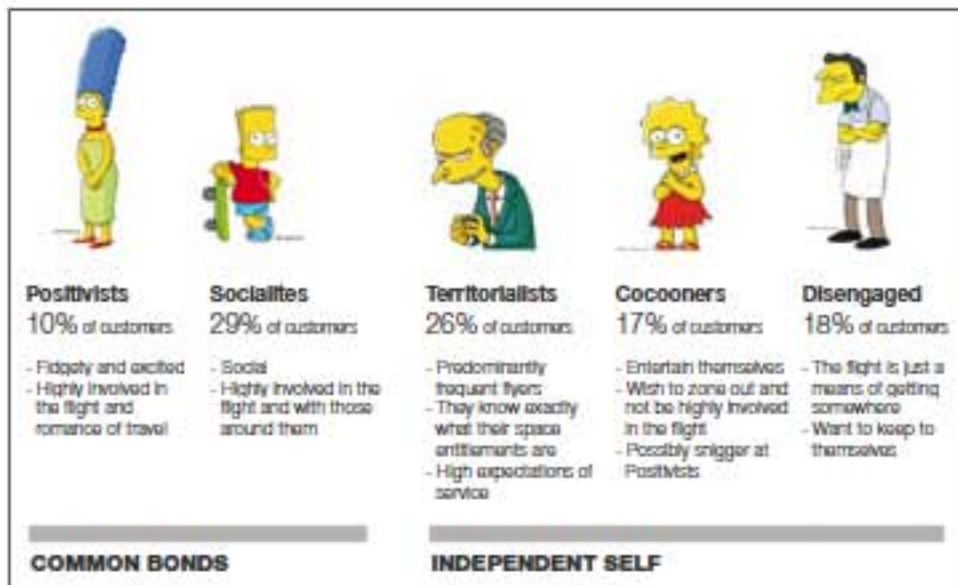
There are also opportunities to personalise the overall experience: "We're working very closely with a number of airlines on enabling, for example, the creation of playlists, of preferences, of language or other user-driven configuration before the passenger gets on the aircraft," explains Thales' vice-president of marketing, Stuart Dunleavy. "So just as you have a frequent-flier profile with your preferred seat, your preferred destination, your preferred departure points, we want to bring that same one-to-one relationship to the IFE platform. A number of airlines are very interested in enabling their passengers to create essentially a digital persona they can carry from aircraft to aircraft and flight to flight."



03. Persona cards from Davis Associates

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- 04. Simpsons characters were used to help describe varying passenger needs during Air New Zealand's long-haul product development programme
- 05. One of the fruits of such a precise research approach: Air New Zealand's SkyCouch

The result of identifying characters who wanted to socialise (Bart and Marge) and those who wanted to be left alone (Mr. Burns, Lisa and Moe) led Air New Zealand from the idea of "selling seats to selling experiences". Three new products were developed as a result. Reeves says the Skycouch – designed for socialisers who also want to get some rest – actually came from an alcove idea to create lounging space for families. "It was a great concept," he explains, "but we couldn't execute it efficiently because it took too much space and the value proposition wasn't right so then we thought how we could create the same environment within the boundaries of what is affordable for an economy passenger."

Reeves reckons the Skycouch is reasonably priced for economy given the precious option of sleeping and early sales are very positive. In basic terms if one person buys the couch they buy three seats for x2.5 times the price, but if a couple buys it the extra cost is only x0.5 again and if a family of three buys it – say a mum and two kids – they're already buying three seats so the premium is only a few

hundred NZ dollars. Usefully the Skycouch can act simply as a regular three-seat economy seat as required too.

The second product resulting from the research was the premium economy Spaceseat. Reeves continues: "It's designed to deliver to the two propositions of travellers we identified: those who want to socialise and those who want to be by themselves. Although the seat is mechanically the same, because of the layout outboard seats deliver a very private experience where you can control who you interact with, while the centre seats are aligned to allow you to interact with your travelling companion or partner. You can turn to face each other and if you want to dine together a central column becomes a dining area."

**TWO IN ONE** As Reeves points out, this seat achieves the trick of offering two different experiences within an aircraft class. Indeed although Air New Zealand officially only offers three classes, with the Skycouch and Spaceseat it can now effectively offer five different experiences.

The airline's final research finding was that customers want to control their space and also their experience – notably when they eat and drink and how they order it. The resulting product – food and beverage on demand – where customers can order snacks and drinks at any time through the IFE via the equivalent of an internal email to the crew in the galley is not an industry first. However, it is strongly appreciated by customers and opens up options for other uses for customer profiling for airlines looking to raise revenue.

Air New Zealand's story doesn't necessarily mean every future product development process needs to be so intensive. Reeves concedes that the next phase will be more evolutionary: "The process won't need to repeat itself as I think we've learned what we've learned, but how we execute it for the next aircraft fleet will be a little different as we've learned a few things along the way that we could have done better." However, it does show that to really change things, identifying your customers and their real needs – whether he or she is a Bart, Mr. Burns or Marge – cannot be ignored. ☒

**CONTACTS**

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