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# ascend

Taking your airline to new heights

## THE PILOT

A CONVERSATION WITH  
TIM HOEKSEMA, CHAIRMAN,  
PRESIDENT AND CHIEF  
EXECUTIVE OFFICER,  
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# Balancing Act



Southwest Airlines abandons its one-size-fits-all approach by offering a number of new features including check-in and boarding processes, gate improvements, frequent flyer enhancements and in-flight amenities designed to heighten its customers' experience.

**F**unambulism is the technical term for tightrope walking, done usually at great heights. It's also an accurate picture of what Southwest Airlines is attempting to do as it walks the thin line between differentiating its product while remaining true to its core maverick philosophy.

The first test of this delicate balancing act came last June when Southwest Airlines announced a laundry list of technological enhancements that would allow for product customization and more incentives for business and leisure travelers. In November, the airline provided an advance peek at its new products and Web site features, including new displays, the new "Business Select" fare product and special offers for the most frequent travelers in the Rapid Rewards frequent flyer program.

"In recent months, we've announced plans to change how we board our aircraft and the look and feel of our gate areas system wide — all to increase customer productivity and comfort," said Gary Kelly, Southwest Airlines' chief executive officer, in a press release issued

■ By Lynne Clark | *Ascend* Staff



Photo courtesy of Southwest Airlines

The new look and feel of Southwest Airlines' airport gates include family areas with vibrant, colorful child-sized tables and chairs as well as kid-friendly television programming.

free cocktail. Business Select travelers pay US\$10 to US\$30 more than those who purchase fully refundable coach fares.

The Business Select fare marks the end of "cattle-call" boarding while preserving the airline's hallmark open-seating arrangements. Instead of jostling in line with other passengers for up to an hour to be among the first to board, travelers get assigned a boarding number when checking in and are called to board in a more orderly fashion. Those paying the highest fares and frequent flyers are guaranteed early boarding numbers, and other passengers may get a good boarding number by checking in online up to 24 hours in advance.

Business Select fares are part of an upgrade to the airline's booking site, which took nearly three years to develop. Instead of a large display with numerous fare categories, the airline has streamlined the process by bundling its fares into three major fare columns: Business Select, Business and Wanna Get Away. The new display may only show three fare columns, but it is powered by an upgraded revenue management system that enables Southwest to tailor its fares to market demand by nearly doubling the number of fare types to 15 from eight.

"We went from selling a bucket of fares that were hard to understand to selling products geared to the unique needs of our passengers," said Darren Dayley, vice president of technology, customer experience portfolio for Southwest. "Before, our customers didn't understand why they should pay US\$119 for a fare when it appeared the US\$109 fare was the same. There were differences, but they weren't easily apparent. The challenge for us was how to collapse eight columns of fares into the three columns we have today. We had to design it from scratch. The technology took about four months for test and production, but the business analysis took nearly two years."

Along with fare and boarding changes, Southwest Airlines also unveiled enhancements to its Rapid Rewards frequent flyer program. Now, Rapid Rewards members are rewarded for their frequent flight activity by jumping to the airline's "A-List." Rapid Rewards members who have flown 32 one-way flights or 16 roundtrips in 12 months will join the A-List where they will be automatically checked in for their flight in advance of departure and will most likely receive an "A" boarding pass, which is the first boarding group.

Additionally, Southwest Airlines' Rapid Rewards program introduced its new Freedom Award. Rapid Rewards members now have the opportunity to exchange

November. "Today, we are announcing additional product changes that transition Southwest from a one-size-fits-all airline to the airline that fits your life. We are offering our customers exciting improvements to their overall Southwest experience and saving them what they

value most — whether it's money, time or both."

Business Select is a new fare that guarantees ticket holders will be among the first to board the aircraft. In addition, Business Select holders receive extra Rapid Rewards credit for the flight and a



Photo courtesy of Southwest Airlines

Southwest Airlines' gate makeovers in its 64 airports, which is expected to be completed during the first half of the year, offers power stations for charging electric devices as well over-sized padded seats, tables with power outlets, power stations with seating and flat-screen televisions airing current news.



Photo by shutterstock.com



**Southwest Airlines will be the first carrier in the United States to test satellite-delivered broadband Internet access, giving customers in-flight access to external communications such as e-mail, music, shopping and high-speed connectivity. The carrier will begin testing on four aircraft within the next couple of months.**

two Standard Awards for one Freedom Award. The Freedom Award is free of seat restrictions except for a few blackout dates around major holidays, which means as long as there is a seat for purchase on a flight, members can use this new award to reserve it.

In conjunction with new fare types, Southwest has embarked on "gate makeovers" in each of its 64 airports. The enhanced gate areas are designed to cater to different types of customers and will include:

- A family area containing small-sized tables and chairs,
- Kid-friendly programming displayed on a flat screen television,
- Low-to-the-ground power stations for charging electric devices,
- A business/leisure section with padded seats, tables with power outlets, power stations with stools and flat-screen televisions with news programming.

San Antonio International and Dallas Love Field were the first airports to adopt the new look, and the airline anticipates a

full gate makeover during the first half of the year.

And in the near future, Southwest Airlines technological advances are enabling a number of changes passengers can expect.

In January, the company announced that it will be the first U.S. carrier to test satellite-delivered broadband Internet access on multiple aircraft. The innovation will enable customers with a WiFi-enabled device to have full access to the Internet including e-mail, music, shopping and virtual private networks via a high-speed connection. The airline is partnering with Southern California-based Row 44 and hopes to begin testing Internet capabilities on four aircraft this summer.


Customers will also soon enjoy a Southwest e-ticketing system, an electronic boarding process, enhanced kiosks and a tool that will let customer service agents interact more directly with customers.

Technology is changing operations in exciting ways as well.

"Customer experience changes are very visible, but there are some significant changes going on behind the scenes," said

Jan Marshall, vice president of technology applications for Southwest. "Over the next year, we are focusing on on-time performance improvements, more efficient operations and enhanced mechanic schools. From a market standpoint, they're equally exciting and will eventually impact the customer experience."

These changes mark the start of a new era for Southwest Airlines, and there's more to come.

"What you saw us implement in November is not the end," said Dayley. "It's the beginning. We have plans quarter by quarter, and they're all focused on enhancing the flying experience for our customers. Stay tuned." 

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