

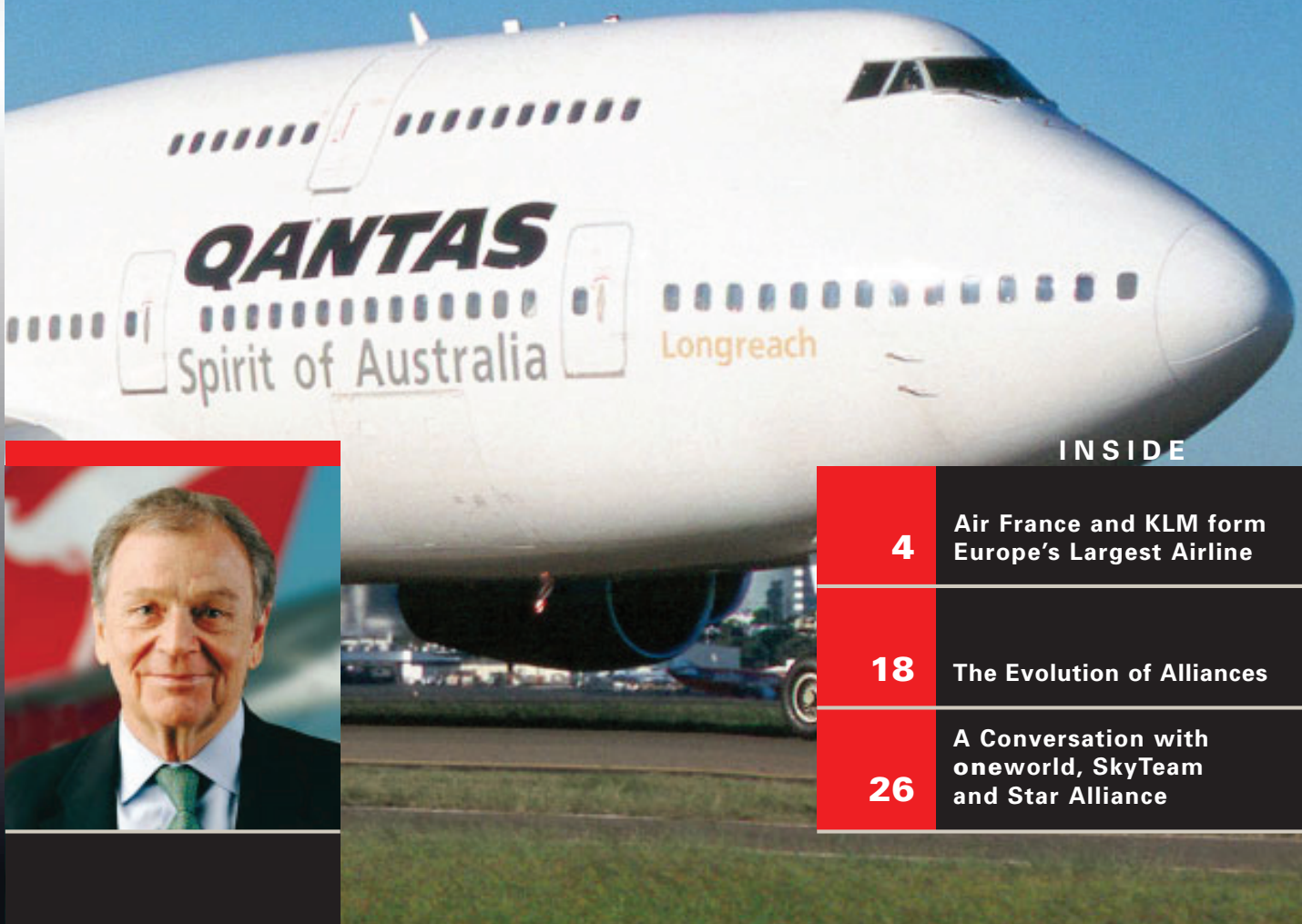
# ascend

Taking your airline to new heights

AN ALLIED FRONT

*A conversation with ...*

## Geoff Dixon, CEO, Qantas Airways



INSIDE

4

Air France and KLM form Europe's Largest Airline

18

The Evolution of Alliances

26

A Conversation with oneworld, SkyTeam and Star Alliance



# Uniform Service

*The experience of a traveler — even the most valuable — can differ significantly from one alliance member to another unless the member airlines work together to ensure uniform standards of customer service are applied throughout the network.*

■ By Stan Boyer | *Ascend* Contributor

Joining an alliance certainly has an impact on customer service — hopefully a positive one. Many airlines expect that by aligning themselves with one of the major global alliances that their customers will have a seamless, pleasant and comparable travel experience with all member airlines.

Just because several airlines carry the alliance brand, however, doesn't automatically guarantee that improved customer service will be the outcome when customers of one airline travel with an alliance partner. In fact, if airlines are not careful, the experience can actually be less than expected.

Before joining an alliance and placing its

logo on ticket office locations and airport lounges, a carrier should consider the following:

- Can it provide the same level and type of services as the other members of the alliance?
- What level of service are the alliance partners providing their customers?
- Do its policies and procedures at all customer contact points adhere to the standards of other alliance members?
- Will the alliance partners meet or exceed its customer service policies and procedures at all customer contact points?

Consider the following true experience an elite-tier member had while traveling

around the world on a business-class fare using three alliance partners.

After two days of continual travel and customer visits, the frequent flyer checked in for a 10-hour flight, where he was involuntarily downgraded from business to economy class.

The situation began during the check-in process. While standing in the business-class check-in line, he was approached by a customer service representative who asked if he was checking bags. After the passenger indicated that he was not, the representative explained that the traveler could use the airline's brand new "express" check-in kiosk. Thinking

## THE HIGH • LEVEL view

News Briefs from Around the Globe

### Who

Jet Airways

### What

Entered a five-year agreement to utilize the *SabreSonic™ Passenger Solutions*. The airline is the first in India, and one of the first in the industry, to leverage the new generation solution for reservations and passenger management, including the introduction of both e-ticketing and Internet booking services, revolutionizing the Indian

domestic and international market.

Through the agreement, Jet Airways will also deploy the *Sabre® AirMax® Revenue Manager* via *Sabre® eMergo®* Web access, an applications service provider delivery method. In addition, the airline selected the *Flight Operating System* from Sabre Airline Solutions to manage its daily movement control and flight planning functions.

### Why

"It is our intention to have a long-

term and continued relationship

with Sabre Airline Solutions," said Wolfgang Prock-Schauer, chief executive officer for Jet Airways. "Beyond the value of the *SabreSonic* solutions, which includes the e-ticketing capability with which we will revolutionize the Indian marketplace, Sabre Airline Solutions has an integrated suite of offerings that can help us automate our business more smartly and can help us increase our market share and profitability." [E](#)

this was fantastic, the traveler proceeded to the kiosk.

After the airline representative spent several minutes attempting — and failing — to help check the traveler in using the kiosk, the representative made a few phone calls and gave him an economy-class boarding pass.

“I’m sorry, sir,” she said, “but I’ll need to provide you with this economy-class boarding pass to get you through security. Business class appears full; however, there are seven seats open in first class. Just speak to the lounge representative, and I believe you will be pleasantly surprised.”

He thanked the representative and proceeded through security to the airline’s lounge.

Upon entering, he approached the counter and introduced himself, saying, “The check-in counter agent should have called to tell you of my dilemma and told me that I would be pleasantly surprised.”

The lounge representative replied, “Oh yes, someone did call. Would you like cash or a voucher?” The traveler was taken by surprise. “Cash or a voucher?” he inquired. “Yes,” replied the representative, “our business class is full, and we are offering \$300 cash or a \$400 voucher for you to downgrade.”

“I was told that I would be pleasantly surprised and that there were seven seats available in first class,” he said. “Could I have one of those?”

“We have no first class on this flight today,” the lounge agent said. “Would you like cash or a voucher?”

The traveler asked to speak with a supervisor, and related his story. The supervisor, however, said, “I can do nothing at this point.” The frequent flyer then asked who had the authority to help his situation, and the supervisor indicated that the manager on duty at the gate could help solve the problem.

By this time, the passenger was clearly irritated, and he knew his preferred airline would have handled the situation at the ticket counter prior to letting him pass through security. It would not have pushed the responsibility to the gate agent. At the gate, he was informed that several first-class-assigned flight attendants had not shown up for work, so the airline decided to fly without first-class service. First-class passengers were downgraded to business and several business-class passengers were downgraded to economy. The passenger begrudgingly accepted his fate and boarded the aircraft.

## The VIP Treatment

■ By Nico Stoman | *Ascend* Contributor

By coordinating processes, procedures and systems, alliance members can ensure that their frequent flyers receive the highest level of service from each of their partners.

Combining frequent flyer programs is one of the main benefits of joining an alliance. After all, by linking their programs, airlines can significantly expand the benefits they offer customers — providing access to hundreds of additional destinations, opportunities for upgrades on partner airlines and personalized attention to the most valuable customers.

If only integrated loyalty programs always worked like they’re supposed to.

Frequent flyer programs are designed to increase loyalty toward the airline and retain valuable customers. Joining an alliance makes it even more important to ensure that all other members recognize high-value passengers and track their activity accurately.

Despite all the technology that has radically reshaped the industry, airlines still have difficulty adequately tracking flight activity and recognizing elite status members consistently across the alliance network. Part of the difficulty is that such tracking is not as simple as it sounds. Just because a passenger has flown hundreds of thousands of miles with a single airline in an alliance does not mean that person will automatically be recognized as a valuable customer by the other alliance members.

What members of an alliance need, therefore, are integrated processes and procedures — as well as the technology that supports them — because maintaining a thriving loyalty program requires that all alliance members provide the highest levels of service to the most valued customers of any individual partner.

The issue is magnified because as alliances increasingly synchronize their schedules in order to expand the number of routes and destinations available, individual passengers are more likely to use several alliance partners to complete their journey.

Providing the highest levels of service throughout the alliance must begin at the start, with the booking process. Since travel agents, both online and offline, still account for a significant amount of reservations, an airline’s reservations procedures and processes should be geared to evaluate these incoming bookings to assess the accuracy of frequent flyer data. The same procedures should be in place for bookings that come from partner airlines. Determining the quality of frequent flyer data includes validating the name of the passenger against the membership number and updating the customer information with the traveler’s correct status information.

Because travel agents typically do not include status-level information in the passenger name record within a global distribution system, an airline must have systems in place to recognize the traveler and update the PNR with the appropriate frequent flyer information in the proper fields. This will ensure that the frequent flyer information is transferred from the airline’s computerized reservations system to its own departure control system, or to other

The VIP Treatment | Continued on page 12



Photo courtesy of Star Alliance



Establishing common customer service policies and procedures among alliance partners will likely result in consistent, high levels of service, increasing customer loyalty and retaining valuable passengers.

## THE HIGH • LEVEL view

News Briefs from Around the Globe

### Who

Valuair

### What

Selected the *SabreSonic*™ passenger solutions to manage its reservations, pricing, ticketing, reporting and customer service operations.

### Why

“After conducting an extensive market evaluation, the SabreSonic solutions clearly stood out as the best

product available on the market to meet our needs,” said Valuair Chairman Lim Chin Beng. “These are the only solutions available today that offer an open-systems architecture that will enable us to quickly adapt to changing market demands and business requirements. The modular architecture and performance-focused pricing of the SabreSonic solutions are exactly what we need as a low-fare carrier, allowing us to use a variety of distribution channels to offer the most advanced travel experience at value-based pricing.

“We found limitations quickly arose with the reservations system we implemented initially and decided to turn to the market to identify the best solution to meet all our needs, both current and future,” he said. “The SabreSonic solutions will allow us to expand our reach via a number of different distribution channels; facilitate partnerships with our industry members; maintain a low cost of business; and provide a fast, reliable, modern solution that meets Valuair’s needs including capabilities for e-ticketing, Internet booking and codeshare agreements.” [E](#)

Such actions can leave a passenger wondering about the quality of service on airlines in the alliance and questioning whether to use the alliance in the future for global travel.

Although an extreme example, it illustrates the potential cultural differences between alliance members with respect to customer service. Alliances should be aligned so that alliance partners support customers of all member airlines with the same level of service.

Keys to solving these issues require appropriate access to information and clear communication within the individual airline, among partners and, most importantly, with the customer.

In order to reap the benefits of the alliance, all airlines must focus on providing a high level of customer service. When joining an alliance, airlines should consider:

- The partners' customer relationship management capabilities,
- The customer service philosophies among partners,
- The volume and type of customer complaints for each partner, at least at a high level,
- Whether there is a plan to provide solutions to common customer service issues and the resulting customer complaints.

With the right customer service policies and practices in place, customers flying alliance carriers should receive a consistent level of service and experience seamless travel as they move from one partner to the next. **E**

*Stan Boyer is a line of business director for Sabre Airline Solutions Consulting. He can be contacted at [stan.boyer@sabre.com](mailto:stan.boyer@sabre.com).*

## The VIP Treatment | Continued from page 10

alliance partners or handling agents, prior to departure to ensure accurate status recognition and mileage accrual. This will also assist the check-in agent in matching the passenger's airline status level with the corresponding level of the alliance as a whole.

If the appropriate information is gathered initially during the booking process, all airlines can proactively act upon a traveler's elite status. If airlines wait until an elite passenger has displayed a membership card, they have missed an opportunity to provide high-quality customer service.

Some GDSs, such as the *Sabre*® global distribution system, store profiles of an airline's frequent flyer members, which can help airlines that depend on sales from agents who use a particular GDS. Regularly providing the member's travel agency of record or the GDS with updated member information can help ensure that frequent flyers automatically receive the appropriate mileage credits. This also helps ensure that the name and account number of a frequent flyer will match the airline's records when a reservation is made by an agent utilizing a GDS that stores frequent flyer information. The status level, however, must still be added to the PNR by the airline's system.

Coordination of processes and systems will also eliminate issues such as passengers trying to "double dip" by accruing miles in more than one program for a single trip. To prevent such abuse, airlines should have a copy or receipt of the ticket sold to the customer and a copy of the boarding pass prior to retroactively awarding credit. It is important to verify flight activity, especially if supporting documentation is not available.

Equally important is ensuring that passengers do not inadvertently receive credit for flights that were booked but not flown. Preventing unearned credits being granted becomes complicated in networks that depend on other airlines' handling agents. In such instances, receiving an accurate flight close-out report will facilitate the updating of PNRs prior to the start of the mileage accrual process.

Joining an alliance opens up a new world of frequent flyer mileage/point redemption opportunities, but only if the member airlines have tightly coordinated processes, procedures and systems that allow them to properly identify and care for their most valuable customers.

*Nico Stoman is a senior management consultant with Sabre Airline Solutions Consulting. He can be reached at [nico.stoman@sabre.com](mailto:nico.stoman@sabre.com).*

## +count it up

**2006** — Year the world's largest passenger jet, the Airbus A380, will begin operations from Australia's Melbourne Airport, which will begin a multi-million-dollar infrastructure development in preparation for the double-decker, 550-seat aircraft.

**250,437** — Number of U.S. dollars, mostly in loose change, that was left by passengers at airport security checkpoints during the last year. The money is collected by the U.S. Transportation Security Administration and deposited into the federal government's general fund.

**10,335** — Distance in miles of the world's longest commercial flight, which is served by Singapore Airlines. The 18-and-a-half-hour inaugural flight between Singapore and New York City, New York, carried 181 passengers earlier this year.