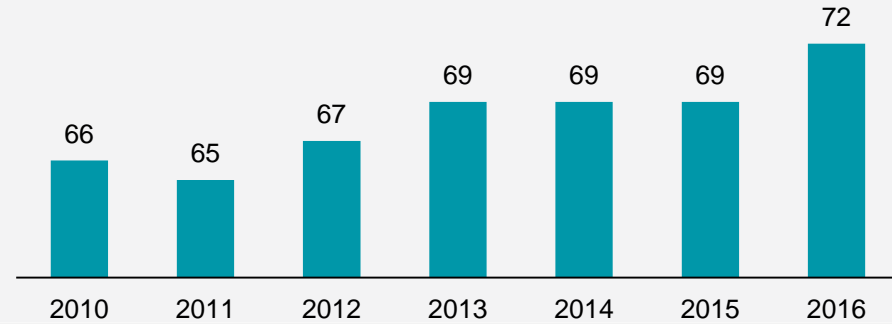


Through passengers' eyes: Delivering the "right" customer experience

Customer satisfaction is generally up among airlines, but **the bar remains low**, creating potential **opportunities** for customer experience (CX) investment

Many airlines have made investments in recent years to improve CX...

Airline Industry ACSI Score, 2010-2016¹



...however, there is likely still a significant opportunity for customer experience investment within the airline industry



The airline industry ranks **37th of 43 industries** in customer satisfaction¹....



...which puts the industry amongst the likes of **wireless telephone providers** and **health insurance companies**¹



Additionally, **four airline companies** fall within the **bottom ten companies** of ACSI rankings²

Profitability

- Companies that make CX an executive-level priority can see **12 times** the return on sales than those companies with a low emphasis on CX³
- Increasing retention by 5% can increase profits by 25% to 95%³
- A customer's perceived CX and willingness to purchase from the company again is **highly correlated at 0.732**³

Word of mouth

- **Positive word of mouth can drive up to \$56M additional revenue/year** for a large airline⁴
- Customers tend to mention a good brand experience to an average of 9 people, **but will talk about a bad one to 16 people**⁴
- **Social media enables word of mouth to spread faster than ever**, so the CX you provide one person may be felt and heard by others in real-time

Loyalty

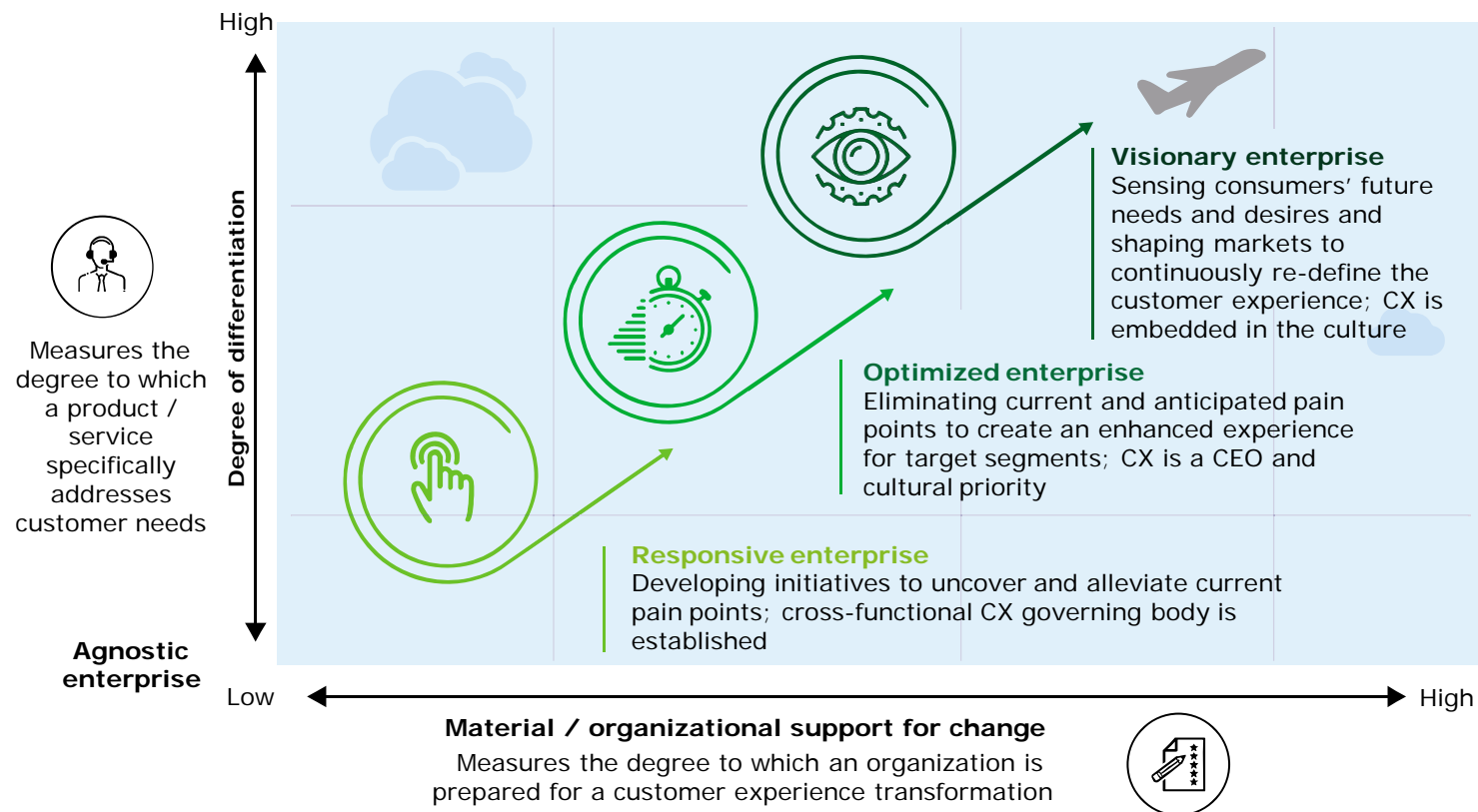
- It is 6 to 7 times more expensive to acquire a new customer than it is to keep a current one⁵
- There is a strong **inverse correlation between a brand's CX and a customer's likelihood to switch** business to a competitor (-0.35)⁴
- Customers who experience positive CX **will likely remain customers for 5 years longer** than customers with negative experiences⁶

Security



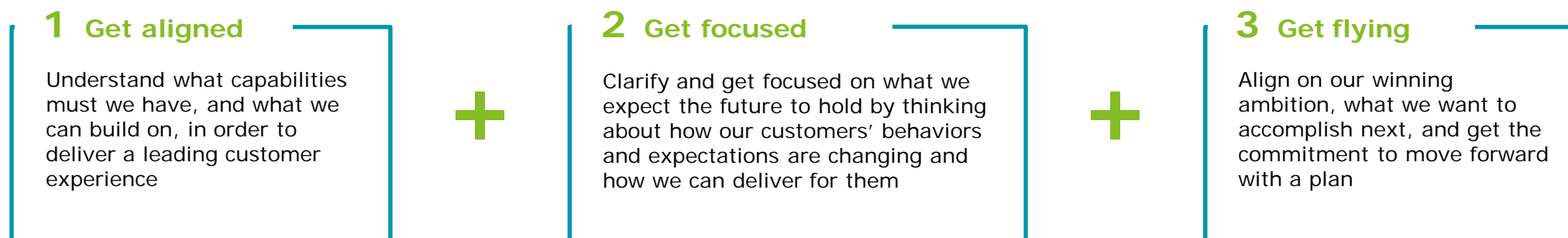
Effective CX begins with charting your **CX-specific ambition**, which will impact **where and how** to invest in developing your CX strategy. The degree of differentiation and the support for change should define the position of a company in the ambition spectrum, yielding a more realistic vision of what CX can and should look like.

The CX ambition spectrum



	Closer to responsive	Closer to visionary
Approach How the work gets done	Limited centralization around a common CX ambition; reactive to customer needs as they arise	Focused on a clear CX ambition; develops customer-focused initiatives that proactively anticipate customer needs and tie to the ambition
Organization Units that house the competency	CX is often addressed in silos without specific, dedicated owners / teams; limited clear and focused responsibility	Empowered CX owners who drive consistent CX efforts across the organization; customer ownership embedded into every department
Resources Funding and individuals who perform the work	Sporadic funding granted as needed; limited or no dedicated resources; resources 'double-hat' from various departments for specific projects	Separate, dedicated funds for CX enhancement initiatives and a focused team of CX resources with both operational and customer experience
Metrics Targets to guide performance	Limited tracking of customer-centric KPIs; limited use of metrics to derive insights and make improvements; may use financial metrics as a proxy for CX	Established process to measure and evaluate CX-specific KPIs that include both operational and customer-centric metrics; incorporates customer metrics in improvements and decision making

Getting started: We propose an Ambition Lab designed to help align CX thinking and accelerate action



The Ambition Lab is an immersive one day session designed to inspire and align leaders, charting the course for successful customer experience

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a detailed description of DTTL and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

