



# Go above and beyond for your customers. Every time. Everywhere.

## Why top airlines are making the shift to one-to-one engagement

You don't need to be a data scientist to know anything that's not personalized and perfectly-timed falls flat.

Most airlines do not have a way to consistently deliver value to every individual customer across all channels and functions: sales, service, and marketing. Channels are siloed. Systems and data are disconnected. There is no ability to adapt in real time to meet the passengers' needs in the moment. How can airlines cut through the white noise customers have learned to tune out, drive real value, and create deeper passenger connections?



# Airlines are losing out on \$18 billion<sup>1</sup> per year by not personalizing passenger experiences

Travelers today look for the right balance of convenience, comfort, and price. For airlines, a single, exceptional engagement can easily turn into long-term loyalty. Yet many still struggle to provide a connected passenger experience. Competition is fierce and without it, it's nearly impossible to attract new customers without hemorrhaging time, budgets, and resources.

**In a sector with more than 7,000 unique solutions<sup>2</sup>, 85% of organizations still have fragmented customer engagement and deliver poor customer experience.<sup>3</sup>**

**Every interaction matters** – each one is an opportunity to bring your customer closer or push them away. Passengers are ready for new and unexpected experiences – that are connected across every channel. Today's airlines need to add value at every step of a passenger's journey.

Airlines are attempting to close the gap by investing in the best people, platforms, and intelligence to counter the challenges caused by legacy systems and lack of stakeholder buy-in. However, many won't see the expected ROI unless they radically change their go-to-market strategy. The "one size fits all" approach no longer produces results.

## It's time to radically shift the way you engage

"Batch and blast" is still considered a tried and true marketing tactic, but it can do more harm than good. You have to stop constantly interrupting passengers' lives with offers and information they don't care about. Break the cycle and gain the opportunity to become their trusted and valued travel partner.

You need to rethink how relationships work and develop. It means empathizing with each individual, adapting to their specific needs. And it means adding value every time you engage, instead of just pushing the standard offers and services. This is a big ask because it requires you to calculate a next best action for every touch – to ensure each interaction is relevant to the passenger, while still valuable to your airline.

## 3 ways to optimize every experience

**So how does a next-best-action approach work, and what can it really do for your customer relationships?**

1

Next best action goes beyond the tactics of traditional outreach, marketing, or service because **it analyzes each passenger's complete profile and current context, in the moment** – while an interaction is still taking place. It calculates the right approach for a specific person and situation, based on their needs and the organization's goals.

2

Next best action is not just about making marketing or sales offers. Instead **it considers all the retention, service, nurture, claims, or risk options that are available**. Every option is modeled and examined, and the next best action is the option that best balances passenger relevance with business value.

3

Traditional engagement is based on static offers, remedies, and messages to passengers at arbitrary points in the journey. Engagement is low because it benefits your brand, and not the customer. With a next-best-action approach, **you trigger messages exactly (and only) when the passenger needs them, based on their unique situation**. They never see irrelevant offers or outreach – because if there's nothing relevant to talk about, you don't reach out at all. You wait until the time is right and engage only when you're likely to add value.

<sup>1</sup> McKinsey (2019), <https://www.mckinsey.com/industries/travel-transport-and-logistics/our-insights/leading-from-the-front-line-how-airlines-can-boost-ancillary-revenues>

<sup>2</sup> Chief Marketing Technologist Blog, Scott Brinker (2019) <https://chiefmartec.com/2019/04/marketing-technology-landscape-supergraphic-2019/>

<sup>3</sup> Gartner Hype Cycle for CRM Customer Service and Customer Engagement (2018)

# How to make it real (and get real results)

Implementing a next-best-action approach means making three significant changes:

## A one-to-one passenger approach

Shift from traditional one-to-many segmentation to an approach where decisions are made in real time for each passenger – instead of grouping them into segments, where their individual context is lost or underserved.

## A centralized decision authority

Stop channel, program, and offer-driven targeting, and use a single “brain” to govern engagement across policies, channels, and business units, based on what’s best for your airline as a whole.

## Always-on engagement

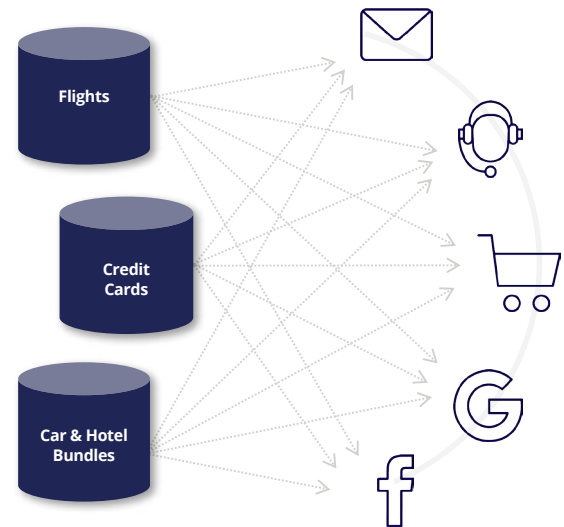
Move away from scheduled outreach, push campaigns, and large batches to an always-on model that never stops or starts. This approach continuously engages passengers during calculated “moments of need,” regardless of the channel.

This kind of transformation doesn’t happen overnight; instead it’s an organizational evolution that has to happen channel by channel, and case by case. That way you can progressively produce ROI through improved outcomes, increased passenger engagement, and reduced costs, and steadily earn the right to take on more.

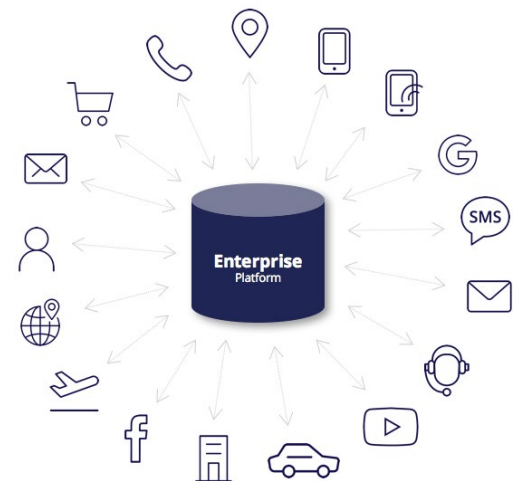
Despite the challenges, airlines invest because they see the potential value, including:

- **Increased passenger engagement which improves outcomes**
- **Increased passenger satisfaction/net promoter score (10-40 points)**
- **Increased response rates (3-6x)**
- **Incremental sales opportunities (2-3x)**
- **Significant return on investment (3-5x)**
- **Minimal payback period (4-6 months)**

## Decentralized strategy



## Centralized strategy



Real one-to-one engagement requires holistic thinking, not segmentation by program, service, or product.



**"When customers have a high-quality experience in one area, do you expect they won't notice something completely different in another? Pega has given us the scale, agility, and relevance to manage truly omni-channel conversations with customers."**

– Rob Thorne  
Customer Decisioning & Data Governance Manager  
**British Airways**

## Who's getting it right?

Industry leaders are already embracing this approach, with dramatic results.



British Airways uses Pega's real-time, omni-channel AI to centralize decisioning across inbound, outbound, owned, and paid channels – personalizing each engagement for nearly 50 million customers. The brand's goal is to meet and exceed passengers' expectations during every interaction by proactively adding value with "always-on customer conversations."

- Email, mobile-app, web, paid media, call-center, ground agents, and on-board staff unified within the same platform
- 400M next best actions per year
- 5-10% increase in NPS per customer receiving a next best action
- Real-time decisions based on 85+ unique data elements
- New offers and actions deployed weekly



## How can you join them?

To learn more about how your airline can use next best action to recalibrate its passenger relationships – including a proven formula for success – **download our whitepaper.**

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