

Customers will be the disruptors

Experience in other travel sectors shows that airlines can ill afford to ignore the potential for digital advancements to fundamentally shake up the industry as consumer habits change, writes Byron Calmonson, director of The Resourcing Hub

“ Relatively recently we have seen positive disruption in the travel and transportation markets by players such as Uber and Airbnb. I predict that today’s app-empowered consumer will soon refuse to accept arcane airline rules and outdated legacy solutions.

However, real transformation and disruption can only be achieved when you provide the customer with something truly different that makes them change their behaviour. At the latest IATA World Passenger Symposium, Datalex chief executive Aidan Brogan stated: “The consumer is the disruptor; they will go to where the service they desire is provided.”

The key question is: where will the next generation of positive disruption in aviation come from? I spoke to three senior technology leaders to capture their views.

Jan Joubert, chief executive of digital business transformation specialist Rainmaker Solutions, believes the industry must embrace emerging technologies and ditch archaic IT practices to avoid a cliff edge.

“The last decade has seen huge disruption within the transportation and travel industries,” he states. “Uber, Expedia and Airbnb, start-ups with no interest in preserving the status quo, have applied straightforward IT solutions, to turn legacy operations upside down.

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“The airline industry seems to be burying its head in the sand. Other than the emergence of the low-cost operators, what fundamental change has taken place?”

Joubert sees two major technology-led disruptions fast approaching. “The airline industry is about flying and about the customer experience, whether buying tickets or time at airports,” he notes. “On flying, the race is on to produce commercial-scale electric aircraft



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before conventional fuels run out.”

But, Joubert says, it is the application of technology to the customer experience that has most potential to shake up the industry. “The opportunity to inspire customers starts with their first interaction and ends when they arrive back home, but operators have been slow to optimise this experience,” he warns. “Instead, I am forced into an uninspiring ‘me too’ experience. Which is a great pity as the technology exists now to achieve much more.”

The solution for airlines, states Joubert, is to align technology to their business vision. “The first step is to avoid any consultancy that tries to design your technology solutions around a model that predicts the future and locks you into a static solution.”

Ann Cederhall, an independent aviation expert, talks about the “that will never work” culture that still largely prevails: “If I’d been given a pound every time I heard traditional airlines say that low-cost carriers would never succeed, I’d be very wealthy indeed. I’m now hearing the same negative mumbo jumbo about the retail solution SAP Hybris [an ‘all in one’ digital

solution being sold into the airline market], but am thrilled that we are finally seeing retail industry systems making their way into airline selling.... Their technology is a great fit and they can become hugely successful if they manage to provide solutions in parallel with the legacy tech.”

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Cederhall adds: “I agree that it’s the customer that will drive evolution in this space. Operators need to take advantage of their best source of information: their customers. But I don’t understand why airlines still send customers tedious long surveys about the check-in process for their flight from Paris to Barcelona. Nobody has the time and there is no incentive.”

It’s clearly time for operators to look outside of their sector for inspiration. Everledger, for example, is an emerging tech company that has disrupted the diamond industry. Its founder Leanne Kemp noticed an urgent client need and decided to fill a gap in the market. Kemp says: “We chose to focus on the high-value assets market as our point of entry, as this industry is exposed to a high threshold of risk and fraud.”

In 2018, operators who want to get ahead of the competition will need to embrace that spirit and take their customers on a digital journey that truly engages and delights.

It remains to be seen whether it will be legacy operators or brand-new market challengers who will have the vision, courage, as well as, of course, the funds to bring about real change and innovation in this sector.

However, the answer to the question as to who will ultimately disrupt the industry is simple: the customer. ■

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