

A PRACTICAL GUIDE TO AIRLINE CUSTOMER SERVICE

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From Airline Operations
to Passenger Services

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Stamford International University

Hua Hin Campus



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*A Practical Guide to Airline Customer Service:
From Airline Operations to Passenger Services*

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Table of Contents

<i>Preface</i>	<i>vii</i>
<i>About the Author</i>	<i>ix</i>
<i>Acknowledgments</i>	<i>xi</i>
Chapter 1 Introduction	1
Chapter 2 Theory of Communication	33
Chapter 3 The Basics of Customer Care	53
Chapter 4 Customer Care Guidelines	85
Chapter 5 Airline Customer Service Policies	115
Chapter 6 Understanding Customer Behavior	133
Chapter 7 The Airline Customer Contact Center	155
Chapter 8 Customer Service at the Airport	179
Chapter 9 In the Aircraft Cabin	205
Chapter 10 Handling Customer Complaints	231
Chapter 11 Evaluating Customer Service	255
Chapter 12 Selling Techniques and Contemporary Customer Service	273
<i>Index</i>	<i>287</i>

Preface

A *Practical Guide to Airline Customer Service* is written for airline executives, university lecturers and undergraduate students who are preparing for jobs in the service industry related to airline operations. Professionals who are currently working at airports or hotels can benefit from this book through understanding the importance of customer services within the airline and the service industry. This book primarily focuses on the customer service aspects of airline services. These include basic operations, essential communication skills, and how airline staff should interact with passengers at every contact point of their travel process.

This book provides an insight to the theory of customer service skills and communication skills, as well as customer service techniques utilized at three main customer touchpoints: the reservation center, at the airport and in the aircraft cabin.

A Practical Guide to Airline Customer Service is designed to complement airline companies' existing training programs. The key functions of this book are: 1) create students' interest in a career in this field, 2) provide the critical technical knowledge to prepare students for quick assimilation of specific carrier and customer service skills, and 3) develop the essential mindset one needs in order to excel in this field of service.

The first four chapters of the book outline the theory of communication, background knowledge of customer service and customer care, the airline policy of consumer protection and customer behavior.

The first chapter discusses the importance of customer service in the airline industry and explains the changes in the industry of transportation industry and its effect on the customer service industry. Chapter 2 of the book looks into the theory of communication. Chapters 3 and 4 explain the theory and the guidelines of customer care as well as some techniques

that service agents can use to interact with customers. Chapter 5 details consumer protection policies that regulate the airline industry, whilst chapter 6 explores the different types of customers and their unique characteristics.

The second section of the book focuses on the service techniques at different touchpoints where airline service staff interact with customers.

Chapter 7 looks into the working environment in a customer contact center. Chapter 8 describes the airport working environment and the various customer service touchpoints within an airport terminal building. Chapter 9 explains cabin crew's responsibilities at different phases of a flight.

The last section of the book is divided into three different chapters, with the purpose of allowing readers to have a better understanding on how to handle customer complaints and methods used by management teams to evaluate existing customer service strategies, as well as contemporary customer services.

Chapter 10 provides advice on different approaches of handling customer complaints, dealing with angry customers and anger management issues. Chapter 11 looks into the various means of collecting feedback from the customers so as to improve service standards. The last chapter focuses on frontline employees' selling techniques as well as changes in expectations of customer service within the industry.

A Practical Guide to Airline Customer Service seeks to encourage students to pursue an exciting career in the airline industry. It is also a tribute to all the diligent frontline employees in the airline industry.

About the Author

Colin C. Law is an Assistant Professor of Airline Business Management at Stamford International University, Thailand. Prior to joining the academia field, he had worked in the customer service, reservation and finance departments of a major international carrier for nearly ten years. This extensive experience in customer service and airline operations has enabled him to develop multiple airline courses for the tertiary education sector and provided working professionals with insight into the airline industry. Colin is also the author of other critically acclaimed textbooks on airline airport operations, and is the co-author of *Introduction to Airline Ground Service*.

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I would like to express my gratitude to the following individuals who have in their own ways, provided support and assistance and in helping to make *A Practical Guide to Airline Customer Service* possible.

I would like to thank Doris Wai for helping me in editing and proofreading matters. Thanks to Jeffrey Young, my publisher who encouraged me to pursue this book project.

Many thanks to Grace, Tony, Eva and Wylie for sharing their invaluable personal experiences, of which have formed the basis for the numerous case studies and the dialogues featured in this book.

Last and not least, I would like to thank all the air travelers who I have crossed paths with during my time working at the airport. Thank you for providing the inspiration for *A Practical Guide to Airline Customer Service*.

CHAPTER ONE

Introduction

Chapter Outline

Airline and its nature of business	2
Airline customers' hierarchy of needs	3
Applying the model	4
What are customers expecting?	6
Customers' expectations	6
Standardized cabin amenities	10
What is customer service?	11
Tangible customer service	14
Service delivery system	17
Intangible customer service	18
Who are the customers?	18
Internal customers	19
Intermediate customers	19
External customers	19
Customer service in the airline industry	21
The importance of customer service in the airline business	25
Ambassadors vs. complainers	26
Satisfied customers vs. loyal customers	27
Summary	29
Applying the knowledge	29
Endnotes	30

Learning Objectives

After reading this chapter, the reader should be able to:

- Understand the nature of airline businesses
- Recognize airline customers’ hierarchy of needs
- Understand customers’ expectations
- Identify tangible and intangible customer services
- Identify an airline’s internal and external customers

AIRLINE AND ITS NATURE OF BUSINESS

During the development of the aviation industry in the early 20th century, an airline was a transportation company that offered transportation service to the customers by air. Air transport was not common at that time as people were afraid of flying due to the many accidents that had occurred. The general public still preferred to take trains and ships for long-distance travel. The main goal of an airline in the early years was to carry customers from one place to another place safely. With the low market demand, the majority of airlines at that time were either established by the government or partially funded by the government. According to the report of Airbus Commercial Aviation Accident 1958–2015, the number of accidents decreased steadily over time.¹ As the industry became mature with improved technology, air travel has also become the safest mode of travel.

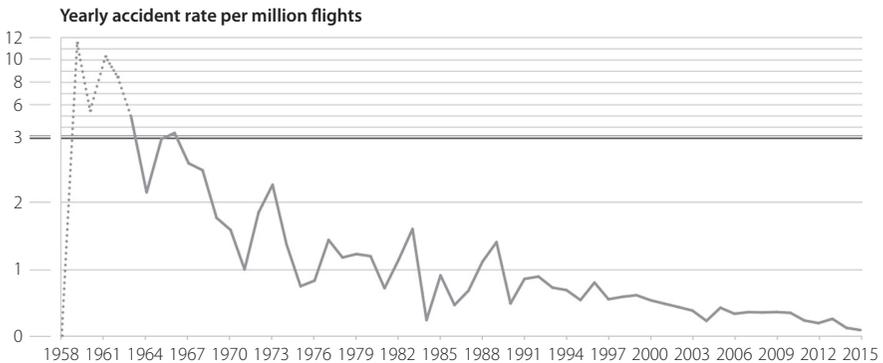


Figure 1-1: Airbus—A Statistical Analysis of Commercial Aviation Accidents 1958–2015 (Source: Airbus).

Today, air travel is one of the most important transportation systems in the world.

An airline is similar to an ordinary business in the service industry; the majority of the profits are from customers. After the deregulation of the airline industry in the 1970s, governments minimized their control of state-owned airlines and allowed private companies to establish their own new airlines. As such, airlines are free to enter the industry and intense competitions are created.

Customers' demand and expectations of airlines have vastly changed today. In the early stages, safe operation was the main expectation of the customers. As many airlines have improved their safety records, customers began to expect more from an airline company. Today, other than basic safety needs, customers are also demanding for comfort and top-notch services.

The Maslow's hierarchy of needs has defined that an individual's needs are segregated into multiple levels. We are motivated to achieve certain needs and that some take precedence over others. Our most basic need is the first thing that motivates our behavior and once that is fulfilled, it is our natural instinct to seek to move up the hierarchy and satisfy the other higher needs. Based on the same principle, an airline's hierarchy can be used to demonstrate customers' expectation of an airline.



Figure 1-2a: Airline's hierarchy of needs.

AIRLINE CUSTOMERS' HIERARCHY OF NEEDS

Airline offering safe transportation services is the minimum expectation of customers. This is also identified as the basic needs of customers in air transportation.

When the safety needs are met, customers' demands are then expanded to facilities at the airport and on-board the aircraft. Customers evaluate the airline by the types of hassle-free facilities available at the airport as well as the in-flight entertainment system, seat sizes and selection of meals served.

This is then followed by personal service or customer service. The way that customers are being served has a direct influence on customers' satisfaction level toward an airline. This includes the satisfaction with the interaction between customers and service agents, and service agents' problem resolution abilities.

Once the personal service need is fulfilled and customers are satisfied with the airlines' service, their intention for return repurchase is motivated and customer loyalty is established.

The very top of the hierarchy extends to long-term desires. Customers establish a long-term relationship with airlines when they are unlikely to change suppliers. In this instance, they feel important as they have become a VIP for the airline. This also reflects the customer's status within the airline company. The privilege status creates a stronger motivation for customers to return to the same company for their future travels.

Fulfilling customers' personal needs are not sufficient today as airlines are looking toward generating and retaining loyal customers. Loyal customers help airlines to secure and create a stable income for the company. The larger base of loyal customers generated by an airline, the better revenue it is likely to achieve. Many airlines today are putting a lot of efforts on satisfying customers' personal need and to motivate them to move up to the 'loyalty' and 'status' portion of the hierarchy.

APPLYING THE MODEL

To achieve customers' satisfaction, it is essential to understand their expectations. An airline company is offering services to thousands of customers every day and customer has different expectations when in face with different situations, and their needs are not always the same.

Safety

Customers fleeing from an earthquake disaster or situations pertaining to armed conflicts expect an airline to offer a safe transportation to

take them away from the affected areas. These customers have low expectations as their main travel purpose is to get to safety. Safety needs are the principal concerns and other needs are not as important to these customers.

Facilities

Customers travelling with their families on vacations will evaluate the type of services offered by the airline before making a decision. This is to ensure a comfortable ride. More often than not, these customers expect food to be served on their flights, some form of entertainment to be provided during the flight to keep passengers entertained, and someone to assist them during their entire journey.

Personal service

Customers who have been traveling with the same airline several times expect service agents at the airport to remember them by name and know their seating preferences. In this case, the standard of service offered by the service agent needs to be the same, if not better as compared to their previous travel experiences.

Loyalty

This applies to customers who fly so often that they decide to fly with the same airline whenever they need to travel. They make their decision largely based on their satisfaction with an airline and the services that the service agents offer. Even though there are other airlines operating similar service with a lower ticket price, customers are still willing to pay more using services from the same airline as they are very satisfied with what they are getting. They also offer recommendations to their friends for the excellent service offered by the airlines.

Status

These customers have gained a high status in the airline. They have flown so often that service agents at the airport and on the aircraft remember their travel details. All the service agents know their travel preferences and have them prepared in advance. These preferences include the following observations: Customer A always arrives at the airport for check-in

1 hour and 10 minutes before the flight; she has no check-in baggage; she always chooses seat 11A by the window and that she always has a Krug Champagne during her meal and a black coffee after that.

WHAT ARE CUSTOMERS EXPECTING?

Air travel is becoming more common today and customers have many choices of airlines to choose from. However, the aircraft manufacturing and cabin interior industries are dominated by a few players and airlines have no alternative but to offer standardized products in these areas. As such, they compete against each other by offering similar products in terms of cabin ambience, meal service, seat design, in-flight entertainment and communication technology. To generate competitive advantages, today's airlines are focusing on customer services to influence customers' choice of airline.

To win the hearts of the customers, airlines have used different strategies to keep their existing customers and attract new ones. The main objective is to ensure that the customers are happy so that they will return for repurchase and use their service again.

Customers' expectations

Satisfaction is generated after a customer enjoys their journey and feels the money paid is worth the value. The minimum customer expectation of an airline is supported by three basic elements: safety, timeliness and price.

Safety is the number one priority for all airlines. This demonstrates the trustworthiness of the airline's operations, including aircraft

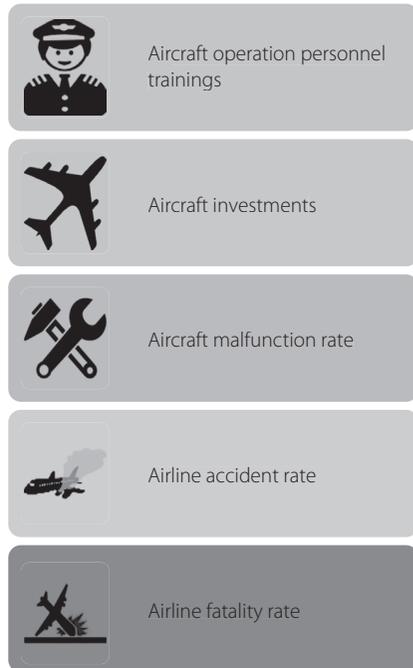


Figure 1-2b: Elements of airline safety.

maintenance and security procedures. Customer will choose airlines, with the best safety records. These records can be easily accessed by customers via the Internet. Other details customers look out for include personnel trainings, aircraft investments, aircraft malfunction rate, airline accident rate and the airline fatality rate.

There are many modes of transportation for customers to choose from and the main reason for deciding to travel by air is usually time-related, i.e. customers expect to reach their destinations in the minimal time needed. Customers expect their flights to depart and arrive on time. As such, an airline's on-time performance data is an important factor when customers decide on their choice of airline.

Cost is another important element that determines customers' satisfaction. This is especially so for those who travel for leisure as this category of customers are price sensitive and customers seek other alternatives when an airline charges a higher price. Many airlines today have applied the yield management approach to target different customers by offering different pricing schemes to suit the needs of different travelers. Hence, customers who are taking the same flight and on the same service class may not be paying the same price for their tickets. These differences in prices are due to dissimilar ticket conditions. A customer paying a higher price gets more flexibility for their travel. These include enjoying the flexibility of date change, flight change and refund. On the other hand, customers who purchase discounted tickets are bounded by travel restrictions such as the lack of flexibility in terms of flight changes and refund.

Furthermore, today's customers have higher expectations. Other than the basic requirements mentioned above, they have additional demands such as service, quality, action and appreciation.

Customers constantly compare the airline service with the amount of money they have paid for their tickets. Generally, customers who have paid more demand a higher service needs compare to those who pay less.



Figure 1-3: Basic customers' expectations.

Customers also compare service providers and choose the company with a positive reputation in terms of service and product quality. The quality of an airline is determined by variety of activities and offers offered, which are used as a basis for customers to evaluate the airline company as a whole.

In addition, customers expect airlines to take prompt actions when a situation arises and that they are be able to contact airline staff easily to have their problems resolved.

Customers wanted their business to be appreciated. These appreciations often create and strengthen the relationship between the airline and the customers, leading to future businesses. This is vital in an industry where an airline’s quality and reputation can be easily spread by word of mouth.



Figure 1-4: Additional customers’ expectations.

Each customer creates their own expectations of an airline’s service. The minimum expectations that all customers have are concerns pertaining to safety and on-time departure and arrival. However, the level of expectations may not always be the same for all customers as this is a variable that is directly affected by how much they have paid for their flight ticket. Their satisfaction is directly influenced by whether the money they have spent is worth it.

Naomi Karten, a highly experienced speaker and seminar leader, has suggested the below formula to calculate customers’ level of satisfaction.²

$$\text{Customers' Satisfaction} = \frac{\text{Airline's Performance}}{\text{Customers' Expectations}}$$

If customers’ level of satisfaction is one, the airline is fulfilling customers’ expectation. When the customers’ satisfaction is more than one, it means that airlines’ performance is exceeding the customers’ expectation, and vice versa.

For example, on a flight from Asia to Europe, a customer who has paid several thousand US dollars on a ticket often has much higher expectations than another who has spent several hundred US dollars. As such, airlines offer different level of services such as first class, business class and economy class to fulfill their expectations. Airlines also arrange for special check-in counters for customers who have paid a higher fare and amenities such as lounge access and welcome drinks while boarding are offered to ensure these customers' comforts are met. Once an airline's performance exceeds customers' expectations, satisfaction is created. However, if the same airline fails to deliver as expected, the feeling of dissatisfaction is generated.

Flight from Singapore to London

Expectation	Airline performance	Airline performance
Customer A—Premium fare		
Flight departs on time at 0900	The flight departed at 0856	Flight departs at 0940
10 minutes wait to check in	6 minutes wait to check in	15 minutes wait to check in
Board ahead of another customers	Priority boarding offered	15 minutes wait for boarding
Disembark first	Disembark first	10 minutes wait to disembark
10 minutes wait to retrieve baggage	8 minutes wait for baggage	20 minutes wait for baggage
	Exceeds expectations = Satisfaction 👍	Did not meet expectations = Dissatisfaction 🙄
Customer B—Low fare		
Flight departs on time at 0900	The flight departed at 0856	Flight departs at 0940
30 minutes wait to check in	16 minutes wait to check in	45 minutes wait to check in
30 minutes wait to retrieve baggage	28 minutes wait for baggage	35 minutes wait for baggage
	Exceeds expectations = Satisfaction 👍	Did not meet expectations = Dissatisfaction 🙄

Customers' in-flight expectations are generally set by the industry. Today's customers' basic expectations of an airline are safety, comfortable chairs, delicious food, in-flight entertainment, and enthusiastic service agents. However, the industry's expectations are changing rapidly. When one

airline introduces a new product, other airlines follow quickly. This then becomes the new industry standard. To draw an example, when one airline offers in-flight Wi-Fi service and in-seat power ports, the airline booking soars. Other airlines soon start to follow and these eventually become the basic services provided in an aircraft. Customers' expectations are also influenced by the type of services purchased. The cost of air tickets differs vastly among first-class cabin, business-class cabin, economy class cabin; and between full-service airlines and low-cost carriers.

Standardized cabin amenities

First class is the most luxurious class that seeks to provide customers the most space and comfort on an aircraft. This premium service comes with a price and the cost of first-class tickets is usually the most expensive. Due to the cost of the ticket, customers who travel by first class have very high expectations in terms of the airline's products and services.

Business class is the second-tier class and majority of the customers are frequent travelers who go on business trips. These customers also set high expectations as they are familiar with the airline's operations and know what to expect from airline service agents.

Economy class is the most inexpensive class and is attractive to a variety of customer types, including families, tour groups and on occasions, people who are travelling for business purposes. Traveling by economy class is not as expensive as other classes and the majority of customers have lower expectations. Occasionally, there are businesspersons and other frequent travelers who choose to travel by economy class and these customers often maintain their high expectations as opposed to other economy-class customers.

Full-service airlines are airline companies that offer a full packaged service to customers. After customers purchase their tickets, a majority of other services such as in-flight meals and allowance for check-in luggage are offered free of charge.

On the other hand, low-cost carriers offer limited service and only cover the basic product. If a customer needs additional products or services, they are required to pay an extra fee.

In short, a customer who has paid to travel on a full-service airline has higher expectations than another who decides to fly with a low-cost airline as the former is also seeking comfort and amenities on board the aircraft. Low-cost airline travelers are aware that the amount of money they paid only covers the transportation process and these customers required to buy other amenities for more comfort if they desire.

WHAT IS CUSTOMER SERVICE?

Customer service is defined as a series of interactions between a product provider and its customer at different stages of a sales transaction. The American economist, Robert W. Lucas has defined customer service as the ability of knowledgeable, capable and enthusiastic employees to deliver products and services to internal and external customers.³ To ensure that transactions are performed smoothly and efficiently, employees who are involved in said transactions must be talented and keen to perform their duties.



Figure 1-5: Customer service cycle.

Customer service is becoming significantly important in creating customer satisfaction in many airlines today. In this context, customer service refers to the process of service delivery to customers before, during and after the purchase of an air ticket. Customers often use this experience to determine an airline’s quality of service and decide whether they will purchase tickets from the same company for their future trips.

Customer service is an integral part of the profit cycle, helping an airline to achieve its goals. When customers are satisfied with the service provided by an airline, this will guarantee a subsequent purchase. This in turn, increases the airline’s revenue and it can then use these profits to offer incentives to employees and further motivate them to keep up their good work, improve the airline’s image by carrying out marketing campaign and social responsibility programs, and improve their products. The continuous cycle not only retains long-term customers, it also helps to maintain the airline’s profitability and encourage growth.

In the airline industry, a customer’s level of satisfaction is based on a combination of tangible and intangible services.

Overall, customers are expected to spend less money and arrive at their destination on time and safely. Many airlines have achieved all the three basic elements effectively. When these elemental elements are met, customers then raise the bar and demand more from the airlines. To fulfill customers’ additional demands, many airlines are offering supplemental benefits. These additional benefits can be divided into two categories: tangible and intangible products.

Tangible products are physical objects that can be perceived by touch and the five senses, i.e. something that customers can see, hear, smell and touch. This normally refers to the environment the customer is experiencing while using the airline’s service.

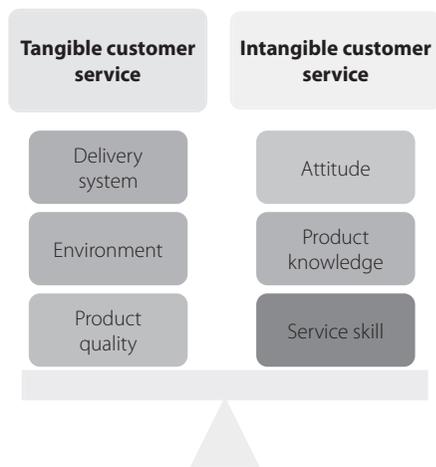


Figure 1-6: Tangible and intangible customer service.

Sometimes the actual product they receive when using the airline service is accounted as a tangible customer service. Examples include quality of in-flight meal, availability of leg space in the cabin and the quality of the screen provided for in-flight entertainment.

Intangible products are products that cannot be touched, and they are often referred to as services. Services provided by airline service agents are also known as customer service. These include how customers are being served and treated throughout their journey. Examples include the efficiency of ground service agents performing the check-in and the helpfulness of cabin crew who offer in-flight services. Another influencing element is delivery of products and services, such as attitude and the helpfulness of airline service agents, and their ability to resolve minor issues and conflicts.

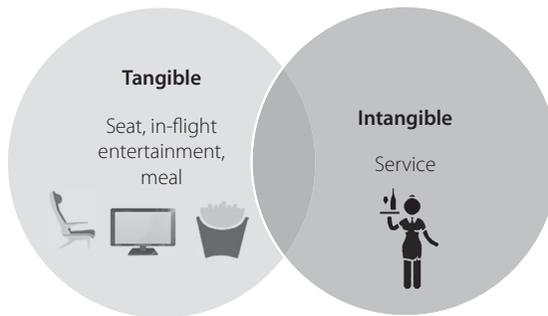


Figure 1-7: Tangible and intangible products.

Tangible products can be easily matched by competing airlines. Standardized seat pitch and width, hi-tech in-flight entertainment system and delicious meals are becoming the norm within the industry. These lead to airlines competing against one another on the basis of intangible customer services.

How a product is being delivered is as important as the quality of the product. Customers judge the quality of a company mainly based on the service that they get. This is especially so in instances which customers is flying with an airline for the first time. They will often evaluate the quality provided based on the service offered by the sales agent. For example, a customer would like to visit Sydney and has never been