

# UX Strategy

## Gamma Airlines

Alice Arthur, UX Specialist

The airline industry is changing



35%



3.8 billion

An aerial photograph of an airport tarmac. In the upper left, the tail and wing of a white airplane are visible. The tarmac is paved with yellow and white lines. A large, white, sans-serif percentage '59%' is centered on the image. In the background, there are some red signs on the tarmac, one of which appears to say 'GATE 13-30B'.

59%

An aerial photograph of a coastline, likely in the Mediterranean region, showing a mix of urban areas, greenery, and the sea. A large, white, sans-serif percentage '62%' is centered over the image.

62%

An aerial photograph of a landscape with green fields and a line of trees in the distance. On the right side, a white, curved structure resembling an aircraft wing or a large architectural element is visible, extending from the foreground towards the background. The sky is overcast and grey.

US \$750 bn

The airline industry is changing





General Motors



88% of Fortune 500 companies that existed in 1955 are gone

**NETFLIX**

**Shutterfly**

**iPhone**



**amazon**

**amazonkindle**




**Apple iPad**



Disrupted by:

- Focus on core business (fear of cannibalization) at risk of horizon 2 / horizon 3
- Complacency
- Overtaken, bought out by new entrants / competitors
- Emerging technologies displacing traditional processes and behaviors



“The industries that suffer most from disruption are those whose players have no real differentiation — or, worse, are disadvantaged.”

User experience strategy  
enables differentiation ... when  
aligned with business strategy

# GAMMA AIRLINES

To be recognized as the most loved,  
flown and profitable regional airline in  
North America

# Recommendations

- A comprehensive user experience strategy will enable Gamma Airlines to achieve its vision of being recognized as the most loved, flown and profitable regional airline in North America. A user experience strategy will support Gamma in:
  - Pursuing core business activities
  - Investigating new market opportunities
  - Investing in research and development for 'horizon 3' high risk opportunities that have potential as future growth areas

# Next Steps

- Agree recommendations and establish a user experience strategy for Gamma Airlines
- Agree Long-term Goals, 2019 Objectives and Action Plans
- Fund supporting activities and resource allocation

# The 'Ask'

- Fund activities including:
  - Internal interviews
  - Customer research
    - Persona development
    - Journey mapping (one journey map for 'as is' and 'to be' states, one day per journey)
  - Capital allocation / resources to implement recommendations (following agile approach / review / evaluation)
    - Process
    - Technology
    - Partnerships





# Appendix

# Gamma Company Background

- Estimated annual revenue \$57.3 million
- Homebase MSP
  - AA (American Eagle) LA International
  - Delta (Delta Connection) LA International; Seattle Tacoma
- Employees: 1,029
- 280 departures per day
- 50 destinations
- Crew: LA, Phoenix, Seattle
- Fleet: 56 Embraer 175 (76 passengers)
  - Delta: 36
  - AA: 20

# Gamma Competitors

- Cape Air
- Executive Airlines
- Colgan Air

# Airline Profitability (2017)

- For the seven major US airlines:
  - Profit per passenger (one-way) \$17.75
  - Average profit margin (9% in 2017); double that of global airlines
  - Ticket prices cover cost: baggage fees, seat selection, flight change / cancellation; other charges
  - Baggage fees and reservation penalties the two most lucrative categories for net profits
  - Fuel costs 26% in 2017 compared to 2016
  - Southwest highest profit margin (16.5%) without charging extra for baggage

# Passenger Profile

- Current passenger profile
  - Gender
  - Seniority
  - Alone / couple / family
  - Household income
  - Reason for travel: business, leisure, other
- Extending profile in light of emerging technologies
  - Travel / hotel preferences
  - Holiday destinations / activity preferences
  - Travel style
  - Entertainment preferences
  - Retail: food, beverage, fashion

# Provisional Persona

*Claire, budget conscious traveler looking for unique travel experiences*



“ I love the idea of traveling to a destination that no-one has been to before ”

## Description

- Gen Z, 18 years old
- Female
- Studying communications
- Lives on campus in Minnesota
- Saves to travel during semester breaks

## Behaviors

Uses social media extensively, especially Instagram

Is conscious of privacy and who will be accessing / using her data

Relies on ratings and reviews from others, though driven predominantly by budget

## Goals

Wants to be able to easily compare prices and make sure she's getting the best deal

Wishes that she could shop for a vacation like she shops for clothes (eg visual search)

Would love to be able to book a trip through her social media accounts

Looking for unique, one-off experiences

Dreams of combining her communications degree with her love for travel

Consumer

Leisure Travel

## Sub-segment – Gen Z

Gen Z is the generation covering those born between 1995 and 2015

They are currently between 4-24 years old (nearly 74 million in US)

# Gamma – SWOT Analysis

## ■ Strengths

- Larger fleet size of aircraft: currently 56
- Operates daily 280 flights to 50 destinations
- Dual class configuration to serve better as per people requirement
- Operate with less workforce and maximize profit by operations efficiency
- Better online service to cater the customer better, separate market and customer service team

## ■ Weaknesses

- Use only Embraer to serve the customer
- Labor relations issues which are yet to be fixed after take over by Trans air Holdings
- Dual class travel gets affected due to less travel load factor

mba Skool "Compass Airlines SWOT Analysis, Competitors & USP"

# Gamma – SWOT Analysis (cont)

- Opportunities
  - Operate with different aircraft to cater larger mass
  - Retrofitted aircraft to serve cargo market
  - Development in ecommerce business and daily delivery of important item is a growing opportunity
- Threats
  - Rising oil prices
  - Regulation imposed by government to operate with efficient and low emission standards
  - Big player who have larger carrying capacity and can affect the business
  - Competition
  - Rapidly evolving customer expectations

mba Skool "Compass Airlines SWOT Analysis, Competitors & USP"



# Top Trends in Global Airline Industry

- Enabling frictionless travel with biometrics
  - Fingerprint / facial recognition (check-in, security, lounge access, boarding) removing friction
- Humanizing the experience through artificial intelligence
  - Chatbots
  - Assessing fleet health / maintenance schedules
  - Personalized campaigns / upsell / cross-sell
  - Revenue management
- Robotic revolution and automation
  - Globally \$1.2 trillion market
  - Workflow automation
  - Intelligent check-in kiosks, detecting / reducing congestion
  - Security risk detection
  - Luggage transport

WSN DecisionPoint Top Trends for the  
Global Airline Industry

# Top Trends in Global Airline Industry (cont)

- Seamless data sharing via blockchain
  - Eliminate multiple transaction costs
  - Accurate status updates
  - Retail / distribution / baggage handling
  - Loyalty wallet
- Traveling in augmented virtual reality
  - Wayfinding
  - Immersive entertainment
  - Remote control centers
- Passenger experience and the internet of things
  - Location services:
    - Way-finding
    - Upsell
    - Baggage management
  - Entertainment

WSN DecisionPoint Top Trends for the  
Global Airline Industry