



Passenger Experience 2025



“What will the airline landscape in Asia look like by 2025?”

... AI, robotics, Internet of Things, biometrics, sensors, wearables, augmented experiences, natural user interfaces, holograms and avatars, predictive analytics, language translation, virtual assistants, parallel industry inspiration, future traveller tribes ...

Will we actually be travelling by then?

**Will travel itself become a commodity
because there are alternatives?**









I digress ... Lets assume we still do travel ...

Topics ...

- Airline landscape 2025
- Alliance Landscape 2025
- Airport Landscape 2025
- Who Owns the Experience Landscape 2025

We fundamentally need to change the mind-set from this ...



To this ...



I remember my CEO from a previous airline saying “All we need is \$1 more from each customer and we’ll be profitable this year” ... We fell short

The great yield crash of 2016-2020 (The Big Decent)

Growth comes from mass market/lower-yield travel as corporates drastically cut travel budgets through use of technology to drive productivity

Prolonged lower oil costs render fuel surcharge justification useless and regulatory frameworks have caught up with “surcharges” stalling airline revenue growth

The mantra of “build it and they will come” doesn’t hold true ...

Passenger unwilling to pay

Commoditisation rife!



Airline Landscape 2025

How to succeed/inspire in passenger loyalty and avoid becoming a commodity – **Embrace technology or die** ... Soft skills/product will only take you so far (Look @ SQ)!

- Those succeeding will be known for the products/experience they offer and at what price (Would you like fries with that) – And that doesn't mean advertising on TV! Work with intermediaries (Not travel agents, but technology intermendiaries);
- Technology replaces human interaction for airline except for flight itself (Reliable);
- Technology/conectivity embraced by employees because it allows them act rather than blame something else or be “process inflexible” (iPAD's and crew and my experience);
- Airlines will actually act on data and also start operating like a retailer (One-click travel).

Bottom line ... Airlines were the original adopters of technology (CRS/GDS etc.) but we've stalled ... Nothing to fear from technology except fear itself ... And you'll need it the age of mass, discounted, travel (SYD-MEL \$199 in 1997, now \$100 in 2016)

Alliance Landscape 2025

- Consolidation not going to happen – Foreign ownership restrictions will remain and probably get tougher (Jetstar/HKG) and common skies, apart from EU, is a common myth. Remain a fragmented industry;
- “Alliances” will be one answer to offer compelling product, provide scale, overcome regulatory issues;
- FSC have persisted, LCC’s have just started kicking things off (Value, UFLY) – These will only grow as technical limitations are overcome
- FSC alliances merge/cooperate with LCC alliances etc.
- Bilateral between FSC and LCC, once unthinkable, are now common – Even today QF/JQ, QR/VY Etc. ... We even know FR is “considering” etc.

Bottom line ... Seamless interoperability between FSC/LCC, FSC have gotten over “expectation anxiety”, systems that can support cooperation, Alliances will continue to grow in importance and LCC’s will play a big role in this!

Airport Landscape 2025

- Lets not kid ourselves ... Who hasn't been to airport that isn't either "under construction," renovating or simply attempting to jam more people into the same space;
- Airports will cease to be airports and will become shopping-malls that happen to have airplanes flying into/out of them;
- Passengers are "loyal" because an airport tends to be a monopoly ☹️ - And this will remain so given the reluctance of communities to support airports e.g. London runway;
- Biometrics/wearables key – Security will spread outwards before PAX even reaches airport (To protect key asset) thanks to BRU etc. Those "cleared" can be fast-tracked to the terminal itself etc.;
- We can already see how technology can be applied – It's now down to the regulatory regime to embrace change (We are starting to see this thru biometric passports);

Bottom line ... Airports will always remain behind growth ... Need to constantly be creative on how to "jam" more people thru the system and regulators need to keep up!

Who Owns the Experience Landscape 2025

“Price is of course very important to passengers and the likes of Google are moving fast into the space of coordinating all aspects of travel”

Dr. Strangelove or: How I Learned to Stop Worrying and Love the Bomb

We’ve been talking about this for years ...

Heard at a conference the other week ... “Google how could you?”

Learn to integrate, get your content out into digital intermediaries and accept you will never own the “entire” travel experience ... Customers choose their destination first, not the airline!

We used to be good at content ... Anyone remember brochures? They were everywhere!!!



Commoditisation Landscape 2025

Price will always be king ... But how does Mc Donalds not become a commodity or for that matter Ikea ... Would you like fries with that or why don't you customise that wardrobe?

- Some airlines actually might become successful retailers!
- Big data actually is used! PAX able to create an “experience” or based on their profile and an experience is created for them! Soft, hard and digital attributes;
- Technology will help customers visualize the “experience” ... So they can experience the experience before they experience it (In real life) ... This is where hard/soft is important

In closing ... 2025

Maybe we don't need to travel but if we do ...

- Airlines: Technology/data being used effectively, retailing!;
- Alliances: More of them, bi-laterals (FSC/LCC), tech/psychological limits overcome;
- Airports: Regulatory/security/infrastructure greatest impediments;
- Experience: "Google" – Stop worrying, work with it (And others),

Bottom line ... If you ask me we wont need to travel anymore, especialy for work. Therefore it's primarily "leisure" travel and for the most part "mass-market" as it's the indivdual who is paying not the company ... This is where the fun starts!

Thank You

Steven Greenway

E: steven.greenway@uflyalliance.com

M: +852 9617 1857

IG: bigbearlah

