2018 Master Graduation Thesis

# Travel Avatar

A Personalised Digital Service for FlyCo Frequent Business Travellers

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# Introduction.

This is a master graduation project of TU Delft, in collaboration with FlyCo Digital. It proposes a personalised digital service, "Travel Avatar", for FlyCo frequent business travellers, aiming at bring hedonic rewards of travelling for business to their trips and create momentous customer experience, which enhance intimate and loyal customer relationships with the airline brand in return.

# **Problem Description**

Amenities in air travel for business travellers are disappearing due to years of cost-cutting in airlines (the Economist, 2014) and travel normalisation (Gustafson, 2014). Differences in airline services are few and good frequent flyer programs can easily get imitated (Waarden, 2013). Facing fierce competition in the marketplace, airlines are attempting to transform their roles from transportation providers into trip coordinators (the Economist, 2014). Moreover, they regard customer experience and customer relationships are the key to achieve differentiations.

Under the guidance of FlyCo's new customer strategy, the Support team of Digital is trying to improve FlyCo customer experience by offering personalised services. At present the information offered on F-app is customised to per flight, which is a meaningful step towards personalisation as all other airlines are offering customers generic information.

This project helps the F-app team to envision a more clear future of personalisation: what kind of services to offer, how to offer it, and to whom it offers.

# Research Gap

Numerous studies regarding customer experience and customer emotions have been performed in the research field. However, few of them are closely connected with personalisation. Moreover, there is no research in the context of air travel that offers a solution of personalisation to create customer surprises and generate hedonic values, which brings intimate and loyal customer relationship in return. Therefore, this project will be the first to explore in the field.

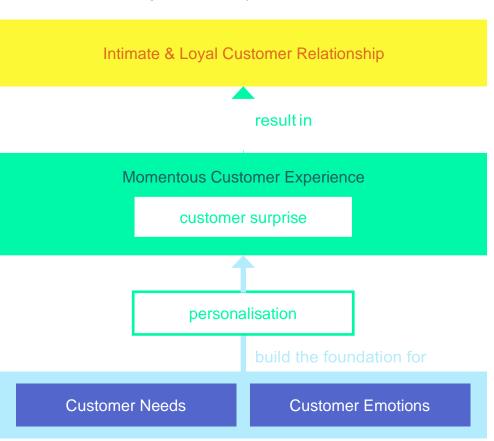
After performing literature reviews regarding the economy experience, personalisation, emotions of air travellers and travel-related rewards, I examined the relationships among concepts and set up a new analysis framework to analyse how to create momentous experience for customers, which brings intimate and loyal customer relationships as a result. The framework was applied throughout the project to guide the research, based on which I proposed a personalised digital service "Travel Avatar" for FlyCo frequent business travellers.

Moreover, based on in-depth interviews with frequent business travellers, I discovered that they have a primary latent need of novelty, which has been rarely mentioned in previous studies.

# **Design Goal**

In order to increase FlyCo's presence in the whole business travel journey and help it transfer from the transportation provider into the whole-trip coordinator, the project proposes a personalised digital service "Travel Avatar". It is designed for the destination experience with the focus of satisfying the latent customer need "desire of novelty". The ultimate design goal is to bring joy and excitement to the travel experience of FlyCo frequent business travellers.

Figure 1-1. Analysis Framework



# **Project Structure**

The project has 4 stages: data collection, service positioning, design implementation and evaluation. Every stage contains one or several phases, which are explained in each chapter of the report. Figure 1-2 is a visual explanation of the overall project process.

In the first stage, theoretical background research, secondary research and target group study were performed. The purpose of the theoretical background research is to obtain a comprehensive understanding of the project background and lay a solid foundation for later research phases. It explored concepts of the economy experience, personalisation, emotions of air travellers and travel-related rewards, whereafter relationships among concepts were examined. Based on findings of the theoretical background research, an analysis framework was proposed to enlighten later research work in the project.

The secondary research was conducted under the guidance of the framework. It aimed to acquire a whole picture of the air travel context by performing context/market research, competitor research, company research and customer research. Insights of the research findings pointed out potential design opportunities that correspond to FlyCo competence.

In the target group study, 11 in-depth

interviews were carried out to achieve a deep understanding of who are frequent business travellers and how they feel towards their business trips. A customer journey map was designed to illustrate their behaviours when travelling for business. All interviews were transcribed and analysed according to the grounded theory (Glaser & Strauss, 1967). Interview findings elaborated travel behaviours and preferences of frequent business travellers, their feelings and perceptions towards airline services and travelling for business, as well as their primary needs during the trip. It fulfilled the two foundational constructs of the analysis framework.

Based on findings of the previous stage, the service positioning was completed with the design rationale and concept generation. The chapter of design rationale involves qualitative analyses of customer needs and customer experience, as well as a quantitative analysis of 476 responses of a questionnaire. The design decision was made to design for FBTeu's (frequent business travellers who only or mostly travel within Europe) destination experience with the focus of satisfying the latent customer need "desire of novelty". The ultimate design goal is to bring joy and excitement to the travel experience of FlyCo frequent business travellers.

During the concept generation phase, a 150-minute collaborative workshop was

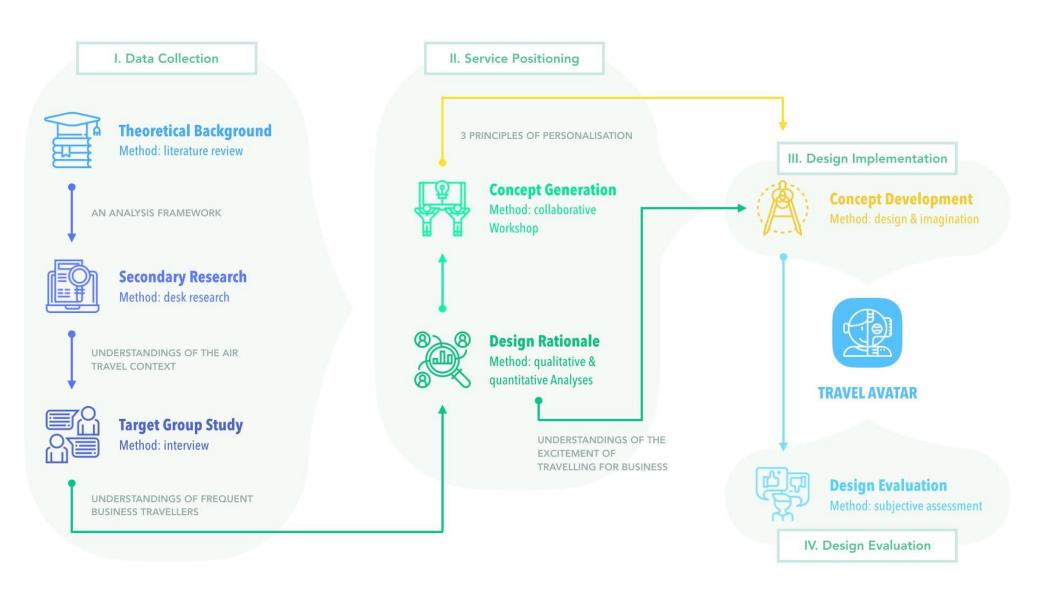
held involving 5 stakeholders from different positions, with the intention of engaging their opinions of personalisation in the beginning of the service development process. Whereafter, three principles of personalisation were defined and contributed to the design implementation stage. In conclusion, the second stage defined what customer surprise to create and how to create it, fulfilling the second layer of the framework.

The third stage is design implementation. Following the design decision and three principles of personalisation, the personalised digital service "Travel Avatar" is proposed and interaction details of how the avatar could grow with the customer is defined. The service concept was transformed into interfaces and a prototype.

In the fourth stage, the design was evaluated by showing the prototype to FlyCo frequent business travellers. The HED/UT scale (Kevin, Spangenberg, & Grohmann, 2003) was applied to assess customer attitudes towards the service. Evaluation results suggested that the perceived hedonic and utilitarian values of the service are high, which means that frequent business travellers regard the service as interesting and promising.

In the end, conclusions and discussions of the project were made to reflect on project results and make implications for future work.

Figure 1-2. Overview of project process



# Theoretical Background.



Method: LITERATURE REVIEW

In order to obtain a comprehensive understanding of the project background and lay a solid foundation for later research phases, I conducted the literature review in the first place and explored concepts of the economy experience, personalisation, emotions of air travellers and travel-related rewards. An analysis framework was proposed based on insights of relationships among concepts.

After reviewing Pine and Gilmore's (1998, 2000) research results of the experience economy, I found that experience is intrinsically personal and designing an experience for customers requires to touch their emotions. Moreover, I concluded four experience design suggestions by combining their theories of five experience design principles and the 3-S Model. Notably, the three constructs mentioned in the 3-S

Model, namely customer satisfaction, customer sacrifice and customer surprise, were used in the framework for analysing experience throughout the report.

As experience is personal in nature, personalisation could be viewed as a probable approach for companies to stage experience and achieve differentiation. Therefore, I examined previous studies in this direction and made a clarification between the concepts of personalisation and customisation, which paved the way for my later design phase.

Furthermore, under the guidance of 3-S Model, I firstly reviewed studies towards the emotions of air travellers in order to understand what caused customer satisfaction

Introduction

and sacrifice in the context of air travel. Thereafter, I moved on to the topic of travel-related rewards to get insights for customer surprise. My literature review results revealed that hedonic and social-relational rewards are inherently personal and closely related to customer emotions, which match the theory of experience economy well and deserve further research.

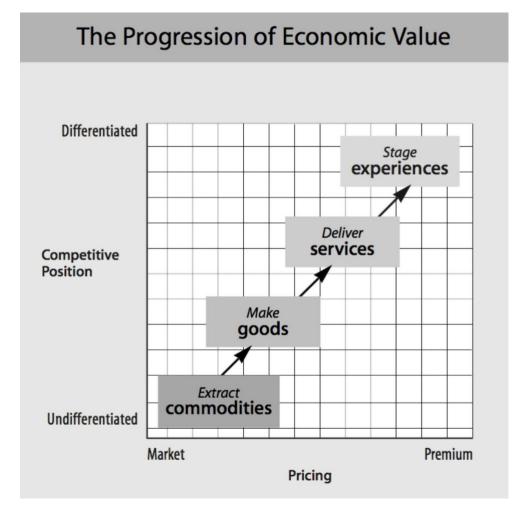
In the end of the chapter, I set up an analysis framework after examining relationships of the aforementioned concepts. The framework is proposed to enlighten later research work in the project.

# The Experience Economy

The concept of the experience economy was first proposed by Pine and Gilmore (1998). They depicted experience as the fourth economic offering which comes after commodities, goods and services, which is shown in Figure 2-2. Pine and Gilmore (1998) argued that it is high time for companies to establish a long-lasting competence by creating unique and momentous experiences for customers, because services have become increasingly commoditised as products. For instance, airlines offer their onboard services with a price a long time ago, and they keep detailing service options to provide air passengers with more customised services. Since functional products and qualified services are not enough for companies to establish distinctiveness in the marketplace, experience is put forward as a new way of building competitive advantages (Pine & Gilmore, 1998; Morgan, Elbe & Curiel, 2009). The concept of experience economy is widely accepted in various fields (Poulsson, Susanne, & Kale, 2004; Lupton, 2014), especially in the tourism industry (Oh, Fiore, & Jeoung, 2007; Morgan, Elbe & Curiel, 2009; Veríssimo & Loureiro, 2013).

According to Pine and Gilmore (1998), the experience is characterised as "events that engage the consumer in a personal way". It is worth noticing that experience emerges during the interaction between the customer and company service(s), and therefore experience is personal in nature and unique to each individual (Pine & Gilmore, 1998). Feelings and thoughts generated in the experience could not be duplicated. In consequence, designing an experience requires touching audiences' emotions.

Figure 2-2. The progression of economic value



# **Create Momentous Experiences**

# • Five design principles

After proposing the concept of experience economy, Pine and Gilmore (1998) suggested five design principles to create a momentous experience based on their case studies. The five design principles are summarised in Table 2-1.

Table 2-1. Five design principles to create a momentous experience

Step	Design principle	Elaboration
1	Theme the experience	It is viewed as the initial and essential step in creating an experience. A well-defined and coherent experience theme could foster customers' right expectations of services/products and help form long-term memories. Moreover, a theme isn't necessarily linked with all marketing events. But it should have a clear storyline and consistent design elements so as to avoid confusion to customers.
2	Harmonise impressions with positive cues	Impressions compose the memorised parts of the experience, while cues make up impressions. Both of them ought to be consistent with the theme's storyline and reflect the nature of the experience. Cues can be created in all five senses (visual, aural, olfactory, tactile and gustatory) and delivered by either humans or objects. Together these cues leave impressive moments in the customer's mind and subsequently create unique experience over time.
3	Eliminate negativecues	To create a successful experience, it requires not only using positive cues but also eliminating negative cues that may ruin the experience and leave long-term terrible impressions.
4	Mix in memorabilia	Customers use memorabilia to recall good experiences. It is argued that if customers are not willing to pay for memorabilia, it is highly likely that the experience is not great enough.
5	Engage all five senses	It is suggested that the more senses an experience engages, the more effective and momentous it can be. But it is also worth noticing that not all sensations are appropriate, and some combinations don't work. The appropriate combination of senses, which matches the theme as well, needs further trials.

#### Customisation and 3-S model

In addition to the five design principles, Pine and Gilmore (2000) further argued that it is customisation that forces companies to shift their current paradigm of delivering goods or services to the next phase of offering experiences.

However, to achieve an effective result of customisation, companies need to have a deep understanding about what their customers think and feel. Therefore, the 3-S Model is proposed by Pine and Gilmore (2000) to better analyse customer responses and facilitate companies' decision making of customisation. The 3-S Model involves three concepts, which are customer satisfaction, customer sacrifice and customer surprise. According to Pine and Gilmore (2000), the customer satisfaction measures "the difference between what a customer expects and what the customer perceives he gets" (Pine & Gilmore, 2000).

**Customer Satisfaction** 

- = what the customer expects to get
- what the customer perceives he gets

Pine and Gilmore (2000) pointed out that current market research techniques, which are used to investigate customer satisfaction, mostly focus on customer expectations of existing products/services instead of exploring their unfilled or latent needs. Thus the concept of customer sacrifice was introduced to calibrate the company's knowledge of customers. Customer sacrifice happens when the customers is forced to accept a certain product/service as an alternative of what he/she really wants. It derives from mass customisation (Pine & Gilmore, 2000), where individual needs are blurred and averaged to group needs.

**Customer Sacrifice** 

- = what the customer wants exactly
- what the customer settles for

Enhancing customer satisfaction and reducing customer sacrifice can incrementally improve current products or services, whereas it cannot bring a leap to the experience stage. Customers need impressive moments to remember their interactions with the company's product or service. In other words, they ask for surprises. Pine and Gilmore (2000) defined customer surprise to be "the difference between what the customer gets to perceive and what the customer expects to get". They emphasised that customer surprise results from "the unexpected", which refers to customers' latent needs.

**Customer Surprise** 

- = what the customer gets to perceive
- what the customer expects to get

"Customising a good turns it into a service, customising a service turns it into an experience, and customising an experience turns it into a transformation".

— Pine and Gilmore (2000)

# • Experience design suggestions

In conclusion, combined with the aforementioned five experience design principles, creating a momentous experience requires the company to:

- (1) increase customer satisfaction and decrease customer sacrifice through customisation, which demands knowledge of customers;
- (2) fulfil latent customer needs and make them feel surprised;
- (3) theme the experience and offer customers with positive cues and memorabilia to easily remember the experience, with negative cues eliminated in advance;
- (4) Use appropriate combinations of five senses to interact with customers, which could make the experience more momentous.

# **Personalisation**

It is worth noting that customers seldom evaluate their experience factor by factor (Morgan, Elbe & Curiel, 2009). The customer satisfaction of experience emerges over the whole experience. In other words, if a traveller had a terrible experience at the destination city, it is likely that he would comment the whole travel as "horrible", even though he was served well by the airline company. But the situation might be different if the airline knew it in advance and gave the traveller a surprise comfort for his sufferings in the city. Such customer surprises are usually offered by personalisation.

#### Personalisation and CRM

Personalisation is viewed as part of customer relationship management (CRM) (Jackson, 2007). Companies have accepted customer relationship management as a strategy to acquire, develop and retain customers. Relational benefits born of CRM are suggested as a crucial factor to establish long-term relationship with customers (Chen & Hu, 2013). Specifically, airline companies are advised to adopt personalisation to increase customer loyalty (Meyer-Waarden, 2013; the Economist, 2014; World Economic Forum, 2017).

#### Personalisation and customisation

The concept of personalisation is often confused with customisation. After reviewing previous research results in the academic filed, I concluded the differences between personalisation and customisation from three perspectives, which are shown in Table 2-2.

From the technical perspective, personalisation derives from implicit customer data, whereas customisation stems from explicit data (Zhou, Ji & Jiao, 2013). Typically, personalisation applies data mining in exploring current customer data and attempts to find patterns that address customers' unspoken needs. On the contrary, customisation utilises existing data and distance-based clustering methods to create

segments of existing customer needs. From the company's perspective, personalisation is one-to-one marketing, while customisation resembles mass personalisation (Jiang & Tuzhilin, 2009; Zhou, Ji & Jiao, 2013). Companies can establish loyal and intimate relationships with customers via either personalisation or customisation. However, from the customer's perspective, customisation would bring satisfaction, while personalisation could additionally bring surprises and delights (Zhou, Ji & Jiao, 2013). As a consequence, the level of loyalty and intimacy can differ.

Table 2-2. Differences between personalisation and customisation

Perspectives	Personalisation	Customisation
	derives from implicit data	derives from explicit data
Technology perspective	uses data mining	uses distance-based clustering
	one-to-one marketing	one-to-mass marketing
Company perspective	brings customer satisfaction, delight, intimacy andloyalty	brings customer satisfaction, intimacy and loyalty
Customer perspective	fulfils latentneeds	fulfils explicitneeds
	creates surprises and delights	brings satisfaction

# Personalisation and privacy concerns

Personalisation is a process instead of a final result. In order to achieve personalisation, companies need data that are constantly pulled from customers, after which they can push tailored information to customers (Jackson, 2007). Although personalisation is believed to result in positive customer experience, there are concerns of sharing private data.

However, several studies proved that customers are willing to share their preferences and habits to get better services. Lee and Cranage's findings (2011) show that as long as customers perceive the service as useful, they would like to share personal information to get more personalised services. Furthermore, WANP's survey (2017) with 6000 travellers suggested that over 70% customers would like to share their habits to get more personalised services.

# **Emotions**

Designing an experience requires touching customers' emotions. In the realm of travel experience, stress is one of the most studied emotions. Many studies in this research direction have been performed to examine stress factors. Ivancevich and his colleagues (2000) proposed to divide travel-related stressors according to different travel phases. Following their approach, I categorised previous stress study results into Table 2-3.

In general, leisure travellers and business travellers undergo similar stressors during their trips. However, business travellers are reported to suffer more stress than leisure travellers due to their frequent trips (Ivancevich et al., 2000; Gustafson, 2006; Stewart & Donald, 2006; Chen, 2017). Moreover, several stressors were proved to have a stronger impact on business travellers (Dresner, 2006; Chen, 2017).

Chen's (2017) study suggested that among all stressors, preferences of hotel and airlines as well as destination concerns have a stronger impact on business travellers, as their long working hours require comfort to overcome travel stress. Another noticeable stressor to business travellers is work-life balance (Dresner, 2006; Gustafson, 2014; Chen, 2017), which is often caused by long stays at destination and unmet family responsibilities (Stewart & Donald, 2006).

Understanding what caused stress during travel can help companies in the tourism industry decrease customer sacrifice by eliminating stressors during the trip, which could lead to customer satisfaction in return as well. However, to create customer surprises, it requires the knowledge of customer perceived values and their motivations of travelling.

Table 2-3. Travel-related stress categorisation

Travel Phase	Stressors	Source
Pre-trip	make travel plans, work arrangement, book hotels and flights, etc	Ivancevich et al. (2000); Chen (2017)
During the trip	flight delay or cancellation, traffic congestion, long working hours, unhealthy food, lack of exercise, poor work support, loneliness, lost baggage, etc	Ivancevich et al. (2000); Harvard Business Review (2014); Chen (2017); Gustafson (2014)
Post trip	heavier work when go back to the office, unmet family responsibilities, health issues, etc.	Ivancevich et al. (2000); Stewart & Donald (2006); Dresner, 2006; Gustafson (2006); Gustafson (2014); Chen (2017)

# Utilitarian, Hedonic, and Social-relational Rewards

Utilitarian and hedonic are two basic dimensions which were proposed as an early attempt to evaluate customer attitudes of product/services and brands (Batra, & Ahtola, 1991; Voss, Spangenberg, & Grohmann, 2003). Relational rewards are born of CRM and regarded as a pivotal factor for long-term relationships customers (Chen & Hu, 2013). After reviewing previous studies towards travel-related benefits, I decided to adopt these three dimensions to illustrate what values or rewards that travel could bring to leisure travellers and business travellers.

The values or rewards brought by travel differ in leisure travellers and business travellers since they travel for different purposes. As for leisure travellers, they travel for personal purpose and select a particular destination city that would reflect their self-identity (Oh, Fiore, & Jeoung, 2007). They seek escapism from daily routine life and self-discovery during travel (Framke, 2002), which are primarily concerned with hedonic values. On the contrary, business travellers travel for business purpose and thus they are not in the position to

choose the destination. Hedonic values are comparatively much lower in business travel. In their opinion, frequently travelling for business pay back with job promotion and higher social status (Gustafson, 2014), which could be counted as social-relational rewards. In addition, frequent business travellers receive utilitarian rewards from their loyalty programs with airlines, hotels or banks, such as free hotel stays or free flights. To be specific, Meyer-Waarden (2013) used frequent flyer

programs as example and summarised rewards from the perspective of frequent business travellers, which are displayed in Table 2-4.

It is worth noticing that Meyer-Waarden (2013) suggested airlines promoting hedonistic and social-relational rewards because they are unique to customers. Moreover, hedonic and social-relational rewards are inherently personal and closely related to customer emotions, which naturally fit the experience economy.

Table 2-4. The perceived rewards of frequent flyer programs

Perceived Value	Category	Example
	economic aspect	price reduction, discounted tickets
Utilitarian rewards	functional aspect	priority check-in, security controls, business class upgrades, access to lounges, lat-minute tickets
	informational aspect	newsletter and personalised mailings according to mosttaken flight destinations
Hedonic rewards	emotional aspect	pleasure, personalisation and privileges on board
Social-relational rewards	social aspect	social status, mailing birthday, special events

# The Analysis Framework

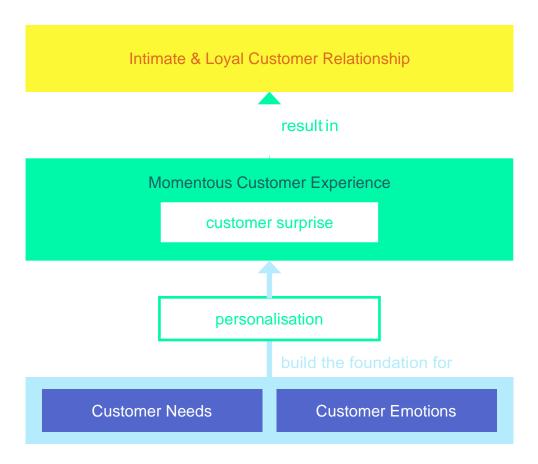
After performing the literature review regarding the economy experience, personalisation, emotions of air travellers and travel-related rewards, I examined relationships among concepts and set up a new analysis framework.

Findings of the theoretical background research revealed that the key to create momentous customer experience is customer surprise. Enhancing customer satisfaction and reducing customer sacrifice can incrementally improve current products or services, whereas it cannot bring a leap to the experience stage. Customers need impressive moments to remember their interactions with the company's product or service. Pine and Gilmore (2000) suggested that customer surprise derives from customer latent needs.

Personalisation is one possible approach to create momentous customer experience because experience is intrinsically personal, as Pine and Gilmore (1998) characterised experience as "events that engage the consumer in a personal way".

The successful creation of momentous customer experience asks for customer surprise and personalisation. To generate customer surprise and offer it through personalisation, it requires understandings of customer needs and customer emotions. The knowledge of customers builds the foundation for momentous customer experience, which consequently result in intimate and loyal customer relationships.

Figure 2-3. The analysis framework



# **Key Takeaways**

## • The Research gap

Numerous studies regarding customer experience have been performed in the research field. However, few of them are closely connected with personalisation and customer surprise. After the literature review, I examined relationships among theoretical concepts and set up a new analysis framework to analyse how to create momentous experience for customers, which brings intimate and loyal customer relationships as a result. There is no precedent in the context of air travel that offers a solution to create momentous customer relationship through personalisation and customer surprise. Therefore, this project will be the first to explore in the field.

## Insights

- (1) Experience is intrinsically personal and designing a momentous experience for customers requires to touch their emotions.
- (2) As experience is personal in nature, personalisation can be viewed as a probable approach to stage experience and achieve differentiation.
- (3) Customer experience in the context of air travel can be analysed by applying the 3-S Model.
- (4) Creating a momentous experience requires increasing customer satisfaction and decreasing customer sacrifice through customisation, which demands knowledge of customers. In addition, it requires fulfilling latent customer needs, which would make them feel surprised.
- (5) For an airline company, offering customers hedonic and social-relational values can be a way to create momentous experiences because they are unique to customers and closely related to their emotions.

# **Summary**

The chapter explores concepts of the economy experience, personalisation, emotions of air travellers and travel-related rewards to obtain a comprehensive understanding of the project background. Whereafter, relationships among concepts are examined. Based on findings of the theoretical background research, an analysis framework is proposed to enlighten later research work in the project.

In the next chapter, the secondary research is performed under the guidance of the analysis framework, involing context research, competitor research, company research and customer research. The purpose of the secondary research is to acquire a whole picture of the air travel context as well as seek potential design opportunities that correspond to FlyCo competence.

# Secondary Research.



Method: DESK RESEARCH Under the guidance of the analysis framework, the secondary research focuses on examining airlines' performances of personalisation and customer experience in the marketplace. I applied the 4C Model in the secondary research phase, including context research, competitor research, company research and customer research, aiming at acquiring a whole picture of the air travel context and seeking potential design opportunities that correspond to FlyCo competence.

During the secondary research, I examined over 30 reports from airline companies, supervising authorities of the aviation industry, consulting companies and so forth. Important findings are concluded in this chapter and they suggested further research directions for the next project phase. Figure 3-1 is an overview of the secondary research.

**CONTEXT COMPETITOR** Intimate & Loyal Customer Relationship RESEARCH RESEARCH result in **Customer Experience** customer surprise personalisation **COMPANY CUSTOMER** RESEARCH **Customer Needs Customer Emotions** RESEARCH

Figure 3-1. Overview of the secondary research

# **Context Research**

The aim of the context research is to find out and comprehend trends that are emerging and shaping the air travel marketplace. I distilled my findings into the following three points:

• European airlines are facing fierce competition in the marketplace. Fierce competition is taking place in the airline marketplace, especially in Europe. According to studies from the International Air Transport Association (IATA, 2016; IATA, 2017), the number of air passengers carried worldwide keeps growing when comparing numbers between 2006 and 2016, but the airline revenue per passenger declines by 11% in Europe. In addition, there are approximately 230 airlines flying in the European region. It is more than any other region of the world.

# • To improve customer experience and relationship, airlines are transforming their roles.

Obviously, facing such intense competition, competing merely on price is not a wise idea. Airlines are working on building customer loyalty and improving customer experience as their top strategies (Chen & Hu, 2013; the Economist, 2014). They want to change their role from transportation providers into trip coordinators, seeking their unique strengths in the end-to-end customer travel experience (the Economist, 2014; Accenture, 2016).

# • However, airlines are not the only one who wants to win the game via customer experience and relationship.

Digitalisation blurs the traditional aviation ecosystem and opens up vast opportunities for stakeholders in the game, for instance Google, to play an important role in customers' travel experience. Stakeholders throughout the travel journey are attempting to own the customer relationship (World Economic Forum, 2017).

Having a direct access to the customer is essential for airlines to establish and maintain a relationship, as well as creating experiences. It is why at present airlines are investing a great deal of money and labour on building their own booking websites in that they can increase touch points in the customer journey and meanwhile take the power back from intermediaries such as OTAs (Online Travel Agency). In addition, airlines are taking advantage of social media to increase their presence in customers' lives.

However, their stakeholders and competitors are acting the same as well, or even better. Many airlines view Google as one of the greatest competitors because a traveller can search, compare and purchase flight tickets of various airlines on Google. In addition, the traveller is recommended with hotels and car renting options by Google as well. Afterwards, the destination information is kept pushing to the traveller. Apart from Google, hospitality companies (e.g. Booking.com) as well as OTAs (e.g. TripAdvisor) are attempting to play the coordinator role through their websites. Nevertheless, what is offered and how these companies offer information are homogeneous: they put everything they have on the website and let customers to discover what they need. Accesses to information and services are provided but lacks intelligence (the Economist, 2014).

# **Competitor Research**

I performed the competitor research to learn about how airlines are applying personalisation in improving customer experience. It is suggested that despite the acknowledged importance of personalisation in customer services, the implementation is still in its infancy and mostly concentrates on pre-flight and in-flight experience.

# • Airlines consider personalisation as a key in improving customer service, and they have to potential to conduct it.

Personalisation is widely recognised as a good way to deliver customer services and realise customer relationship management, not only within the airline industry. According to Accenture's survey (2016) with 25 senior airline executives from various leading airline companies, real-time personalised customer experience is voted as the most desirable concept. The importance of personalisation has been talked by many other leaders in the airline industry as well.

Airlines possess great wealth of customer data: they know who we are, when are our birthdays, where we fly and with whom, what we eat and

where we sit, how long we stay, how many times we have flown with them, etc. Airlines are working on offering customers more personalised services based on insights from these data. Their efforts can be clustered in two directions: improve pre-flight experience and in-flight experience.

# • Personalisation is used to improve pre-flight and in-flight experience.

To improve pre-flight experience, many airlines, for instance Finnair and Cathay Pacific Airways, have adopted chatbot as a personalised way to provide customers with flight information, assisting them to better prepare for the coming flight. It efficiently reduces the time to finish the task. The chatbot usually helps customers to:

- (1) search and book a flight;
- (2) answer common questions regarding the flight;
- (3) and make changes to the order.

"I think our customers need better service and better personalisation today. And that's what we're focusing on."

—— Oscar Munoz, chief executive of United Continental Holdings Inc.

"It will be on how you're able to personalise, customise, tailor our services offering to the individual requirements of the guests, and that has a lot to do with digital technology,"

—— Peter Baumgartner, Etihad Airways chief executive.

In addition, with the aim of catering to customer preferences of in-flight services, airlines take actions in two different ways:

- (1) recognise the customer and give the service
- (2) or customise services at the booking phase.

For example, Delta Air Lines launched SkyPro App for cabin crews to offer onboard services in a more personal way. With categorised customer information in SkyPro, flight attendants are able to know the simple history between the customer and the airline. For instance, they can thank the customer for flying with Delta Air Lines for 5 years or apologise for a recent baggage mishandling. Moreover, British Airways have been giving flight attendants with customer information in iPad since 2011. It helps to recognise high-tier customers and resolve service issues.

Furthermore, British Airways are trying to offer customised in-flight service from the booking phase. They recently changed their catering services on short-haul economic flights. Free onboard food is cancelled and chargeable branded food and drinks are offered instead. The purpose of this action is to allow customers to pay for what they want and decide how much they are willing to pay. Similarly, after further segmenting customers, American Airlines launched "Basic Economy" and "Premium Economy" cabins to better meet different customers' needs, meanwhile providing digital tools that empower customers to choose what's best for them.

Figure 4-2. Example of Airline Chatbot

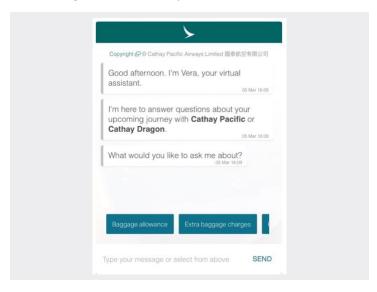
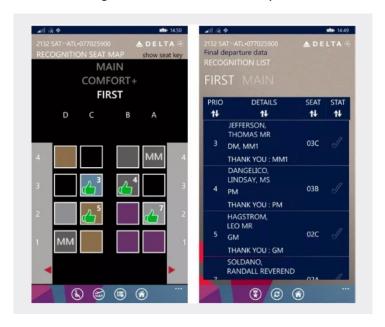


Figure 4-3. Interface of SkyPro



# **Company Research**

During the company research phase, I examined several FlyCo internal documents and talked with experts from different positions, after which I learnt that personalisation is an overarching need for FlyCo and its customers. FlyCo's F-app service is one step towards personalisation, and they are trying to envision the future for it.

The customer strategy is in the company DNA. It focuses on appealing to customer emotions, understanding customer needs and creating customer intimacy.

In order to understand customer needs, FlyCo created An overview that combines travel region and travel purposes. Personalisation is seen as one of the overarching needs among all customer demands. One FlyCo employee further mentioned, "Personalisation is not only a need of our customers, it is a requirement for us when we interact with them".

The objective of the new customer strategy is to create and enhance customer intimacy and loyalty through momentous experience. Customer experience is delivered through FlyCo's marketing events, products and services, as well as FlyCo staff. Regarding the delivery of digital customer experience, the FlyCo Digital Group is responsible for all digital touch points of the FlyCo Group. It devotes to offering customers with excellent flight experience through smooth and personalised services. Fapp is one of their attempt towards personalised customer services.

"Personalisation is not only a need of our customers, it is a requirement for us when we interact with them".

—— One FlyCo Employee

• F-app team is trying to find a way of personalisation. F-app is a platform integrated in FlyCo's digital landscape that offers customers with tailored and useful information. It is designed to help customers better prepare for the coming flight. The objective of F-app is to inspire and delight customers by deepening their experience with FlyCo and makes that experience momentous.

At presents, the information offered on F-app is tailored to per flight. It is a meaningful step towards personalisation as all other airlines are offering customers generic information. A customer flying to EU destination in economy class sees the same information as another

customer who travels to China in business, whereas what they need are different. Therefore, F-app service is a first trial in the field.

The ultimate goal of F-app is to offer customers with information personalised to individual needs.

This project helps F-app to envision a more clear future of personalisation: what kind of service to offer? What kind of information to offer? In what way to offer? And to whom it offers?

# **Customer Research**

## • The primary focus is on air travellers that travel frequently.

There is no doubt that frequent flyers are the most valuable group of customers to an airline company.

However, amenities in air travel are disappearing nowadays and these valuable customers demand and deserve better services. Differences in services among airlines are few and good frequent flyer programs can easily get imitated (Waarden, 2013). To better attract and retain customers, knowledge about their needs is the key.

# • According to FlyCo's Overview, frequent business travellers are selected as the target group of this project.

Passengers travel for different purposes may have different needs on different occasions. FlyCo compares traveller typology and travel occasion to better understand their customers.

Obviously, frequent business travellers are of great importance to FlyCo. Therefore, the project selects frequent business traveller as the target group and conducts further research to achieve a deeper understanding about their needs.

# • How frequent to be a frequent business traveller?

People who travel for business or professional purposes are usually regarded as business travellers. A business trip is supposed to include an overnight stay or a distance of over 50 miles (Global Business Travel Association, 2016; Chen, 2017). But when it comes to how frequent a person travels so as to be called a frequent flyer, there is no official criteria to follow. For many airlines, people in the frequent flyer program or contracted corporates can simply represent the group. However, based on the analysis of FlyCo's customer survey (2017), the watershed of travel frequency can be considered as "5": over 60% passengers travel less than 5 trips over the past year.

In order to make the selection criteria more specific for later research in the project, passengers who fly for business or professional purpose at least 5 times during the past year can be perceived as within the target group.

Frequent Business Traveller

- = passengers who fly for business or professional purpose
- + at least 5 times during the past year

# • A brief look at frequent business travellers

Numerous studies have been conducted around the topic of business travel since last century. Previous researches suggested that business travellers are usually male employees, with high education background and social status (Aguilera, 2008; Gustafson, 2006). Female travellers are depicted as travelling less frequently, feeling more stressed on business trips and more afraid of flying (Gustafson, 2006; Harvard Business Review, 2014). One of the greatest difference between business traveller and leisure traveller is that business travellers are always more willing to pay for airline and hotel services(Unger, Uriely & Fuchs, 2016). Moreover, their familiarity with airport procedures and regulations make them distinguished from most leisure travellers (Dresner, 2006). Such differentiations partially fulfil business travellers professional and personal dreams and express their self-identities.

# **Key Takeaways**

- (1) The context research reveals that companies in the airlines ecosystem are attempting to gain customer relationships, but intelligence is lacked in the way they offer information and services.
- (2) The competitor research suggested that the implementation of personalisation in air travel is still in its infancy and mostly concentrates on pre-flight and in-flight experience.
- (3) The company research points out that personalisation is an overarching need for FlyCo and its customers. FlyCo is interested in the future of personalised services.
- (4) The customer research indicates that frequent business travellers are one of the most valuable customer groups, and thus they should be the first to enjoy personalised services.

# **Summary**

The chapter elaborates results of the secondary research. Under the guidance of the analysis framework, the secondary research focuses on examining airlines' performances of personalisation and customer experience in the marketplace. Results of the secondary research suggested that the primary focus of personalised services is on frequent business travellers.

FlyCo is aware of the importance of customer experience and personalisation, but lacks the knowledge of how to create customer surprise. In the next chapter, the target group study will be performed to achieve a deep understanding of frequent business travellers' needs and emotions.

# Target Group Study.



Method: INTERVIEW

To achieve a deep understanding of who are frequent business travellers and how they feel towards their business trips, I conducted 11 in-depth interviews with participants from 4 countries in April, 2018. All interviews were transcribed and then I performed the analysis based on the grounded theory (Glaser & Strauss, 1967). Whereafter, I designed a customer journey map to illustrate regular activities of frequent business travellers.

Interview findings elaborate travel behaviours and preferences of frequent business travellers, their feelings and perceptions towards airline services and travelling for business, as well as their primary needs during the trip.

# **Objective**

The target group study is meant to achieve a deep understanding of who are frequent business travellers and how they feel towards their business trips, including their travel frequency, travel style, emotional changes during the trip, attitudes and feelings towards frequent business trips, their personal life, etc.

# Method

Compared to other qualitative research methods (e.g. focus group), interviewing has the advantage in exploring how people feel and letting them share stories in depth. It provides insights into experiences, believes and emotions (Saldaña, 2009). Semi-structured interviews are flexible in manner and rich in data collection, which perfectly suits this target group study.

# **Interview Preparation**

# • Interview guideline

I chose to perform the semi-structured interview in order to give interviewees space to tell their business travel stories. Based on prior secondary research findings, I designed the interview guideline with 15 open-ended questions. Probes are included in the guideline to further elicit stories as well. There are five study aspects in the guideline: business travel styles, a whole-journey business travel story, how frequent business travellers feel towards their business trips, how

they cope with business travel-related stress, and how business travel influences their personal life.

#### Interview setup

Each interview was expected to last 40-60 minutes in order to collect enough data. Participants were recruited from the company source and my personal network. The selection criteria was set upon prior secondary research finding: if the participant completes at least 5 business trips last year, he/she can be perceived as a frequent business traveller. Interviews were recorded in audio, and thus each participant was asked to give an oral permission before the interview began.

#### Interview materials

To induce participants to tell their business travel stories, I summarised 5 business traveller types from previous research findings and made visualisations of them. The 5 types are shown as follows:

- The "work hard and play hard" type tries to make the most of their time on the trip.
- The "add an extra day or two" type tends to add an extra weekend to explore the destination.
- The "give me recognition" type demands special treatment, priority access and other benefits for being a frequent traveller.
- The "technology addict" type is used to arranging the business trip via mobile phone (e.g. check-in via mobile phone).
- The "points collector" type always tries to get the most out of points and is aware of how to spend them wisely.

Work hard & play hard

They try to pack in the maximum amount of non-work experiences into the little time they have, like eating in the best restaurants, going to concerts, etc.

Figure 5-1. Visual explanation of business traveller types used in interviews







Apart from it, an emotional map was used during the interview to let participants point out emotional changes during their business trips. Following the "think out loud" approach, participants were asked to mark down at least one emotional moment in each phase, meanwhile explaining why they did it.

# **Interview Execution**

#### Execution

Due to geographical constrains, 3 interviews were conducted via Skype. The rest was face-to-face interviews that happened in quiet meeting rooms. The time to interview was decided by participants. On average, each interview lasted 45 minutes. An iPhone 6 was used as the recording equipment. In the end, 2 pilot interviews and 11 formal interviews with frequent business travellers were conducted successfully.

#### Interviewee information

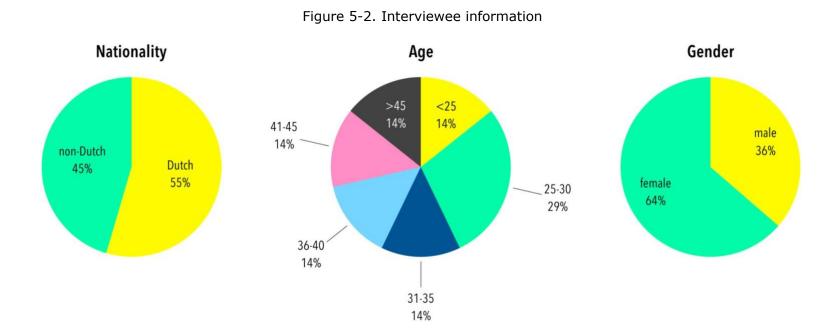
In order to avoid bias, interviewees were selected to evenly distributed in nationality and age. Among 11 frequent business travellers, 7 people are female. Participant gender is a bit unbalanced in this study.

# **Interview Analysis**

# Grounded theory

All 11 formal interviews were transcribed and analysed following the grounded theory (Glaser & Strauss, 1967). The analysis process was divided into 3 stages: initial coding, focused coding and theoretical coding. Constant comparisons among codes and categories kept happening until an integrated and comprehensive grounded theory was finally generated.

In the first stage, initial coding was done line by line. And many in vivo codings were used to keep the genuine thoughts of interviewees. Transcripts were broken down into small pieces, and a list of primary categories were formed upon them.



In the second stage, focused coding was performed to further cluster categories and build connections among them. Frequent comparisons within group and among groups were made to check if they achieved mutually exclusive and collectively exhaustive. At the end of focused coding, 16 new groups appeared and each illustrates a specific topic of the business trip: flight preferences, hotel preferences, trip preparation preferences, transportation preferences, at-airport behaviours and preferences, onboard behaviours and preferences, healthy behaviours, destination activities and preferences, airline priority services, airline recognition, points/mileage, work-life mix, family's feelings and opinions of frequent business travel, experience sharing, pros and cons of

business travel and travel needs.

In a further step, theoretical coding was conducted to infer relationship among different categories. The result is shown in Figure 5-3. In general, focused codings reflect two aspects: interviewees' travel behaviours and preferences, as well as their feelings and perceptions towards frequent business travel and airline services. Categories regarding travel behaviours and preferences can be organised by chronological order, fitting into each phase of business travel experience. The division of business travel experience referred to Unger and his colleagues' work (2016).

Travel Behaviours & Preferences **Primary Needs** Feelings & Perceptions of... Category depends on departure time destination city - trip duration Subcategory **Trip Preparation** Destination Efficiency Airline Passenger Frequent Experience Experience Experience Services BusinessTravel "work hard, play hard" Convenience ···• healthy ···• fliaht ··· transportation Comfort ···· priorities work-life mix preferences behaviours preferences Novelty ···· hotel at-airport destination ··· recognition ··· family side preferences behaviours activities & & preferences preferences ···· onboard behaviours ···· trip preparation ···· points/mileage ···• experience preferences & preferences sharing

Figure 5-3. Relationships of categories

pros and cons

# Customer Journey Map

After the interview, a customer journey map (Figure 5-5) was designed to clearly illustrate what frequent business travellers usually do at each phase of their trip. The customer journey map also applies Unger and his colleagues' approach of dividing the business travel experience (2016).

In the customer journey map, it is worth noticing that frequent business travellers' travel behaviours change a bit when there's a travel companion. Individual behaviours are in green, and typical behaviours with companions are in blue.

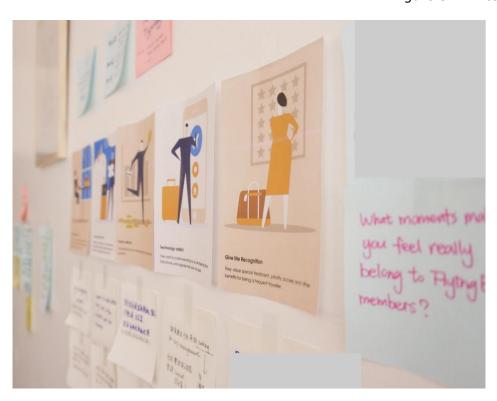


Figure 5-4. Interview analysis process

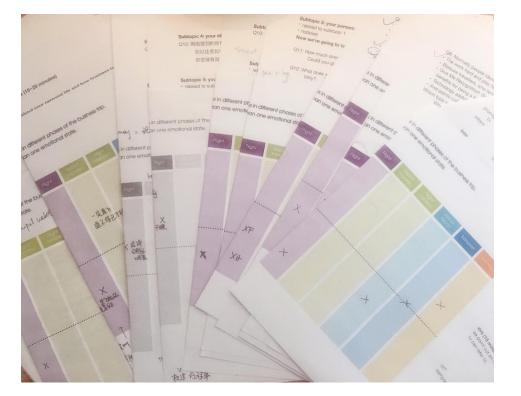
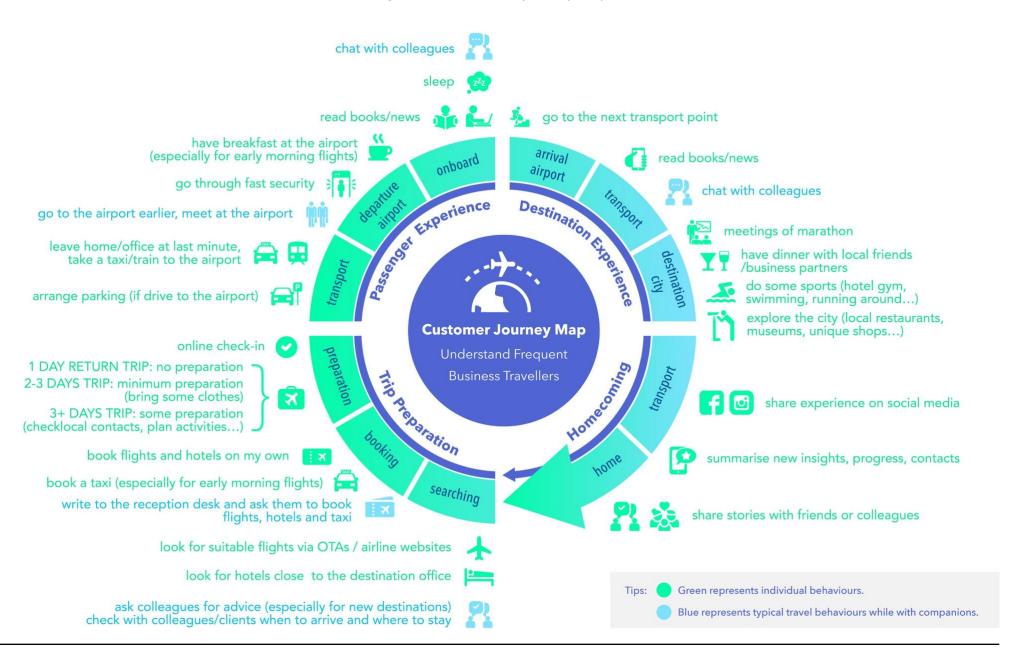
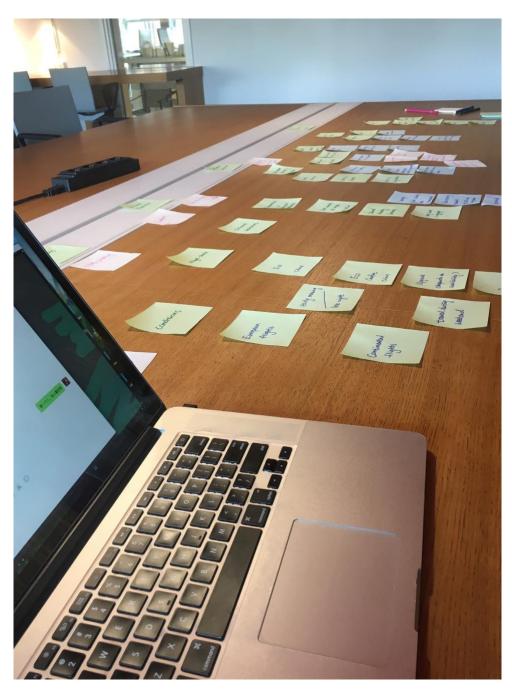


Figure 5-5. Customer journey map





# **Interview Findings**

• Frequent business travellers always focus on work and efficiency.

# **FOCUS ON WORK**

When asked about trip preparations, all 11 interviewees responded that they spend minimum time on luggage preparation. For example:

"Honestly I hardly prepare, it's a routine in my head." (Interviewee 5)

To reduce preparation time, several interviewees have two briefcases and two toiletry bags: one is for daily use and the other one is especially for business travel. The briefcase is designed to be easily put on the suitcase, and everything in the toiletry bag is allowed to be taken onboard. For example, a manager in a top tier consulting firm, mentioned as below:

"I'm a very experienced business traveller now and I have everything packed at home. I'm always ready to go." (Interviewee 2)

Another manager in a design agency also said:

"To be honest, that (caught cold on last business trip) was because I didn't do a lot of preparation. I was focusing on doing business there." (Interviewee 6)

For frequent business travellers, their preparation focus is on work. As she further explained:

"I prepare the trip by making sure there're several meetings in my agenda. I'm not going there to be just in Oslo. It should have a goal. I always make sure there're stuff in my agenda. I send a few emails to people that work there. Sometimes if I know some people or relations in the city, either for business or (friends) just to catch up, I always let them know I'm on my way, I'm being there that period of time." (Interviewee 6)

#### FOCUS ON EFFICIENCY

Frequent business travellers always try to be efficient, regardless of travelling on the trip or working in the office. A project owner in a company said:

"I'm always in the mood of travel. Be efficient. Don't waste time for the next trip." (Interviewee 7)

An obvious finding of frequent business travellers seeking efficiency is that they all tend to spend minimum time at the airport. On average, they spend 30 to 45 minutes at the airport. Max 45 mins. Not too long.", Interviewee 7 said so. Even for continental flights, it would be no longer than 1 hour. As one senior designer in a company commented:

"I don't like to be at the airport 2 hours before. You don't have to go shopping. You just want to go in (the airport), go through the gate, get onboard. Just go." (Interviewee 10)

However, if it is an early morning flight, frequent business traveller would like to arrive at the airport 5-10 minutes earlier and have their breakfast, cheering themselves up for a busy day. A department director depicted it as follows:

"I usually take the earliest flight, around 6:15. So I leave my home around 4:30. No sleep. I parked near the airport. I took a cup of coffee at Starbucks, cappuccino with croissant. Normally I read news on my phone. The moment I reach the office, we start the first meeting, right away." (Interviewee 8)

As a consequence of being efficient at the airport, frequent business travellers don't care much about the extra recognition given by the airline when they are on a business trip. For instance, a lady who began travelling for business 4 months ago but already has finished 17 trips, explained:

"At first I was excited about all priorities of being a frequent flyer, like fast boarding. But after several trips I found out I'm always the last few to get onboard. So now it doesn't matter at all." (Interviewee 2)

Similarly, interviewee 7 also mentioned that she doesn't care much about airline recognition:

"I don't really care about that (recognition). I'm like... I travel for business." (Interviewee 7)

# • When on a business trip, convenience and comfort are essential.

Frequent business travellers do favour airline priorities that bring them convenience and comfort, such as fast security and lounge services. The fast security is viewed of great importance, "That's one thing that's really really beneficial", remarked by interviewee 6. However, in Europe sometimes "it's devaluated because there're more sky priority people than non-sky priority people. So the line is longer than the other line." (Interviewee 6)

In addition, the lounge is very useful because frequent business travellers can get some fresh and decent food and have a shower when it is a late night flight, especially for continental trips.

When it comes to the hotel location, all frequent business travellers responded to choose a hotel near the client. For example, a manager in an investing firm mentioned:

"Because in the morning I can easily go to the office". (Interviewee 3)

Staying close to clients help frequent business travellers save time on traffic. They would choose to stay in the city centre when there are activities planned there. For example, one interviewee explained:

"Once in a while we have dinner downtown, that's when I book hotel downtown. But usually I prefer to book near the office." (Interviewee 8)

Due to heavy workloads and long working hours, frequent business travellers think comfort is very important. Being onboard or staying at hotel means a break time. Some of them reported to take noise cancellation headphones with them because the noise onboard can't let them rest well. Although sometimes travel budget limits comfort, frequent business travellers try to make their onboard time as comfortable as possible, such as bring a steam eye mask, a U-shaped pillow or slippers when sitting in economy cabin. Sometimes frequent business travellers are willing to pay an extra price by themselves to get more comfort, as a payback of their hard work. For example:

"When I'm travelling during the weekend, then I book business class." (Interviewee 7)

# • Frequent business travellers sometimes feel a bit stressed, but it's not a big deal.

Stress of frequent business trips stems from long working hours, busy schedules, physical exhaustion, family responsibilities and so forth. It is in line with previous research results (Ivancevich et al., 2000; Gustafson, 2006; Stewart & Donald, 2006; Chen, 2017). Several interviewees reported that they feel tired and stressed especially when it is a one-day return trip. They leave home at dawn to catch the earliest flight, and come back home in the late night. Busy schedules during the day give them few time to take a break.

"It's meetings of marathon. Meetings after meetings so it's a bit tense." (Interviewee 8)

In addition, dinners with business partners are viewed as extension of work. Therefore, frequent business trips cost energy and can bring burden to the body, which consequently causes stress.

Moreover, family responsibilities are another important factor that easily leads to travel stress. Among 11 interviewees, 2 people reported to obviously feel the stress brought by frequent business trips because

they have less time to take care of their families. One interviewee has a young daughter, and the other person is a caretaker of her mother. As for the rest of interviewees, some of them are married and others are single, whereas none of them has a child.

Although sometimes they feel a bit stressed, frequent business travellers think it is not a big problem to their life. Instead, they regard it as part of their life. It is explained as follows:

"Sometimes it's a challenge you get, to leave you family behind every time. But it's part of our professional lives. It's not only me, many people in their professional lives they travel." (Interviewee 8)

Although long working hours and busy schedules cause physical exhaustion, business travel also brings excitement due to gaining new insights, meeting new people and discovering new places. As an experienced business traveller, who has been travelling for more than 20 years, commented:

"You're at back in the hotel at 12 and next morning in 7.30. So that's the only (tiring) thing. But usually when I come back, I'm more energised. I'm physically tired but mentally energised." (Interviewee 9)

# • Frequent business travellers enjoy travelling as it brings joy and excitement.

All interviewees reported that they love travelling and enjoy being on the trip. When asked how do they feel about travelling for business, they answered that, "I really like it". For instance, one interviewee said:

"It's in my blood. I really like travelling." (Interviewee 7)

Frequent business travellers view travelling for business an opportunity and privilege to "earn the money, do the job and see the world". As mentioned above, frequent business travellers get excited when making new progress to work, meeting new people and visiting new places.

"If it was just seeing the office and not going outside, it's quite boring." (Interviewee 11)

Frequent business travellers enjoy long distance trips and new destinations most. Sometimes, simply being at the airport or the concept of flying makes them feel excited as well. They perceive taking a business trip as an escape from routine office work and an adventure to discover new things, which make their personal lives more excited as well.

After coming back from their trips, frequent business travellers have stories to share with their families, friends, and colleagues. Some of them also find it exciting and interesting. Their families are proud of their work and achievement, and feel happy especially when they can travel together.

# • However, their excitement level decreases over time.

An interesting finding is that although frequent business travellers enjoy travelling, they get less excited of their trips when the travel frequency increases, especially when they visit the same place quite often. For example:

"The fact is I've travelled so many times. I've already travelled to Paris and Nice for 10 years now. So I've added all my days (to explore the destination) already." (Interviewee 9)

Moreover, when frequent business travellers get more experienced, the airport or the concept of flying makes are less exciting as well. As one interviewee commented:

"I've flown too many to the airport. It's not that impressive any more." (Interviewee 6)

In addition, frequent business travellers get less excited about airline recognition as well, not to mention amenities are disappearing

nowadays. For them, airline priority services are functional benefits rather than emotional satisfaction and superiority. Figure 5-6 illustrates the change of excitement level.

As mentioned above, interviewee 2 reported that she was excited of all priorities of being a frequent business traveller. But after approximately 15 business trips, she gradually felt going to the airport and getting onboard is merely a necessary process of the trip. She also cared less about sitting in business class or economy class. As she remarked:

"It's just 2 to 3 hours. The leg room is a bit bigger and the food is a bit better, but that's all." (Interviewee 2)

Approximately after 15-20 trips

I'm a elite member.

I'm travelling for business!

Figure 5-6. The change of excitement level

It feels like taking a train...

# **KeyTakeaways**

- (1) Frequent business travellers always focus on work and efficiency.
- (2) When on a business trip, convenience and comfort are essential.
- (3) Frequent business travellers sometimes feel a bit stressed, but it's not a big deal.
- (4) Frequent business travellers enjoy travelling as it brings joy and excitement.
- (5) However, their excitement level decreases over time.

# Summary

The chapter achieves a comprehensive understanding towards travel behaviours and preferences of frequent business travellers, their feelings and perceptions towards airline services and travelling for business, as well as their primary needs during the trip.

In the next chapter, customer need analysis and customer experience analysis will be conducted based on findings of the target group study to determine the service positioning.

# Design Rationale.



Method:
QUALITATIVE & QUANTITATIVE ANALYSIS

In-depth interviews with 11 frequent business travellers achieved a comprehensive understanding of their travel behaviours and preference, their primary needs during business trips as well as their feelings and perceptions towards travelling for business and airline services.

Based on previous findings, I made the analyses of needs and travel experience of frequent business travellers, which facilitated 3 decision makings: which customer need to satisfy, which part of the business travel experience to focus on, and to whom I should offer the service first.

# **Customer Need Analysis**

"Customers" herein refer to FlyCo frequent business travellers. I collected specific customer needs in previous research phases and arranged them in 4 different categories according to the grounded theory (Glaser & Strauss, 1967) method, namely efficiency, convenience, comfort, and novelty. Each category composes of basic and higher level needs. Efficiency, convenience and comfort are explicit customer needs to airline companies, whereas novelty has never been mentioned by them. It is a primary customer need newly discovered by this project.

With the reference of Meyer-Waarden's study (2013), these specific customer needs displayed in Figure 6-1 correspond to utilitarian, hedonic and social-relational rewards. As can be seen in Figure 6-1, utilitarian rewards generally meet basic customer needs and fulfil elementary efficiency, convenience and comfort. Hedonic rewards and social-relational rewards meet higher level needs and are mainly concerned with novelty and comfort.

According to findings of the context and competitor researches, utilitarian rewards are the aspect where airlines are competing against each other in the marketplace for a long time. Airline services and products are homogenous and hard to achieve differentiations (Meyer- Waarden, 2013), because fulfilling explicit and basic customer needs

merely maintain or improve customer satisfaction but can hardly create momentous customer experience due to lack of customer surprises. Moreover, findings of the target group study suggested that frequent business travellers get less excited of travelling for business when they become experienced travellers. They especially feel bored when they visit the same place quite often.

Momentous customer experiences and customer surprises stem from satisfying latent customer needs (Pine & Gilmore's, 2000). Meyer-Waarden (2013) also suggested that airlines should promote non-monetary rewards, as it could avoid fierce competition and imitation in the market. In conjunction with his work, I propose that hedonic rewards and social-relational rewards should be given more consideration as they are inherently personal, closely related to customer emotions and satisfy higher level needs, which make them unique and momentous.

Therefore, to create momentous customer experience for frequent business travellers, I choose to design for the latent customer need "novelty" so as to bring FlyCo frequent business travellers hedonic and social-relational rewards, which can help the airline company achieve differentiation in the marketplace and enhance intimate and loyal customer relationship.

**UTILITARIAN REWARDS** Basic Needs Higher Level Needs **Good Transportation Connection** Efficiency Suitable Schedule Good Hotel Location Within Budget No Online Prioritised Fast Seamless No Delay Convenience Sense of Transfer Check-in Security Luggage Travel Control Experience Lounge Customised Services Service Comfort Rest / Work Comfortable Seat **Nice Catering Make Progress Make Connections** Go to Local Novelty Go to New Places The Excitement of Travel for Work With People Restaurants SOCIAL-RELATIONAL **HEDONIC REWARDS** REWARDS

Figure 6-1. Customer needs analysis

# **Customer Experience Analysis**

Apart from the aforementioned customer need analysis, results of the customer experience analysis suggested that the project should emphasise on improving customers' destination experience throughout the whole travel experience. It is consistent with the design decision to focus on the latent need "desire of novelty", as the specific needs composing novelty mostly appear during the destination experience.

As shown in Figure 6-2, the engagement of FlyCo in the whole customer experience is very limited. Taking European business trips as example, the total engagement time of FlyCo is merely around 9 hours in a round trip, including searching and booking, online check-in, time at the

airport and onboard. However, the customer experience often lasts for 2-3 weeks, from searching and until coming back home. FlyCo's presence is very low in destination and homecoming experience.

Moreover, destination experience takes up a considerable proportion in the whole experience from the perspective of frequent business travellers. As for the experience with airlines, they regard it essential but not the most important. As mentioned in the theoretical background research, customers evaluate their experience as a whole (Morgan, Elbe & Curiel, 2009), which means good destination experience could result in higher customer satisfaction of the flying experience.



Figure 6-2. Customer experience analysis

Moreover, in consideration of airlines attempt to transfer their role from transportation providers into trip coordinators (the Economist, 2014; Accenture, 2016), it is worthy to design for the destination experience.

In conclusion, to increase FlyCo's presence in the whole travel experience and help it transfer from the transportation provider into the whole-trip coordinator, I decide to design for the destination experience with the focus of satisfying the latent customer need "desire of novelty". The ultimate design goal is to bring joy and excitement to the travel experience of FlyCo frequent business travellers.

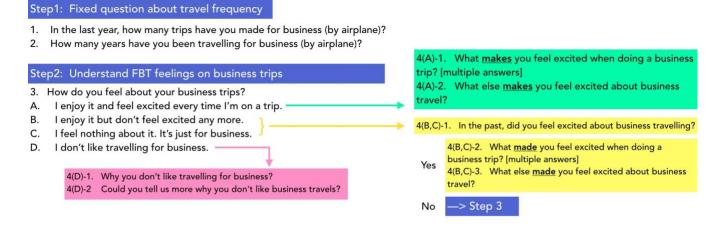
Figure 6-3. Customer experience analysis

# **Understand The Excitement of Travelling For Business**

In order to achieve a deeper understanding of how frequent business travellers feel about their business trips and their excitement of travelling for business, I published a quantitative survey on Usabilla, which is an online customer feedback platform purchased by . In the end I gathered 828 responses, among which 476 responses are from frequent business travellers.

# Questionnaire design

It took three steps, which are shown in Figure 23. The first step is designed to filter out respondents that are frequent business travellers. The second step is to understand how they feel about their business travel. The third step is to help further segment the target group.



#### Step3: Fixed questions about flight cabin, trip duration...

- 5. What class do you usually travel on these business trips?
- 6. Do you travel for business...
  (within Europe only; Outside Europe only; Mostly within Europe; Mostly outside Europe)
- 7. Normally how long in advance are you aware of your next business trip?
- 8. What's the duration of your business trip on average?

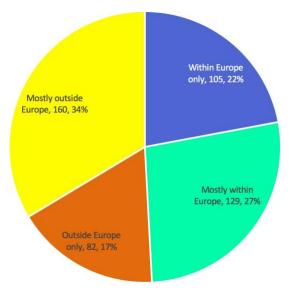
FBTeu = frequent business travellers who travel mostly/only within Europe
FBTneu = frequent business travellers who travel mostly/only outside Europe

# Respondent information

After putting the questionnaire online for one week, 828 responses were collected on the platform. Among them, 476 respondents reported to complete at least 5 business trips last year, and thus they can be viewed as frequent business travellers.

Among 476 respondents, 49% travel mostly or only within Europe (FBTeu, for short), while the rest travels mostly or only outside Europe (FBTneu, for short).

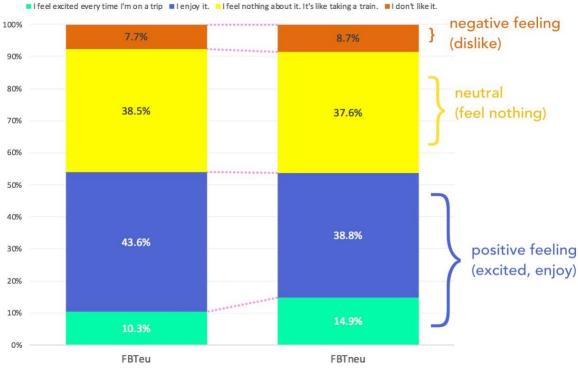
Figure 6-4. Respondent information-travel regions



# • How frequent business travellers feel about their business trips

Figure 6-5 displays the result of how frequent business travellers feel about their business trips. In general, the percentages of FBTeu and FBTneu holding positive, neutral and negative feelings towards their business trips are similar. But it can be clearly seen from Figure 25 that at present FBTeu (10.3%) feel less excited of their business trips than FBTneu (14.9%).

Figure 6-5. How do frequent business travellers feel about their business trips?



Source: Usabilla questionnaire, 2018

In addition, 69% frequent business travellers (except from respondents who reported to dislike or still feel excited of travelling for business) responded that they once felt excited about their business trips, respectively 65% FBTeu and 74% FBTneu. The result is displayed in Fugure 6-6. It clearly shows that the overall excitement level of FBTeu is lower than FBTneu. Hence, it is more urgent to bring back FBTeu's excitement level.

# • Understand what excites/excited FBTeu during business trips In the survey, 11 FBTeu who reported to dislike their business trips all explained that travelling is their hobby but travelling for business is not fun.

When it comes to what makes/made FBTeu excited about their business trips, the top 3 answers are going to (new) places (48%), meeting (new) people (36%) and making progress for work (32%).

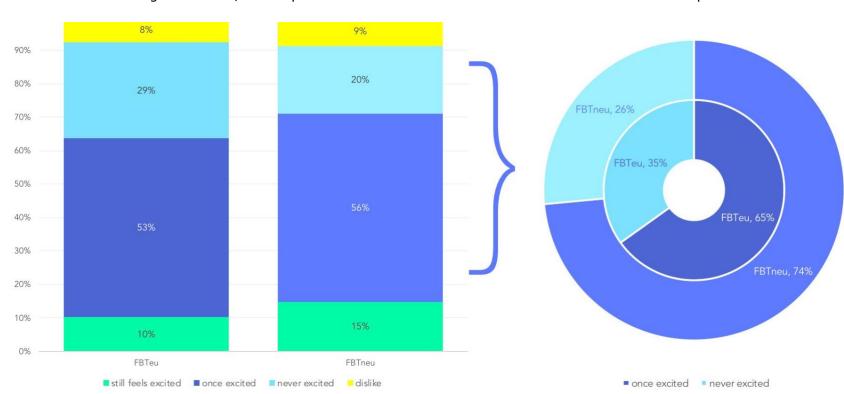


Figure 6-6. Do/Did frequent business travellers feel excited about their business trips?

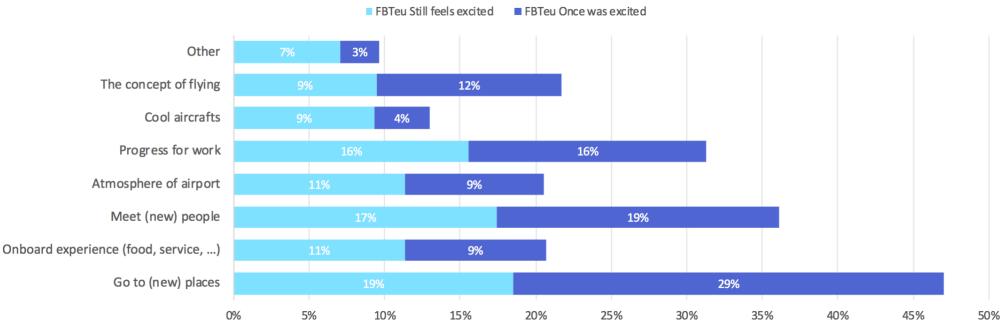
Source: Usabilla questionnaire, 2018

The result is consistent with previous interview findings. The majority of interviewees showed a strong willingness to explore the destination city if they have the chance. They also enjoyed going to local restaurants and eat local food. They regarded eating fresh local fruits and vegetables as a way to keep healthy. For example, interviewee 6 mentioned:

"And I like to eat local food, because I believe in 90% cases that's healthy as well. Because if you have the local flavours, the local vegetables, the fruits, I think that adds to a healthy lifestyle."

Moreover, respondents on Usabilla mentioned that going to different destinations allow them to have the opportunity to communicate with different people and learn about different cultures, which gradually make them lose prejudice and learn to be tolerant. Respondents also reported that the escape of routine office life and the feeling of freedom make them feel excited on the trip.

Figure 6-7. What makes/made FBTeu excited about their business trips?



Source: Usabilla questionnaire, 2018

# **Key Takeaways**

- (1) According to the qualitative analyses of customer needs and customer experience, the decision is made to design for the destination experience with the focus of satisfying the latent customer need "desire of novelty", helping FlyCo increase its presence in the whole customer travel experience and transfer its role from the transportation provider into the whole-trip coordinator.
- (2) The ultimate design goal is to bring joy and excitement to the travel experience of FlyCo frequent business travellers.
- (3) Results of the quantitative analysis of 476 Usabilla responses suggested that the overall excitement level of FBTeu is lower than FBTneu. Hence, it is more urgent to bring joy and excitement to FBTeu's business trips.
- (4) The quantitative survey suggested the top 3 most exciting things on a business trip are going to (new) places (48%), meeting (new) people (36%) and making progress for work (32%), which can be made advantage of in the concept design.

# **Summary**

In the chapter, according to results of the customer need analysis, customer experience analysis and a quantitative survey, the design decision is made to design for FBTeu's destination experience and satisfy their desire of novelty.

The next chapter will explore how to offer the service in a personalised approach and generate a service concept in line with the design rationale.

# Concept Generation.



Method: COLLABORATIVE WORKSHOP

After creating the design rationale and clarify the design direction, I organised a 150-minute collaborative workshop with 5 stakeholders from different positions, with the intention of engaging their opinions in the beginning of the service development process. The workshop was held in the headquarter of FlyCo on May 15, 2018. At the end of the workshop, we came up with 3 principles to provide frequent business travellers with personalised digital aviation services and momentous experience.

In order to open up participants' minds and give them space to interpret trends and customer needs, I only provided them with emerging trends in the air travel context and customer needs collected from interviews, without showing them my design rationale. Hence, the ideas raised by participants are concerned with the whole business travel journey.

# **Objective**

The collaborative workshop was designed to ideate on how to personalise digital aviation services that create momentous customer experience.

# **Method Selection**

The customer trend canvas, a co-creation tool invented by TrendWatching, was applied in the collaborative workshop to have all workshop participants achieve a common understanding about current trends and customer needs before ideation. The canvas helps add reasoning to the ideation process and makes the final generated concept more convincing. It is shown in Figure 7-1.

# **Collaborative Workshop Preparation**

# Workshop setup

In order to make the co-creation tool more applicable to the workshop, the suggested usage of the customer trend canvas was adjusted based on my previous research experience. The workshop was planned to last 150 minutes and took 4 steps: introduce trends and needs, understand and interpret trends, generate ideas, and evaluate ideas.

#### STEP 1: INTRODUCE TRENDS AND NEEDS

The first step was planned for 20 minutes. In the first step, a brief presentation about current trends and customer needs was given to let participants achieve a common understanding. After the presentation, participants were given a set of inspiration cards with aforementioned trends and customer needs.

#### STEP 2: UNDERSTAND AND INTERPRET TRENDS

The second step was planned for around 60 minutes. Participants were asked to understand and interpret the given trends in groups by answering 3 questions:

- (1) How are other business applying this trend? (15-20 mins)
- (2) Which deep consumer needs and desires does this trend address? (15-20 mins)
- (3) Why is this trend emerging now? What's changing? (15-20 mins)

# **STEP 3: GENERATE IDEAS**

The ideation phase was planned for 30 minutes. In this phase, participants were asked to generate ideas individually. In the last 5 minutes, they were asked to select 3-5 best ideas and write them down on the customer trend canyas.

# **STEP 4: EVALUATE IDEAS**

In the last step, participants were supposed to spent around 20 minutes evaluating each other's ideas and exchange comments.

#### Pilot session

To make sure the adjusted usage of the customer trend canvas work well, a pilot session was held one week prior to the formal collaborative workshop. Six participants from the IDE faculty of TU Delft attended the pilot session. After the session, some changes were made:

- (1) Participants were given 12 trends and 5 customer needs. But it turned out the information was too much to digest. Therefore, trends and needs were combined into three aspects: airlines, companies and individuals. In the end, 6 inspiration cards were generated.
- (2) In the second step, instead of using post-its to write down answers, the three questions were designed on one paper together with the given trend/need. It would make the information collection process much easier.

# Workshop materials

During the workshop, participants were provided with several customer trend canvas, 6 inspiration cards, a few white papers, colour pens, postits as well as food and drinks. The aforementioned inspiration cards are displayed in Figure 7-2. In order to make the trend information comprehensive yet easy to digest, I selected and concluded 6 out of 12 trends from the perspective of frequent business traveller, the company, and the airline.

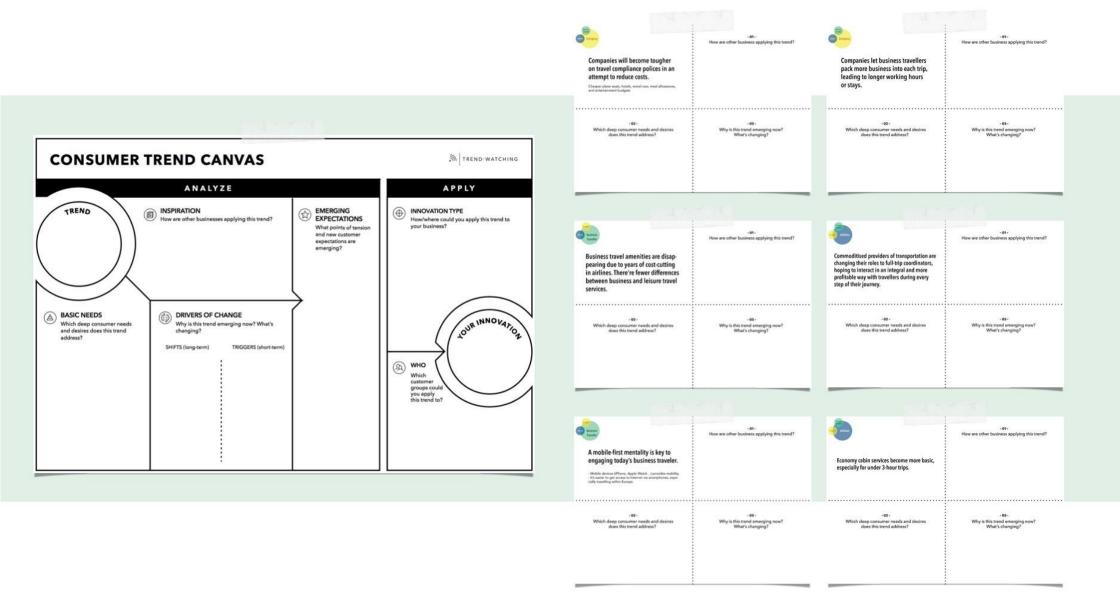
Figure 7-1. Moments of the collaborative workshop





<sup>\*</sup> In order to open up participants' minds and give them space to interpret trends and customer needs, I only provided them with emerging trends in the air travel context and customer needs collected from interviews, without showing them my design rationale. Hence, the ideas raised by participants are concerned with the whole business travel journey.

Figure 7-2. Workshop materials





# **Collaborative Workshop Results**

During the workshop, we achieved an agreement that personalisation is to offer the right user with the right content in a right approach and at a right time.

After analysing all information gathered from the workshop, I discovered 3 personalisation principles which were emphasised by participants in personalising digital aviation services and creating momentous customer experience.

"Personalisation is to offer the right user with the right content in a right approach and at a right time."

# Right content: cater to individual needs

Personalisation asks for tailoring the information/product/service in demand to individual needs rather than group needs. In the workshop, participants showed a belief that in the future airlines will allow their customers to "pay for what they want" instead of having settled services. A typical circumstance where this principle can be applied is airline onboard services.

Onboard amenities for business travellers are disappearing due to years of cost-cutting in airlines. For example, British Airways have cancelled free onboard catering on European flights, and they ask passengers to pay for the branded food and drinks only if needed. However, this action can only improve limited customer satisfaction, because the catering options offered by British Airways are confined and customer sacrifice still exists as passengers comprise to what they are allowed to have onboard. Although it can be difficult due to sophisticated airline regulations, customer surprise could take place only when passengers are allowed to create personal menus when checking in and enjoying them onboard.

Another idea that applies the principle to offer personalised service is to create a quiet zone onboard, which allowing choosing at check-in. As previous in-depth interviews indicated that business travellers tend to rest or work onboard while travelling alone, and thus they require quietness and do not want to be disturbed. Having a family with a crying baby sitting next to a sleepy business traveller can leave a momentous experience as well, but in a negative way.

# • Right content: partner-enabled real-time personalisation

The future air travel experience is believed to be seamless and in real-time personalisation, benefiting from highly integrated services and shared data among partners. For example, as participant 1 proposed in the workshop, cooperation between the airline company and Netflix would allow frequent business travellers to personalise onboard entertainment: instead of watching the given films, passengers could continue their Netflix series.

# Right approach: mobility first

Mobile technologies upend the landscape of travel and give business travellers flexibility and mobility on trip. It is always easier to connect to the Internet via smart phones instead of laptops while travelling on the road.

In the workshop, participant 5 suggested that offering personalised services on the mobile end meets the customer need of convenience. It also gives the sense of control as frequent business travellers can have access to the given service whenever they want.

# A Personal Manner

As mentioned in the theoretical background, realising personalisation asks for data input and output. It is an ongoing process instead of ready answers. In consequence, following the aforementioned 3 personalisation principles, to offer a truly personalised service and create momentous experience for FBTeu, the service ought to:

# • Keep tailoring the content to individual needs

Frequent business travellers who set out to travel for business demand different information than experienced frequent business travellers who have been travelling for several years. Moreover, their feelings towards travelling for business change over time, which mirror the changes of needs. In consequence, it requires the service keeps updating the content to the latest personal need.

#### Learn from customer habits

In order to enable the service to grow with the customer, it requires learning from customer habits. Data of customer habits can be retrieved from the airline company or its partners. Machine learning is widely adopted to meet this service requirement.

# • Act as a virtual companion

Virtual companions are good carriers to offer personalised services as they are capable of performing CRM. TrendWatching (2018) suggested that a big trend in the future is that AI assistants will grow into virtual companions as customers feel it possible and interesting to build meaningful relationships with virtual entities.

In conclusion, I proposed to design a travel avatar that can grow with the frequent business traveller from a newbie into a veteran.

# **Service Positioning**

# • Review of the design rationale

In the previous chapter, the design decision is determined through customer need analysis, customer experience analysis and a quantitative survey. Results of the customer need analysis indicate that the desire of novelty is worth of designing because:

- It is an unfulfilled latent need that can create customer surprise.
- ▶ Fulfilling the desire of novelty can bring FlyCo frequent business travellers hedonic and social-relational rewards in return.
- Consequently it can help the airline company achieve differentiation in the marketplace and enhance intimate and loyal customer relationship.

Besides, results of the customer experience analysis suggested focusing on the destination experience because:

- ▶ It is consistent with the design decision to focus on the latent need "desire of novelty", as the specific needs composing novelty mostly appear during the destination experience.
- Destination experience is the most important phase of the full journey and it can influence customers' evaluations of the whole trip.

► Currently FlyCo's presence in the whole travel journey is very limited and designing for destination experience can help it achieve the transformation from the transportation provider into trip coordinator.

And the quantitative survey revealed that:

- It is more urgent to bring back FBTeu's excitement level because their overall excitement level is lower than FBTneu.
- ► The top 3 exciting things in a business trip are going to (new) places, meeting (new) people and making progress for work.
- ▶ Frequent business travellers enjoy going to local restaurants because it's a way to experience the local culture and they regard eating fresh local food as a way to keep healthy.

In consequence, the ultimate design goal is defined to bring joy and excitement to the travel experience of FlyCo frequent business travellers by designing for their destination experience and fulfilling the latent customer need "desire of novelty".

# Service positioning

In conclusion, by combining the design rationale and the defined personal manner, the service positioning can be clarified regarding questions of who to design for, what to design on, how to offer it and which part of the customer journey to focus on. Answers to these positioning questions are displayed in Figure 7-3.

Figure 7-3. Service positioning



# Ideation

# • The ideation procedure

Based on the knowledge of customer needs, customer emotions and emerging trends in the air travel context, I brainstormed a bunch of ideas regarding how to bring joy and excitement to the destination experience of frequent business travellers. The idea generation process is reflected in Figure 7-3.

Whereafter, I forged these ideas into 5 candidate concepts and applied the service positioning to screen them, and finally selected the concept of "Travel Avatar" as the most appropriate to be further developed into a concrete service. The whole ideation procedure is displayed in Figure 7-4.

# • 5 candidate concepts

The five candidate concepts and reasons of screening are explained as follows.

# ONBOARD SHARING SERVICE

What is the concept?

The onboard sharing service is meant to improve the flying experience of frequent business travellers. As revealed in interviews, frequent business travellers only take hand luggage in most cases so as to be efficient. The luggage capacity is very limited and thus the idea of onboard sharing service steps in to offer frequent business travellers with accessories that take up space but can bring comfort to their travel experience, such as noise cancellation headphones and U-shape pillow.

Normally noise cancellation headphones are offered in the business cabin. However, previous quantitative survey revealed that 90% FBTeu fly in the economic cabin. Flying noise is an annoying factor that can degrade the travel experience with FlyCo. Therefore, there is a need to improve onboard business travel experience.

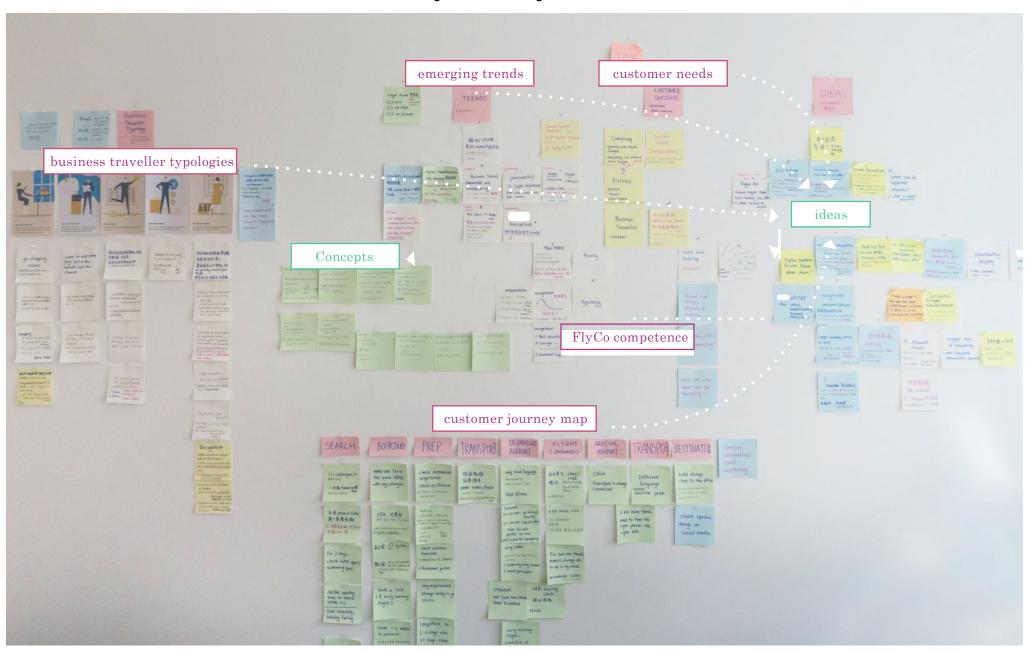
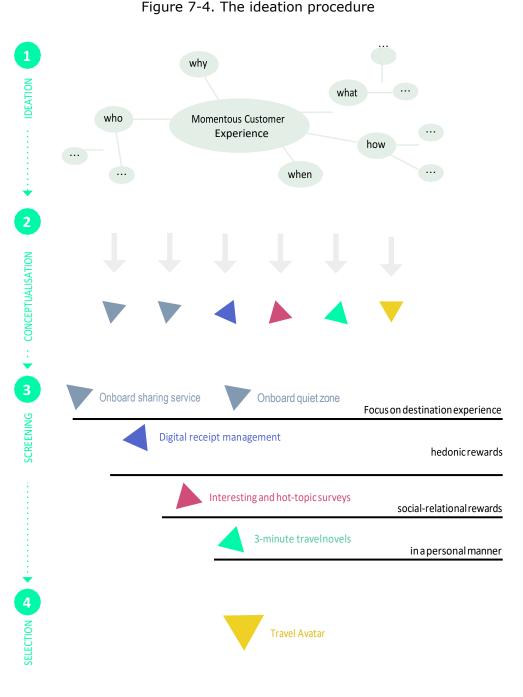


Figure 7-3. Idea generation



Frequent business travellers can order the headphone that they would like to use onboard while checking in online. After boarding, the headphone will be delivered to the customer by cabin crew. And it will be retrieved after landing. In this way, frequent business travellers can enjoy the flying comfort and quietness, while keeping their luggage simple and light in the meantime.

#### What are the values?

FlyCo can collaborate with major headphone brands (e.g. Bose, Sony, B&O) to offer shared headphones since in-flight is a typical scenario to use these products. The onboard sharing service can not only improve the flying experience with the airline, but also increases opportunities for customers to experience and purchase headphones.

# Why to discard it?

The concept offers an innovative approach to improve the most important customer experience with the airline: flying with FlyCo. However, it loses the focus on engaging in the destination experience and cannot help FlyCo transform into a full-trip coordinator. Moreover, the value it offered falls between utilitarian rewards and hedonic rewards, which makes the concept insufficient to create customer surprise and can be easily imitated by other airlines.

# ONBOARD QUIET ZONE

# What is the concept?

Frequent business travellers usually start off with the earliest flight in the morning and come back with the latest at night. They require quietness to rest and work onboard. Having a family with a crying baby sitting next to a sleepy business traveller would probably jeopardise the business traveller's flying experience.

The concept proposes to create a quiet zone in the flight cabin and allow frequent business travellers to select a seat based on their needs when checking in online.

#### What are the values?

The concept can decrease customer sacrifice by tailoring onboard experience to customer needs. It can enhance the customer relationship by satisfying their demands to work and rest.

#### Why to discard it?

Similar to the previous concept, the concept of offering onboard quiet zone loses the focus to improve destination experience and it can be easily imitated by other airlines as well. Moreover, the concept misses the personal manner to interact with customers. The service it offers

is customisation instead of personalisation. It can help FlyCo improve current onboard experience by decreasing customer sacrifice, whereas cannot create momentous customer experience.

#### **DIGITAL RECEIPT MANAGEMENT**

# What is the concept?

When on a business trip, frequent business travellers need to manage their receipts in order to get reimbursement after coming back to the office. It is an administrative routine in their travelling life and they find it troublesome.

The concept hopes to help frequent business travellers manage their receipts in a digital way and make the reimbursement process more convenient. Frequent business travellers can take photos of their receipts and store all needed information in their smart phones. Moreover, they can tag their receipts so that it adds clarity and convenience to manage their travel budgets.

#### What are the values?

The concept focuses on improving the destination experience by helping frequent business travellers solve travel trifles. It brings convenience to their business trips and shows FlyCo's concerns about its valuable customers. It helps FlyCo to play the role of full-trip coordinator. Meanwhile, it adds FlyCo's presence in the destination experience of frequent business travellers.

# Why to discard it?

The concept focuses on the destination experience but only creates utilitarian values. It misses FlyCo's feature as an airline company. It is hard to create momentous customer experience out of this concept. The five candidate concepts and reasons of screening are explained as

#### INTERESTING AND HOT-SPOT SURVEYS

# What is the concept?

F-app is a digital platform to inspire and delight FlyCo customers. To bring hedonic rewards to frequent business travellers, the concept proposes to open a new column at the current website and introduces weekly hot-topic surveys related to business travel. The surveys are supposed to interact with frequent business travellers in an interesting and innovative way to bring up the excitement of frequent business travellers and make them attached to the content of the column.

# What are the values?

Interacting with customers in an innovative way and attracting them with interesting content can bring joy to their business trips. Meanwhile, customers can share their business travel stories on the platform, which enhances the intimate and loyal relationship with FlyCo. The concept also helps FlyCo to learn more about their customers.

#### Why to discard it?

The success of the concept greatly depends on the quality of the content. However, the key of the content is to be interesting and closely related to hot topics instead of personalisation. Moreover, although it can bring joy to frequent business travellers and let them express opinions regarding travelling for business, but the concept cannot create social-relational rewards.

# 3-MINUTE TRAVEL STORIES

# What is the concept?

Frequent business travellers spend much time travelling on the road and have much fragmented time to be utilised. The concept aims to fill in their fragments of time and excite frequent business travellers with interactive short travel stories. Considering their busy schedules, the offered stories are supposed to be within 3 minutes and related to the topic of travelling.

In order to create fun and excitement, the reading experience should be interactive. In other words, frequent business travellers can choose how the plot may develop. They can also write and share their own travel stories with other frequent business travellers.

#### What are the values?

The concept intends to attract frequent business travellers with interesting contents and interactions. It fills in the fragmented time on business trips and can bring joy and relaxation. Moreover, it creates a platform to link FlyCo frequent business travellers and make them share their experience and travel stories, which can strengthen their feeling of belonging and increase the intimacy with FlyCo.

#### Why to discard it?

The success of the concept also greatly depends on the quality of the provided travel stories. It can amuse frequent business travellers and offers a platform to share experience and create links with each other. However, the concept lacks personalisation.

#### TRAVEL AVATAR

# What is the concept?

Most frequent business travellers enjoy travelling and wish to have the chance to explore the destination. However, due to long working hours, their time to explore the destination city is very limited. The concept proposes to let frequent business travellers create their own travel avatar and let it satisfy their desire of exploring the city.

When the day of the business trip comes, the avatar begins his/ her travel as well. The avatar can go sightseeing and do activities in the city instead of the business traveller, and send back postcards as souvenirs of the trip. Moreover, the avatar can push useful or interesting information in the format of notes to the frequent business traveller. The avatar can ask questions from time to time in order to learn about his/her preferences as well. All in all, it will accompany the frequent business traveller in every trip and bring fun to him/her. In the future, all avatars are able to interact with each other in the digital world.

#### What are the values?

The concept offers frequent business travellers with useful, interesting and personalised information so that it helps save time for searching and brings efficiency and convenience. It also satisfies their desire of visiting new places and bring excitement to the business trip.

# Travel Avatar: A Personalised Digital Service for FlyCo Business

As an airline company, creating travel avatars for its valuable customers is an innovative way to engage in their destination experience. In addition, the avatar provides a new way to learn about customer preferences and helps build consistent customer profiles.

# Why to choose it?

The concept fulfils the service positioning: it can satisfy frequent business travellers' latent need of seeking novelty and bring hedonic rewards to them. In addition, it has the potential to create social- relational rewards. The format of avatar enables to interact with frequent business travellers in a personal way.

# **KeyTakeaways**

- (1) Personalisation is to offer the right user with the right content in a right approach and at a right time.
- (2) Personalisation asks for tailoring the information/product/service in demand to individual needs rather than group needs.
- (3) The future air travel experience is believed to be seamless and in

- real-time personalisation, benefiting from highly integrated services and shared data among partners.
- (4) The mobility-first mentality is essential in engaging with frequent business travellers. Offering personalised services on the mobile end meets the customer need of convenience.

# **Summary**

The chapter concludes 3 personalisation principles and how to interact in a personal manner according to results of the collaborative workshop. Whereafter, the service positioning is defined in combination with insights from the design rationale. It is applied to screen 5 candidate concpets which were generated by brainstorming. The final concept is decided to be the "Travel Avatar".

In the next chapter, it will dicuss how to further develop the concept and transfer it into a prototype.

# Concept Development.



Method: DESIGN & IMAGINATION

Following the design decision and three principles of personalisation, I proposed the personalised digital service "Travel Avatar" for FlyCo frequent business travellers.

Functions are developed in reference to the heritage of current F-app platform. Scenarios and interaction details are defined based upon the trajectory of customers. In the end, the service concept is transformed into interfaces and a prototype.

# **Concept Design**

The project intends to assist the F-app Team to envison a future- oriented personalised service and find a way to step into personalisation. Therefore, the concept is further developed on the competence of current F-app platform.

The current F-app platform offers functional information and entertaining information to inspire and delight customers. This feature can be passed on to the concept of "Travel Avatar".

# **Review of the Initial Concept**

# What is the concept?

Most frequent business travellers enjoy travelling and wish to have the chance to explore the destination. However, due to long working hours and travel schedule, they are usually trapped in the office with endless meetings. Their time to explore the destination city is very limited. However, the travel avatar can help frequent business travellers fulfil the wish.

When the day of the business trip comes, the avatar begins his/her travel as well. The avatar can go sightseeing and do activities in the city instead of the business traveller, and send back postcards as souvenirs of the trip. Moreover, the avatar can push useful or interesting information in the format of notes to the user. The avatar can ask questions from time to time in order to learn about his/her preferences as well. All in all, it will accompany the user in every trip and bring fun to him/her.

#### What are the values?

# TO CUSTOMERS

For customers, the avatar can offer them with useful, interesting and personalised information so that it helps save time for searching and brings efficiency and convenience. Meanwhile, the avatar is able to make the business trip more fun and exciting by exploring the destination in representation of the customer. The postcards sent by the avatar can be a unique way to collect memories of the destination. Customers can share these interesting postcards on social media as well.

# TO FlyCo

As an airline company, creating travel avatars for its valuable customers is an innovative way to engage in their destination experience. In addition, the avatar provides a new way to learn about customer preferences and helps build consistent customer profiles. Asking questions through the avatar's mouth is a more user-friendly and human approach to interact with the customer. It is highly likely to enhance customer intimacy and loyalty with the airline brand because of the unique experience given by the FlyCo travel avatar.

# **Function Design**

Combining the initial concept and the competence of the F-app, the functions of the travel avatar are developed as follows:

Functional Information

- information about preparations for destination, such as weather, currency, etc.
- information about destination experience, such as local festivals, events
- travel notes written by other frequent business travellers
- short questionnaires to learn about user preferences
- FlyCo stories

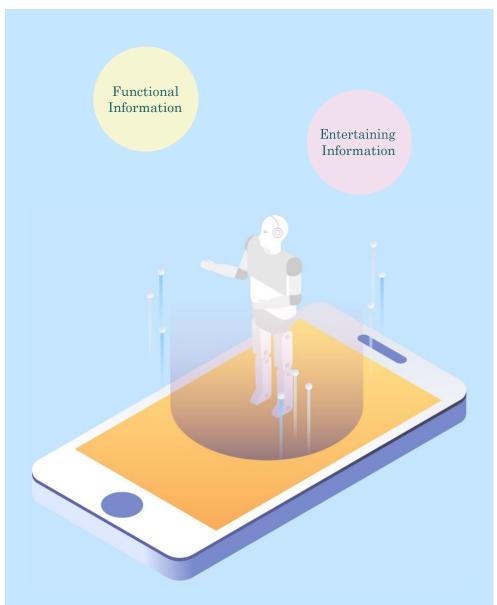


- famous musuems, landmarks, etc.
- secret vintage shops, bars, restaurants, etc.
- greetings from other avatars

functions

- send functional and entertaining information
- collect the liked information, learn from customer habits and preferences
- make personal recommendations through sending information

Figure 8-2. Functionality design



### **Identification of Scenarios**

According to findings of the target group study, I identified 6 scenarios to engage with customers. They are displayed as follows.













### **How Does The Travel Avatar Grow With The Customer?**

Based on understandings of frequent business travellers, the travel avatar could grow with the customer in two aspects: the information displayed to the customer and distances that the avatar can travel.

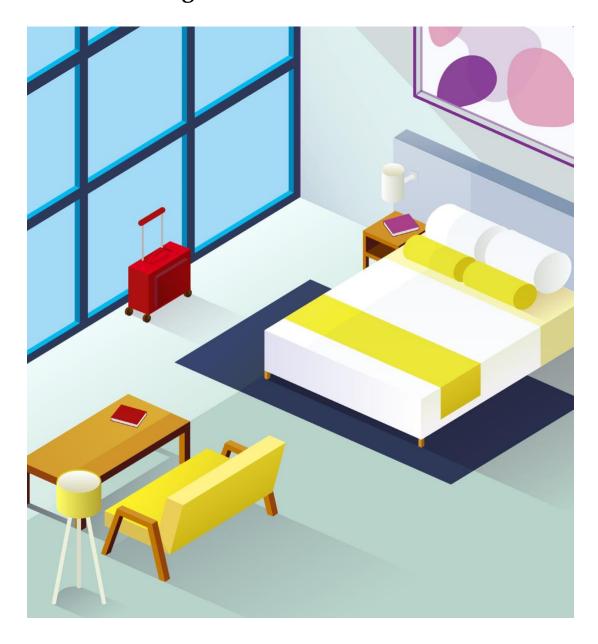
Table 8-1 illustrates how the travel avatar could grow with the customer over time. Figure 8-3 is a visualisation of contents in Table 8-1.

Table 8-1. How does the travel avatar grow with the customer?

Differences	Information category	Newbie	Veteran	*Future
the content of information	notes (functional information)	information about preparations for destination, such as weather, currency, etc.	information about destination experience, such as local festivals, events	travel notes written by other frequent business travellers
		FlyCo stories	jokes among frequent flyers	
		send short questionnaires to learn about user preferences		
	postcards (entertaining information)	e.g. famous local restaurants, landmarks	e.g. secret vintage shops, bars	e.g. greetings from other avatars
distances the avatar travels	notes (functional information)	various kinds of information	information based on preferences	write notes to other people
	postcards (entertaining information)	the avatar travels to places close to the user	the avatar travels to places a bit far away	the avatar explores the world itself



### **Interface Design**





### Movable Background

The background is designed to be movable so as to add playfulness and make more room for avatar activities.

The avatar sometimes comes back from sightseeing and takes a rest at the hotel. But the user will never know when it comes back. Therefore, every time the user opens the app, there might be a surprise.

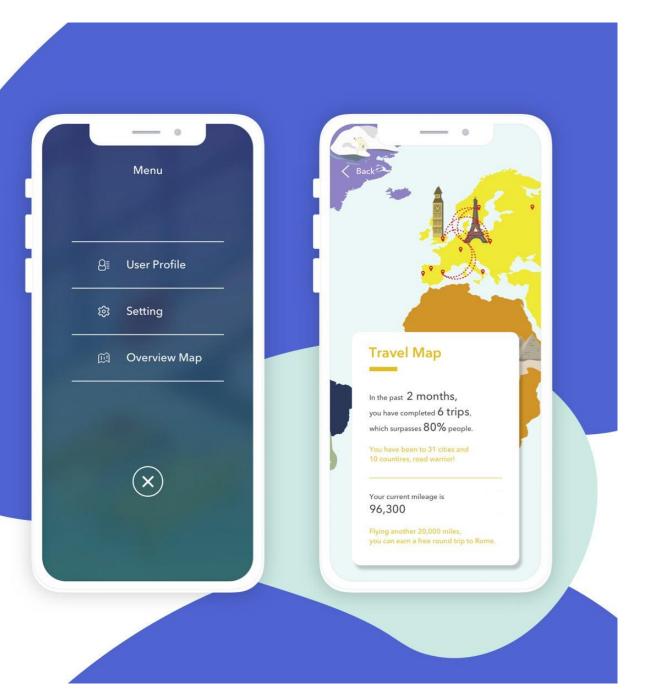


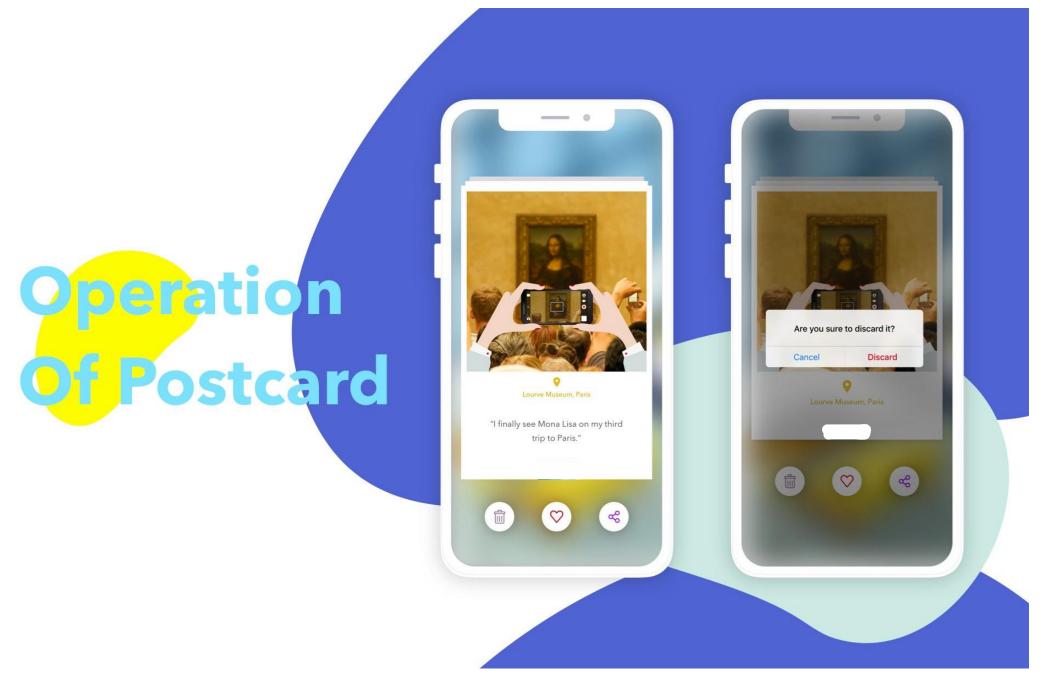






In the overview map, the user can check his/her traces with FlyCo. The travel history of the avatar is also reflected here.

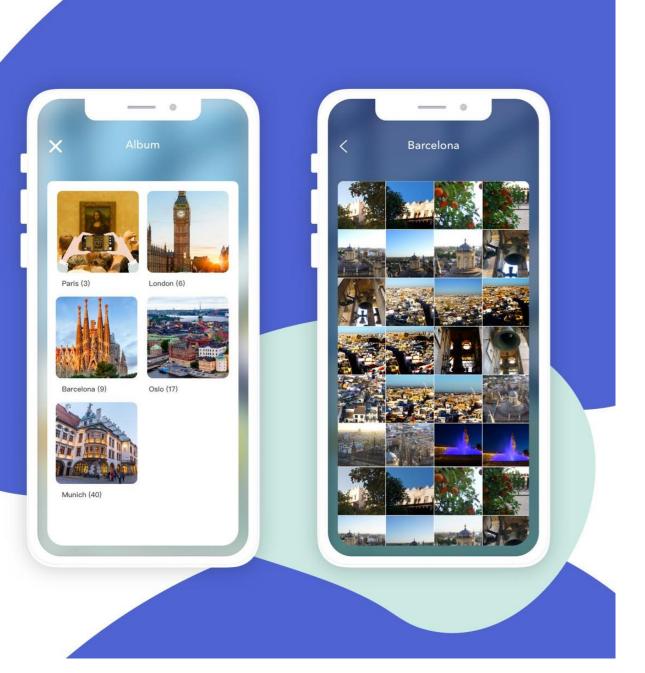


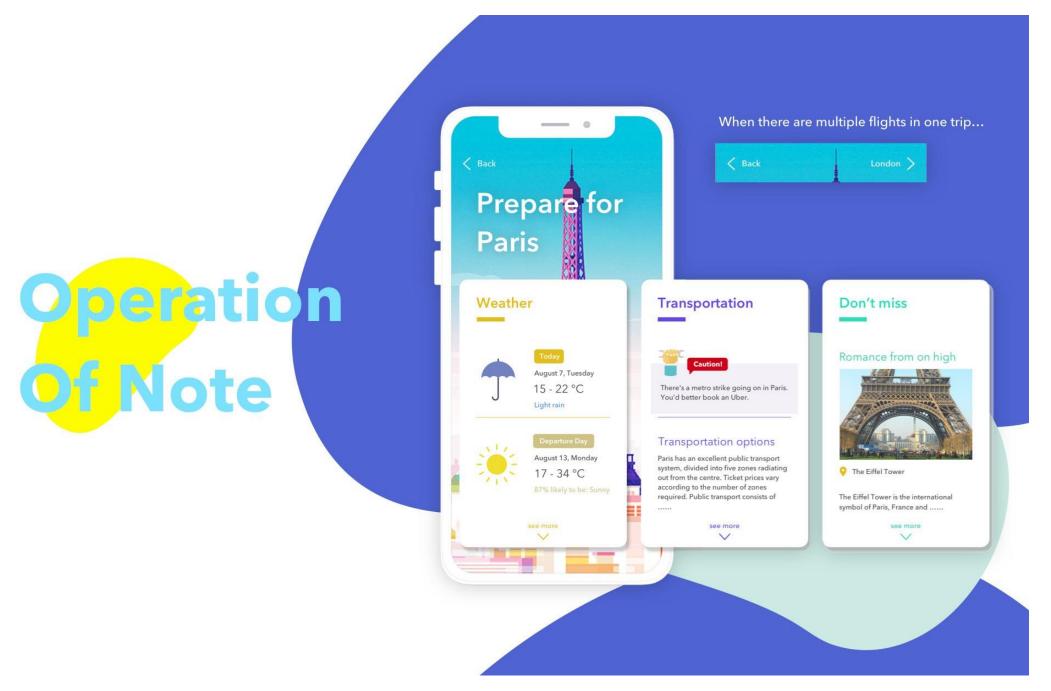


# Album of Postcards & Photos

After liking a photo sent by the avatar, the photo will be stored in the album as a souvenir of the business trip. Meanwhile, the album can automatically collect real photos taken by the user at the destionation city.

In the end, each album composes intact travel stories of the user and his/her avatar.





## Operation Of Note



### Romance from on high

O The Eiffel Tower



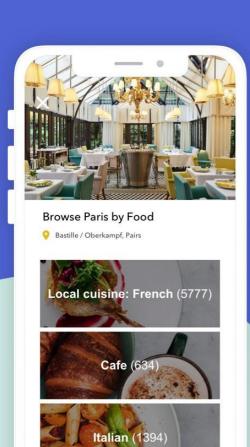
The Eiffel Tower is the international symbol of Paris, France and romance. Gustave Eiffel designed it for the 1889 world's fair, not knowing that it would become a global icon. Countless marriage proposals have taken place here. But it's not just for lovebirds – around 7 million tourists visit the tower every year. They can use the lifts or stairs to reach the viewing platforms, where they are rewarded with an unparalleled view of Paris.

It's funny to think that the tower was originally supposed to be dismantled after the world's fair. Many prominent artists initially rejected the design in disgust. But Eiffel stuck to his guns, insisting that the French flag would soon be the only one in the world with a 300-metre flagpole. Thanks to his highly detailed design drawings, the tower could be built in just over two years. It consists of more than 18,000 iron beams and weighs an impressive 10,000 tonnes.



### Going up the Eiffel Tower

The Eiffel Tower has 3 floors, each of which affords a fantastic view. Visitors can go up a lift in one of the legs or take the stairs up to level 2. The latter option is cheaper and saves on queuing time. The lifts cover more than 100,000 kilometres every year and include an ingenious brake system which allows for a smooth descent at a constantly changing angle. It is also reassuring to know that the tower is designed so that it barely moves in strong winds.



### **Key Takeaways**

- (1) Inheriting from the current F-app platform, the travel avatar is designed to offer functional information and entertaining information with the aim to bring joy and excitement to FBTeu's destination experience.
- (2) Six scenarios to engage with customers are defined based on previously acquired knowledge of frequent business travellers.
- (3) In order to interact with frequent business travellers in a personal manner, the travel avatar is supposed to learn from customer habits and preferences. Interaction details of how the avatar will grow with the user are elaborated in three phases: newbie, veteran and future.
- (4) Interfaces are designed based on the developed service concept.

### **Summary**

The chapter further developes the initial concept of "Travel Avatar". It detailedly defines functions, scenarios and how the avatar can interact with the customer in a personal manner. In the end, the developed concept is transformed into interfaces and a prototype.

In the next chapter, the prototype will be tested with frequent business travellers to evaluate the design.

## Design Evaluation.

I conducted the design test with 10 frequent business travellers at the gates in August, 2018. The objective of the design test is to understand how frequent business travellers perceive the proposed travel avatar service. Considering there is no similar service in the marketplace, opinions of target customers are vital in the development process.

My test results revealed that frequent business travellers regarded the travel avatar as a very interesting and innovative service to use, which means the perceived hedonic value is high. Moreover, the perceived utilitarian value is much higher than expected.



Method: SUBJECTIVE ASSESSMENT

### **Objective**

The objective of the design test is to understand how frequent business travellers perceive the proposed personalisation service "travel avatar". To be specific, the design test aimed to investigate whether the perceived hedonic value reached the expectation since the purpose of the travel avatar is to bring joy to business trips.

### Method

### The HED/UT scale

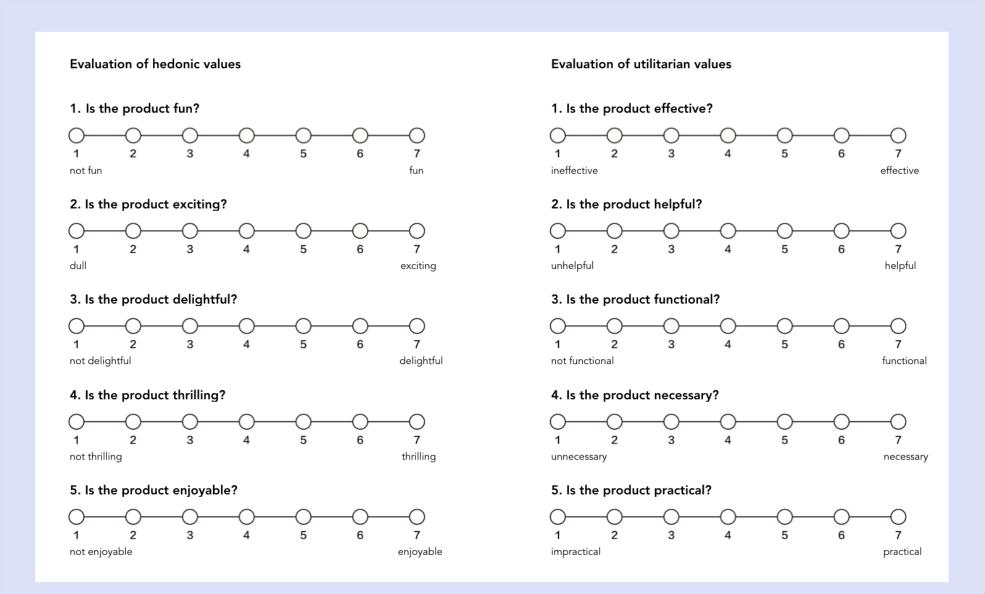
In order to evaluate how frequent business travellers perceive the service, I applied the hedonic/utilitarian (HED/UT) scale developed by Kevin, Spangenberg and Grohmann (2003) in the test process to measure the perceived hedonic level and utilitarian level of the travel avatar service. The HED/UT scale involves 10 response items distinct in the semantic aspect to accurately reflect respondent attitudes in hedonic and utilitarian dimensions. The reliability and validity of the HED/UT scale is proved by Kevin and his colleagues (2003). The HED/UT scale used in the design test is shown in Figure 9-1.

### • Test procedure

Before the beginning of the test, I made sure that the respondent is a frequent business traveller. Afterwards, I introduced the purpose of the design and how it works to the respondent, while showing the high fidelity prototype on iPhone 6s. In the end, the respondent was asked to fill in the HED/UT scale and then commented on the service.

Tests were carried out in the FlyCo Lounge and Gate in the Airport. Considering the context of the test, where passengers were eager to get onboard, each test lasted for 7 minutes on average. No test was recorded in audio or video in consideration of airport privacy regulations. At last I found 10 frequent business travellers to participate in the test.

Figure 9-1. The HED/UT scale

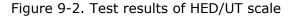


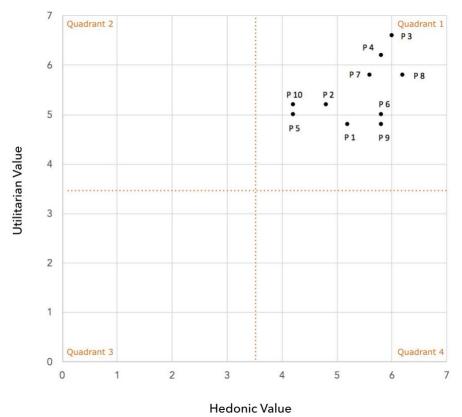
### **Test Results**

### • High perceived levels of hedonic value and utilitarian value

For each dimension, the mean value of five response items reflects the perceived level of hedonic/utilitarian value. As can be seen from Figure 9-2, all results locate in quadrant 1, which means all participants viewed the service as having high level of hedonic value and utilitarian value.

In addition, several participants remarked "very interesting" "quite





innovative" immediately after they learnt how the service works. Because they have never seen any similar services on the marketplace, all participants showed high willingness to try the travel avatar. Three of them asked where to download the app after the test (they didn't recognise the displayed product was a prototype).

All participants showed great interest in the future of the service, where a digital community of frequent business travellers was built up by avatars. They believed that digitalisation is an inevitable trend and thought the digital avatar world would be quite interesting.

As for utilitarian values, participants evaluated the information sent by the avatar as useful. They also liked the overview map of their travel histories.

Overall, participants perceived the travel avatar as a very interesting service to use and agreed it would bring fun to their destination experience. They regarded the functions of the travel avatar useful as well. In short, the design goal is realised.

### What is the most interesting part of the service?

When asked what is the most interesting part of the service, some participants responded that the format of travel avatar is innovative and would like to experience how the avatar grow with them. Others regarded the destination information (weather, recommendations of places to visit, and recommendations of restaurants) shown in the service was quite useful and thus interested them most. They reported that as busy travellers they are in favour of "one-stop shop", which means they could find all needed information in one place. The integration of information and the focus on business travellers would bring them much convenience.

### Suitable scenarios

Scenarios of using the service was shown to participants as well. Most scenarios were acknowledged by participants and they reported to be willing use the service under the certain mentioned circumstances: the night before departure, on/waiting for transportation, during the coffee break and at hotel.

### Willingnesses to recommend and share

Despite the high willingness to use the service, when asked how willing they would be to recommend the service to another frequent business traveller, some participants reported that they could only know after they actually use the service for a period of time.

In addition, when asked how willing they would be to share the photos sent by the avatar on social media, all participants responded that it greatly depends on the content. They thought it might be interesting to share the photos with families and friends while talking about their travel stories, but they were not sure if they would like to post them on social media.

### Suggestions for improvement

One participant suggested that the album function would be much more useful if it could automatically collect destination photos taken by himself. He commented that in this way the album could reflect the memory of the destination comprehensively.

Moreover, another participant suggested that it would be great if the service not only sends recommendations of restaurants, but also allows searching based on distance and taste. Though this function might be quite similar to other products such as TripAdvisor, the participant responded that as long as the service is friendly to use and integrates information in a nice way, he is very willing to switch to the new service and would probably attach to it.

### **Key Takeaways**

- (1) The design is evaluated in two dimensions: hedonic and utilitairan. The HED/UT scale (Kevin, Spangenberg, & Grohmann, 2003) is applied to investigate how frequent business travellers perceive the proposed personalisation service "Travel Avatar".
- (2) Test results show that the perceived hedonic value and utilitarian value are high.
- (3) Customers think the format of travel avatar is innovative.

- (4) As busy travellers, FlyCo frequent business travellers are in favour of "one-stop shop" destination information.
- (5) As long as the service is friendly to use and integrates information in a nice way, frequent business travellers are willing to switch (from e.g. TripAdvisor) to the new service and are highly likely to be attached to it.

### **Summary**

The chapter evaluates the design by adopting the HED/UT scale (Kevin, Spangenberg, & Grohmann, 2003). Test results indicate that the proposed personalisation service "Travel Avatar" has a promosing future.

The next chapter will make conclusions and discussions regarding the whole project.

## Conclusion And Discussion.

### **Conclusions**

The project envisions the future of personalisation for FlyCo based on research findings and designs a personalised digital service "Travel Avatar" for FlyCo frequent business travellers. The purpose of the service is to bring hedonic rewards of travelling for business to their trips and create momentous customer experience, which enhance intimate and loyal customer relationships with the airline brand in return. Results of the design evaluation suggested that the perceived hedonic value and utilitarian value of the service are high, and frequent business travellers consider it very interesting to have their own travel avatars.

Furthermore, there are several unique findings in this project. First of all, based on findings of the theoretical background research, I brought forward an analysis framework which illustrates relationships of customer needs, customer emotions, momentous customer experience and intimate and loyal customer relationship. The framework helps to analyse how to create momentous experience for customers, which brings intimate and loyal customer relationships as a result. It was applied throughout the project and guided the development of the service.

Secondly, my in-depth interview results revealed that most frequent business travellers enjoy travelling and they have a primary latent need of novelty, which has been rarely mentioned in previous studies. The

service proposition of "Travel Avatar" greatly depends on this finding. Moreover, I discovered that the desire of novelty can be fulfilled mostly by hedonic rewards and partially by social-relational rewards. It is in line with Meyer-Waarden's (2013) suggestion that by promoting non-monetary rewards airlines can avoid fierce competition and imitation as well as build differentiations in the marketplace.

Thirdly, I acquired a deep understanding of how frequent business travellers feel towards travelling for business based on results of a quantitative survey, where I discovered elements that make up of the excitement of travelling for business as well.

Last but not least, three principles of personalisation were proposed based on the findings of the collaborative workshop. It helps to innovate on how to interact with customers in a personal manner.

### Discussions

### Limitations

There are several limitations in the project. Firstly, participant gender is unbalanced in the target group study, which could influence research findings. Although in this project I noticed that gender is not a crucial factor that influences business travel behaviours and preferences, previous studies (Gustafson, 2006; Harvard Business Review, 2014) suggested that female business travellers travel less frequently, feeling more stressed on business trips and more afraid of flying. It is worth noticing that previous studies regarding business travel are outdated in some aspects due to the travel normalisation (Gustafson, 2014). Therefore, further researches are needed to investigate in the influence of gender in business travel.

Secondly, due to the difficulty of recruiting frequent business travellers as participants to join in the research, half of my interviewees are FlyCo staff who travel frequently. Their experience of working in an airline company could influence how they think and feel towards travelling for business.

Thirdly, each design test was carried out in a short time (around 10 mins) and with a limited amount of participants, which make the design evaluation results not convincing enough. This limitation is because of the difficulty to find target customers as well. More design tests are therefore preferred.

### • Implications

The discovery of the latent customer need "desire of novelty" opens up a new perspective for airlines and academic studies to look at frequent business travellers. More services and researches can be conducted in this direction.

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Moreover, the proposition of promoting hedonic and social-relational rewards are worthy of taking into consideration in future industrial and academic practices. Hedonic and social-relational rewards are inherently personal and closely related to customer emotions, which make them suitable to stage customer experience and fit into the experience economy.

Last but not least, digitalisation and virtual companions are two emerging trends and will play important roles in the future customer experience. "Travel Avatar" is born out of these trends and is a trial of providing personalised services. However, the successful implementation of the service strongly requires the company's technical abilities of machine learning and artificial intelligence. Moreover, for real-time personalisation, it needs to be enabled by complementary data from partners.



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