Case Study

AIRMILES Travel the World
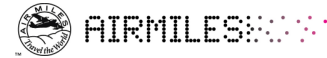
Miles Ahead of the Competition

A part of British Airways, AIRMILES is much more than simply a loyalty program. While miles represent the currency of the business, collection and redemption of AIRMILES drive the business forward. Members may redeem miles both via telephone and on the AIRMILES website. To improve business performance, the company needs to understand why customers who engage via each channel fail to book.

Its initial method of solving the problem was to treat it as a traditional market research exercise. This meant outsourcing to an agency, sampling a small subset of customers and treating all information in anonymous fashion. While this did provide some information that aided business planning, AIRMILES worked with its agency, Aurora Market Research, to implement a program that incorporated the voice of the customer into the business process, thereby adding another layer of value to the data already gathered.

"Members have an emotional tie to their miles and want to maximize their value," says Britt Ashton, Research Manager at AIRMILES. "They have the option of using miles only, or miles plus cash. We needed to test the premise that confusion over the value of miles was affecting redemption."

"I suggested to our agency that we change our approach, making the survey request relevant to our customers by inviting them to tell us about their experience with us immediately after the event – when they were still thinking about it."

"Making the survey more personal required a change from the thinking of traditional market research," explains Justin Alderson, Aurora's Managing Director. "But the benefits of this were manifest. As individuals had consented to further contact following the process, we were able to escalate any dissatisfied customers to the AIRMILES sales team who could reconnect with them to turn them around."
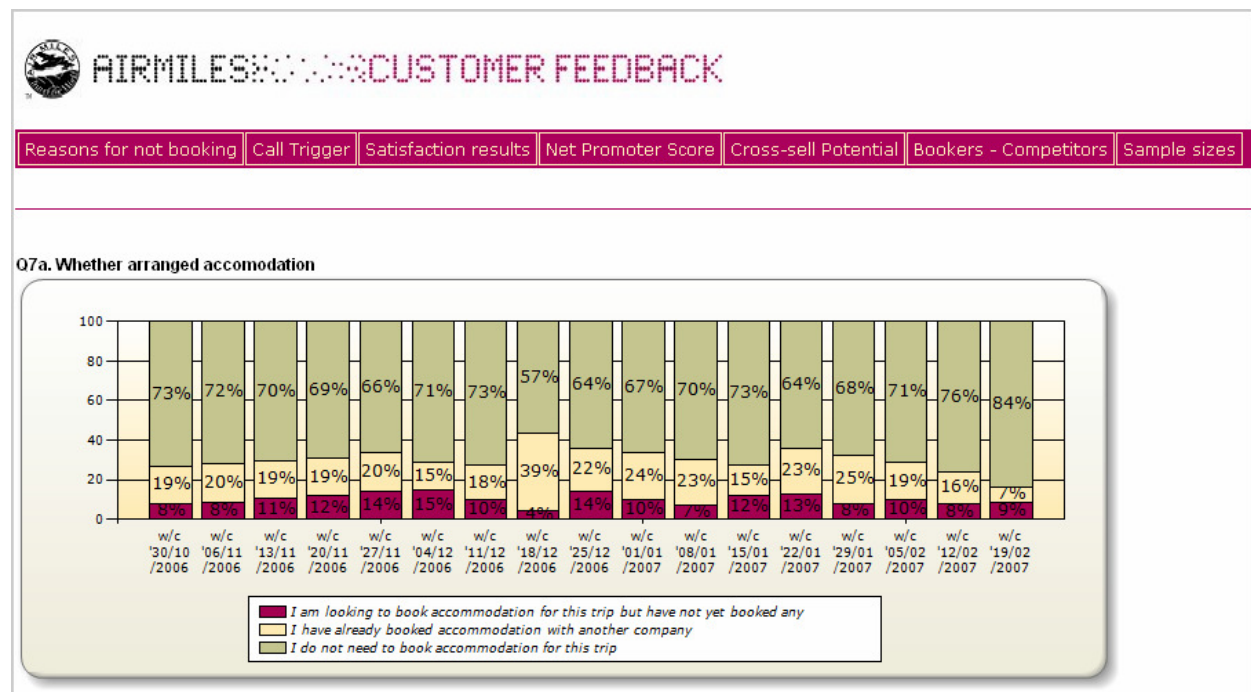
Dashboard: Cross sell opportunity - warm leads driver

The team deployed the Enterprise Feedback Management software platform Confirmit to solve the problem. In order to send survey requests the morning after the telephone or online contact, they integrated Confirmit with their Epiphany CRM platform. This enabled the import of transactional and demographic data about the customer so that survey invitations could be personalized and so that data could be correlated to opinion data in reporting.

"This project is a quintessential example of the Confirmit Marketplace in action," notes Gary Schwartz, VP Product Marketing for Confirmit, the company that develops and markets Confirmit. "For online surveys to succeed, more is required than simply collecting data. In this case, Confirmit provided the leading technology and Aurora the domain expertise, all of which were brought to bear for AIRMILES' benefit."

Two alert systems were created. Any indication of dissatisfaction among those who didn't book with AIRMILES was sent to call monitoring team for follow up. The second alert focused on those customers who booked either a flight or a hotel, but not both.

Those who answered positively to questions indicating that they still needed the missing hotel or flight and that they were likely to book with AIRMILES were similarly alerted to the sales team as warm leads.

"The integration with Epiphany meant that we could embed information about the customer – their personal details and destination information – within the survey, which drove a 35% response rate," notes Ashton. "This means a better experience during the survey as we don't have to ask questions we already have the answers to. It also means that our sales people can re-contact those customers with all the details to hand because they're delivered within the alert."

Another benefit was that the shorter survey meant they could add questions to understand what prompted a visit to the web site or a call, allowing AIRMILES to quantify the performance of their creative. Other questions included knowing whom their customers used to book hotels and flights, if not with AIRMILES.

Aurora's Alderson adds that, "ultimately we chose Confirmit because of its reporting capabilities. The alerting system let us escalate individual customers' issues. And Confirmit's Reportal platform lets us aggregate the data so that we can see larger trends and issues that affect AIRMILES' business."

These trends include perception of price competitiveness, perception of availability of products, such as flights and quality of service at both the call centre and web site. This dispelled the internally held assumption that availability was the key issue with failure to book, where price and perception of value for money is actually a more important issue.

Dan Martin, Head of Analysis and Research at AIRMILES notes that, "we've made the results in Reportal visible to every team in the business, including pricing, marketing and finance. The dashboard reporting capability helps us to understand the competitive landscape."

"But the greatest value is the correlation of the reasons that people didn't book with the product they came to us to book. This dashboard correlates closely to KPIs that are visible to our senior management, and is seen as a leading indicator into our business performance. We think of these as Key Attitudinal Indicators that help us ensure that our Key Performance Indicators stay strong."

One KPI that has been demonstrably enhanced due to this project is conversion rate of sales calls. The "warm leads" alert has produced a 32% conversion rate, leading to significant increases in revenue and bookings.

"The results clearly demonstrate the value of this approach," maintains Alderson. "While this will never replace traditional market research methodologies, there is a compelling need for this to sit alongside them."

Ashton concludes, "having seen the value in looking at customer attitude during the booking process, the next steps are for us to engage with our customers at more points – closer to the time they join AIRMILES, those who aren't using the online shopping function, and elsewhere in their journey with us. This will give us a truly 360 degree view of our customers, enabling us to add value to their experience with us, thereby improving our business results."