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# A flight plan for keeping customers happy



*Factors such as price and customer service affect perception of budget airlines*

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**SINGAPORE** – When she began planning a graduation trip with six other friends in April, Ms Nurhafizah Hatman based her search for a flight ticket on one simple requirement — the best price. Together with her friends, they went to the websites of various budget airlines, and compared them side by side on the computer monitor.

“Price was our requirement since we were fresh out of school,” said Ms Nurhafizah, who had just completed her polytechnic studies.

But while airlines may not be able to completely get away from price wars in today’s competitive travel market, a recently-released survey on customer satisfaction by the Institute of Service Excellence (ISES) suggests that other factors make consumers tick.

According to the latest Customer Satisfaction Index of Singapore (CSiSG) on the transport and logistics sector, budget airlines only had to lower prices by an average of 11.9 per cent this year to win travellers over for future trips, compared to 17.1 per cent last year.

Releasing the survey earlier this month, the ISES — which is part of the Singapore Management University — also noted that respondents for the survey indicated higher repurchase intentions for budget airlines, which suggested increased customer loyalty.

Indeed, the budget airline sub-

sector fared well this year, with a 4.88-point increase in its customer satisfaction score to 67.5 points. This is a 7.8 per cent increase, compared to the 3.3 per cent increase seen for full-service airlines.

Beyond price, consumers TODAY spoke to pointed to a number of other factors that affect their perception of budget airlines and how they choose which to fly with — such as frequent updates on promotions, rewards schemes and even whether a website’s booking system is user-friendly.

## KEEPING THE BRAND (AND PRICES) IN CONSTANT VIEW

Price, for 19-year-old polytechnic student Han Qi Guang, remains the tipping point when it comes to budget airlines. “When you book budget, all you really want is cheap airfare. Whichever company gives you the best deal, you’ll go for it,” she said.

But it can help to make it fuss-free for consumers to see what they are getting for their money at a glance.

Ms Nurhafizah, while booking her graduation trip flight, noted how Jetstar Asia’s website allowed her to get a better overview of prices. “We compared and contemplated between Jetstar and AirAsia because the dates were perfect but (we) finally decided on Jetstar because they showed us the price (difference) in the coming days in their website,” she said.

Beyond keeping prices low, airlines also scored points if they regularly alert consumers of good deals. “The frequent emails keep me in the loop of their (AirAsia) current promotions. I know of them immediately,” said 22-year-old event executive Nur Sab-

**Social media has helped budget airlines like Tiger Airways reach out to customers. Tiger has responded to concerns and questions when customers leave feedback on its Facebook page.**  
 PHOTO: BLOOMBERG

rina, who subscribes to AirAsia’s email alerts because she “likes the airline”.

Such alerts can spark off the urge to travel without consumers having to seek out a destination; Ms Sabrina could still recall the last alert she received on a cheap flight from Kuala Lumpur to the Maldives.

Consumers TODAY spoke to also noted how catchy, ubiquitous campaigns — in publications, on television and outdoors — help leave lasting impressions, prompting them to check out the airline the next time they contemplated their travel plans.

“There was a period of time when AirAsia had an ad on the traveller at Dhoby Ghaut (MRT) Station. I saw it every day when I went to work,” said Ms Azidah Aziz, 23, a sales assistant at Camera Rental Centre.

## WHAT LOW PRICES CAN’T FIX

Ms Rebecca Wai, 19, an entertainment and fashion writer for an online magazine, travels about three to four times a year. She said her experience with budget airlines sometimes left her feeling that the airlines felt they did not have to provide good service “since their prices are so cheap”.

Travel delays — and how airlines managed the situation — was a common complaint among consumers TODAY spoke to. Ms Wai felt airlines were “sticky” about check-in times, but “unhelpful” when it came to helping find alternatives when things go wrong.

But while consumers admitted they tolerate less-than-sterling service when it comes to budget airlines on account of lower prices, a willingness to engage them when things go wrong could redeem an airline in their eyes.

### CSiSG 2013 Q2: TRANSPORT & LOGISTICS SUB-SECTORS

	2013 score	Change
Budget airlines	67.5	+4.9
AirAsia	68.3	+6.4
Jetstar Asia	66.9	+4.6
Tiger Airways	66.0	+2.8
*Other budget airlines	70.3	+6.6

Significant year-on-year changes are represented in red/green  
 \* Indicates company is significantly higher than its sub-sector score

SOURCE: ISES

Ms Alyssa Shahira, a third-year polytechnic student, suggested that airlines “get into direct contact with their passengers and find out more about their needs and wants”, if they want to stand out.

Indeed, with consumers today ready to take to social media to air their dissatisfaction with any service provider, it pays for airlines to reach out to their customers over platforms like Facebook and Twitter.

The Facebook pages of AirAsia, Tiger Airways and Jetstar reflect efforts on the social engagement front, with prompt responses from the airlines to queries, and explanations and apologies when a customer complains.

On the Tiger Airways Facebook page for instance, the airline has responded to concerns and questions when customers leave feedback, and also apologised in some instances.

Jetstar, meanwhile, offers a Customer Guarantee, where for every promise failed to be delivered, the airline provides a form of compensation. For example, if it failed to “communicate (its) promise and provide alternative travel options” upon delays and cancellations, it will award affected customers a S\$50 Jetstar award voucher.

“We also ensure we fly a young fleet. This not only translates to lower fuel cost, but also improves the on-board experience, so more people will make Jetstar Asia their first choice when it comes to low-cost flying,” said a Jetstar spokesperson.

AirAsia, meanwhile, has taken steps to offer what its full-service counterparts have long offered: A loyalty programme. Last week, it expanded the programme — which was already available in Malaysia, Indonesia and Thailand — to Singapore. Called BIG, it allows customers to accumulate points, which they can redeem for free flights and other services. It also entitles customers to 24-hours priority booking for major flight sales.

Commenting on the loyalty programme, AirAsia’s Singapore Chief Executive Officer Logan Velaitham said: “That’s a value-added service we are providing to show our appreciation to our loyal customers.”