



AVIATION business news *Insights*

EXCLUSIVE READER RESEARCH

DEALING WITH DISRUPTION

How you rate the industry's response when things go wrong



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AVIATION
business news

Published by
Real.
RESPONSE MEDIA

Unit 4D, Cally Yard, 445 Caledonian Road, London, N7 9BG



HEARING YOUR VOICES

The aviation industry is extremely high profile and when things go wrong, as they inevitably do, it's always big news.

Many people are inconvenienced when there's disruption, so we're used to hearing the voices of those people who are directly impacted – the customers.

But it's much less common to listen to those other people on the front line - aviation sector staff.

This exclusive research project sets out to rectify that. We wanted to hear the views of our professional aviation audience about how well the sector reacts when things do go wrong and they're faced with frustrated customers.

We were interested in finding out what are considered to be the main blockers to providing customers with the information and service they demand.

And we wanted to pinpoint what aviation staff believe should be prioritised to ensure that while disruption will always occur the sector responds in the best ways possible.

Our report comes out as tens of millions worldwide take to the skies for the summer getaway. This period will be another test of aviation's resilience, particularly after the COVID restart, and despite the challenges we know the vast majority will experience no problems.

But a sector that prides itself on setting extremely high standards and is judged against those standards will always strive to do better.

Lee Hayhurst
Editorial Director



SOLUTIONS URGENTLY NEEDED

As consumer travel demands continue to grow, effectively managing disruption is critical for the aviation industry.

Our survey underlines the urgent need for robust technology solutions to support staff and passengers.

At IBS Software, we are committed to providing cutting-edge technology that empowers airlines to handle disruptions with greater efficiency.

Our findings reveal a stark reality: 62% of airline staff face intimidation or abuse during travel disruptions, significantly impacting their mental health.

It is our mission to help airlines improve their communication in the face of disruption, fuelled by IBS Software data insights, to reduce customer frustration and the impact on airline workers.

Challenges in accessing accurate information show where technology can transform staff operations.

IBS Software's solutions are designed to address these pain points by leveraging artificial intelligence (AI).

Our innovations not only streamline operations but also offer airlines a competitive advantage by ensuring passengers receive timely and accurate information during disruptions.

We remain steadfast in our mission to build a resilient and responsive air travel ecosystem that meets traveller expectations, while safeguarding the well-being of the workforce.

Julian Fish
SVP & Head of Aviation
Operations Solutions

THE RISING COST OF DISRUPTION TO THE AVIATION INDUSTRY

Studies underline how important it is for the sector to mitigate the impact of disruption

INTRODUCTION

According to studies estimates of the cost to the aviation sector of disruption is higher today than it was prior to the COVID-19 pandemic.

Global consultancy Wipro estimated the cost of so-called 'irregular operations' at 8% of global airline revenue before the pandemic, amounting to \$60bn.

According to air passenger support organisation Airhelp this has increased by 11% as customers become more aware of their rights and expectations rise.

Airhelp claims flight disruption's impact on the US economy in 2022 was \$30bn to \$34bn, in Europe \$27bn to \$32bn and in Australia \$1.5bn.

On top of that over 650 million hours of passenger time was wasted involving 200 million passengers in the US, 330 million in Europe, and 12 million in Australia.

To make matters worse disruption impacts aviation's attempts to operate sustainably with nine million additional tonnes of CO2 emitted (1.3% of the sector's total).

There are many commercial reasons why it is in the aviation sector's interests to have the people and processes in place to mitigate the impact of disruption when it occurs.

But there are also more intangible factors at play like brand reputation, consumer confidence in the industry and morale among customer facing employees.

Most recently we saw the global chaos caused by the CrowdStrike Microsoft outage and prior to that a power cut at Manchester airport, the UK's largest outside London.

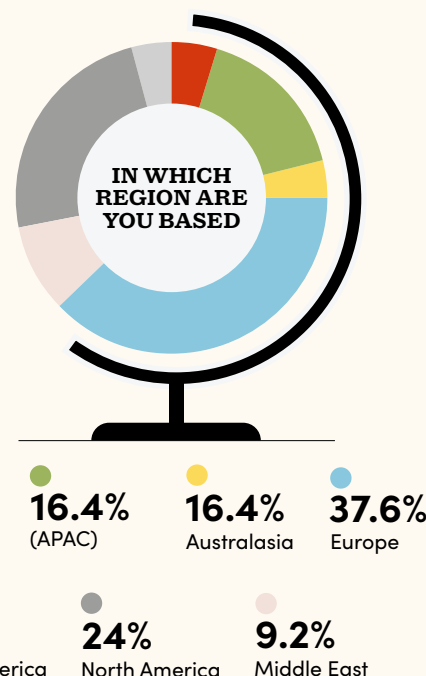
The latter saw long queues of unhappy people dominate the news coverage, leading to influential travel journalist Simon Calder to write:

"There will be some people who take one look at this, look at the stress and the anxiety and the upset, and the not knowing what's going on, and say 'well I'm not going to do that'.

"That will affect an airport's business, possibly more widely airports' businesses."

In this report we find out from aviation professionals how they feel about the sector's ability to deal with passenger stress and anxiety during 'irregular operations'.

"Estimates suggest the cost of disruption has increased 11% since COVID"



ABOUT THE REPORT

Aviation Business News invited readers to complete a survey on aviation disruption which we put together with our partner IBS Software.

The survey was carried out in conjunction with independent research firm Edge Insight over three weeks from June 18 to July 8 2024.

Respondents were incentivised to complete it by being entered into a draw to win £250 of Amazon vouchers and a Gold membership for Flightradar24.

Just over a third of respondents work for an airline operator and a further third work for an MRO or in aircraft engineering or manufacturing.

Around 40% work in roles at vice president, director or executive level, a fifth in senior management and a further fifth in middle management.

Over 44% of respondents told us they work in customer-facing roles.

Europe accounted for the largest number of respondents (38%) with North America next (24%) followed by APAC (16%) and Middle East (9%).

THE IMPACT OF DISRUPTION ON STAFF

The good news for aviation when the post-COVID rebound kicked in was people's appetite for travel remained as insatiable as ever when borders reopened.

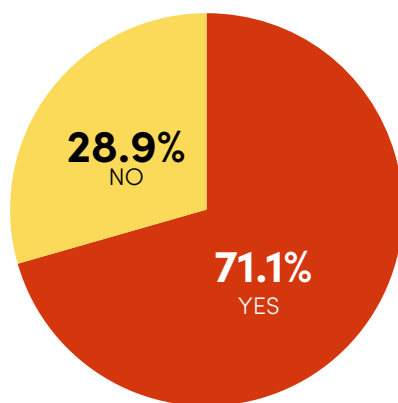
But the flip side was that the sheer scale of demand and speed of the recovery saw the sector struggle to cope as it battled to put the right people and resources in place.

This placed a great deal of strain on the sector's employees, particularly those in front-line roles who took the brunt of customer frustration and anger.

Our survey sought to find out how travellers are perceived in the sector when it comes to how they react when faced with their travel plans not going as smoothly as expected.

We asked our audience if they had seen an increase in incidents of airline or airport staff being abused by customers when disruptions take place.

Nearly three quarters (71%) of all respondents answered 'yes' to this question and when we look at just those in customer facing roles that rises to nearly 80%.



Have you seen an increase in incidents of airline or airport staff being abused by customers when disruptions take place?

But, according to our survey findings, it is not just verbal abuse that staff are putting up with, some of our respondents have experienced much worse.

It should be noted that half reported they have experienced none of the abusive customer behaviours we asked them about, but a third said they have been shouted at.

Maybe unsurprisingly, this number jumps to over 50% when we look at just the responses from people in customer-facing roles.

More shockingly, a third in customer-facing roles told us they have been intimidated and around 10% physically abused (21% and 6% respectively for all respondents).

And it seems the impact on staff is not limited to face-to-face interactions with disgruntled customers.

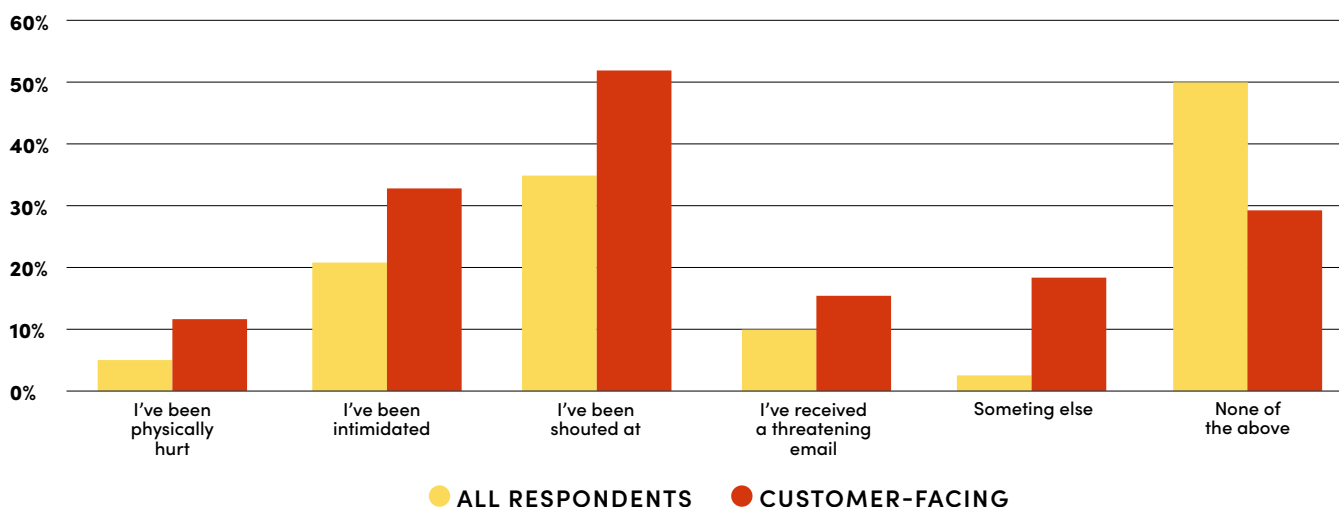
Just over 10% of respondents said they have received a threatening email, rising to 15% for those in customer-facing roles.

One respondent told us they have been offered a bribe to prioritise a customer and another that they had even received a hoax bomb threat following disruption.

Despite this, three quarters of our people who responded either 'slightly agreed' or 'strongly agreed' with the statement that they enjoy working in travel.

But just under half agreed either slightly or strongly that they end up

Which of the following have you experienced from a customer as a result of disruption



How much do you agree, or disagree with the following statements?

	Strongly agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Strongly disagree
I enjoy working in the travel sector	50.4%	26.8%	15.7%	4.7%	2.4%
When disruption occurs I end up thinking about work when I'm at home at the end of the work day	20.3%	27.1%	26.7%	16.3%	9.6%
Travel disruption has a negative effect on my mental health	19.9%	34.7%	23.1%	13.9%	8.4%
I enjoy the challenges caused when travel disruption occurs	8.7%	19.4%	22.6%	22.6%	26.6%

“One respondent said they had received a hoax bomb threat following disruption”

thinking about work at the end of the day after there has been disruption.

And just over half agreed either slightly or strongly that travel disruption has a negative impact on their mental health.

There are, however, those that actually view the challenges that disruption throws at them in a more positive light.

Of those in customer-facing roles 34% either slightly or strongly agreed that they enjoy the challenges when travel disruption occurs, dropping to 28% for all respondents.

Travelling by air has always conjured up many extreme emotions among the travelling public, both positive when it goes well and negative when it doesn't.

That is why airline and airport operators have to focus on the wellbeing and welfare of not just their customers but on their own people when disruption occurs.

JULIAN FISH

Senior Vice President and Head
- Aviation Operations Solutions

“People's desire to travel remains strong, as demonstrated by the surge in demand, but this has overwhelmed an industry struggling with fewer resources and personnel.

This pressure all too often falls on customer facing staff who unfairly become the targets for customer frustration and anger. Shockingly nearly 75% of survey respondents reported increased levels of customer abuse towards airline and airport staff, with this number rising to nearly 80% for those in direct customer service and interaction roles. Clearly, disruptions take a toll on both customers, and staff. Nearly half of the respondents shared they were dwelling on work issues after disruptions, and just over half agreed that disruptions negatively impacted their mental health.

Despite these substantial challenges, the survey shone a light on staff resilience. Three-

quarters of respondents still enjoy working in the travel industry, some even thrive under the pressure. Thankfully help can be at hand. Empowering airlines with real-time, accurate information related to flight delays, schedule changes and ultimately cancellations can help manage passenger expectations and minimise frustration.

Utilising modern, scalable technology is critical, not only to assist airlines but also to provide passengers with instant information and self-service options. Correct use of technology helps reduce wait times and associated customer frustration which is all too frequently directed towards staff.

Finally, by analysing historical data, airlines and airports can identify common triggers or issues and develop preventative measures, reducing the impact of any event. Leveraging technology successfully allows airlines to increase customer satisfaction and drive continuous process improvement, ultimately increasing passenger wellbeing while developing a brand that is reliable, innovative and customer centric.

MEETING RISING CUSTOMER EXPECTATIONS WITH FEWER RESOURCES

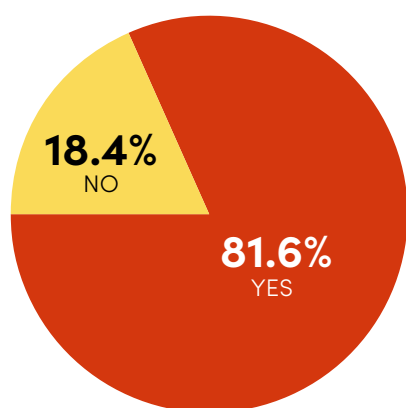
A viation sector professionals believe the industry handles disruption well, but say airlines are having to meet rising expectations with fewer resources.

Our survey found that just under two thirds (65%) feel the industry is doing a good job, and this figure rises to 73% among people in customer-facing roles.

We found that traveller expectations are considered to have increased in recent years due to COVID-19, but also social media and increased awareness of passenger rights.

And this increase in expectations has come at a time when prices for air travel are rising and airlines have fewer resources like people on the ground and spare aircraft.

Just under 60% of respondents said that customer expectations about how they are treated when there is disruption



Do you think airlines are being forced to deal with disruption with fewer resources, eg people on the ground and spare aircraft?

Below are three statements that describe customer attitudes to how airlines react when disruption events happen?



31%

Polite and understanding that things often happen outside of the airline's control



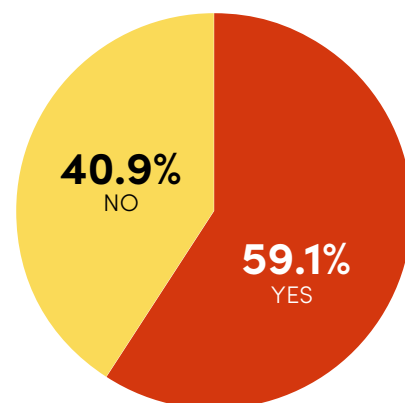
44%

Frustrated but ultimately prepared to put up with a degree of inconvenience as long as they are kept up to date about what is going on



29%

Furious and not prepared to accept explanations for what has happened even if it is not the airline's fault



In your opinion, have traveller expectations about how they are treated during a disruption increased over the past three years?

have increased over the last three years.

When asked if airlines are being forced to respond to instances of disruption with fewer resources 82% answered 'yes'.

We also gave respondents three descriptions of customers based on how they react when they experience disruption and asked them to estimate a percentage for each.

Just under a third (29%) were considered to be 'furious and not prepared to accept explanations for what has happened even if it is not the airline's fault'.

The highest proportion (44%) were 'frustrated but ultimately prepared to put up with a degree of inconvenience as long as they are kept up to date about what is going'.

And 'polite and understanding that things often happen outside of the airline's control' was said to account for 31% of customers.



We asked if the COVID-19 pandemic had a role to play in increasing customer expectations over the past three years. Here's a snapshot of responses:

- COVID pandemic effects have not completely faded. Customers make a direct connection between the increase in prices and the level of services offered.
- Customer expectations grew enormously without regard for the depleted staff in all sectors of the aviation industry.
- COVID increased frustration in service industries in general. Not helped by airlines laying off many staff, thereby creating shortage of customer service.
- COVID had a significant impact, but travel volumes are the main cause of dissatisfaction now. This will be hard to resolve unless carriers devote more attention to front-of-counter customer service.
- COVID was an excuse, not the real cause. Customers are more demanding and will not settle for anything less than 100% service satisfaction.
- Travellers have become highly sensitive and reactive when faced with disruptions. I do not think this is related to COVID, I believe we have become more intolerant.

“Customers will not settle for anything less than 100% satisfaction”

- The general public has become anxious and timid in their outlook. The public wants quick relief and safe comfort zone in case of any adversity encountered.

- I think people are just more demanding and share their views on social media to raise more awareness of the issues.

- More media coverage has increased awareness. Changes in regulations (refunds etc) have also influenced customer expectations.

- With the proliferation of social media, travellers are more likely to access and share information and become more aware of their rights and interests.

- Social media has increased the 'I need to be compensated' agenda. After COVID...this increased and social media played a big part in this.

JULIAN FISH

Senior Vice President and Head
- Aviation Operations Solutions

“The aviation industry is at a crossroads: customer service expectations continue to rise, but many airlines have fewer resources to achieve them. These expectations are compounded by increased passenger awareness of rights and compensation, in part driven by social media's influence. Nearly two-thirds of industry professionals surveyed believe the travel sector handles disruptions well. However, rising travel costs, and staff shortages paint a somewhat different picture.

Social media is a double-edged sword for many sectors, with aviation being no exception. While social media is a fantastic

platform to connect, communicate and collaborate with customers, it often amplifies negative experiences to such a degree that damage to an airline's brand, reputation or even customer base can occur within hours.

To successfully deal with ever-changing customer expectations, airlines need to make extensive use of connected, innovate travel technology. Integrated platforms that allow airlines to leverage AI, data analytics, IoT, and ultimately improve consumer service are critical. Digital transformation continues apace across the travel sector, but progress in the industry requires a customer first mindset, a willingness to transition away from legacy technology and the implementation of real, meaningful organisational change.

THE ROLE OF TECHNOLOGY IN DISRUPTION MANAGEMENT

Artificial Intelligence (AI) and Customer Relationship Management (CRM) technologies should be prioritised to improve disruption management, according to our survey.

Respondents in both customer-facing and non-customer-facing roles rated CRM and AI as the two most important for technologies investment by the aviation sector.

CRM was a particularly popular choice among respondents in non-customer-facing roles while those in customer-facing roles felt AI was the most important technology to invest in.

In a 2023 report, aviation technology specialist SITA reported that 64% of airlines were planning significant investment in AI and 73% in business intelligence.

Technologies like chatbots, self-service tools, mobile apps and messaging services that put power in the hands of the customer were not so highly

prioritised in our survey.

This clearly indicates that respondents believe that the airlines, airports, and other stakeholders have a responsibility for improving their own systems.

What's the point of having a brilliant chatbot, Messenger or WhatsApp service when the systems behind it aren't able to provide the information needed when it's required?

The scale and complexity of the aviation sector means the potential of AI is huge across airlines' and airports' entire operations including engineering, flight planning and sustainability.

And when it comes to the response to disruption, AI could clearly be used to help airlines handle the logistics of re-routing tens of thousands of travellers and items of luggage.

The Nirvana of the truly seamless and frictionless passenger experience extends not just to the smooth running of every day operations but when things do unfortunately go wrong.

Airlines that are able to automatically rebook ground transport or hotel bookings for customers when there are delays or to efficiently reunite customers with bags will drive greater loyalty.

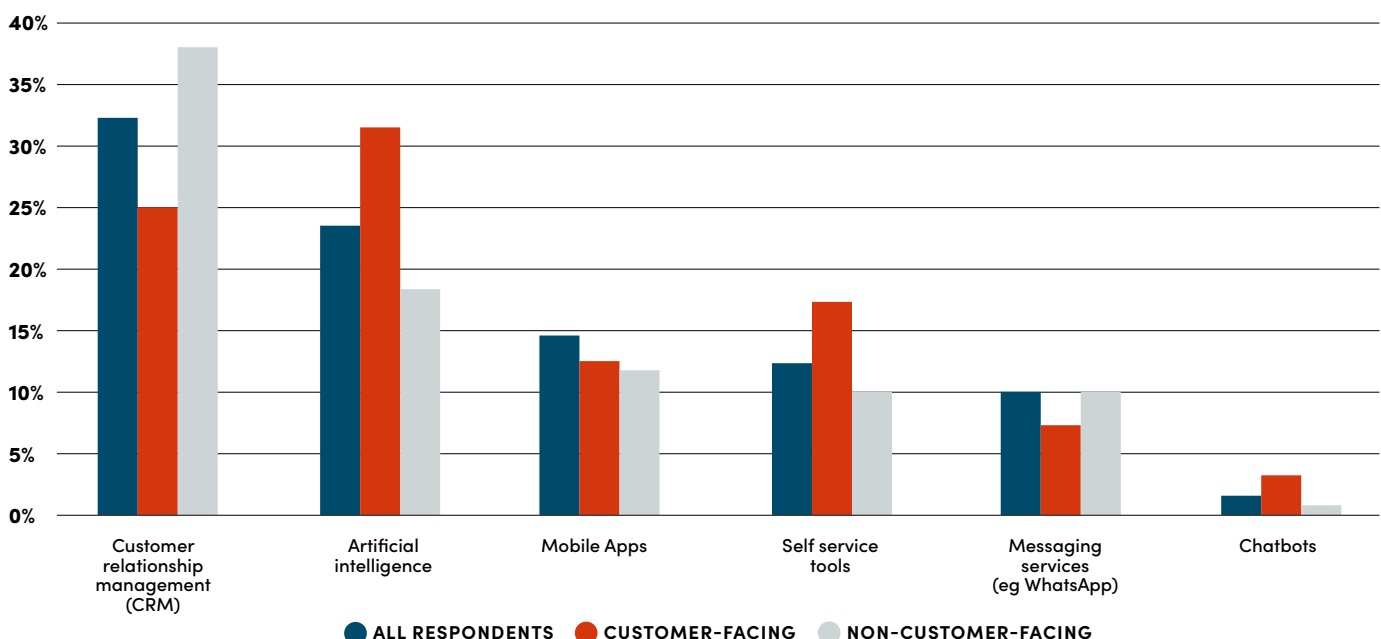
When we asked our respondents what the biggest blocker is to providing great customer service when disruption happens, 'lack of investment in latest technology' was ranked in second place.

Interestingly, for those in customer-facing roles, the 'unforgiving attitude of customers' pushed technology investment into third place.

'Lack of human resource on the ground' was ranked as the biggest blocker for all respondents, underlining the importance of human beings in a service industry like aviation.

Legacy technology, which continues to underpin much of the aviation sector, and is often accused of stifling innovation, was not considered to be a major blocker.

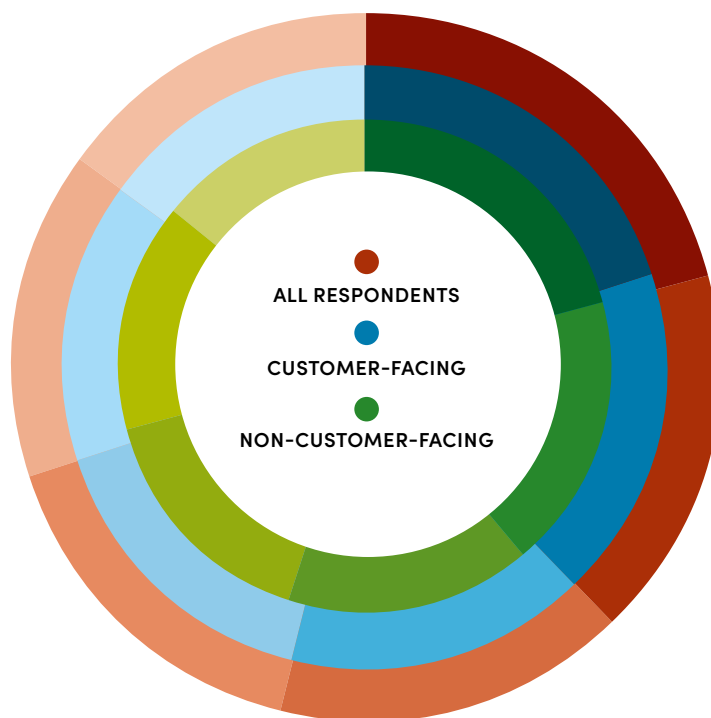
Which of the below technologies is most important for the aviation industry to invest in so it reacts to disruptions in a more customer friendly way



Please rank the following in order, from most important to least important, in terms of what's the biggest blocker to providing great customer service during a disruption. From 1 to indicate the most important, through to 6 for least important.

Highest rank	Highest rank	Highest rank
1 19.5%	7 20%	1 19.1%
2 17.3%	8 17.5%	2 17.8%
3 16.4%	9 15.7%	3 16.8%
4 16%	10 15.7%	4 16.7%
5 15.6%	11 14.8%	5 15.4%
6 15.1%	12 14.3%	6 14.3%
Lowest rank	Lowest rank	Lowest rank

1. Lack of human resources on the ground
2. Lack of investment in the latest technology
3. Unforgiving attitude of customers
4. Not prioritised by management
5. Lack of collaboration between stakeholders
6. Legacy technology



It was identified below disruption management 'not being prioritised by management' and a 'lack of collaboration between stakeholders' as the main blocker.

Among some of the other responses to the question about what technologies people felt should be prioritised our respondents highlighted the need for collaboration in a complex eco-system.

One respondent told us there is a need for a 'comprehensive integrated disaster response system' another said 'automated communication technology'.

A-CDM (Airport Collaborative Decision Making), to improve the resilience of operations, was suggested by one respondent while another wanted 'tools to prevent disruption'.

But for many respondents the answer was investment in the people who are on the front line using the technology they are provided with to give customer service.

One called for 'humans to be present', another for 'real people to speak to' and for another it came down to 'basic caring and respect' for customers.

JULIAN FISH

Senior Vice President and Head
- Aviation Operations Solutions



With SITA finding that 64% of airlines are planning significant investments in AI and, 73% in business intelligence, it is apparent that the industry is banking on the transformative potential of these technologies.

The targeted use of AI offers immense potential across the entire spectrum of airline operations. Although disruption (like the weather) is an almost daily occurrence, appropriate use of AI can play a crucial role in managing the complex logistics needed for disruption management, from re-routing passengers and baggage, to improving passenger experience and operational efficiency.

The survey's emphasis on the need for robust, integrated systems over customer-facing technologies is telling. Effective

disruption management hinges on having "one screen" of reliable, real-time information, with seamless collaboration across all crew and operational functions. Investing in technology platforms that consolidate disparate data sources and provide real-time, actionable insights is essential for airlines to respond swiftly and effectively.

The survey also highlights the critical human element of disruption management. Despite the promise of AI and CRM technologies, the importance of human resources on the ground remains paramount. The aviation industry must balance technological advancements with investment in front-line staff, enabling customer-facing teams to deliver exceptional customer service, especially relevant during disruptive events, like the recent massive outage linked to CrowdStrike. By doing so, airlines can foster greater passenger loyalty and build a more resilient, customer-centric operation.

THE COST OF NOT DEALING WITH DISRUPTION

How successfully airlines are perceived to manage disruption can often come down to whether accurate information is made available in a timely manner.

Our survey found the biggest challenge carriers face, according to our aviation industry respondents, is not access to enough information but in providing it to customers.

Anyone who has been caught up in disruption knows well the sense of frustration that comes with being left in the dark about what is going on and not being able to find anyone with the answers.

As well as access to accurate information and the ability to pass that on to customers, impact on operations was considered to be among the other major challenges for airlines.

These two are interlinked because reliable information is often simply not

“Even if the perpetually angry represents 30% that’s a lot of noise to counter”

available when complex systems and processes like airline scheduling go into meltdown.

It is notable that while our survey did not find concerns about the ability to provide airline staff with information, concerns about its accuracy differed depending on job roles.

Those in customer-facing roles ranked access to accurate data/information as the biggest challenge ahead of providing this to customers.

Whereas respondents in non-customer-facing roles placed this challenge in third alongside the financial impact on the business.

These respondents were also slightly more likely to consider reputational damage as the biggest challenge than those who deal with customers direct.

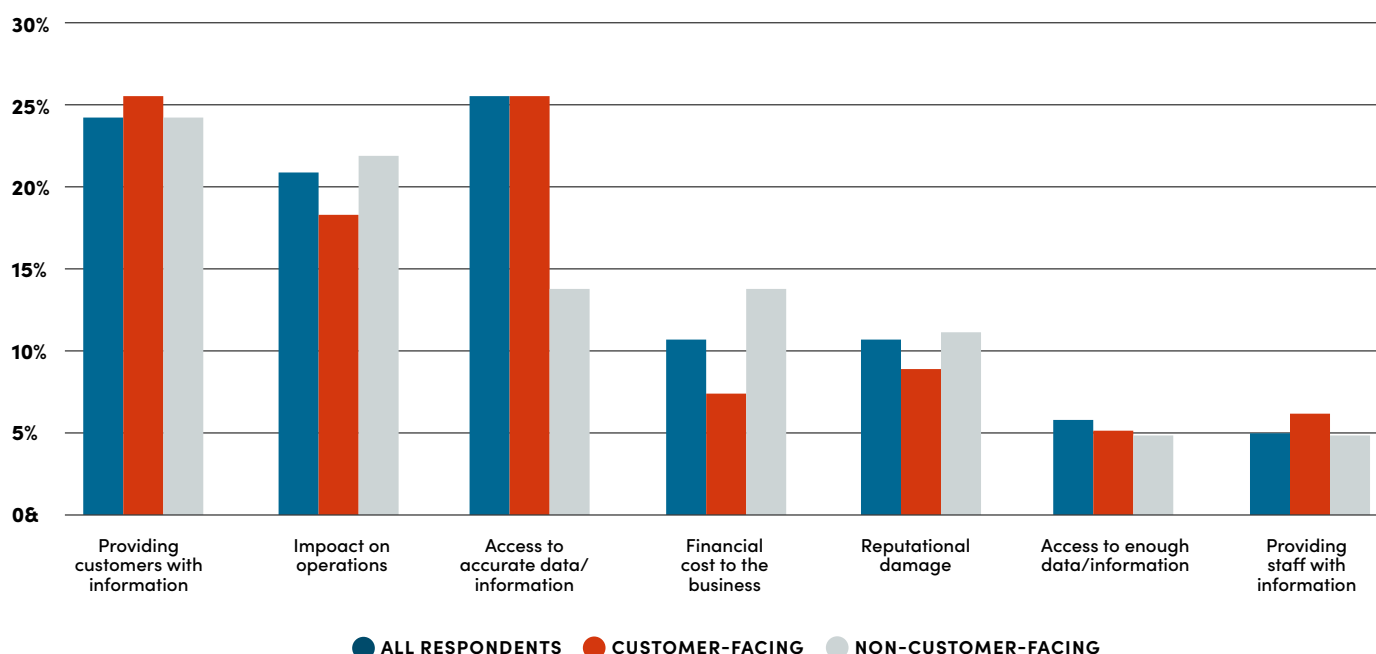
The impact on the reputation of the airline was further explored when we asked if customers are likely to choose one airline over another because of its perceived ability to cope with disruption.

Approaching two thirds of respondents (63%) said they thought it was likely or highly likely that customers are taking this into account when choosing who to fly with.

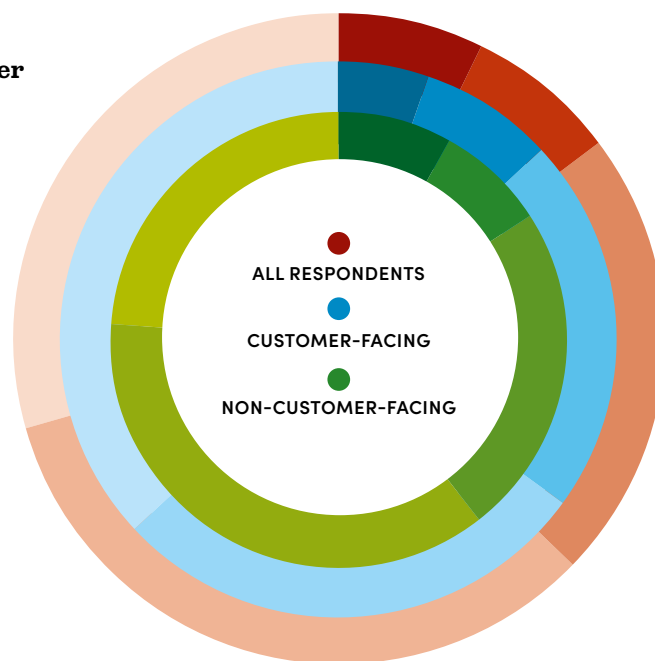
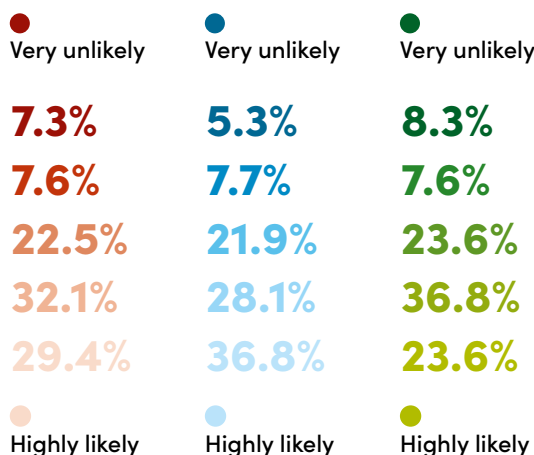
Respondents in customer-facing roles were more likely to agree they would actively choose a better performing airline (65%) than non-customer-facing staff (60%).

Overall, only 15% of respondents felt it was unlikely or highly unlikely that customers are making such judgements based on performance.

In your opinion, what is the biggest challenge airlines face when a disruption event occurs?



How likely are customers to choose one airline over another because of its perceived ability to cope with disruption and on-time performance?



This raises an important question for airlines about how to drive up brand loyalty, a challenge they have traditionally tried to address with airmiles points schemes.

Could it be that promoting their reliability and on-time performance and customer satisfaction scores is a more effective way of retaining the travellers they have?

Of course, it's true that flyers needing to get from A to B at a certain time don't have the sort of universal choice of provider that they have in other areas like consumer goods.

But we've found that Customer Relationship Management (CRM) tech is considered the most important for airlines to invest in, suggesting this might be where competitive advantage lies.

We live in a world of instant gratification and dwindling levels of patience among the travelling public when things do go wrong.

Social media gives increasingly militant customers a powerful forum to vent and even if the perpetually angry represent just 30%, that's a lot of noise for brands to counter.

That explains why customer satisfaction comes top in this survey of factors that should drive the industry to make improvements in disruption management a top priority.

JULIAN FISH

Senior Vice President and Head
- Aviation Operations Solutions

“Disruption in air travel has always been an unavoidable challenge, often fuelled by uncontrollable factors like weather or unexpected unavailability of aircraft.

This survey underscores the critical role that timely and accurate information plays in managing disruptions effectively.

The data reveal that while airlines have access to information, it is often disconnected and challenging to share with passengers swiftly and accurately.

Passenger frustration often stems from a lack of clear communication, which in turn leads to a negative perception of airline reliability.

Notably, data from this research indicates that customer-facing staff feel the accuracy of information is their top challenge.

This lack of reliable information in turn impacts customer experience and satisfaction.

Interestingly, non-customer-facing roles tend to focus on financial and reputational impacts of disruption.

In an era of instant gratification, the ability to communicate updates to customers transparently can make a significant difference.

Nearly two-thirds of respondents believe customers are likely to choose airlines based on their perceived ability to handle disruptions.

This highlights a shift in customer engagement drivers from traditional loyalty schemes to one linked to reliability and performance.

To address these changes, airlines must transition to advanced digital solutions and fully integrated platforms, that not only enhance operational efficiency but also ensure passengers receive real-time updates, maintaining customer trust and loyalty.

The cost of ineffectually managing disruptions extends far beyond immediate financial losses—it jeopardises customer trust and long-term brand loyalty.

By prioritising accurate information dissemination airlines can mitigate the impact of disruptions while maintaining a competitive edge in the industry.



IBS Software is a leading provider of mission-critical SaaS solutions to the global travel industry. We transform how travel companies operate in a digital world, driving business success through cutting-edge, cloud-native technology.

Our solutions address the unique challenges airlines face in various domains, including flight and crew operations, air cargo, passenger services, loyalty, and retail. With deep expertise in the aviation ecosystem and a proven track record, our next-generation products accelerate growth, drive efficiency, and create differentiated customer experiences.

With a single source of truth at core, our solutions enable instant operational visibility and seamless stakeholder collaboration for maximum business agility. Centralized data simplifies and streamlines critical processes with a holistic view, accelerating business and customer-centric recovery when operational disruptions emerge.

IBS Software's commitment to innovation and excellence has made us a trusted partner for leading airlines worldwide, driving transformation and delivering measurable value across the aviation industry.

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