How Lufthansa is using data analytics to create the next level of customer experience

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Lufthansa at a glance

- ~300,000 flight passengers per day
- ~120,000 employees globally
- 1.6 Million meals served daily
- 2,750 take-offs/landings per day
- 321 destinations to 103 countries
- ~600 aircraft
1. Digital transformation in Aviation
2. SMILE program
3. Results & Insights
“If the Wright brothers were alive today, Wilbur would have to fire Orville to reduce costs.”

* Herb Kelleher, Southwest Airlines
Digital has impacted the aviation industry

2000

- Printed schedules, paper check-in
- All-inclusive-fares
- Travel agencies & paper tickets

Today

- Online/ mobile schedules, online check-in
- Optional ancillary services
- Digital flight purchase, e-tickets
What are the Key Drivers for this Change?

Commoditization

Success of other Digital Players

Understand Customer Needs
Change

From product centricity...
...to customer centricity

- Gather customer feedback
- Configure offerings and align messaging/tactics/ experiences
- Align the organization against an integrated, customer-driven strategy
- Define and embed a customer-centric culture
- Adopt a customer-centric lens
1. Digital transformation in Aviation
2. SMILE program
3. Results & Insights
Surpass My Individual Lufthansa Experience

SMILE is a digital customer experience program, meant to personalize customer experiences along the entire journey.

To reach this ambitious goal we deploy an innovative IT infrastructure and leverage the full power of Big Data Analytics.

SMILE is a key driver for becoming an insights-driven organization and thus the digital transformation of the Lufthansa Group.
Customer Journey

1. **Need**
   - Receive Inspiration & Plan Occasion
   - Compare & Select Flight
   - Book Travel
   - Plan & Prepare for Journey
   - Request Customer Support

2. **Plan**
   - Get Home Airport & await Flight
   - Get to Home Airport and await Flight
   - Land at Home Airport
   - Participate in Loyalty Program

3. **Go**
   - Take Outbound Flight
   - Land at Destination Airport and await Flight
   - Get to & Stay at Destination

4. **Stay Involved**
   - Leave Journey & Evolve Relationship
   - Provide Feedback
   - Get to Home Airport
   - Participate in Loyalty Program
   - Receive Communications

5. **Feedback**
   - Provide Feedback
   - Get to Home Airport
   - Participate in Loyalty Program
   - Receive Communications
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Way of working

- Minimum viable product
- Go-to-market
- Time boxing
- Integration

Agile

Sustainable Solutions - IT process driven
Personalized flight offers
Example: Purchasing an upgrade
Four focus areas of Analytics in 2017/18

**Decision Optimization**
- Continuous performance measurement & optimization of decision making
- SMILE revenue attribution
- Self learning decision making (evolutionary algorithm/ reinforcement learning)

**Rule Mgmt. & Decision Making**
- Business Rule Management
- Processes & Governance
- “Decision as a Service”-Architecture

**Data Ingestion & Integration**
- Analytical Basis Tables as foundation of analytics industrialization
- Automated provisioning of necessary data
- Holistic Tracking (Responses & Behavior)
- Data quality processes

**Model Management**
- Apply Models to new Data
- Model Maintenance (Validation, Retraining and Reengineering)
Key lessons learned

Customers own their data not you or your organisation – Be 100% transparent and put permission and preferences in the hands of the customer.

You can shape the customer experience not the customer. Think use cases from a customer perspective.

Analytics heavy programs are change management projects. Communicate and engage key stakeholders and show results!
Thank you