Delivering Excellent Service Quality in Aviation

A Practical Guide for Internal and External Service Providers

MARIO KOSSMANN
DELIVERING EXCELLENT SERVICE QUALITY IN AVIATION
For Tamara, Joseph and Loveday
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About the Author

Mario Kossmann is a Systems Engineer and Capability Integrator for Airbus, having previously worked for Blohm & Voss as a Systems Engineer, Technical Manager and also Consultant in Services Marketing. He has served as an officer with the German and French navies, and was awarded a MEng in Aerospace Engineering from the University of the Federal Armed Forces in Munich, and an MBA from the University of Warwick.

In 2005, Mario transferred from Airbus Deutschland to Airbus UK, tasked with the development and implementation of an integrated service quality concept for one of the core engineering disciplines within Airbus. This concept has been validated and implemented transnationally (in the UK, Germany, France and Spain) across all aircraft development programmes and across all engineering centres of competence and excellence.
I would like to thank all those who enabled, supported, encouraged and tolerated me while I was working on this book. I would like to make particular mention of the following: Arne Sievert (Kienbaum Management Consultants) and Inge Radler (MAN Turbo) in the concept phase of writing the book; Guy Loft (Ashgate Publishing) in the refinement and delivery phases; Professor Robert Johnston and David Arnott (University of Warwick), Professor Dr. Claudia Fantapié Altobelli (Helmut Schmidt Universität Hamburg) and Professor Dr. Arnold Hermanns (Universität der Bundeswehr Munich) during the review phase; as well as my wife and children throughout the whole process – they gave me their continued support by commenting on the contents of the book, brainstorming with me on particular issues, critically discussing different aspects with me, or simply accepting me being obsessed about doing research for and actually writing the book in Germany, Spain, France and the UK over a period of two years. Also, I would like to thank Airbus, Securitas, Munich Airport, SKYTRAX, dba, UPS and Fraport AG for their kind permission to use their material.
# Glossary

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<tr>
<td>ACMT</td>
<td>Aircraft Component Management Team (see Case Study).</td>
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<td>Capability</td>
<td>Here, the term is defined to stand for best-practice processes, methods and tools (supporting the methods) in specific fields of engineering. One capability is likely to be of highest relevance at a certain stage in the development process, other capabilities will be most relevant at other stages of the development process.</td>
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<td>Capability Integrator (CI)</td>
<td>A person who integrates one or several capabilities within engineering or development/design teams, enabling all relevant team members to use best-practice processes, methods and tools (thereby contributing to reduced development time and costs, as well as better products).</td>
</tr>
<tr>
<td>CDBT</td>
<td>Component Design Build Team (see Case Study).</td>
</tr>
<tr>
<td>CI</td>
<td>See ‘Capability Integrator’.</td>
</tr>
<tr>
<td>Client</td>
<td>See ‘Customer’.</td>
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<tr>
<td>CMIT</td>
<td>Component Management Integration Team (see Case Study).</td>
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<td>Coaching</td>
<td>The consulting activity of teaching individual customers or entire customer teams the application of a specific capability, including process, method and/or tool issues. In contrast to training, coaching usually takes place in the working environment of the customers and is likely to cover very specific issues that are of more direct concern to attendees. Typically, coaching meetings vary between 30 minutes and 4 hours.</td>
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| Customer            | An individual (person), group or organization that uses or sells on services and related goods or products delivered by a service provider. 

*Internal*

Customers inside the own organization. Depending on how a company is organized, customers will have to allocate part of their budget to the internal service provider (in the case of a cost centre organization) or even have to pay for the services just like external
customers would have to (in the case of a profit centre organization).

*External*

Customers outside the own organization. They would normally have to pay for the services delivered.

**DBT**

Design Build Team (see Case Study).

**Focus group**

A group of existing and/or potential customers that is invited by a service provider to talk about service-related issues. Concrete questions or just a general topic can be given to the group to discuss. The aim is to benefit from group interaction to gain deeper insight into real customer concerns and opinions. A moderator should make sure that the discussion is not overly dominated by one or several individuals in the group. The latter would have the negative effect that important viewpoints do not surface because some individuals feel intimidated and, hence, less motivated to speak up.

**Helpdesk support**

The support given by members of a support team via phone or e-mail to individual customers who encounter any problem to do with a specific capability, be it related to a process, method or tool.

**Interview**

A face-to-face discussion with an individual customer or potential customer. Usually interviews will be conducted in a structured manner; that is, questions or at least topics to cover are prepared. The advantage lies in the comparability and potential comprehensiveness inherent in this approach. The drawbacks are that if the questions are not well prepared and formulated the interviewer might not get the information needed and also group interaction is specifically excluded.

**Low-cost airline**

An airline that competes in the market predominantly on offering lower prices than other airlines for no-frills flights. The main emphasis of low-cost airlines’ internal operations is on reducing costs; for instance, by suppressing tickets, only accepting Internet bookings, reducing turnaround times between flights (= increasing productivity) and restricting inflight service to the strict minimum.

**Marketing**

‘Individual and organizational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, distribution, promotion and pricing of goods, services and ideas in return for something of value’ (Dibb et al. 1997).
Operation: A set of business processes that often cut across functionally based micro-operations. Most operations produce some mix of tangible products and less tangible services. Only few operations produce either products or services alone.

Positioning: The process of creating an image or moving the perceived position of a service provider – in the minds of target customers – against specific dimensions and compared to competitors.

Questionnaire: A number of specific questions in written form that are sent to customers in order to obtain measurable or at least comparable feedback from a larger group of people.

Ranking: Here, ranking is defined as the customer activity of putting service standards in an order of priority or importance. The result of a ranking exercise may be that individual customers or customer teams attach different importance to specific service standards than other customers do.

Safety: Freedom from danger, harm or risk (fire, accidents, etc.).

Security: Protection against lawbreaking, violence, enemy acts, etc. (for example, bomb attempts, hi-jacking, theft, espionage).

Service: The ‘production of an essentially intangible benefit, either in its own right or as a significant element of a tangible product, which through some form of exchange satisfies an identified consumer need’ (Palmer 1994).

Service operation: Operation that predominantly produces less tangible services.

Service provider: An individual or a team delivering services to customers.

Internal: Services are predominantly delivered to internal customers inside the own organization.

External: Services are predominantly delivered to external customers outside the own organization.

Service standard: A clearly specified objective that a service provider aims to achieve in delivering services to its customers and that is communicated both internally to employees and externally to customers. It ought to be realistic,
achievable, meaningful, easy to measure, and above all reflect customer needs and requirements.

**Sub-contractor**
Individual, group or organization – either internal or external to the organization of the customer – that fulfils contractually specified activities, needs and/or requirements in the form of goods, products and services for the customer. A sub-contractor is also a supplier but not all suppliers are sub-contractors.

**Supplier**
Individual, group or organization – either internal or external to the organization of the customer – that supplies goods, products and/or related services that are needed by the customer.

**Support services**
Here, support services are defined to be those services delivered to engineering or development/design teams that are necessary to enable them and their individual members to apply and make best use of specific capabilities (best-practice processes, methods and tools). Support services comprise training, coaching and helpdesk support.

**Training**
The activity of teaching a group of individual customers or entire customer teams the application of a specific capability, including process, method and tool issues. Usually, training takes place in isolation from the workplace of attendees and typically take between 4 hours and 1 day per unit.
Chapter 1

Introduction

Chapter Summary

The purpose of this chapter is to give you a brief overview of the content, context and usefulness of this book. In order to do this, the importance of controlling and improving service quality, both for external and internal service providers in the aviation industries, is highlighted. Then, the market for service providers in the aviation context, specifically within airline, airport and aircraft manufacturing operations, is discussed. Last, depending on your expectations from this book, three alternative ways of how the book could be read are suggested, so that you are only confronted with those parts of it that are most relevant to your situation.

Why You Should Read This Book

This book offers you a hands-on, step-by-step approach to service quality management as a practical guide for any service provider in the aviation industry, whilst, at the same time, containing more detailed reading about the underlying state-of-the-art theories, as well as practical experience with the suggested method in the form of a recent case study.

This book would be of interest to anybody who is delivering professional services to external or internal customers in the context of airline, airport and aircraft manufacturing operations (including respective suppliers and sub-contractors), and who wishes to measure and monitor (and therefore be able to control) perceived customer satisfaction with the services delivered over time. Their role could be that of brand manager, team leader, sub-unit leader or individual service provider.

This book is addressed at the same time to service providers in the context of airline, airport and aircraft manufacturing operations because all three domains are highly interdependent and have large overlap areas in their customer segments, the principal end customer segment being air traffic passengers. While this is obvious for airlines, it seems less so for aircraft manufacturers. Still, all major manufacturers are currently focusing their efforts to achieve even higher passenger orientation in designing their cabins. Similarly, many airports are going a long way in order to find out proactively what passengers want and need, and designing their operations and layouts accordingly.

The intention of this book is to be a practical and realistic guide to implementing (with minimum effort) an effective yet efficient way to control and proactively
influence the service quality as perceived by the customer. The consequences of this are that users of this book who own decision-making, as well as budget and capacity planning, will be carrying out these activities on a sound basis, able to justify their decisions to any stakeholders in the service operation. Also, and most importantly, customer satisfaction can be improved considerably over time. Finally, improvements made can be systematically measured in the way suggested, which, in turn, leads to increased levels of motivation amongst an organization’s own personnel. By defining, quantifying and reporting quality, it is possible to enhance employee awareness of the fact that high quality is actually achievable and trainable at little cost, but that the potential benefits of delivering high quality services are likely to be very large.

Many of the principles underlying the method that is proposed in this book could be argued to be valid also in other technical and non-technical industry sectors. However, service providers in the aviation context (with its high complexity, fierce competition, rapid and innovative service and product developments) focus on service as one of the main marketing assets, and a high degree of internationality as the second most important: both are particularly in need of effective and efficient service quality management. Therefore, the examples used in this book (and in fact the whole book) are clearly rooted in the aviation context.

To summarize, this book offers any service provider in the aviation context – specifically within airline, airport and aircraft manufacturing operations – an efficient yet effective way to increase customer satisfaction and, thereby, profits (or budget allocation for internal service providers). Also, it helps service providers to create a sound basis for operational and strategic decision-making.

Why Does It Pay to Improve Service Quality?

Although cost factors are far from being unimportant, there is overwhelming evidence that service quality is the single most important issue in running customer service operations successfully. It can be argued that service quality directly and indirectly affects profits in a significant way, as Zeithaml and Bitner (2002) suggest (see Figure 1.1). They argue that high service quality leads to customer retention, which has shown to be cheaper in the long run than high levels of customer turnover. Also, long-term customers tend to buy larger volumes and higher price premium services and products. Very importantly, ‘word-of-mouth’ communications are affected in a positive way, being the most influential and convincing kind of communication in the field of services. If people talk positively to other potential customers about their experiences with the services delivered, the supplier’s market share is likely to grow, too. All this leads to higher possible margins. By means of more ‘offensive marketing’ (such as putting aggressive promotional campaigns into practice), market share can be affected, a positive reputation enhanced and the service offer can be positioned in a way to allow for premium pricing strategies. All this leads to higher
Introduction

sales levels. Both higher sales levels and higher achievable margins directly result in increased profits (Zeithaml and Bitner 2002).

In a context where a service provider operates in a cyclical downturn of an industry or mainly serves customers that do so, the question may well be how to cope better with lower and lower budgets or sales rather than how to increase budgets or sales.

Still, whether operating in a downturn or upturn of the market, it can be said that the better the service quality delivered to customers, the better the standing of a service provider in comparison to competitors (external service provider) or the easier it is to justify and defend a specific budget requested (internal service provider).

Provision of Service Quality by Internal Service Providers

Who are the Internal Service Providers?

In order to answer this question we should first look at some typical examples of internal and external service providers in the aviation context. Figure 1.2 gives a limited yet realistic systematic overview of typical service providers involved in airline, airport or aircraft manufacturing operations. Although clearly simplifying matters, the diagram illustrates the interdependence between some of the service operations from the three aviation segments considered.
The most obvious service delivery takes place from an airline’s flight and cabin crew to their passengers. This external service provision to paying customers usually consists primarily of flying the passengers to their chosen destination safely and taking care of them during the journey on board.

However, in order to be able to offer that service to passengers, the flight and cabin crew need to take receipt of technical support and maintenance services so that the aircraft is fully airworthy and, for instance, inflight entertainment, galley and toilet systems are fully operational. These services can either be delivered by an internal service provider within the airline or they can be sub-contracted to an external service provider such as the technical services team of a different airline or an airport.

Both the flight crew and the technical services team must have their members trained so that they are sufficiently skilled to fly the aircraft or to maintain it respectively. An external service provider (usually the aircraft manufacturer that has produced the aircraft used by the airline) may deliver such training services.

This same service provider is likely to also offer training services internally to other teams within the aircraft manufacturing operations; for example, to the support services group that, in turn, may act as an external service provider to the airline’s technical services team in cases of more complicated maintenance or repair work.

Since most passengers prefer to fly in a clean aircraft, some cleaning services will have to be delivered to the flight and cabin crew. This is usually done by an external service provider from within the local airport operations. This service provider can either be an internal part of the airport operations or sub-contracted. It can also be argued that the cleaning services team directly serves the passengers.