

Outsourcing Center News

“Outsourcing Helps Southwest Airlines Make Passenger Journeys Easier”

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Southwest Airlines flies over 100 million passengers a year on more than 3,000 flights a day to 66 cities in the United States. Like all airlines, communicating sudden changes in flight status to its many on-the-go passengers, especially during delays or other service interruptions, is always a challenge. Harnessing leading-edge flight notification services (FNS) to manage such personal communications to its passengers is a key element to heading off those problems.

Fred Taylor Jr. is senior manager of proactive customer service communications at Southwest. His job is to keep passenger inconveniences from becoming full-blown problems. His unit must reach out quickly to inconvenienced customers and make things right, without waiting for them to complain first. If he can do that, his unit contains the problems.

They do this by presenting customers with a range of solutions before they even know there is an issue. That includes informing them of delayed or cancelled flights and then explaining their options as soon as possible, sometimes even before they arrive at the airport.

But in 2007, an airline passenger survey by the Wall Street Journal found Southwest's FNS program ranked near the bottom of U.S. air carriers. “Any way an airline can make things easier for its customers, especially when things aren't going as they should, eliminates bad passenger experiences and creates loyalty,” says Tom Parsons, CEO of BestFares and a recognized authority on airline customer experiences for over 30 years.

Southwest quickly saw that it needed a communication upgrade to improve its low rating. And due to limited IT resources and staff, Southwest needed an outsourcing partner to develop, integrate, and keep its FNS leading-edge.

Southwest met Seattle-based Varolii, a provider of on-demand communication software and services with experience in developing and supporting the kind of FNS that would make life easier for Taylor and the airline's customers. Southwest initially considered five prospects and its due-diligence research produced a scorecard. Varolii not only came out highest overall, but was also “the highest in each category,” Taylor says of his “no-brainer” decision.

Once fully engaged in late 2008, it didn't take long for the provider to deliver the desired, positive impact.

Provider keeps Southwest passengers flowing, even during disruptions

Previously, Southwest shared flight cancellation alerts on airport PA systems, at its reservations desks, and the company Web site. Trying to personally reach all in-transit customers in a timely manner with manual outbound dialing just wasn't feasible. This produced spikes in inbound customer service telephone requests. Airport agents also felt the crunch as they struggled to reschedule passengers amid their other normal operational duties.

Varolii implemented an automated system to place those calls and relay the information through text-to-speech software that generated pre-recorded voice clips into actual messages. The solution parses Southwest's operational databases, identifies problem flights, looks up information on the affected customers, and calls their contact phone numbers.

"This is far from your run-of-the-mill robocall," says Jeffrey J. Read, executive vice president for field operations with Varolii. "Automated calls often deliver bad news," he continues. "The important thing is to efficiently engage customers, let them know we are resolving their problem, and make it easier for them to communicate with Southwest if they wish."

Varolii's expansive library of prerecorded clips features professional voice talent. It assembles these snippets and creates a contextual, personal message for each outbound audio advisory. The natural intonation and quality of the voice communication creates better passenger response rates, according to Taylor, who adds that customers are more engaged by a message that emulates realistic dialogue, instead of "sterile sounding" notifications typified by earlier generation data-to-voice protocols. "It doesn't sound like a canned call," notes Read.

Southwest can proactively send personal messages to its customers about a disruption (or potential disruption) and briefly explain the solution it offers to the individual passenger. This outsourced solution also allows the passenger to either transfer to a service agent or forward the message to another phone number, such as the customer's travel agent or personal assistant to resolve the sudden inconvenience.

But the message itself is only half of the equation. The airline must reconcile several IT systems that track different aspects of Southwest's flight and customer operations in order for the system to work. "The biggest challenge is assuring the right customers on the right flights are in the database and then make the data compatible so Varolii can send out the right voice message," notes Taylor.

Partner's work to make Southwest's FNS best-in-class

The personal aspects of Southwest's outbound FNS, represented by its current "voice only" protocols, dovetail into the airline's brand, according to Taylor. "We have a

reputation for doing things 'The Southwest Way,' providing clever, unique ways of providing personalized customer service."

Southwest was one of the first to allow travelers to register for flight status notifications through its Web site. "But the onus was on the customer to request that service," Taylor says. He adds that any traveler appreciates getting a heads-up that a flight has been cancelled or changed gates or that a connecting flight is running late.

This is why voice FNS is such a powerful customer service tool for Taylor. And though Southwest initially considered using e-mail and text messaging when its FNS first went up, it decided "voice-only" was the right way to go, not only because it was more personal, but because it was also more practical.

"Sometimes our customers get into situations we didn't want them to be in, particularly at airports affected by weather," Taylor says. "We've expanded to include things like gate change notifications or other issues within Southwest flight operations that might disrupt their journey."

Eventually, e-mail and mobile text features will be part of Southwest's FNS. "But the airline's customer database doesn't always contain an e-mail address or other text contact info for every passenger," says Read, although he adds that Southwest is gathering that information more routinely. "But we have a phone number for every passenger who makes a reservation," Taylor says. "So that's the best way."

"With the airlines operating on thin margins and with customer expectations reaching ever higher, outsourcing keeps them competitive," notes Henry Harteveltdt, vice president and principal analyst with Forrester Research. "Many airlines are still in business because of outsourcing."

Lessons from the Outsourcing Journal:

- Airline executives and industry analysts cite outsourcing as a primary element in any air carrier's ability to survive in the face of thinner profit margins and heightened customer service requirements.
- Outsourcing much of its new flight notification system development allowed the buyer to receive a technologically superior and customer-friendly FNS with minimal intrusion on its core IT resources, an outcome that would have been more expensive and difficult without outsourcing.
- Today airlines are operating on thin margins. At the same time customer expectations are higher. Outsourcing needed platforms keeps them competitive.