

SA-csi ranking reveals low-cost, local airlines lead customer satisfaction

After polling customers of British Airways (Comair), FlySafair, Kulula, Mango and South African Airways (SAA), the [2018 South African Customer Satisfaction Index \(SA-csi\)](#) for Airlines conducted by Consulta has revealed that low-cost, domestic airlines are still leading when it comes to meeting the needs of South African consumers.



Image source: [Gallo/Getty](#)

FlySafair leads the SA-csi ranking, with 78 points out of 100, followed by British Airways (Comair) which scored 75.7 and Kulula Airlines reached 74.4 - all-in leader positions. Mango scored on par with the industry average with 74 points. South African Airways (SAA) lagged behind with 68.8 and well below the industry par of 72.4.

Air transport is a [key driver](#) for the South African economy, supporting half a million jobs and contributing US\$12bn, or 3.5% into the country's GDP according to a report by the International Air Transport Association (IATA) and Oxford Economics¹. However, customer experience when dealing with airlines is particularly vulnerable to dissatisfaction, especially in South Africa where customers have been let down due to airline closures such as Velvet Sky and 1time.

This is a major risk, as airline profitability in the Africa region is low.

According to IATA, African airlines reported a \$400m net loss in 2018 and are expected to report losses of \$300m in 2019. One of the key challenges is that few airlines in the region are able to achieve adequate load factors to generate sustainable profits. Across the board, Africa airlines faced especially challenging operating environments.

Key take-outs from the SA-csi for airlines:

- FlySafair and Mango both have positive Expectation-Quality gaps of 5.6 and 0.7 respectively – this means that customer expectations are being exceeded in terms of the perceived quality of service received. SAA had the largest negative gap of -0.9, followed by Kulula with -0.6, which shows that customer expectations are not being met in terms of perceived quality.

- Customers of all airlines, however, do not feel that the price they pay for plane tickets is fair when looking at the quality provided by the different airlines. Kulula had the smallest gap of -0.6 on Price-Quality alignment, while SAA had the biggest at -6.2.

- FlySafair is the clear leader on Perceived Value with a score of 83.4, almost 10 index points above the industry average of 73.7. Kulula and Mango follow also in leadership positions, both with a score of 78.8 while SAA lags far behind on 66.7 and well below the industry par score.

- On Perceived Quality, FlySafair leads with 82.9 followed by British Airways (Comair) on 81.2, both well ahead of the industry par of 77.8. Kulula and Mango both tie on a par score of 77.8 and SAA comes in last at 76.1.

- With the exception of SAA, domestic airlines have flown the flag when it comes to an increase in customer expectations, with Mango seeing a positive gap in exceeding these expectations. The same trend shows in terms of perceived value for money versus quality - domestic airlines performed much better than international airlines and the overall quality scores also indicate that this is not simply because of lower prices.

- In terms of complaints incidence, British Airways (Comair) and Mango had the lowest incidence of complaints at 4.2% and 4.6% respectively, followed by FlySafair (6.3%). Kulula (7%) comes in on par and SAA well below par with the highest incidence of complaints at 12.3%.

- Kulula performed poorly on complaints handling and resolution at 33.8, well below the industry par of 48.7, and well below the next lowest score of SAA (42.7). British Airways (68.6), FlySafair (63.1) and Mango (59.6) had the best complaint handling scores.

- As a red flag, airlines need to review their incidence of complaints as well as the complaint handling process and resolution. When you consider that two-thirds of Kulula complaints and half of SAA complaints are not handled to a satisfactory level for customers, this will have a very direct and negative impact on overall customer satisfaction, and in turn loyalty.

- On the positive side, customers are more satisfied with airline brands today than they were in 2014 and 2015. Customers are also more likely to recommend airline brands in 2018 than they were previously, with the exception of SAA.

- FlySafair (75.4%) has the most loyal customers, followed by Kulula on 71.3% and British Airways (Comair) on 70.2%. SAA has the least loyal customers at 62.1% and well below industry par of 67.4%.

- On Net Promotor Score (NPS), which refers to the likelihood of a customer recommending the brand, FlySafair has the highest score at 48.4% which is more than three times higher than the industry par (15.5%). FlySafair also has the highest percentage of active brand promoters at 61% and the lowest detractors at 12%.

- British Airways (Comair) follows above par with an NPS of 29.9% and Kulula at 26.7% while Mango comes in on par 16.9%. SAA has the lowest NPS, with a barely measurable score of 0.6% and the highest number of detractors at 36%.

"FlySafair's performance has been particularly robust, driven by a focus on customer service and on-time departures and arrivals. According to statistics published by the Airport Company South Africa (ACSA), FlySafair scored an average on-

time performance of 93.6% for 2018, well ahead of other local airlines. What FlySafair has managed to do well is to balance being a low-cost affordable airline, without sacrificing quality customer service," explains Professor Adré Schreuder, SA-csi Founder and Chairperson.

Modern airlines juggle the complex goals of bringing affordable air travel to more people while maintaining efficiencies in an increasingly competitive industry that struggles with tight margins. "On a per passenger basis, the airline industry is a high-volume, low-margin industry which is why customer satisfaction and experience are such crucial factors in airline sustainability. In the face of calls for privatisation to removal of political interference, SAA has a monumental task to prove that it can return to profitability and meet consumer needs while operating as a state-owned entity," he adds.

The SA-csi for airlines offers impartial insights into South African airlines by measuring customers' overall satisfaction. It also includes, among other measures, a Customer Expectations Index, a Perceived Quality Index and a Perceived Value Index. The 2018 sample included 1025 customers of the five biggest airlines who were randomly selected to participate in the survey. Domestic travel is the dominant segment in terms of passenger volumes across the three leading South African airports (OR Tambo, Cape Town and King Shaka International airports).

"While the industry score improved from 2014 to 2018, SAA improved by a higher margin during this time, albeit off a low base. This shows that the national carrier has done something right, particularly its on-time performance, making it one of the most punctual airlines, while Kulula has the worst on-time record. It's not an easy environment to operate in and the best performing operators are those that can maintain the most fuel-efficient fleets, deliver the best customer experience and keep capital and operational expenses as low as possible," he says.

"Passengers don't simply buy an air ticket; they purchase a travel experience. Improving that experience, from booking and check-in, through security, to baggage handling and collection all form part of the overall customer experience," concludes Prof Schreuder.

Due to low sample sizes, the survey wasn't conducted in 2016 and 2017, and the latest figures are compared with 2014 and 2015 figures. FlySafair is making its debut in the survey in 2018.

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