

KLM In touch Online Research Community

Establishing continuous customer dialogue

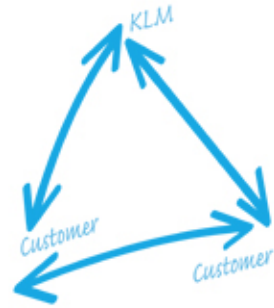
Presentation
for CRM en Co-
creation / Web
2.0 Session

Charles
Hageman
KLM Royal
Dutch Airlines

Amsterdam, 3
March 2009



In touch



Continuous customer dialogue



AGENDA

- Online today
- Online developments related to the airline industry
- Need for continuous customer dialogue
- What is the KLM In touch Community
- What does KLM In touch look like
- Benefits and Success stories
- Questions? Lets have a dialogue!

Online today

WIKIPEDIA



> 6,000,000
articles

> 100,000,000 videos



13 hours of video
uploaded per minute



200,000,000

blogs

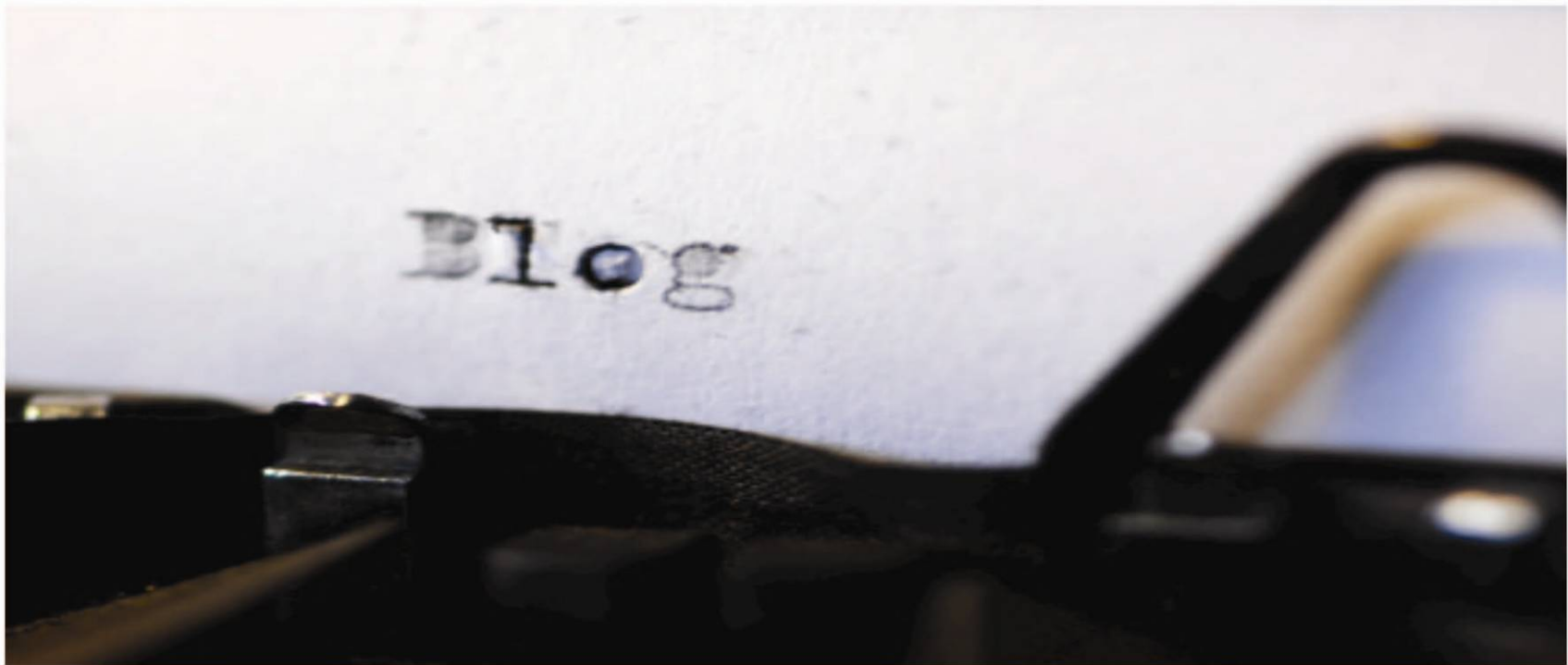


73%

of active online users have read a blog

Source: Universal McCann Comparative Study on Social Media Trends April 2008

45% have started their own blog





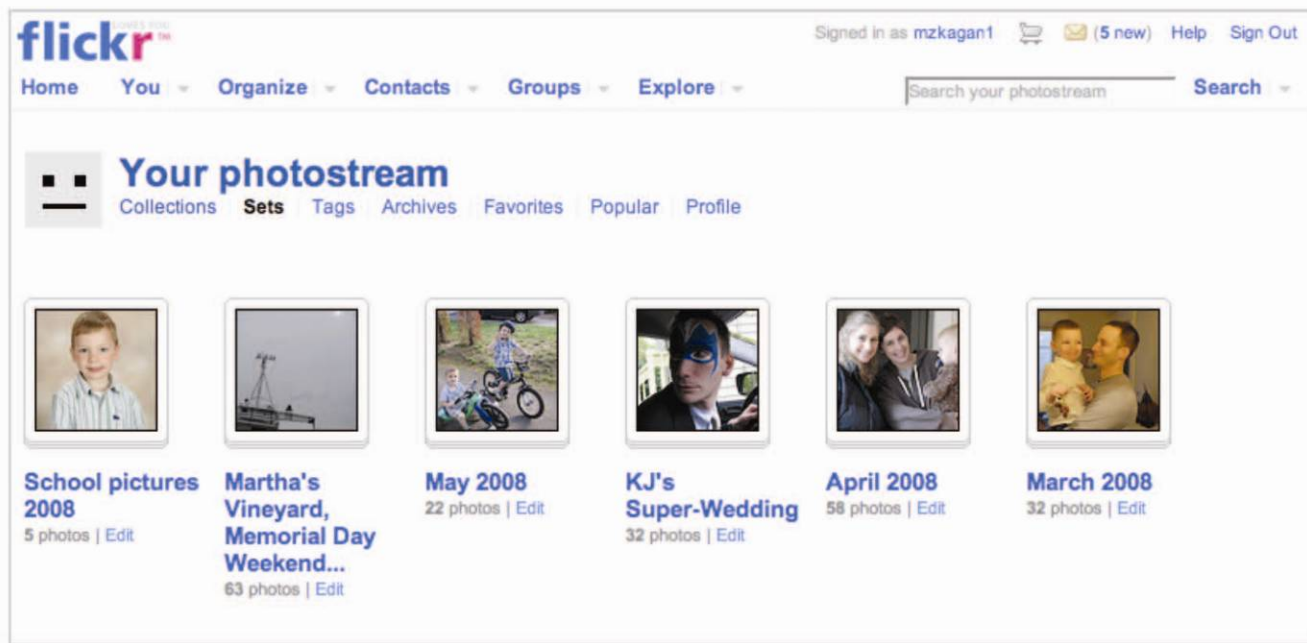
39%

subscribe to an RSS feed



55%

have uploaded photos



The screenshot shows the Flickr interface for a user named 'mzkagan1'. The page title is 'Your photostream' and it features a navigation menu with options like 'Collections', 'Sets', 'Tags', 'Archives', 'Favorites', 'Popular', and 'Profile'. Below the navigation, there are six photo sets displayed in a grid. Each set includes a representative photo thumbnail, a title, and the number of photos in the set with an 'Edit' link.

Set Name	Number of Photos
School pictures 2008	5
Martha's Vineyard, Memorial Day Weekend...	63
May 2008	22
KJ's Super-Wedding	32
April 2008	58
March 2008	32

83% have watched video clips

The screenshot shows a YouTube video player interface. At the top left is the YouTube logo with the tagline "Broadcast Yourself™". Navigation tabs for "Home", "Videos", "Channels", and "Community" are visible. A search bar and an "Upload" button are also present. The video title is "The Break Up". The video player shows a scene with a woman in a pink top sitting at a table. Below the video player, the video has a rating of 5 stars (118 ratings) and 151,388 views. There are buttons for "Share", "Favorite", "Playlists", and "Flag". Below these are social media sharing options for "Send Video", "MySpace", and "Facebook". On the right side, there is a channel information box for "geertdesager" (joined 2 years ago, 4 videos) with a "Subscribe" button. Below this are sections for "More From: geertdesager" and "Related Videos", which lists several other videos with their titles, durations, and view counts.

57%

have joined
a social
network

The image shows two screenshots of social media profiles. The top screenshot is a Facebook profile for Charles Hageman. It features a profile picture of a man wearing sunglasses, a cover photo, and navigation tabs for Wall, Info, Photos, and Boxes. Below the profile picture are links to view photos and videos of the user. The main content area shows a status update prompt: "What are you doing right now?" with a "Post" button. The bottom screenshot is a LinkedIn profile for Charles Hageman. It includes a navigation menu on the left with options like Home, Groups, Profile, Contacts, and Applications. The main profile area shows a "Profile" header, a notification that "Your settings have been changed," and a job history section. The job history lists his current position as "Research Analyst at Air France KLM" and past roles as "Consultant at ITHAKA research," "Clients Support and Consult at P/flex, Randstad Contracting Services," and "Researcher at Millward Brown."

facebook Home Profile Friends Inbox 4 Charles Hageman Settings Logout

Charles Hageman

Wall Info Photos Boxes +

Update Status Post Link Add Photos Add Video Write Note

What are you doing right now? Post

View Photos of Me (57) View Videos of Me (2) Edit My Profile

All Posts Posts by Charles Posts by Others Settings

LinkedIn People Jobs Answers Companies

Explore People Search: Harvard - Vice President at Google - Accounting Search People

Home Groups Profile Contacts Inbox (1) Applications

Profile

Edit My Profile View My Profile

Your settings have been changed.

Charles Hageman [Edit]

Research Analyst at KLM [Edit]

Amsterdam Area, Netherlands [Edit] | Market Research [Edit]

What are you working on?

Current

- Research Analyst at Air France KLM [Edit]
- Add Current Position

Past

- Consultant at ITHAKA research
- Clients Support and Consult at P/flex, Randstad Contracting Services
- Researcher at Millward Brown

The conversations are powered by...



- Blogs
- Micro Blogs
- Online Chat
- RSS
- Widgets
- Social Networks
- Social Bookmarks
- Message Boards
- Podcasts
- Video Sharing Sites
- Photo Sharing Sites
- Virtual Worlds
- Wikis

(...just to name a few)

Online developments related to the airline industry

- From passive → active



- From unaware → informed



- From isolated → connected (Web2.0)



Developments lead to new relationship with customer, based on 3 C's

- Cooperation
- Conversation
- Community

Companies moving from:

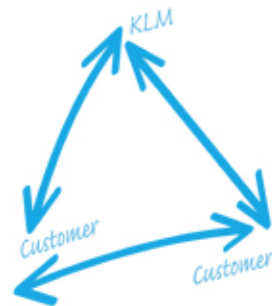
- Closed to open innovation
- 1-way communication to 3-way dialogue/ conversation with customers

So what's going on?

- People talk about you
- People are willing to express themselves on the internet
- Web2.0 technologies facilitate continuous online dialogue

So get your customers together and facilitate the dialogue

In touch



Continuous customer dialogue



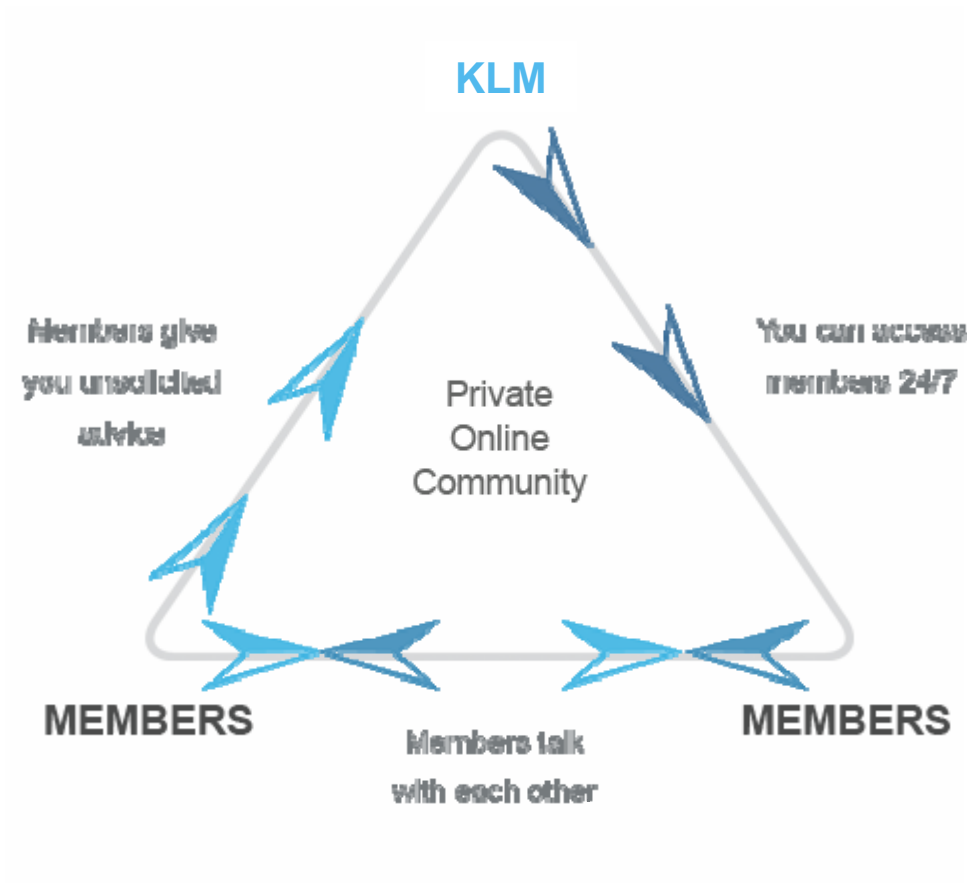
Need for continuous customer dialogue

“Co-creation begins by recognizing that the role of the consumer has changed from isolated to connected, from unaware to informed, from passive to active” –

CK Prahalad: The Future of Competition

Communities allow & need interactions

Multiple interactions together lead to Engagement



Pre-requisites in connecting with customers: Be Open and Transparent

KLM establishes a basis for more **personal contact** with and between its customers, so that they **feel acknowledged**.

This feeling will be reinforced if customers:

- can offer **ongoing feedback** on existing products and services
- **are involved** in developing new products and services at an early stage
- and can enter into **dialogue** with KLM in an open and transparent manner.

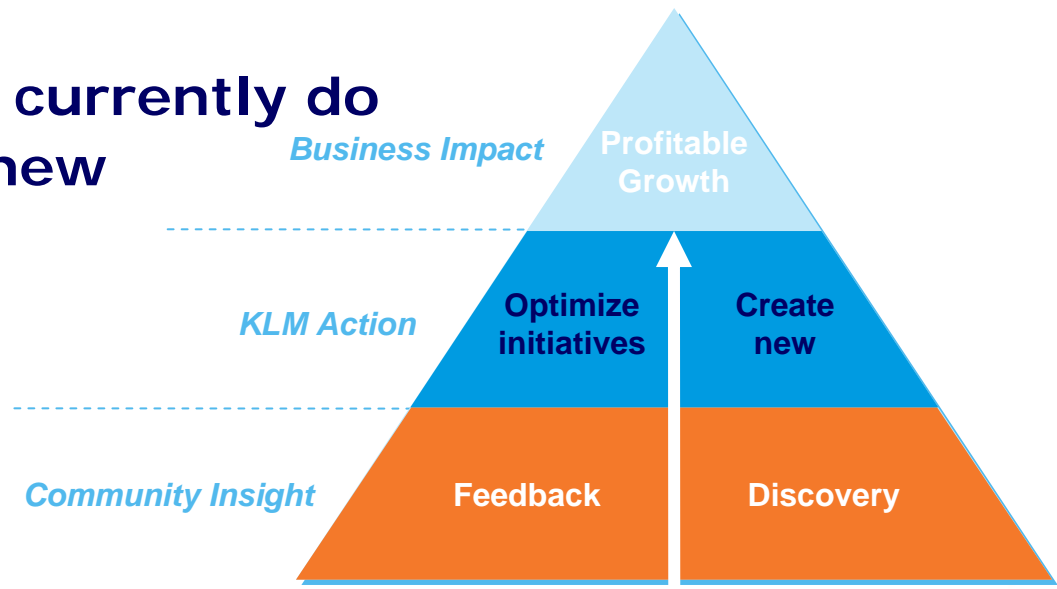
Engagement (→ Insight) → Business growth

The insight we get from our community...

1. Feedback (evaluative: customers react to research questions)
2. Discovery (unmet needs: members surface new areas for innovation)

Aligns with the two ways a business can grow organically...

1. Optimise what you currently do
2. Create something new



What is the KLM In touch Community

What is KLM InTouch?

- private, exclusive online community
- launched on 30 January 2008
- hosted by Communispace.

Members:

- 400 Flying Blue Elite members
- from The Netherlands, UK, Germany, Sweden and Norway
- frequent flyers with at least 7 KLM boardings
- have flown at least one competitive airline within the past 12 months.

KLM In touch is an explorative tool

- Directional and exploratory in nature
- Indication of target audiences attitudes
- Non-statistical sample (not representative for general population)
- Not a replacement for broad-based quantitative research
- As sound board / experts who think along

Objective KLM In touch

To understand the customers values, aspirations, dreams and challenges and co-create relevant, differentiated offerings

- Identifies top priorities (signalling function)
- Gives feedback on current product / service offers
- Surface unmet needs
- Customer insight (uncover attitudes and behaviours)
- Co-creation (customer led innovation)
- Information on competitors
- Spot trends
- Get ambassadors for your organisation
- Competitive advantage

What does KLM In touch look like?

Tools we are using

Surveys



Photo Galleries



Video Message



Discussions



Brainstorms



Chatting



Facts and figures: input

- Very active members:
 - Average unique logins per week: 153
 - Average unique logins per month: 303
 - Average contributions per week: 320
- The first year KLM InTouch facilitated:

KLM generated:

Discussions: 144
Brainstorms: 21
Surveys: 76
Chats: 7
Photo Galleries: 14

member generated:

Discussions: 373
Brainstorms: 42
Surveys: 7
Chats: 5
Photo Galleries: 21

Future innovative uses

Day in the life diaries



Member-generated marketing materials

White boarding and image annotation



Photo / Video
Ethnography
and Digital
Scrapbooks

Live member events

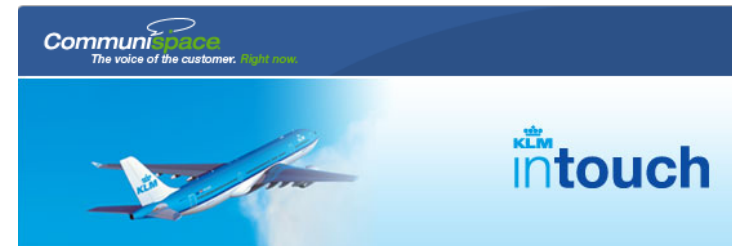


Data mining

Output from the community

Within KLM:

- weekly snapshot
- detailed topic report (bi-weekly)
- executive management summary (bi-weekly)
- ad hoc: copies of full activities to project managers
- video shots supporting reports



Community Snapshot

New FB communications easy to read and modern

Members were given the opportunity to ask questions and provide suggestions to a KLM manager who is working on Flying Blue communications. They said the new communications are "well displayed", "professional", and "trendy/contemporary". While they most value information about Award Miles, they also appreciate in more Miles they need to reach the n they will enjoy once there. Members personalisation of communications offers from other vendors (such as I



This week in the

KLM inTouch continuous customer dialogue
Executive Summary 26 March through 16 April 2008

Elite members seek help securing Visas and navigating arrival in certain travel destinations.
Key Insights: When booking business trips, some KLMinTouch Community members seek services that can help them in difficult situations. Specifically they seek help securing Visas and negotiating and expediting entry into some travel locations.

Members want to use miles for family members or in exchange for merchandise.
Key Insights: At all FB levels expectations include: -Business class check-in and priority boarding. -Ability to swap award miles to maintain membership level, more flexibility in using miles - in particular posting miles with family members or using them for merchandise), and earlier availability of internet check-in.

Community members want to be able to book additional services for their leisure trips via KLM.com.
Key Insights: Most community members book their own leisure travel and use an airline website to secure their flight. They would appreciate if KLM.com offered the following: Foreign currency, Local information including guide books, Events/theatre tickets, Vaccination appointments and Ground transportation services (partnerships with train, bus or car services), and workout gyms. Convenience will be an important factor to drive members to purchase a service on KLM.com.

Elite members want lounge access for their traveling companions.
Key Insights: Expectations at the Gold and Platinum levels include upgrades to Business Class. Elite members would like to have lounge access even if they aren't traveling on KLM for a particular trip. They also want vouchers to provide lounge access to their traveling companions.

Members want to use miles without restrictions.
Key Insights: KLMinTouch members would appreciate the opportunity to earn rewards on all purchases, and they value all purchases equally for award point calculation. They would like to be allowed to utilize miles with no restrictions (i.e. no blackout dates) for a variety of award services and gifts. They want to feel special and valued.

Platinum members insist upon special treatment.
Key Insights: Platinum members expect excellent service and are often disappointed when they don't receive special treatment by KLM staff, which they see as an essential part of their Flying Blue experience.

Findings from an online community should be considered directional and exploratory in nature.

Members' Feelings towards KLM In touch

83% are somewhat or very satisfied with their experience so far

78% expect changes to result from this community

62% believe that KLM values the opinions of its customers

55% feel more positively about KLM after being in this community

I like the fact that KLM cares for the customer opinion to such a high degree. For me KLM has become more "personal."

I have a feeling of being listened to. After being a frequent flyer for nearly 40 years this is the first time that I have been regularly asked for opinions (the on board questionnaires do not count in this respect). It also makes me more critical of other airlines' levels of service

I have felt more a part of the elite membership.

Key Benefits and Success Stories

Key benefits of KLMinTouch

- Speed
Projects can be done within a few days
- Cost efficient
High set up costs but relatively inexpensive weekly costs

Success stories

- **CEO Request, CO2 Emissions**
- **Co-Creation: New Cabin design**
- **Ad testing: Whiteboarding**
- **Quotes and video shots supporting quantitative reports**

Sources

- WHAT THE F**C IS SOCIAL MEDIA
<http://www.slideshare.net/mzkagan/what-the-fk-social-media>
- Marta Z. Kagan:
<http://bonafidemarketinggenius.com/>
<http://martazkagan.com/>
- The Consumer Context, Myra Stark (Saatchi & Saatchi)
www.saatchikevin.com/download/pdf/myra_stark_consumer_context_2005.pdf

More background info:

- **Conversation:** The Cluetrain Manifesto
http://en.wikipedia.org/wiki/Cluetrain_Manifesto
- **Community:** "Communities dominate brands" (Ahonen)
www.tomiahonen.com/dominate.html
- **Cooperation:** "The Future of Competition" (Prahalad)
www.businessweek.com/managing/content/apr2008/ca20080417_055512.htm

Charles Hageman

- Research Analyst at KLM Royal Dutch Airlines
- E-mail: Charles.Hageman@klm.com
- LinkedIn:
<http://www.linkedin.com/pub/dir/?last=hageman&first=charles>

