

Is British Airways losing altitude?

An analysis of consumer perception
of the airline based on YouGov data

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Introduction

British Airways is the biggest UK airline when it comes to the size of its fleet and the second largest in terms of passengers carried (trailing only easyJet). The carrier is also the airline with the best overall brand health among British consumers.

The brand's financial performance has also improved. BA's contribution to the €975 million profit that parent company IAG reported in its half yearly report in June 2017 was €741 million — a €110 million increase from the same period in 2016.

This growth in profits was helped by the cutting of some operating costs, such as complimentary food and drink on short-haul flights. However, the perception of BA among consumers fell following these cost-cutting measures as well as negative headlines about repeated strikes and an IT meltdown. Recently, its Impression score on YouGov BrandIndex has declined markedly and its Quality score fell from +44.1 in August 2016 to +32.5 now.

In addition to the negative media coverage, the airline is being tested elsewhere, too. Its dual position as both a short-haul carrier (up against the likes of easyJet and Ryanair) and a long-haul one — where its main competition comes from the likes of Virgin Atlantic and Emirates — places BA in two highly competitive markets.

Our data explores consumer perception of British Airways and how it has changed over the past few years among different consumer groups. Additionally, it examines which of the airline's customers are most likely to be tempted to jump ship to low-cost competitors.

This paper uses YouGov's syndicated data — YouGov BrandIndex, our brand tracking and perception tracker, and YouGov Profiles, our audience segmentation and profiling tool — to look at how British consumers view BA. Additional data was provided by YouGov Omnibus, which surveys people across the country every day.

How consumer perception of BA has changed

People who have flown in the last year

Among all recent flyers, perception of BA has declined notably.

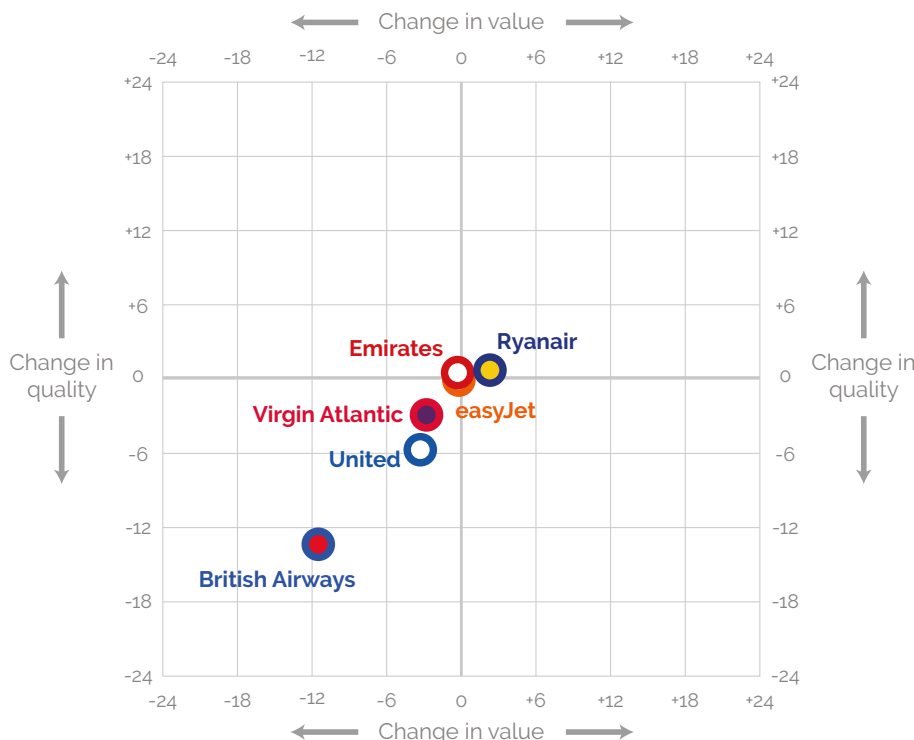
Perception of the brand's value and quality have dropped by 11.5 and 13.4 points respectively in the past year.

By comparison, low-cost competitors Ryanair and easyJet have fared better. The Irish carrier has improved on both measures over the last year, although as the data is based on a yearly rolling average the full impact of its recent pilot problems will not yet have been fully measured. While easyJet had only minor declines of 0.2 points in both measures.

Perceptions of BA's quality and value have declined at a faster rate than long-haul rivals Emirates and Virgin Atlantic and has fallen further than United, even in the face of its various public relations mis-steps in the past year.

Perception of BA has fallen among all flyers

Change in Quality & Value amongst people who have flown in the past year



How consumer perception of BA has changed

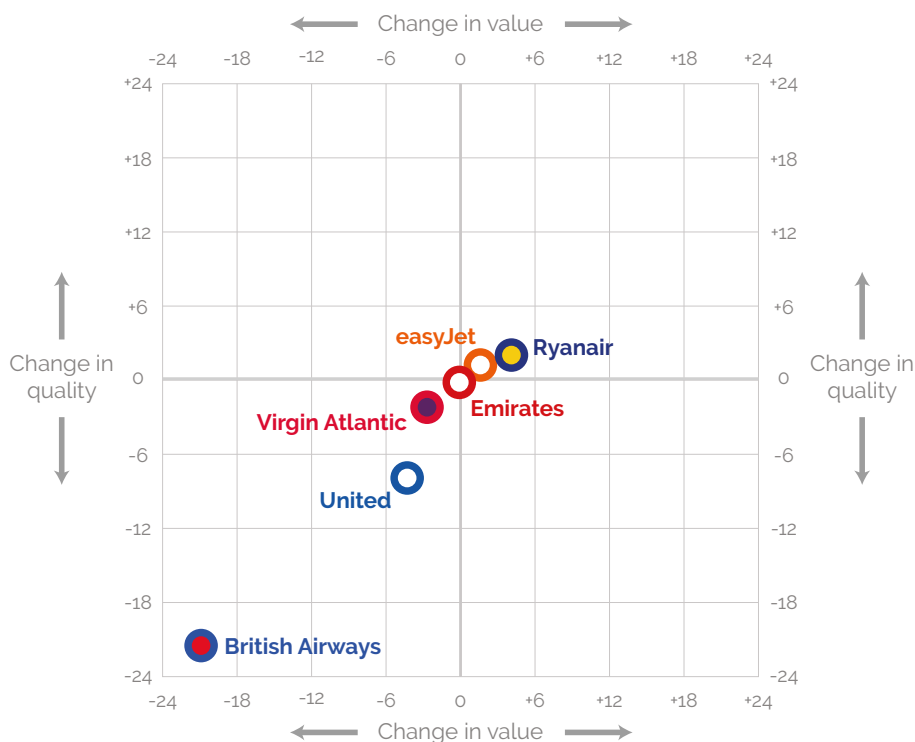
People who have flown with BA in the last year

The data shows that BA has suffered a bigger hit when it comes to its own customers. Among those who have flown with the airline in the past year, perception of value has dropped by 20.9 points while quality has fallen by 21.5.

Among this group, Ryanair had seen the greatest improvement, although the airline's recent problems have already impacted on both metrics. In contrast, easyJet has also seen an improvement when it comes to perceptions of value and quality among BA customers, increasing by 1.6 and 1.1 points respectively.

BA has seen the greatest drop among its own customers

Change in Quality & Value amongst those who have flown BA in the past year



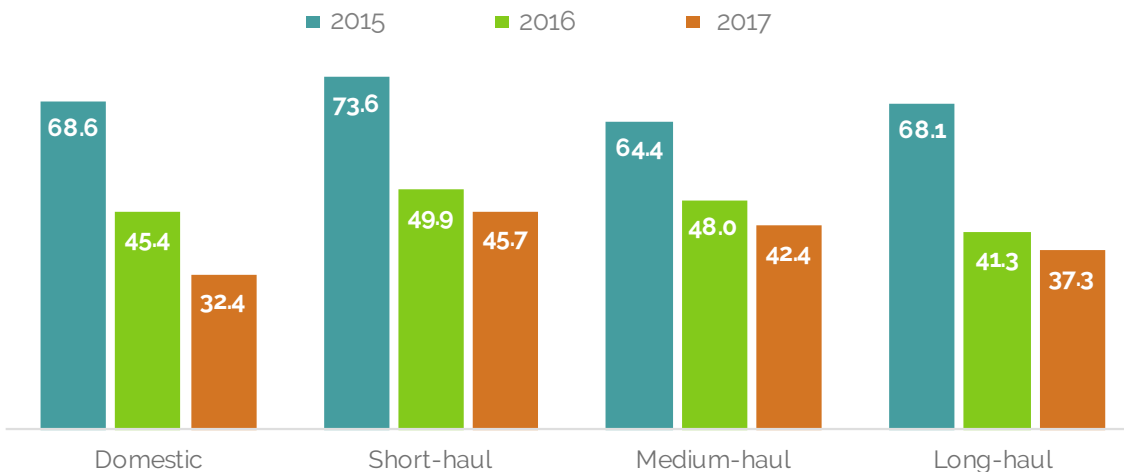
How consumer perception of BA has changed

No matter the distance, impression of BA has fallen among its customers

Our data shows that BA customers' impression of the brand has declined continuously in recent years across all four groups of BA flyers we track — domestic, short, mid, and long-haul. While Impression scores have dropped for all of these customers, the greatest fall has come among domestic travellers, closely followed by those who travel long-haul.

BA's falling impression across all types of flyer

About which of the following brands do you have generally positive/negative feelings about?
Annual scores for British Airways



YouGov | yougov.com

Source: YouGov BrandIndex, Oct '15 - Oct '17

How consumer perception of BA has changed

How do airlines' own customers feel about them?

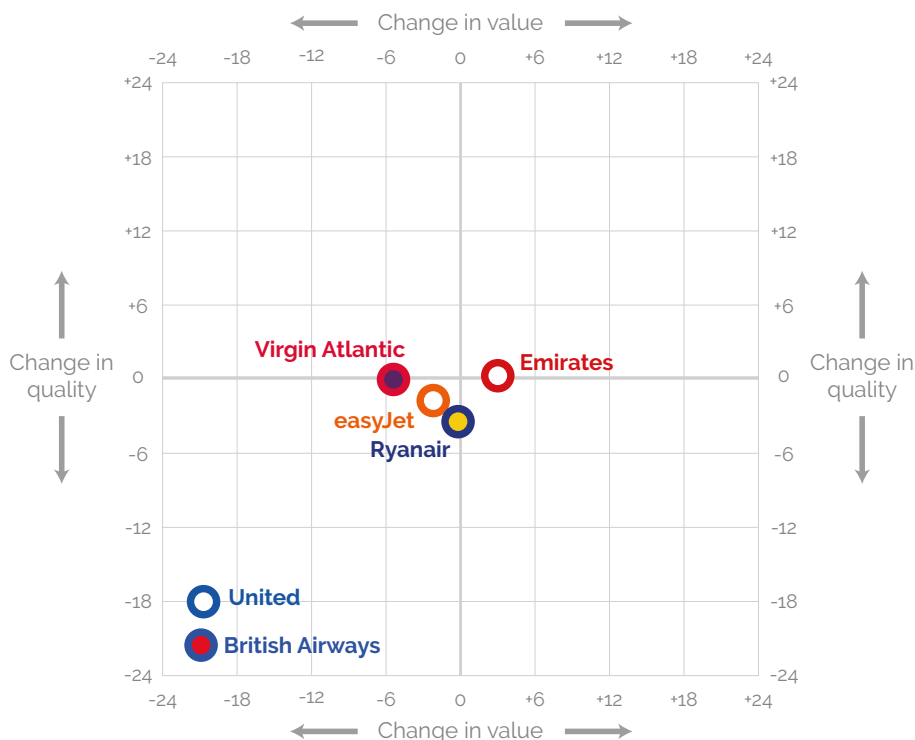
But is the decline in how British Airways' customers see the airline a distinct issue for BA or part of a wider trend across the industry?

The data shows that while many airlines have seen declines in perception of quality and value among their UK customers, BA has seen a greater fall than almost all of them.

No carrier has fallen further in terms of quality (although United, which has suffered its share of negative headlines in the past year, comes close), or value.

No other carrier has fallen more in terms of perception of quality

Change in Quality & Value amongst each brand's own customer base in the past year



How consumer perception of BA has changed

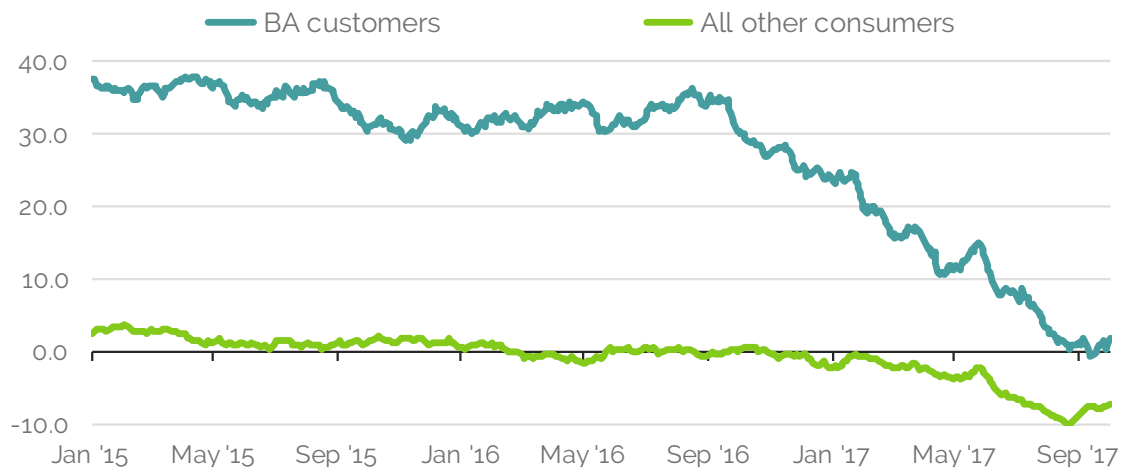
Consumer perception has fallen furthest among customers

Our tracking data shows that the drop in perception of value has been much steeper among BA's customers than the population at large, substantially closing the gap between customers and non-customers.

The decline also started earlier. While the general public's impression began to fall in May 2017 — at the time of the brand's much-publicised IT problems — the drop among BA customers started in autumn 2016, shortly after the introduction of inflight food and drink charges for short-haul flights.

BA customers' perception of the brand's value has collapsed

Which of the following brands do you think represents good/poor value for money? By that, we don't mean "cheap" or "expensive", but that the brand offers a customer a lot in return for the price paid. Value score for British Airways.



YouGov | yougov.com

Source: YouGov BrandIndex, Jan '15 - Oct '17

Flight risks: which of BA's customers are most likely to leave for a low-cost rival

Our data suggests certain BA customers are more at risk of leaving the airline for a low-cost rival than others. Using YouGov Profiles, we looked at customers who have flown with the airline within the last year, have heard something negative about the brand, and say they would consider a low-cost carrier. This lucrative audience also say they are either likely or very likely to book a flight in the next 12 months.

We explored their behaviours and attitudes, and which media channels airlines — both British Airways and its competitors — could use to reach them.



Criteria

- They have flown domestic, short, or medium-haul within the past year for leisure
- They are likely, or very likely, to book a flight in the next 12 months
- They have recently heard something negative about BA
- They perceive BA as being poor value
- They would consider flying with a low-cost carrier

Profile: who they are in terms of lifestyle, income, and education

- Earns £60,000 to £69,999 per year
- High disposable income
- Attended university
- Men under the age of 44
- No children
- Live in a flat

Flight risks: which of BA's customers are most likely to leave for a low-cost rival

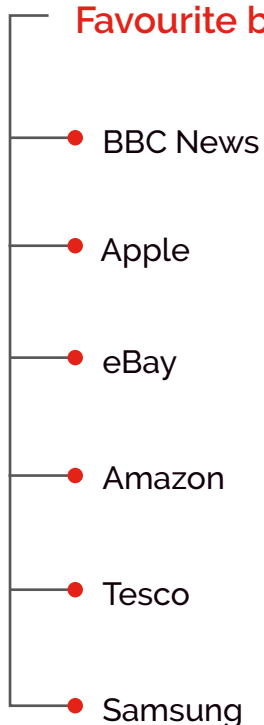
Attitudes to travel

This group are fairly frequent flyers, having flown four or more times in the previous year; they are most likely to have visited Heathrow or Gatwick recently; and they are likely to have a loyalty scheme with BA, KLM, Air France, or Lufthansa.

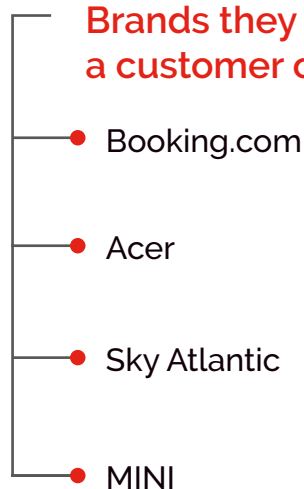
They are adventurous and say they are passionate about travelling, like to learn something new while on holiday, and they like to go off the beaten track.



Favourite brands



Brands they are more likely to be a customer of than the general public



Flight risks: which of BA's customers are most likely to leave for a low-cost rival

Attitudes to advertising and media consumed

"Seeing adverts that are too personal can put me off clicking on them."



"Personalised adverts creep me out."

"I expect adverts to entertain me."

"I think adverts are just a waste of my time."

"I feel bombarded by advertising."

Flight risks: which of BA's customers are most likely to leave for a low-cost rival

You can reach them through:

- Newspapers
- Street billboards
- Bus stop ads



How can they be won over?

These young wealthy individuals can be hard to reach. While they do use social media, they are disengaged from both posting on and monitoring the sites. So while that could show some returns it may not be the best option to engage them.

This group mostly use the internet to access news and sport and so focusing efforts in these areas could be an option. One of the best ways, though, could be through newspapers. While this group reads both on and offline, print is the better choice. Almost seven in ten (69%) people in this group have read a national newspaper in the last week — a significantly higher number than the general public. Broadsheets generally would offer the best return, with The Times being a popular choice.

Key findings

British Airways is still the highest rated airline in the UK according to many metrics. What's more, almost nine in ten people (87%) who flew with BA in the last 12 months were satisfied with their experience, higher than both Emirates (84%) and Ryanair (77%) but slightly lower than easyJet (88%).

However, satisfaction does not necessarily translate into customer advocacy or loyalty, and perception of BA has declined among all types of flyer — especially its own customers — following negative press surrounding food and drink charges, IT failures, and strikes.

While BA's current position is still relatively healthy, there are ways it can recover the ground it has recently lost. More than half of people (53%) say that complimentary refreshments are important to them when choosing an airline. Could the airline return to offering free food and drink on short-haul flights?

Or if it's not possible to re-introduce free "extras" in the current cost-cutting climate, could the brand go some way to making its customer service stand out as the best? It was reported at the time of the IT failures that, in many cases, travellers' grievances were compounded by the airline's failure to quickly rectify the situation. Our brand crisis data repeatedly shows that brands which react quickly and efficiently to a crisis are more likely to limit the damage a scandal creates.

As the brand's previous recovery since 2010 (in the aftermath of disruptions caused by industrial action and the Icelandic ash cloud) shows, British Airways has a resilience in keeping with the strong reputation the brand still holds. However in an ever more competitive market, it seems customers increasingly need good reasons to stick with BA and the data indicates that there are areas where improvements could be made.

About the data

About YouGov Profiles

YouGov Profiles is the YouGov connected data vault which holds 190,000 variables collected from the most active 250,000 panellists in the UK. YouGov has the same connected data set in the US for over 200,000 panellists with 200,000 variables, and also in Germany with 100,000 data points for over 55,000 panellists.

About YouGov BrandIndex

YouGov BrandIndex involves tracking the public perception of brands across the world every day. BrandIndex is the authoritative measure of brand perception, monitoring thousands of brands across dozens of sectors.

We interview thousands of consumers every day, yielding over 2.5 million interviews a year. BrandIndex operates at national and international levels, allowing you to track brand perception in one country, compare across multiple countries or monitor a global picture.

The sheer quantity of data that was analysed for this report makes it impossible to show all of the 1,000s of demographic, attitudinal and behaviour splits that were data mined or the large number of brand metrics analysed.

Contact us to find out more about the power of our connected data and solutions:

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