

# Top consumer/business trends in aviation for 2019

 By [Wouter Vermeulen](#)

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Using Air France-KLM (AFKLM) and its performance, as a global airline, as a benchmark against which we measure consumer and business trends, to see where we are today and where we are going, I think it's good to understand where it all started.



Wouter Vermeulen is General Manager: Southern African Region at Air France-KLM

The longevity of the KLM brand, and of AFKLM as a group, is a direct result of the alliances we formed in the past. North West and KLM were the first to build a Joint Venture (JV) over the North Atlantic, that was the model on which the current JV between Delta, Air France and KLM was built. Later Alitalia joined as well.

Taking one step back, the merger of Air France with KLM in 2004 was a new type of merger. Usually, mergers like this are acquisitions where one brand takes over the other and the tail of one airline becomes branded with the other's livery. Think US Airways and American Airlines or North West and Delta, for example.

At the time of the merger, KLM understood that there was no reason for it to use Paris as a hub, and Air France understood there was no reason to use Amsterdam as a hub, so it was a straightforward merger, with AFKLM as an umbrella and Air France and KLM retaining their own brands.

This was a bold move because in the current financial climate, an individual airline on its own will eventually find itself on the

menu for bigger, hungrier competitors.

In terms of the current major airline groups - IAG (Aer Lingus, British Airways, Iberia and Vueling), Lufthansa (a conglomerate of Lufthansa, Swiss and Austrian airlines) - AFKLM currently sits at No 3 globally behind these behemoths. When we merged, we were the biggest in terms of passengers. Now we find ourselves in the position of having to play catch-up with them.

This is the challenge that now drives AFKLM, and indeed, the major challenge for any airline today - staying competitive and at the same time growing and expanding.

Having been in the airline industry for over 10 years now, it's interesting to see how the challenges, in some respects, remain the same. Competition in the different markets; the low-cost carrier offer and investing in our fleet but still keeping a close eye on cost are the priorities for us.

### **Challenges and opportunities in the future**

The new challenges and opportunities we face are due to the times we are living in and include digitalisation, improving our customer experience in the air and on the ground and innovative and responsible initiatives to reduce our environmental footprint.

Africa is and always has been very important to both the Air France and KLM network, with KLM celebrating 80 years of service to South Africa in 2018. Some of the challenges faced on the continent are everyday activities we take for granted in Europe - electronic payments for tickets as one example - however, we will continue our efforts to improve our offer to our African customers.

An example of this is the success which KLM has had by optimising their fleet usage. By offering flights that depart in the morning, passengers can connect from anywhere in Europe and be at home that same night. The same works in the reverse where we land in Amsterdam at a time when there is a bank of departures into Europe. KLM was the first airline to do this in South Africa at the time, which was approximately 15 years ago. Being able to adapt and change in the Airline Industry is essential and part of our survival.

For me, looking at the Southern African region and how AFKLM might grow within it, I think growth can only be justified by demand. Demand is definitely improving, so I would like to see some more growth regionally. But at the moment we are focusing on partnerships within the region to help drive demand and justify further expansion.

We are always looking at the possibility to expand our network into other regions and other cities, so, for now, it's about building partnerships to increase the number of seats sold - that will, in turn, drive growth and expansion.

## **ABOUT WOUTER VERMEULEN**

General Manager: Southern African Region at Air France-KLM  
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