MSc in Marketing
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Customer journey preferences during the COVID-19 pandemic:
The case of Icelandair

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CUSTOMER JOURNEY PREFERENCES DURING THE COVID-19 PANDEMIC: THE CASE OF ICELANDAIR

Declaration of Research Work Integrity
This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document, I confirm and agree that I have read RU’s ethics code of conduct and fully understand the consequences of violating these rules in regard to my thesis.

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Abstract

During the COVID-19 outbreak, companies are striving to figure out how to adjust their customer journey and touch points in regard to customers’ preferences. This thesis adds to the scarce literature on how the customer journey should be by using a multi-attribute product concept meaning multiple attributes in the form of services and products will be put forward in two sequential studies. These studies will be conducted in the context of the air transport industry. The method chosen for data collection was choice-based conjoint analysis (CBC) and interviews which purpose was to act as supplement to the conjoint analysis. In study 1, there is a conduction of semi-structured interviews examining consumer preferences during the pandemic. This was done with the means-end chain approach and laddering technique along with the Technology Acceptance Model. In study 2, the examination is taken further by analyzing customers’ preferences within each touch point of the customer journey by conducting a CBC analysis. The findings reveal that customer preferences have been affected during COVID-19 in regard to products and services. Their primary concern is health and safety and therefore new products and services have come to light. When traveling, customers want a COVID-19 sanitizing package, sanitizing equipment, streaming ability from own devices to screens in front of them while on-board more. Because these attributes are not too costly to implement and would increase the value of customers’ journeys the airline should aim to finish implementation in near future. These results, among further insights can be used by Icelandair to understand what actions to take so the airline can continue providing customers a good customer journey.

Keywords: Customer journey, preferences, airline industry, Technology Acceptance Model, COVID-19
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1. Introduction

1.1 Problem Statement and research question

The airline industry has been hit hard in the COVID-19 pandemic. In January 2020, travel to Asia from other parts of the world plummeted. A couple of weeks later, travel to other parts of the world drastically lowered in demand. As the virus spread, countries closed their borders and many went into lockdown. For a period of time, Icelandair only flew to three destinations, London, Boston and Stockholm. These destinations were chosen so that the country would not be completely closed off and so that the Icelandic population could get home safe (“Vilja tryggja lágmarkssamgöngur”, 2020). Since the airline seized flying to nearly all destinations, it entered a dangerous territory. This led to a drastic decline in air travel and forced airlines to suspend routes and ground planes. This resulted in a severe loss of income which led to lay-offs in the industry (Lacus et al., 2020) as well as in supporting sectors. Icelandair, laid off over 2,000 people in April, the largest mass layoff in Icelandic history (“Mass layoffs in Icelandic”, 2020; “Við erum ekki”, 2020). Other airlines have also laid off people due to the outbreak, IAG the parent company of British Airways announced that it would be cutting 12,000 positions, EasyJet laid of 4,000 employees, Quantas put 20,000 on leave and American Airlines gave 700 pilots early retirement (Leggett, 2020). Many airlines have become bankrupt and many are on the brink of bankruptcy (“Flugfélagið Virgin Atlantic”, 2020; “You Won’t Believe”, 2020). The International Air Transport Association (IATA) estimates that the loss for airlines globally will be around $314 billion as a direct result of the COVID-19 pandemic (Slotnick, 2020; Whitley, 2020). COVID-19 is extremely contagious and due to the severity of the virus, the fear of getting infected has led to reductions in unnecessary contact. This has resulted in fall in demand, particularly for tourism, transportation, retail sales and leisure activities, all sectors which Icelandair operates within
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(Beck & Tobin, 2020; Smith, 2006). A report of the airline’s first quarter of 2020 indicates that the company had a loss of 26.8 billion ISK (“Tap Icelandair 26.8 milljarðar”, 2020). According to the CEO of Delta Air Lines it could take two to three years to recover from the COVID-19 pandemic. A survey by IATA found that 40 percent of recent travelers anticipated waiting for at least six months before flying again. The service of airlines has changed considerably, EasyJet is keeping middle seats empty and Korean Air’s cabin crew now uses goggles, masks, gloves as well as protective gowns (Whitley, 2020).

The research questions of this thesis are two. The first question is what the customer preferences are when flying with Icelandair and the latter, what adjustments must be made to the customer journey and touch points following the COVID-19 pandemic. These research questions were chosen because of the COVID-19 pandemic and because the author wanted to assess preferences of customers during these turbulent times. The methods used to answer these questions were comprised of interviews, a choice-based conjoint analysis as well as information gathered from various sources from the internet. This pandemic can be an opportunity for companies to successfully deal with unexpected events like the COVID-19 pandemic. Icelandair as well as other airlines are figuring out what they can affect its customers preferences when it comes to flying. This thesis examines customers thoughts on new and existing products, Icelandair could offer. According to the preferences of customers put forward in this thesis, customers want a COVID-19 sanitizing package, COVID-19 insurance policy, sanitizing equipment, in addition to technological based products such as contactless payment and personal device entertainment streaming ability to the screens in front of them when on-board the airplane. Customers want a touchless and safe experience (“Future Air Travel”, 2020; “Nano needles”, 2020). Looking at the findings revealed in the choice-based conjoint analysis, customers are
willing to pay for additional safety precautions all to experience a more safe and touchless experience and therefore, Icelandair, can by adding these products and services to its journey, improve its customer journey while also increasing the value of the experience.

The aim of the current research is to contribute directly to this issue at hand by exploring the touch points of the customer journey and what the preferences of customers are when flying during the COVID-19 pandemic. The Technology Acceptance Model (TAM) will be used when examining these preferences. The knowledge on this topic is growing and multiple studies have explored the topic at hand with most coming to the conclusion that the future is digital and involves technology being used more in the service industry (Baig, et al., 2020; Jiang & Wen, 2020; Marutschke, Gournelos & Ray, 2019). However, none have explored the current pandemic in the context of the customer journey and touchpoints while using the Technology Acceptance Model. This paper will examine customers perception of technology, ease-of-use and furthermore their willingness to use technology-based products and services that Icelandair can offer. Therefore, this thesis will be a good addition to current research.

The structure of this thesis is as follows. First, an overview of the effect COVID-19 has had on the airline industry. Second, introduction of relevant literature for this thesis. Third, methods, data collection, and results are presented in study 1 and 2, respectively. Fourth, a discussion of main findings from both studies, limitations, managerial implications and future research. Finally, the overall conclusion is presented.

2. Theoretical framework: Customer journey

In this section, relevant literature is reviewed. The focus is to identify relevant articles for the customer journey and touch points. The articles of key interest were those concerning the research question as well as related topics. The databases that were used were EBSCO (Business
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Source Premier), ABI/Inform (ProQuest), Web of Science as well as Google Scholar. The methods used in this thesis are applied netnographic methodology, means-end chain, laddering and choice-based conjoint analysis. What follows are definitions of relevant literature.

2.1 Customer journey and touch points

While advancing rapidly in the literature, the customer journey, surprisingly, has received minimal definitional development. Normally, it is linked to the customer experience (Norton and Pine, 2013), which has been defined as a customer’s journey with a company over the course of time and consisting of multiple touch points. Each time customers make a purchase they have an experience, it can be good, bad or indifferent (Berry, Carbone and Haeckel, 2002). By examining the customer journey touch points during the COVID-19 pandemic, Icelandair can figure out its customers preferences when traveling. The key to success is how effectively companies manage their customers’ experiences. The customer journey looks at things entirely from the customers’ point of view and is made up of their actions, goals, questions, and constraints over time (Richardson, 2010; Halvorsrud et al., 2016; Lemon et al., 2016). Different stages in the customer journey have been identified including Voorhees et al.’s (2017) tri-partite journey, where each touch point of the journey is characterized by unique experiential hallmarks (Hollebeek et al., 2020). Those touch points for Icelandair are booking, pre-flight information, check-in, boarding, touchless cabin, on-board service and de-boarding. These touch points were chosen because they are actionable for the airline. There are other touch points within the journey but those are not actionable for the airline. Those include the security check, stores and restaurants at the airport among others. The key to a good journey is coordination and integration of the touch points so that they seamlessly meld together into one whole (Richardson, 2010; Lemon et al., 2016). Icelandair’s service is well-regarded by customers because the airline is consistent in its
engagement with customers within all touch points. Sometimes it becomes vital to redesign the experience like when a company is experiencing a crisis. This is the case for Icelandair today. Once a company has identified its main customer journey touch points and furthermore gained an understanding of the problems that lie within each of them, companies must come to a solution on how to fix the problem. Even if a fix appears obvious from the outside, the root causes of poor customer experience often belong inside the companies and often result from cross-functional disconnects. Only by getting the cross-functional teams together to see the problems for themselves and come to a solution as a group companies can hope to fix the problem (Rawson et al., 2013). Figure 1 shows Icelandair’s customer journey’s touch points.

![Figure 1. Overview of Icelandair's customer journey and touch points](image)

After having gone through the COVID-19 pandemic, the airline will be able to better shape its customer journey as a whole by looking at isolated touch points to better the journey. For this research, a choice-based conjoint analysis will be conducted to examine the customer journey and with that the preferences of customers will be revealed. Furthermore, it will introduce new opportunities and products for the customer journey. In addition, the Technology Acceptance Model (TAM) will be used to examine the touch points. This is because technology plays a big role in defeating COVID-19. With the introduction of technologically based products and services that promote a contactless experience, Icelandair will be better suited in meeting the
preferences of customers in regard to their customer journey. Icelandair is looking into technologically based products such as contactless payment, the ability to stream content from customers' own devices to the screen placed in front of passengers while onboard the flight. Other attributes the airline is looking into is a geologistic journey from entering the airport to arriving at the gate, virtual queueing when boarding and more. All of these technologically based products promote less contact than what was previously the standard practice and will be examined in the choice-based conjoint analysis of this thesis. The Technology Acceptance Model was first introduced by Davis (1985). It is a widely cited model to clarify and anticipate the effects on technology acceptance of individuals. It comprises the core variables of user motivation which are perceived ease-of-use (PEU), perceived usefulness (PU) as well as customer attitudes towards technology (Fishbein & Ajzen, 1977). It also comprises outcome variables such as behavioral intentions and technology use. PEU and PU are the key to explaining the behavioral intentions of customers (Fig. 1) (Scherer, Siddiq & Tondeur, 2019; Davis, 1985). TAM suggests that technology usage is determined by a behavioral intention to use a system, where the intention to use said system is jointly determined by people's attitude towards using the system and its perceived usefulness. Therefore, if people consider technology to be useful and easy to use, they will be more eager to adopt that technology (Guner & Acarturk, 2020; Amoako-Gyampah and Salam, 2004). The model has been extended by adding external factors that supposedly have impact on the acceptance of technology. The external factors that can influence the variables may change, such as social influence, anxiety, facilitating conditions, self-satisfaction, cost tolerance, experience etc. (Guner & Acarturk, 2020). Therefore, it can be deducted that the COVID-19 pandemic has the potential to impact customers' acceptance of new technology. By using TAM, Icelandair can gain valuable insight into customer attitude towards technology within the
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customer journey and touch points. The airline will get information on how customers perceive the technology already in use and furthermore information on customer attitude towards new technology that might possibly be implemented in the future. Icelandair will also gain insight into customer attitude to pay for these products should they be implemented.

Figure 2. Technological Acceptance Model

2.2 Customer journey mapping

Customer journey mapping (CJM) is a visual depiction of the events happening sequentially through which customers interact with a service organization during the purchase process. Customer journey mapping paves the way to the future of the customer experience (Micheaux & Bosio, 2018). CJM lists all possible touch points that customers may encounter during the process. The goal of CJM is to enhance the customer service by improving the customer experience associated with each individual touch point. The touch points are in most cases depicted horizontally on the customer journey maps in accordance with each process timeline (Rosenbaum, Otalora, & Ramírez, 2017; Crosier & Handford, 2012; Temkin, 2010).
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The timeline is split into three periods: pre-service, service, and finally post-service. The pre-service period refers to the experience of the customer before the actual service begins. According to the CJM process by Rosenbaum, Otalora and Ramírez for Icelandair, the pre-service period includes the first four touch points of the customer journey, booking, pre-flight information, check-in and boarding. The service period is composed of the touchless cabin and on-board service attributes since those attributes have to do with the customer experience during the actual service (the flight). The post-service period contains the last touch point within Icelandair’s customer journey, de-boarding (Rosenbaum, Otalora, & Ramírez, 2017). However, in this thesis the pre-service period will be considered when the customer is at home getting the idea to book a trip. The service period includes all of Icelandair’s customer journey touch points. The post-service period is when the customer has arrived at his or her destination. During the COVID-19 pandemic, Icelandair might possibly implement different products for its service period. Possible products that might enhance the service period include online check-in, self-service check-in through kiosks and virtual queueing. Also products including touchless payments, digital menu, streaming ability from customers own devices to the screen in front of them in the airplane and finally sanitagging and zone-deboarding.

The customer journey has for a long time been central to data-driven marketing. It is important to not lose sight of the good work that has been done regarding that type of marketing. Ever since the late 1980s and early 1990s, marketing databases have been created from the collection of customer data. This data used to include gender and postal codes but often times did not include age. Today, however, this sparse customer data, like billing, gender and postal code, are not the relevant information when gathering data on customers. Currently, data sources are
increasingly more abundant, largely due to new technology like social media platforms as well as other digital channels and touch points. Today, this data can be considered as part of a service to customers. By using customer data when assisting the customer while at the same time making a profit can be considered a service for both parties, the customer and the companies (Micheaux & Bosio, 2018).

Customer journey mapping can be defined as documenting what visually illustrates customers’ processes, needs and perceptions of a brand throughout their relationship with the companies. The five steps required for successful mapping are as follows (Temkin, 2010).

1. Collection of internal insights. Companies should start the process by taking inventory of the customer knowledge they already possess. For companies that do not possess a central resource, databases and reports are still important. However, the most significant insights would likely come from stakeholders themselves. The value of this is threefold: It makes observations and ideas known involving customers and their experiences, helps with the identification of various sources of customer data and furthermore gets stakeholders involved in early stages (Temkin, 2010).

2. Development of initial hypotheses. Different groups often have different views and ideas about who the customers really are, their cares, perceptions and interactions with the companies. At this stage, many companies develop “assumption” journey maps to document internal insights, share their findings with stakeholders, and provide a framework or prototype to further and build research-based maps. This approach works well since it often has high correlation between the priorities set in company workshops and the things identified by customers. (Temkin, 2010).
3. Research on customer processes, needs and perceptions. To really get an idea of customer processes, needs, and perceptions, companies need to broaden their research to include ways that allow them to capture customer insights from their customers’ perspective. An example of this is Deloitte Consulting. The company uses mystery shopping to identify moments of truth that internal stakeholders have not noticed and that can later be explored with customers. Other ways to gauge customer sentiment and spot common issues is to conduct ethnographic studies with techniques such as contextual observation and interviewing customers (Temkin, 2010).

4. Analysis of customer research. With both internal and external research at hand, there still might be a need for additional analysis (Temkin, 2010).

5. Mapping the customer journey. Companies must be able to translate their analysis into a simple visual representation of customer processes, needs, and their perceptions. This can be done by creating customer journey maps. Customer processes provide the main visual framework. With each interaction, the map defines customer needs and identifies how successfully the company is meeting those needs. Customer journey maps may also include other details (Temkin, 2010).

3. Study 1 Customer interviews

3.1 Introduction

To gain insight from the airline’s customers, interviews were conducted during the COVID-19 pandemic. These interviews will provide understanding of customers’ preferences when it comes to services and products throughout the customer journey provided by Icelandair. The interviews are meant to support the results revealed in the choice-based conjoint analysis which are later presented in this thesis. By conducting these interviews, the author hopes to
provide a deeper understanding of customers’ preferences when going through the customer journey of Icelandair.

3.2 Method

To predict and control customer behavior, market researchers often use qualitative interviews. Qualitative interviews are useful in a range of methodological approaches and may therefore be applied to address a number of research questions. Qualitative interviews are a type of data collection that is preferable when researchers want to understand the participants’ subjective perspective on something specific rather than generating generalizable understandings of a large group of people. Because of this, qualitative interviews are a preferable data collection tool since the researchers are able to dig deep and gain a good understanding of customers’ preferences when it comes to services throughout the customer journey provided by a company, in this case, Icelandair (McGrath, Palmgren, & Liljedahl, 2018). As discussed in the literature, the focus has been on touchpoints within the customer journey at the time of the COVID-19 pandemic. However, to examine and furthermore extend to the customer journey, the Technology Acceptance Model (TAM) will be used to examine usefulness and ease-of-use of technology used in Icelandair’s customer journey (Pavlou, 2003; Min & Jeong, 2019). The approach used for this study is the Means-end Chain approach with the laddering technique. This method was chosen because it has been found useful in providing an understanding on underlying cognitive structures that drive the behaviour of customers (Park, et al., 2018; Cisneros-Cabrera, et al., 2020; Jeng & Yeh, 2016).

3.3 Participants

Purposive sampling was utilized for the collection of participants. This allowed for sampling in a strategic way, so relevance could be ensured regarding the research questions
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(Bryman & Bell, 2018). It was essential for the study to acquire customers that had previously flown with Icelandair after the COVID-19 lockdown, to gain a deep understanding of the customers’ preferences during a crisis such as the COVID-19 pandemic. In collaboration with Icelandair, an email was sent to 78 customers that had flown after the COVID-19 lockdown. Of those 78 customers, 15 gave their consent towards participating in an interview. The author called those 15 participants, with only eight responding to the call. Purposefully, the majority of the participants sample reflected Icelandair’s customers segmentation; five were other nationalities than Icelandic, and three were Icelandic. Because of this, the sample size was a total of eight participants, five women, and three men. Table 1 provides an overview of participants, presented in the order in which the interviews were conducted, as all participants will remain anonymous.

Table 1
Overview of participants

<table>
<thead>
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<th>Interview</th>
<th>Gender</th>
<th>Age</th>
<th>Nationality</th>
<th>Residence</th>
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<td>Female</td>
<td>51 years old</td>
<td>American</td>
<td>United States</td>
</tr>
<tr>
<td>B</td>
<td>Male</td>
<td>77 years old</td>
<td>Danish</td>
<td>Denmark</td>
</tr>
<tr>
<td>C</td>
<td>Female</td>
<td>57 years old</td>
<td>Icelandic</td>
<td>The Netherlands</td>
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<tr>
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<td>66 years old</td>
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<td>United States</td>
</tr>
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<td>Male</td>
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<tr>
<td>H</td>
<td>Female</td>
<td>35 years old</td>
<td>American</td>
<td>United States</td>
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</tbody>
</table>

3.4 Data collection

The data collection took place on July 3rd – July 17th, 2020, with eight interviews that were semi-structured and with open-ended questions. The reason behind the format of semi-structure interviews was because the main objective of the interviews was to collect information from the participants on personal experiences, attitudes, perceptions and their beliefs relating to the research topic. All of the interviews lasted around 20 minutes +/- 2 minutes. Three of the
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Interviews were conducted in Icelandic, as it was the authors and the participants native language. The following five interviews were conducted in English. Before conducting the interviews, the author pilot tested the questionnaire on three individuals to make sure that no question was unclear or worded in a way that it could be misunderstood. Pilot testing interviews is helpful for the researcher to be better prepared when it comes to conducting the actual interviews. It reduces and minimizes flaws and furthermore gives the researcher a chance to refine the questions before the proposed interviews (Bryman & Bell, 2018). An interview frame with 11 questions was made, both in Icelandic and English.

Regardless of the number of set questions, the author asked spontaneous and probing questions when the author felt that the participant did not provide satisfying answers. This technique is called laddering. A laddering technique interview is when a response that seems simple to a question is essentially pushed by the interviewer with the aim of finding subconscious motives. Originally from consumer research, laddering is derivative from the Means-End Theory. The Means-End Theory states that people choose a product or service because it contains attributes (classified as the means) that are essential in achieving the desired consequence and furthermore fulfillment of values (classified as the ends). In other words, consumer behaviour is dependent on how the user perceives certain product or service attributes that are likely to give desired consequences, which in turn, are beneficial to consumers’ individual values. This means that the average generic means-end chain consists of attributes (A), consequences (C) and values (V) (Park, et al., 2018; Cisneros-Cabrera, et al., 2020; Heinze, Thomann & Fischer, 2017; Jeng & Yeh, 2016).

Before the author asked the participants questions from the interview frame, the author began by introducing the research and its main objectives. Furthermore, the participants were
provided information about the structure of the interview and the number of questions followed by disclosure that the interview would be recorded for research and quality assurance proposes only. After the participants had given their consent the interviewer assured them that they would remain anonymous and that their answers could not be traced back to them.

3.5 Data analysis

All interviews were conducted via telephone due to the geographical limitation between the author and five of the participants. To ensure no mismatch in the observation, the interviews with the Icelandic participants were also conducted through telephone (Bryman & Bell, 2018). The interviews were audio-recorded using two devices, one for making the calls (set on speaker mode) and other for recording. The recordings were consequently transcribed verbatim by the author for subsequent data analysis (Kvale, 1996).

3.6 Setting and observation

The setting took place in the author’s study at her home as the interviews were conducted in the late afternoon and evening, due to the time difference as well as the participants geographical location. There were no disruptions during any of the interviews. All participants were likable and polite and quite at ease when asked questions related to the current pandemic. For each interview, observations were made on non-verbal behaviour like sighs, laughs, pauses, indifference as well as other remarks made by the participants. Next, the transcripts were printed out and read through carefully before the conduction of the analysis.

3.7 Coding

The coding chapter lists the touch points of the customer journey (themes). Throughout the writing the themes have been used as guiding light for the structure of the paper, interview questionnaire and the choice-based conjoint analysis. The themes are presented in table 2 below.
3.8 Findings and discussion

Icelandair offers its passengers a great variety of options when it comes to products and services. The airline offers a mix of marketing variations (product, price, promotion, place) with the goal of maximizing customer engagement and reward of consequences.

When participants were asked about their experience of their travels during the COVID-19 lockdown, all talked about a pleasant experience. The reasons for a pleasant experience was similar, participants mentioned helpful personnel, good information flow and regular updates as well as cleanliness on-board the aircraft. When asked whether travelers would be willing to pay additionally for a COVID-19 insurance policy, all participants answered no to that option except two, E and F. They were both interested in having that option available and said that they would consider buying that kind of insurance policy if that option would be made available to them. All participants except one, E, said they would not consider buying a sanitizing package from the airline, stating that they would have already done so themselves ahead of their trips. The one participant that answered that question the other way around said that he would like to have the option available if for some reason he forgot to buy sanitizing equipment before his flight. All participants were happy with the information flow from the airline, with one participant stating:
“If anything, the airline updated us almost too much” and another one stating: “I was very pleased”.

When asked questions that involved using technology all participants except one, C, preferred the more technological option. These questions were put in the questionnaire for more depth and to extend the framework for the thesis topic. This was done by using the Technology Acceptance Model (TAM) that has to do with usefulness as well as ease-of-use. One of the questions was concerning the option of having the geologic journey of each passenger from entering the airport to arrival at the gate available via the airline application (available on smartphone or tablet). All participants except one were intrigued and expressed interest in having that option available but also stated that in practice they would most likely not use it in future travels since they all found navigating quite easy when inside the airports. The one that was not intrigued with having that option available simply answered the question with “No, I would not use that because I feel this is unnecessary”. When asked about their preferred way of checking in, five of eight participants said they preferred automated check-in, i.e. kiosks over counter check-in with airline personnel. One participant said he really did not mind and had no preference in checking in stating he would normally choose the way that had the shortest queue. The remaining two participants said they preferred checking in with the assistance of airline personnel with one stating: “I really love talking to people!”. When asked about their preference when boarding, none of the participants had a preference. All expressed that what mattered to them when boarding was that people were punctual and that the boarding would be on schedule. Two of the participants, G and H, were very intrigued with virtual boarding via the application. One of the two, G, stated however that if the option of virtual boarding would be made available, he would most likely not use it. He questioned whether this method would work as it relied on every single
passenger arriving on time which was rarely the case. Six of eight participants preferred using their phones or watches when paying for products and services on-board while two participants preferred using physical money or credit cards. One of those two, D, however, said that he was open to making payments with his phone in the future. The option of paying with a phone or watch is likely popular since it eliminates the need to touch a public surface. Furthermore, COVID-19, has led to an exogenous shock that has pushed customers to adapt to new technology much faster than expected (“Covid-19 bringing”, 2020; “Banking after Covid-19”, 2020). All participants preferred the option of having the menu digital versus it being on paper in the seat pocket in front of them stating environmental reasons for their preference. This is likely due to the fact that people have, in recent years, become more environmentally aware and responsible and want to do good by the environment and future generations (Goodland, 1995; Danso et al., 2019). All participants liked the current entertainment system on board the airplanes. One half of the participants, A, E, G, H, was intrigued in the option of being able to stream their own content on the screen in front of them. The other half, B, C, D, F, liked to have the option but stated that they would most likely just watch the content Icelandair offered. Five out of eight, C, E, F, G, H, liked Saga shop, the in-flight shopping service. The other three participants, A, B, D, felt it was unnecessary with one stating: “I would not miss it if it went away!”.

When asked about the plus grade service Icelandair offers to its customers, all participants had heard of it and half of the participants had used it. The ones that had not used it said it was too expensive for short duration flights but stated they would possibly try bidding on better seats for longer duration flights. One of them said they had tried bidding for better seats but not gotten better ones with the bid. Regarding the possibility of having the middle seat unoccupied if
customers were willing to pay additionally for that option, all expressed that they would not want to do that.

Participants liked that the airline sold headphones to passengers but only one of the passengers had ever bought headphones on flight saying the reason for it was that he forgot his own. When asked why passengers liked the option of having headphones available for purchase on flight, all participants said that it would be good to be able to purchase them in case they would forget to bring their own. All participants had used the pillow and blankets available on board and expressed willingness in doing so again. None of the participants were bothered with using them since they believed they were cleaned after each flight.

When participants were asked if they would like the option of having hand sanitizing service on board the airplane and their willingness to pay for such service, all participants said they did not see the point in such a service and would not pay for such service.

Six of eight participants said they liked it when the airline limited the carry-on luggage as a social distancing measure and felt this limitation should become the new normality. One of those six said that they would like the airline to increase the weight or pieces of checked luggage instead. Two participants felt it was annoying and expressed dislike with the airline’s decision.

Regarding the option of having the checked bags sanitized upon reaching the destination all participants agreed that it was unnecessary and furthermore stated that they would not be willing to pay for that sort of service. Results can be seen in table 3 below.
### Table 3

Results from laddering analysis based on participants interviews

<table>
<thead>
<tr>
<th>Attributes from interview questions</th>
<th>Discussed attributes</th>
<th>Consequences and customer values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booking</td>
<td>Cancellation</td>
<td>Found booking to be difficult, flight was cancelled 4 times (A)</td>
</tr>
<tr>
<td></td>
<td>Additional services and product options</td>
<td>Would not buy additional services and products i.e. COVID-19 insurance policy, sanitizing package etc. (A, B, C, D, G, H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Would consider buying additional services and product options ahead of flight (E, F)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Too expensive. Would not use it (B, E, G, H)</td>
</tr>
<tr>
<td>Pre-flight information</td>
<td>Plus grade</td>
<td>Excellent service. Have used it (A, C, D, F)</td>
</tr>
<tr>
<td></td>
<td>Extra information</td>
<td>Felt the information flow was excellent (A, B, C, D, E, F, G, H)</td>
</tr>
<tr>
<td>Check-In</td>
<td>Way of checking in</td>
<td>Automated check-in preferred (A, B, D, E, F)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Check-in via airline personnel preferred (C, G)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No preference. Normally picks which ever has the smallest queue (H)</td>
</tr>
<tr>
<td>Boarding</td>
<td>Way of boarding</td>
<td>No preference (A, B, C, D, E, F, G, H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>What matters is punctuality and that boarding is on schedule (A, B, C, D, E, F, G, H)</td>
</tr>
<tr>
<td>Touchless cabin</td>
<td>Virtual boarding</td>
<td>Intrigued, but would not use it in practice (G, H)</td>
</tr>
<tr>
<td>On-board service</td>
<td>Entertainment system</td>
<td>Preferred paying with phones over credit cards (A, B, E, F, G, H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preferred paying with cash or credit cards (C, D)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Might pay with phone in the future (D)</td>
</tr>
<tr>
<td></td>
<td>Digital menu</td>
<td>Pleased with the entertainment (A, B, C, D, E, F, G, H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Liked having the option to stream from own devices (A, B, C, D, E, F, G, H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Would most likely not use the streaming option in practice (B, C, D, F)</td>
</tr>
<tr>
<td></td>
<td>Saga shop</td>
<td>Would prefer the menu to be digital over it being on paper (A, B, C, D, E, F, G, H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Liked having Saga shop (C, E, F, G, H)</td>
</tr>
<tr>
<td></td>
<td>Limitation on carry-on luggage</td>
<td>Felt Saga shop was unnecessary (A, B, D)</td>
</tr>
<tr>
<td>De-boarding</td>
<td>Sanitagging</td>
<td>Felt this should become the new normality (A, B, D, E, G, H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unnecessary and would not use it (A, B, C, D, E, F, G, H)</td>
</tr>
</tbody>
</table>
4. Study 2 Choice-based conjoint analysis

The focus of study 2 is on consumer choice and customers’ changing preferences when experiencing touch points in their customer journey with Icelandair. This study involved an experiment with choice-based conjoint analysis design. This choice-based conjoint analysis (CBC) is not only the focus of study 2, but for the whole paper as well. Findings from study 1 were used as attributes for the CBC analysis along with questions related to the TAM, also asked in the interviews. The multiple-choice questions of the CBC revolved around technology to find out customers’ preferences as well as willingness to adapt to using technological products and services within the customer journey.

4.1 Introduction

Choice-based conjoint analysis (CBC) is a type of preference measurement often used in market research. It has been established in the transportation industry and also in operation management and food studies (Halme & Kallio, 2011). The theory of conjoint analysis essentially measures the preferences of customers when they are given various attributes and levels for consideration. These attributes and levels are placed with a certain utility (value) on them. This leads to the determination of the overall utility by summarizing the value of its parts (levels) of products and services (Orme, 2002). The conjoint analysis helps predict customer preferences when they are faced with multiple attributes presented in the form of products and services (Green & Srinivasan, 1978). These preferences are consequently tested by separating them into compatible impact scales, where the original assessment can be altered (Gustafsson, Herrmann & Huber, 2013; Koopmanschap, van Exel, van den berg & Brouwer, 2008).

Furthermore, a conjoint analysis is more relevant in predicting overall customer preferences by considering the aggregated utility scores of a product (Levy, 1995) and is therefore often used as
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a powerful marketing research tool to predict customer choices among multiple product attributes (Rhee, Yang, & Kim, 2016).

This helps to resolve the most important preference towards the service that airlines offer their customers and provides important information about the relative impact of various factors that have effect on customer choices.

Multiple studies have been analyzed with the CBC as the chosen method, some in the field of aviation e.g. (Chung, Lee & Jang, 2017; Verma & Chandra, 2018; Bassig & Silverio, 2016; Guillet & Xu, 2013). Although to lesser extent, academic research has not undertaken this type of analysis on revision on touch points in the customer journey in a crisis such as the COVID-19 pandemic. Therefore, this paper extends the literature on conjoint analysis in regard to the touch points in the customer journey during a crisis such as the COVID-19 pandemic.

4.2 Method

4.2.1 Attributes and levels

A conjoint analysis is useful for gaining an understanding as well as addressing the combined effects of multiple product attributes on product selection by customers. In this thesis one of the goals is to figure out customers’ preferences in the customer journey during the COVID-19 pandemic (Green and Srinivasan, 1978).

For identification of appropriate attributes and levels for this CBC, various sources were used 1) meetings with specialists working at Icelandair, 2) semi-structured interviews with customers that had flown with Icelandair during the COVID-19 lockdown (study 1) and 3) background research on the customer journey as a concept as well as research on the COVID-19 pandemic. Table 4 represents the total attributes and levels used in this study. In addition, there is an attribute description and levels.
### Table 4
**Overview of attributes and levels**

<table>
<thead>
<tr>
<th>Attribute name</th>
<th>Attribute description</th>
<th>Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booking</td>
<td>Introduces options of new products and services available when booking a flight.</td>
<td>Covid-19 policy&lt;br&gt;Empty middle seat&lt;br&gt;COVID-19 sanitizing package&lt;br&gt;Geologistic journey&lt;br&gt;Sanitagging&lt;br&gt;Pre-order meals</td>
</tr>
<tr>
<td>Pre-flight service</td>
<td>Service that customers can opt-in on before entering the airplane.</td>
<td>Extra information&lt;br&gt;Plus grade</td>
</tr>
<tr>
<td>Check-In</td>
<td>Shows customers different types of ways to check-in.</td>
<td>Counter check-in&lt;br&gt;Self-service check-in kiosks&lt;br&gt;Bag tag self-service check-in kiosks&lt;br&gt;Bag tag check-in at home</td>
</tr>
<tr>
<td>Boarding</td>
<td>Introduces different types of ways to board an airplane.</td>
<td>Virtual queueing&lt;br&gt;Zone boarding</td>
</tr>
<tr>
<td>Touchless cabin</td>
<td>Shows customers touchless options while on-board.</td>
<td>Contactless payment&lt;br&gt;Personal device streaming entertainment&lt;br&gt;Digital menu</td>
</tr>
<tr>
<td>On-board service</td>
<td>Examines customers preferences on on-board service.</td>
<td>Hand sanitizing service&lt;br&gt;Pillow and blanket&lt;br&gt;Headsets&lt;br&gt;On-board shopping service&lt;br&gt;Security and safety measure videos&lt;br&gt;CARRY ON limitation&lt;br&gt;Standard carry on</td>
</tr>
<tr>
<td>De-boarding</td>
<td>Introduces different types of ways to de-board an airplane.</td>
<td>Virtual queueing&lt;br&gt;Zone de-boarding&lt;br&gt;Regular de-boarding with extra safety measures</td>
</tr>
</tbody>
</table>
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During the COVID-19 pandemic, companies had to adjust to a new reality. Among these companies were airlines, which were put in impossible situations with the enforcement of total shut down of transportation between countries. Following the re-opening of countries, airlines had to examine their touch points and moreover the customer journey as a whole following this new-found reality. There is a possibility that after the pandemic, customers’ needs and expectations have changed. This CBC will show preferences of customers during this pandemic.

Attribute 1: Booking

For this attribute, the author wanted to examine if customers preferred new kinds of products and services, either available free of charge or for purchase. The levels representing these products and services were 1) A COVID-19 policy that gave travelers a guarantee that if they would get sick from the COVID-19, then they could get home free of charge, free cancellation, re-schedule, refund etc. 2) An option of purchasing the middle seat so that it is unoccupied. This would be an option for social distancing measure. 3) A COVID-19 sanitizing package that would include sanitizing equipment such as masks, sanitizing wipes and gloves for travelers. 4) Geologic journey in an application allowing travelers to track their journey from entering the airport to departure gate. The application would show time measures and distance to gate after having arrived at the airport. 5) Sanitagging is a service available for purchase that consists of checked-in luggage being sanitized with a fogging system before travelers get their bags from the belt at their arrival destination. 6) Pre-order meals would be a service allowing travelers to choose from a variety of meals ahead of their trip, so they would not have to do so on the airplane.
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Attribute 2: Pre-flight service

This attribute had two levels and was supposed to examine service ahead of the flight. The levels were 1) Extra information which offered customers additional information on flight schedule, airline updates as well as COVID-19 updates. 2) Plus grade service that gave customers a chance to bid on better seats ahead of their flight.

Attribute 3: Check-In

What this attribute was supposed to examine was how customers preferred checking in. The levels were 1) Counter check-in which is a check-in provided by airline personnel. 2) Self-service check-in kiosks which was a check-in through machines performed by the travelers themselves. 3) Bag-tag self-service check-in printer kiosks which was a self-service kiosk service that offered contactless check-in. Customers did not have to touch anything which differentiated the check-in procedure from checking in through conventional kiosks like in level 2 above. 4) Bag tag check-in at home was a check-in service at home through application after customers had purchased equipment that offered that kind of checking in.

Attribute 4: Boarding

The boarding attribute had two levels aimed at finding out customer preference when boarding the airplanes. 1) Virtual queueing was queueing through an application where customers could view online and live when it was their turn to board the airplane. 2) Zone boarding is a boarding way by zones where airline personnel let customers know when their seating rows can board. An example of this is rows one through ten can board.

Attribute 5: Touchless cabin

This attribute was to examine customers experience and their preferences on touching versus touchless experience on flight. This was examined by looking at three levels. 1)
Contactless payment which gave customers the opportunity to pay with their phones through i.e. Apple Pay, Samsung pay among others. Payment by phone does not require cellular or internet for making transactions. 2) Personal device streaming entertainment offering a streaming ability from customers own devices to the screen in front of them. To choose what to watch, travelers use their own devices and stream the content upon the screen placed in front of them. 3) Digital menu for food and drink orders. Travelers get the opportunity to order what they like with their own devices or screen in front of them. Menus would not be available in brochures in the seat in front of travelers.

*Attribute 6: On-board service*

This attribute examined what type of service customers preferred to have on board. It had seven levels. 1) Hand sanitizing service that involved the airport crew offering customers hand sanitizing every 30 minutes on-board. 2) Pillow and blanket provided by the airline on-board. 3) Headsets available for purchase in case travelers forgot to bring their own. 4) On-board shopping service (Saga shop) which is a service that gives travelers the opportunity to purchase various goods and services on-board the aircraft. 5) Security and safety measure videos providing information regarding security and safety on-board. 6) Carry on limitation which is a social distancing safety measure that minimizes baggage per traveler that is allowed on-board. This minimizes the movement of each passenger and promotes social distancing due to the COVID-19 pandemic. 7) Standard carry on which gave customers the option to have standard carry-on luggage on-board.

*Attribute 7: De-boarding*

The de-boarding attribute had three levels aimed at finding out customer preference when de-boarding the airplanes. 1) Virtual queueing was queueing through an application where
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customers could view online and live when it was their turn to de-board the airplane. 2) Zone de-boarding is a de-boarding way by zones where airline personnel let customers know when their seating rows can de-board. An example of this is rows one through ten can de-board. 3) Regular de-boarding with extra safety measures where social distancing is considered.

In regard to the questions related to the TAM questions as well as the COVID-19 focused questions, Likert scale was used. The scale was composed of five choice options; strongly disagree, disagree, no opinion, agree and strongly agree.

4.3 Participants

A discreet choice experiment in the form of a choice-based conjoint analysis was used to collect information from 516 participants. The participants were a random sample of Amazon Mechanical Turk (Mturk) users. Mturk was chosen because it gave the researcher the ability to collect large amount of data quickly and for relatively low cost. Recruitment of participants on Mturk is easy and furthermore ideal since it allows recruiters to exclude certain demographic profiles from taking the survey thus allowing researchers to focus on certain nationalities and target markets like those in this thesis. So far, Mturk is considered a trustworthy source (Woo et al., 2015). It is found to deliver a 97 percent accurate response rate and furthermore is more reliable than other similar crowd sourcing platforms according to Vikharia and Lease (2015). This is because higher reliability scores were obtained from Mturk than from other platforms (Follmer et al., 2017). The sample was specified to only accept nationalities from Icelandair’s target market, United States, Germany, United Kingdom and The Nordic countries (Iceland, Finland, Denmark, Sweden, Norway). Since all participants completed the survey, none were discarded from the results. However, 22 participants did not disclose their age when asked about how old they were. Table 5 shows an uneven gender divide, 197 female and 318 male, 38% and
62% respectively including 1 participant or less than 1% of participants identifying as other. Most participants were at the age of 25 to 34 years old as they accounted for in total 43 percentage. As expected, the vast majority of the participants were from the United States or 94.8 percent. There was a relatively even divide between business and leisure travelers, 265 participants were business travelers while 251 where leisure travelers or 51% and 49% respectively. There was also relatively even divide between economy class and business class, 38% and 36.5% respectively which is supported by the divide of business and leisure travelers above. The other classes, premium economy and first class accounted for 20% and 5.5% respectively. Further details are provided in table 5.

**Table 5**

*Demographic profile of CBC survey participants*

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>197</td>
<td>38%</td>
</tr>
<tr>
<td>Male</td>
<td>318</td>
<td>62%</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 18 years old</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>18-24</td>
<td>25</td>
<td>5%</td>
</tr>
<tr>
<td>25-34</td>
<td>223</td>
<td>43%</td>
</tr>
<tr>
<td>35-44</td>
<td>114</td>
<td>22%</td>
</tr>
<tr>
<td>45-54</td>
<td>60</td>
<td>12%</td>
</tr>
<tr>
<td>55-64</td>
<td>58</td>
<td>11%</td>
</tr>
<tr>
<td>65 years and older</td>
<td>14</td>
<td>3%</td>
</tr>
<tr>
<td>Did not answer the question</td>
<td>22</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Country of residence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>488</td>
<td>94.8%</td>
</tr>
<tr>
<td>UK</td>
<td>27</td>
<td>5%</td>
</tr>
<tr>
<td>Iceland</td>
<td>1</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Purpose of travels</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>265</td>
<td>51%</td>
</tr>
<tr>
<td>Leisure</td>
<td>251</td>
<td>49%</td>
</tr>
</tbody>
</table>
CUSTOMER JOURNEY PREFERENCES DURING THE COVID-19 PANDEMIC: THE CASE OF ICELANDAIR

Way of flying
Economy 195 38%
Premium economy 105 20%
Business 188 36.5%
First class 28 5.5%

Worried about the COVID-19 pandemic
Strongly disagree 18 3.5%
Disagree 23 4.5%
No opinion 37 7%
Agree 310 60%
Strongly agree 128 25%

Likely to fly with Icelandair after the COVID-19 lockdown
Strongly disagree 23 4.5%
Disagree 49 9.5%
No opinion 69 13.5%
Agree 285 55%
Strongly agree 90 17.5%

4.4 Measures

The CBC experiment was created using Sawtooth’s software advanced version called Lighthouse Studio. The version is Sawtooth’s flagship software for producing and analyzing surveys. Ahead of the launch of the survey, both the survey questions as well as the survey in whole were tested on 10 individuals, of mixed age, gender and profession. Some adjustments were made to the questionnaire after it had been tested. After the adjustments, a test was performed once more. The questionnaire consisted of 14 questions as well as the Choice-based conjoint analysis itself. To improve validity, there were two fixed tasks in the CBC and the total number of versions of the questionnaire was 300. Concepts per task were four excluding the NONE option. The CBC was repeated 13 times in total. The composition of the tasks shows the attributes and levels which participants had to choose from. Each task included options of
attributes and different levels as well as a NONE option, in case participants did not prefer any of the given options. The survey was split into three parts. First, background questions and other stated preference. Second, the CBC questions or in other words tasks. Third, questions related to the Technology Acceptance Model (TAM). Figure 3 shows an example of one task from the survey.

Finally, the survey was set up and consequently launched on Mturk with the goal of collecting as much heterogeneous data as possible, leading to distributing the survey through Mturk, a crowdsourcing marketplace with a distribution workforce performing the survey’s tasks virtually. By using this method, the author could optimize efficiency and increase flexibility which in turn resulted in gathering of valuable set of data (Amazon Mechanical Turk, n.d.). To support the survey’s validity, only Mturk’s super-users of 98% track record were utilized, as well as the author added a termination question in the end of the survey to exclude any speculations of robots.
Figure 3. Example of one task from the survey

4.5 Procedure

Participants were exposed to the survey via the Mturk platform. They were given minor details on the survey as well as its time limits. The first page of the survey informed participants that the study was about the touch points and customer journey in the airline industry during the COVID-19 pandemic. They were also informed that the survey should take around 10 minutes of their time and that all answers would remain anonymous and furthermore that they could not be traced back to them. In addition, participants were told to choose the most fitting answer for each question as well as they were told that they had to answer all questions. In conclusion, it is worth mentioning that no debrief took place after the survey.
4.6 Results and discussion

4.6.1 Technology Acceptance Model results

A majority of participants said they would use the self-service options mentioned in the questionnaire if they were made available (Sum of agree and strongly agree). This did not come as a surprise since the results from the choice-based conjoint analysis in this same study gave results that indicated that customers preferred a form of technological check-in (online check-in) over a typical counter check-in (with airline personnel). This shows not only customers’ attitude and perception of the technology but also intent in using the technology.

A majority agreed and or strongly agreed that technological advancements made traveling easier or 85 percent. What was surprising was that those results did not reflect the results of the CBC analysis when looking at what participants would prefer since technological services and products did not obtain high utility scores.

A majority of the participants stated they either agreed or strongly agreed of being acceptive of new technology and furthermore that they were quick to adapt to using it. This does not relate in full with the results of the CBC when looking at the utility scores of various technological services and products. For more details see table 6.
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Table 6

Overview of results related to the TAM

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I would use the self-service options if they were made available”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Disagree</td>
<td>16</td>
<td>3%</td>
</tr>
<tr>
<td>No opinion</td>
<td>51</td>
<td>10%</td>
</tr>
<tr>
<td>Agree</td>
<td>334</td>
<td>65%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>100</td>
<td>19%</td>
</tr>
<tr>
<td>“Technological advancements make traveling easier”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>7</td>
<td>1.5%</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
<td>3%</td>
</tr>
<tr>
<td>No opinion</td>
<td>45</td>
<td>9%</td>
</tr>
<tr>
<td>Agree</td>
<td>268</td>
<td>52%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>172</td>
<td>33%</td>
</tr>
<tr>
<td>“I am acceptable of new technology and quick to adapt to using it”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Disagree</td>
<td>23</td>
<td>4.5%</td>
</tr>
<tr>
<td>No opinion</td>
<td>52</td>
<td>10%</td>
</tr>
<tr>
<td>Agree</td>
<td>296</td>
<td>57%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>130</td>
<td>25%</td>
</tr>
</tbody>
</table>

4.6.2 COVID-19 questions results

Regarding the questions focused on safety on airplanes due to the COVID-19, 424 participants or 83 percent agreed or strongly agreed that they would feel more at ease if extra safety measures were taken on their flights. However, when those same participants were asked if they would be willing to pay for these extra safety measures 385 participants answered either in agreement or strong agreement. This gives the difference of 39 people. By combining these 39 participants along with 54 other participants that said they either disagreed or strongly disagreed with the statement gives the percentage rate of 18 percent. For more details see table 7.
CUSTOMER JOURNEY PREFERENCES DURING THE COVID-19 PANDEMIC: THE CASE OF ICELANDAIR

Table 7
Overview of results specifically related to the COVID-19 pandemic

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I would feel better if extra safety measures were being taken on my flight”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>11</td>
<td>2%</td>
</tr>
<tr>
<td>Disagree</td>
<td>20</td>
<td>4%</td>
</tr>
<tr>
<td>No opinion</td>
<td>51</td>
<td>10%</td>
</tr>
<tr>
<td>Agree</td>
<td>265</td>
<td>52%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>159</td>
<td>31%</td>
</tr>
<tr>
<td>“I would be willing to pay extra for additional safety measures on my flight”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>14</td>
<td>3%</td>
</tr>
<tr>
<td>Disagree</td>
<td>40</td>
<td>8%</td>
</tr>
<tr>
<td>No opinion</td>
<td>67</td>
<td>13%</td>
</tr>
<tr>
<td>Agree</td>
<td>282</td>
<td>55%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>103</td>
<td>20%</td>
</tr>
</tbody>
</table>

4.6.3 Stated preferences

Although this experiment’s main focus was to find out customer preferences during the COVID-19 pandemic in relation to the customer journey and touch points, it was also to evaluate customer preferences in regard to safety and health when travelling and in connection to the usage of technology.

By asking COVID-19 focused questions mostly relating to safety measures on-board the airplanes, Icelandair obtained valuable information on its customers’ preferences as well as their willingness to pay for various products and services when concerned for their safety.
Furthermore, with the usage of the Technology Acceptance model (TAM) Icelandair gained insight into customer attitude towards technology within the customer journey and touch points and obtained information on how customers perceived the technology already in use as well as customer attitude towards new technology that might possibly be implemented in the future. This was done by examining perceived usefulness and ease-of-use of technological advancements such as payment with phone and streaming passengers’ own content from their own devices to the screen placed in front of them on-board the airplanes.

4.6.4 CBC results
In order to analyze the CBC results, a Hierarchal Bayes (HB) estimation was used to calculate utilities. The reason for using HB to analyze the results is that HB yields specifically individual estimates of reservation values and expenditure sensitivity, which allows for assessment of the original demand while not changing the behavior of customers. By using HB it is possible to identify changes in product features most likely to bring new customers into the market (Arora et al., 1998).

Findings from study 1 showed that customers in the airline context have various customer journey experiences. Because of this, the CBC task scenarios are supported by those findings. Table 8 shows average attribute importance and standard deviations as well as the lower and upper confidence intervals. What can be seen is that the following attributes; booking, check-in and on-board service are significant for the customers of Icelandair whereas the following attributes; pre-flight communication, boarding, touchless cabin and de-boarding are insignificant for the customers of Icelandair. Significant variables are significantly positive since the confidence interval only contains positive values, meaning that the true mean is with 95 percent certainty higher than zero. This is opposite for the insignificant attributes since their confidence
interval contains zero which could mean that their true mean might in fact be zero. Since the confidence interval is reveals that booking, check-in and on-board service are significant attributes it can be said that with 95 percent certainty they reveal that the true mean for Icelandair´s customers is positive. However, the intervals for pre-flight communication, boarding, touchless cabin and de-boarding all contain zero they are insignificant attributes and therefore do not represent the true mean which is Icelandair´s customers since the true mean could be zero.

The findings are revealed in table 8 and table 9 below.

Table 8

<table>
<thead>
<tr>
<th>Attribute name</th>
<th>Average importance</th>
<th>SD</th>
<th>Lower 95% CI</th>
<th>Upper 95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booking</td>
<td>28.61</td>
<td>12.02</td>
<td>5.05</td>
<td>52.17</td>
</tr>
<tr>
<td>Pre-flight communication</td>
<td>5.71</td>
<td>4.44</td>
<td>-2.99</td>
<td>14.41</td>
</tr>
<tr>
<td>Check-In</td>
<td>16.12</td>
<td>6.38</td>
<td>3.62</td>
<td>28.62</td>
</tr>
<tr>
<td>Boarding</td>
<td>10.60</td>
<td>5.88</td>
<td>-0.92</td>
<td>22.12</td>
</tr>
<tr>
<td>Touchless cabin</td>
<td>9.79</td>
<td>5.22</td>
<td>-0.44</td>
<td>20.02</td>
</tr>
<tr>
<td>On-board service</td>
<td>17.12</td>
<td>6.01</td>
<td>5.34</td>
<td>28.90</td>
</tr>
<tr>
<td>De-boarding</td>
<td>12.04</td>
<td>7.15</td>
<td>-1.97</td>
<td>26.05</td>
</tr>
</tbody>
</table>

Interestingly, the Booking attribute has the highest average attribute importance, indicating that participants are most sensitive towards this touch point within the customer journey when traveling again with Icelandair and maintaining a relationship with the airline. The high importance of this attribute is more than likely because of the fact that the levels of the attribute had much to do with the crisis at hand and explored and introduced options such as an empty middle seat and a COVID-19 sanitizing package.

In line with study 1, the importance of Check-In as well as On-board service were relatively high when it comes to the customer journey as those attributes explored multiple ways of checking in and service on-board the aircraft. The least important attribute was Pre-flight.
communication which did not come as a surprise to the author, since participants’ answers in study 1 were to that end as well. Also, what was in accordance to study 2 was the importance of the Touchless cabin attribute. The attribute had a relatively low score which was also revealed in study 1.

The utility scores of the attributes can be seen below and were analyzed with Hierarchal Bayes utility report. Table 9 shows average utility scores and standard deviation for all touch points.

<table>
<thead>
<tr>
<th>Attribute name</th>
<th>Levels</th>
<th>Average utilities</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booking</td>
<td>Buy a COVID-19 policy</td>
<td>11.86</td>
<td>60.68</td>
</tr>
<tr>
<td></td>
<td>Middle seat empty</td>
<td>19.29</td>
<td>98.56</td>
</tr>
<tr>
<td></td>
<td>COVID-19 sanitizing package</td>
<td>26.16</td>
<td>80.29</td>
</tr>
<tr>
<td></td>
<td>Geologicistic journey through app</td>
<td>-35.47</td>
<td>64.64</td>
</tr>
<tr>
<td></td>
<td>Sanitagging</td>
<td>-3.28</td>
<td>49.15</td>
</tr>
<tr>
<td></td>
<td>Pre-order meals</td>
<td>-18.56</td>
<td>66.56</td>
</tr>
<tr>
<td>Pre-flight communication</td>
<td>Extra information</td>
<td>2.70</td>
<td>25.20</td>
</tr>
<tr>
<td></td>
<td>Plus grade</td>
<td>-2.70</td>
<td>25.20</td>
</tr>
<tr>
<td>Check-In</td>
<td>Tag.Go</td>
<td>-10.94</td>
<td>35.46</td>
</tr>
<tr>
<td></td>
<td>Kiosks</td>
<td>-2.17</td>
<td>37.23</td>
</tr>
<tr>
<td></td>
<td>Counter check-in</td>
<td>-1.43</td>
<td>51.03</td>
</tr>
<tr>
<td></td>
<td>Online check-in</td>
<td>14.42</td>
<td>46.86</td>
</tr>
<tr>
<td></td>
<td>Bag Tag</td>
<td>0.13</td>
<td>43.65</td>
</tr>
</tbody>
</table>
Utilities for each attribute will now follow in the order of the customer journey touch points.

Booking: The level with the highest utility score within this touch point was the COVID-19 sanitizing package followed by an empty middle seat and the COVID-19 policy respectively. The geologic journey option, pre-order meals option and sanitagging had the lowest utility scores within the attribute. This is an indication that customers’ preferences were aimed at health.
and safety when traveling and moreover health and safety during the pandemic since the highest scoring products were all in relation to the COVID-19 pandemic.

Pre-flight communication: The extra information had a higher utility score than the plus grade option. The reason for that might be that customers are concerned with their safety when flying and extra information might make them feel better about traveling during this pandemic.

Check-in: The highest utility score within this attribute belonged to online check-in followed by the Bag Tag option. Surprisingly, the automated kiosks options did not score high in utility. This is not in accordance to what the author thought the results would be. What did not come as a shock was the low utility score for counter check-in. Here, like in the attributes above, the levels holding the highest utilities are products and services aimed at providing a touchless and safe experience during this pandemic.

Boarding: The provision of masks and sanitizing equipment scored the highest utility within the attribute whereas both virtual queueing and zone boarding had relatively low utility scores. The provision of mask and sanitizing equipment was the obvious customer favorite stemning most likely from the fact that it promotes health and safety when traveling which is on customers minds in this world crisis.

Touchless cabin: The utility score was highest for the personal device entertainment streaming option whereas it was lowest for the contactless payment option. This was surprising because the author thought that the contactless payment option would score higher than the streaming option because it eliminates unnecessary touch within the airplane since people can pay with their phones, watches etc. Even so the streaming option minimizes unnecessary touch in the airplane as well since passengers do not have to touch the screen in front of them, only their own streaming devices. Touchless and moreover digital experience it what the modern customer
CUSTOMER JOURNEY PREFERENCES DURING THE COVID-19 PANDEMIC: THE CASE OF ICELANDAIR

is looking for and the ability to stream passengers’ own content to the screen in front of them when seated in an airplane is a part of that touchless and digital experience (“Customer Experience Mindset”, 2020).

On-board service: The highest utility score within this attribute belonged to security and safety measure videos on-board followed by the hand sanitizing service option. Both of these options are COVID-19 friendly which is likely why they score high in utility. The security and safety measure videos option struck well with customers since most want to possess knowledge on how to fight this pandemic which can be supported by customers’ main concern, their health and safety when traveling. This in addition, numerous articles have been published over the last few months regarding how to fight the virus, how to not get infected and how to protect yourself which further support these findings (“How to protect”, 2020; “Can you get Covid-19”, 2020; “10 things the EU”, 2020). The lowest utility score was the shopping service (Saga shop) which did not come as a surprise since the interviews in study 1 revealed the same findings. Many customers feel it is unnecessary.

De-boarding: Here the preferences of customers revealed that they were inclined to regular de-boarding but with extra safety measures being taken such as social distancing.

In this study, the NONE option represents the participants choices when no options in the CBC scenario were appealing to the participants. The utility scores of the CBC study indicate that when participants area exposed in the set of CBC, their share of true preference is revealed. This thesis contributes to customer experiences based on the customers choice consumption during the COVID-19 pandemic.
CUSTOMER JOURNEY PREFERENCES DURING THE COVID-19 PANDEMIC: THE CASE OF ICELANDAIR

4.6.5 Open-ended questions results

When participants were asked what mattered to them most in terms of traveling during the COVID-19 pandemic the top three answers were, safety, social distancing and that people would wear masks. This is not surprising to the author because this is similar to the results from the CBC. Other popular answers to this question involved worries about the economy as well as concern for family members.

Another open-ended question from the survey was if participants wanted to mention anything regarding the customer journey and touch points during the COVID-19 pandemic. Similarly, the top answers to this question were in relation to safety as most answers were centered on having each touch point as safe as possible. What participants mentioned in regard to safety measures were using masks, gloves and sanitizing equipment. This supports the CBC result. It included high utility scores for COVID-19 related products and services.

4.6.6 Segmentation and segmentation results

From the CBC, two segments were identified. Segment 1 is leisure travelers who are more likely according to the CBC study to travel in economy class or premium economy. The number of participants in this segment is 272 or 53 percent of the total participants. More than half of these leisure travelers choose to travel in economy or premium economy, 77 percent and 23 percent respectively. These travelers fly on average from less than once per year to three to five times a year. The total percentage of leisure travelers flying less than once a year is 53 percent, total percentage of leisure travelers flying once to three times a year is 30 percent and leisure travelers flying from three to five times a year is 17 percent.
The other segment identified is business travelers. This segment consists of 245 people or 47 percent. These travelers are more likely to fly business class or over 99 percent. One participant answered they most often travel in first class.

Within this segment, 99 travelers or 40 percent fly on average three to five times a year. 103 in total said they fly on average five to seven times a year or 42 percent. 37 participants or 15 percent said they flew seven to nine times per year on average. The remaining three said their average was nine to 11 times per year or 1 percent.

The results from the Likert scale questions were asked to measure respondents’ attitude towards particular statements. The Likert scale is a five point scale, 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly agree.

Likert type data is ordinal data which means that it is only possible to say that one score is higher than another, it is not possible to state the distance between the points. Appropriate measurement when analyzing Likert scale data is e.g. calculating the mean of the most frequent responses. The Likert scale was combined in one and then the mean was calculated. For the analysis of these Likert scale question in this thesis the mean will therefore be put forth.

The mean of the answers of the participants that were worried about the COVID-19 crisis was 3.93. This number indicates that the majority of participants either agreed or strongly agreed when asked if they were worried about the COVID-19 crisis. The mean for the statement if participants would feel better if extra safety measures would be taken on their flight was 4.07. This indicates that most agreed with the statement. The mean of the statement if participants would be willing to pay for these extra safety measures was 3.83 indicating the participants agreed with the statement although the number was a little lower than the previous statement.
which could indicate that even though most participants would prefer these extra safety measures, not all were willing to pay for those measures. This is in accordance with study 2 where participants stated they would feel better if extra safety measures would be taken on their flight but not all of the participants expressed willingness to pay for the extra service. When participants were asked the statement if they would consider themselves likely to fly post the COVID-19 lockdown the mean was 3.64. This could be interpreted that most of the participants leaned towards agreeing or strongly agreeing with likeliness to fly after the COVID-19 lockdown. When asked if they would use the self-service options mentioned in the CBC study if they would be made available the mean was 4. This indicates that most would use the self-service options put forth in the CBC study. The mean for the statement if participants felt that technological advancements had made traveling easier was 4.15, leading to the conclusion that most felt technological advancements had in fact made traveling easier. When participants answered the statement if they were acceptive of new technology and quick to adapt to using it the mean was 4.03 which could be interpreted the same way, i.e. most participants were acceptive of new technology and quick to begin using it. The findings are presented in tables 10 and 11 below.
CUSTOMER JOURNEY PREFERENCES DURING THE COVID-19 PANDEMIC: THE CASE OF ICELANDAIR

Table 10

<table>
<thead>
<tr>
<th>Segments</th>
<th>Percentage of total participants</th>
<th>Way of traveling</th>
<th>Average trips per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure</td>
<td>53%</td>
<td>Economy class (77%)</td>
<td>&lt; 1 per year (53%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Premium economy (23%)</td>
<td>1-3 times per year (30%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3-5 times per year (17%)</td>
</tr>
<tr>
<td>Business</td>
<td>47%</td>
<td>Business class (99%)</td>
<td>3-5 times per year (40%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>First class (1%)</td>
<td>5-7 times per year (42%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7-9 times per year (15%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9-11 times per year (1%)</td>
</tr>
</tbody>
</table>

Table 11

<table>
<thead>
<tr>
<th>Worried about COVID-19</th>
<th>Would feel better if extra safety measures would be taken</th>
<th>Willingness to pay for extra safety measures</th>
<th>Willingness and likeliness to fly again after COVID-19 lockdown</th>
<th>Would use self-service option if they would be made available</th>
<th>Technological advancements have made traveling easier</th>
<th>Acceptive of new technology and quick to adapt to using it</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.93</td>
<td>4.07</td>
<td>3.83</td>
<td>3.64</td>
<td>4</td>
<td>4.15</td>
<td>4.03</td>
</tr>
</tbody>
</table>

4.6.7 Independent-Samples T-test

By using SPSS, Independent-Samples t-test was applied to compare the mean score for two different segment groups, leisure and business. The groups were asked if they would feel better if extra safety measures would be taken and if they would be willing to pay for these extra safety measures. The author felt it would be interesting to examine these variables together to gain better understanding on these two segments. For this examination, the dependent variables
are the segments, leisure and business. The independent variables are the statements. For this T-test there are two hypothesis. H₀ The two segment, leisure and business are the same and H₁ the two segments, leisure and business are not the same. If \( p < 0.05 \) then we reject H₀ which is the case here since \( p < 0.001 \) The score for the leisure segment for the former statement (\( M = 3.54, \ SD = 0.801 \), \( t(504) = -19.057, p <0.001 \) (two tailed) and the business segment (\( M = 4.68, \ SD = .469 \), \( t(430) = -19.734, p <0.001 \) (two tailed). For the latter statement, there was also significant difference in score for the groups, the leisure segment (\( M = 3.30, \ SD = .905 \), \( t(504) = -17.123, p <0.001 \) (two tailed) and the business segment (\( M = 4.44, \ SD = .497 \), \( t(445) = -17.791, p < 0.001 \) (two tailed). This means H₁ is likely to be true. The Cohen’s effect size results present the difference between the two groups, leisure and business in terms of standard deviations. The effect is large since a large effect according to Cohen is a value over 0.8 (Chen et al., 2010). Here the (Cohen’s d is 1.74 and 1.56 for the two statements, respectively). The two segments are not the same and there is significant difference between the two segments. In addition, it can be determined that the business segment expressed that it would feel better to have extra safety measures taken on board and also expressed more willingness to pay for the extra precautions rather then the leisure segment. It can be suggested that there is a difference in behavior between leisure travelers and business travelers when they are asked about products and services and willingness to pay for them based on the findings. In table 12 and 13 the results are presented.
Table 12

Mean, standard deviation and effect sizes for leisure and business segments

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Leisure (Mean, SD)</th>
<th>Business (Mean, SD)</th>
<th>Effect size (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would feel better if extra safety measures would be taken</td>
<td>3.54 (.801)</td>
<td>4.68 (.469)</td>
<td>1.74</td>
</tr>
<tr>
<td>Would pay for these extra safety measures</td>
<td>3.30 (.905)</td>
<td>4.44 (.497)</td>
<td>1.56</td>
</tr>
</tbody>
</table>

Table 13

Independent Samples T-test

<table>
<thead>
<tr>
<th></th>
<th>Independent samples Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
</tr>
<tr>
<td>Would feel better if extra safety measures would be taken</td>
<td>36.839</td>
</tr>
<tr>
<td></td>
<td>Equal variances assumed</td>
</tr>
<tr>
<td>Would pay for these extra safety measures</td>
<td>81.953</td>
</tr>
<tr>
<td></td>
<td>Equal variances assumed</td>
</tr>
</tbody>
</table>
4.6.8 Individual data segmentation

In this chapter, individual data will be used for identification of possible segments. The findings are supposed to be an indication of preferences of Icelandair’s customers of similar age. According to these individual customers, most prefer additional safety measures on board an airplane and most are willing to pay extra for these precautions. The leisure travelers all fly economy according to the findings and all business travelers fly business class. Most were accepting of new technology and agreed it had made traveling easier and furthermore stated they were quick in adapting to using it. The leisure customers were for the most part in agreement with preferring additional safety measures on board and furthermore willing to pay for them. They all fly economy on average and were likely to fly again after the COVID-19 lockdown. They agreed in most terms about technology had made traveling easier and considered themselves to be quick in adapting to it as well as using it. The business customers were also most in agreement about the preference of having additional safety measures on board as well as expressed willingness in paying for it. They all strongly agreed with being likely to fly again after the COVID-19 lockdown. They agreed that technology had made traveling easier and that they were quick in adapting to it and using it. Below is table 14 which shows profiling based on these individual customers
Table 14

Table with profiling

<table>
<thead>
<tr>
<th>Age</th>
<th>Gender</th>
<th>Reason for traveling</th>
<th>Travel class</th>
<th>Worried about the COVID-19 pandemic</th>
<th>Would prefer additional safety measures on board the airplane</th>
<th>Would be willing to pay for these extra precautions on board the airplane</th>
<th>Likely to fly again after the COVID-19 lockdown</th>
<th>Technology has made traveling easier</th>
<th>Acceptive of new technology and quick to adapt to using it</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>Female</td>
<td>Leisure</td>
<td>Economy</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>Agree</td>
</tr>
<tr>
<td>29</td>
<td>Male</td>
<td>Business</td>
<td>Business</td>
<td>Strongly disagree</td>
<td>No opinion</td>
<td>Strongly disagree</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>38</td>
<td>Female</td>
<td>Business</td>
<td>Business</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
<tr>
<td>41</td>
<td>Male</td>
<td>Business</td>
<td>Business</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
<tr>
<td>52</td>
<td>Male</td>
<td>Leisure</td>
<td>Economy</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>63</td>
<td>Male</td>
<td>Leisure</td>
<td>Economy</td>
<td>Strongly agree</td>
<td>Strongly agree</td>
<td>Strongly disagree</td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Disagree</td>
</tr>
</tbody>
</table>
5. General discussion and findings

5.1 Overall findings

Altogether, the results show that customers' preferences are affected by the COVID-19 pandemic. Customers' primary concern when flying is their health and safety. Study 1 examined Icelandair’s customer attitudes as participants were asked about the possibility of new products and services tailored to fitting this new reality the world faces that is the COVID-19 pandemic. Study 2 was comprised of a choice-based conjoint survey which was conducted on worldwide airline passengers to provide a benchmark for the previous findings. The interviews in study 1 were meant to support the results revealed in the choice-based conjoint analysis and furthermore supposed to provide deeper understanding of customers’ preferences regarding services and products within the customer journey of Icelandair. The participants stated preferences revealed in the interviews both agreed and disagreed with the results of the CBC study. There, it was revealed that participants preferences following the pandemic were services and products customized to the pandemic. This was noticed when looking at the utility scores of attributes and levels in the choice based conjoint analysis. Also, in the CBC most participant were interested in technologically advanced products and services whereas participants in study 1 were interested, but stated they would most likely not use those products and services.

By looking at the 95 percent confidence intervals for the attributes, identification of significant and insignificant attributes took place. The attributes that were significant; booking, check-in and on-board service all had confidence intervals only containing positive values. This meant that with 95 percent certainty it could be said that with 95 percent certainty they reveal that the true mean for Icelandair is positive. The intervals for pre-flight communication, boarding, touchless cabin and de-boarding all contained intervals containing zero thus they were
insignificant and therefore do not represent the true mean of Icelandair’s customers because the true mean could be zero. With the T-test earlier in this thesis two hypothesis were tested. The findings revealed that $p < 0.001$ which meant that $H_0$ was rejected and $H_1$ was likely true. This meant that $H_1$ (the two groups, leisure and business are not the same) and therefore it can be suggested that there was a difference in behavior between leisure travelers and business travelers when asked about products and services and willingness to pay for them. This is support was Cohen’s effect size being large in terms of standard deviations. This revealed a significant difference between the two segments. In addition, it can be determined that the business segment expressed that it would feel better to have extra safety measures taken on board and also expressed more willingness to pay for the extra precautions rather then the leisure segment.

When looking at the segmentation chapter and the individual customers’ answers, most preferred additional safety measures on board an airplane and were willing to pay extra for these precautions. It did not matter whether customers reason for traveling was leisure or business, both groups preferred these additional measures and expressed willingness to pay for them. Most were acceptive of new technology and agreed it had made traveling easier and furthermore stated they were quick in adapting to using it.

The questions involving technology were added to the questionnaire to extend the literature since literature on these topics combined is scarce. The results from the CBC study, mainly the utility scores of possible products and services can change the customer journey of Icelandair considerably. This in support, other airlines have changed their product line and service within the journey. Easy Jet is leaving the middle seat unoccupied, Korean Air Lines has its flight attendants and pilots in protective gear etc. What came as a surprise regarding the results of the conjoint analysis was that customers preferences did not reflect the author’s beliefs that
customers preferred more technology in regard to services and products that would possibly make
the journey more easy and pleasant. Also, this does not agree with the results from the multiple-
choice Likert scale questions in the same study where a majority of participants said they
considered themselves to be tech-savvy and quick to adapt to using new technology. However
these findings do agree with the customer interviews (study 1). Participants said there that they
found technologically advanced products and services intriguing but they would most likely not
use them.

Study 2 agrees with study 1 regarding customer preferences within the customer journey
and its touch points. Moreover, the results from the customer interviews in study 1 are important
since they gave the author the ability to dig deeper into what study 2 in this thesis had discovered.
The results of the interviews show that the majority of participants were pleased with their
journey with Icelandair and all agreed that the airline has handled the COVID-19 pandemic well.
Study 2 also contributed results on the Technology Acceptance Model (TAM) since some
questions of the questionnaire were in terms of technological advancements within the journey.
Therefore, the results of both studies are mostly in agreement. Throughout the writing of this
thesis, the author has seen much positivity towards the airline and general pleasantness when it
comes to the customer journey. To answer the research question of this thesis, results are put
forward in regard to the service period of the customer journey. Customers preferences during
this period are a COVID-19 sanitizing package, COVID-19 insurance policy, an empty middle
seat, extra information ahead of the flight, online check-in and provision of a mask and sanitizing
equipment. It would be easy and not too costly for Icelandair to implement the sanitizing package
and insurance policy as well as providing passengers with extra information ahead of their flight,
give customers the chance of an online check-in and provide passengers with masks and
sanitizing equipment. The option of an empty middle seat would be harder to implement since it lowers the load factor of the airplanes considerably which might lead to increase in price of airline ticket to cover the lower occupancy. Because of this, Icelandair should focus on implementing the other above-mentioned options i.e. all but the option of leaving the middle seat empty. Moreover, customers preferences during the service period are the ability to stream passenger content to the screens in front of them when seated on the airplane, hand sanitizing service on-board as well as health and safety videos on-board. It could be quite easy for the airline to implement the hand sanitizing service and health and safety videos on-board while the streaming ability could be harder due to bandwidth and licensing issues as well as because of additional cost resulted from the weight of the technology needed as well as fuel needed for the airplane. Icelandair should also implement regular de-boarding with extra safety measures in order to keep up with social distancing measures. The airline should implement this in the near future to meet its customers expectations.

5.2 Research and theory contributions

This paper contributes knowledge to the airline industry on what attributes, measured as products and services, airlines should be most concerned about following a crisis such as the COVID-19 pandemic. In addition, the thesis provides findings that have not yet been discovered to the authors knowledge, towards customer attitude towards technology available to customers throughout the customer journey. This paper extends the literature with connecting the Technology Acceptance Model with the customer journey in the airline industry during a crisis. In conclusion, this thesis was written by using multiple methods and studies, all for increased validity.
Both the contributions from studies 1 and 2 had an effect on customer attitude towards the customer journey, touch points as well as on technological advancements. Thus, this thesis gave valuable input for the airline when it comes to knowing what its customers prefer in their customer journey during the COVID-19 pandemic. Furthermore, the interviews in study 1 contributed deeper knowledge on what services and products the airline should offer and focus on when it comes to the preferences of customers (customer options), what choices they made (choice consumption) including with how that affected the customer consequences in addition to technological choices (TAM).

5.3 Managerial implications

As the airline finds itself in challenging times due to the COVID-19 pandemic, the focus on the touch points as well as the customer journey as a whole could contribute to more retention and an ongoing relationship between the airline and its customers. An examination of the touch points and customer journey has therefore never been as important as in current times. Companies are striving to offer good customer journey to their customers. Bove and Benoit (2020) found that by adding safety signals directed to customers to their customer journeys the companies could signal that their products and services came with a low risk of infection of COVID-19 leading to customers feeling more safe when making transactions with the companies. Bas and Sivaprasad (2020) concluded that in order for companies in the travel industry to recover from the COVID-19 pandemic it would be essential for them to look into their customer journeys and their business models, re-evaluate them to be sure they could stand another pandemic. Gurbuz and Ozkan (2020) reached the same conclusion and wrote that companies would have to look at their customer journeys and furthermore stated that it would be essential to use innovative approaches and modern technology to survive the pandemic. All these findings reveal that
changes to the customer journey must happen. The author agrees with these findings and believes that introduction of new services and products in this pandemic is essential because of new preferences of customers, new technology and customers’ perception of traveling during this pandemic. Based on this paper’s findings there are key guidelines proposed for Icelandair. First, Icelandair, like other airlines is in a position it has not been in before with much uncertainty in the coming months due to possible changes in the pandemic. Because of this, the airline should be gathering knowledge from customers, both from their online form, social media accounts, through emails as well as post-flights surveys. With this information, the airline could gain valuable insight to what is working and what is not and moreover what can be improved. By looking at the two segments identified earlier in this thesis which were leisure travelers and business travelers, a majority were worried about the COVID-19 pandemic and furthermore were willing to pay more for extra precautions on their flight. It did not matter if the travelers were leisure or business travelers, flew economy or business class, most preferred additional safety measures on board and furthermore expressed willingness to pay for those measures. This information gives the airline a chance to improve and adapt its customer journey to meet customers’ more demanding requirements when it comes to safety and health when traveling while also increasing revenue by offering new products and services relating to health and safety on flight. Based on the results of study 2, Icelandair should implement the sanitizing package and insurance policy as well as provide its passengers with extra information ahead of their flight, give them the option of online check-in and provide them with masks and sanitizing equipment. The airline should also implement the hand sanitizing service and health and safety videos on-board and use regular de-boarding techniques with extra safety measures when de-boarding the airplane. All these options should not be too costly which is great for the airline since it can meet
its customers´ expectations without significantly increasing its budget. This will add value to the customer journey and consequently value to the customer experience. Furthermore these actions could increase Icelandair´s revenue if the airline chooses to charge extra for these products and services. The author recommends based on this thesis´s findings to do so since the results indicate that customers would be willing to pay for these extra precautions because of the pandemic.

Icelandair must be agile in making decisions in a changing environment when facing a and moreover protect its relationships with customers by listening and adjusting its customer journey as often as requires. Icelandair, should look at the information it can gather as a chance to come out ahead and so it is an opportunity that should be used to its fullest. This proposed implementation should happen right away.

5.4 Limitations

5.4.1 Study 1 Limitations

For geographical reasons, all interviews were conducted through telephone. Out of eight interviews, seven interviewees were located in other countries, and one was located in Iceland which is the same place where the author lives. Because of this, less observation was possible, than from a face-to-face interview, which limited the authors possibility to discern possible confusion or discomfort (Bryman & Bell, 2015). Another limitation was how few interviews were conducted. This suggests that the interview results should be looked at with caution and furthermore not as a generalization of all passengers. Another limitation is the interview process itself. The last few interviews could be of more quality as the author may have improved her interviewing techniques over time.
5.4.2 Study 2 Limitations

A choice-based conjoint analysis survey was launched in study 2 on Mturk, a crowdsourcing platform, that gives researcher the opportunity to reach nationalities that e.g. in this case represent the majority of Icelandair's customer target group. The biggest challenge was that the CBC scenarios were filled with a lot of information and so, the participants had to process a lot of information in a short time as well as repeat the same task 13 times in total. In addition, these tasks included ideas of new products and services as well as new technology that the participants may or may not have used. Finally, the study was limited in the sense that it did not provide participants that had flown with Icelandair during the COVID-19 pandemic, rather people that had flown with other airlines following the pandemic.

5.5 Future research

Further examination is most certainly required and future research should extend this thesis’ work on choice-based conjoint analysis. More studies should be conducted on these attributes and levels and this conjoint analysis should be refined and deployed again. The provided attributes, which represent customer touch points in the customer journey could be tested with more levels and moreover new levels requested by customers through Icelandair’s communication platforms. This could give airlines further actionable insights on what to offer customers when exposed to unexpected circumstances such as COVID-19.

This thesis has laid the groundwork for further studies regarding customer journey and touch points when airlines are faced with an unexpected crisis. What would be interesting to conduct in future research is a choice-based conjoint analysis on the customer journey including more levels on prices of products and services to obtain more information on customer preferences when it comes to pricing. It is exciting to see what future research will unfold.
5.6 Conclusion

This paper examined the touch points within the customer journey with Icelandair during the COVID-19 pandemic. The customer journey was examined by looking at the touch points along with the Technology Acceptance Model as well as asking questions directly aimed at the current pandemic mostly concerning safety of customers. Two studies were conducted to manage these objectives.

The major findings of this paper were the effect that the COVID-19 pandemic has had on customers and their preferences. Customers’ requirements were different in terms of health and safety and moreover new possible products and services came out of this examination of the customer journey. The preferences of customers shifted towards products concerned with safety due to the pandemic which can be seen by looking at the utility scores earlier in this thesis. These products include a COVID-19 sanitizing package, a COVID-19 insurance policy, provision of a mask and sanitizing equipment, hand sanitizing service on board the aircraft, personal device entertainment streaming as well as security and safety measure videos about the virus on board among others. This is supported by the results from the interviews in study 1. Of all the attributes, booking followed by on-board service and check-in scored the highest average importance scores. The open-ended questions from the CBC analysis found that what mattered most to customers was safety when flying which further supports the findings of the CBC analysis which included high utility scores for COVID-19 related products and services. These products and services were introduced to meet customers requirements regarding e.g. safety when traveling. In the segmentation part of this thesis, two segments were identified, leisure and business. These segments were further examined with an independent samples T-test. The results from the T-test revealed a significant difference between the two segments and furthermore a difference in
 behaviour when asked about possible products and services and willingness to pay for them. This is supported by the Cohen’s effect size for the two segments. The results was large effect for the two segments in terms of standard deviation.

The proposed studies are consistent with the literature as they show a growing trend in preferences of customers when flying due to the pandemic at hand. Participants preferences on increased safety measures like the COVID-19 sanitizing package, insurance policy, provision of a mask and sanitizing equipment have increased following the pandemic and therefore it is inevitable that the touch points within the customer journey change according to them. This interpretation is further strengthened in the customer interviews (study 1) where the majority of customers raised their travel concerns due to the pandemic and their preferences on possible products and services within the customer journey like those mentioned above. What came as a surprise to the author was the fact that products and services of technological sorts scored higher with participants that were interviewed in study 1 than in the CBC part of study 2. When the author looked at the Likert questions in study 2, however, there was harmony with the interview participants.

Overall, this paper has contributed knowledge to the airline industry on what attributes, measured as touch points within the customer journey, Icelandair should be most concerned about in order to maintain a relationship with its customers and moreover to acquire new ones. Also, it provides findings, not yet discovered to the authors knowledge, towards customers longings towards new products and services centered around COVID-19. Moreover, it provides information regarding usefulness and ease-of-use of new technology and customers willingness to use this new technology for a more pleasant customer journey based on the Technology
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Acceptance Model. This thesis should evoke future research on customer journey in accordance to crisis management as well as the above-mentioned model.
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