

Outcome Based Regulation

Introduction

The Airline Community have attempted to focus on the true customer outcomes in response to HAL's RBP. The community acknowledge that an outcomes based approach to the monitoring and tracking service quality and performance has the best interests of consumers at its core. Rather than dwell on section 9.2 Targets, Measures & Incentives section of HAL's RBP in great detail and create a response that critiques and analyses the points raised, the community have decided to concentrate on creating a robust set of measures we feel holds Heathrow to account in providing high quality services for the charges consumers pay and expect.

Customer Journey Approach

The Airline Community have used a customer journey mapping approach to help understand the key parts of the airport journey that are important for our joint customers with a view to creating a set of measures that reflects the outcomes consumers want from their airport experience. Using information gathered from our own customer satisfaction scores about what matters most to customers through their airport journey coupled with input gained from airline operational colleagues from across the Heathrow campus covering all terminals, we feel we have been able to bring together a strong set of measures that reflects the important touchpoints.

The below image was captured at a customer journey mapping exercise with operational airlines colleagues who worked together to create the basis for the measures presented in this document:



The customer journey we mapped out was based on 3 natural separate journey stages: Outbound, Inbound and Transfers. The key touchpoints in each of the journey stages was then used to gather detailed information about what was important to consumers at that point in the journey. The customer journey map has been depicted in the following diagram in a circular fashion as a successful journey should create a level of advocacy that means they may encourage family and/or

friends to take a similar trip from Heathrow or increase their own likelihood of using the same airport again:



Using the customer journey approach has enabled the community to really think about the outcomes passengers want and provided insight into the most important factors in their journey. The common themes from our work revolved around 3 things:

- **Time:** A significant number of measures come down to speed. Pax don't want to spend more time than they need to at the airport, non-more so than on arrival
- **Disjointed:** LHR feels like 4 different airports operating different processes rather than 1 airport with 4 terminals in harmonisation, this particularly affects transfer passengers, bags and cargo
- **Inflexibility:** SQRs have been in place for over a decade with little change. Covid-19 and a demographic shift to increased leisure and VFR traffic require new ways of working and Heathrow need to be more flexible in their approach to providing services

Through the following set of measures and targets, we have attempted to ensure that these common themes are addressed particularly tying together common elements of the wider journey that builds towards a customer outcome.

Measures and Targets

Hero Measure

- 1) Net Promotor Score (NPS)

NPS is a common measure across industry types to understand overall customer satisfaction. This should be the 'Hero' measure, the North Star that is the overall outcome Heathrow's Leadership Team should be aiming to improve. It is important to ask this question once customers have been able to experience the full extent of Heathrow's services but this score helps to bring together all the touchpoints and elements of the customer journey into one simple question. Not only that, we feel that NPS is a great tool to be able to monitor and benchmark Heathrow against other airports and service providers. In addition, NPS helps the organisation become more inquisitive about the

reasons behind the score, what makes up the score e.g. to what extent does a lengthy queue at security mean to a customer's perception of Heathrow relative to the choice of retail stores.

Measure:

On a scale of 0 – 10, how likely are you to recommend Heathrow to a friend or relative?

Target:

40 pts

Predictable and Reliable

2) Airport Departure Management

This measure relates to one of the key themes, time, and covers the outcome of the time it takes all flights / all aircraft to become airborne from the point at which the aircraft is ready to depart. The measure begins at the point the flight deck posts an ACDM or ACARS 'Ready' message that the aircraft is ready to push back, the clock then stops at the point the aircraft takes off. Each gate and departure runway combination will have a standard taxi time and this measure will capture the extent to which aircraft take-off in good time once ready.

Measure:

By flight, gate and runway - ACDM/ACARS ready message to wheels up

Target

100% of aircraft within 'X' minutes of standard taxi time

Where X will be determined by the CAA but where airlines recommend no greater than 15 minutes

3) Airport Arrivals Management

Similar to the above measure but in reverse. This measures the overall taxi time from the point at which an aircraft lands at Heathrow to the time it is safely on stand. We know from customer feedback that a considerable frustration for customers is being held on the aircraft on a taxiway waiting to be allocated a stand.

Measure:

By flight, gate and runway - Wheels down to brakes on

Target:

100% of aircraft within 'X' minutes of standard taxi time

Where X will be determined by the CAA but where airlines recommend no greater than 15 minutes

4) Provision of Stand Facilities

In trying to address the 'disjointed' theme, this measure is designed to ensure that Heathrow consistently provide the level of stand facilities to be able to service the departure and arrival of each aircraft, these include stand entry, guidance, functioning and appropriate pre-conditioned air, fixed electrical ground power. Electric vehicle charging and jetty availability. With a view to building a credible customer outcome, combined, these services enable a flight can arrive and depart on time but also provides a level of comfort for passengers.

Measure:

% availability of: Stand Entry, Guidance, functioning PCA, FEGP, EV Charging & Jetty Availability

Target:

100% availability *when required

(*Some of these facilities may be required overnight)

5) Wayfinding and Ease of Journey – Perception

The question being asked of Heathrow customers is designed to be an outcome of successful wayfinding and journey management. The outcome is essentially to be able to find your way in a 'right first time' manner. We feel it is necessary to ensure that all customers are asked a similar question whether departing, arriving and/or transferring.

Measure:

Departure – On a scale of 1 to 5, I was able to go to the right place to check-in and catch my flight, first time.

Transfers: On a scale of 1 to 5, I was able to go to the right place to catch my flight first time?

Arrival: On a scale of 1 to 5, I was able get to immigration and through the baggage hall first time?

Target:

4.8

6) Pier Service

As a leading global airport and a gateway to Britain, we expect passengers to be offered an on pier service at Heathrow. Failure to provide this very basic provision deteriorates consumers perception of Heathrow and carriers. Pier service has been an historic measure and we feel it is import to retain it.

Measure:

100% of passengers receive an on-pier service

Target

95%

7) Baggage System

Simply, it is imperative that a customer trusts that when flying from LHR that their bag will arrive them at their final destination. Historically, we have only seen a measure that monitors baggage carousel availability, nothing related to departure or transfer baggage systems. Heathrow have invested millions, if not over £1bn, in baggage systems and for their RBP response to say that they can not measure system availability is inconsistent with our understanding.

HAL are proposing to measure arrivals carousel availability. Firstly, we question why they argue that departure and transfer baggage systems can't be measured in a similar way and secondly, they suggest that measuring departure and transfer baggage system availability isn't measuring an outcome. If that is the case, why are they proposing that they measure the arrivals baggage

carousel, surely, this is a contradiction? Either measuring any part of the baggage reconciliation system availability is an outcome-based measure or it isn't.

Airlines suggest a multi-layered approach to baggage as it is fundamental service for a hub airport and a key outcome for passengers.

Measures:

- a) Daily Departure, Transfer, Out Of Gauge and Arrivals baggage system % availability (0430 – 2330)
- b) Baggage in-system time Departure, Transfer and Arrivals
- c) In-system baggage mis-connection rate when within MCT.

Target:

- a) Daily 99.95% Availability (As appropriate for the day iro 0430 - 2330)
- b) TBD - by terminal
- c) In-system 1 per 1,000 direct bags & 7 per 1,000 connecting bags

8) Security

We feel that the current measures are reasonably strong and help to drive the right behaviour for HAL to keep queue times to a minimum, however, the methodology needs updating to be measured on a daily basis, rather than over a period of a month and to also include measurement commencing at the beginning of the security queue, not within the current box as it currently is.

When a queue travels down the concourse, currently, this isn't measured. Over time, we feel that it would be important to monitor the flow rate of passengers moving through security as an additional measure with the expectation that Heathrow would be incentivised to continuously improve on the flow rate.

It is imperative to ensure this measure includes all users of the search facilities, both passengers and staff therefore including the following: central search, transfer search (inc. domestic to international), Fastrack, airline private search areas, such as Virgin Atlantic's Upper Class Wing and staff search.

Measure:

Daily (0500 - 2300) 5 and 10 min actual queue time, campus wide, not boxed i.e. measured from the point at which the queue commences.

Target:

95% within 5 mins and 99% within 10 mins (Central, Transfers & Staff). 95% within 2 mins and 99% within 5 mins (Fastrack & Private Search)

9) Control Posts

A further time measure that is critical to ensuring aircraft depart on time safely is the ability to operate control posts effectively. As with central search, the current score is measured over a month, we propose this is now measured over the course of a day so that standards are maintained on a daily basis. Similarly, we expect queue wait times to be measured from the start of the queue.

Measure:

Daily, Control Post vehicle process and queue time from point of actual queue, not boxed

Target:

Daily, 95% within 10 mins

10) Immigration

Consistently, one of the most unpredictable elements of the Heathrow customer journey. Airlines appreciate that Heathrow doesn't wholly control the immigration experience, however, increasingly, it has the ability to influence it. For example, Heathrow manages and maintains the eGates. To facilitate a full end to end journey for passengers moving through the airport, consumers need to feel that their time held in an immigration line is monitored and that teams are doing all they can to ensure it is limited to the lowest possible extent. Border Force have an Service Level Agreement with Heathrow, we expect this to be shared, monitored and flown through for the benefit of consumers.

Measure:

11) Border Force SLA

Daily queue time <45 mins for Non EEA, <25 mins for EEA and <15mins for Fastrack

Target:

Daily, 100%

12) Key Asset Availability

We have attempted to amalgamate several individual measures into a single outcome based metric that looks at the availability of key infrastructure assets across the airport, such as lifts, escalators and travellators that aid a passengers journey through the airport.

Measure:

Daily (0500 – 2300) % Availability of key infrastructure: lifts, escalators and travellators

Target:

Daily 99% Availability (0500 - 2300)

13) TTS Availability 1 and 2 train

We feel that this measure should be replicated and carried over from Q6 with the exception that the measure should be calculated daily rather than monthly. We considered if the TTS should be amalgamated into the Key Asset Availability metric above but decided that as the TTS is such a fundamental piece of infrastructure in T5 that it was worthy of its own availability metric.

Measure:

Daily (0500 – 2300) TTS Availability 1 and 2 train

Target:

Daily, 99% 1 train and 97% 2 trains

14) Checkin/Bag drop and CUSS

A key part of the airport infrastructure and therefore, the customer journey is the check-in, kiosk and bag drop solution. Airlines have evidence to suggest that when customers have a bad experience at check-in, it affects their perception of the entire travel journey with the airline disproportionately than if the check-in experience was quick and uneventful. It is imperative that Heathrow ensure that the check-in and associated infrastructure is available and working as designed. We do not accept the comment made by HAL in their RBP that the system availability can not be measured. They provided no detail as to the reasons why.

Measure:

Daily Check-in, Bag drop & CUSS hardware and software % availability

Target:

Daily 99.95% Availability (0500 - 2300)

Basic Comforts

15) Hygiene Safety Testing

The importance of cleanliness and hygiene has never been more important to consumers in the wake of the Covid-19 pandemic, therefore, we feel that we need to have 2 measures for cleaning, firstly, an objective measure, focussed on testing the quality of HAL's cleaning approach. Secondly, a perception measure that considers the extent to which customers feel the Heathrow environment is clean and sanitised. We feel it's important to ensure Heathrow are doing all they can to ensure key surfaces are sanitised to an acceptable standard.

A common hygiene test is an ATP test. ATP is a molecule found in and around living cells and as such gives a direct measure of biological concentration.

ATP Tests produce 3 different levels of results:

- | | |
|----------|---|
| 1. Red | Fail |
| 2. Amber | Still Acceptable but requires attention |
| 3. Green | Pass |

Airlines agree that 'Time to resolve Amber or Red Test Results' is the most suitable measure underpinned by a minimum number of tests to be completed in each operational terminal per day.

It is important to test the surfaces after cleaning to ensure the process was carried out correctly and cleaned as required. Once a surface has been cleaned then touched by a passenger in this case it can be classed as contaminated and results change at varying increases so testing during the day some hours after cleaning may yield consistent failures that aren't entirely reflective of cleanliness under their control. That's all dependent on the chemicals used and what they say their effectiveness is.

On that basis, we suggest a 2 stage process assessment regime:

Stage 1 – Random tests immediately after cleaning to gain a pass result showing the cleaning procedure worked

Stage 2 – Random tests through the day ensuring the result was under the caution/fail (target set by multiple tests to establish avg result)

Airlines have details we can pass on regarding the equipment we use to clean aircraft which includes free cloud software to monitor and track the trends and results.

Measure:

Time to resolve Amber or Red Test Results. X number of tests to be completed in each operational terminal per day.

Target:

100% of Amber & Red test areas sanitised within 1 hour.

X tests per day per terminal

16) Cleanliness - Perception

As per the above the second cleanliness measure is one based on perception and coupled with the objective measure, truly helps to provide an outcome based approach.

Measure:

On a scale of 1 to 5, please rate to what degree Heathrow feels clean and sanitised for your safety.

Target:

4.8

17) Airport That Meets My Needs - Perception

We are in agreement with Heathrow that we need an outcome-based approach to measuring the extent to which Heathrow is providing essential needs to consumers. We have yet to find the right way to ask this question without it potentially leading to a position where there becomes disagreement between what constitutes services that are a necessity and desirable.

Measure:

TBA – Requires further dialogue

Target

Dependent on above.

18) Safety

In many respects, this safety measure could be a hero measure together with NPS to ensure there is a deep and consistent safety culture across the campus and that Heathrow are keeping all stakeholders safe. Airlines propose that we measure not only safety incidents that relate to passengers but all members of the Team Heathrow community, this involves staff across the campus too. Safety, as it relates to Team Heathrow staff, has a knock-on effect to consumers, therefore, it is highly important that the measure incorporates this group in addition to passengers.

Measure:

Reported campus wide safety incidents for all persons, passengers and staff per 1m passengers

Target

Monthly measure, 4.5 incidents per million passengers

19) Departure Gate Facilities

As part of the disjointed theme, airlines have recognised regular inconsistencies in Heathrow's ability to provide necessary departure gate facilities, such as gate bag cages, weigh scales and self-boarding gates. In order to facilitate an on-time departure, the single most important outcome customers want from an airport, it is important that these facilities are consistently provided. Therefore, we recommend Heathrow are held accountable for ensuring these facilities are available:

Measure:

Daily % availability of departure gate facilities: gate bag cages, weigh scales, self-boarding gates (terminal / gate specific).

Target:

100% availability

Enjoyable and Connected

20) WIFI - Perception

A very simple measure that has now become a necessity.

Measure:

On a scale of 1 to 5, how satisfied are you with Heathrow's wifi performance?

Target:

4.8

Cared For

21) Helpfulness and attitude of Security Staff - Perception

Relatively straight forward measure which looks to ensure that nature of the security provision is handled in a personable demeanour in what can be a stressful part of the customer journey.

Measure:

On a scale of 1 to 5, how courteous and helpful were the security staff today?

Target:

4.8

22) PRS - Perception

As an increasing demographic and as we learn more about the needs of passengers with hidden disabilities, we need to ensure these passengers are provided with the requisite quality of support they deserve. Therefore, we suggest that there are 2 questions asked of PRA passengers. Firstly, to understand the quality of the support offered and secondly, to gauge the helpfulness and demeanour of the staff providing the service.

Measure

- a) On a scale of 1 to 5, how satisfied are you with the quality and level of support provided by Heathrow today?

b) On a scale of 1 to 5, how courteous and helpful were Heathrow's service staff today?

Target

a) 4.8

b) 4.8

Surface Access

23) % of Population with a Direct Link to Heathrow

To maintain a focus on consumer outcomes, being able to get to and from Heathrow by public transport remains important for all passenger types. Therefore, we recommend that we further enhance the measure suggested previously to be more aligned to % of the UK population directly connected by public transport to Heathrow.

Measure:

% of the UK population within 10 miles of a direct connection to Heathrow

Target:

TBD based on a 2019 baseline

Airport Choice

24) Reduction in Carbon Footprint

As an organisation with a substantial carbon footprint, it is important to be able to demonstrate that Heathrow is making every effort to reduce its carbon emissions. Responsible airlines have already signed up to significant targets to reduce the effects of aviation on the planet, we feel an outcome based measure to reduce carbon emissions is perfectly suited to OBR on behalf of the consumer, wider stakeholders and the environment.

Measure:

% reduction in non-aircraft produced carbon footprint

Target

5% year on year reduction

Covid Safety

25) Covid-19 Communications – Perception

Being able to communicate to passengers of the local requirements to adhere to Covid safety measures and how to do it is important for all Heathrow users safety. Therefore, we propose to measure how easy it was to digest Covid-19 safety information.

Measure:

On a scale of 1 to 5, how easy is it to understand Heathrow's Covid-19 safety information?

26) Social Distancing – Perception

We now all appreciate the importance of being able to socially distance. We propose measuring the outcome of Heathrow's attempts to provide an environment where consumers can socially distance by asking them to what extent they felt like they could socially distance throughout their airport journey.

Measure:

On a scale of 1 to 5, how satisfied are you that you were able to socially distance safely through your journey at Heathrow?

Target:

4.8

Methodology

The Airline Community feels that we need to review the methodology for the perception-based measures to ensure that all passenger groups are surveyed. Frequently, questions are asked at the gate room which typically, misses passengers flying in premium cabins as they would tend to remain in the lounges until closer to the time of departure and walk straight onto the aircraft without dwelling in the gate space. Similarly, transit passengers may not always be spending time at the gate as they transfer across the airport.

Any ability to question consumers electronically at alternative points in the journey or beyond may provide an improved set of data points.

Capital

We note that there remains common ground between HAL's set of measures and those that we have identified above, however, we don't feel that these measures need to be reliant upon Heathrow being granted a £3.5bn capital expenditure budget. We expect year on year improvement regardless of the size of the capital envelope through activities within their existing operational budgets, such as process improvement, process re-engineering and candidate selection enhancement.

Incentives

The Airline Community don't feel the need to change the overall element of rebates maintaining them at a total of 7.0% of total airport charges at risk. However, we feel the need to compensate Heathrow by way of a bonus is un-necessary and suggest removing the bonus structure in its current incarnation. Like airlines, Heathrow should benefit from operating an acceptable or a heightened level of service through natural advocacy with increased future passenger numbers. Even in a risk sharing scenario, Heathrow will benefit up to the agreed band from increased passenger demand. Heathrow's attempt to draw parallels with the Water industry with regards to incentives, in our opinion, simply don't align with the market dynamics of the airport sector. For instance, as a pure utility/commodity if water companies provide an exceptional level of service, customers propensity so use more water doesn't increase in the same way a passenger may choose to stay loyal to an airline or airport if the service offered meets their expectations.

Airlines may consider a bonus structure as an incentive if Heathrow can demonstrate a continuous level of improvement from an already acceptable level of performance year on year that doesn't require additional capital expenditure to meet the new targets. In other words, a bonus incentive may only be payable if Heathrow build a successful programme of continuous improvement within their existing operational budget.

With regards to the question of sliding scale of knife edge. Airlines maintain that the knife edge approach has proven to drive the right behaviours at LHR with a consistently high level of attainment against the current SQRB measures and that a sliding scale approach risks diluting the progress made in prior years by Heathrow's operations team