Back on track
The team tackling the A350 cabin issues

Safety in mind
The state-of-the-art cabin trainers that can help save lives

Voice of the customer
What one thing would they change about Cathay?

Typhoon time
How our pilots fly during Hong Kong’s storm season

How do brand-led organisations behave?
CHIEF EXECUTIVE’S MESSAGE

A fond farewell

CATHAY PACIFIC HAS ACHIEVED a great deal over the decades and I am honoured to have been involved with this truly remarkable airline group for the past 32 years.

We have grown to serve 34 million customers last year and we’ve seen the successful rebranding of Cathay Pacific and Cathay Dragon, which has brought our two airlines closer together.

Today, we operate one of the youngest long-haul fleets in the sky and our global network has expanded enormously. Our role in boosting our city’s status as one of the world’s leading aviation hubs is both recognised and important. We should all be very proud.

It is difficult to single out one particular moment as being my favourite, but the many and varied awards we as an airline group have won over the years – not least the accolade of world’s best airline four times – are all very special, thanks to the efforts of everyone.

We are currently going through challenging times. But we have also been through more challenging times together, like 9/11, SARS and the 2008 global financial crisis, and we have come out of these more resilient than ever.

From the beginning of May, Rupert Hogg will take up the reins and head up the company’s new leadership structure, which has been designed to deliver our three-year transformation programme. I’m certain Cathay will emerge stronger as a result.

I really would like to thank all of you for your dedicated hard work and commitment during my tenure. It is greatly appreciated.

Having spent my entire career at Cathay Pacific, I will deeply miss working here. I will continue to support the new management team as I remain on the board, and through my new role as Chairman of John Swire & Sons (China) Limited.

It is never easy to say goodbye, but let me say it has been an absolute privilege to work alongside so many amazing people. I know that Cathay will always be in my heart and send my best wishes to you all.

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PUBLISHER
Tom Owen
MANAGING EDITOR
Mark Tindall
EDITOR
Lucy Jenkins
PHOTOGRAPHER
Karen Yung

The Journey

Produced by Cedar Hong Kong
PUBLISHER
Tom Owen
MANAGING EDITOR
Mark Tindall
EDITOR
Lucy Jenkins
PHOTOGRAPHER
Karen Yung

Advertising enquiries:
Asian Integrated Media Ltd. +852 2850 4017
asianimedia.com
enquiry@asianimedia.com

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Get involved...

This is your magazine – we want to hear from you! If you have pictures or story ideas or want to comment on anything, email us: peoplecomms@cathaypacific.com or find us in The Journey group on Yammer

The story continues...

Congratulations to Cathay Pacific on delivery of the first Trent XWB powered A350-900. Continuing our partnership of over 40 years with the world’s most efficient large aero engine.
THE NEW CODESHARE agreement with Star Alliance carrier Lufthansa and its group subsidiaries Swiss and Austrian Airlines extends Cathay Pacific’s reach into Europe by more than a dozen destinations.

In turn, the Lufthansa Group can take advantage of the Cathay network, adding Auckland, Cairns, Melbourne and Sydney. Under a single booking, passengers from Frankfurt, Munich, Vienna and Zurich will be able to check through and seamlessly transfer to their final destination in New Zealand or Australia via Hong Kong International Airport.

“The new codeshares with the Lufthansa Group are designed to increase our connectivity into continental Europe from our Frankfurt and Zurich gateways,” said Manager Airline Alliances & Airline Partnerships Cheuk Lo. “The new codeshares will help our German and Swiss flights since Lufthansa, Swiss and Austrian Airlines are the largest local carriers.”

For Cathay passengers, the European codeshares include ports in Germany, Belgium, Hungary, Norway, Italy, Switzerland and Austria. The reciprocal agreement extends to the airlines’ frequent-flyer programmes, the Marco Polo Club and Miles and More.

Cheuk added: “Besides Lufthansa, we already have existing codeshares with three other European carriers, fellow oneworld carriers British Airways and Finnair, plus unaligned Flybe. oneworld is flexible in regards to members working with carriers outside the alliance and we already have extensive partnerships in that regard, including joint ventures with Air China and Air New Zealand.”

The new codeshare agreement marks another step forward for the airlines’ cooperation. Cathay Pacific Cargo and Lufthansa Cargo signed a cooperation agreement in May 2016.

Tickets for the new codeshare destinations went on sale on 5 April.

---

**Need-to-know stories**

1. **New Discovery**
   Our inflight magazines, Discovery and Silkroad, are going online on a single site. Browse www.cathaypacific.com/discovery.

2. **Nifty A350**
   Cathay Pacific’s Airbus A350s have started service to both Vancouver and Brisbane.

3. **Stay an extra day**
   Travellers to Hong Kong from Singapore, Australia and the US can bag a free hotel night (plus Wi-Fi and an Airport Express ticket) with Cathay’s HK24 campaign, from 18 April till the end of June.

4. **The worldwide website**
   Cathay Dragon’s online booking moved across to the Cathay Pacific website on 29 March, following on from introducing a new single PNR (passenger name record).

5. **Bottoms up!**
   Betsy Beer has been a big hit since its launch on UK routes in March. The popular brew is now also being served on Australian flights and later in the year will appear on European, North American, New Zealand and Japanese routes.

---

**WIN**

We have two sets of 12 bottles of Betsy Beer to give away. For the chance to win, look out for more details on IntraCX and Dragonet soon!
3-4-3 seating: what you need to know

CATHAY PACIFIC HAS announced that it is to introduce 10-abreast seating on its Boeing 777-300s. The 3-4-3 seating layout has become an industry standard over the past few years, and the move will enable Cathay Pacific to compete with other airlines while growing capacity at an airport that is close to capacity. The move is a manifestation of the Time to Win strategy in action.

General Manager Product James Evans said: “We have had the opportunity to learn from other airlines. This is a pragmatic commercial decision, but we have taken extra time to develop a great 3-4-3 seating product.

“I have full confidence in the product and, with the bigger IFE screen and better amenities and storage on the seatback, I think customers will like it too.”

The new seats will be fitted into the current configuration.

How many extra seats will there be in each aircraft?
The regional Boeing 777s (77Z) will have 40 additional seats, growing the Economy cabin from 356 to 396. The three-class 777-300ERs (77G) will have 28 seats added, growing the cabin from 268 seats to 296. The four-class 777-300ERs (77H) will have 19 additional seats. Economy Class will grow from 182 to 201.

Who is making the seats, and which other airlines use them?
The seats are manufactured by Recaro. Currently, KLM and Qatar are using the same Recaro base seat model.

Are these seats off-the-shelf?
No. We have added a lot of customisation to give customers more functionality and greater comfort. This includes changing the seatback design to incorporate amenities stowage, personal device support and a cup holder. We have invested in a thicker, longer, more comfortable cushion combination compared to the base seat model. We have also developed a six-way adjustable headrest for extra comfort.

Will there be any changes to the current crew complement?
While we are adding Economy seats on our Boeing 777s, the crew-to-passenger ratio will be comparable to the existing ratio on our Airbus long-haul fleet.

How have the underseat IFE boxes been replaced?
In the 777-300ERs, IFE screens will be 12 inches across as opposed to nine on the existing seat, and they are higher resolution. The regional 777s will receive an upgrade with screens from the current long-haul fleet. IFE boxes continue to be sandwiched in between the seat structure rather than in the foot well to protect living space.

What was the process for consumer testing?
We invited 50 customers to test different versions of the seat. From their feedback, we developed a new iteration of the seat cushion and a redesign of the headrest. We have also run longer tests where the members of the project team trialled versions of the seat to decide on the cushion combination that gave better comfort over longer time periods.

BA and ANA are sticking with 3-3-3, so how will we compete?
British Airways has announced moving to 3-4-3 on its Gatwick-based fleet of 777s. The difference in width between Cathay Pacific new seats and BA’s 3-3-3 cabin is very small: 17.2 inches against 17.5.

How will you convince people that this will not impact the passenger experience?
We will have spent a few years developing this product. The cushioning, the larger higher-definition screen and features of the seat will mean that our Economy Class experience is better than the competition. We are confident that the consideration that has gone into the design and the Service Straight from the Heart delivered by our crew will be a winning combination.

Replacements for regional 777-200s will be first to go 3-4-3

The 3-4-3 Economy cabin configuration will make its first appearance in aircraft that are not yet part of the fleet.

The new seats will be fitted into five Boeing 777-300s that are being bought from leasing company AerCap and will arrive in 2018/19. The aircraft are currently operated by Emirates.

“The option to operate a regional 777 fleet of all-300s rather than a mix of 777-200s and -300s, had been contemplated for some time to provide more seating capacity without growing the overall number of aircraft,” said Jamie Carter, Manager Aircraft Procurement & Trading.

“We decided to act when these aircraft became available.”

The five ex-Emirates 777-300s will replace the five 777-200s currently in the Cathay fleet.

“We are still looking at options for the five 777-200s, but the likelihood is they will be sold or scrapped with parts reused for the 777 fleet,” added Jamie.

The reconfigured 777-300s will seat a total of 438 passengers in all classes compared to 398 in the current configuration.
Cabin crew get into the spirit of the Sevens with the Hong Kong team. Though our boys left the field on the second day of the event—co-sponsored by Cathay Pacific and HSBC—that wasn’t the end of the fun; the tournament carried on in spectacular fashion, culminating in the cup final when crowd favourites Fiji beat South Africa 22-0, played in front of a packed Hong Kong Stadium.

Photo: Eric Leung

Seen at the Sevens
NEWS & INSIGHT

SUBSIDIARY NEWS

**Asia Miles gets a fabulous taste of Gordon Ramsay**

British celebrity chef Gordon Ramsay is as famous for his bad language as his imaginative recipes. Now his culinary empire spans the world. Asia Miles members can win a free trip to the UK, France or Singapore to eat at one of his restaurants. To be eligible to enter the draw, participants need to spend HK$300 at one of Dining Concepts’ 19 Hong Kong restaurants before 1 June 2017.

**Air China Cargo launches PharmaCAre**

Strong global demand for healthcare and life-science products has prompted Air China Cargo to develop PharmaCAre, which is specifically tailored for temperature-sensitive pharmaceuticals. The service monitors each stage of a shipment’s journey. Customers are provided with the latest acceptance and release times, while expedited ground handling protects against extreme temperature exposure.

**E-commerce boosts CPSL’s scheduled truck service to China**

CPSL’s road feeder connection service, Cross Border Express (CBX), is looking to even greater success this year, having transported more than 12,000 tonnes of cargo in 2016 from Hong Kong into Mainland China. The shipments originate across Cathay Pacific’s network and are routed to a number of cities in the Mainland including new services to Kaiping and Heshan in Guangdong Province.

SOCIAL MEDIA

**Social team goes around the clock**

Every time that Jessie Lam (above) sends a Tweet or comments on Facebook at work, she takes the brand in her hands. Jessie is the first of five Social Customer Care Specialists, a new team based in Hong Kong’s Global Contact Centre to answer customers on social media 24-hours a day.

Dennis Owen, Group Manager Social Media, said: “Many of the messages we receive on social in Hong Kong are customer service issues. We previously checked messages during office hours, but we fly 24/7. Expectations have grown and people expect immediate answers. Social media is increasingly becoming the channel of choice for customers to get in touch, because of the conveniene.”

And with the rollout of Wi-Fi across the Airbus A350 fleet, customers could be contacting the airline about service issues in flight. Dennis adds: “If people know their flight is delayed, they’ll want to know what’s going to happen when they land, so we have to be better prepared for that.”

The trend now is for customers to speak to brands in a public forum. Not responding is not an answer. Dennis added: “They don’t want to go to your website to find a number to call to be 50th in line – they may be at the airport and need an instant answer.”

Not that all comments are complaints. “I get comments about how people enjoyed flying with us,” said Jessie. “When I’m unable to offer a solution, I thank people for their feedback because it helps us recognise where we could do better. What surprised me is that many customers still thank me because they appreciate they are being listened to.”

Dennis said: “Compliments build our brand, but so does showing that we are responsive. While we can’t be ‘wacky’, we can have fun. We received a verse complaining about the food on a flight, and sent a poem in response. You need to personalise answers; everyone is different.”
We hear you!

Our people told us loud and clear that the staff travel experience needs to be improved

STAFF TRAVEL IS EASILY the most popular employee benefit and is always a hot topic of conversation. Just take a look at the Staff Travel group on Yammer to see how passionate people are about this subject.

Tom Owen, Director People said: "We understand that passion, and that’s why we issued a survey last November to ask for your views on what you liked and disliked about the staff travel experience, and where we might be able to improve things. Thank you to everyone who took the time to complete the survey, which gives us a clearer idea of where the pain points are.”

The things you like about the current staff travel experience include:
- Discounted tickets
- A booking system that is easy and flexible to use
- Having a benefit that includes family members and companions
- Getting access to other airlines

But what do Cathay Pacific and Cathay Dragon people dislike about the staff travel experience? Quite a lot, it seems. “People were very forthright in their opinions, and one of the reasons it took us so long to collate the findings was that there was so much qualitative data to process,” said Tom.

Unhappy travellers
The key finding was that there is a low level of satisfaction with staff leisure travel, with stress and uncertainty leading to unhappy travellers.

This dissatisfaction stemmed from both the policy aspects of staff travel – pricing, priority and the nominee system – and the experience aspects, such as FOCs not being confirmed, difficulty getting on your chosen flight and the overall experience of standing by at airports.

The areas seen as most pressing for improvement among Cathay Pacific and Cathay Dragon people are:
- Ticket prices
- The policy for family travel nominees/companions
- Staff standby procedures
- FOC tickets
- Staff travel tools such as the Flight Load app

Tom added: “I recognise that staff travel is a valued benefit and is one of the things that attracts people to work for our airlines, which is why improvements will be made. In 2017, we aim to improve the Flight Load app and will partner with the Airport teams to review the Staff Travel Acceptance processes with a view to ensuring greater transparency.

“There are still many more items we need to look at based on the policy and experience aspects of staff travel. We are committed to improving what we can, although some things will take longer than others.”
Food drive for the city’s elders
There is an opportunity to think of others this month at Cathay City. Donation bins are available for rice, noodles, cookies, candy, cooking oil, and other non-perishables in the Food Court from now until the end of April. Contributions will go towards feeding the city’s elders and disadvantaged at the Sham Shui Po kitchen run by Cathay’s charity partner Food Angel.

INFLIGHT SERVICES

New style of service
‘Whole new level’ for Business Class experience

FROM 1 MAY Business Class passengers flying to and from London Gatwick can expect a markedly different inflight experience.

GM Inflight Services Ed Higgs explained: “Our current long-haul Business Class continues to win plaudits, but we’ve been working hard over the past 12 months to develop a new style of service more centred around the customer.”

The most significant change will be the enhanced flexibility in what customers can eat and when. Ed added: “This is more than just a ‘dine-on-demand’ style of service – we will be retraining our crew to equip them with new skills so that they engage with our customers like never before. The new service will take the Business Class experience to a whole new level.”

The new service will be trialled on flights to Gatwick in May and then on the Chicago route in June. The thinking behind the new service is based on how travel patterns and dining preferences have evolved significantly over the past 20 years.

Ed said: “On many flights customers are more interested in maximising rest, and may have chosen to have their main dining experience in the lounge prior to boarding. They probably don’t want a four-course meal service served straight after takeoff. The new service will give flexibility that is denied them in the current service.”

Enabling the new service will require crew who service Business Class to undergo comprehensive retraining. Around 100 volunteer cabin crew are being trained to operate the trial in May. There will also be new equipment to support “smart” menus, with dual benefits of greater customer choice and opportunities to reduce food waste.

The new service focuses on personalised interactions between customers and cabin crew so that crew get to understand their individual needs. The single biggest investment in this project is in our crew, providing them with the right skills to deliver the new service. “It's about passengers crafting their own experience, and crew will be learning about the new service language and food, as well as wine pairings,” Ed added.

After being tested on Gatwick A350 flights the trial will extend to the Chicago route operated by Boeing 777s in June. Ed said: “This will enable us to understand how preferences may differ between day and night flights, and to validate aircraft-specific equipment.”

Once the trial is over, the service will be fine-tuned based on passenger and crew feedback before roll-out on all long-haul routes. Ed said: “Eventually, we would expect to feature elements of the new service on all of our flights around the world.”

Boeing 777-300ER seats upgraded
The Premium Economy (PEY) cabins on the Boeing 777-300ER are being enhanced as part of a fleet-wide upgrade. Although the existing seats will be retained, they will receive calf rests and an enhanced foot rest. To achieve legroom parity with the Airbus A350 PEY cabin, seat pitch will be increased by two inches. Work started in June and all 53 aircraft will receive the upgrade. The work will be completed within two years.

PRODUCT

Top-ups for desktops and laptops
Cathay’s computers have made the leap from XP to 8.1, and the new Windows operating environment delivers faster start-ups and log-ins. Office 2013 and the more stable and reliable Skype for Business are part of the bundle, while email accounts have also been spruced up. User guides can be found on the IT & You Intranet page, while there are more helpful tips on Yammer in the Windows 8.1 & You group. The upgrades are part of Cathay’s Infrastructure 2020 programme.

ENVIRONMENT

Food drive for the city’s elders
There is an opportunity to think of others this month at Cathay City. There are donation bins in place for rice, noodles, cookies, candy, cooking oil and other non-perishables in the Food Court from now until the end of April. Contributions will go to feed the city’s elders and disadvantaged at the Sham Shui Po kitchen run by Cathay’s charity partner Food Angel.
AFTER OPERATING IN Cambodia for nearly quarter of a century, Cathay Dragon is facing new challenges at two ports that are – to go for an obvious pun – “chalk and lychees”.

Phnom Penh, the capital, and Siem Reap, the cultural Mecca, are some 300km apart, and each makes very specific demands of Cathay Dragon’s people. “The two ports are very different,” says Josh Williams, Country Manager Cambodia. “Siem Reap is primarily an inbound tourist market for visitors looking to soak up the cultural delights of Angkor Wat (right) and indulge in some rest and relaxation.

“Phnom Penh is more diversified, with business, leisure, student, government, VFR (visiting friends and relatives) segments and suchlike all forming important parts of the mix. Both ports have particularly benefited from Cambodia’s strengthening ties with China, and this looks set to continue.”

Cathay Dragon’s forerunner, Dragonair, started flying to Cambodia in 1993 with two flights per week between Hong Kong and Phnom Penh. In recent times, the airline has grown fast, adding the Siem Reap service in 2013 – which will become daily from October to March, with four flights per week during the rainy season – and a twice-weekly Cathay Pacific Phnom Penh freighter service in 2014. In September, two additional flights per week to Phnom Penh made it a double-daily service.

Cargo consignments
On the cargo side, over two-thirds of Cambodia’s exports come from the garment and footwear sector, mainly headed to North America and Europe, and this has fueled the growth of the cargo business.

“Things we are excited about include the fast-growing Cambodian economy – which is humming along at around 7% – the burgeoning Cambodian middle class, a young, increasingly tech-savvy population, with two-thirds still under 30, and deepening ties with China, which recently committed to significant trade expansion with Cambodia and an almost tripling of Chinese visitor numbers by 2020,” says Josh.

“The major challenge here, as in the rest of the world, is fast-increasing competition, with new airlines entering the market thick and fast on both the passenger and freighter side.”

Anyone considering visiting Cambodia will probably have their sights set on Angkor Wat and Phnom Penh, which steal the limelight in the eyes of the outside world – but deviating from the well trodden path can be rewarding.

“I recently got back from a trip to Koh Rong Samloem – a small island off the Cambodian coast – which boasts great white sand beaches with few of the tourists you find elsewhere on Asia beach holidays,” says Josh. “And if you have the time, the train ride down to the coast from Phnom Penh is a great experience.”

Both Phnom Penh and Siem Reap have benefited from Cambodia’s strengthening ties with China.
Wizards of Oz

More capacity, new aircraft and intense competition are driving new ways of thinking down under

Richard Jones (RJ)
Sales & Marketing Manager
Australia

The Journey hears the latest from Team Australia on the market

Tell us about the competitive landscape, China in particular

RJ Competition is fierce. We have seven Mainland airlines operating from 16 cities in China nonstop to Australia. Three years ago, there were three airlines from three cities.

Qantas started flights from Sydney to Beijing in January and gained approval for unlimited capacity and frequency between Australia and China.

This has impacted our business, but we need to play to our strengths – frequency, service and superior product. Australians love Hong Kong, and the current HK24 promotion is a great opportunity to show what it offers.

NC We also work closely with pro-Hong Kong bodies including Hong Kong Tourist Board, and the organisations interested in furthering ties with Hong Kong and China. With almost 50 years of scheduled flights, we are now synonymous to Australians as a trusted and quality carrier to China.

What will it take to compete with other airlines?

RJ Virgin Australia’s flights to Hong Kong?

RJ Virgin Australia’s Melbourne route is good for Hong Kong if it grows the market. It operates a two-class aircraft and its business class is good, but its schedule isn’t ideal. It will work with its partner airlines through their Hainan Airlines relationships to take people beyond Hong Kong.

We have a superior schedule, and consistency of product across the Cathay Pacific and Cathay Dragon networks. We fly in the morning, afternoon and evening from Melbourne; flexibility that is attractive to the higher yield corporates. We’ll compete hard on price, but this doesn’t mean we’ll lead pricing down. It’s our job to ensure the market sees we are worth the little extra they might pay.

What effect will the Australia-China "open skies" deal have?

RJ I think we are seeing it with the increase in capacity to/from China. Currently Australia hosts 1.2 million visitors from China each year, and this is forecast to grow at around 13% a year for the next 10 years. That’s a great opportunity for Cathay and Cathay Dragon.

NC There is no doubt that it will increase competition and yield will be under pressure. We need to be seen as offering the experience that passengers aspire to.

How does the year look?

RJ Challenging. There is an abundance of seats in the market. We see positive signs for Business Class bookings, but our Economy cabin needs work. We are trying different initiatives, such as ‘Book & Go’, similar to Fanfares, to grow Economy bookings.

The upgauging of aircraft implies more demand – is this the case?

NC Certainly. The key is to sell at price points that make our flights profitable. Chasing short-term demand needs to be balanced against long-term yield falls.

How exciting is it to introduce the Airbus A350 to Australia?

RJ Very exciting. In most cases we are the first operator of the type to the cities we are flying it to. We are first in Brisbane, we are the first on an ongoing basis for Melbourne, and so far first for Perth when it starts in October.

OUTPORTS

Q+A

Brisbane
One of the destinations that will be served by an Airbus A350 for the first time, Team Australia (below)

Nelson Chin (NC)
GM Southwest Pacific

MILAN
Cathay Pacific won two of Italy’s top travel awards. The airline scooped Best Airline for Business Travellers to Asia and Best Economy Class. The Italian Mission Awards are run by Mission magazine. Country Manager Erica Peng and Italy’s Sales & Marketing Manager Daniele Bordogna were on hand to collect the awards, which were a tribute to the sales team’s hard work following a restructure.

TAIWAN
Cathay Pacific and Cathay Dragon teams in Taiwan hosted a media gathering and a Marco Polo Club dinner in Taipei and Kaohsiung respectively in March.

GM Taiwan & Korea Patrick Yeung thanked the local media and the Club’s Members for their continued support in 2016 and outlined the challenges the airlines faced. He also introduced them to the Time to Win strategy and Betsy Beer.
Beneath the passenger cabins of all Cathay Pacific and Cathay Dragon aircraft (and across a large, modern freighter fleet) is another generator of revenue – cargo. It’s an integral part of the business with some services’ profitability dependent on cargo carried. But as with the passenger side, overcapacity and competition has been affecting yields.

However, both IATA and Hong Kong International Airport have reported increased cargo volumes in 2017, which could be grounds for cautious optimism that the global economy is improving.

General Manager Cargo Marketing & Sales Mark Sutch says: “Our cargo figures in March were encouraging, with a high overall network load factor and a further strengthening in yield.”

**Cargo and mail carried in March (000kg)**

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>181,189</td>
<td>157,006</td>
</tr>
<tr>
<td>15.4%</td>
<td>15.4%</td>
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</tbody>
</table>

**Cargo and mail carried in the first quarter (000kg)**

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>469,995</td>
<td>421,995</td>
</tr>
<tr>
<td>11.4%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

**Cargo and mail revenue tonne km (000) in Q1 (RTK = 1 tonne of cargo carried 1 km)**

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,654,712</td>
<td>2,427,430</td>
</tr>
<tr>
<td>9.4%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

**CX Cargo load factor**

Cargo load factor in 2016 was up but yields fell as a result of over-capacity in the cargo market.

**CX Cargo yield**

-16.3%

**IATA global cargo figures**

(up to Feb 2017)

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2%</td>
<td>4.5%</td>
</tr>
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</table>

**IATA’s figures show that cargo volumes are recovering globally led by Asia and Europe**

**Q1 2017 Load factor: 65.6%**

Cargo load factors are high, especially on freighters, but as many passenger destinations do not have significant cargo uplift, this brings the overall figure down.

**Cathay Pacific Cargo fleet facts**

| 1 B747-400BCF |
| 6 B747-400ERF |
| 14 B747-8F    |
The business of diversifying revenue

Toby Smith looks at strategies to maximise ancillaries

FOR MANY YEARS, “ancillary revenue” was a concept associated principally with low-cost carriers, but in today’s highly competitive world, almost every airline is looking for additional sources of revenue to supplement income from traditional ticket sales. Cathay Pacific is no different.

So how can the drive for such revenues be consistent with our brand promise of a Life Well Travelled, our positioning as a full-service premium carrier, and our strategic objective of becoming more customer centric?

Cathay Pacific is meeting the increasing demand for choice and convenience

Part of being customer centric means providing things that our passengers need or value. Such products and services might include hotel accommodation, car hire and events (such as this month’s Hong Kong Sevens), extra-legroom seats or insurance – all of which Cathay currently offers.

With recent enhancements to our e-commerce platforms, during the course of 2017 we plan to introduce other products such as cabin upgrade bidding, advance purchase of additional baggage and the advance purchase of specific seats.

By not only providing our customers with great destinations to fly to and excellent service, but also enabling them to select from a portfolio of value-adding products and services at various stages of their journey, Cathay Pacific is meeting the increasing demand for choice and convenience, as well as growing an important source of revenue.

Furthermore, the work underway to develop our data and digital capabilities, and the growth of our mobile and web channels, will help us provide customers with relevant, contextual and personalised offers when they book, check in or pass through the airport.

Outside view: the ancillary opportunity

Airlines can make money selling ancillaries such as hotel stays and car hire, but some airlines, especially low-cost carriers, seem to be better at it. It’s wrong to think customers only want to buy flights from traditional carriers. Stop to consider how many people going on holiday do not require any accommodation. Not many.

So, given that customers have gone through the booking process on an airline website, why are airlines then not selling accommodation that meets their requirements? Or put another way: why are airlines choosing to let customers buy ancillaries from elsewhere and give that profit margin to another organisation? It is mandatory for low-cost carriers’ business models to sell ancillaries and there are no legacy-system, process and organisational issues to be addressed. In traditional carriers, you need to find the right team who understand airline technology – the global distribution systems they use were not designed to sell ancillaries – and retailing.

Traditionally, airline revenue management do not include ancillary revenue in their calculations. Lastly and crucially, you need people who know what to change and how to change it. That said, some traditional carriers are getting this right and are selling accommodation to a third of their passengers on some leisure routes. Given that the margin for a hotel stay is usually greater than the margin from the flight, they are making serious money.

Looking ahead, one of the major trends that will affect the travel sector is personalisation. Simply put, this means offering customers what they want to buy when they want to buy it. Airlines will offer personalised products and services that customers can choose to purchase pre-packaged (by the airline) or on an à la carte basis.

So the list of ground ancillaries can extend beyond hotels and cars to tickets (sporting, theatre), connecting transport, tours and attractions – maybe selected by cabin crew based on their travel expertise. As customers become confident and trust these new airline brands, other ancillaries can then be sold.

Some traditional carriers are getting ancillaries right from the flight, they are making serious money.

Ian Reyner, Managing Director, Travel Retail Associates
Seating to the power of 10

Ten-abreast seating in Boeing 777s is becoming the industry norm, but the pressure to maximise revenue per seat is as old as the jet age.

ECONOMY CLASS SEAT density is in the news but the topic is nearly as old as the jet age. Back in the 1980s, DC-10s went from eight-abreast to nine-abreast; Boeing 747s from nine to 10-abreast (with premium lounges removed for more seats); and a few airlines even had a five-abreast configuration on 737s. As competition has increased, airlines have constantly tried to increase revenue while decreasing costs.

It was inevitable 777 economy class would transition from nine-abreast to 10-abreast. Approximately 60% of passenger 777s delivered from 2015 onwards had economy in 10-abreast layout, according to CAPA’s fleet database.

For early adopters of 10-abreast, the density was a competitive advantage. Now, not having 10-abreast is a competitive disadvantage. Fewer airlines reckon they can attain a yield premium for more space.

Increasing density brings a two-fold benefit. First, the ability to generate more revenue per flight, which is important as slots are constrained in Hong Kong and the outports it flies to. Secondly, unit costs (the cost of flying one seat) are reduced since there are more seats to spread costs out. For example, fuel is consumed flying the aircraft frame regardless of its payload.

The planned 10% increase in seats from the 777-300 (regional) to 777-300 (regional retrofit) adds much less than 10% additional costs. These metrics work out provided the seats are filled (a challenge for A380 operators), but Cathay Pacific has one of the highest load factors globally.

Most competitors in the Gulf, Europe and Asia have 10-abreast long-haul 777s already. Notable exceptions include British Airways (at its Heathrow base, not Gatwick), Air China, Japan Airlines, Korean Air and Singapore Airlines. For financial metrics, increasing density offers mathematical predictability to future costs. Less certain are savings in other areas, which require greater focus.

Next-generation aircraft face the same "densification" discussion. The 787 was initially an eight-abreast economy aircraft, but almost all operators fly it with a nine-abreast. Leisure operator Air Caraïbes will be the first to fly the A350 in 10-abreast, while Airbus has even proposed an 11-abreast configuration for the A380’s lower deck.

The Boeing 777X family will use technological improvements to have thinner sidewalls, enabling a wider passenger cabin. By then, 10-abreast will almost certainly be industry standard.

Air China adds to network
Air China is planning to grow its network adding Astana, Barcelona and Zurich. It aims to serve Barcelona from Shanghai from 5 May, while flights to Astana and Zurich will start from Beijing in June.

Hainan Airlines seeking to add Sapporo
Hainan Airlines is seeking flying rights to serve Sapporo in Japan from Guangzhou and Shenzhen from May using Boeing 737-800s.

AirAsia to start Langkawi link from Shenzhen
AirAsia will start a service between Shenzhen and Langkawi in Malaysia three times a week from 16 July using an Airbus A320.

Etihad responds to tablet ban
Etihad will be offering its first and business class passengers a loan iPad and free Wi-Fi on flights to and from the UK and US following the directive on laptops and personal electronic devices in the cabin.

China Eastern to serve Houston
China Eastern is starting services from its Shanghai base to Houston, Edinburgh and Stockholm Arlanda. It will also take over the Shanghai to St Petersburg service, currently operated by its subsidiary Shanghai Airlines.
Airline passengers have become more familiar with biometric identification technology. Passports with biometric information held in a chip can reduce queuing time at security.

Now facial-recognition technology is starting to speed up the boarding process at the departure gate. Having checked in at kiosks that take passengers’ pictures and reconcile them with travel documents, passengers’ faces are scanned at the gate for a quicker boarding experience. They do not have to show their passport and boarding pass again.

In Australia, Brisbane Airport has teamed up with technical supplier SITA for Air New Zealand flights. US Customs and Border Protection (CBP) is trialling facial-recognition technology at Hartsfield-Jackson Atlanta International Airport.

British Airways is rolling the technology out to 33 boarding gates at Heathrow Terminal 5 following a trial at three gates. Initially this will be for domestic flights, but the airline intends to roll it out to international flights as soon as it can. Let’s face the camera and advance.

### TRENDS

#### Face time

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**AA buys China Southern stake**

American Airlines has bought a stake in China Southern, the last of the three major Mainland carriers not to have an overseas strategic investor. Under the deal, AA has paid US$200 million for a 2.7% share. In a filing to the Hong Kong Stock Exchange, China Southern said the two carriers "may seek to increase cooperation in codesharing, transport-sharing agreements, staff and experience-sharing, sales, and passenger loyalty programme[s],” even though the airline is a member of the rival Skyteam alliance.

China Southern flies to New York, Boston, Chicago and Hawaii from its Guangzhou base. According to a joint press release, the two carriers expect to begin codeshare and interline agreements, giving their passengers access to many more destinations in China, as well as North and South America.

Delta bought a 3.6% stake in China Eastern in 2015.

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**IAG launches long-haul, low-cost carrier**

IAG, the holding company for British Airways, Iberia, Aer Lingus and Vueling, has unveiled its long-haul, low-cost carrier LEVEL, which will operate transatlantic routes to Los Angeles, Oakland, Punta Cana and Buenos Aires from Barcelona initially, with more European destinations to follow. The airline will use two A330s in LEVEL livery with a 293-seat economy cabin with 21 seats in premium economy. Flights will be operated by Iberia flight and cabin crew. Fares start from US$149.

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**Hong Kong International Airport top for dining**

Cathay Pacific’s home base has been recognised as the best airport for dining in the Skytrax 2017 World Airport Awards. Hong Kong International was rated fifth in the overall rankings, with Singapore Changi coming out on top.

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**Finnair and Qatar win at TTG China Awards**

Finnair and Qatar Airways took two of the five airline trophies in the 10th annual TTG China Travel Awards. Finnair was named Best European Airline for the second year in a row, with Qatar Airways named again as Best Middle Eastern Airline.
A new structure to follow our strategy

Get to know our new senior management team

**ON 12 APRIL** the first layer of organisational design changes was announced for the Cathay Pacific Group’s senior leadership structure. 

The objective for this first phase of the structure design was to ensure firstly that we place much greater emphasis on our customers and what we offer them. It was also to allow us to put greater focus on the critical areas of our business, have single points of accountability, allow us to make quicker decisions, embed new ways of working, be more agile in a changing world, and foster a winning team.

The new leadership team will be in place from 1 June, aside from Rupert Hogg who becomes Chief Executive Officer on 1 May.

Rather than have directors reporting into a Chief Operating Officer position, as before, a much clearer division of responsibility will be achieved by directors reporting into two Chiefs, which will speed up decision-making.

“The two new Chief positions allow us to home in on the key areas of operations/service delivery and customer/commercial, splitting them distinctly into two sides of the business, while the CEO role can more effectively drive strategic direction under the four pillars of our strategy with its key direct reports,” says Tom Owen, Director People. See the **May issue** of The Journey for more on the roles and responsibilities of the new senior team.

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**Chief Customer and Commercial Officer**

Paul Loo  
Time with Swire/Cathay: 26 years  
Last two positions:  
Director Corporate Development & IT, Cathay Pacific  
General Manager China, Cathay Pacific

**Chief Operations and Service Delivery Officer**

Greg Hughes  
Time with Swire/Cathay: 30 years  
Last two positions:  
Group Director Components & Engine Services, HAECO  
Chief Operating Office, JS&S Pty Limited

**Chief Financial Officer**

Martin Murray  
Time with Swire/Cathay: 22 years  
Last two positions:  
Finance Director, Cathay Pacific  
Deputy Finance Director, Swire Pacific Limited

**Director People**

Tom Owen  
Time with Swire/Cathay: 22 years  
Last two positions:  
Director People, Cathay Pacific  
Senior Vice-President Americas, Cathay Pacific

**Director Customer**

Simon Large  
Time with Swire/Cathay: 26 years  
Last two positions:  
Director Cargo, Cathay Pacific  
General Manager Marketing, Loyalty Programmes & CRM, Cathay Pacific

**Director Commercial**

Ronald Lam  
Time with Swire/Cathay: 21 years  
Last two positions:  
Director & GM, HK Operations - HAECO  
General Manager Information Management, Cathay Pacific

**Director Service Delivery & CEO Cathay Dragon**

Algernon Yau  
Time with Swire/Cathay: 35 years  
Last two positions:  
Chief Executive Officer, Cathay Dragon  
Chief Executive Officer, Cathay Pacific Services Ltd

**Director Flight Operations**

Anna Thompson  
Time with Swire/Cathay: 27 years  
Last two positions:  
Director Flight Operations, Cathay Pacific  
General Manager Aircrew, Cathay Pacific

**Director Cargo**

James Ginns  
Time with Swire/Cathay: 26 years  
Last two positions:  
Director Service Delivery, Cathay Pacific  
General Manager Inflight Services, Cathay Pacific

**Director Engineering**

Neil Glenn  
Time with Swire/Cathay: 27 years  
Last two positions:  
General Manager Europe, Cathay Pacific  
Managing Director, Swire Pacific Offshore
Strategy in action

A lot of work is already going on across the four pillars of Time to Win.
Let’s look at some of our achievements from the first quarter of 2017...

Digital Retail and Cathay Holidays
In February, we merged the Digital Retail and Cathay Holidays teams. The new team can now share data and put in systems to help people make informed travel choices quickly, with more understanding of what drives those choices.

Single integrated website
Following the Dragonair rebranding last year, a single website now allows customers to move seamlessly between our airline brands and their different routes. The end result is a smoother, faster and more consistent experience than before.

Social media customer care
As we report on page 7, we are now building a team of Social Customer Care Specialists, based in Hong Kong’s Global Contact Centre, whose job is to listen and respond to requests, concerns and comments of all kind.

Increase in OTP
On-time performance rose from 35% to 47% year-on-year in Q1. This was achieved through our Ground Time Optimisation work in Hong Kong including early cleaning and the introduction of a dedicated turnaround co-ordinator. This is being rolled out to outports later this year.

Introduction of single PNR
A single passenger name record (PNR) for Cathay Pacific and Cathay Dragon, from booking through to check-in, will improve disruption handling and enable better service recovery.

New Operational Leadership Programme
The first three trainees, all recruited internally, have begun an eight-year rotational programme that will build their specialist experience and expertise in running all aspects of our operations.

New Enterprise Portfolio Management Office (EPMO)
This independent department has single accountability to oversee all project management. This will reduce duplication, speed up decision-making and improve project prioritisation.

Faster approval for IT projects
This Lean initiative has reduced the IT business-case development phase by 80%.

Lean Academy launch
This new initiative will help to promote Lean practices throughout the organisation. Each participant will learn and apply Lean on the job to improve processes and make financial savings in their department.

Leading and engaging our people
We are well on our way to meet the 80% Time to Win engagement target set for our leaders. More than 230 leaders were involved in the first “temperature checks” to review our progress. This feedback will form the second engagement task for our leaders.

SMART goals aligned to the strategy
Priorities and goals have been cascaded from the top of the organisation and 10,000 people have already set SMART goals aligned to the strategic pillars. A total of 2,014 leaders have been through Leading High Performance Teams training.

Organisational design
We are building a leaner, faster and more efficient organisation. Customer, Service Delivery & Operations, Commercial and People structures are the first areas of focus, with management announcements by June and the new teams in place from August.

These are the four pillars from our strategy, Time to Win

Pillar 1
Customer Centric

Pillar 2
Operational Excellence

Pillar 3
Productivity and Value Focused

Pillar 4
High Performance Culture
We ask our customers... What one thing could our airlines do better?

**MARCO POLO MEMBER**

Wayne Hu, Marco Polo Club member, thinks the future lies in streamlining the airlines for a shared appeal

I’ve been travelling with Cathay for the past three or four years, and fly around Asia quite a lot – to Shanghai, Beijing, Taipei, Tokyo and Singapore – while I take long-haul flights to San Francisco or Los Angeles, as I grew up in California.

I find the service on board very responsive and attentive, and the whole experience really very pleasant.

However, if there was one thing I could change about Cathay Pacific and Cathay Dragon, it would be that they should become one entity in form and function, as I don’t see any difference in service between the two. The fact that they are two different airlines but are closely cross-sold, fly several overlapping routes and share many of the same facilities and resources creates more confusion rather than harmony.

Putting my marketing hat on, I can’t really see why you would need two airline brands that are relatively undifferentiated from each other. At Regal Hotels, we have two distinct brands; Regal is a full-service hotel and the other – called iclub – is a select-service hotel brand designed to appeal to millennials who are often more focused on technology.

Having two different airlines makes no appreciable difference. When it comes to Cathay Pacific and Cathay Dragon, the pricing seems to be similar; they share lounges, and overall there does not seem to be much to choose between them.

**CUSTOMERS ON THE MOVE**

More customer feedback

The inside of the aircraft needs better maintenance. The plane I travelled on from Brisbane to Hong Kong was rather old, and the state of the bathroom was not up to par.

**SCOTT KIRK**

Flying home to Brisbane

In general I would say the airline is pretty good. However, on-time performance needs much improvement. Cathay Dragon is even worse than budget carriers, such as Hong Kong Airlines.

**MR TSANG**

Flying home to Hangzhou

Following the launch of Time to Win, we are looking at every aspect of how to ensure a better all-round experience for our customers. This will encompass everything from improving our operational efficiency – which is so important, as Mr Tsang points out – to enhancing our digital capabilities. Things will happen very quickly as

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GETTING THIS KIND of direct feedback is invaluable. It tells us that many of our customers are happy to fly with our airlines, which is reflected in our high load factors, but that there are also areas for improvement.

Work is already underway in a number of areas mentioned by our customers above. Ms Buckley, for example, talks about check-in efficiency. This is one area where we are focused on providing a better experience. The rollout of self-service for bag tagging and bag check has already resulted in speedier check-in at some ports (right), while our Future Airport Experience project will see more initiatives roll out in the near future.
I’m a huge supporter of both airlines, but inflight service needs improvement. The crew should show the same level of service to all passengers regardless of their background.

MR CHEUNG
Travelling to Shanghai

IT – other airlines are using online and apps very smoothly. Cathay’s apps are slow, and that can impact my online check-in. The staff are very good, though.

GABRIEL WU
Flying to Beijing

We’ve been Gold members for years but almost never get an upgrade, so that’s a significant disappointment considering we try to fly with just one airline.

ERIC AND VIRGINIA SPANGLER
Flying to Seattle via San Francisco

Two things: check-in should be a little faster; I queued for 25 minutes because I couldn’t do it online. And the website is a little slow and needs speeding up.

DENISE BUCKLEY
Flying to Lima via Los Angeles

...WE RESPOND
IT’S GREAT TO SEE the interest generated by the arrival of our Airbus A350 in Vancouver. The aircraft seems to get people talking wherever it flies and we are happy the A350s will go to more points in our network this year.

The Manchester service will change from four flights per week using the 777-300ER to five flights a week with the A350 in June, becoming a daily A350 service in December. Gatwick will become a daily A350 service from June; Barcelona will launch as a four-flights-weekly service with the A350 from July to October. The Tel Aviv A350 launched in March and this will go from four to five flights per week from September to November, while the daily flight to Perth will change to an A350 from late October. Last but not least, another new destination, Christchurch, will launch as a three-times weekly service with the A350 from December to February.

James Gins
Director Service Delivery

Jasmine Hui
Manager Airline Planning

our strategy work progresses. Already our on-the-dot on-time performance for both airlines has increased by double digits this year – proof we’re delivering.

I value Mr Hu’s comments as one of our valued Marco Polo Club Members, and it’s pleasing to hear what he has to say about our inflight service. Regarding the differentiation between our two airline brands, in creating Cathay Dragon our aim was always to continue to have two separate airlines serving their own distinct markets; but to bring the two brands into closer alignment in order to provide a more seamless and consistent journey for our customers.

WHAT’S THE BUZZ ABOUT?.. THE A350 AT VANCOUVER

@AirlineReporter The “Bandit” Sneaks into YVR. @cathaypacific Begins @Airbus A350 Service to @yvrairport

@onemoreweektogo Despite torrential rain and last-minute runway change, here’s @cathaypacificCA A350 @yvrairport, the first in Canada!

@airtravellerorg YVR welcomes the Airbus A350-900 for the first time in Canada

@allalee @cathaypacificCA First time seeing A350 at YVR!

@kenters55 #RollsRoyce #reverse #A350 curved #winglets @yvrairport from #HKG
YOU ARE IN GALA PLACE, Mongkok. The basement is lit like an upscale cocktail bar, illuminating the work of local Hong Kong street artists Bao Ho and Stern Rockwell around the walls. You take a seat on a designer stool around a polished wood bar and order your drink.

And you get a Starbucks coffee.

Welcome to Reserve, an upscale new concept from the Seattle-based coffee giant. This is not the familiar, slightly cramped coffee shop tucked away on the ground floor of an office building near you. This is designed to be an “immersive, sensory experience” – a “theatre of coffee”, no less.

Reserve is a big deal for Starbucks. In March, its Chief Financial Officer said there was “some urgency” in the concept’s roll-out, created by what he called “ubiquity in the consumer mindset”.

Put in simple language, the brand, with 25,000 stores worldwide, has become too popular for its own good. Reserve reconnects Starbucks with its roots: a small shop started by coffee fanatics in the down-to-earth environs of Seattle’s Pike Place Market. They want to recapture the thing that made them great in the first place: a deep and lasting love of the coffee bean.

So you will get only the most select, single-estate brews at Reserve – at a price.

Headline writers across America summed up the challenge neatly: “Will you pay US$10 for a Starbucks Coffee?”

It’s a big move from a company that’s used to thinking big.

Jerome Conlon joined Starbucks as VP

What lessons can some of the world’s best-known companies teach us? By MARK JONES

The heart of a brand
Rebecca Robins is Global Director of Interbrand. Every year, the agency unveils its global brands study. We asked her to look at the latest survey and find the common factors that link those companies which have posted double-digit growth in “brand equity”.

1 Forensic analysis

Everything starts with evidence and brand measurement – an incredible depth of research. We identified 10 factors, from “authenticity” to “relevance” to “responsiveness”, that go into making a great brand – four of which the customer never sees.

2 Creative fuel

Great brands often have a deep heritage and a unique DNA,” says Robins. “But do they have the courage and creativity to evolve?” She cites Lego. In 1949, in a small Danish town, it began producing its plastic interlocking bricks. Surely today’s kids would have no time for such an ancient product? Far from it. Thanks to an investment in creative content – not least in the brilliant Lego Movie – in 2015 it was named in one survey as “the world’s most powerful brand.”

3 Sustained focus

The guiding principles of the best brands will ultimately limit decisions around where the brand should go – and, crucially, not go,” says Robins. A favourite case study is the French luxury brand Hermès, which posted a 22% increase in its Interbrand survey value. And it’s certainly not all about the bottom line. She quotes former CEO Patrick Thomas, who said: “If you tell me I have to double the profit of Hermès, I will do it tomorrow. But then you’d have no Hermès left in five years.”

Three secrets of stellar brands

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**How do you make your brand something that matters in people’s lives?**

Brand in January 1996. The company’s founder, Howard Schultz, was clear that, unlike many of his store managers, he didn’t want to be in the fast-food business. Instead, he told Conlon to spend his first weeks immersing himself in the history of coffee.

Conlon, now an independent brand consultant based in Portland, Oregon, tells us what came next. “A new story needed to be constructed to inspire all employees to understand that the soul of the Starbucks brand was very different than any other brand – that we were really in the experience business, not packaged goods.”

They coined the phrase “The Third Place” for the coffee shop – home, office, Starbucks. The scope of that ambition still takes the breath away. But first, they had to convince Starbucks’ own staff.

“We created a narrative for The Third Place – internal speeches and an inspirational video. I presented these at store managers meetings and to all the senior management in the spring of 1997. Most brands never find a grand purpose to celebrate or don’t have the discipline or creative vision to stay a course over time on a great theme. We did. The work was warmly received and the rest is history.”

Starbucks is a classic example of a brand-led company. Coffee is a commodity. So how do you make it – and your brand – something that matters in people’s lives? The Holy Grail

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Premium blend

Reserves (above and right) are “theatres of coffee”, to recapture the brand essence that made Starbucks great in the first place.

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**Rebecca Robins**

Global Director, Interbrand
In 1943, three years before this airline was born, a psychologist called Abraham Maslow wrote a paper called *A Theory of Human Motivation*. Not many people have read the paper, but millions know the illustration that accompanied the text: a pyramid in five blocks that came to be known as Maslow’s Hierarchy of Needs.

A rough precis goes like this. We need to satisfy our basic needs, to be fed, warm and safe – they’re the base “blocks”. Then, as we rise up the pyramid, we focus more on relationships (love/belonging), the need to be respected and, at the pinnacle, ‘self-actualisation’ – the sense that as individuals we strive to realise our full potential.

This airline’s brand promise – Life Well Travelled – is a classic piece of Maslow “self-actualisation”. Travel is part of who we are: the places we’ve been and the experiences we have help define us.

But Cathay Pacific’s Manager Brand, Ruaraidh Smeaton, says we have to get the building blocks in place – put simply: “You can’t live a Life Well Travelled if the plane doesn’t take off on time”.

He thus sees no conflict between being a “brand-led” company and one that’s equally focused on operational excellence.

“The cutlery we put in Premium Economy has just won a prestigious Red Dot Award,” he says. “This is a fantastic accolade after all the hard work we’ve put into our design ethos. However, it needs to be supported by great food and great service as well.”

But the latest research shows that Life Well Travelled does, in Ruaraidh’s words “resonate with the customers we’re targeting. However, research also shows that we’ve now set an expectation which our customers expect us to fulfil.”

However, taking the example of the brand-led companies we describe in the main copy, he believes “more work needs to be done internally. We need to sweat Life Well Travelled into the way we do business.”

He agrees that, like Starbucks’ and Nike’s, our brand needs to “stand for something”.

“We have 35 million customers, which makes it very difficult to fulfil every individual need.

“However, we can understand the most important common needs of our target customers and then establish what is the Cathay Pacific and Cathay Dragon way of meeting these needs. This is how one marries customer-centricity with being brand-led.

“And fundamentally we all have to ask: what’s the Cathay way of meeting those needs?”

As part of Time to Win, Cathay Pacific and Cathay Dragon have embarked on their own brand-led journeys.
people were running, swimming, hiking, biking and so on for fun and fitness than in professional competitions. They included many of Nike’s own staff. As a keen runner himself, Conlon asked his advertising director if he could create a campaign that captured the “glow”, the “high” he got after his workout. The result was “Just Do It” – a campaign, he says, that “aligned beautifully with the internal culture, values and behaviour of the employees”.

As part of the Time to Win strategy, Cathay Pacific has embarked on its own brand-led journey, one all Cathay Pacific and Cathay Dragon staff love and believe in – travel. Life Well Travelled is also designed to transcend an often-commoditised “product” (aviation) and speak about the way travel enriches lives (see box, opposite).

Sounds grandiose? Conlon doesn’t think so. “Most companies, when they pay for media exposure with advertisements, talk exclusively about their products,” he says. “Brand-led companies find some higher level human need. Nike could spend all its ad dollars talking about air cushioning. Instead, it discovered that the role sports and fitness activities actually play in people’s lives is a bigger story.”

And the lives they wanted to influence first of all were those of their own employees. Nike created a “play sanctuary” on its corporate campus, with state-of-the-art sports and fitness facilities on 200 wooded acres. The result, says Conlon, was “more informal, ad-hoc interactions, new ideas, productive discussions”. It was studying their own people that persuaded the company to ditch conventional targeting and instead study what they call “fields of play”.

“Brand-led” training at Starbucks means that the baristas and managers are encouraged to play the role of “hosts in a public living room”. They remember the names of regular customers – and their favourite beverages. So even if you come into the shop alone, you don’t feel alone: it’s a haven, a refuge, “an asylum from life and its cares”.

Coincidentally, that’s how frequent travellers often describe the flying experience: as a refuge. So it’s up to the airlines – to this airline especially – to make this flying feel even more welcoming.

Back in Mongkok, you may well be weighing up whether to pay HK$100 for a Starbucks coffee. So consider this: it won’t only be a cup of hot, brain-buzzing liquid you get. It’ll be the passion of the people serving it, the training they’ve done and the skills they’ve acquired. It’ll be the environment, the location – the brand. And maybe the most important thing of all: the feeling that this experience is for you.

Mark Jones is Editorial Director of Cathay’s content marketing partner, Cedar
“OKAY, LET’S HAVE SOME FLAMES.” It’s been a busy morning in this particular Airbus A330 Premium Economy cabin. There hasn’t been a meal service but there’s been a slow and then explosive decompression with oxygen masks deployed (the “rubber jungle” that falls from the ceiling), a fire in the toilet, the galley, another in one of the baggage bins, a ditching at sea and now a crash landing. Outside the starboard cabin windows of the aircraft there’s nothing to see but smoke and flames. To the left, a simulation of a notional airport as we skid to a halt with smoke blowing through the cabin, accompanied by the screams of passengers and the groan of twisting metal.

It’s all slightly unnerving, but this is what 21st-century safety training for flight and cabin crew looks – and sounds – like. We are on the top floor of the Flight Training Centre at Cathay City, seven storeys up in a cavernous hall, filled with aircraft doors, evacuation slides, and three sections of cabin fuselage, known here as Cabin Emergency Evacuation Trainers (CEETs). Two of these are in Cathay Pacific colours, the third, an A320, in the Cathay Dragon livery.

For Manager Ground Training Dave Lomax this is a good day and the culmination of months of work. “These trainers, which arrived in February, are a major enhancement for our training,” he says. “Previously we didn’t have the visuals, and the sound systems in the old cabins were a bit ropey, so we were limited in what we could do to create emergency scenarios.”

With that he turns to the hidden control room at the back of the cabin, where Safety Training Manager Katy Wu has been putting the cabin through its paces – and watching our reactions to events on the CCTV screens. “Let’s have a crash on takeoff,” he says.
The existing A330 cabin offered little of this realism. “This is a big investment for the company,” Dave says. “The previous A330 unit was 21 years old and needed replacing. You can see the quality difference straight away.” It’s an investment that will help to keep Cathay Pacific at the top of the safety rankings. As part of the work, and because of space freed up by removing the Boeing 747 passenger CEET that was no longer needed, Cathay Pacific also updated the Boeing 777 cabin simulator. It has the same capabilities as the A330 mock-up, but with a section through an Economy rather than Premium Economy cabin; all craned in by sections through the roof in February.

“The level of detail adds a real feel, and when the lights are dimmed in the cabin, even if you were to turn around you can’t see the instructor controlling the scenarios,” says Dave. “The trainer can monitor how groups are responding to the scenarios on CCTV screens and can pause and replay scenarios.”

Everything that isn’t taken from a real aircraft is photo-real, with stickers making up most of the galley space, bar those real bits of equipment, which, at the touch of a button, emit heat and flickering but fake flames and smoke.

It’s an investment that will help keep Cathay Pacific at the top of the safety rankings

Trainees who fail to operate the modified fire extinguishers will find that the sensor on the fire source will not allow the flames to be extinguished. It’s clever stuff. Dave adds: “All the chimes and phones work as on the aeroplane, as do the flightdeck seats, so that crew can practise removing an incapacitated pilot. For compliance reasons, even the doors that don’t open are real doors. There’s also something of a recycling story, because equipment that is real is taken from retired aircraft, including one of our own retirees.”

And eerily real it is. As Katy starts the pushback sequence from the stand, the scene played out on the hi-def screens in the windows and over the speakers is so real that you feel the lurch. But that’s in the imagination. “What we don’t have is motion,” says Dave. “It was an option but it would have added 30 tons of weight and we’re on the seventh floor which made it impractical.”

Unless you’re cabin or flight crew, or have taken the brief training course as part of the process to be able to use cabin crew seats, then you probably won’t have ventured up to this restricted area. For new crew, it’s an essential part of induction training; for established crew, it’s a place of annual pilgrimage for recency training. It’s pass or fail if they are unable to fulfil the statutory obligations around the correct use of doors and safety equipment. —
As impressive as the Cabin Emergency Evacuation Trainers are, the future of training, not just for safety, but engineering and airmanship too, is virtual.

Cathay Pacific has already been experimenting with virtual reality (VR). Dave says: “We have a virtual aircraft training system that enables you to walk around and inside the aircraft, not just the cabin but the under floor compartments as well. It was designed by Kingsley Birkett from our Technical Training School to enhance training.

One of the smaller pieces of equipment with rental potential is an upper deck door from a Boeing 747-8F. “We’re the only airline in the world to have an upper-deck training door, and there are a lot of freighter operators flying to Hong Kong, so there is clear potential.”

Katy adds: “Up until March we’d have done training on the 747-400 door with a PowerPoint presentation on the differences between that and the Dash 8. But actually they operate a bit differently, so this is a useful tool.”

With the Hong Kong Civil Aviation Department having certified the equipment, the cabin mock-ups are filled with small groups of safety trainers learning about the scenarios they can put their classes through.

Safety Training Specialist Yvonne Tam is impressed. “It’s a far more effective training device, there are more scenarios and it’s much more realistic.”

Katy concludes: “With better equipment our crew learn more. We’re proud of the training the crew receives. They know their service routines off by heart, but emergency situations are very rare. They have to know what to do as well as they know service. On the rare occasions that they have been called upon they have demonstrated these skills, which make us proud.”

There are 11,000 Cathay Pacific cabin crew, 2,000 Cathay Dragon crew and 5,000 pilots, who will all pass through these doors every year for their recency and type training. This is almost a 365-day operation.
Our brand soared high in the skies over Australia’s Capital Territory last month as the Cathay Pacific balloon lifted off as part of the Canberra Hot Air Balloon Spectacular.

Senior First Officer Jeff Vella (left) was at the controls and he says that such events usually draw massive crowds and generate a lot of media coverage. “The balloon costs nearly nothing to run, really, so it’s a pretty cheap floating billboard no matter where it flies,” he says. The big dream for Jeff is to take the Cathay balloon to Albuquerque in the US for the world’s largest hot-air balloon festival, “but it’s not looking likely for this year, unfortunately”.

Up, up and away
The A350 pressure points

Feedback on the Airbus A350-900 has been largely positive but for the problem area of the Business Class cabin. What went wrong – and how are we putting it right?

How did we get into this situation with the Business Class seats?

“The A350 Business Class seats are an evolution of those on the Boeing 777 and the A330,” says David. “We opted to get a customised seat rather than pick something from the Airbus catalogue in order to differentiate ourselves from our competitors and to give our customers a better experience. It’s what’s called ‘buyer-furnished equipment’ rather than ‘supplier-furnished equipment’, which Airbus is responsible for delivering. In this case, we were responsible for supplying the seats.”

After a rigorous tendering process, a supplier was appointed.

David says: “It was a very ambitious project and it turned out the supplier faced a mounting number of challenges in the course of the programme. It became apparent they had overcommitted themselves, struggling with a complicated supply chain, internal organisational issues and management changes.”

Notwithstanding changes in regulatory requirements, such supplier issues created additional hurdles for a seat programme, which had to be designed, tested, certified for safety and manufactured to reach the Airbus factory six months ahead of delivery. The development process was difficult, behind schedule and the initial seats far from the finished article.

David says: “The initial seats were hand-built prototypes, effectively. There are 38 Business Class seats on the A350-900, but with many sub-variants. The centre seats are different to the aisle seats, the front row different to the back row and so on. Certain elements of the design were very challenging, with respect to certification and build, and the early seats just weren’t there in terms of quality. We decided to push through to delivery as the aircraft were waiting and there were no near-term fixes available. All of the defects at delivery were recorded with contractual commitments in place to fix them later.”

What are the main issues?

The main problem areas with the seats are with armrests, which fall off their tracks and can’t be depressed to be flush with the seat (which is obligatory for takeoff and landing); the operation of the bed extension; the laminate...
A350 SEAT ISSUES

ARMREST  
Problem  Wobbly, falls off tracks, gets stuck up or down, gets scratched easily, looks messy  
Short-term fix  Modify to interim standard to improve functionality  
Long-term solution  New armrest standards, which will be retrofitted

BED EXTENSION CUSHION  
Problem  It falls off. This is related to the armrest issue  
Short-term fix  Interim modification as a partial fix  
Long-term solution  Design changes to fasten it on better – being developed now

COCKTAIL TABLE LAMINATE  
Problem  The laminate peels off the table  
Short-term fix  To replace in service  
Long-term solution  Go back to the same material as the 777 Business Class tables, which need certification testing

on the cocktail table peels; the laminate on the shell can come away; and the softwall liners are also problematic. These are things that impact the customer experience, do not look good for the brand, and if seats can’t be sold, hit the bottom line too.

What are we doing about it in the short term?  
The big news is that the entire Business Class cabins on the first three aircraft, B-LRA, LRB and LRC, are to be entirely replaced with the latest seats in the coming months, with the first already in the hangar for the retrofit. David says: “We’re confident that the current built model is much better, so at a stroke the three aircraft with the most problematic seats will get seats of the highest quality.

“During day-to-day operations, we complete a detailed inspection of the Business Class cabin on all Hong Kong transits longer than two hours. We have also launched an additional detailed check for the entire cabin on each Hong Kong overnight. The objective is to identify issues, fix if possible or record for later rectification. Meanwhile, production quality is also improving.”

This has led to incremental improvements on each new aircraft, from a high of an average of 50 faults per seat, which is now down to nine. “There is light at the end of the tunnel, and it’s important to stress that these are ‘quality faults’, not safety/certification issues,” says David.

What are we doing about it in the long term?  
David says: “As an absolute minimum, we have a target that all existing seat and cabin issues are addressed prior to A350-1000 entry into service next year.”

The message is that we know there are problems, they’re being fixed and we’ll soon be able to appreciate the A350 for the revolutionary and reliable aircraft it is – in every respect.

The big news is that the Business Class cabins on the first three A350 aircraft are to be entirely replaced in the coming months with the very latest seats.

What are we working with the supplier to address the issues with the seats?  
Throughout the process, Engineering people have been on-site with the seat supplier. David says: “They are based at different sites in the US and France and have visited many more. The on-site role is for both production management and to drive quality. Currently, we have an engineer embedded in a joint Quality Improvement Programme team working in France on modifications and upgrades.

We have also invested a significant amount of management time to escalate issues. In Hong Kong, we have a dedicated team micro-managing any seat-related issues on a daily basis.

Are there other problem areas?  
Beyond the seats, there have also been some issues with galleys – particularly trash compactors and coffee-makers and latches – baggage bins and toilets. These have affected every airline to have bought the A350. In some ways these are areas that come with the territory of Airbus stripping weight back to drive fuel economy, but cumulatively, they have put pressure on Engineering and cabin crew.

David says: “We have a fix for the baggage bins, the galley equipment is getting better and we are pushing very hard for a fix on the overhead crew rest panel in the front galley, which can come loose.”

Maintenance Standards Engineer Uwe Maak

Maintenance Standards Engineer Uwe Maak meets each Airbus A350 as it flies into Hong Kong to look for known faults and log them, as well as checking components that are likely to be faulty. On each turnaround, he joins cabin maintenance engineers and a seat-manufacturer representative to log and repair defects. Together they are the Cabin Recovery Team, ensuring that the A350 cabins are in optimal condition.

“I am the eyes and ears on the aircraft for Engineering,” he says. “I’m logging faults and taking a lot of pictures. Whenever I have reasonable time, I go through the cabin and use the time to find defects. Some are known, and I collect more evidence and also see how modifications are working in place of the previous defective parts.

“I think that in the drive to save weight, some of the elements beyond the seats – like baggage bins and latches in the toilets – are now maybe too fragile. We have the same passengers we had a year ago, so some things are clearly breaking too easily.

“We learn more every day, and we’re identifying design flaws and manufacturing issues so that they can be improved at each point.”
FROM THE FLIGHT DECK

How do you tackle a typhoon?

Q: As summer nears, it begs the question: Just how safe is it to be flying when there’s a typhoon in the region? And how do pilots manage the risks?

From a Cathay City employee

A: Our pilots are put through a huge amount of training and this helps us handle the wide array of weather conditions that we can get around Hong Kong, including wind shear (rapid changes in wind direction or strength) – which our airport at Hong Kong is prone to because of the surrounding landscape – or when the atmosphere changes suddenly during a microburst (a sudden downdraught).

The training is intense, and it continues throughout our careers. We are trained and checked in the simulators at a minimum of every 90 days, and part of that includes testing our ability to handle aircraft in unusual conditions such as extreme weather, as well as for technical failures.

Weather radar technology has also advanced a lot recently. Hong Kong Airport has a wind shear monitoring station – this technology gives us the information we need to operate safely and also plan the most efficient flight path.

We will only operate when it’s safe to do so, and we have rules in place that determine this. If the weather is too bad at the time of departure, we’ll delay, and if it’s not safe to land, we’ll consider other options such as holding or diverting to another airport. To add to this, we have excellent support from our Integrated Operations Centre and our Flight Operations team who are on hand to ensure we have up-to-the-minute information and resources.

Even the best technology in the world doesn’t replace the power of the human mind. All the training, preparation, and even the best technology in the world, still doesn’t replace the power of our human mind – the instinct that allows us deal with what are often not black-and-white scenarios – and this helps guarantee the safety of our customers and crew.

Captain Peter Clemmow, Chief Pilot Training, Cathay Pacific
Why all the fanfare? If yield is a problem, why do we sell fanfare tickets?

Grace Cheung, Manager Global Marketing Communications, says: The fanfare ticket is a marketing tool that allows the airline to tap into the fast growing, price-conscious leisure-travel segment. While the awareness is high, the actual revenue dilution impact is very limited. On average, we have about 1,500 seats available for sale through fanfares each week, compared with over 600,000 passengers flying with our airlines. Adding to the above, some fanfares offers are actually a fixed flight pattern, meaning we are filling seats that will otherwise fly empty, so it is a win-win situation both for the airlines and our customers.

ASK THE CABIN CREW

Our Crew Ask...

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ASK THE CABIN CREW

Go Melbourne!

What is your favourite route to fly and why?

From a Cathay City employee

I like all routes to Australia, because the passengers are very laid back and friendly. Often they just want to have a drink, chat and relax.

We have a lot of loyal passengers who fly with us frequently, so it’s great to see familiar faces on board and catch up.

I especially love flying to Melbourne – there are some great bars and restaurants and I also studied there. For me, it’s like going home. There are also a lot of connecting flights to Europe from Melbourne so you get a really interesting mix of passengers.

Hair care in the air: tips from two experts

The Journey chats to Cathay Pacific Flight Attendant Zoe Lin (above) and Cathay Dragon Flight Purser Aimee Cheung (above right) about staying well groomed in the air

TJ How do you style your hair for work?

ZOE The French twist, because it looks elegant and it’s very easy to do. It now only takes me five minutes to put up, but when I first started it was around 10 minutes.

AIMEE I also like the French twist because it looks pretty, elegant and professional. At my fastest, I can put it up in around two minutes, otherwise it takes around five.

ZOE Before I board, I use hair oil, which prevents my hair from drying out. Then I use gel and finish off with hairspray to make sure the style is set.

AIMEE Use spray! It prevents loose hair from coming undone. Also, a problem I find with this style is that I cannot put my head back on the crew headrest, so I have to sit up straight, which can sometimes lead to a sore neck.

TJ Are there any airline style restrictions you’d like to change?

ZOE I think there’s a stricter policy for male cabin crew, but for females if hair is longer than shoulder length we have to put it up in a bun. There’s also a policy about the size of earrings but I don’t think there’s anything too strict in place.

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On the frontline

We speak to Ben Zhang about life at the airport in Ningbo

What inspired you to make your career choice?
I’ve always had a keen interest in aviation, since I was a child. After flying six sectors during a summer vacation, my curiosity for the industry grew. The popular Hong Kong TV series Triumph in the Skies also influenced me.

What do you enjoy most about being a frontline member of the airport?
I really enjoy helping others and my passion for aviation keeps me enthusiastic. On the frontline, everything we do can influence the image of Cathay Dragon in our customers’ hearts. It’s about wholeheartedly fighting for smooth flight operations and trying my best to share the best travel experience.

What are some of the challenges you face in daily operations?
For me, the biggest challenge is the airport infrastructure, where there are local limitations and constraints. For example, due to policy and set-up at the check-in and boarding area, we are under great time pressure when handling a flight. The new terminal is under construction and will open in two years. We’re really looking forward to it.

How do you and the team overcome such challenges?
For our brand to become stronger, we learn more and do more. Cathay Dragon updates, airports projects and news from other airlines allow us to understand how the industry and the world changes. I have been with Cathay Dragon for two years and am still learning how I can contribute more.

Tell us about your most memorable experience at the airport
When I first joined, I saw a child who was ill and crying. I was very nervous and felt sorry for the child and mother. They needed to go home but the child was not fit to fly. I had to do something, so with the support of my Airport Services Manager, I escorted them to the hospital and visited them the next day. Fortunately, the child recovered and we booked them onto the next flight. If we make sure our job is well done and make the extra effort to help our customers, we are able to fulfill our promise of Service Straight from the Heart.

Everything we do can influence the image of our airline in customers’ hearts.

ASK THE AIRPORT

Q How can a self-service model in airports be customer-centric? Is there a serious consideration in how we retrain our frontline teams?
A From a Cathay City employee

Why are we using a star-rating system instead of a league table to measure our monthly performance? Is this fair?
Dominic Tsang, Network Performance Manager, Airports
We introduced a new star-rating system and measurement criteria to better align airport performance with our strategy and business priorities: Service Excellence, Business Transformation, Operational Excellence and Safety.
Airports may gain a rating of no stars to six stars for each area measured, while the final rating will be determined by the lowest star. Achieving a higher overall star rating requires a balanced performance year to date across each area measured while the league table puts emphasis on higher points alone. We will review the star-rating system yearly according to our evolving business priorities and performance trends.
LETTERS TO THE EDITOR

What’s the priority: focus on the customer or renovations?

WHERE’S THE URGENCY? We’ve been told our business is under critical review, and that we have to be careful about our expenditure. So how come we continue to invest in areas of the business that do not have a direct impact on improving our customer experience?

For instance, extensive renovations around Cathay City? Elaborate celebrations such as the Long Service Awards and Niki and Betsy Awards? Why are managers still flying to conferences and going on duty travel?

I’m questioning whether now is the time to be spending money on areas that do not imminently improve our customer proposition. Where is the sense of urgency?

From a Cathay City employee

A DIGITAL JOURNEY? I picked up the first issue of The Journey and thought it was a really good read. I especially like the fact that you’re giving us more of an outside perspective with the views of customers, comments from analysts and industry updates. I also enjoyed reading The Guru – very useful advice! The one thing that bothered me was seeing so many copies of the magazine around Cathay City. Do we need to print so many – or do we actually need to print the magazine at all? If the publication was online only it would save the company money – critical in these difficult times – and also have less impact on the environment.

From a Cathay City employee

A Head of People Communications & Engagement Carly Nankin: First, I’m glad you enjoyed reading The Journey. We thought long and hard about print-versus-digital. We carried out extensive research before the relaunch and the findings told us that while some people prefer to read it online, the majority still prefer to have a real magazine in their hands.

In terms of cost, the new magazine is for the people of both airlines and is only marginally more expensive to produce than the combined cost of producing CX World and Dragonews – and the cost of production will be offset by income from advertising in the magazine.

We launched the new magazine in what are undoubtedly challenging times, because we need to communicate more openly and effectively across our two airlines. The Journey will play an important role in helping everyone understand what we are doing, and why.

As for the environmental impact, The Journey is printed on PEFC-certified paper, which is drawn from sustainable sources. We will monitor the distribution of the magazine closely and adjust the print run to minimise wastage. At a later stage we plan to develop a more engaging digital version of the magazine, after which we can reassess how many copies we need to print – if at all.

RUMOUR BUSTER

Overheard on social media...

“I’ve heard that Cathay Dragon is going to be fully merged with Cathay Pacific as part of a strategy to make it easier to sell off both airlines.”

Director Corporate Development & IT, Paul Loo, responds: This is simply not true. While we might be working to create more synergies between our two airlines following on from the launch of the Cathay Dragon brand last year, they will remain as two entities with their own AOCs (air operator’s certificates). As such they will continue to have their own separate pilot and cabin crew teams.

As we have said elsewhere, there is no plan to sell off Cathay Pacific or any of its subsidiaries. Rather, we are focused on ensuring the long-term sustainability of the Group and its various entities through our Time to Win strategy and three-year transformation programme.

Send your questions and comments to peoplecomms@cathaypacific.com and we’ll try to address them in a future issue

MOST LIKED ON YAMMER

The month’s three most popular posts

Country Manager Jonathan Bailey posted photos of the Tel Aviv launch and thanked the crew for the A350 VIP tour.

53 Likes

Lisa Wong from Airports shared behind-the-scenes photos of the TLV inaugural, and praised people’s hard work.

49 Likes

Manager People – SAMEA Neil Andrade wrote about his Life Well Travelled experience, and thanked the people who make it possible.

47 Likes

Why not join the conversation? Sign up at www.yammer.com
Queen of the Club

Planning the annual dinner for top customers was just one chance for this nominee to shine.

**Tammy Gray**, Assistant Marketing Communications Manager, Dubai, looks after public relations, marketing campaigns, branding and – crucially – loyalty members’ relationships, so she put together the show-stopping 40th-anniversary dinner for the Marco Polo Club in February.

“Not only is Tammy consistently and relentlessly focused on our top MPO members, she also adds a very human element,” says **Nikhil Kilpady**, Sales & Marketing Manager, UAE & Oman.

MPO members are busy and often demanding — what does it take to engage them?

Listen – because most MPO members travel so frequently, they actually know our products and services better than I do. By listening to their comments and complaints, and taking action quickly, it reduces the chance of them escalating to a serious issue. When they do write to complain, I will call them or meet them in person depending on their schedules. It’s important to follow up and update the members, even if the result is negative. I prefer this approach as it is more personal and builds relationships with the members.

Secondly, how can we continue to serve our customers better?

Have empathy. Put ourselves in their shoes. Don’t let us stop just because we are already doing our best and other factors are outside our control. We need to understand that different cultures have different interpretation of words but body language is the same. A smile goes a long way.

Lastly, how does it feel to be recognised for Work Well Done?

It is tremendous. Saying ‘thank you’ is nice but it is just two words and can be forgotten quickly. If someone takes the time to tell you and others why, it is very encouraging and uplifting.

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**Keren Tobaly-Tahar**, Customer Services Officer, Tel Aviv

I chose to work with Cathay Pacific because I know it is one of the best airlines in the world, and there is nothing better than working for one of the best airlines in the world. I have not been disappointed.

**One big family:** My first impression was that this is a very organised and a very warm airline. It really feels like being a part of one big family.

**An exciting new port:** So far, I am enjoying everything in my new role. Starting a new port is very exciting and I am learning new things every day, which is great.

**The first flight:** I was so excited to welcome the first flight to Tel Aviv from Hong Kong and realise that we had started a brand-new thing.

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**Mandy Leung**, Assistant Manager, People Communications

I was attracted to Cathay Pacific because I’m a Hong Konger, but more importantly, I’m very impressed with Cathay Pacific’s commitment to corporate social responsibility initiatives at home and abroad.

**Blimey:** My first impression here at Cathay was “blimey, this place is huge!” People seem to be passionate about what they do and that’s very exciting and encouraging.

**Learning more:** Working in the People Communications team gives me the chance to interact with different departments, so I will learn more about the aviation industry.

**Eternal triangle:** Three words to describe Cathay Pacific? Opportunities, commitment and excitement.
Stress busters

Our in-house psychologist explains how you can help yourself – and others – when you’re under pressure.

**STRESS: THE WORLD Health Organization described it as “the health epidemic of the 21st century”. More competition, more pressure on profits and the pace of technological change have all been blamed – but whatever the reason, the sobering truth for most modern workers is more pressure, but less time to deliver.**

You can find plenty of advice for “combating” and “defeating” stress. But maybe stress isn’t a foe or an enemy – just a fact of life we need to live with. In that case, how do we make that cohabitation work?

“Stress can very much be a motivator: it’s not necessarily bad,” says Florence Ma, Cathay’s Psychologist. “It’s a reaction that the body gets when we perceive something is happening that may put us under pressure, or that our abilities are not up to the demands of the situation. If we perceive there is danger, we feel stressed. There are three responses: fight it, flee from it or freeze. If you are in danger and you feel a stress reaction, it can help you fight it. In that sense, stress is necessary for optimal performance.”

But here’s the issue. “Stress is good to a certain degree,” she says. “Thereafter it can affect performance negatively. It’s a bell curve.”

The first step is prevention. When corporations are under pressure – as the Cathay Pacific Group is, without question – then everyone is bound to feel the stress of increased workloads and the anxiety that comes with talk of redundancies and “repurposed” jobs.

Florence advises us to put what we can’t control out of our minds. “Feeling in control and taking control are the fastest ways to reduce stress.”

The way your company is perceived can also add to the load. “Negative PR is stressful,” says Florence. “But if we didn’t worry about the company, maybe we wouldn’t review how we can do our jobs better.”

“Stress is less serious than anxiety, as you’re just reacting to perceptions,” says Florence. “Anxiety is when you ruminate about something until it goes beyond your control. You know it’s serious when it affects your physical health. Sleep is the first to go. Sometimes appetite changes. Those are the red flags.”

Another sign is withdrawal. Individuals suffering from anxiety tend not to want to talk – or if they do talk, it’s not about their real fears. Their work suffers: they can’t focus.

“It’s at this point you might need help – or you might have a co-worker who needs your intervention. That’s where our confidential support and counselling service comes in (see right).”

But there are two things we can all do to alleviate the effects of stress: eat well and keep physically fit.

“If we’re not properly nourished,” Florence tells us, “we don’t cope with stress as well as we might. And if you exercise, you generate endorphins. Exercise is a very natural mood stabiliser. We sweat when we exercise, and that helps us to get rid of stress hormones.”

The body is clever: it has an intricate network of warning signals. Extreme stress is one. “So use the symptoms to check up on things and take care of yourself,” Florence advises. “Stress helps us prepare better for what we fear.”

**To alleviate the effects of stress, eat well and keep physically fit:**

1. **Differentiate** between what you can and can’t control.
2. **Use** stress positively: take a fresh look at your job and design ways to handle your workload.
3. **Beware** of red flags: are you having trouble sleeping, or are you drinking too much on a regular basis? Either of these are signs that you might need to get help.
4. **Talk about** your anxieties with your colleagues or your manager. “A problem shared is a problem halved” is more than just a folk saying.
5. **Eat well**: don’t just see food as fuel, and avoid junk. Mealtimes should be relaxed and enjoyable.
6. **Keep physically fit**: exercise is a sure way to kill stress.

Don’t suffer – get advice

We can use the strategies outlined above to reduce the stress and anxiety we all sometimes feel at work.

We can talk to our managers and colleagues. But sometimes we need to speak in confidence – privately – to a trained counsellor. That’s where the Employee Assistance Programme comes in. The EAP hotline in Hong Kong is 2581 1811. Find out more about the programme under CX & You on IntraCX.

**Six ways to handle stress**

Florence Ma, Psychologist, Cathay Pacific
If you have any great pictures from your travels, email peoplecomms@cathaypacific.com

Norway lights

Cathay Pacific flight attendant Wandy She took this photo of the Northern Lights in Tromso, Norway last November. Wandy says: “Seeing the aurora has always been on my bucket list. I was invited to join some friends in Norway, so I packed my bag and jumped on the first flight to Paris, then Oslo and on to Tromso. I had two nights to chase the lights. No luck the first day, but the following day, and despite an unfavourable forecast, we were blessed with the lights dancing magnificently in the night sky. It was beautiful. No-one felt the cold as we watched this amazing wonder of nature. Definitely a sight to remember for a lifetime.”

WIN!

Feature and win Submit your pictures for the chance to win a stylish pair of Jabra Elite Sport True Wireless Earbuds (jabra.com), offering up to three hours of wire-free music on the go.

For a chance to feature and win a prize, email your pictures to peoplecomms@cathaypacific.com
TRAVEL

God’s own country

Anoop Unnithan’s family had a very special trip in their home state of Kerala

A LIFE WELL TRAVELLED MEANS different things to different people. For some, it means a round-the-world trip or a month-long cruise. For me, even a short trip within my own state, Kerala, in India can give a real sense of fulfilment and happiness – especially when I spend it with the people I love the most.

There’s a lot to like about Kerala. It has a rich culture, a lovely climate and friendly people, and the state’s scenic beauty has become a draw for tourists from all over the world. With its vivid greenery, hill stations, beaches and backwaters, Kerala can be justly proud of its “God’s Own Country” tag.

My own Life Well Travelled moment came on a recent trip with my family through the twisting backwaters of Kuttanad in Alleppy, which has been dubbed the Venice of East. We started our journey from a remote village with views of verdant green paddy fields and Vembanad Lake. As we stepped onto a kettuvallam – a traditional wooden house boat – we felt right at home. We settled on bamboo chairs, sipped on a coconut, and left the stresses and strains of everyday life behind.

We passed rows of coconut trees and saw the smiles of children playing football and women washing their clothes on the banks of the lake. The boat’s cook served us a delicious lunch, rich with aromatic Keralan spices, and by the evening we reached the centre of the lake, witnessing the infinite beauty of nature. The sunset that evening was a true gift from God and gave my family a memory that will last a lifetime.

Anoop Unnithan
Customer Services Officer, Hyderabad
Ancient and modern
Spain’s capital is an intriguing blend of cosmopolitan culture

Madrid, mi amor
Mercedes Tedejo on the Spanish capital’s character

I WAS BORN in Madrid. I lived in the Netherlands and spent four years in Mozambique before coming back to the city. I started working for Cathay Pacific in January 2016.

I live in northern Madrid, in a district called Chamartin. There are more trees, more parks and more space here, which I appreciate. Chamartin is known for four tall skyscrapers, known as the Cuatro Torres (Four Towers) business area, which is my favourite neighbourhood spot.

The Spanish capital is a cosmopolitan city: there’s so much to do both during the day and at night, and it’s got a very easygoing vibe. Everybody is really friendly. Come and hang out in the centre (close to the main Cathay Pacific office), in the Chamberi neighbourhood, and you’ll always find somebody to chat to.

The city has changed hugely since I was growing up. Now, we have better transport and communications. When I was younger, you just didn’t see people from other countries – that’s all changed in 20 years. Madrid has really grown, and there’s a big cultural mix here now.

Talking of culture, there is a lot to take in. My favourite place in Madrid is the Royal Palace and the surrounding area, which is bursting with outdoor cafes and sounds from the nearby Teatro Real opera house. Don’t forget Madrid’s got some fantastic galleries, too. Of course there’s the Prado, but the Thyssen-Bornemisza, Reina Sofia and the Caixa Forum are also worth a visit.

The Centrum, Chueca, Sol and Chamberi districts of Madrid are the best places to hang out at the weekend, with a huge selection of places to eat and drink. Restaurants like La Cana, Perrachica and Ultramarinos Quintin are great spots for a long lunch or dinner, but I’d also recommend exploring the nearby smaller barrio Alonso Martinez too, which is filled with the city’s movers and shakers.

The best thing about Madrid is the community feel. In bars during a football match, the atmosphere is electric. You shouldn’t be surprised if somebody spontaneously hugs you.

Four things to try in MADRID

1. **Tapas** (below). My favourite thing to do in Madrid is to tour the narrow streets of the city centre, trying the tapas at one of the city’s 14,000 bars with local friends. After all, they know which place serves the best...

2. **El Retiro** Walk through Madrid’s parks, particularly El Retiro and Casa de Campo, where people play sports, boat across the lake and meet up with friends.

3. **La Cuesta de Moyano** After visiting El Retiro park, visit nearby Cuesta de Moyano. It’s famous for its stalls selling new and secondhand books.

4. **Strawberry Train** The Strawberry Train runs from Madrid to the town of Aranjuez on the River Tagus just south of the city. You get to enjoy countryside views and the best fruit of the season – springtime is the best time to travel.

If you want to feature in these pages, email peoplecomms@cathaypacific.com
La La Landings
Where to wander, browse and chill around California’s premier oceanside hub

Los Angeles has a great concentration of museums, headed by the stunning Getty. There are several museums in Exposition Park, including the African American Museum and the EXPO Center, which is especially good for children. Everybody loves downtown LA’s Art Walk.

Then there’s the fantastic Petersen Automotive Museum, La Brea Tar Pits, and the LA County Museum of Art, with shopping and restaurants nearby, including the open-air Grove Shopping Center, which includes the Farmers Market.

Adjacent for trendy shopping is Melrose Avenue, Robertson and Sunset Boulevard, and of course Rodeo Drive – which may or may not offer celebrity sightings on the day you’re there.

There are three beach cities north and south of the airport. I’m partial to villagey Marina Del Rey, which has the easiest access to the ocean. It’s known for its beaches, seaside parks, shops, restaurants, recreational water activities and self-guided walking tours.

The trails along the water lead to Venice Beach and Santa Monica Pier, and Third Street Promenade for more shopping and dining. When I end up here, I always stop by Go Greek Yoghurt for an LA-style treat.

Venice Beach boardwalk is LA’s number-one visitor attraction, with scores of street vendors and performers – breakdancers, broken-glass walkers, mimes, musicians, jugglers and jesters. Professional and amateur body builders work out at Muscle Beach, where Arnold Schwarzenegger used to strut his stuff back in the 1980s.

The south beach cities – El Segundo, Manhattan Beach and Hermosa – are all good choices. El Segundo is a neat spot for photos of takeoffs and landings.

Really, there is a huge amount to enjoy here. Architecture, guided hikes, music festivals, stargazing, scenic drives, Chinatown (one of the oldest in the country), joining the audience of a TV show, or just surfing or sunning at the beach. And best of all, a great deal of what’s on offer won’t cost you a red cent.

I WON’T TRAVEL WITHOUT...

- **Pillbox** If you carry aspirin, indigestion, sinus and Imodium tablets, plus a sticking plaster and antihistamine cream in a crush-proof plastic box, they’re insurance against ever actually needing them.

- **An (old-school) notebook** We forget more than we remember. Reading my 1993 notebook I was amazed to rediscover that gun-toting security guards at Yerevan Airport in Armenia had invited me to inspect their collection of albino frogs. I had no memory of this at all.

- **Coffee** I can cope with most of life’s travails if decent coffee is available. I now carry my own coffee maker and Lavazza supplies on any trip other than, of course, to Italy.

- **Playing cards** My secret hobby is magic. Working on a new card trick can help make even the longest immigration queue bearable.
A snapshot in time

A passion for aviation photography led Scott Allen to a long-standing relationship with Cathay Pacific

SCOTT ALLEN’S INTEREST in aircraft photography began in 1980 at the age of 10. Scott and his best friend, Geoff Vine (together, right), shared a passion for both aviation and photography so they decided to start a small business called Aviation Photographers. They even had business cards printed.

The pair started taking photos at Kingsford Smith Airport in Sydney, where they made friends with the security guards and were allowed to take photos of planes landing and taking off from the side of the runway.

Their relationship with Cathay Pacific began in 1983 when they heard that Betsy, the airline’s original DC-3, was going to visit Sydney. Scott’s dad contacted Cathay’s Sydney office and was put through to Jim MacDougall – something of an icon in the local aviation industry – who helped the boys get a photograph of Betsy alongside a Cathay 747 at Sydney Airport.

Their hobby had already begun to take on a more professional feel and at one point they were commissioned by Ansett to travel around Australia photographing its aircraft. “This was an unbelievable experience for two 13-year-old boys, especially when we were able to occasionally travel in the cockpit,” says Scott.

The pair eventually worked for six different airlines, including Cathay, but “retired” in 1987 to focus on their studies. In five years they had travelled to 28 destinations in Australia and around the world on different photographic assignments.

Scott says: “The travels with Cathay were definitely the most exciting. Kai Tak was unlike any other airport in the world and the staff would arrange access on the tarmac or on rooftops of adjacent high-rise buildings.

“We were only two teenage boys from Sydney yet we felt like part of the Cathay family. There were three key people in Head Office who supported our endeavours – Ivan Chu, David Bell and Edwin Shum – and many years after we ceased taking photographs for Cathay they remained in contact with us like we were family,” says Scott.

Although he doesn’t get out to shoot aircraft himself any more, Scott’s passion lives on through his son – “a better photographer than I ever was”.

“Nowadays I simply enjoy sitting alongside Jonathan at the airport and watching the planes while he does the rest. I look back with many fond memories.”
CATHAY CLUB ROUND-UP

Our quarterly film night
A Plastic Ocean, which documents the continuing destruction of the world’s seas, was described by Sir David Attenborough as “one of the most important films of our time”. Made by Hong Kong-based journalist Craig Leeson, the film also presents solutions that can be put into immediate effect.

A Plastic Ocean will be shown on 27 April in the Auditorium at Cathay City. Find details on IntraCX. The film will be followed by a Q&A with the director.

“Plastic is versatile and extremely convenient to use,” says Evelyn Chan, Head of Environmental Affairs. “However, disposable plastic items also contribute to a significant amount of waste, damaging the environment, particularly our oceans. A Plastic Ocean will lead us to take a deeper look into the impacts of our throw-away lifestyle.”

Louella Dias, Senior Purser
Cathay training has helped Louella Dias to beauty pageant success

When did you start competing in beauty contests?
In 1997, in Goa. I’ve taken part in quite a few since then, and most recently was crowned Glorious Queen Milestone Mrs India at an event in Pattaya.

We can see what it’s like on the catwalk, but what about backstage?
It’s an exciting chaos. There were 14 of us, each with makeup and hair stylists, going through three wardrobe changes in a makeshift green room. But in the end it all falls into place and you get in line for your next appearance.

What does your family think about your taking part?
They’ve always been extremely encouraging and supportive. My husband and sons came to watch me perform last time, and it was sheer joy to win the crown while they were there beside me.

But some people say pageants like this demean women?
I take a different view; they give women a platform to achieve something beyond their regular life. They can make better versions of themselves and be an inspiration to other women to be confident and keep themselves fit and healthy and ‘Shine Bright like a Diamond’, to quote Rihanna.

Are there similarities with your work as a Senior Purser?
Very much so. I am sure I won the latest pageant thanks to the training, grooming and confidence I’ve gained working for Cathay Pacific.

What next?
I’ve got another pageant in Moscow in September, but before then I’ll be filming a music video for a fashion house.

Thyme to win
Cathay City’s rooftop organic farmers marked their first year’s successful gardening by offering free virgin mojitos and guided tours.

The Farmers’ Club is looking for new recruits for summer. Members get a planter box, soil, seeds and/or seedlings – Chinese amaranth, Ceylon spinach, sweet basil, okra, morning glory, sweet potato leaves and string beans are in season for growing from May in the warmer weather – as well as on-site advice and support. See Yammer for details.

Pictured right: Cathay organic farmers picked up tips and fresh produce on a visit to an organic farm in Kam Tin in February.

And they’re off
More than 50 people from across eight departments headed to Sai Kung on 25 March to take part in the eye-dotting and roast-pig cutting ceremony for the Cathay Dragon Boat Team.

Training has now started in earnest twice a week, and the team will be competing at races in Tsuen Wan, Sai Kung and Tseung Kwan O, as well as the Hong Kong International Dragon Boat Race in Central in June.

Pictured: the auspicious inaugural event was hosted by Cathay Club Deputy Chairman Albert Wong (far right).

GET INVOLVED
The Cathay Club coordinates sporting, educational and recreational activities to help bring together people from across our airlines.
Find out more through the Cathay Club link at CX & You on IntraCX
COMPETITION TIME

Steak out

Win a free-flow Champagne brunch for two in Hong Kong

ENTER OUR QUIZ for a chance to win a Sunday Champagne brunch for two at one of Hong Kong’s best steak restaurants, Buenos Aires Polo Club.

Spend a decadent Sunday tucking into oysters, smoked salmon, cured meats and cheeses, eggs any way you like, freshly baked pastries and free-flow Laurent-Perrier Champagne and expertly made cocktails from BA Polo Club’s resident bar manager.

Find out how to enter the quiz on IntraCX from 24 April. Normal terms and conditions apply.

WIN

a luxurious brunch for two at Buenos Aires Polo Club

Memory board

Events and people of the past month snapped by you

Send your pictures to peoplecomms@cathaypacific.com and we’ll try and include them in Memory Board

1. KEEP ON TRUCKING The Zurich team’s appointed trucking company in Switzerland offered Cathay a completely free advertisement for five years that will see our logo carried across Europe.

2. ODD MAN OUT Flight Attendant Henry Tam was the sole male crew on flight CX233 from Hong Kong to Milan, operated in recognition of Women’s Day. Captain Suzanne Lovett led the all-female flightdeck.

3. ELITE MEMBER Le Le Ng, Manager Inflight Services Standards & Safety, was on hand to pick up the gong for Cathay at the 2016 Elite Awards.

4. FAREWELL RICHARD After more than 30 years flying Richard De Watts has retired from Cathay. Yammer commenters agreed he is a “true gent”.

5. YOU’VE BEEN FRAMED Instagram action at the inaugural ceremony for the 2017 Cathay Dragon Aviation Certificate Programme, which will see 30 aviation aspirants mentored by our pilots.

6. AIRPORT EXCELLENCE Colleagues at the Airports Conference congratulated Bangkok Airport Services Manager Khun Supaporn on her retirement after 37 years of service.