FINAL PROJECT

Bachelor's degree in Business Administration and Management

DECISION-MAKING IN IAG: ORGANIZATIONAL, WORKFORCE AND CUSTOMER IMPACT

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ACKNOWLEDGMENT

I'm lucky to have grown up listening to my father's airport stories.
I'm lucky for living in El Prat de Llobregat, where I can see planes from my window.
I'm lucky to share this interest with Dani, who sparked on me its passion for aviation from the beginning.

Aviation is a whole world that transports you to another.

RESUM

Aquest estudi analitza el sistema de presa de decisions dins el grup International Airlines Group (IAG), centrant-se en la coexistència de diferents models de negoci d'aerolínies a través dels casos d'Iberia, Vueling i LEVEL. El projecte examina com la Intel·ligència Artificial (IA) i l'anàlisi de dades influeixen en els processos de presa de decisions estratègiques i operatives, la coordinació organitzativa, la dinàmica de la força laboral i l'experiència del client.

El marc teòric explora els models de negoci de les aerolínies, les estructures organitzatives i el paper creixent de les tecnologies digitals a la indústria de l'aviació. Aquesta anàlisi es complementa amb entrevistes qualitatives a professionals vinculats a IAG i enquestes quantitatives dirigides tant a empleats com a passatgers.

Els resultats mostren que la IA i els sistemes basats en dades han esdevingut eines essencials per a l'eficiència operativa, la fixació de preus, la previsió i la gestió de clients. Tot i això, l'estudi també identifica tensions relacionades amb la satisfacció dels empleats, la percepció dels passatgers, la transparència i la creixent reducció de la interacció humana en entorns altament automatitzats.

La investigació conclou que la futura competitivitat dels grups aeris dependrà no només de l'eficiència tecnològica, sinó també de la seva capacitat per mantenir la confiança, l'accessibilitat i una experiència de viatge centrada en la part humana.

Indústria aèria
Sistemes de presa de decisions
Models de negoci
Estructura organitzativa
Anàlisi de dades
Intel·ligència artificial
Dinamisme de la força laboral
Percepció del consumidor

RESUMEN

Este estudio analiza el sistema de toma de decisiones dentro del grupo International Airlines Group (IAG), centrándose en la coexistencia de diferentes modelos de negocio de aerolíneas a través de los casos de Iberia, Vueling y LEVEL. El proyecto examina cómo la Inteligencia Artificial (IA) y el análisis de datos influyen en los procesos de toma de decisiones estratégicas y operativas, la coordinación organizativa, la dinámica de la fuerza laboral y la experiencia del cliente.

El marco teórico explora los modelos de negocio de las aerolíneas, las estructuras organizativas y el creciente papel de las tecnologías digitales en la industria de la aviación. Este análisis se complementa con entrevistas cualitativas a profesionales vinculados a IAG y encuestas cuantitativas dirigidas tanto a empleados como a pasajeros.

Los resultados muestran que la IA y los sistemas basados en datos se han convertido en herramientas esenciales para la eficiencia operativa, la fijación de precios, la previsión y la gestión de clientes. Sin embargo, el estudio también identifica tensiones relacionadas con la satisfacción de los empleados, la percepción de los pasajeros, la transparencia y la creciente reducción de la interacción humana en entornos altamente automatizados.

La investigación concluye que la competitividad futura de los grupos aéreos dependerá no solo de la eficiencia tecnológica, sino también de su capacidad para mantener la confianza, la accesibilidad y una experiencia de viaje centrada en la parte humana.

Industria aérea
Sistemas de toma de decisiones
Modelos de negocio
Estructura organizativa
Análisis de datos
Inteligencia artificial
Dinamismo de la fuerza laboral
Percepción del consumidor

ABSTRACT

This study analyses decision-making system within International Airlines Group (IAG), focusing on the coexistence of different airline business models through the cases of Iberia, Vueling and LEVEL. The project examines how Artificial Intelligence (AI) and data analytics influence strategic and operational decision-making processes, organizational coordination, workforce dynamics, and customer experience.

The theoretical framework explores airline business models, organizational structures, and the growing role of digital technologies within the aviation industry. This analysis is complemented by qualitative interviews with professionals linked to IAG and quantitative surveys addressed to both employees and passengers.

The results show that AI and data-driven systems have become essential tools for operational efficiency, pricing, forecasting, and customer management. However, the study also identifies tensions related to employee satisfaction, passenger perception, transparency, and the increasing reduction of human interaction within highly automated environments.

The research concludes that the future competitiveness of airline groups will depend not only on technological efficiency, but also on their ability to maintain trust, accessibility, and a human-centred travel experience.

Airline industry
Decision-making systems
Business models
Organizational structure
Data analytics
Artificial intelligence
Workforce dynamics
Customer perception

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1. INTRODUCTION

1.1 JUSTIFICATION

The airline industry is a highly competitive and complex sector, characterized by cost pressures and fluctuating demand. In this context, airline groups increasingly adopt multi-brand strategies to serve different market segments simultaneously (Wendel, Albers & Dewulf, 2026). The International Airlines Group (IAG) is a relevant example, combining legacy, low-cost and hybrid models through Iberia, Vueling and LEVEL.

Understanding how these different business models coexist within a single corporate structure is strategically relevant. The growing use of data analytics and artificial intelligence in decision-making processes is reshaping how firms coordinate operations, allocate resources and manage internal complexity. This raises key questions about organizational control and the impact of these decisions on employees and customers.

In addition to its academic relevance, this topic is closely linked to my personal and professional experience. Having worked at Iberia handling at Barcelona Airport, I have been able to observe first-hand the operational and organizational complexity of airline activities. This experience has allowed me to develop a more structured understanding of how decisions are implemented in practice and has strengthened my interest in analysing the aviation sector from a business perspective.

1.2 OBJECTIVES AND RESEARCH QUESTIONS

In line with this, the twofold objective of the study is to analyse how data analytics and artificial intelligence shape decision-making systems within IAG, and how these systems influence organizational structure, workforce dynamics and customer outcomes across different airline business models. The main research question guiding this project is how data-driven decision-making within IAG enables the coexistence of different airline business models, and what implications this has for organizational structure, workforce and customers.

More specifically, the project examines the role of data-driven decision-making in coordinating legacy, low-cost and hybrid airlines within the same corporate group, while also analysing its implications for organizational design and workforce dynamics. In addition, the study assists how these strategies affect customer perception and value creation.

The analysis combines a strategic and organizational perspective, focusing on (1) corporate structure, (2) the coordination mechanisms between Iberia, Vueling and LEVEL, and (3) the role of data-driven tools in shaping key decisions such as pricing, planning and operations. It also incorporates both qualitative and quantitative methodologies, including interviews with professionals in the aviation sector and surveys aimed at capturing perceptions related to working conditions and service experience.

The study is guided by the hypothesis that the integration of data analytics and artificial intelligence within a shared corporate structure enables IAG to manage differentiated airline business models more efficiently, while simultaneously transforming organizational governance, workforce dynamics and customer value perception.

1.3 STRUCTURE OF THE DISSERTATION

The dissertation is organized around a progressive analysis of decision-making within IAG, with a strong emphasis on connecting theoretical concepts to real human experiences. It begins by outlining the theoretical framework, introducing key ideas related to airline business models, organizational structure, and data-driven decision-making, providing the conceptual lens through which the study interprets corporate practices.

The methodological approach is closely integrated with the human dimension of the study. The research relies on a case study design, combining semi-structured interviews with employees and managers, surveys of staff and customers, and careful analysis of internal documents. This mix of qualitative and quantitative data allows for a deep understanding of how decisions are experienced and enacted across different levels of the organization, highlighting the perspectives, motivations, and challenges of the people involved.

The central part of the dissertation explores decision-making processes across IAG, examining how Iberia, Vueling, and LEVEL interact, coordinate, and influence one another. It also analyses the corporate structure and its effects on strategic and operational decisions, always grounding the discussion in the insights gathered from interviews, surveys, and other data. The analysis demonstrates how theory meets practice, showing the tangible impact of organizational choices on workforce experience and customer outcomes.

The study concludes by synthesizing the main findings, emphasizing how a human-centred approach to research can reveal the realities behind corporate decisions, and discussing the managerial implications of these insights for enhancing both organizational effectiveness and the experiences of employees and customers.

- **SDG 8 - Decent work and economic growth:** analysis of workforce dynamics, working conditions and organizational changes within airline groups.
- **SDG 9 - Industry, Innovation and Infrastructure:** examination of digital transformation, data-driven decision-making and technological integration in the aviation industry.
- **SDG 12 - Responsible consumption and production:** Consideration of pricing practices, transparency and efficiency in resource allocation within airline operations.

1.4 AI DECLARATION

This dissertation has been developed independently by the author. Artificial Intelligence tools have not been used to generate the content, analysis or conclusions of the study, either totally or partially.

Their use was limited to minor language support tasks, such as reformulating specific sentences, checking grammar, translating certain expressions and finding synonyms, given that the dissertation was written in English as it’s not the native language of the author.

All ideas, interpretations and critical reflections presented are original and correspond exclusively to the author.

2. THEORETICAL FRAMEWORK AND THE IAG CASE

2.1 THE AIRLINE INDUSTRY

2.1.1 Historical evolution and the paradigm of liberalization

The historical trajectory of the global airline industry is defined by a fundamental transition from state-protected monopolies to a hyper-competitive, deregulated marketplace. Throughout the mid-20th century, aviation functioned primarily as an instrument of national prestige, with “flag carriers” operating under rigid bilateral agreements and heavy government subsidies.

According to the International Air Transport Association the 1944 Chicago Convention established the initial regulatory framework, but the true catalyst for the modern era was the US Airline Deregulation Act of 1978 (IATA, 2008). This legislative shift dismantled government control over fares and routes, fostering an environment where efficiency and market demand dictated success.

In Europe, the liberalization packages of the 1990s faced this trend, enabling the rise of the Low-cost carrier (LCC) model. This deregulation allowed airlines to fly between any two EU points without prior government approval, which fundamentally democratized air travel. For legacy groups like IAG, this evolution necessitated a radical shift in decision-making, moving away from service prestige toward unit cost reduction and technological scalability.

The industry has now moved into a phase of consolidation, where large airline groups manage portfolios of brands to capture diverse market segments. Today, the industry has entered a digital maturity phase where manual scheduling has been superseded by real-time data processing, allowing for a level of operational precision that was historically unattainable (Belobaba et al., 2025).

2.1.2 Economic impact: competitiveness and demand volatility

The economic footprint of the aviation sector extends far beyond the transportation of passengers, acting as a massive global multiplier for trade and tourism. Aviation contributes approximately 3.5% to global GDP and in tourism-led economies like Spain, the influence of IAG’s operations on national wealth is even more pronounced (ICAO, 2024).

The last year, the recovery of traffic in hubs like Madrid and Barcelona has been a primary driver of the Spanish services sector’s growth (AENA, 2025). This impact is categorized into direct, indirect, and induced effects. Direct impacts include the employment within the airlines and airports, while induced impacts refer to the spending by those employees in the wider economy. Decision-making at the board level must therefore consider these macroeconomic externalities, as flight frequency directly correlates with regional economic wealth.

Competitiveness in this sector is increasingly measured through the lens of Cost per Available Seat Kilometre (CASK) and Revenue per Available Seat Kilometre (RASK). Airlines operate on notoriously thin margins, where a minor fluctuation in fuel prices or seat occupancy can hazard annual profitability. Doganis (2024) explains that “yield erosion” is a constant threat, as passengers become increasingly price-sensitive due to the transparency provided by digital comparison tools.

Additionally, demand in this industry is highly elastic and sensitive to external shocks. Whether facing sudden spikes in jet fuel prices or geopolitical instability, airline executives must utilize sophisticated “Scenario planning” to reallocate capacity rapidly. As noted by Porter (2024), this volatility requires a strategic approach to risk management, where data-driven forecasting replaces static budgeting. The ability to hedge fuel costs and manage currency fluctuations is often what separates profitable groups from those facing insolvency.

2.1.3 The integration of data analytics and artificial intelligence

In the contemporary era, data has become the most critical asset for an airline after its fleet. The application of Data Analytics has transitioned from a support function to the core of organizational strategy. Predictive analytics now allow airlines to forecast demand with high accuracy, enabling them to decide on route profitability months in advance. This is further enhanced by Machine Learning models that optimize “Turnaround Times”, ensuring maximum aircraft utilization.

Every minute an aircraft spends on the ground is a minute it is not generating revenue; therefore, minimizing ground time through algorithmic scheduling is a top priority for operational decision-makers. McKinsey & Company (2026), recently highlights that the integration of Artificial Intelligence (AI) into the supply chain also allows for the optimization of spare parts inventory, ensuring that maintenance does not cause unnecessary grounding of the fleet.

Artificial Intelligence (AI) has revolutionized revenue management through the implementation of dynamic pricing. Rather than maintaining fixed fares, AI algorithms analyses thousands of variables in real-time “including competitor pricing, historical booking curves, and local weather” to adjust ticket prices (Amadeus, 2026). This ensures that the yield is maximized for every seat. Additionally, AI is utilized in predictive maintenance, where algorithms analyse engine sensor data to predict failures before they occur. By identifying potential issues before they lead to an aircraft on ground situation, airlines can significantly reduce costs associated with unplanned cancellations and passenger compensation.

This shift from reactive to proactive maintenance is a hallmark of the modern, data-driven carrier (LatentView Analytics, 2026). Gartner (2025) also notes the rise of generative AI in enhancing customer service bots, which significantly lowers the administrative burden of handling routine queries.

2.1.4 Strategic challenges: ethics, profits, and the environment

The ethics of algorithmic pricing: From Adamuz to global conflicts

As airlines shift toward fully automated revenue management systems, the "human-out-of-the-loop" model has birthed significant ethical friction.

A prominent case study in the Spanish context is the Adamuz train accident in 18th of January 2026, when a high-speed train derailment disrupted the Madrid-Andalucía corridor, airline dynamic pricing algorithms, programmed to respond purely to spikes in search velocity and decreasing inventory, automatically augment rapidly ticket prices for the same route. This phenomenon, often termed "Algorithmic price gouging," occurs because the software lacks "contextual empathy"; it perceives a humanitarian or logistical crisis due a high-demand event. In this scenario, the algorithm prioritized the mathematical optimization of the yield over the social necessity of emergency transport, highlighting a clear misalignment between corporate efficiency and public interest.

Similarly, during the first quarter of 2026, middle east conflicts, airline pricing for repatriation flights or emergency exits from high-risk zones saw exponential increases. From an empirical standpoint, while these price hikes are technically market efficient, based on the lack of supply and the surge in risk-adjusted demand, they represent a significant moral failure in contemporary Corporate Social Responsibility (CSR).

The ethical risk is that profit-seeking algorithms can inadvertently cause “predatory pricing" during human catastrophes, leading to severe long-term reputational damage and what behavioural economists call a "fairness violation" in the consumer’s mind. These events suggest that without human intervention, AI-driven pricing can become an extractive tool rather than a value-added service.

Regulatory frameworks and the "Code of conduct"

Currently, there is no global law that strictly prohibits dynamic pricing, as it is considered a base of the free-market aviation economy. However, the EU Regulation 1008/2008 on common rules for the operation of air services mandates price transparency and non-discrimination.

Furthermore, the European Union’s AI Act (2024) is beginning to categorize certain algorithmic behaviours. While airline pricing is not yet officially labelled with high-risk, the Act emphasizes the need for algorithmic transparency, requiring companies to be able to explain, audit, and intervene in automated decisions.

To mitigate these risks, leading groups like IAG have begun implementing "Ethical guardrails" that are manual overrides in their software that cap prices during officially declared emergencies or infrastructure collapses. This ensures that the pursuit of short-term profit does not override the fundamental ethical obligation to assist the community in times of crisis.

Aviation and the EU 2030 Agenda: The SAF challenge

The aviation industry is a critical point of the EU Agenda 2030 and the European Green Deal, which aims for a 55% reduction in net greenhouse gas emissions by 2030. The primary vehicle for this transition is the ReFuelEU Aviation initiative, a central component of the "Fit for 55" package (Council of the European Union, 2023). This regulation mandates that fuel supplied at EU airports must contain a minimum percentage of Sustainable Aviation Fuel (SAF), starting at 2% in 2025 and scaling to 6% by 2030. This regulatory pressure forces airlines to move away from fossil fuels, yet it introduces a massive financial hurdle known as the "Green Premium" (European Parliament, 2023).

Since SAF is currently three to five times more expensive than traditional kerosene, airline executives face a profound fiduciary conflict. Investing heavily in SAF ensures compliance and long-term viability but places an immediate burden on the benefit (EBITDA) and ticket prices. Companies must decide whether to absorb these costs or pass them to the consumer, which could lead to greenflation and reduced accessibility to air travel. This dilemma is at the heart of the sustainable aviation debate: how to achieve carbon neutrality without destroying the economic democratization of flight that has been achieved over the last three decades.

The industry has recently begun to see a rise in ethical best practices that attempt to balance these conflicting interests. For instance, some carriers as British Airways have established pro bono repatriation protocols where, during the initial stages of global crises, they implement capped-fare zones, effectively overriding the revenue management system for CSR purposes. Another example is the implementation of full carbon transparency at the point of sale; airlines like Iberia and Vueling now provide real-time CO_2 footprint data to passengers, allowing them to offset emissions through certified gold-standard projects.

Finally, the move toward decentralized SAF investment represents a shift from passive compliance to active leadership. By investing directly in SAF production plants in the UK and USA, IAG ensures the ethics of its supply chain and works to reduce long-term price volatility, demonstrating that long-term environmental ethics can align with strategic financial stability.

2.2 INTERNATIONAL AIRLINES GROUP (IAG)

2.2.1 History and evolution

International Airlines Group was established in January 2011 following the landmark merger between British Airways and Iberia. This strategic union was not only a simple response to the economic crisis of 2008, but a visionary move to create one of the world's largest airline groups capable of competing with the emerging Middle Eastern carriers and the consolidated USA giants.

Over the past fifteen years, IAG has expanded its portfolio through the acquisition of Vueling (2013), Aer Lingus (2015), and the launch of the long-haul low-cost brand LEVEL (2017) (Villamizar, 2022). This evolution reflects a shift from traditional national "flag carrier" mentalities toward a multinational corporate structure designed for efficiency and market dominance.

2.2.2 Expansion: EBITDA, profits, and financial resilience

The financial trajectory of IAG demonstrates a robust recovery and aggressive growth strategy. By the end of the 2025 fiscal year, the group reported an EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of 7.652€ billion, with an operating profit of 3.5€ billion (IAG, 2025). These figures are driven by a disciplined approach to capital expenditure and a focus on high-margin routes, particularly in the north Atlantic routes.

The group's expansion is characterized by a deleveraging strategy, prioritizing the reduction of net debt to maintain an investment-grade credit rating while simultaneously funding fleet modernization with fuel-efficient aircraft like the Airbus A350 and Boeing 787 recent announcement.

2.2.3 IAG's multi-brand Strategy

The nexus of IAG's competitive advantage is its multi-brand strategy. Unlike other merged entities that force a single corporate culture, IAG maintains distinct brands to target different market segments. British Airways and Iberia serve the premium market; Aer Lingus provides a value-based gateway to North America; Vueling captures the short-haul European low-cost market; and LEVEL addresses the long-haul low-cost niche.

This segmentation prevents brand dilution and allows the group to capture a wider "Total Addressable Market" (TAM) while optimizing aircraft allocation based on specific brand yields.

Centralization, autonomy, and governance

IAG operates under a hybrid holding governance model. While each airline retains its own Air Operator Certificate (AOC) and management team (ensuring operational autonomy and local market sensitivity), the group centralizes strategic functions through IAG GBS (Global Business Services) and IAG Tech. This centralization covers procurement, fuel hedging, IT infrastructure, and loyalty management (Avios).

This balance ensures that while individual airlines react quickly to local competition, the group benefits from massive economies of scale and a unified long-term strategy.

2.2.4 Iberia, Vueling and LEVEL

The Spanish market represents the most diverse laboratory within IAG's ecosystem. Through Iberia, Vueling, and LEVEL, the group commands a dominant position in the Iberian Peninsula, utilizing Adolfo Suárez Madrid-Barajas and Josep Tarradelles Barcelona-El Prat as complementary hubs that serve different geographic and economic needs.

Organizational Structure: IB, VY, LV

The organizational structures of Iberia, Vueling and LEVEL reflect the different strategic roles each airline plays within the International Airlines Group (IAG) portfolio. Iberia maintains a more traditional and vertically integrated structure, consistent with its role as a legacy carrier and hub operator. The airline concentrates significant operational capabilities in areas such as maintenance, engineering and ground handling, which also provide services to other airlines within the group.

In contrast, Vueling operates under a leaner and more flexible organizational model typical of low-cost carriers, prioritizing operational efficiency, fast decision-making and high aircraft utilization. The company itself emphasizes agility, transformation and operational adaptability as core elements of its corporate culture and strategic vision.

LEVEL represents the most lightweight structure within the Spanish brands of IAG. Rather than developing an entirely independent operational system, the airline relies on shared group resources and support functions, particularly those linked to Iberia and IAG's centralized services. This allows LEVEL to reduce fixed costs while maintaining the flexibility required for a long-haul low-cost model (International Airlines Group, 2026).

Each airline maintains operational autonomy while strategic and technological functions are partially centralized at group level. Iberia presents a more vertically integrated structure linked to legacy operations and hub management, Vueling operates with a leaner and more agile model characteristic of low-cost carriers, while LEVEL relies more heavily on shared IAG resources to maintain a lighter and scalable structure (International Airlines Group, 2026). Centralized functions such as IAG Tech, procurement and loyalty systems allow the group to coordinate different business models while benefiting from economies of scale and data integration.

Use of Data Analytics and AI

The integration of Data Analytics and AI is the primary driver of operational efficiency for these brands. Iberia uses AI-driven predictive maintenance to reduce technical delays, while Vueling employs sophisticated Machine Learning algorithms to optimize its "ancillary pricing" (baggage, seats, and priority boarding). LEVEL utilizes data-driven marketing to identify underserved transatlantic routes where price elasticity is high. All three brands feed into the IAG Data Lake, allowing for a unified analysis of customer behaviour that informs group-wide capacity decisions. See table 1 and table 2 for a comparison among the companies.

Table 1: Strategic brand positioning within IAG Spain

Feature/Airline	Iberia (IB)	Vueling (VY)	LEVEL (LV)
Business model	Full-Service (FSC)	Low-Cost (LCC)	Long-Haul Low-Cost
Core decision driver	Premium yield / Hub feed	Operational efficiency	Market penetration
Network focus	MAD Hub (LatAm/USA)	Point-to-Point (Europe)	BCN Hub (Americas)
Main AI application	Personalized CRM	Ancillary optimization	Digital customer experience
Workforce model	Highly unionized / legacy	Flexible / Modern contracts	Lean / Outsourced elements

Source: Own elaboration based on IAG (2025) and CAPA-Centre for Aviation (2026)

Table 2: Economic and operational indicators (Projected 2025/2026)

Metric	Iberia (IB)	Vueling (VY)	LEVEL (LV)
Average ticket yield	High (€250 - €600)	Low (€45 - €120)	Medium (€300 - €500)
Aircraft utilization	12-14 hours/day	14-16 hours/day	+16 hours/day
Ancillary revenue %	10% (Low)	35% (High)	25% (Medium)
Strategic priority	Network dominance	Unit cost minimization	Model scalability

Source: Own elaboration based on IATA Economics: Industry Statistics (2025) and IAG (2025)

This comparative framework illustrates that IAG does not view its Spanish airlines as internal competitors, but as complementary assets designed to maximize the group's total addressable market. Vueling's high ancillary revenue-derived from baggage fees and seat selection-offsets lower ticket prices, while Iberia's high yields on Business Class seats provide the bulk of the group's profit during peak business travel seasons.

2.2.5 IAG demand

IAG utilizes real-time demand indicators powered by AI. Dynamic Demand Forecasting allows the group to adjust prices thousands of times per day based on booking velocity. If the AI detects a spike in searches for a specific destination (due to an event or weather change), it automatically adjusts the yield management strategy to maximize revenue per seat, a process that has significantly improved IAG's unit revenue over the last three years (Amadeus, 2026).

Customers and segmentation

IAG's demand management is built on a deep understanding of customer segmentation. Through the Avios loyalty program, the group tracks the lifecycle of millions of passengers. This allows for the transition from transactional relationships to relational ones (IAG, Loyalty). Data analytics identifies high-value corporate travellers for Iberia while simultaneously targeting price-sensitive millennial travellers for Vueling or LEVEL.

Route Optimization

Route optimization at IAG is no longer a manual process. The group employs network simulation models that analyse historical demand, competitor capacity, and macroeconomic trends to decide which routes to open, increase, or close. AI models help IAG predict which seasonal routes (e.g., Madrid to Doha or Barcelona to San Francisco) will reach the "break-even load factor" faster, allowing for a more agile deployment of the fleet (International Airlines Group, 2026).

Customer impact: personalization vs. privacy

From a customer perspective, IAG's data-driven decisions have led to a more personalized travel experience, for example, passengers receive offers that are relevant to their travel history. However, this raises significant questions regarding data privacy and the ethical use of information. IAG must comply with stringent GDPR (General Data Protection Regulation) regulations, making data security a top-tier organizational priority (European Commission, 2024).

The decision to invest in high-level cybersecurity is not just a technical necessity but a fundamental requirement for maintaining customer trust. Ultimately, the impact on the customer is a trade-off: more convenient service and tailored pricing in exchange for data transparency.

2.2.6 IAG workforce

IAG manages a global workforce of over 60,000 employees. The organizational challenge lies in balancing the legacy labour agreements of flag carriers like Iberia with the flexible, modern contracts required by Vueling. The group focuses on digital reskilling, ensuring that staff are equipped to work alongside automated systems, from AI-powered ground handling to digital check-in assistants.

The human element and the talent gap

The shift towards algorithmic decision-making has had a profound impact on the IAG workforce. As automation takes over repetitive tasks like check-in and basic customer service, the role of the human employee has evolved. Studies from Deloitte (2025) notes that the "talent gap" in the transport sector is widening, as airlines now compete with tech companies for data scientists and software engineers.

This transition has not been without friction; labour disputes, such as the 2024 handling strikes in Spain, highlight the tension between the group's push for centralization and local labour rights.

IAG has responded by investing in reskilling programs, attempting to transition employees from declining roles to expanding areas like digital marketing and data science. The IAG sustainability report on 2024 emphasizes that diversity and inclusion are now key indicators in their hiring decisions, reflecting a shift towards more modern ESG (Environmental, Social, and Governance) standards (International Airlines Group, 2025).

Hiring and dismissing indicators

The group utilizes workforce analytics to manage its human capital. Key performance indicators (KPIs) include revenue per employee. AI models help IAG predict seasonal hiring needs, particularly for cabin crew and ground staff, to avoid the labour shortages that plagued the industry post-pandemic.

In contrast, dismissing indicators are managed through predictive attractiveness models, which identify departments with low engagement or over-capacity, allowing the group to offer voluntary departures or internal transfers before resorting to forced redundancies, thus maintaining a more stable industrial relations environment.

2.3. THE INTERFERANCE IN DECISION MAKING

2.3.1 The Air Europa acquisition and regulatory hurdles

The evolution of IAG is marked by critical decisions that have redefined its market position. The attempted acquisition of Air Europa stands as a primary example of strategic ambition meeting regulatory reality.

The group's decision to pursue the merger was driven by the goal of transforming the Madrid-Barajas hub into a global gateway capable of rivalling Paris-Charles de Gaulle or Frankfurt. By integrating Air Europa, IAG sought to control a significant portion of the traffic between Europe and the Americas, providing it with immense pricing power and scheduling efficiency. Eurocontrol data suggests that hub congestion and slot management are the primary constraints on growth, making such acquisitions vital for network expansion.
However, the intervention of the European Commission's competition authorities forced IAG to eventually withdraw in 2024 to protect shareholder value. The regulators were concerned about the potential for a monopoly on certain domestic and transatlantic routes.

This case study illustrates that organizational growth in the modern era is often curtailed by anti-trust frameworks. IAG's decision to walk away rather than accept excessive remedies, such as giving up too many slots to competitors like Volotea, shows a disciplined approach to decision-making, prioritizing long-term financial health over pure market share (European Commission, 2024).

2.3.2 Crisis management and fleet modernization

Another major inflection point was the management of the COVID-19 Pandemic. IAG utilized this crisis to accelerate the retirement of fuel-inefficient aircraft, such as the Boeing 747 and Airbus A340. This survival-based decision-making resulted in a younger, more efficient fleet, positioning the group for a faster recovery once travel restrictions were lifted. The decision to invest in the Airbus A350 and Boeing 787 Dreamliner was not just an operational one; it was a financial strategy to reduce fuel burn by 25% per seat, significantly lowering the group's break-even load factor (Fly News, 2020).

Furthermore, the financial decisions made during this period like securing ICO loans in Spain- dictated a current strategy focused on deleveraging and restoring the balance sheet to pre-pandemic strength. The group’s ability to maintain liquidity during a period of zero revenue was a testament to its robust organizational structure.

This period also saw a shift in workforce management, with a greater emphasis on flexibility and training, allowing the group to scale its operations up or down with unprecedented speed as demand returned.

2.4 THE IAG TECH ECOSYSTEM

2.4.1 The centralized data lake and AI governance

The organizational impact of IAG is most visible in its centralized technological backbone. While the individual airlines maintain their own marketing and commercial teams, their digital infrastructure is managed by IAG Tech.

This unit oversees the IAG data lake, where information from all five airlines (British Airways, Aer Lingus, Iberia, Vueling and LEVEL), is aggregated to perform cross-brand analytics. This allows for a single customer view, where the group can track a passenger’s journey across different brands and offer personalized promotions through the Avios loyalty program. For example, a customer flying Vueling from Rome to Barcelona can be targeted with an Iberia offer for a flight from Barcelona to Bogotá.

This level of cross-selling is only possible through a unified data architecture. In addition, IAG has implemented rigorous AI governance to ensure that its pricing and maintenance algorithms operate within ethical and legal boundaries. The group’s investment has allowed it to process vast amounts of data at a fraction of the cost of legacy on-site servers, providing a competitive edge in an industry where data latency can lead to lost revenue. This technological core acts as a force multiplier for each airline within the group (International Airlines Group, 2024).

2.4.2 Innovation through Hangar 51

IAG fosters innovation through the Hangar 51 accelerator, a program where the group decides which emerging technologies are worth scaling. This program has explored everything from blockchain for baggage tracking to autonomous vehicles for ground handling.

By partnering with startups, IAG can test disruptive innovations without the high overhead costs of internal R&D. This demonstrates a transition from traditional transport management to a technology-led organizational model. One of the most successful outcomes has been AI-driven sentiment analysis, which monitors social media in real-time, allowing IAG to identify service failures and take corrective action before they escalate (International Airlines Group, 2019).

3. METHODOLOGY

The methodological framework of this study is orientated to the human dimension, moving beyond statistics to explore the lived experiences within the aviation sector. To achieve a holistic perspective, the research adopts a comprehensive case study design that bridges the gap between high-level corporate strategy and the day-to-day realities of the industry (Yin, 2017).

This study draws its strength from a diverse range of primary sources, ensuring that both workforce and consumer perspectives are represented. Specifically, the quantitative data is enriched by semi-structured interviews with key stakeholders, thus a mixed method is applied. By combining these interviews with quantitative staff and customer surveys, as well as a rigorous analysis information, this research employs a triangulation of data. This integrated approach allows for a nearby understanding of how organizational decisions are not just made, but how they are experienced and connected across every level of the company.

The qualitative component is based on three in-depth interviews, each representing a distinct position within the IAG ecosystem. It allows the research to capture a top, middle, and bottom perspective, ensuring that decision-making is analysed not only as a strategic process but also as a lived experience.

The interview guides and survey questionnaires used throughout the research can be consulted in the annexes section.

3.1 INTERVIEWS

All interviews lasted between 35 and 40 minutes. The interviews with the frequent flyer and the ground staff supervisor were conducted face-to-face, which allowed for a more natural and detailed discussion based on personal experience. The interview with Carolina Martinoli was carried out online via Microsoft Teams due to professional availability.

All interviews were recorded with prior consent in order to ensure accuracy during the analysis and interpretation process.

3.1.1 Top management IAG

As CEO of Vueling, Carolina Martinoli provides a high-level strategic perspective on how artificial intelligence and data analytics are integrated into decision-making processes. Her role involves defining corporate priorities, overseeing digital transformation, and ensuring that innovation aligns with both profitability and customer satisfaction.

Her position also allows for reflection on the ethical and human implications of automation, particularly in relation to workforce adaptation and customer trust. This adds depth to the study by connecting technological advancement with broader managerial responsibility.

3.1.2 Ground Staff supervisor

Daniel Morano, a ground staff supervisor and trainer with more than ten years of experience in Barcelona, represents the operational core of the group IAG. His role involves coordinating teams, managing disruptions, and ensuring that daily operations run smoothly under often unpredictable conditions.

His perspective is crucial because it illustrates how strategic decisions are translated into practice. While AI systems may optimise schedules or predict demand, it is supervisors like Morano who must deal with their real-world consequences as delays, passenger dissatisfaction, or staffing constraints, maintaining a great worker environment.

3.1.3 IAG Frequent Flyer

The third perspective is provided by Xavier Peris, a frequent flyer who regularly travels with IAG airlines among other companies and alliances. His role in the study is to represent the end-user experience, which is often the ultimate benchmark of any strategic decision.

From a methodological perspective, his input is key to understanding how data-driven decisions are perceived externally. While companies may implement AI to personalise offers or improve efficiency, these changes are only meaningful if they translate into a better customer experience.

His testimony allows the research to explore questions such as:

- Do consumers perceive AI-driven personalisation as valuable or intrusive?
- How do operational changes impact brand loyalty?
- Are there noticeable differences between Vueling, Iberia, and LEVEL from a passenger's perspective?

By including this point of view, the study ensures that the analysis does not remain internally focused but instead reflects the full value chain of decision-making**.**

3.2 SURVEYS

To complement the qualitative insights, the study incorporates two structured surveys, one for the employees and the other for consumers, designed to capture a broader and more diverse set of perspectives. These surveys play a fundamental role in validating and expanding the findings obtained from the interviews.

3.2.1 Workforce

The first survey targets workers within the IAG across Spain, including a wide range of roles such as passenger service agents, coordination staff, cabin crew, and operational personnel. The sample also includes individuals of different ages, experience levels, and organisational hierarchies.

The objective of this survey is to evaluate how employees perceive:

- The implementation of AI and data analytics in their daily work
- Changes in workload, autonomy, and job satisfaction
- The level of trust in automated decision-making systems

This quantitative data is particularly valuable because it provides a 360-degree view of the workforce, going beyond individual testimonies to identify broader patterns and trends. It allows the research to assess whether the experiences described in the interviews are representative of the wider employee population.

3.2.2 Customers

The second survey focuses on IAG airlines customers across different age groups and travel profiles. This includes both occasional travellers and frequent flyers, ensuring a diverse representation of the consumer base.

The survey explores aspects such as:

- Customer awareness of AI-driven services (e.g., dynamic pricing, personalised offers)
- Perceived improvements in efficiency and service quality
- Levels of satisfaction and brand perception across different IAG airlines

By recollecting this data, the study can quantify how consumers respond to the digital transformation of the aviation sector, and whether these changes align with their expectations. One of the defining features of this methodology is the integration of qualitative and quantitative data through triangulation. Rather than analysing each source in isolation, the study cross-references findings to build a more comprehensive understanding of the research problem.

For example, strategic insights from Carolina Martinoli are contrasted with the operational experiences of Daniel Morano and the perceptions of Xavier Peris. These perspectives are then further validated through survey data, ensuring that conclusions are not based on isolated viewpoints but on consistent patterns across multiple sources as public information.

This methodological framework is particularly suited to the objectives of the dissertation because it captures the complex and multidimensional nature of decision-making within IAG**.** By combining strategic, operational, and consumer perspectives, the study is able to demonstrate that decisions driven by AI and data analytics are not simple technical processes, but deeply human experiences that affect employees and customers in different ways.

4. RESULTS

This section presents the empirical findings obtained through the qualitative interviews and quantitative surveys. The results are structured in two main parts. First, the outcomes of the three semi-structured interviews are described both individually and comparatively among them, reflecting each personal perspective. Second, the survey results are presented in a more numerical and descriptive way, highlighting observable patterns across respondents.

The remaining figures, graphs and detailed survey results can be found in the annexes section in order to provide full transparency regarding the data collection and interpretation process. The interview questions and quantitative results used to support the analyses and conclusions are distributed as follows:

- Interview questions - Top Management: Annex 1
- Interview questions - Supervisor: Annex 2
- Interview questions - Frequent Flyer: Annex 3
- Workers survey results: Annex 4
- Passenger survey results: Annex 5

4.1 INTERVIEW RESULTS

Top management perspective - Carolina Martinoli

From a strategic standpoint, the coexistence of different business models within International Airlines Group is described as a structured yet flexible system. The group operates as a relatively small holding entity in which each airline such as Iberia, Vueling and LEVEL maintains responsibility for its own results and strategic direction. Within this framework, IAG primarily focuses on capital allocation and overarching coordination. Each airline operates under clearly defined KPIs, which guide decision-making processes independently while still aligning with the broader group objectives.

The interaction between these different models is facilitated through synergies, particularly in shared systems such as loyalty programs (Avios). Vueling is identified as a pioneering airline within the group, especially in terms of innovation and the development of the low-cost model. Its role is positioned as both complementary and influential within IAG's structure.

Decision-making alignment across airlines is described as a complex process influenced by several factors. The availability and quality of data are considered essential, alongside the definition of clear KPIs and the need to balance stakeholders' satisfaction. There is a strong emphasis on long-term planning, often extending to a ten-year horizon, while maintaining sufficient flexibility to adapt to short-term challenges. The aviation industry context is characterised as capital-intensive, highly competitive, and subject to external variables that are difficult to control, which directly impacts how decisions are approached.

Regarding the use of artificial intelligence and data analytics, Vueling is positioned as one of the most advanced entities within IAG. Over the past two years, the adoption of generative AI has increased, particularly through customer-facing tools such as chatbots. AI applications are primarily concentrated in three areas: supporting decision-making processes (for example, in aircraft allocation), improving operational efficiency, and enhancing customer experience. Predictive demand forecasting and maintenance planning are highlighted as key use cases.

Corporate policies are described as balancing efficiency and CSR, rather than treating them as opposing forces. The transition towards sustainable aviation fuel is identified as a central objective, although it is accompanied by increasing regulatory costs and operational challenges.

In terms of feedback integration, employee opinions are collected through internal metrics such as the OHI (Organisational Health Index), complemented by regular interactions between management and staff at different operational levels. Customer feedback is systematically collected through satisfaction surveys, differentiated by factors such as route, aircraft, and crew.

Looking ahead, several trends are identified as particularly relevant for future decision-making. These include sustainability challenges, technological advancements, the goal of making aviation more accessible, and the impact of rising operational costs. All these elements are framed within a broader focus on efficiency.

Operational perspective - Daniel Morano

From an operational point of view, the work environment within IAG-related ground services is described as heterogeneous, with noticeable generational differences. Newer employees tend to show higher levels of initial enthusiasm, while more experienced staff perceive the evolution of the sector as a transformation rather than a deterioration. Preferences for specific airlines also vary across generations, with more experienced workers showing a tendency towards Iberia, while newer employees appear more aligned with Vueling’s model.

Daily operations are strongly defined by time constraints, with punctuality identified as a central element of aviation performance. Employees are required to manage complex situations within limited timeframes, often balancing the expectations of multiple airlines simultaneously. This creates a dynamic in which operational efficiency is prioritised, while maintaining service standards.

The perception of management decisions varies depending on the organisational context. In general, high-level strategic decisions are not seen as directly impacting daily tasks. The collection of employee feedback is described as limited, largely due to the scale and geographical dispersion of operations across Spanish airports, which complicates the implementation of uniform changes in procedures.

Passenger satisfaction is perceived as closely linked to the type of airline. Full-service carriers such as Iberia are associated with higher service expectations, while low-cost models such as Vueling and LEVEL are more focused on cost optimisation. Dissatisfaction is frequently related to additional services, particularly baggage fees, whereas satisfaction is associated with accessibility and the general availability of flights.

Service quality is maintained primarily through training processes, both at the initial stage and throughout daily operations. Employee satisfaction is described as partly inherent to the nature of customer-facing roles, although it is also influenced by working conditions.

Recent operational changes include the impact of subcontracting processes in IAG handling services, which have reduced the number of required staff while maintaining similar workloads. This has led to fewer working hours and, consequently, lower income for employees. At the same time, increased automation has contributed to a perception of greater individual responsibility among workers. Staff rotation is described as high, with a significant proportion of newly trained employees leaving within a relatively short period.

Over the past decade, several positive and negative changes are identified. On the positive side, work has become more dynamic and supported by improved tools, and passengers are more familiar with low-cost travel. On the negative side, service quality is perceived to have declined, with fewer included services and more frequent conflicts arising from unmet passenger expectations, particularly in long-haul low-cost operations such as LEVEL.

The use of digital tools is described wider, with most processes now fully digitalised. Recruitment and training involve AI-based systems, and daily operations rely on automated platforms and handheld devices. However, some systems particularly in low-cost airlines are considered more limited in functionality.

In high pressure situations such as delays or disruptions, management approaches are flexible, allowing supervisors a degree of autonomy. The human impact of these situations varies depending on individual resilience and experience.

The adoption of AI is observed across the entire group, although it is more prominent in low-cost airlines. Vueling, for example, uses AI to reassign passengers during disruptions, while Iberia has adopted digitalisation at a slower pace. Differences in passenger profiles are also noted, with less frequent travellers and older passengers experiencing greater difficulty adapting to digital solutions.

Finally, potential improvements are identified in relation to employee motivation and efficiency. Greater inclusion of employee feedback and improvements in working conditions particularly salaries are highlighted as relevant factors.

Consumer perspective - Xavier Peris

From the perspective of a frequent flyer, clear differences are perceived between Iberia, Vueling, and LEVEL. Iberia is associated with a higher level of onboard service, partly linked to its integration within the Oneworld alliance. Vueling and LEVEL are described as more informal and flexible, combining both business and leisure travel, although LEVEL is noted for a higher frequency of cancellations.

Price sensitivity plays a significant role in decision-making, with promotions and offers being actively considered. At the same time, loyalty programs particularly the accumulation of Avios are an important factor influencing airline choice, as they allow for future benefits such as upgrades or additional services.

Customer service is described as highly centralised, primarily accessible through phone channels. The absence of physical offices in many locations is highlighted, especially when compared to other international airlines that maintain a stronger in-person presence. Limitations in service availability due to restricted operating hours are also noted.

The booking and check-in processes are generally perceived as efficient, with Vueling offering a simple and more intuitive purchase experience, while Iberia maintains a more traditional structure. LEVEL is positioned closer to Vueling, with a greater emphasis on optional add-ons. At the airport, online check-in is widely used, complemented by self-service options and dedicated counters in specific cases.

Flight availability, scheduling, and connectivity are described as key factors, often balanced against accommodation costs and personal travel needs. The decision process involves evaluating trade-offs between convenience and cost.

Recent developments are perceived as moderately positive, particularly in terms of route expansion and increased frequencies, although external factors such as fuel costs are seen as influencing these changes.

In the management of disruptions, experiences vary depending on the airline and context. Flag carriers are generally perceived as more effective, while low-cost airlines rely more heavily on digital solutions, which are sometimes considered insufficient.

The influence of data-driven recommendations is evident in the impact of promotions and dynamic pricing strategies. Personalised offers are perceived as attractive, although certain practices such as price increases after repeated searches are noted.

AI is particularly visible in low-cost airlines through search engines, chatbots, and automated assistance systems, while also present in Iberia through messaging platforms.

Suggested improvements focus on increasing human interaction, particularly at airports, enhancing transparency in pricing structures, and providing clearer information regarding included services. Additional support for passengers with special needs is also mentioned.

Across the three perspectives (see table 3), several common elements and differences can be observed. All participants refer to the coexistence of different business models within IAG, although each emphasises different aspects: strategic coordination at the management level, operational complexity at the employee level, and service differentiation at the consumer level.

Table 3: Comparison of variables between the perspective

Perspective	Business models	Use of AI and digital tools	Service quality	Human interaction
Management	Emphasises the strategic coexistence of multiple business models within IAG and the need for corporate coordination.	Highlights AI as a driver of efficiency, innovation and optimisation in planning, pricing and operations.	Views service differentiation as a strategic asset for market segmentation.	Human interaction is framed as part of internal governance and organisational change management.
Employees	Experience the coexistence of models as operational complexity, with different workloads, rhythms and standards.	Perceive stronger AI presence in low-cost carriers (Vueling, LEVEL), noting both benefits and practical limitations.	Associate flag carriers with higher standards, while low-cost models imply efficiency pressure.	Human interaction is central to daily operational dynamics, especially coordination and incident resolution.
Consumers	Clearly distinguish models: flag carriers = quality, low-cost = price and add-ons.	Notice AI in dynamic pricing, check-in, apps, with usefulness but also friction points.	Prioritise comfort, punctuality and treatment, and are sensitive to extra fees in low-cost airlines.	Human interaction shapes the customer experience, especially in moments of need or disruption.

Source: Own elaboration based on interviews results

The use of AI and digital tools is consistently mentioned, with a higher perceived presence in low-cost airlines such as Vueling and LEVEL. While management highlights efficiency and innovation, employees and consumers note both advantages and limitations in practical applications.

Differences also emerge in relation to service expectations and quality. Flag carrier airlines are consistently associated with higher standards, while low-cost models are linked to cost optimisation and additional services.

Finally, the role of human interaction appears across all perspectives, either as part of internal management processes, operational dynamics, or customer experience, with varying degrees of emphasis.

4.2. SURVEYS RESULTS

The surveys conducted in this study were based on a Likert's scale from 0 to 10, where 0 represented a completely negative perception (for example, "strongly disagree" or "very dissatisfied") and 10 represented a completely positive perception ("strongly agree" or "very satisfied"). This scale was used to provide a more flexible and nuanced interpretation of participants' perceptions and experiences.

Workers survey - South Europe Ground Services and IAG Cabin Crew

The worker's survey was conducted with a total sample of 100 respondents, including ground staff and cabin crew associated with the International Airlines Group. The dataset provides a structured overview of employee perceptions regarding working conditions, decision-making processes, and the role of data and artificial intelligence in their daily environment.

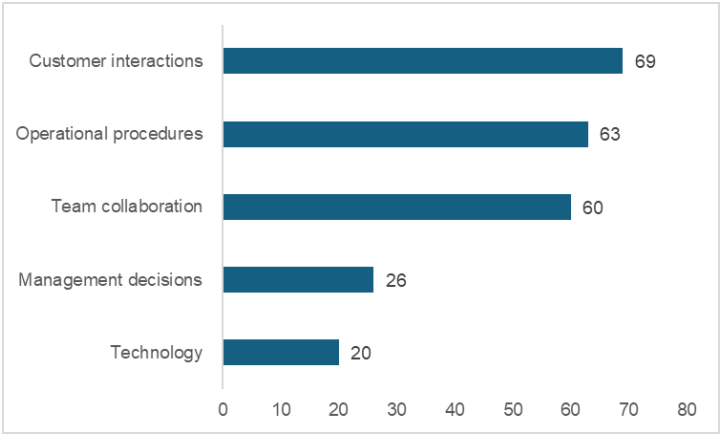
From a demographic perspective, the distribution of respondents is relatively balanced across age groups. Around 40% of participants are between 18 and 30 years old, while the remaining sample is evenly divided between those aged 31 to 49 and those over 50, each representing approximately 30%. This composition allows for the inclusion of both early-career employees and more experienced staff within the same analysis. A similar balance is observed in terms of professional experience within IAG. Approximately 36% of respondents report between one and five years of experience, followed by 36% with six to fifteen years, and close to 28% with more than fifteen years in the organisation. This distribution suggests that perceptions are informed by a mix of relatively recent and long-standing professional trajectories.

When analysing satisfaction with working conditions, responses are dispersed across the scale, with a noticeable concentration in mid-to-lower values. The most frequent ratings are located between 5 and 7, with "7" representing the highest proportion at around 20%. Lower scores (between 1 and 3) together account for close to 17% of responses, while higher values (8 to 10) represent a smaller share, below 20%. This results in a distribution that is centred around intermediate evaluations, with both positive and negative perceptions present.

The clarity of company decision-making shows a more pronounced concentration in lower values. Scores between 1 and 5 collectively account for more than 60% of responses. While higher ratings above 8 are relatively limited. This indicates that a significant portion of respondents perceives decision-making processes as lacking clarity.

Regarding the factors that most influence daily work (see figure 1), collaboration within the team emerges as the most frequently mentioned element, representing approximately two thirds of all selections. This is followed by interaction with customers, which accounts for close to 70%, and operational procedures, at around 63%. In contrast, factors such as management decisions and technology represent a much smaller proportion of mentions, together accounting for less than the middle. As this was a multiple-response question, these figures reflect relative importance rather than exclusive choices.

Figure 1: Which factor most influences your day-to-day work experience?



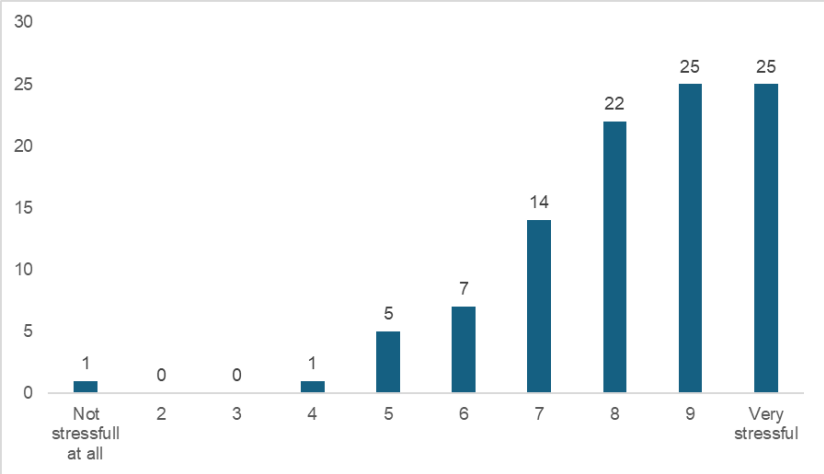
Source: Own elaboration based on the results of the survey

The perceived effectiveness of data analytics and AI tools is concentrated in the lower end of the scale. Around 15% of respondents assign the lowest possible score (1), and when combined with values of 2 to 4, this represents approximately 60% of the sample. Mid-range ratings (5 to 7) account for a smaller proportion, while higher evaluations above 7 are limited to a marginal percentage. This distribution suggests that, within the sample, these tools are generally evaluated with lower effectiveness scores. A similar pattern is observed in the frequency with which employees feel their opinions are considered. Ratings of 1 and 2 together represent more than 60% of responses, with “1” alone accounting for around fifty percent of the sample. Mid-range values are less frequent, and higher scores above 7 are almost negligible. This indicates that a large proportion of respondents perceive limited inclusion of their input in decision-making processes.

When evaluating the perceived quality and sustainability of work in the medium to long term, the half of respondents describe it as low and not sustained over time. Around 35% perceive no significant change, while smaller groups indicate either stagnation or high and sustainable quality. This results in a distribution where lower evaluations are more prevalent than higher ones.

The level of stress experienced in high-pressure situations shows a strong concentration of very high stress levels, with half of respondents rating their pressure at 9 or 10. Mid-range stress scores (5-7) appear far less frequently, and almost no one reports low stress. This distribution suggests a workforce experiencing consistently intense pressure, with very few outliers at the calm end of the scale (see figure 2).

Figure 2: How stressful are high-pressure situations in your role?

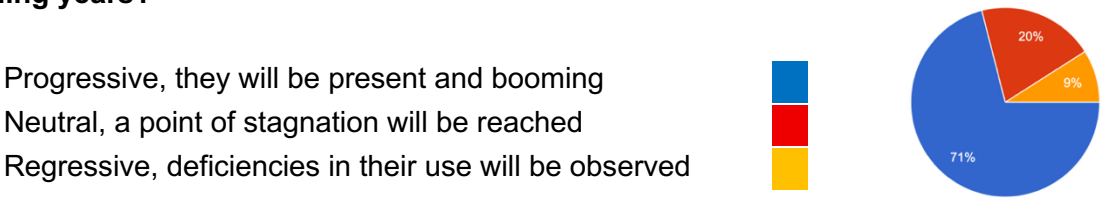


Source: Own elaboration based on the results of the survey

Alignment with corporate objectives presents a more balanced distribution across the scale. Values between 4 and 6 are the most frequent, together accounting for close to 50% of responses. Lower ratings (1 to 3) represent around 20%, while higher values (8 to 10) account for approximately more than 20%. This indicates a concentration in intermediate levels of perceived alignment.

In relation to the future role of artificial intelligence and data analytics (see figure 3), a majority of respondents, more than two third parts, perceive it as progressive and increasing over time. A further twenty percent consider it to be neutral or stable, while approximately less than 10% view it as potentially regressive. This reflects a distribution where the dominant perception is oriented towards growth, although alternative views are also present.

Figure 3: What role do you think digital tools such as AI and Data Analytics will play in the coming years?



Source: Own elaboration based on the results of the survey

Finally, when asked about aspects that could improve their work experience, highlights a clear hierarchy of needs among employees, with recognition, compensation, and benefits emerging as the most dominant improvement area, selected by a striking 86% of respondents. The second tier of priorities includes team coordination and motivation (55%) and communication from senior leadership (52%), both pointing to relational and organizational dynamics that shape daily experience. Meanwhile, technology and resources (42%) and training and development (28%) appear as important but comparatively secondary levers.

Overall, the distribution suggests a workforce that values both structural support and interpersonal alignment, with compensation standing out as the most urgent lever for improving workplace experience.

Across the different variables, several patterns can be identified at a descriptive level. Factors related to interpersonal dynamics such as teamwork and communication appear consistently among the most frequently mentioned elements influencing daily work and potential improvements. In contrast, technology and management decisions are less frequently identified as primary drivers in day-to-day activities.

At the same time, perceptions related to AI and data analytics show a dual pattern. While their current effectiveness is often rated in lower ranges, their future role is more frequently described as progressive.

Differences can also be observed across age groups. Younger respondents tend to reference technology-related aspects more frequently, while older employees are more represented in lower ratings of satisfaction, clarity, and stress. These variations reflect the distribution of responses across segments without establishing direct relationships between variables.

In addition to the structured responses, several open-ended comments provided further detail regarding employee perceptions and operational realities within South Europe Ground Services and the wider IAG environment.

Many respondents referred to a perceived disconnect between management decisions and the day-to-day experience of frontline employees. Some comments expressed the view that operational staff are rarely consulted about procedures or organisational changes, despite being directly involved in passenger service and disruption management.

Several responses highlighted concerns regarding working conditions and salary structures. Employees mentioned recurrent payroll errors, as well as the perception that additional qualifications and specialised training are not always reflected in compensation or professional progression. Several respondents referred specifically to operational certifications and airline-specific systems, suggesting that greater recognition of these skills could improve motivation.

The role of artificial intelligence was also discussed in qualitative terms. While some employees acknowledged that AI and automation may support operational processes or administrative tasks, there was a repeated perception that digital systems cannot fully replace the human component of passenger interaction, particularly in stressful or conflictive situations.

Other comments focused on operational rigidity and the practical application of procedures. Some respondents described a discrepancy between official procedures and the realities faced by passengers at airports, especially during disruptions or situations involving baggage policies and boarding restrictions. Within these comments, several employees referred to a lack of flexibility, high staff turnover, and limited human and material resources, which were perceived as affecting service consistency and increasing operational pressure.

Finally, some workers described a progressive deterioration in labour conditions over recent years, particularly within low-cost operations such as Vueling and LEVEL. References to frequent conflicts with passengers regarding baggage charges, boarding processes, and operational policies appeared repeatedly throughout the qualitative responses.

Consumer survey - Passengers of Iberia, Vueling and LEVEL

The consumer survey provides a quantitative overview of passenger perceptions across different airlines within the International Airlines Group. The sample reflects a relatively active flying population, with a strong representation of younger travellers and other age segments. The consumer survey was conducted with a sample of 158 respondents, providing a sufficiently base to capture a range of passenger profiles and recent travel experiences within the IAG airlines.

From a demographic perspective, more than half of respondents are between 18 and 30 years old, representing slightly above 52% of the sample. This is followed by passengers aged between 50 and 65, who account for close to 30%, and a smaller group between 31 and 49 years old, representing around 15%. The remaining categories, including both very young and older respondents, account for only a marginal proportion of the total. This distribution suggests that the dataset is largely shaped by younger travellers, although it still captures the perspective of more experienced passengers.

Regarding travel frequency, the data shows a high level of recent activity. Around four out of five respondents report having flown within the last year, and within this group, more than one third indicate that their most recent flight took place within the last month.

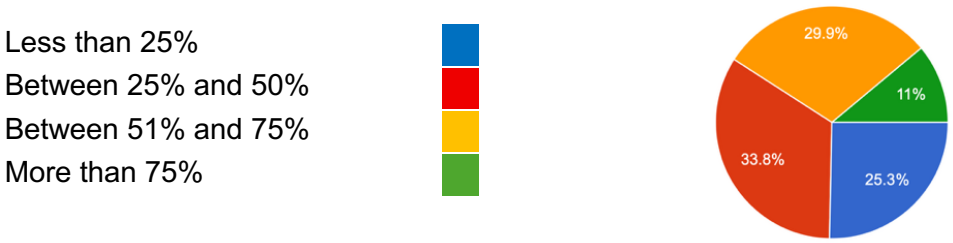
A smaller share, slightly below 20%, report flying between one and five years ago, while only a very limited number of responses correspond to longer periods. This indicates that many participants base their perceptions on relatively recent travel experiences.

The importance of price emerges as one of the most strongly rated variables. A large concentration of responses is observed in the upper range of the scale, with values of 8, 9, and 10 representing a clear majority. In particular, the highest score (10) is selected by close to three out of ten respondents, while scores of 8 and 9 together account for a similar proportion. Lower scores are relatively infrequent, with values below 5 representing only a small minority of the sample. Overall, the distribution is clearly skewed towards high importance.

Satisfaction with the booking process presents a more moderate distribution. While positive evaluations are dominant, they are less concentrated at the highest levels. Scores of 7 and 8 are the most frequent, together representing close to half of the responses, followed by ratings of 9 and 10, which account for approximately one quarter. Mid-range values, such as 5 and 6, also appear with some frequency, while very low scores are relatively limited. This results in a distribution that is generally positive but more dispersed compared to the importance assigned to price.

In terms of perceived use of artificial intelligence (see figure 4), responses are mainly concentrated in intermediate ranges. Around one third of respondents estimate that AI is present in approximately 25% to 50% of processes, while a similar proportion places it between 50% and 75%. A smaller group, roughly one quarter, perceives a lower level of AI integration, below 25%, and only a minority around one in ten considers that AI usage exceeds 75%. This indicates that most respondents situate AI presence within a moderate range rather than at extreme levels.

Figure 4: What percentage of Artificial Intelligence use do you perceive in the flight purchase process? (In recommendations, price variations, etc.)



Source: Own elaboration based on the results of the survey

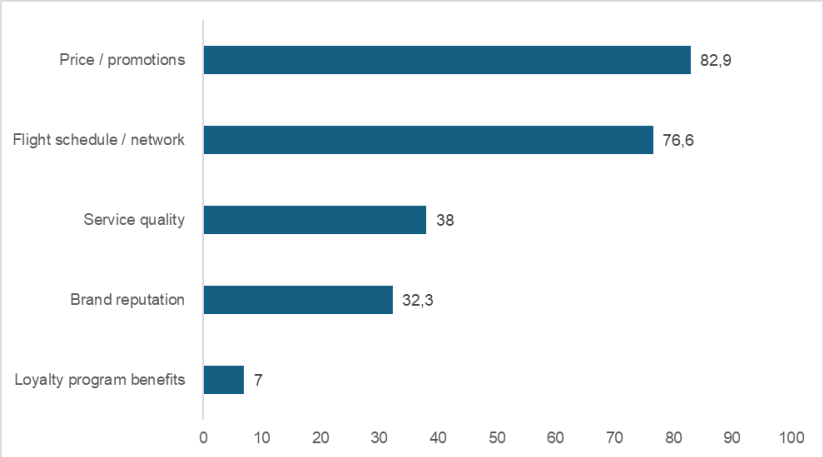
The evaluation of onboard service shows a relatively balanced distribution across mid-to-high values. Scores of 7 and 8 are the most frequently selected, together accounting for almost half of the responses. Ratings of 6 also represent a notable share, while higher scores such as 9 and 10 are less frequent but still present. Lower ratings, below 5, appear in a limited proportion of responses. Overall, the pattern suggests a concentration in intermediate and moderately positive evaluations.

When analysing the factors influencing airline choice (see figure 5), price and promotions emerge as the most frequently selected option, representing approximately one third of all selections.

This is closely followed by flight schedules and network availability, which account for a similar proportion. Other factors, such as service quality and airline reputation, appear less frequently, representing around 15% and slightly above 10% respectively. Loyalty program benefits are selected in only a small number of cases, remaining below 5% of total mentions.

As this question allowed multiple answers, the distribution reflects relative weight rather than exclusive choices.

Figure 5: Which factor most influences your choice of airline? (in %)



Source: Own elaboration based on the results of the survey

The reported frequency of travel incidents is concentrated in the lower part of the scale, being 1 never and 5 frequently. Nearly half of respondents rate the frequency as “2”, while close to 30% select “3”. Lower values, such as “1”, account for around 15%, and higher values (4 and 5) together represent less than 10% of responses. This indicates that most respondents experience incidents occasionally but not at the highest frequency levels.

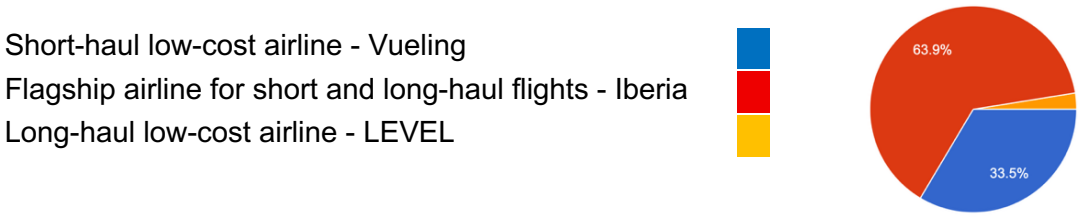
Satisfaction with the management of these incidents shows a more dispersed pattern. The most common rating is “5”, representing close to 30% of responses, showing some neutrality point. Scores between 6 and 7 together account for roughly one quarter, while lower ratings (between 1 and 4) collectively represent around 30%. Higher scores (8 to 10) are less frequent, remaining below 15% in total. This results in a distribution that is centred around mid-range evaluations, with both positive and negative responses present.

When respondents were asked about aspects to improve, the results are relatively balanced across several categories. Punctuality is the most frequently selected factor, representing approximately more than sixty percent. Prices and comfort/services follow closely, each accounting for slightly above 55%, while customer service represents a similar proportion. In contrast, digital experience is selected by a much smaller group, representing only around 12% of total mentions.

The likelihood of recommending the airline presents a distribution concentrated in intermediate values. Ratings of 7 and 8 together account for close to 40% of responses, followed by values of 5 and 6, which represent around 30%. Higher scores (9 and 10) account for less than 20%, while lower values remain relatively limited. This suggests a tendency towards moderate recommendation levels rather than extreme positions.

Finally, when asked to identify the airline with the best perceived service (see figure 6), a clear majority of respondents select Iberia, representing more than 60% of the sample. Vueling is identified by approximately one third of respondents, while LEVEL is mentioned in only a very small number of cases, below 5%. This creates a clearly differentiated distribution across the three airlines.

Figure 6: In which type of airline do you notice better service, attention and comfort during the sales process?



Source: Own elaboration based on the results of the survey

In addition to the structured responses, several open-ended comments provide further detail on passenger perceptions. These remarks highlight a variety of viewpoints. Some respondents describe LEVEL as offering a lower level of service both onboard and in customer support, while others note a perceived decline in service quality in Iberia compared to previous years. Vueling is often described within the context of the low-cost segment, with mixed evaluations ranging from relatively positive comparisons within the category to more critical views regarding punctuality and reliability.

Other comments refer to pricing practices, including additional charges for services such as baggage or seat selection, as well as perceptions of increasing ticket prices. Operational aspects such as delays and overbooking are also mentioned.

In some cases, respondents highlight differences between airlines within the group, including references to other carriers such as British Airways as a benchmark.

Across the different variables, certain patterns can be observed without establishing direct relationships. Price appears consistently as one of the most prominent factors, both in its rated importance and in its frequency of selection as a decision driver. At the same time, service-related variables such as onboard experience, incident management, and customer services have dispersed evaluations, often concentrated in mid-range values.

Differences between airlines are also reflected in the responses. Iberia is more frequently associated with higher service perception, while Vueling appears more prominently in relation to pricing and accessibility. LEVEL, in contrast, is less frequently selected across several dimensions, including perceived service quality.

Finally, while digitalisation and AI are recognised by respondents, their perceived presence tends to be situated within intermediate levels, rather than being identified as either minimal or dominant. These observations reflect the distribution of responses across the sample, maintaining a descriptive and quantitative focus.

5. CONCLUSIONS

The development of this research has made it possible to analyse not only how artificial intelligence and data analytics are transforming the aviation industry, but also how these transformations are redefining the internal logic of one of the most complex airline groups in Europe: International Airlines Group. Throughout the study, the combination of theoretical analysis, interviews with professionals connected to the sector, and quantitative surveys addressed to both employees and consumers have provided a broad and multidimensional perspective of the current aviation environment. These conclusions should be taken with caution considering the sample size.

A data-driven transformation

The findings obtained confirm that decision-making inside IAG is increasingly structured around data-driven systems. However, one of the most important conclusions emerging from this project is that the impact of these systems goes far beyond operational efficiency or technological modernisation. Artificial intelligence, predictive analytics, automation, and digital coordination are progressively influencing organizational culture, employee dynamics, customer expectations, and even the *emotional* perception of air travel itself.

Coexistence of multiple business models

From a strategic perspective, the study demonstrates that IAG has successfully built a corporate structure capable of integrating several airline business models that, in many ways, respond to very different market logics. The coexistence of a traditional flag carrier such as Iberia with low-cost and hybrid models such as Vueling and LEVEL reflects a highly adaptive organizational system that relies heavily on information flows, predictive capacity, and flexible resource allocation.

Without advanced data analytics, this coexistence would be extremely difficult to sustain. The practical analysis confirms that route planning, aircraft allocation, dynamic pricing, demand forecasting, maintenance planning, customer segmentation, and disruption management increasingly depend on digital systems capable of processing enormous volumes of information in real time. In this sense, AI does not operate merely as a technological complement, but rather as a structural pillar supporting the operational complexity of the group.

At the same time, the research also reveals that technology alone does not explain the sustainability of this coexistence. One of the strongest conclusions of the study is that aviation continues to depend profoundly on the human factor. While algorithms optimise decisions, it is employees who ultimately absorb operational pressure and passengers who emotionally interpret the travel experience. Consequently, the success of data-driven systems cannot be measured exclusively through efficiency indicators or financial performance, but also through how these systems are perceived by the sample group workers and customers.

The initial hypothesis proposed that the integration of artificial intelligence and data analytics within IAG enables the group to coordinate differentiated airline models more efficiently while transforming organizational governance, workforce dynamics, and customer value perception. Overall, the results largely support this hypothesis. However, the study also shows that these transformations generate contradictions and tensions that are not always visible from a purely strategic perspective.

One of the clearest examples appears when comparing legacy airlines and low-cost operators. Over the interviews and surveys, passengers consistently associated Iberia with higher quality standards, stronger reliability, and a more complete service experience.

More than sixty percent of surveyed consumers identified Iberia as the airline within the group that offers the best service perception. This result is particularly significant because it demonstrates that, despite the growing standardisation of digital systems across airlines, consumers still strongly differentiate between business models.

The perception of Iberia as a “traditional” airline remains linked to concepts such as trust, premium treatment, operational solidity, and customer support considering a higher price. The interviews suggest that passengers continue associating flagship airlines with emotional reassurance, particularly during disruptions or complex travel situations. This emotional dimension appears less visible in low-cost models, where operational efficiency and price accessibility dominate the customer relationship.

On the other hand, Vueling and LEVEL are perceived as airlines that prioritise accessibility, lower fares, and operational flexibility. Consumers repeatedly referred to affordability and route convenience as key reasons for choosing these airlines. However, the empirical analysis also reveals that passengers tend to perceive low-cost operations as more transactional and less personalised. Additional charges, automated systems, baggage restrictions, and limited human assistance are often accepted as part of the low-cost logic, but they also generate frustration and operational tension.

Curiously, the study suggests that passengers do not necessarily reject these models. Instead, consumers appear increasingly aware that lower prices imply a different type of service relationship. This finding is particularly relevant because it reflects how customer expectations in aviation have evolved during the last two decades. Travellers today seem to separate “service quality” from “value received”. In many cases, consumers may acknowledge that a low-cost airline offers a less comfortable or less personalised experience, while simultaneously considering the overall value proposition acceptable because of pricing or connectivity advantages.

Regardless, this balance becomes much more fragile when analysing long-haul operations. One of the strongest tensions identified in the study concerns the application of low-cost principles to long-distance flights. Several interviewees specifically referred to confusion or dissatisfaction regarding the LEVEL model, particularly in relation to ancillary services and onboard experience during intercontinental routes.

The research therefore suggests that passengers tolerate operational simplification more easily on short-haul flights than on long-haul journeys, where expectations regarding comfort, support, and included services remain significantly higher.

This creates an important strategic dilemma for the future of airline groups such as IAG. While low-cost models have successfully transformed short-haul European aviation, the extension of this logic into long-haul markets may face stronger emotional and experiential limitations. The passenger's perception of time and comfort changes substantially during a fourteen-hour journey compared to a two-hour flight. Therefore, the same operational logic cannot always be transferred uniformly across different route structures without affecting customer perception.

Workforce dynamics and organisational distance

Another major conclusion emerging from this research concerns workforce dynamics. One of the strongest patterns visible in both surveys and interviews is the perception of increasing distance between operational employees and upper management structures. Many workers expressed the feeling that strategic decisions are implemented without sufficient operational consultation, despite frontline employees being directly responsible for handling passengers, disruptions, and real-time conflicts.

This finding is highly relevant because aviation is often presented as an increasingly automated industry, when in reality its operational resilience still depends heavily on human coordination. Digital systems may predict delays, optimise boarding processes, or automate rebookings, but they cannot fully replace human judgement, empathy, or conflict management during stressful operational situations. Employees remain the visible face of the company during moments of disruption or uncertainty.

The research also highlights a certain contradiction regarding technological implementation within operational environments. While most respondents greet that artificial intelligence will continue expanding across the industry, the perceived effectiveness of these systems in daily work remains relatively limited among many employees. In several cases, workers described digital systems as rigid, insufficiently adaptable, or disconnected from real operational conditions. This is especially visible in qualitative comments referring to procedures and operational protocols. Several employees described situations in which corporate procedures appear theoretically efficient but practically difficult to apply during real passenger interactions. The study therefore suggests that excessive procedural rigidity may reduce operational flexibility and generate frustration among employees who feel unable to adapt solutions to specific situations.

Automation and emotional experience

Another important conclusion concerns the emotional impact of automation on customer experience. Passengers increasingly interact with airlines through apps, chatbots, automated systems, digital check-in processes, and algorithmic pricing structures. While these systems clearly improve efficiency and scalability, the study also reveals growing perceptions of depersonalisation.

Several passengers described the loss of human contact as one of the most negative aspects of current airline operations. This perception becomes particularly visible during disruptions. Consumers generally accept automation when operations function correctly, but they still expect human intervention during delays, cancellations, or unexpected incidents.

In these situations, digital systems often appear insufficient from the passenger perspective. The research therefore suggests that customer satisfaction in aviation remains strongly linked to emotional reassurance, especially during irregular operations.

The paradox of smart but emotionally weak aviation

One of the most strategic conclusions of the study is that aviation companies may currently be entering a paradoxical phase: they are becoming operationally smarter while simultaneously risking becoming emotionally weaker. Artificial intelligence improves forecasting capacity, optimises pricing systems, reduces operational inefficiencies, and allows airlines to process customer flows at unprecedented scales. However, these same systems may weaken emotional loyalty if passengers perceive interactions as excessively impersonal or economically aggressive.

This tension is clearly visible in relation to pricing systems. Dynamic pricing models represent one of the clearest examples of how AI directly influences customer perception. Although these systems maximise revenue optimisation, several passengers described feelings of unfairness regarding seat pricing, baggage fees, or sudden fare increases linked to search repetition. From a strategic perspective, these systems are rational and highly profitable. From a consumer perspective, however, they may generate mistrust or perceptions of manipulation.

The research therefore introduces an important ethical dimension that is often absent from corporate narratives surrounding digital transformation. One of the clearest ethical dilemmas concerns transparency. Customers frequently interact with algorithms without fully understanding how prices, recommendations, or service conditions are determined.

Similarly, employees often operate within procedural systems whose logic is shaped by data optimization rather than human judgement. Another ethical concern relates to accessibility and digital inequality. While younger passengers generally adapt more easily to digital environments, older consumers and less technologically familiar travellers often experience greater difficulties navigating automated systems.

Several interviews highlighted the frustration generated when passengers are redirected exclusively toward QR codes, apps, or digital assistance without sufficient physical support. This suggests that hyper-digitalisation may unintentionally exclude certain passenger profiles. In this sense, the future of aviation may not depend solely on technological innovation itself, but on the ability to implement technology without eliminating accessibility, empathy, and inclusiveness.

The same dilemma appears inside the workforce. Employees repeatedly referred to increasing operational pressure, high turnover, lack of recognition, and limited participation in decision-making processes. Several comments suggested that productivity metrics and operational efficiency increasingly dominate organizational priorities. This creates the perception that employees are becoming executors of systems rather than active contributors to organizational improvement.

Significantly, the study also distinguishes some commonly accepted assumptions regarding AI. The results do not fully support the idea that digitalisation automatically improves satisfaction, communication, or operational perception. In many cases, technological systems generate efficiency gains without necessarily improving emotional experience. This distinction becomes one of the key contributions of the research.

Redefining loyalty in airline ecosystems

Another relevant conclusion concerns loyalty itself. Traditionally, airline loyalty was strongly associated with brand identity and emotional attachment. However, the study suggests that loyalty inside large airline ecosystems is evolving toward a more functional logic. Programs such as Avios continue encouraging behavioural retention, but passengers increasingly prioritise convenience, connectivity, and economic value over emotional identification with a specific airline brand.

This transformation may redefine the competitive logic of the aviation industry during the coming years. Airlines are no longer competing exclusively through service differentiation, but also through ecosystem integration, data intelligence, and operational accessibility. The customer is becoming progressively more rational, flexible, and price-sensitive, while simultaneously demanding transparency and human support when operations fail.

From human-centred to data-driven ecosystems

Ultimately, the conclusions of this study point toward a broader reflection that extends beyond aviation itself. The transformation currently experienced by IAG reflects a wider shift taking place across many industries: the transition from human-centred organizational models toward increasingly data-driven ecosystems. Aviation simply makes this transformation more visible because it combines technology, operational pressure, emotional vulnerability, and global mobility within the same environment.

The coexistence between Iberia, Vueling, and LEVEL demonstrates that differentiated business models can successfully operate under a shared strategic structure when coordinated through advanced data systems. Still, the research also shows that efficiency alone is not enough to sustain long-term trust among employees and passengers. Operational optimisation cannot entirely replace emotional perception, human communication, or organizational legitimacy.

For this reason, perhaps the most important conclusion of the entire project is that the future challenge for airline groups such as IAG will not be whether they can continue automating operations, because that process is already inevitable. The real challenge will be determining how far automation can progress without weakening the human dimension that still gives meaning to travel itself.

The future balance between automation and humanity

Flying is not only a logistical transaction. It is also uncertainty, expectation, stress, excitement, vulnerability, mobility, and human interaction. Algorithms may predict behaviour, optimise routes, and personalise prices, but they still cannot replicate empathy, reassurance, or trust in moments of disruption. The aviation industry is therefore entering a stage where technological intelligence and human experience will need to coexist more carefully than ever before. Companies capable of balancing both dimensions will not only be operationally efficient, but also emotionally sustainable in a market where passengers increasingly remember not just how cheaply or quickly, they travelled, but how they were treated when something did not go according to plan.

Limitations

Although the research provides relevant insights into decision-making processes within IAG, some limitations should be considered. The surveys collected 100 responses from workers and 158 from passengers, which offers a useful exploratory perspective but may not fully represent the diversity of the entire aviation sector. In addition, part of the sample was obtained through professional and personal networks connected to the industry, which may generate a certain degree of response concentration in specific profiles or geographical areas within Spain.

Another important aspect is the dynamic nature of the airline industry itself. Factors such as market conditions, operational strategies, digital transformation and consumer behaviour evolve very rapidly, meaning that some trends or practices may change over time.

However, these limitations do not reduce the value of the study; instead, they reinforce its realistic and contextual character, providing a current and practical understanding of a highly complex sector.

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ANNEXES

ANNEX 1

Interview top management IAG

Focus: Strategy, organizational structure, data-driven decision-making, AI, inter-company coordination.

Questions:

1. How do they manage the coexistence of different business models within IAG, such as Iberia, Vueling, and LEVEL? What impact does Vueling's business model have within IAG, being a pioneer in the Low-Cost model?

2. What are the main challenges in aligning decision-making processes across these airlines, each with its own specific characteristics?

3. How does IAG use data analytics and AI in strategic decision-making? How has their use evolved in recent decades?

4. How do they balance short-term operational objectives with long-term strategic objectives?

5. How do corporate policies guarantee both efficiency and CSR?

6. What role does organizational culture play in facilitating collaboration between the different airlines?

7. Does the decision-making flow differ depending on the airline within the group? What data or areas are the most critical to address?

8. How does IAG measure the effectiveness of its strategic decisions at both the individual airline and group levels? Does the rating scale vary depending on the airline?

9. How do you incorporate employee and customer feedback into your corporate strategy?

10. What emerging trends in aviation do you consider most influential for IAG's future decision-making?

ANNEX 2

Interview to ground staff supervisor

Focus: Workforce, operational execution, satisfaction, team dynamics.

Questions:

1. How would you describe the general work environment for ground staff at IAG?
2. What are the main challenges faced by employees in daily operations?
3. How do employees perceive management decisions, and how are their opinions gathered?
4. With what changes have you noticed increased passenger satisfaction and dissatisfaction?
5. How is consistent service quality ensured while maintaining staff satisfaction?
6. Could you describe any recent changes to workflow or policies and their impact on the team?
7. What has changed, both positively and negatively, in ground handling over the past 10 years?
8. What tools or systems (digital or manual) do employees use, and how effective are they?
9. How are high-pressure situations, such as delays or disruptions, managed, and what is the human impact on staff?
10. In which sector and airline have you noticed an increase in the use of AI or algorithms?
11. In your opinion, what could improve both staff motivation and operational efficiency?

ANNEX 3

Interview to a frequent flyer (FF) of group IAG

Focus: Customer experience, loyalty, pricing, demand, preferences.

Questions:

1. How do you perceive the differences between Iberia, Vueling, and LEVEL in terms of service and value for money?

2. How important are prices and promotions when choosing flights?

3. How do you rate the quality of customer service when traveling with IAG airlines, compared to other airline groups?

4. How satisfied are you with the booking and check-in processes across the entire group?

5. How do loyalty programs influence your choice of airline and travel frequency?

6. How do flight availability, schedules, and network connectivity affect your decisions?

7. Have you noticed any improvements or changes in services in recent years?

8. From your perspective, how does IAG handle incidents (delays, cancellations)?

9. How do data-driven recommendations or personalized offers influence your travel decisions?

10. In which company do you notice the most use of AI in the purchasing process? In what areas do you not notice it?

11. What would you suggest IAG do to improve the passenger experience and loyalty?

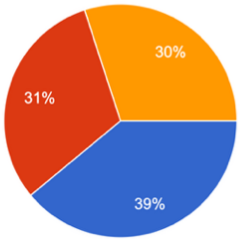
ANNEX 4

Workers Survey - South Europe Ground Services + IAG cabin crew

Questions:

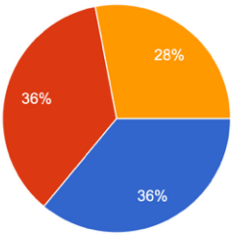
1. What age range are you in?

Between 18 and 30 years old
Between 31 and 49 years old
More than 50 years old

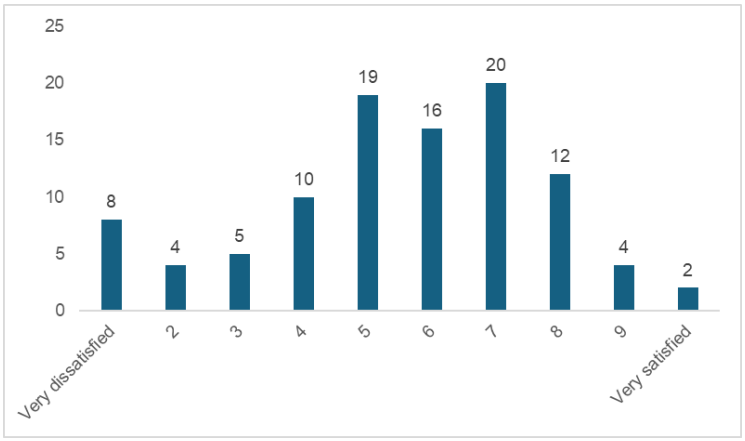


2. How many years of experience do you have within the IAG group?

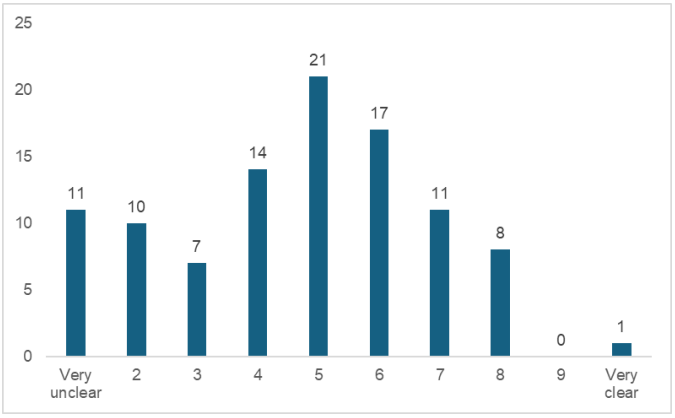
Between 1 and 5 years
Between 6 and 15 years
More than 15 years



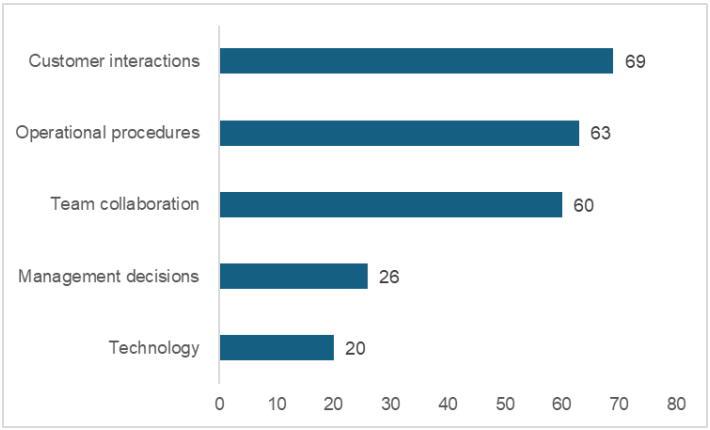
3. How satisfied are you with your current working conditions? (1 = very dissatisfied, 10 = very satisfied)



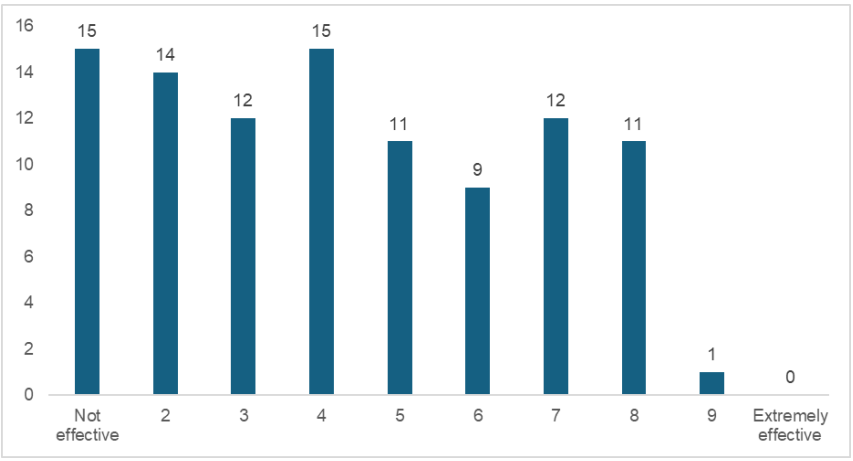
4. How clear are company decisions communicated to your team? (1 = very unclear, 10 = very clear)



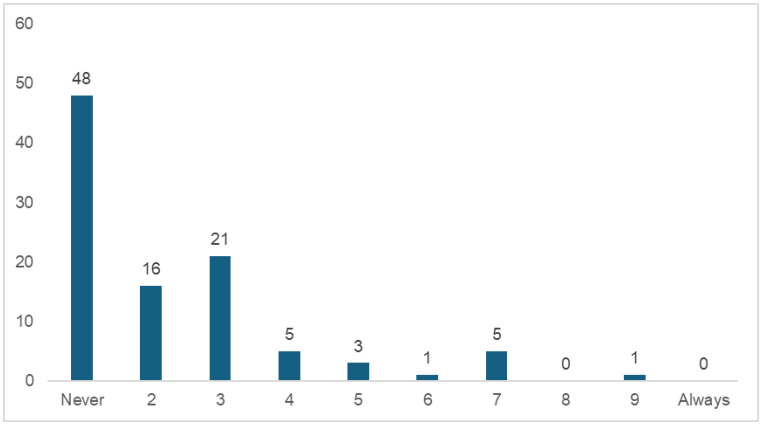
5. Which factor most influences your day-to-day work experience? (Select up to 3)



6. How effective are data or AI tools in supporting your work? (1 = not effective, 10 = extremely effective)

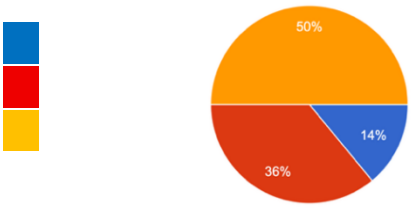


7. How often do you feel your feedback is considered in company decisions? (1 = never, 10 = always)

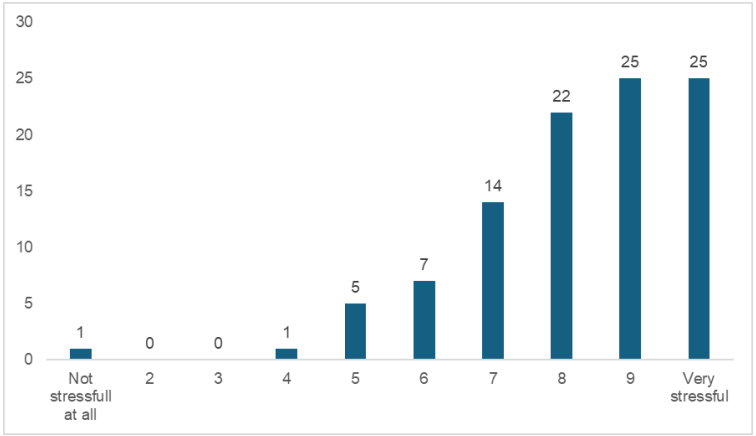


8. How do you feel the quality of your job in the mid-long run?

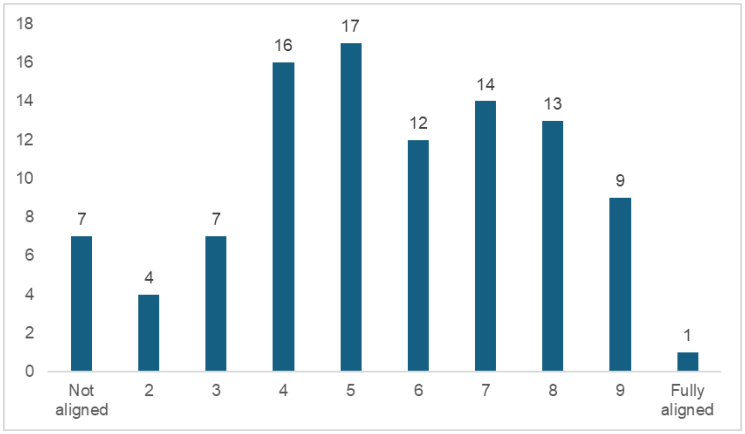
Good and sustainable through the time
Neutral, without significant changes
Bad and low sustainable



9. How stressful are high-pressure situations in your role? (1 = not stressful, 10 = extremely stressful)

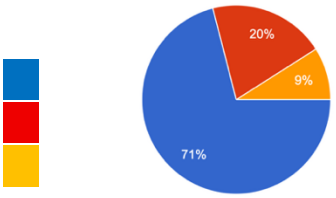


10. How aligned do you consider your daily tasks and conditions to be with corporate objectives? (1= not aligned, 10 = fully aligned)

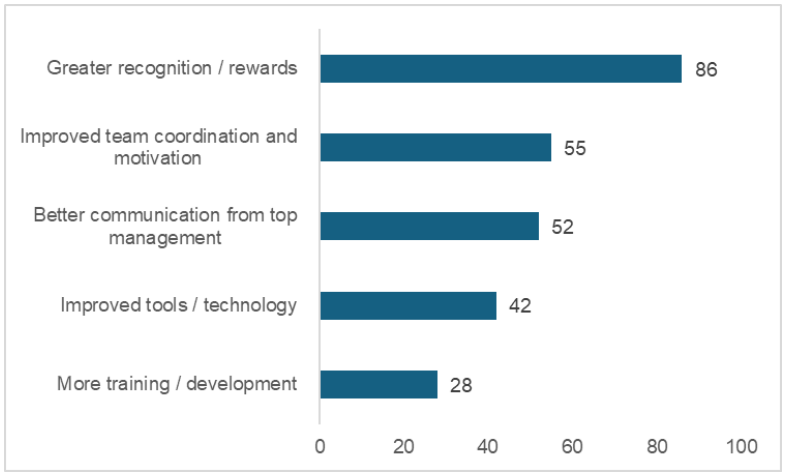


11. What role do you think digital tools such as AI and Data Analytics will play in the coming years?

Progressive, they will be present and booming
Neutral, a point of stagnation will be reached
Regressive, deficiencies in their use will be observed



12. What would most improve your work experience? (Select up to 3)



- Please use this field if you wish to clarify any of your prior responses or add further arguments.

“Since South and Iberia have never asked employees what's best for them, the company only thinks about how to profit at the expense of the employees. A drastic example is that there are always errors in the payroll.”

“More benefits and higher salary the more courses you complete and the more knowledge you have. For example, if you have the Resiber, Documentation, British Airways, etc. courses, you'll receive salary compensation and a promotion.”

“In aviation, AI can help in certain aspects, but it will be of little use in customer-facing interactions. I sense a great discrepancy between work procedures and the passenger's reality. They are rigid and not very intelligent (the procedures, regulations), some of them, not all, of course.”

“The worker is merely an executor. Initiative is penalized when it doesn't align with the company's procedures. It's frustrating. And we are severely limited by the lack of resources: human (above all) and material. It's impossible to maintain even a minimum level of quality in our work due to the high employee turnover; on the contrary, errors multiply due to lack of experience, disinterest, and skills. I feel that the only thing that matters to these companies is the bottom line. The means to achieve them only matter to them if they cost money.”

“It wouldn't hurt if management consulted those of us involved in the company's daily operations before making some decisions, because there are measures that you have to believe in or see as useful to implement.”

“South Europe Ground Services is going from bad to worse in terms of working conditions. Vueling, Level, etc., constant arguments with passengers over company demands (baggage fees, check-in closures, etc.)”

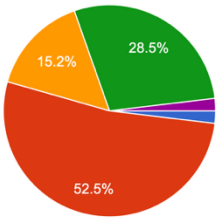
ANNEX 5

Customers Survey - Iberia, Vueling, LEVEL passengers

Questions:

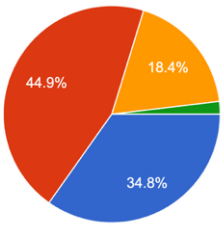
1. What age range are you in? (in %)

Less than 18 years old
Between 18 and 30 years old
Between 31 and 49 years old
Between 50 and 65 years old
More than 65 years old

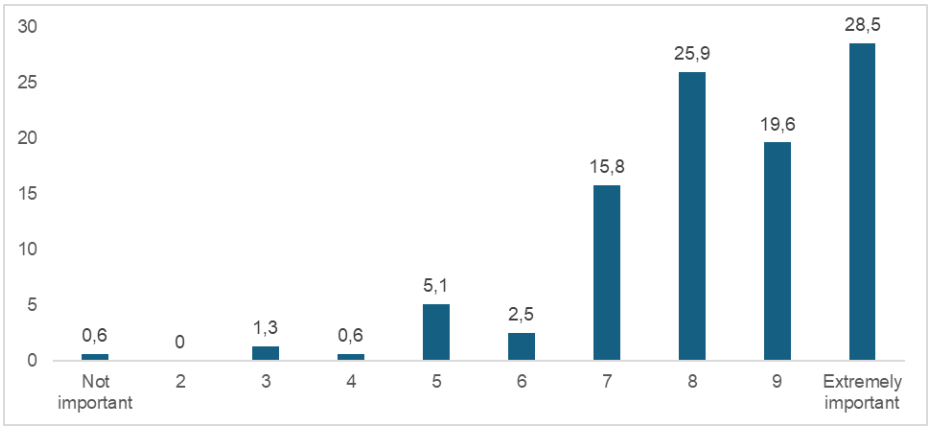


2. When was the last time you flew with any of the following airlines (Vueling, Iberia, LEVEL)? (in %)

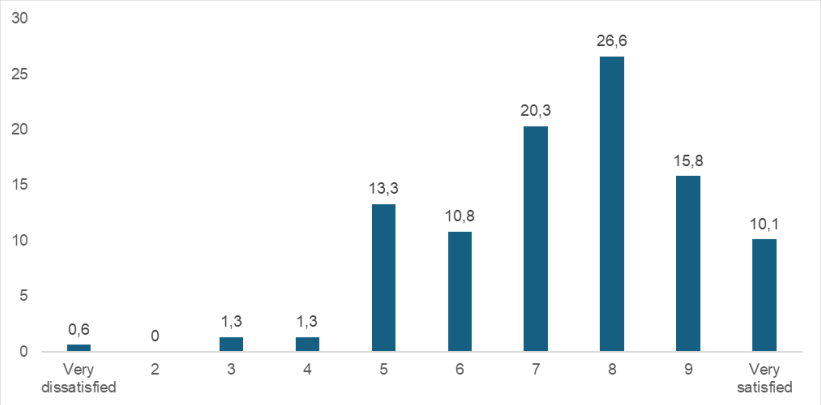
Less than 1 month ago
Less than 1 year ago
Between 1 and 5 years ago
More than 5 years ago



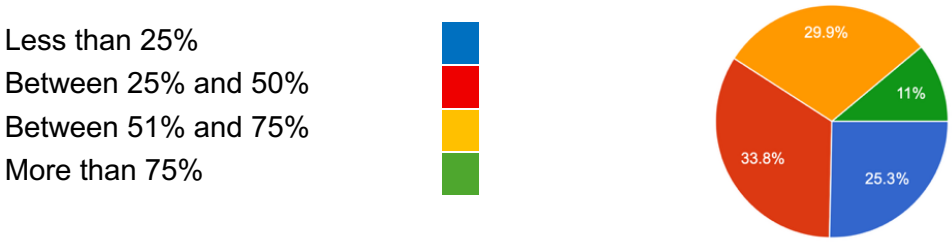
3. How important is price in your airline choice? (in %) (1 = not important, 10 = extremely important)



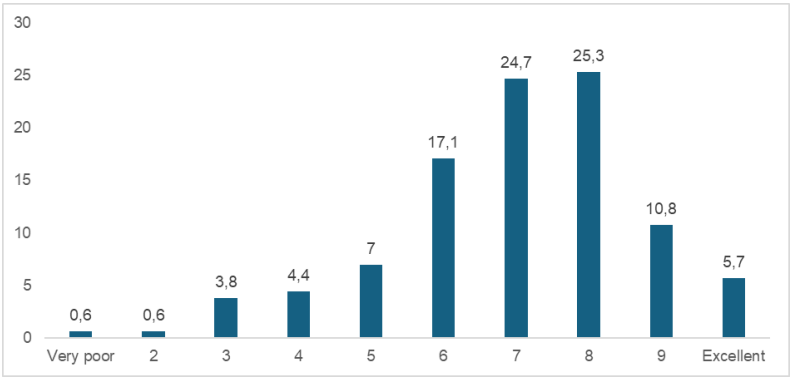
4. How satisfied are you with the booking and check-in process with any of the above IAG airlines? (in %) (1 = very dissatisfied, 10 = very satisfied)



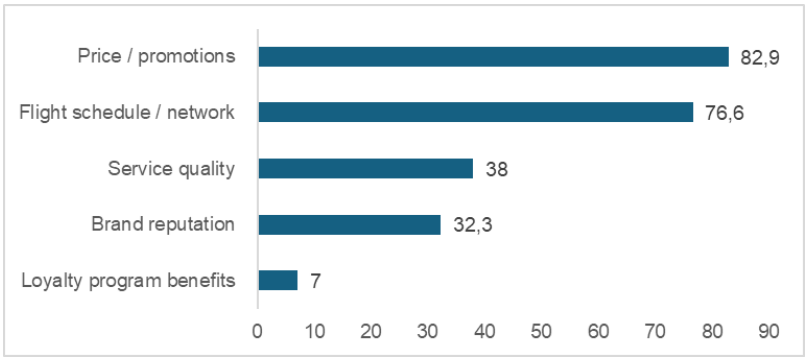
5. What percentage of Artificial Intelligence use do you perceive in the flight purchase process? (In recommendations, price variations, etc.) (in %)



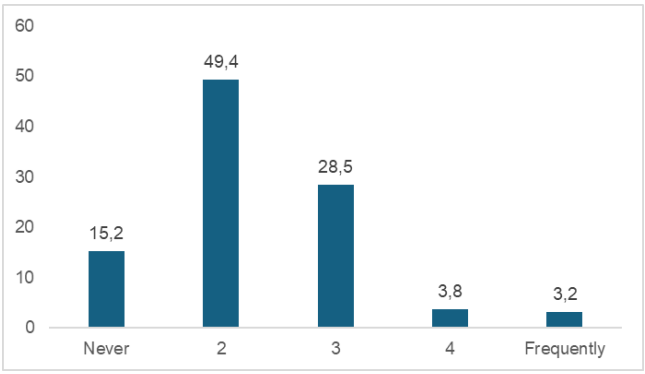
6. How would you rate the onboard service on IAG airlines? (in %) (1 = very poor, 10 = excellent)



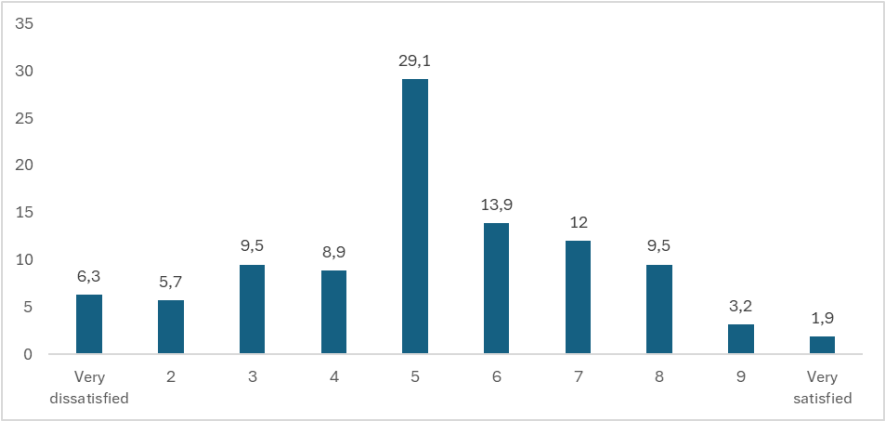
7. Which factor most influences your choice of airline? (Select up to 3) (in %)



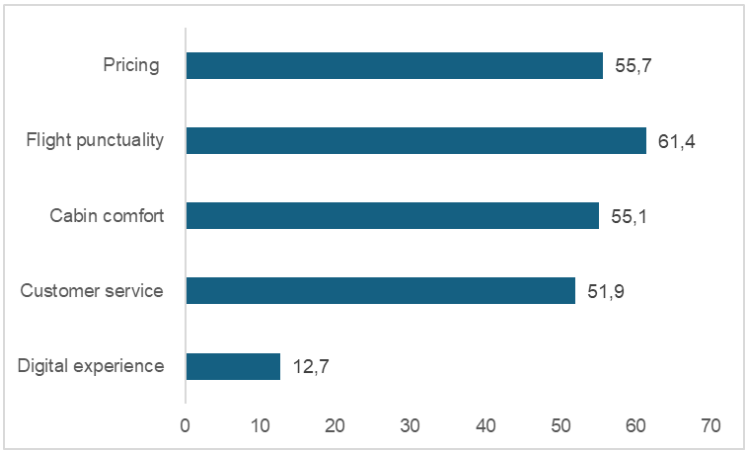
8. How often do you experience flight disruptions? (in %) (1 = never, 5 = frequently)



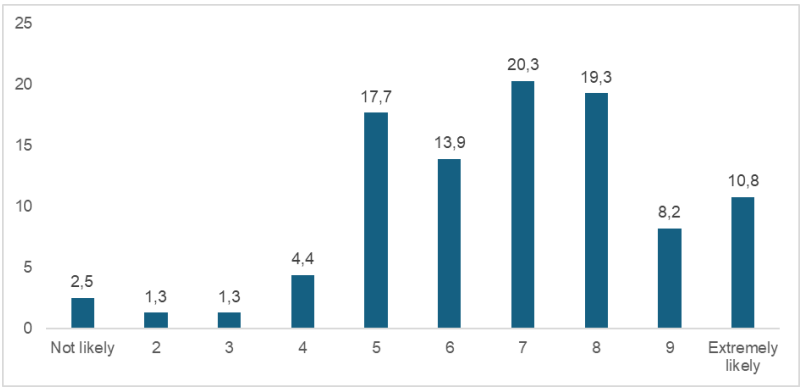
9. How satisfied are you with how Vueling, Iberia or LEVEL handles disruptions? (1 = very dissatisfied, 10 = very satisfied) (in %)



10. Which aspects would you most like to see improved? (Select up to 3) (in %)

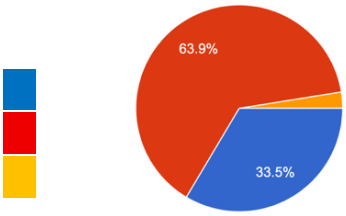


11. How likely are you to recommend IAG airlines to others? (1 = not likely, 10 = extremely likely) (in %)



12. In which type of airline does you notice better service, attention and comfort during the sales process? (in %)

Short-haul low-cost airline - Vueling
Flagship airline for short and long-haul flights - Iberia
Long-haul low-cost airline - LEVEL



- Please use this field if you wish to clarify any of your prior responses or add further arguments.

“Level - terrible service both on board and customer service. Iberia is losing its quality of service. Vueling is a complete disaster, yet it's still considered a good low-cost carrier compared to others around the world.”

“Iberia should improve the ticket purchase process.”

“I believe that, in terms of low-cost carriers, Vueling offers much better service than Level, both in terms of fleet and incident management. Vueling also has a higher frequency of incidents due to aircraft malfunctions, downgrades for passengers due to last-minute aircraft changes...”

“British Airways is far superior to the other IAG companies.”

“The excessive price increases in flights, extra baggage fees, frequent flight delays, and overbooking (which forces you to buy a seat) are causing these airlines to go from bad to worse. Not to mention the aircraft interior, which is so cramped you could fit two pins in it.”

“It’s essential that airlines stop charging exorbitant prices. The practice of offering the most expensive seats to the most passengers sold is abusive and unfair.”

“I often fly with Vueling for work. My perception of their service is that it has deteriorated over the years, especially in terms of punctuality.”