

SITA / ATW

2008 Passenger Self-Service Survey

Airlines must adapt operations to self-service environment

BY AARON KARP / ATLANTA

BAA Self Service Check-in
 1 Select airline
 2 Security information
 Please select your airline...
 American Airlines

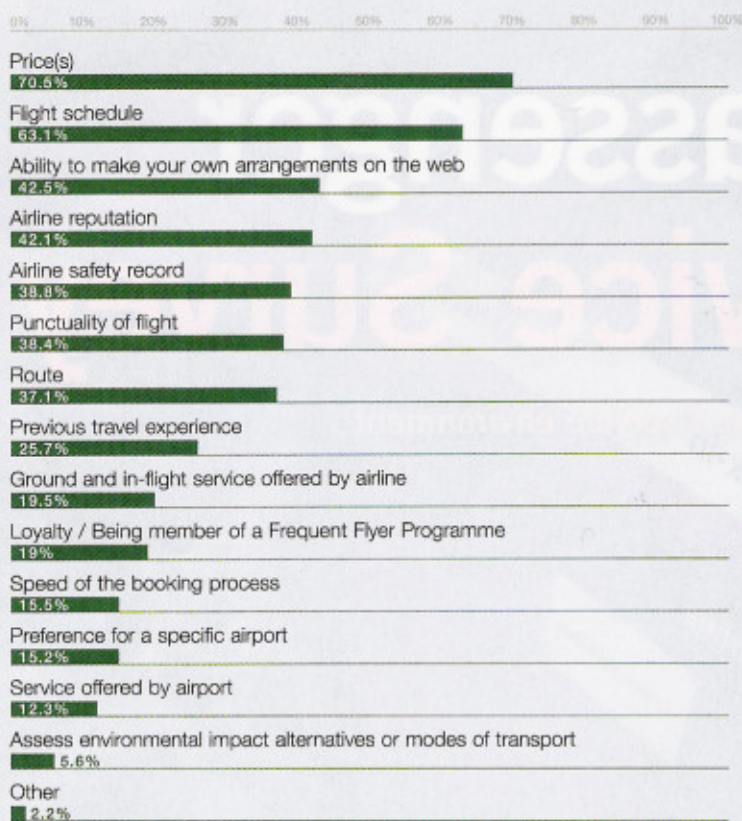
SELF-SERVICE TECHNOLOGY, particularly booking tickets and checking in for flights online and airport kiosk check-in, has moved beyond the initial “hype period” and is here to stay, becoming a key component of “an irreversible evolution” in the way airline passengers travel. So concludes SITA, a leading provider of IT business solutions and communications services to the air transportation industry, after analyzing the data gathered in its “2008 Passenger Self-Service Survey.” The third annual survey greatly expanded its scope from last year’s edition, collecting data from passengers at six airports rather than three. SITA exclusively shared detailed findings with *ATW* in a briefing at its US headquarters here.

A total of 2,143 passengers were interviewed between April 1 and May 9 before boarding aircraft operated by nearly 100 airlines at airports in six different global regions: Atlanta, Paris CDG, Moscow DME, Sao Paulo, Mumbai and Johannesburg.

While variations exist in passengers’ self-service experiences at the different airports, even in regions where technological sophistication is more limited passengers generally have a favorable attitude toward self-service options and express a willingness to use them in the future. And given the global nature of commercial air travel and the growth of international airline alliances, widespread use of self-service technology at advanced airports such as ATL and CDG makes an expansion of such services to less technologically savvy airports like DME inevitable, SITA believes.

According to Director-Portfolio

What do passengers consider most when making their travel arrangement and reservation?



are becoming highly dependent on technologies, such as airport self-serve kiosks, that increase efficiency but also heighten the possibility of crippling disruptions if there are breakdowns.

Online Booking Overall, 70.5% of passengers surveyed said price was the most important factor they considered when booking airline tickets. More than 63% said "flight schedule" was the second most significant consideration. At all six airports, price and schedule were the top two answers given by passengers when asked what factors they weigh when arranging an airline trip.

"Price and schedule are fundamental for everyone," El Bez says. "It is fundamental that airlines are capable of presenting price options and schedules, and this has to be done online. It is fundamental that airlines have a very strong understanding of competitors' routes and pricing to be able to make almost real-time adjustments. It's not enough anymore to just sell online. Now selling tickets online is mainstream. So airlines have to be quick and responsive . . . and need to provide a shopping-friendly Web interface. We're moving into a more frantic competitive environment in coming years because air travel is becoming more transparent for consumers."

Across the airports, a weighted average (adjusted to reflect the differences in passenger traffic) of 58% of passengers said they booked their tickets online, led by ATL at 73% and BOM at 62%. The high figure for BOM is particularly impressive as it far outpaces actual Internet penetration in India, suggesting that the country's air travelers are among its most technologically savvy citizens. At ATL, the only airport that has been part of all three SITA surveys, online booking has grown 14% over the past two years.

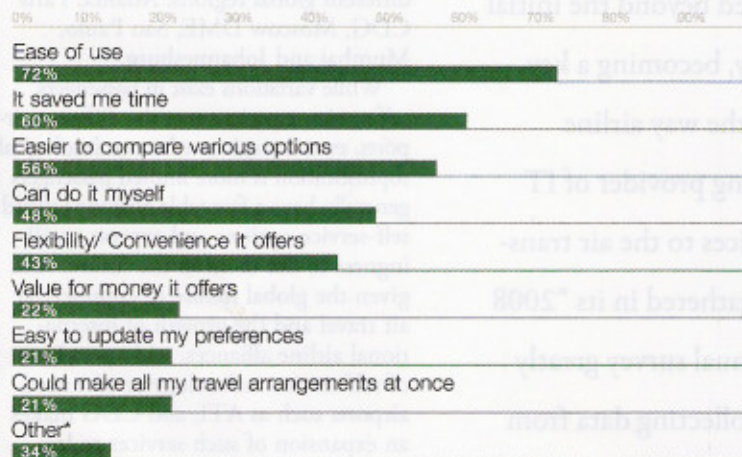
While regional differences dampen actual online booking usage, at least 51% of passengers at every airport and a weighted average of 67% said they would have a clear preference for online booking in the future. That means there is a 9-point gap between actual and desired usage. "In some parts of the world, there is still a need for airlines to adopt [online booking] technologies and inform and educate passengers of their availability," El Bez says. At DME, for example, only 29% of passengers surveyed booked their tickets online even though 51% said they had a preference for doing so. About a third of the passengers in Moscow conceded that they don't know how to book online. In Sao Paulo, 33% of passengers surveyed said they did not book online because they could get a cheaper fare offline. In Mumbai, 28% of passengers surveyed said they did not have a credit card while 20% said they had no Internet access, both of which preclude online booking.

Across the six airports, a weighted average of 18% said they had never booked an airline ticket online. El Bez says this reveals that there are still a lot of passengers who have not had a first-time

Marketing Dominique El Bez, who studied and analyzed the survey results, this creates great opportunities for carriers to increase operational efficiency and enhance customer service. But it also adds challenges: Fares are now more transparent than ever, allowing passengers easily to discover \$10 differences in prices offered by competitors. And airline operations

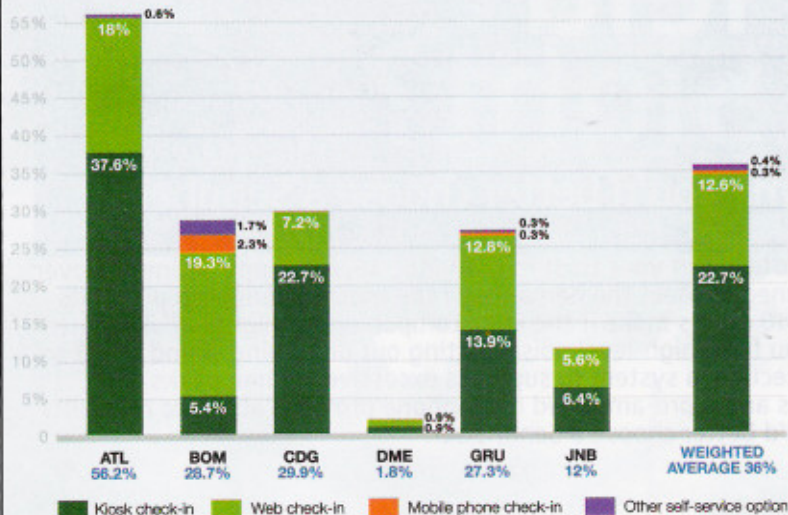
What did you like most about online booking?

Population: Those who did use online booking for their flight

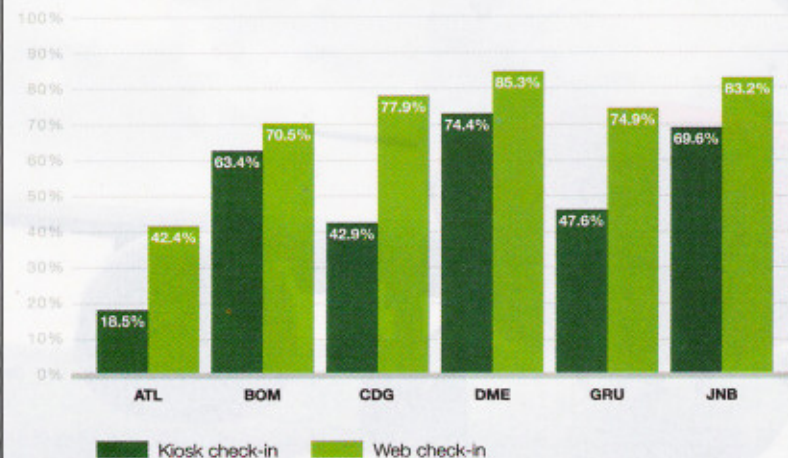


* 13% Possibility to earn bonus mileage/loyalty points - 10% Can select my language of preference/ native language - 9% Privacy it offers - 2% Other reason

Self-service check-in - Actual usage

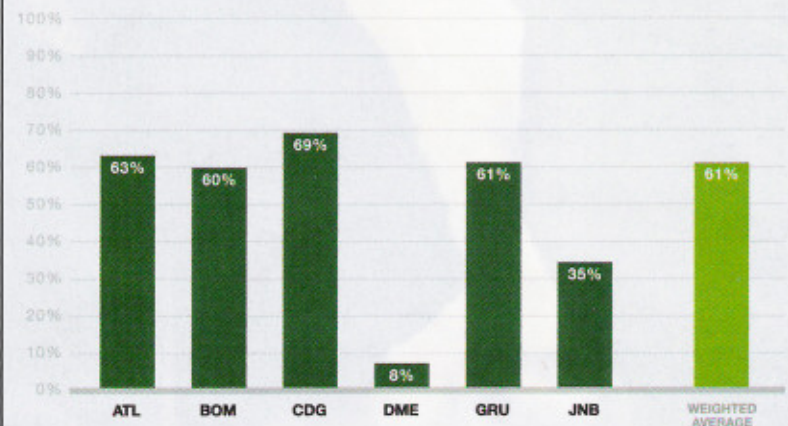


Proportion of passengers who never used self-service check-in options



Preference towards self-service check-in

Population: Those who knew self-service check-in was available



online booking experience. "There is a big difference between regions on first-time experience," he explains, noting that only 6% of passengers at ATL and 12% at CDG had never booked online but that figure "is way up in other regions." For example, 59% of passengers at DME said they had never used online booking.

Overall, El Bez says, the survey demonstrates that passengers aware of online booking options are using them and that there is a strong desire for future use even among a good portion of passengers who don't currently use them. Among those who booked tickets online for their flights on the day of the survey, 92% said they would use online booking "as frequently as possible in the future."

El Bez believes this foretells stiff competition between carrier websites. "Competition will push airlines to have more user-friendly sites," he says. Of those passengers who booked their flight tickets online, the top three reasons they cited for liking online booking were "ease of use" (72%), "it saved me time" (60%) and "easier to compare various options" (56%).

"If you've got a competitor on the same route, the customer will find that competitor [online] and easily compare prices," El Bez says. "So if you don't give the customer flexibility and make your site easy to use, you'll lose the customer. We are in a context where there is more transparency [regarding fares and routes], which can generate good opportunities for airlines, but it also stimulates a more frantic competitive environment."

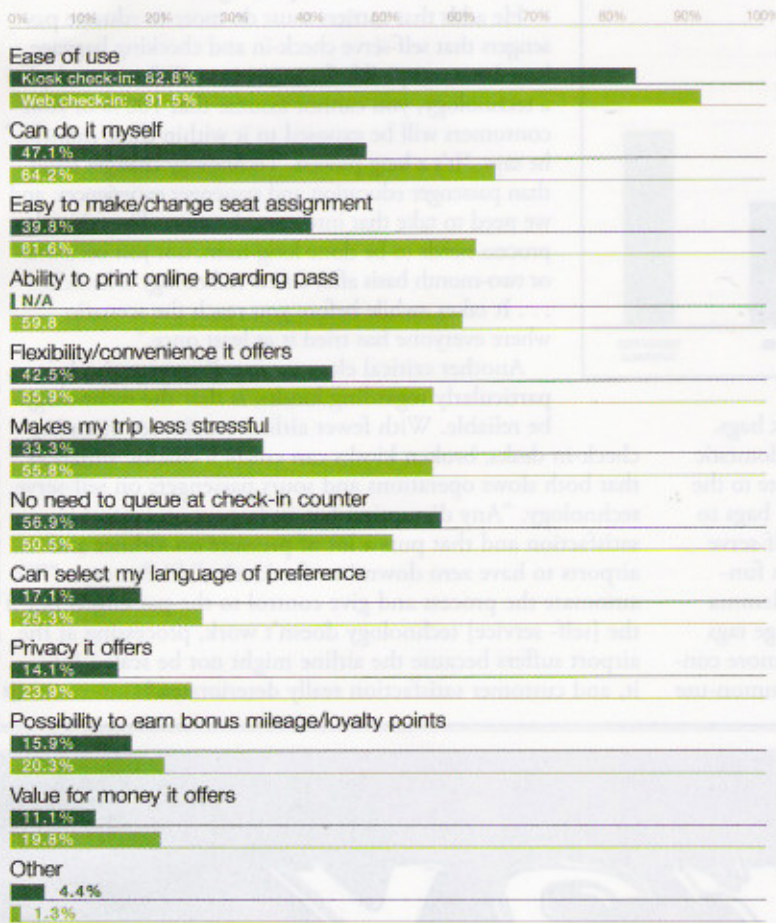
One way for carriers to distinguish their websites and to generate more revenue is to offer ancillary services online, such as hotel and rental car booking. Across all six airports, a weighted average of 53% said they were favorable to the idea of booking a hotel through the airline. At ATL, nearly 50% said they have booked a hotel and/or a rental car through an airline. "Passengers are telling us that they see airlines as trusted partners of travel-related services above and beyond air travel," El Bez says. "There is a further opportunity for airlines to act as e-commerce companies."

Self-Service Self-service check-in for flights online or by using airport kiosks is becoming more prevalent, but it does not have the penetration of online booking. El Bez points to ATL, where 56.2% of passengers surveyed used self-service check-in, up almost 50% compared to the 2006 survey. "That's massive growth and it gives a sense of how this kind of technology is being adopted by passengers," he says.

Across the six airports, a weighted average of 35.9% used self-service check-in for their flights on the day of the survey, but there were major regional differences. At DME, just 1.7%

What did you like the most about self-service check-in?

Population: Those who did use self-service check-in options for their flight



used self-service check-in and at JNB it was only 12%.

However, 60.95% of those surveyed said they have a preference for self-service check-in options in the future, suggesting strong growth potential. El Bez believes 60% self-service check-in could become an industry benchmark. He says lack of awareness of self-service options hinders usage at four of the six airports where passengers were surveyed. In Atlanta and Paris, 95.4% and 96.8% respectively were aware of self-service check-in options, but awareness fell to just 45.4% at GRU, 44.7% at JNB, 33.6% at DME and 24.7% at BOM.

"In some parts of the world, the lack of awareness is the main challenge to adoption," he says. At airports such as ATL and CDG, self-service kiosks are numerous and available and an increasing number of airlines require passengers to use them. But at others, kiosks are placed in out-of-the-way locations. "Clear signage and good placement of kiosks are keys when self-service is an option rather than mandatory," El Bez says. "You need to know where the kiosks are . . . Most airports were built at a time when self-

service was not in people's minds. In a lot of cases, you have to adapt the airport to meet self-service requirements."

Kiosks are used for check-in about twice as much as airline websites. But those who do use Web check-in give it higher marks than kiosk check-in. "Web check-in seems to be delivering a stronger value proposition to the passenger than kiosk check-in," he says. "That may be because no single airline is forcing passengers to use Web check-in or charging for not using it, while at an increasing number of airports you have no other option for checking in than using kiosks."

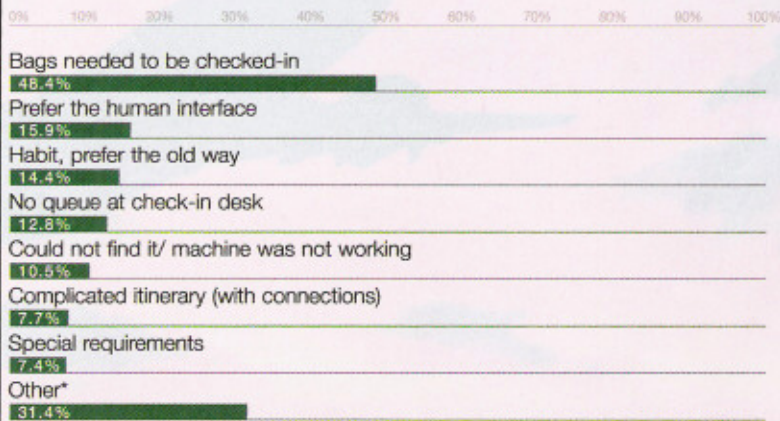
He believes that "massive adoption" of Web check-in may be problematic because it requires that passengers have access to the Internet and a printer and the awareness to check in before coming to the airport. Other forms of self-service check-in are well behind Web check-in and kiosks. While mobile phone check-in had 2.3% penetration at BOM, it was negligible or nonexistent at the other five airports and likely is still far away from usage at all but a few airports, El Bez says.

Baggage Burden The No. 1 reason given by passengers for not using self-service check-in was baggage: Some 48.4%, more than triple any other reason, said they believed it would be too complicated to use self-service while also checking baggage. The next two reasons given were "prefer the human interface" (15.9%) and "habit, prefer the old way" (14.4%). El Bez notes that many passengers citing those two reasons may be unreachable in terms of self-service (unless they are forced by

the airline to use a kiosk), but he believes the baggage excuse is based on misperceptions dating to the initial deployment

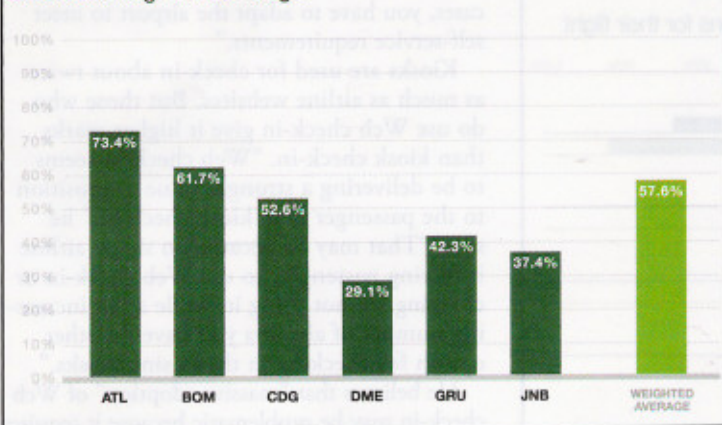
Reasons for not using self-service check-in options?

Population: Those who knew self-service check-in was available but did not use it



* 7% Do not see the added value - 3% Too technical - 2.4% No access to printer to print boarding pass online - 2.2% Ticket not booked online/ no e-ticket - 2.1% Get preferential treatment as a Frequent Traveller - 1.9% No access to Internet to self check-in - 12.8 Other reason.

Online booking - Actual usage



of technology that did not allow passengers to check bags.

Self-serve check-in is used more frequently among domestic passengers than international travelers, which may relate to the fact that international passengers usually have more bags to check. He says that to reach widespread usage of self-serve check-in (IATA is targeting 80% penetration), "it is fundamental for the industry to address the baggage dilemma efficiently." He suggests kiosks that can print baggage tags that passengers can attach themselves, giving them more confidence that their bags won't be lost, or perhaps common-use

bag drop-off points shared by multiple airlines that increase capacity and reduce lines, making the process easier and faster for passengers.

He adds that carriers must do more to educate passengers that self-serve check-in and checking baggage have been compatible for some time. "When you deploy a technology, you cannot assume that 100% of your consumers will be exposed to it within three months," he says. "It's a long process. Technology changes faster than passenger education and passenger experiences, and we need to take that into consideration. The education process needs to be done long-term, not just on a one- or two-month basis after a new technology is launched . . . It takes awhile before you reach the scenario where everyone has tried it at least once."

Another critical element to self-service check-in, particularly regarding kiosks, is that the technology be reliable. With fewer airline employees manning

check-in desks, broken kiosks can create a chaotic situation that both slows operations and sours passengers on self-serve technology. "Any disruption has an impact on customer satisfaction and that puts a lot of pressure on airlines and airports to have zero downtime for kiosks," El Bez says. "We automate the process and give control to the passenger, but if the [self-service] technology doesn't work, processing at the airport suffers because the airline might not be scaled for it, and customer satisfaction really deteriorates." ❖

Trax



Rule the skies



TRAX Maintenance Software

www.trax.aero sales@trax.aero