

SITA/ATW 2009 Passenger Self-Service Survey

user-friendly HAS ARRIVED

Passengers are responding positively to automated interaction with airlines and want more

By Aaron Karp / Atlanta

OVER THE PAST DECADE, AIRLINES INCREASINGLY HAVE encouraged passengers to use their websites to book tickets and check in for flights, as well as to use self-service kiosks in airports. At the same time, online commerce has exploded, with consumers becoming more accustomed to making high-value purchases from the comfort of home. As a result of these converging trends, SITA concludes after analyzing the results of its “2009 Passenger Self-Service

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

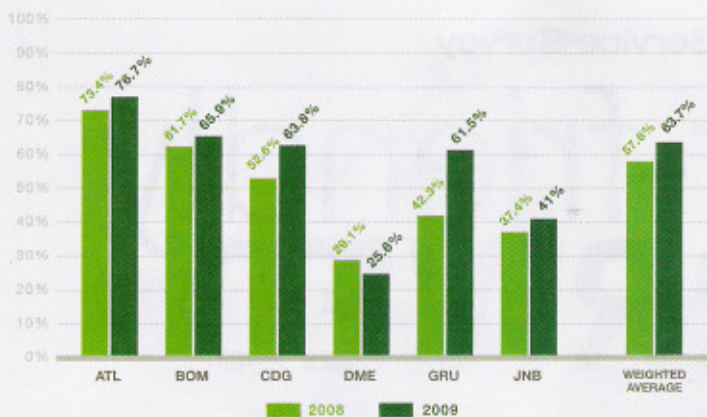


Survey,” airline websites are becoming “the channel of choice for pre-flight and post-flight customer service” and self-service technology will be critical to the air transport industry’s future.

SITA, a leading provider of IT business solutions and communications services to the airline industry, exclusively shared the results of the fourth annual self-service survey with *ATW* in a briefing at its US headquarters here. The 2009 survey was conducted at the same six airports around the world as last year’s: Atlanta, Paris Charles de Gaulle, Moscow Domodedovo, Sao Paulo Guarulhos, Mumbai and Johannesburg. Some 2,193 passengers representing 80 nationalities were interviewed between April 15 and June 8 before boarding aircraft operated by more than 100 airlines. A finding that jumps out of this year’s survey is that “convenience,” rather than price, is now the leading reason passengers turn to carriers’ websites.

“Passenger adoption of the online booking option keeps growing,” SITA Director-Portfolio Marketing Dominique El Bez tells this magazine. “A decade ago, when passengers first started using airlines’ websites to book tickets, the main value proposition was price. Although price is still

Online booking - Actual usage



What did you like most about online booking?

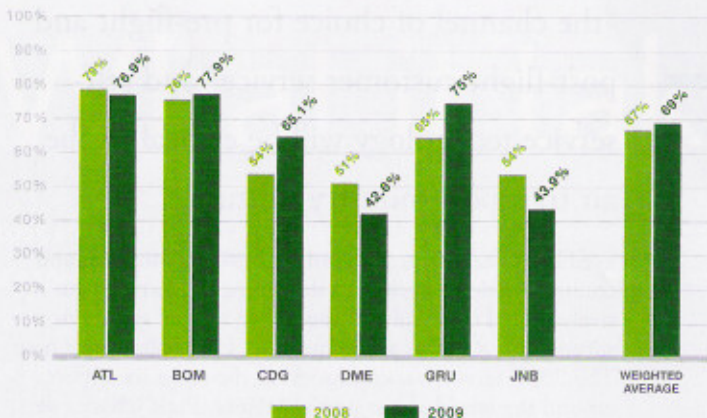
Population: Those who used online booking for their flight



* 13.1% Privacy it offers - 13% Possibility to earn bonus mileage / loyalty points - 7.8% Can select my language of preference / native language - 1.5% Other reason

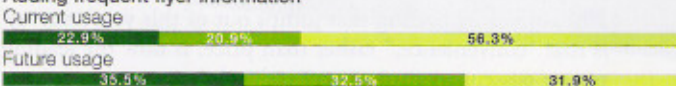
Preference towards online booking

Population: Those who knew online booking was available

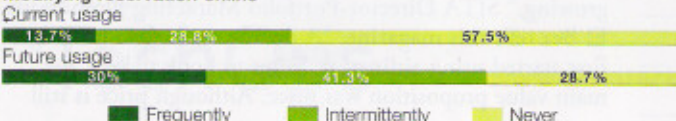


Manage bookings & profile online - Current & future usage

Adding frequent flyer information



Modifying reservation online



fundamental, it looks like the key driver for online booking is convenience." And now that travelers have become so accustomed to booking tickets online, they're becoming progressively more comfortable with using carriers' websites for a whole range of activities, including modifying reservations, updating frequent-flyer information and purchasing ancillary services, he explains.

For the airline industry, there are two very important conclusions to draw: First, after fretting for years that less human interaction would lead customers to believe carriers were offering lower levels of customer service, it turns out that the modern consumer wants control and is happy to do the work involved in self-service interaction with a company, particularly if the technology is easy to use. Secondly, airline passengers are interested in utilizing the technology more, providing carriers with an opportunity to grow their self-service offerings.

Online Booking El Bez, who studied and analyzed the survey results, says consumers are willing to use self-service technology for nearly all forms of commerce if the interface is "easy, consistent and of high quality." With everything including books, furniture, movie/event tickets and even cars being bought online, it is now "intuitive" for people to make significant purchases via the Internet, he says, adding, "Passengers, independent of the airline industry, are more and more comfortable using the Web . . . The airline industry is benefiting from every industry going online."

Further helping this trend is the fact that in just the past year or so, airline websites have gotten noticeably easier to use, he says. In this year's survey, 84% of passengers said those websites are "user friendly," up from 72% last year.

While regional differences remain in the use of online booking (for example, more than 75% of US citizens surveyed said they had used online booking while fewer than 20% of Russians had used it), usage is growing across the board and 90% of all passengers surveyed said they had a "positive attitude toward future usage of online booking" even if they don't use it currently. Among existing online bookers, there is "almost 100% willingness to re-use," SITA found.

The key factor holding back online booking in some parts of the world is availability. While 100% of passengers surveyed at ATL said online booking was available for their flight, two-thirds of those at DME said it was not.

Checking In Just in the year since the third survey was conducted in the spring of 2008, self-service check-in has increased measurably. Across the six airports, a weighted average of 44% of passengers checked in via self-service means for their flight on the day they were questioned for the 2009 survey, up 20% year-over-year. At ATL, more than 80% of passengers used self-service check-in, up 43% from last year.

Airport kiosks remain the top self-check channel

Top 5 reasons for not booking online

Population: Those who knew online booking was available but did not use it

Average	Passengers on a	
	Leisure trip	Business trip
78.2% Someone else makes my travel arrangements	72.2%	91.6%
5.8% Prefer advice / customer service from off-line agent	8.4%	3.5%
4.6% Cheaper travel fares or rates are available off-line	5.7%	3.9%
4.7% Security – do not like to disclose personal information online	6.2%	3.4%
2.6% Difficult to book online for family or group	3.5%	1.7%

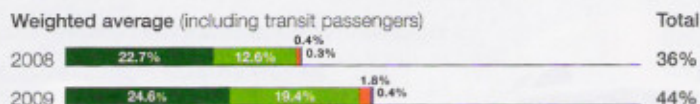
Who are the third party bookers used by passengers?

Population: Those who said "Someone else makes my travel arrangement"

Travel agents	60%	
Friends and family	30%	29%
Personal Assistant		25%
Corporate Travel Office		37%
Other	10%	9%

Self-service check-in - Actual usage

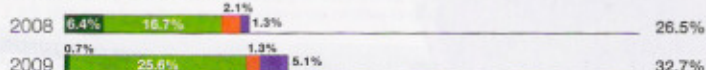
Population: Passenger departing from the surveyed airports, not including transit passengers



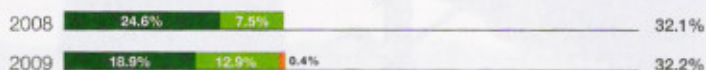
Hartsfield-Jackson Atlanta International Airport*



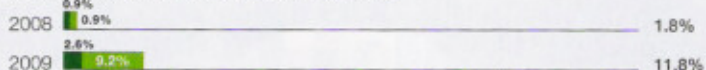
Mumbai International Airport*



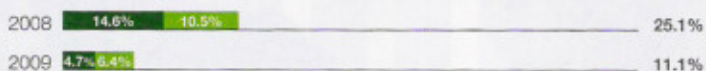
Paris Charles de Gaulle International Airport*



Moscow Domodedovo International Airport*



Sao Paulo Guarulhos International Airport*



Johannesburg International Airport*



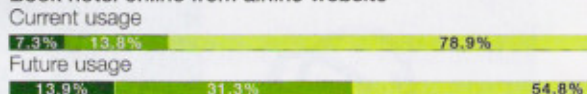
■ Kiosk check-in ■ Web check-in
■ Mobile check-in ■ Other service option

* Not including transit passengers at the airport

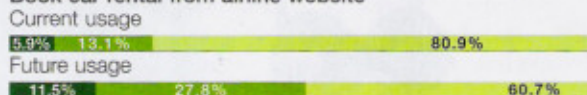
but online check-in is growing fast: Web check-in among survey respondents was up 50% from 2008 while kiosk use grew 10%. And the proportion of self check-in for survey respondents who were transiting the airports where they were questioned is on the rise. For example, self-check among transit passengers at ATL was more than 75%, a big increase

Buy ancillary services online - Current & future usage

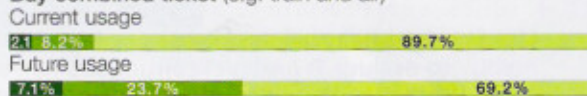
Book hotel online from airline website



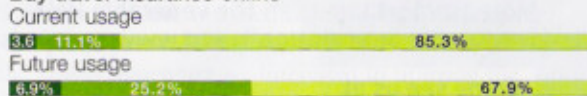
Book car rental from airline website



Buy combined ticket (e.g. train and air)



Buy travel insurance online



■ Frequently ■ Intermittently ■ Never

from under 50% last year. At CDG, transit passenger self-check rose from 20% in 2008 to 30% in 2009; at BOM, the growth was from 33% last year to 50% this year.

"This tells us that self-service check-in growth is not just at these leading global hubs [where the survey was conducted], but across the globe," El Bez says. "It's everywhere. It's global growth that we see happening."

Of course, passenger awareness is critical. "Last year, the key obstacle was that people didn't know it was available and in some cases there was a lack of availability," he says. "What we found this year is that the awareness of passengers on the availability of self-service improved significantly . . . but still there are some passengers that don't know and there are still places where passengers are telling us it's not available."

Baggage remains the No. 1 reason that passengers don't use self-check when they know it's available. Either they believe that checking bags is incompatible with the process (as was the case years ago), they think it will be too much of a hassle to check in and drop their bags off in two separate steps or they fear that the chance of their luggage getting lost increases when going the self-service route.

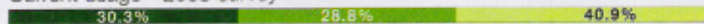
El Bez says the industry is considering ways to make checking bags more compatible with self-check. One solution is the "bag ready to go" model proposed by IATA. A passenger prints his or her own bag tag from a kiosk, attaches it and deposits the bag at a counter designed for quick drop-off. But SITA found that there is a "low level of adoption" for this option: More than 75% of passengers surveyed said they had never printed a bag tag from a kiosk. Nevertheless, El Bez believes this approach is "the way forward," though there is "still a lot of work to do in this domain."

Checking in online presents a further problem. A traveler cannot print a bag tag at home, "meaning that passengers with baggage will either have to go to a kiosk to print a bag tag or go to an agent desk," SITA says. Currently, there is a "lack of consistency" for checking bags when doing self-service check-in, "risk-

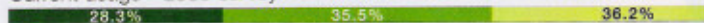
Self-service check-in - Current & future usage

Kiosk check-in

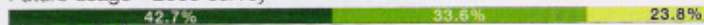
Current usage - 2008 survey



Current usage - 2009 survey

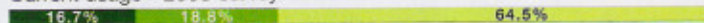


Future usage - 2009 survey

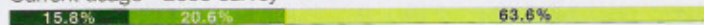


Web-check-in

Current usage - 2008 survey



Current usage - 2009 survey



Future usage - 2009 survey



Mobile phone check-in

Current usage - 2008 survey



Current usage - 2009 survey



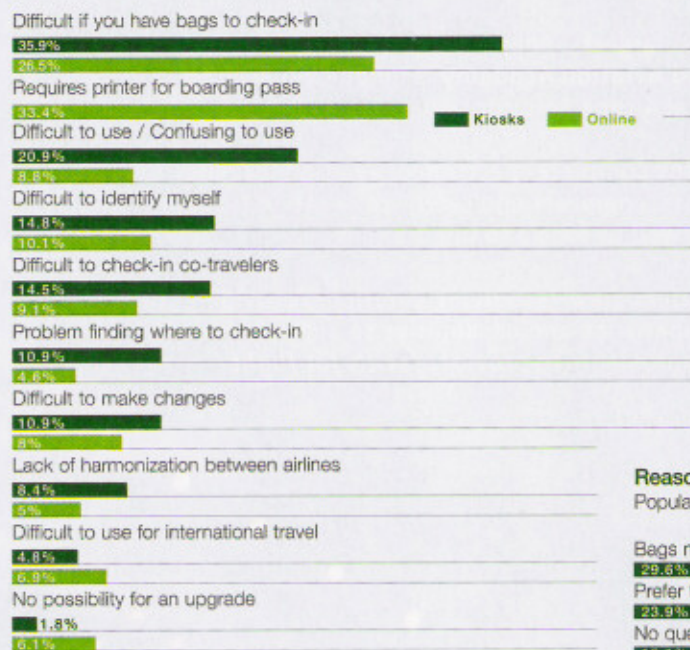
Future usage - 2009 survey



Legend: Frequently (dark green), Intermittently (medium green), Never (light green)

What do you perceive as the main drawbacks to the self-service check-in option you used?

Population: Those who used a specific self-service check-in channel



ing passenger confusion," it warns.

Another possibility is remote baggage drop-off: 55.3% of survey respondents said they would be willing to pay for such a service, up from 42.2% in last year's survey. A common-use baggage drop counter is also a potential way to speed checking luggage when using self-check. SITA and Swissport International earlier this year introduced 10 common bag drop counters at Zurich; 11 airlines, all members of Star Alliance, share the counters. SITA and Swissport claim baggage drop-

off following self-service check-in has fallen to under 30 sec. per passenger at the counters.

Another factor inhibiting self-check: Kiosks have become popular enough that lines are forming to use them at some airports, contradicting the notion that they are more convenient than the traditional counter agent process. "We've seen cases where passengers are starting to stand in line at kiosks," El Bez notes. "Airlines need to monitor [their check-in] channels to make sure they have enough capacity . . . When kiosks are getting popular, you need to grow capacity, otherwise you start seeing bottlenecks."

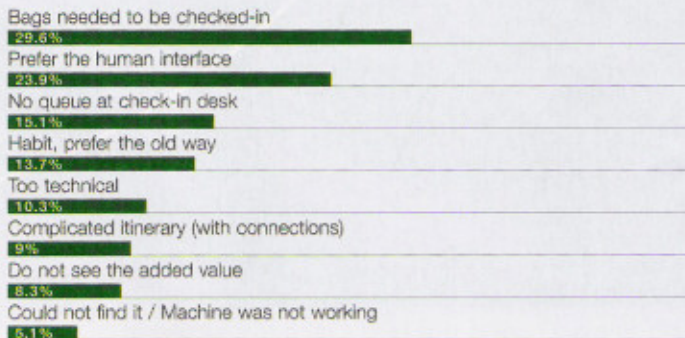
Of course, one reason self-check is becoming so prevalent, especially kiosk use, is that more airlines are requiring passengers to use these means, staffing airport counters with agents only to assist customers struggling with the technology or to help with checked baggage. "For those airports that have the highest level of adoption, pretty often it's because the passenger is forced to use self-service," El Bez explains. "This model is increasingly being adopted in North America and Europe, particularly for economy passengers . . . Airlines wouldn't [require it] if they weren't confident that passengers would accept it. If you force it and it's not user-friendly, passengers will remember this experience with negative consequences for the airline."

Next Phase In fact, the survey revealed that passengers would like kiosks to have greater functionality. For example, they'd like to be able to use them for booking rental cars or making restaurant reservations. "Kiosks as a device are very well received by passengers above and beyond checking in and that's something that airlines can exploit," El Bez says.

He warns, however, that carriers shouldn't give check-in kiosks too much functionality. "It's important to be careful, because the last thing you want to do is give passengers extensive service on kiosks and then have long lines while people are using them. The value [of the] kiosks is to speed check-in." Instead, he says, airlines could place additional "ancillary service" kiosks at gates that could be used by passengers waiting to board flights.

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

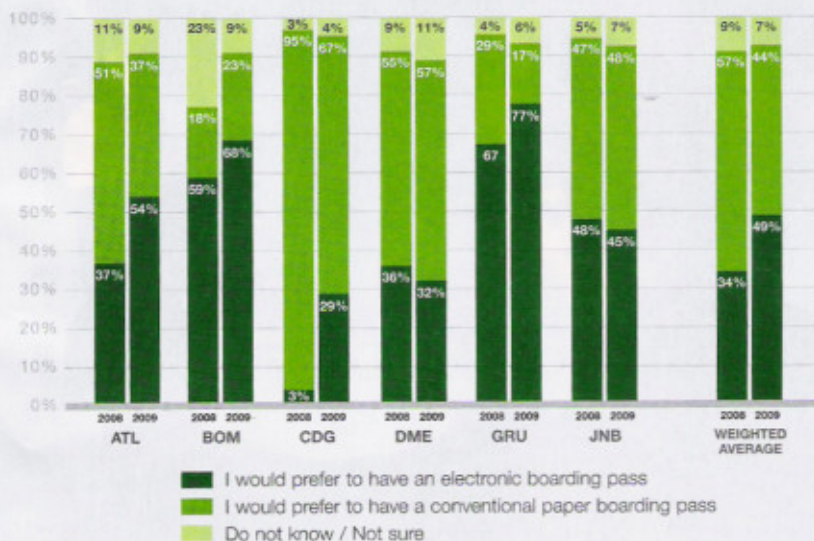
Population: Those who knew self-service check-in was available but did not use it



Remark:

- Bags: #1 reason in JNB for 35.5% of the respondents, in ATL (45.6%) and in BOM (45.2%)
- Prefer the human interface: #1 reason in CDG for 33.6% of the respondents
- No queue: #1 reason in GRU for 32.2% of the respondents, in DME (39.2%)

If you had the choice, would you prefer an electronic copy of your boarding pass or a conventional paper boarding pass?



Remark:

- 2/3 of the self-service check-in users would prefer an electronic boarding pass

Indeed, with online booking and self-service check-in entrenched and growing, carriers are starting to look beyond these functions to how they can leverage websites and kiosks to present passengers with a broader array of offerings. "We are now really reaching the tipping point in terms of self-service," he says. "We're now entering the next phase of its market penetration."

What will the next phase look like? Elements already are becoming apparent. As was mentioned above, SITA believes airlines' websites are becoming the "channel of choice" for passengers to interact with carriers. "What we find in the survey is that the passenger experience online is further expanding . . . above and beyond the booking experience," El Bez says.

Increasingly "user-friendly" websites offer passengers the option not just to book flights but to engage in activities such as managing frequent-flyer accounts, selecting inflight meals and purchasing other ancillary services. "There seems to be a positive attitude to ancillary services [offered online]," he explains. "Passengers are saying, 'If you offer us a good deal on hotels, travel insurance, rental cars, we're ready to buy from you.'" More than 50% of passengers surveyed said they are using airline websites to modify their reservations or update their frequent-flyer information and around 70% have a

"positive attitude" toward future usage of such online capabilities.

Again, consumers are looking for convenience above all else. Survey respondents indicate they appreciate the convenience of one-stop shopping. "Part of the value you give to passengers is that it's not just flying that [an airline] is offering, it's everything involved with the travel experience," El Bez comments.

Another area ripe for automation is security. Many of those surveyed complained about the hassles associated with screening checkpoints and 57.8% of passengers had a "positive attitude" toward giving "confidential data and some of their privacy in order to [move faster] through the airport" via some kind of automated system of security processing, SITA says.

Farther down the road is automating the entire air travel experience through mobile boarding passes (as are already available on a limited basis at several airports) and other means that would allow passengers to swipe an imbedded barcode at various points in the airport (*ATW*, November 2008, p. 75). "We're hearing a very exciting message from passengers: They're really demanding paperless travel," El Bez says. "Passengers are really willing to play a more proactive role and be in control [via self-service functionality] at all steps of the journey." **ATW**