

REPORT  
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 IN LONDON

# GETTING MOBILE

Mobile phone check-in looks like being the next must-have accessory for airlines as the responses to the 2009 Airline Business/SITA Airline IT Trends Survey point to an anticipated explosion in its popularity over the coming year

Passengers using their mobile phones to check-in may be fairly thin on the ground today, but airlines are forecasting that people using this service will increase fivefold in the next three years and are gearing up to rapidly accelerate the availability of a whole range of mobile facilities, including check-in, to help their customers self-process their journey.

The growth and popularity of web and mobile services look set to overshadow kiosks as a check-in channel – indeed airlines in some regions that have yet to implement kiosks may simply leapfrog this evolutionary stage. However there is plenty of life left in the kiosk as a self-service channel, with an increasing number of airlines looking to evolve it further to provide other self-processing tools.

It is inevitable there will be a lag between provision and usage as the once-a-year holidaymakers catch up with the frequent flyers. But airline IT chiefs also acknowledge the general availability and uptake of sophisticated self-service options will also depend on partners and regulators, be they airports, security services or passport authorities evolving their thinking and processes.

The 2009 Airline IT Trends Survey, conducted by *Airline Business* in association with SITA, reveals that 25% of airlines have already implemented online check-in via mobile phones and this looks set to rapidly catch up with other self-service check-in



**“Mobile check-in is still a small programme, but will grow quickly and be more core to the experience”**

**JOSH WEISS**

Managing director, Delta.com

options, rising to 59% by the next year and reaching 81% by 2012 (see chart 1). Only 20% have no plans for implementation.

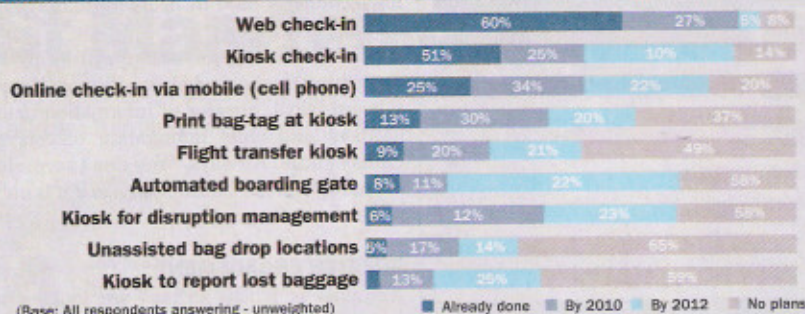
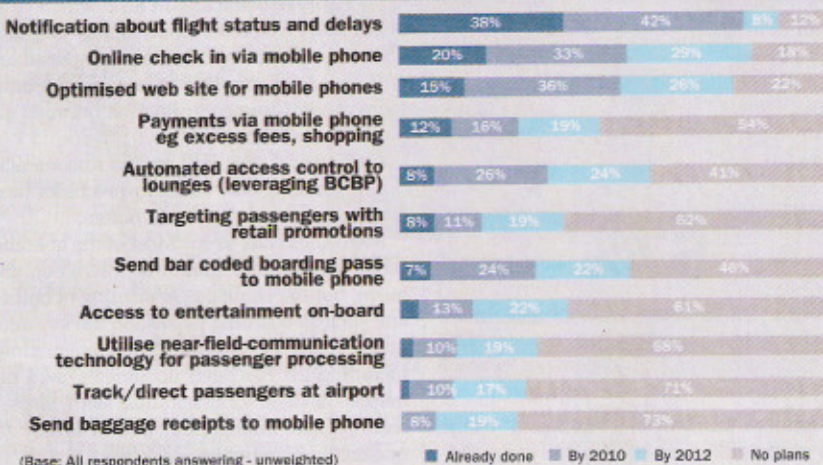
Looking at the specific mobile-based services airlines provide or plan to provide to passengers' own mobile devices, 20% of airlines offer online check-in, rising to 53% next year and 82% within three years (see chart 2), with 7% of airlines currently sending their passengers barcoded boarding passes, increasing to 31% by 2010 and 53% by 2012.

Admittedly only a handful of passengers – an industry average of 2.1% (weighted to passenger numbers) – currently take advantage of mobile check-in, but airlines are confident this will rise to 11.6% (passenger weighted) by 2012. In the same period barcoded boarding passes sent to mobile phones are forecast to jump to an average of 13.4% (passenger weighted) of all boarding passes issued, from the current average of 3.0% (passenger weighted).

At Delta Air Lines, Josh Weiss managing director of Delta.com and self-service, says the majority of the airline's customer base have hand-held devices and will want to be able to use them to process their journey whenever or wherever they are. Earlier this year Delta launched its mobile check-in service in Atlanta.

“It was relatively quiet and we had well over 1,000 people use it in the first two days, which was very good. It was a quick take-up with early adopting customers who are embracing new types of technology and experiences. They really want to see it work,” says Weiss. “It is still a very small programme, in single digits of our total volume, but it will grow quickly and be more core to the experience this year.”

In May AirAsia went live with mobile check-in and, according to Lau Kin Choy, regional head of information technology, mobile is the technology that will have the most impact on the airline and its IT strategy in the next couple of years. “Everyone has

**CHART 1: IMPLEMENTATION OF SELF-SERVICE FUNCTIONALITY**

**CHART 2: MOBILE-BASED SERVICES TO PASSENGERS OWN MOBILE DEVICES**


# 25%

Airlines already have mobile phone check-in today

# 59%

Airlines to have mobile phone check-in by 2010

one or two mobile phones nowadays and you're practically lost without one, so it only makes sense that we make available all of our services via mobile and smart phone," he says. "We expect an initial take-up rate of about 5%-10% within the first six months. Eventually we hope this will increase to about 20%."

**MAIN CHANNEL**

Despite the current regional challenges of some telecom companies not supporting 2D barcodes, some not having 3G and others providing unreliable and expensive GPRS services, Choy is confident, as these services improve, that mobile will be one of AirAsia's main channels for marketing and sales.

And even airlines in the early stages of mobile check-in are buoyant about its potential. South African Airways chief information officer Mike Re says the greatest areas of self-

service opportunity for the airline will be internet and mobile. "We are currently only at the design phase of exploiting this technology (ie mobile), but believe this will exceed kiosks in a relatively short period of time," predicts Re.

Aside from check-in, airlines are focusing on offering mobile phone services that keep passengers in control of their journey, rather than trying to provide overly sophisticated processes or sell additional products. By the end of next year 51% will have optimised their web sites for mobile phones, rising to 77% by 2012. Thirty eight percent already provide notifications about flight status and delays and this is expected to rise to 80% next year and 88% within three years.

Ruled out by the vast majority are sending baggage receipts to mobiles (73%), tracking or directing passengers at airports (71%) and utilising near-field technology for passenger

processing (68%). Airlines are also shying away from overt revenue generation, with the majority having no plans for targeting passengers with retail promotions (62%) or using mobiles to provide access to entertainment on board (61%).

"With an estimated four billion mobile devices worldwide, this is becoming a predominant tool for travellers to communicate on the move. Therefore active passenger information regarding their flight status, gate changes etc is usually appreciated," observes Wolfgang Gohde, chief executive and chairman of the executive board, Lufthansa Systems. "However airlines must be careful not to inundate customers with additional services to avoid a perception of spam."

But just pushing out information to mobiles is the tip of the iceberg when it comes to self-service via mobiles – the key to further evolution will be interactivity. "We can punch out flight data to passengers, but it's not 'service' to me until the passenger can respond with a question and get an answer, real time, from us," says Cliff Van Leuven, vice-president for customer service at Frontier Airlines. "That's one of the more interesting components for us to figure out as we embrace remote technology is to get 'service' instead of 'data dump'."

**CHANGES IN THINKING**

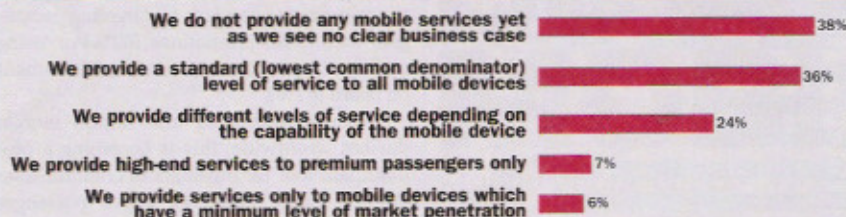
The challenge is also business change at the touch points in the process. It requires a "paradigm shift" in thinking about how people wish to interact with the company, according to Patrick Naef, senior vice-president information technology at Mercator, the IT arm of Emirates Group and business technology solutions provider.

"The challenge is not to put some functions from manual, to internet, to mobile and how can we lead people to those functions in some locations, but how we can also vertically integrate our processes to maximise mobile telephony," he says.

The surge of excitement around mobile self-service for passengers should not eclipse the shift to self-service options of every kind tracked in this year's survey. Web check-in has already been implemented by 60% of airlines and is expected to grow to 87% by the end of 2010 and 92% by 2012. Implementation of kiosk check-in currently stands at 51% and is expected to reach 76% next year and 86% within three years.

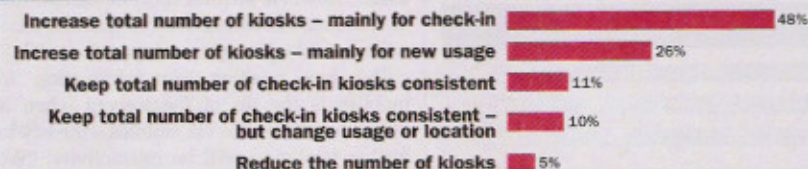
The experience on the ground is that passengers want to be in control of their journey. Studies of passenger behaviour by SITA concur that the industry is at a tipping point. "Even in locations where there are practical obstacles to self-service use, passengers are finding means to avail of it," observes Dominique El Bez, director, portfolio marketing, at SITA. "A good example is India, where, with

## CHART 3: PASSENGER MOBILITY STRATEGY



(Base: All respondents answering - unweighted)

## CHART 4: STRATEGY FOR KIOSKS



(Base: All respondents answering - unweighted)

76%

Airlines to have kiosk check-in by 2010

87%

Airlines to have web check-in by 2010

5% internet penetration and low credit card usage, almost 62% of passengers using Chhatrapati Shivaji International at Mumbai booked online and almost 20% of passengers at Mumbai are using the web to check in."

Traditional check-in desks still hold sway at present, used by an industry average of 61.4% (passenger weighted) of passengers. But by 2012 the vast majority of travellers will use self-service options, with the traditionally-serviced check-in shrinking to an average of 32.8% (passenger weighted) of all passengers and internet growing to 31.2% (passenger weighted) from 14.5% currently and kiosks to 21.4% (passenger weighted) from 13.6% currently.

## CHANGING ROLE FOR KIOSKS

While there is an expectation among airline CIOs that internet and mobile will eventually surpass kiosks for check-in, that is still some way off - 48% of the 2009 survey respondents are planning to increase the number of kiosks, mainly for check-in (see chart 4). But a growing number - 26% up from 18% last year - are planning to increase kiosks and extend their repertoire of uses.

"We envisage kiosks acting as an alternative channel to internet and mobile and will evolve to a much more complete self-service point of contact at airport level," says Antonio Bugallo, senior vice-president Systems (IT) at Iberia.

Frontier's Van Leuven is "intrigued" by the way airlines like Air New Zealand are replacing traditional ticket counters with kiosks. "But kiosks in the future will most likely become baggage tag generators and nothing more until we figure out how to print baggage tags at home."

Adds Ian Tunnacliffe, director at Travel Technology Research: "People are looking to use kiosks for provision of information and selling ancillary services. There's been some talk of selling onboard meals through kiosks and printing the voucher that you give to the crew on board. Similarly those airlines that sell lounge access or airport transfers can do so from kiosks."

But Tunnacliffe also points out that airlines without a substantial investment in kiosks are thinking about bypassing them in favour going straight to web check-in, "apart from anything else it is a lot less expensive".

Kuwait's Jazeera Airways is taking its first steps beyond self-service bookings by implementing online check-in and seat selection. Chief commercial officer Steven Greenway believes that while kiosks have become big in North America, they will not take off in his region. "We believe the Middle East will miss this for the most part and airlines will migrate to online and mobile options instead," he says. "Middle East airport facilities, apart from a few key examples, are fairly primitive and don't allow for kiosk infrastructure."

The immediate challenge is to get the existing technology used by everyone and available wherever they go.

"The medium term vision will be to do everything through whatever channel," says Edward Nicol, director of information management and chief information officers at Cathay Pacific Airways. "You don't save a lot of cost or provide fantastic service if it is only somewhere," he says.

## GREATER ENGAGEMENT

And this is where airlines are looking to greater engagement with airports and government agencies to help fulfil the promise of all the current self-service developments.

"Security issues at airport level will have to be carefully watched," notes Iberia's Bugallo. "Airport authorities and security responsibilities will have to change their processes, not only the airlines. Close co-ordination between all parties is necessary."

One critical area will be the documentation of booking and check-in processes passengers have already done at home.

Mercator's Naef says: "Most of the at home services could and should be offered on the move, but the challenge is printing of collateral such as boarding passes. So the key evolution here is electronic documentation, including 2D barcoded documents held on mobile devices. Collaboration with airport security and immigration bodies is key to making these initiatives a success."

So far and for the next few years much of the self-service revolution has been about check-in, but what will the next evolutionary leap forward? Some airlines bosses are starting to question the need for passengers to check-in at all. "Check-in is a process that is superfluous," suggests Nicol. "It will become less important."

Naef agrees: "We believe real benefits to end customers will only be achieved by challenging and redesigning some of the core passenger processes and removing hurdles in the passenger journey ie why do we need check-in at all?"

He adds: "Only if you manage to get to that level you may realise that self-service check-in is an only an interim step that was primarily introduced to reduce operational cost, rather than for the customer's benefit and may become obsolete anyway."

Ultimately self-service will be about eliminating the overall number of transactions passengers have to make. Says Josh Weiss at Delta: "The more we know about customers and are able to give them information or fix things so they don't have to interact is the way things are going." ■



For more on how airlines are approaching IT outsourcing partnerships, see: [flightglobal.com/outsourcing](http://flightglobal.com/outsourcing)