

2019 PASSENGER IT INSIGHTS

SITA



INTERACTIVE INSTRUCTIONS

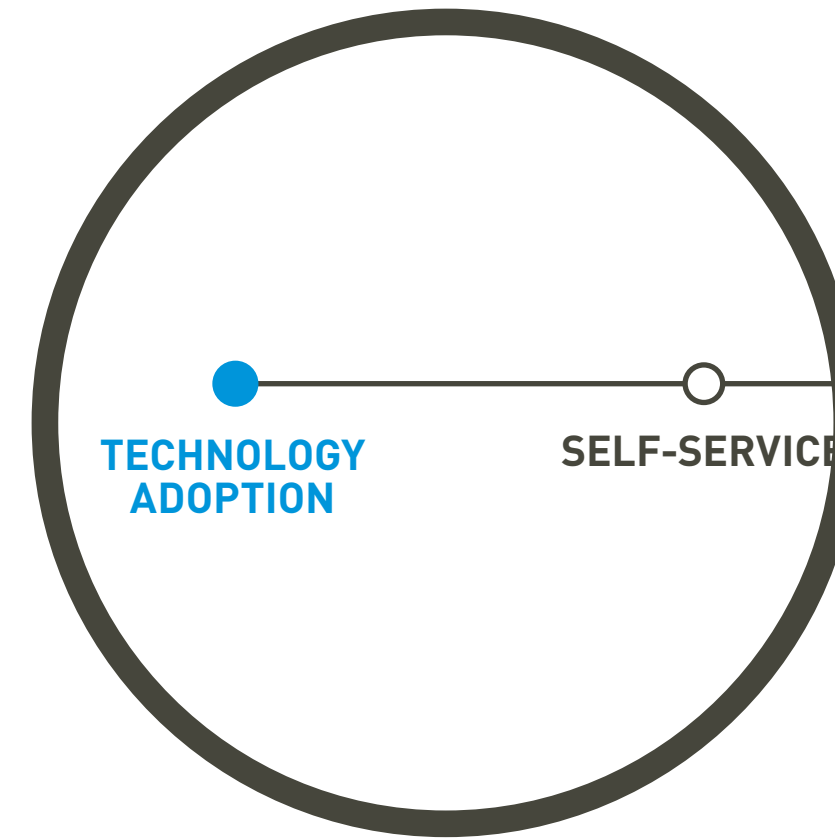
Here are a few helpful tips to help you navigate content found throughout this document.

EASY NAVIGATION



Use the arrows to navigate through the pages chronologically, or the home button to jump back to the start.

CONTENT GUIDE



Each page has a content guide that shows you where you are in the document and can link you to any of the five sections.

EXECUTIVE SUMMARY

The 2019 Passenger IT Insights research explores how technology is contributing to a smoother passenger experience at every step of the journey.

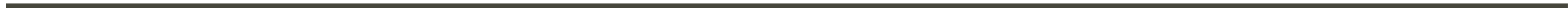
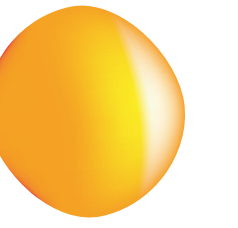
Among the notable highlights, the proportion of passengers sailing through automated passport control has risen from 21% in 2017 to 44% in 2018. Passenger satisfaction was 3.85% higher among those taking advantage of self-scanning gates to verify their ID compared to those using agent-assisted controls.

Passengers' appetite for mobile services is also increasing, particularly for baggage tracking, where a lack of transparency can add stress to the journey. Ninety-five percent would welcome the opportunity to receive bag collection notifications via their mobile devices on arrival. Where real-time mobile alerts were provided,

passenger satisfaction was 8.6% higher than among those who had to rely on display screens or public announcements, indicating that this investment in technology – no doubt hastened by IATA's Resolution 753 – is already paying off.

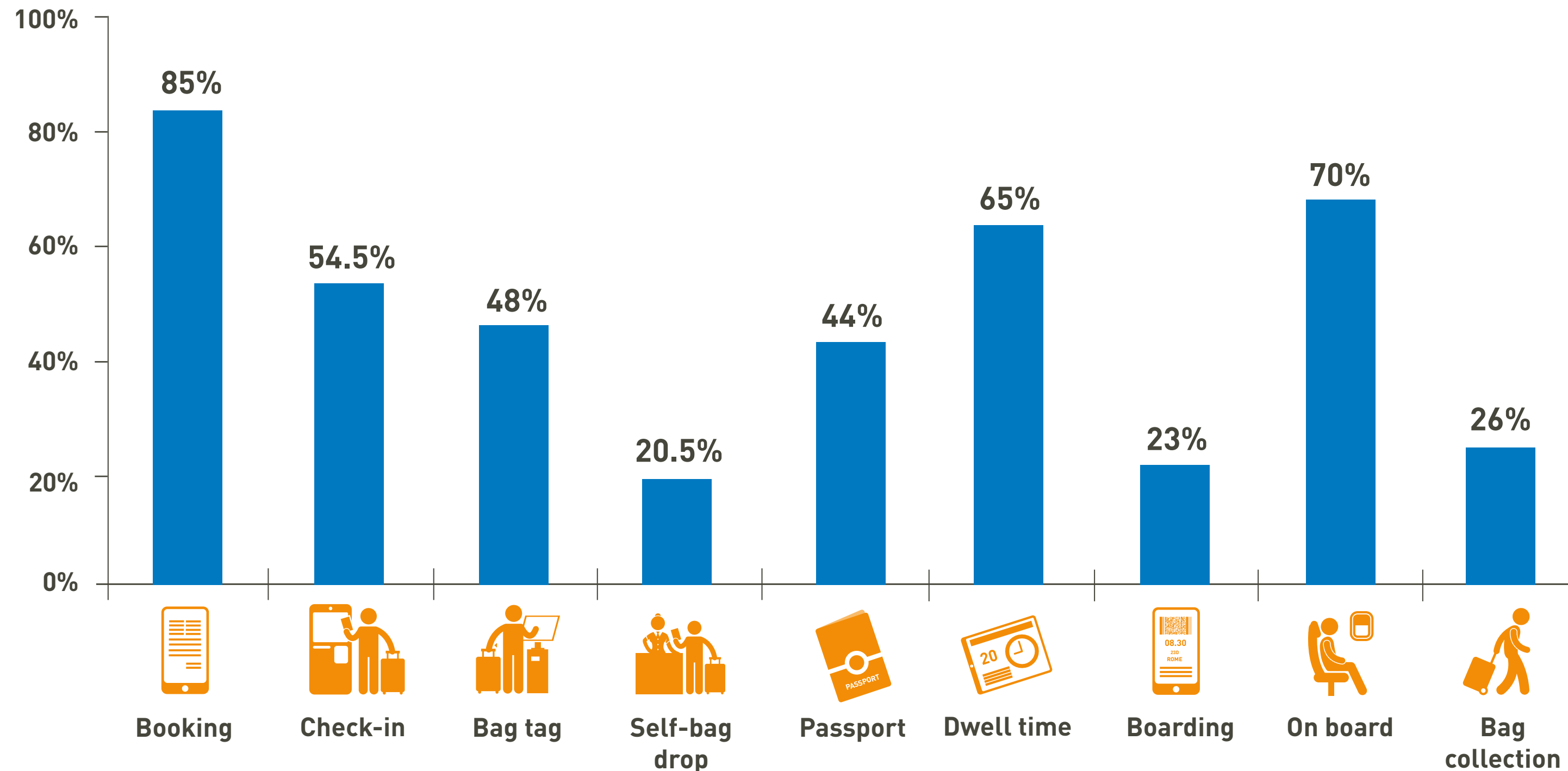
This year's study also investigates passengers' consumption of free and paid-for services, before and during the journey. Wi-Fi is the most popular complimentary service, with 55% of passengers availing themselves of free connectivity during dwell time. Crucially, tech-enabled passengers are almost one and a half times more likely to consume paid services at the airport than non-tech users, making them a key focus for airports looking to increase non-aeronautical revenues. Paid services include restaurants, shopping and restzones.

2019 PASSENGER IT INSIGHTS





PASSENGER TECHNOLOGY ADOPTION



% of passengers using technology (mobile, kiosk, automated gates, web) in 2018

ANALYSIS

Technology adoption is not universal...

There are many ways technology can contribute to a smoother passenger experience, but uptake isn't uniform across the journey.

As might be expected, technology use remains high at the pre-travel stages, such as booking (85%) and check-in (54.5%), which are now completed online. Whether for productivity or entertainment, passengers are going online when and where they can, with 65% connecting at the airport. The proportion of passengers sailing through automated gates or kiosks for passport control has risen to 44% in 2018 (up from 21% in 2017).

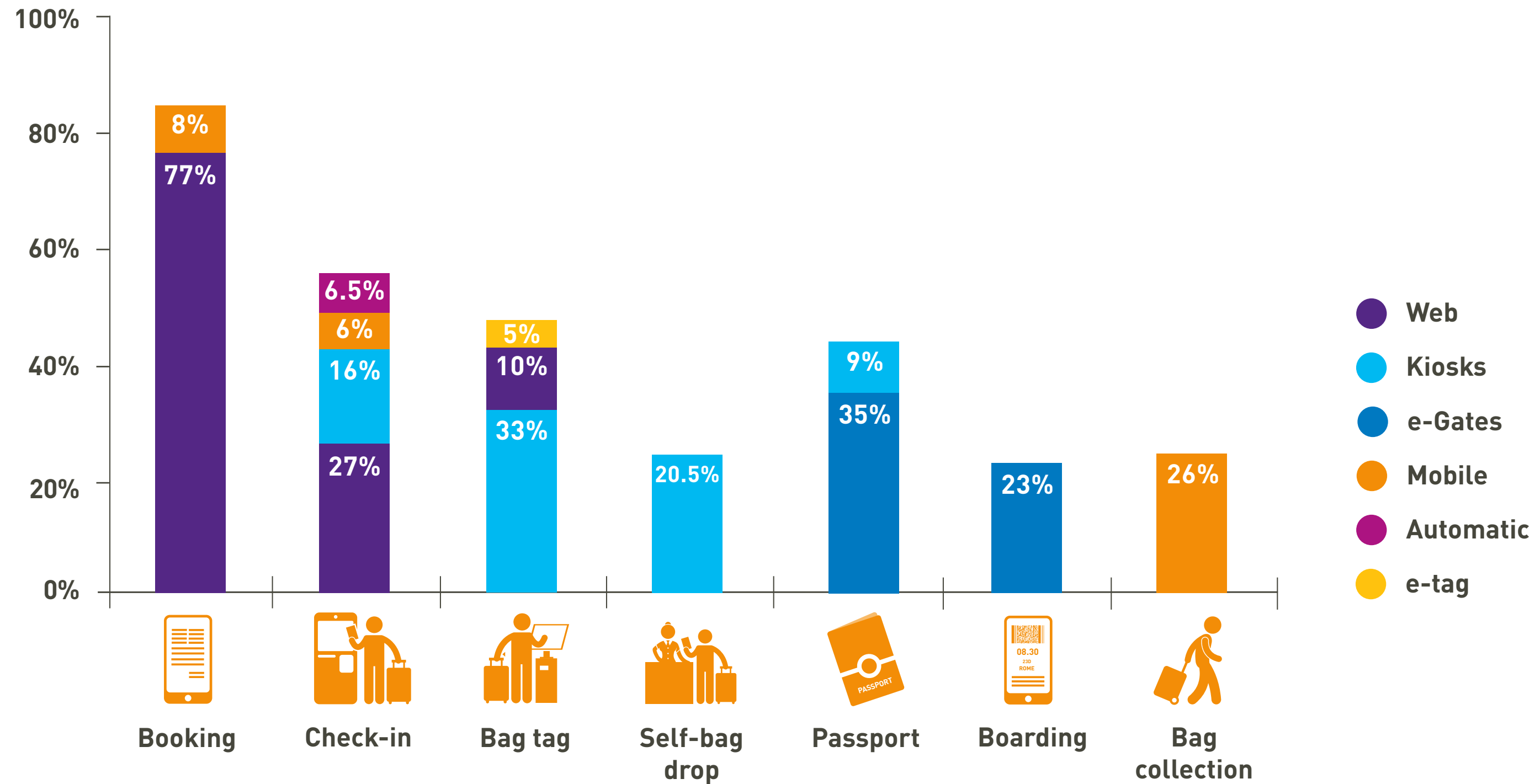
Among the passengers that used kiosks for check-in, 48% have adopted self-bag tagging.

Self-bag drop for passengers that have checked bags is plateauing at 20.5%

However, passengers can only choose to engage with technology when an airline or airport offers it. Their deployment of solutions at certain steps of the journey may be limited by regulatory or technical constraints.



PASSENGER TECHNOLOGY USAGE PREFERENCES ALONG THE JOURNEY



% of passengers using technology in 2018

ANALYSIS

...but passengers have clear technology preferences

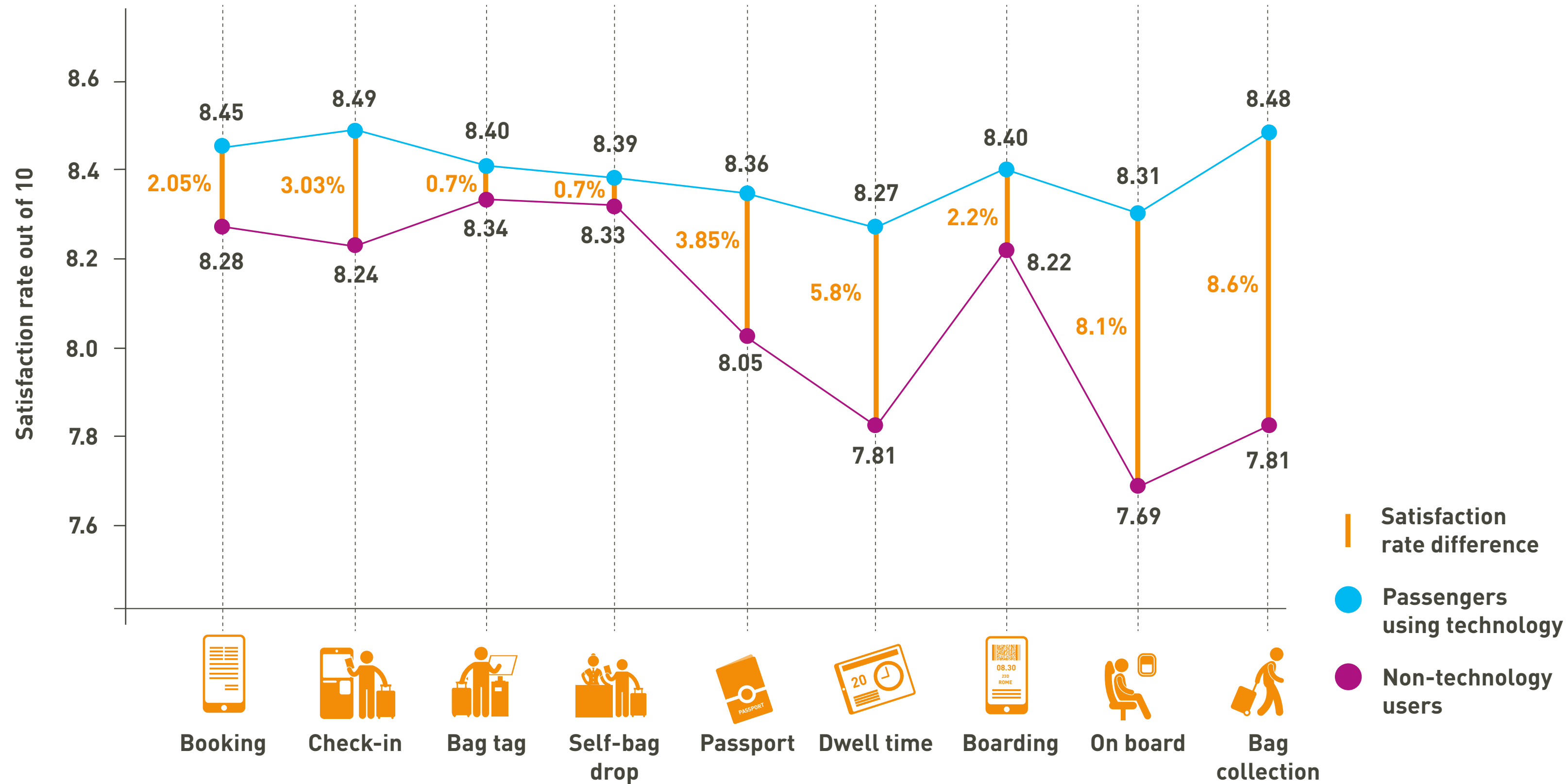
Passengers seem to be more at ease with technologies that are broadly within their own control. At the pre-travel step, more than three-quarters book their trip online (77%), and a high proportion check in via the web (27%).

However, uptake is considerably weaker when it comes to the use of self-service kiosks for check-in - where there is a reliance on the airline or airport's technology to handle the physical aspects of the journey that can't be done on the internet or through an app.

On arrival, passengers are happy to get updates about their baggage to their mobiles. More than a quarter have used this service in 2018.



2018 PASSENGER SATISFACTION RATE



ANALYSIS

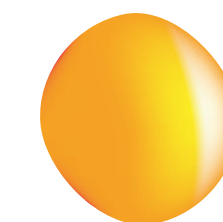
Tech-enabled passengers are happier

One of the stand-out findings of this year's study is that passengers are more satisfied when they are using technology.

The contrast in satisfaction between tech-enabled passengers and those who relied on face-to-face service is particularly marked at three key points – during dwell time (+5.8%), on board the aircraft (+8.1%), and when collecting luggage at the carousel (+8.6%).

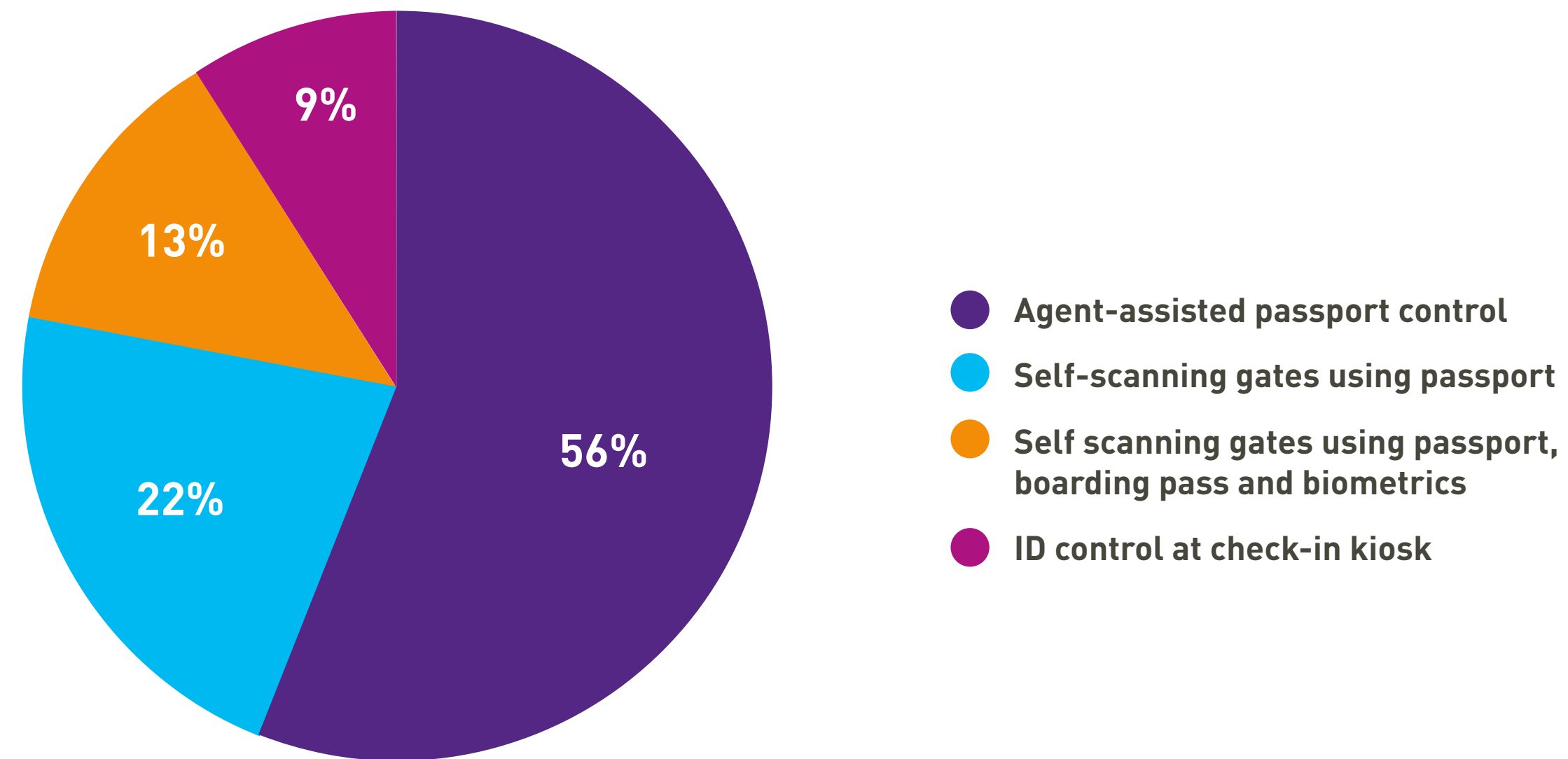
Dwell time and on board are two stages of the journey where the use of technology for entertainment or productivity actively contributes to a positive passenger experience.

Bag collection is a notorious pinch point, but here the positive effect of technology is clear. When passengers use services like real-time notifications, their satisfaction is 8.6% higher, elevating this stage of the journey to second place for satisfaction, just behind check-in.





PASSENGER TECHNOLOGY USE AT PASSPORT CONTROL



% of passengers using (or not) technology for identity control in 2018

ANALYSIS

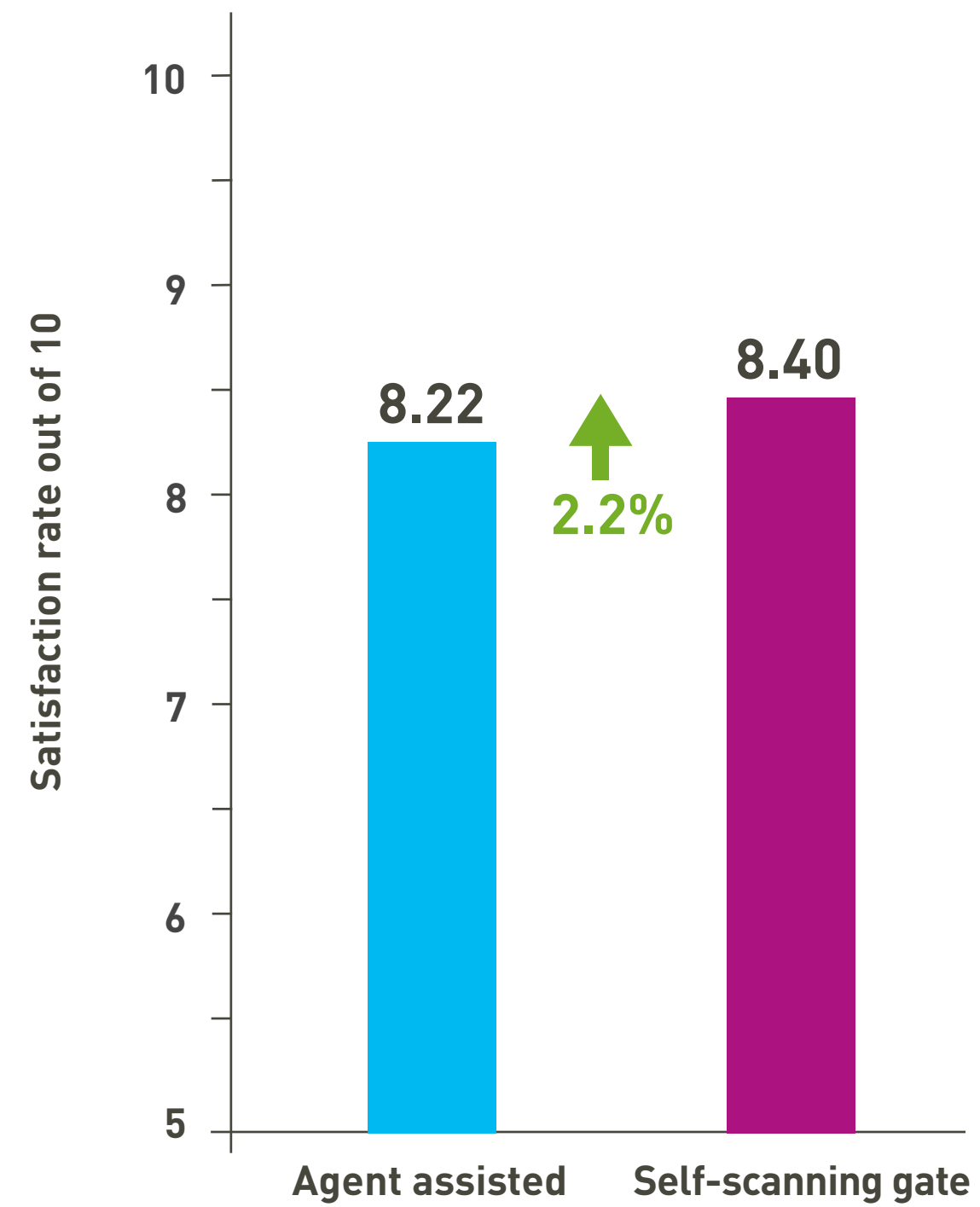
Identity control is ripe for automation

Forty-four per cent of passengers had their identity verified automatically in 2018, up from 21% in 2017.

Those who sailed through self-scanning gates reported the greatest satisfaction – 3.85% higher than those who had their ID checked by a human agent. There was little to separate the partially-automated options of ID control via a kiosk and document-based self-scanning gates.



PASSENGER SATISFACTION RATE AT BOARDING



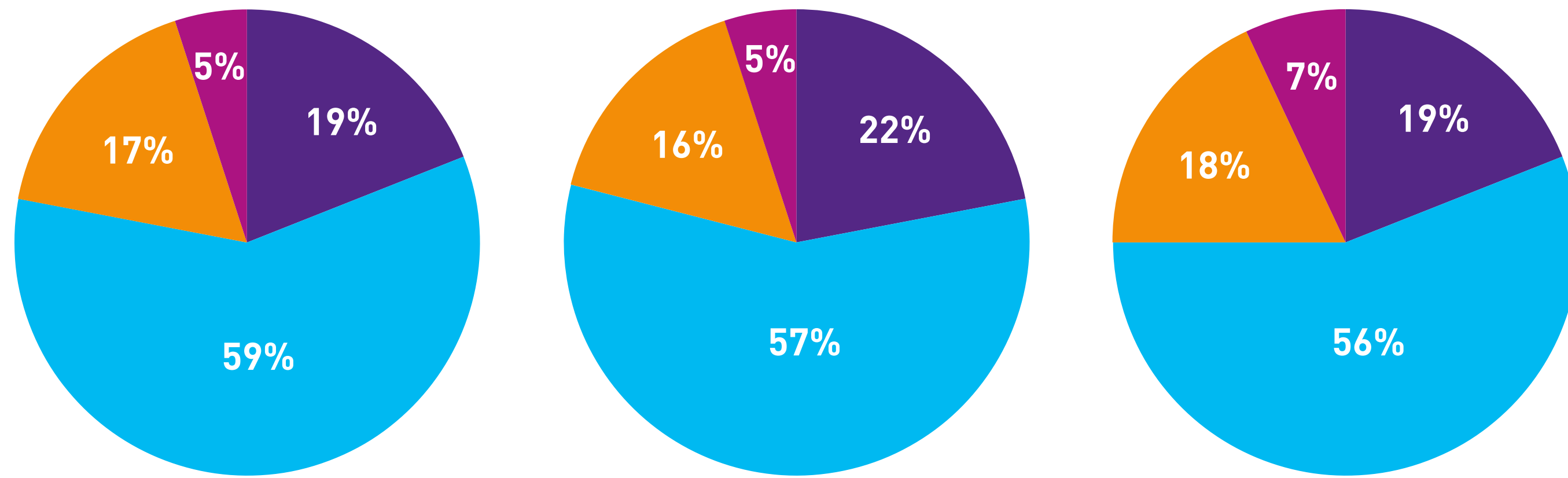
ANALYSIS

Boarding automation delivers positive experience

There is a clear correlation between automation at boarding and higher passenger satisfaction. Passengers using automated boarding gates are 2.2% more satisfied than those boarding with agent assistance.



PASSENGERS AND THEIR BAGS



2016

2017

2018

% of passengers carrying bags during the journey in 2018

- Carry-on bags
- 1 checked bag
- 2 checked bags
- 3 checked bags

ANALYSIS

Billions of bags handled globally

As airline pricing models evolve, and cabin bag size policies become less generous, 2018 saw a slight rise in checked-in luggage over the previous year.

Four out of five of travelers checked bags, with the majority (56%) taking a single piece of luggage. That equates to some 4.3 billion bags being handled annually around the globe, which puts enormous pressure on bag drop and collection processes.



PASSENGERS AT BAG COLLECTION

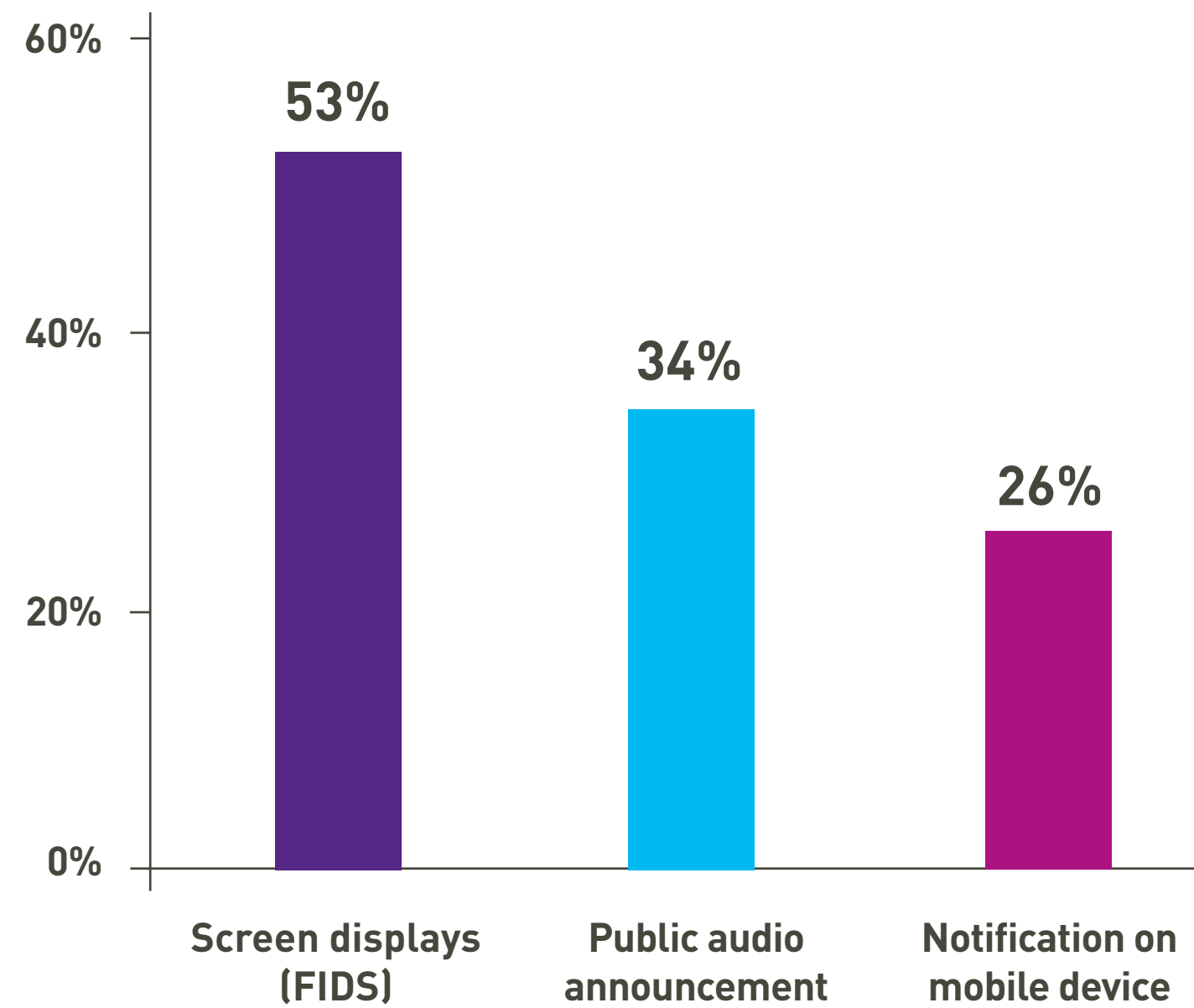


ANALYSIS

Keeping passengers informed via bag collection notifications

Baggage claim remains a pinch point in the passenger journey, so access to information on arrival is key to minimizing stress and frustration. One quarter of passengers received notifications on their mobile devices, and reported 8.6% higher satisfaction compared to non-tech users, who had to rely on flight information display systems (53%) or public audio announcements (34%).

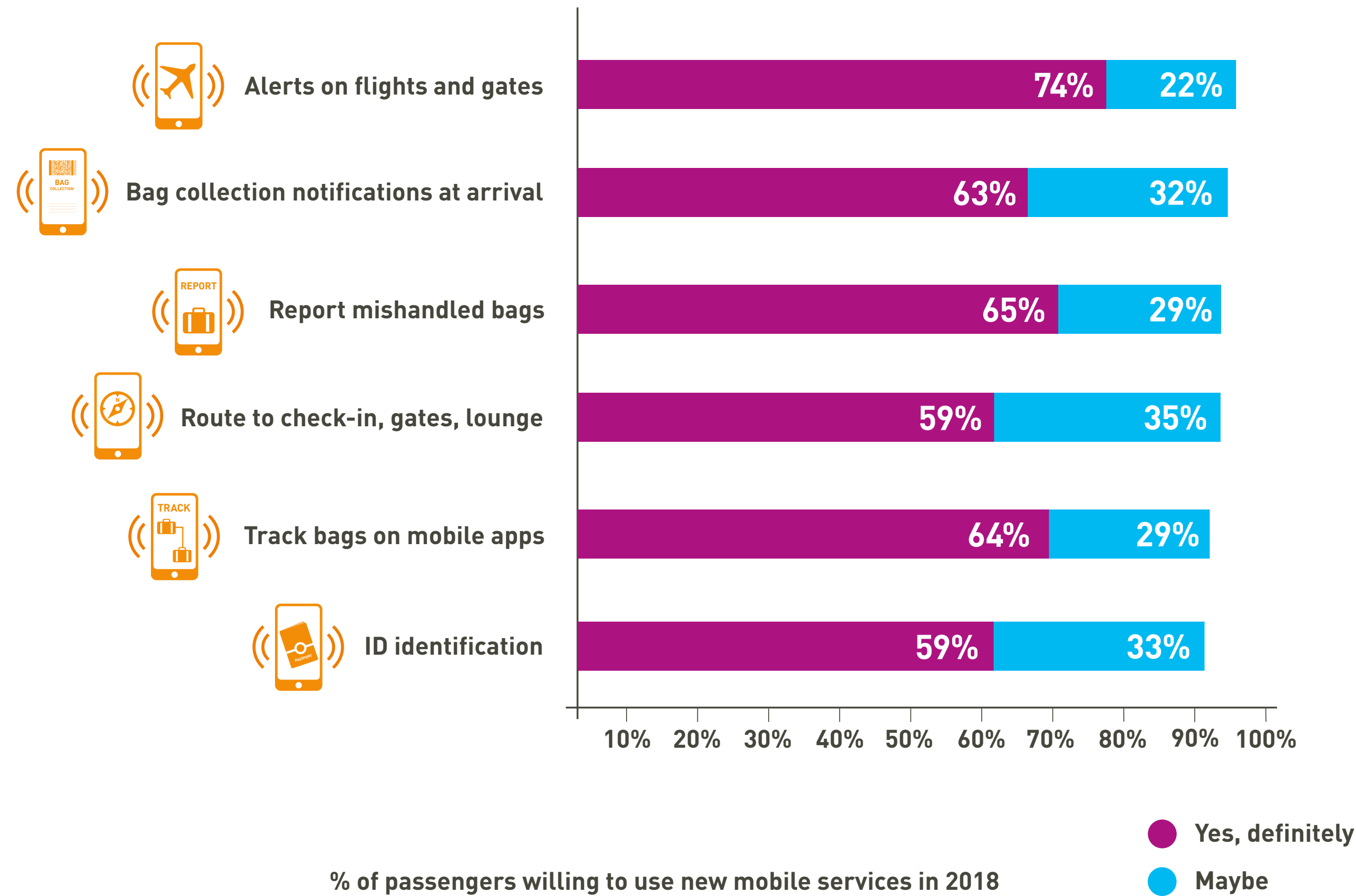
IATA's Resolution 753, which came into force in June 2018, mandates member airlines to keep track of every item of luggage at four key points in the journey: check-in, loading onto the aircraft, transfer and arrival. It represents a great opportunity to keep passengers proactively informed in the future.



% of passengers having obtained bag collection information in 2018



PASSENGER DEMAND FOR MOBILE SERVICES



ANALYSIS

Passengers are willing to use new mobile services

In 2018, the vast majority of travelers were carrying a smartphone, tablet or laptop, with 17% carrying all three devices. This presents an opportunity for airlines and airports to provide access to mobile services that deliver personalized, live information – and travelers are very receptive to the prospect.

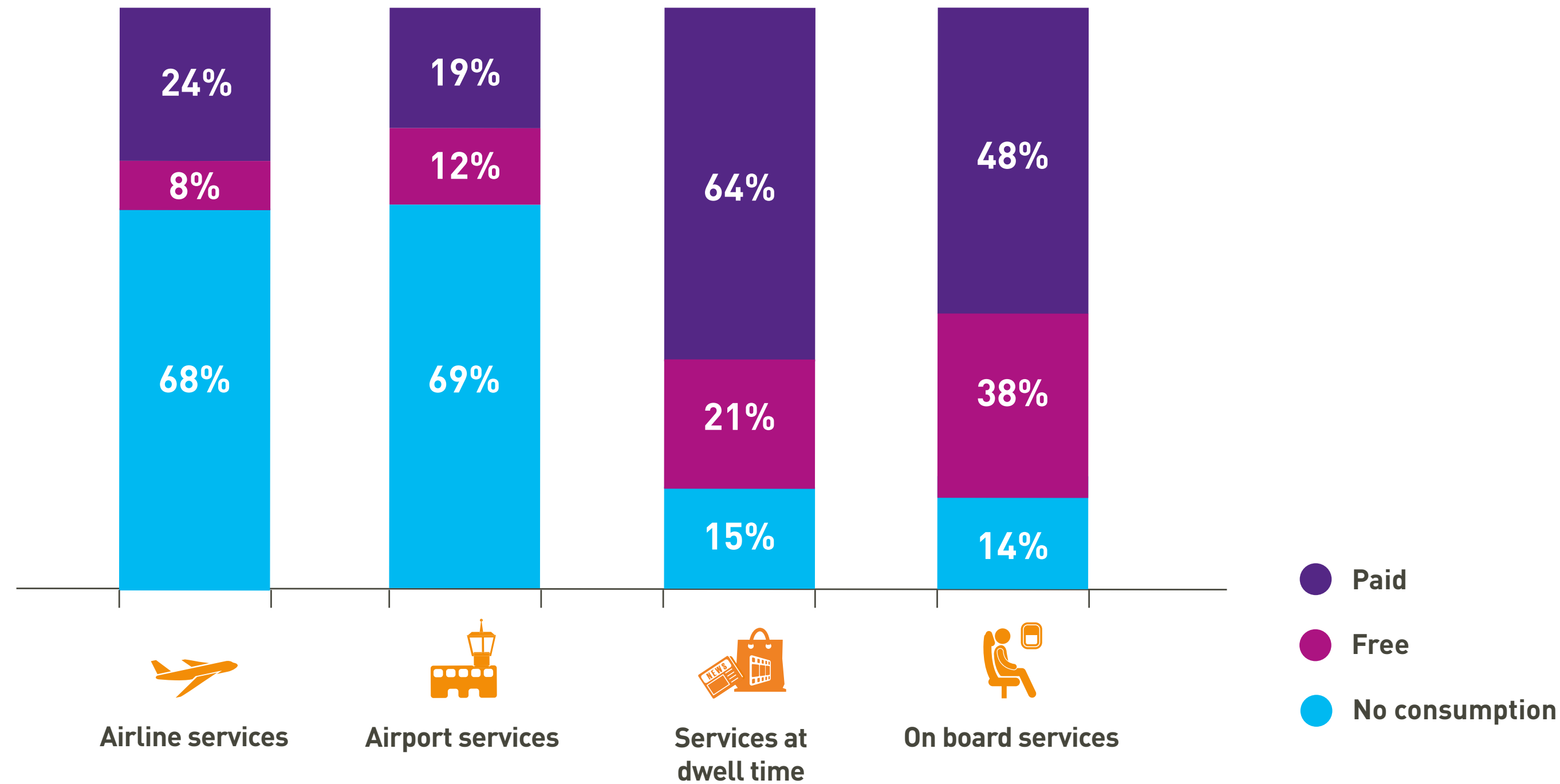
Three-quarters say they would definitely use flight and gate alerts pushed to their devices if these were available.

Perhaps unsurprisingly, three of the top mobile services on travelers' wish lists relate to tracking the status of their baggage: 65% would definitely report mishandled bags via their mobile, 64% want to be able to track bags via an app, and 63% would like bag collection notifications sent to their device on arrival (only a quarter report being able to do so today).

Passengers are ready for more. In fact, 59% are very willing to use their mobiles for ID verification along the journey, with a further 33% open to the idea. With nine out of ten passengers potentially welcoming this service, airlines and airports can be confident that their investments will pay off.



PASSENGER SERVICE CONSUMPTION DURING TRAVEL



% of passengers consuming services beyond airplane tickets in 2018

ANALYSIS

Consumption across the journey

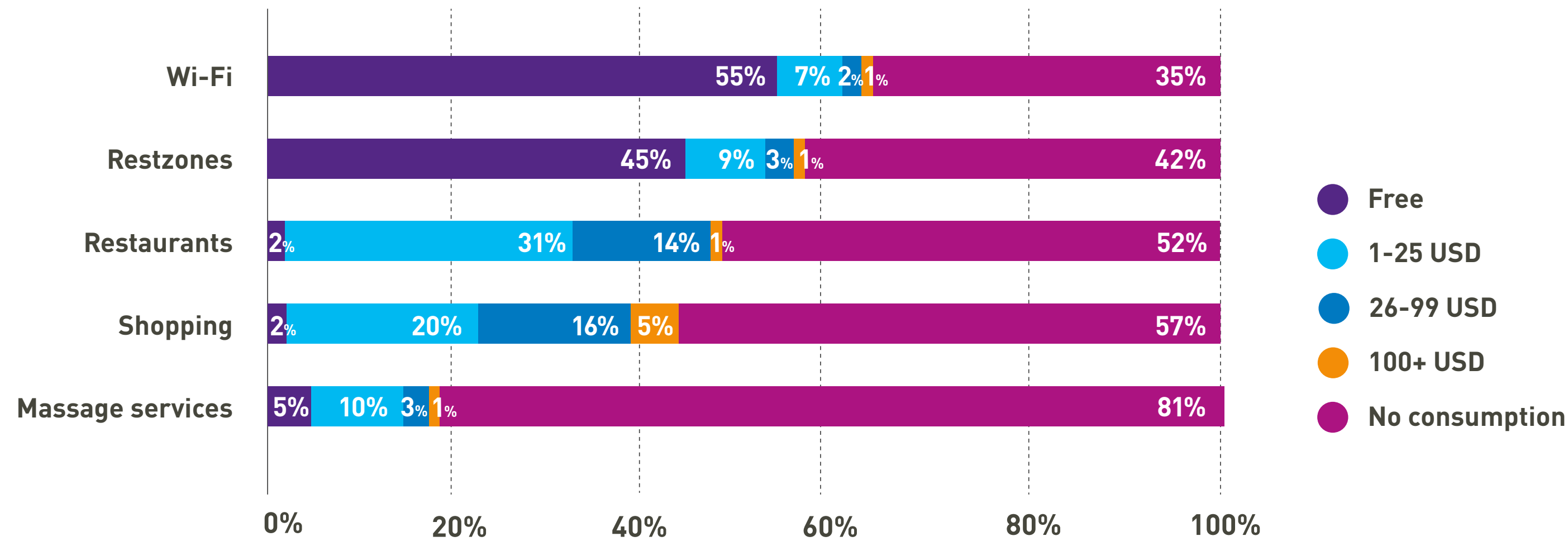
With the vast majority of travelers (86%) consuming services at the airport or on board, it's important to look at the distinction between those who limit themselves to what is free or already included in their airfare, and those who pay for discretionary services.

Travelers are most likely to make discretionary purchases during dwell time (64%), which suggests that while airports prioritize efficient passenger handling, there is great potential to increase non-aeronautical revenue by investing in strategies that encourage travelers to spend extra time in the terminal before departure.

Similarly, passengers are a captive audience while on board, so airlines should consider how advances in connectivity present opportunities to add high-margin ancillary sales of in-flight entertainment, merchandise or personalized services to enhance low-margin air revenues.



PASSENGER CONSUMPTION AT DWELL TIME



% of passengers consuming services at dwell time

ANALYSIS

Spending money when connected

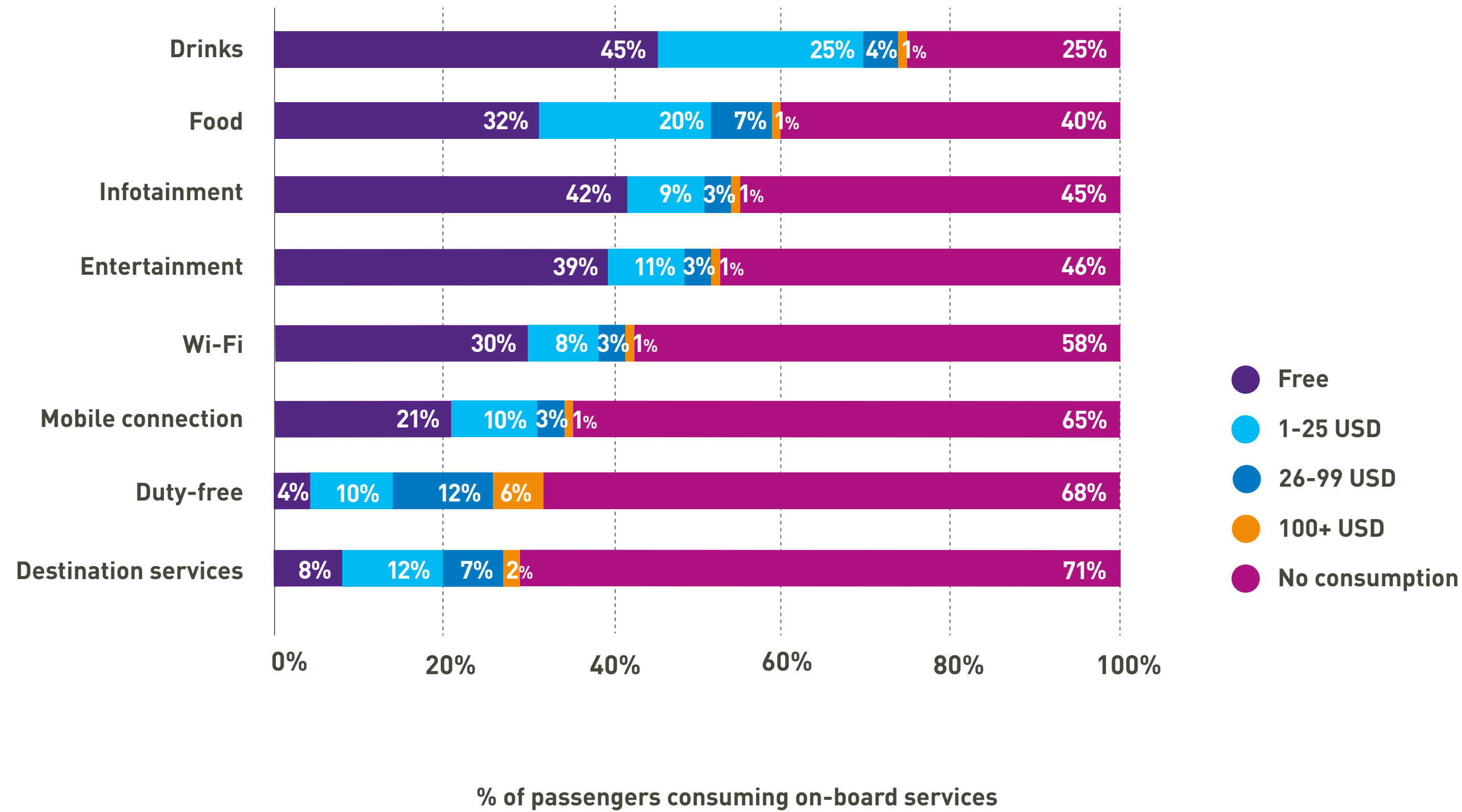
Travelers typically consume a mix of free and paid services at dwell time. It's hardly surprising that Wi-Fi tops the list for today's always-on passengers but it's noteworthy that 7% will spend up to \$25 on connectivity, and 1% are prepared to spend over \$100, which adds up to \$10 billion worldwide a year.

Shopping is ranked second, with over a third of travelers spending up to \$100, while 5% indulge in a retail spending spree of over \$100 on duty-free, luxuries or 'must-have' electronic gadgets. That equates to an estimated annual global spend of \$22 billion, which suggests that airports should focus efforts on incentivizing passengers to spend more time in their commercial areas and providing an appealing assortment.

Wi-Fi is the most popular complimentary service, with 55% of passengers availing themselves of free connectivity during dwell time. Crucially, tech-enabled passengers are almost one and a half times more likely to consume paid services at the airport than non-tech users



PASSENGER ON-BOARD CONSUMPTION



ANALYSIS

Consumption in the air

Passenger decisions to make on-board purchases depend largely on whether the airline's business model includes drinks, snacks, meals or in-flight entertainment in the fare.

Duty-free, however, is a common indulgence, with 32% of passengers treating themselves to luxuries and 6% admitting to having spent over \$100 on duty-free goods on their last flight.

This amounts to over \$26.4 billion in sales today, which is only limited from exponential growth by a lack of aircraft storage space for inventory. With ubiquitous connectivity in the skies, airlines should soon be able to provide a personalized, digital duty-free experience for travelers, offering a wider selection of goods, with passengers able to collect their purchased items on transfer or arrival.

Crucially, tech-enabled passengers are almost two and a half times more likely to consume on-board paid services than non-tech users, making them a key focus for airlines looking to increase non-aeronautical revenues.



2019 PASSENGER IT INSIGHTS



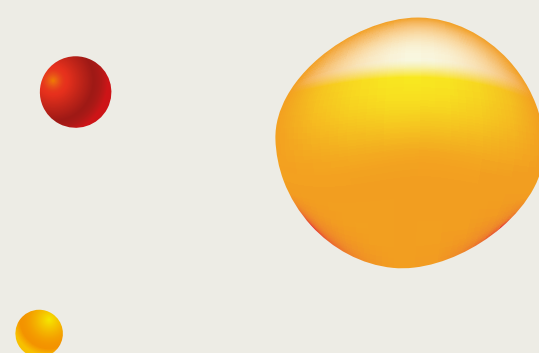
METHODOLOGY

Fieldwork for the 13th edition of the Passenger IT Insights was conducted globally in Q2 2018. The key findings are based on an online survey of 7,578 respondents from 20 countries across the Americas, Asia, Europe, Middle East and Africa.

The number of respondents by country is relative to the amount of passenger traffic for each country, based on data from Airports Council International (ACI). Collectively, the respondents represent over 70% of global passenger traffic.

Survey's respondents were selected on the following criteria:

- Passengers must have travelled at least once in the previous three months.
- Passengers must have traveled through a large or regional airport in the country surveyed.
- Main countries: Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Japan, Mexico, Morocco, Russia, South Africa, Spain, Tunisia, Turkey, UAE, UK, USA, South Africa.



SITA AT A GLANCE

Easy air travel every step of the way.

- SITA's vision is: 'Easy air travel every step of the way'.
- Through information and communications technology, we help to make the end-to-end journey easier for passengers – from pre-travel, check-in and baggage processing, to boarding, border control and in-flight connectivity.
- We work with about 400 air transport industry members and 2,800 customers in over 200 countries and territories. Almost every airline and airport in the world does business with SITA.
- Our customers include airlines, airports, GDSs and governments.
- Created and owned 100% by air transport, SITA is the community's dedicated partner for IT and communications, uniquely able to respond to community needs and issues.
- We innovate and develop collaboratively with our air transport customers, industry bodies and partners. Our portfolio and strategic direction are driven by the community, through the SITA Board and Council, comprising air transport industry members the world over.
- We provide services over the world's most extensive communications network. It's the vital asset that keeps the global air transport industry connected.
- With a customer service team of over 2,000 people around the world, we invest significantly in achieving best-in-class customer service, providing 24/7 integrated local and global support for our services.
- Our annual Air Transport and Passenger IT Insights Surveys for airlines, airports and passengers are industry-renowned, as is our Baggage Report.
- In 2017, we had consolidated revenues of US\$ 1.6 billion.

For further information, please visit www.sita.aero



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