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## How will airlines survive? Results of a Sabre Airline Solutions survey of global carriers may be surprising

**SOUTHLAKE, Texas, Oct. 14, 2009** – In past years, airlines' biggest concern was how to control skyrocketing fuel prices. Today, carriers worldwide are making dramatic business-model changes to survive not only fuel costs but a myriad of challenges. This perfect storm of challenges colliding simultaneously could result in changes that bring about the ultimate travel experience for consumers.

A survey conducted by Sabre Airline Solutions of 90 airlines across the globe revealed that while fuel cost instability and revenue management are among the top challenges for carriers over the next 18 months, it is customer loyalty and retention efforts that are viewed by an overwhelming majority of survey respondents (86 percent) as having the most positive impact on their business.

Customer experience was ranked by nearly 50 percent of those surveyed as the primary issue related to customer loyalty and retention.

The importance of developing customer loyalty is part of the unwieldy crisis airlines face today as charging additional fees is viewed by them as one of the top tactics to increase revenues.

Overall customer satisfaction with airlines was down this year, in part because of costs and fees, according to a study released in June by J.D. Power and Associates.

"The importance of customer loyalty and retention was distinctly higher in this year's survey as compared to a similar study we did two years ago," said Gordon Locke, vice president of Airline Marketing for Sabre. "It's something that consumers will definitely benefit from but it makes it tougher for airlines as customers are less loyal to brands now and more apt to switch preferences for anything from value to services offered to ease of shopping."

According to 58 percent of those surveyed, merchandising and ancillary revenue will help airlines' bottom line results. Baggage fees, travel insurance, and vacation packaging were rated among the highest in the survey to generate revenue.

### Other key Sabre survey findings:

- Previous concerns over rising fuel cost has now evolved into 57 percent of those surveyed saying fuel price instability is the biggest challenge facing their business.
- Increasing revenue **and** reducing costs is among the most significant challenges in managing airline profits over the next 18 months, according to 67 percent of those surveyed.

- Managing revenues (44 percent) and distribution mix (12 percent) are the top two tactics survey respondents plan to use to increase revenues. Ancillary revenues followed closely behind with 11 percent of those surveyed planning to employ this tactic.
- Government regulations were identified by 55 percent of survey respondents as problematic. Specifically respondents view airport and passenger security (21 percent) and environmental standards and regulation (21 percent) as top government regulatory concerns.

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**About Sabre Airline Solutions**

The world's leading provider of integrated solutions and services for airlines and airports, Sabre Airline Solutions helps companies generate more revenue by optimizing performance in 14 key areas of airline operations. More than 300 leading carriers and over 100 airports use Sabre Airline Solutions to better market their schedules, sell their products, serve their customers and operate efficiently. Sabre Airline Solutions was founded in 1960. For more information on Sabre Airline Solutions, please visit [www.sabreairlinesolutions.com](http://www.sabreairlinesolutions.com)

*Sabre Airlines Solutions commissioned the Sabre Airline Industry Trends Survey to increase Sabre's understanding of the specific issues and challenges the airline industry is currently facing. An online survey was conducted from August 26 to September 7, 2009, among 192 respondents representing a variety of job roles (analysts, managers, directors, VPs and C-Level), within 90 different airlines from around the world, including North America, Europe, Middle East, Africa, Asia Pacific.*