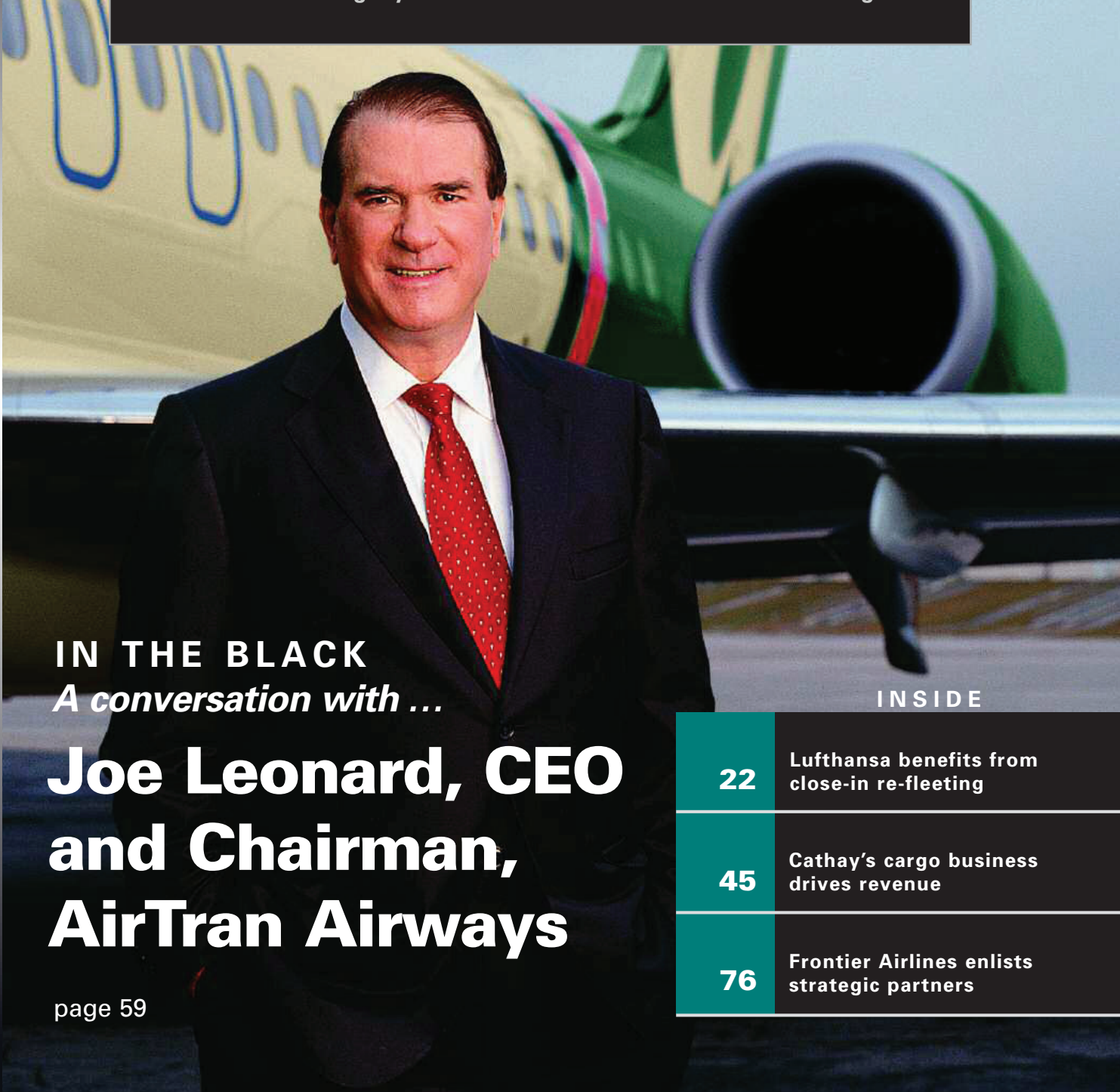


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Taking your airline to new heights



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# Time is Money

*Time-saving services such as express check in help airlines increase customer satisfaction and revenues.*

■ By Mark Canton | *Ascend* Contributor

As the old adage goes, “time is money.” Of all the resources available today, time is probably the most precious, which is evident by the focus many people put on almost every facet of their daily lives. There are endless short cuts people take to salvage a few minutes here and there — ordering fast food to avoid the preparation time of a home-cooked meal, banking online to save a trip to the bank, telecommuting so countless minutes each day aren’t spent sitting in traffic.

Time is especially critical for airlines. For example, many carriers measure the productivity of their reservations staff in minutes spent per call — the fewer minutes for each call, the more productive the agent (assuming a good sales closure ratio). At the airport, an airline’s daily on-time performance is also judged in minutes. In the air, aircraft utilization is gauged by the amount of time spent flying. All of these measurements have the same conclusion — time is money. Successful airlines and travel-related companies spend their time wisely, retaining satisfied customers and contributing to a profitable bottom line.

This premise is equally applicable to passengers and airports. A recent report from J.D. Power and Associates said, “Time is a prime commodity in the travel industry, and it’s a major factor in influencing customer satisfaction.”

Airlines have invested millions of dollars in a multitude of time-saving technologies. These technologies are not only designed to save the airline time (as measured by airline employee effort), but they are also intended to save time for passengers with options such as online booking, e-mail messaging and express check in, all designed to optimize resources, facilitate improved communications and deliver value for both the airline and its customers.

While technology is helping the airline industry evolve, airports are striving to keep

pace with the carriers they support. Today’s airports look much different from the airports of the 1980s and 1990s. Gone are the open spaces, large check-in and ticketing areas, and hordes of airport staff ready to provide premium service to passengers. The wide, open spaces have been converted to restaurants and retail shopping areas as airports seek to increase revenue. The large check-in and ticketing areas have been reduced as airlines

decrease staff and deploy machines to perform self check in.

Airports and the processes associated with airport activity represent one avenue that airlines have used to differentiate their products from their competitors. The check-in

“Time is a prime commodity in the travel industry, and it’s a major factor in influencing customer satisfaction.”

Photo by Sabre Airline Solutions



**Self-service kiosks for passenger processing are widespread throughout the United States and Europe, and major carriers in Asia have now begun to deploy similar technology to speed check-in and boarding processes and ensure customer satisfaction.**

process has the greatest impact on overall customer satisfaction with an airline, and a satisfied passenger is a repeat passenger. As airports continue to decrease the control and space available to airlines, it behooves airlines to invest in express check-in technology and processes to ensure that the passenger check-in process is simple, convenient and, most importantly, time saving.

## Express Check In

A large variety of express check-in alternatives have been deployed during the past 10 to 15 years. One of the first options was curbside check in. Popular in the United States, curbside enables passengers to check in away from the airport terminal, receive a boarding entitlement and bag tags, and enter the airport unencumbered by baggage.

Another express check-in option is Internet check-in where passengers can check in for flights from the convenience of a home or office location, select a seat and

print a boarding pass without standing in an airport queue. Internet check in has experienced the most dramatic usage growth, increasing by more than 400 percent in the past two years among both business and leisure travelers.

Additionally, self-service kiosks have revolutionized the way that airlines operate an airport environment. The trend to deploy self-service kiosk technology has rapidly accelerated since the late 1990s and most major U.S.- and European-based airlines already have a significant install base. Some airlines are already planning deployment of a second generation of hardware and software. And the trend is spreading to Asia where major carriers are beginning to deploy kiosks and other self-service technology.

## Benefits of Express Check-in Technology

Why embark on an express check-in strategy? Two fundamental reasons:

- It saves the passenger time. Customer service improvements such as reducing check-in lines, improving handling of irregular operations and automating service recovery processes all help increase passenger satisfaction.
- It saves the airline time and money. Cost savings, primarily through reduced check-in staff requirement as well as reduced airport space needs, translates into lower airport operational costs.

These reasons alone are typically enough to justify proceeding down the express check-in path. But as technology evolves, there will be other benefits provided by express check in, including increased revenue opportunities for airlines. With the proliferation of kiosks and integration of customer relationship management data, the capability to target and sell additional services to passengers at various touch points is now a reality. Airlines already offer and sell upgrades at the kiosk. Soon, it will not be uncommon to purchase and pay at a kiosk for various types of in-flight services, such as meals and entertainment, and destination-specific services, such as limo or event tickets. The up-sell opportunities for airlines are only limited by the airline's creativity and success in partnering with other companies to offer a plethora of travel-related services.

## Express Check-in Utilization

With all of the benefits and cost savings associated with express check in, why don't more passengers take advantage of it when it's available? According to a recent J.D. Power

and Associates report, almost 60 percent of passengers continue to check in at the main counter, even though an express check-in option is available. Passengers that check in using an express check-in methodology consistently report an overall satisfaction score that is higher than non-users of express check-in options.

The explanation for the higher satisfaction score can be assumed that passengers feel they have more control over the process or that their time is more effectively managed and, therefore, saved or preserved. Conversely, the rationale behind some passengers not taking advantage of express check in can be intuitively narrowed down to one of two things: either they don't know about the option or they are uncomfortable using it.

In either case, airlines can certainly help influence passengers' behavior in a number of positive ways. First, an airline must make the commitment to an express check-in strategy. Deploying staff, making technology investments and modifying business procedures are all part of the transformation. Second, an airline must market and sell its express check-in capability. Communications campaigns, marketing the convenience of express check in and motivating passengers to use it, are effective approaches to consider and plan.

Fortunately, regardless of the "marketing" approach, a strong adoption of express check in by the passenger base of a determined airline is almost guaranteed. For instance, one North American airline saw that more than 30 percent of passengers from its home airport were utilizing Internet check in after just three months. A U.S. major airline realizes more than 12,000 check ins per day with its online check-in tool. For another medium-sized U.S. airline, more than 75 percent of

its passengers utilized one of three express check-in options for the airline's hub airport after just six months.

## Looking Ahead

Industry analysts project that in three to five years, 80 percent of all airlines' check-in transactions worldwide will be via express check in. That is a monumental goal to achieve, but one that is being pursued diligently as airlines seek to improve service and cut costs. While the extension of express check in to include marketing and sales of other services is not fully known, it is expected to be a significant source of revenue in the coming years.

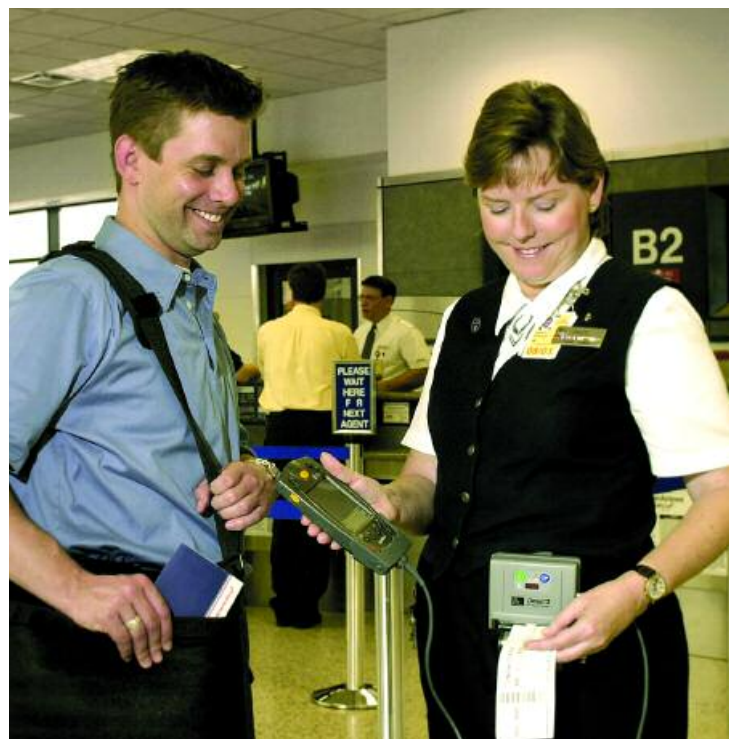


Photo by Sabre Airline Solutions

**Time-saving technologies, such as express check in, online booking, e-mail messaging and agent hand-held boarding devices, have become popular among airlines seeking to better utilize employee resources, improve communications and maintain high levels of customer service.**

Express check in is here to stay, and it should be considered a win-win for both airlines and passengers. Passengers win because they can perform a simple activity at their convenience and save time. Airlines win because they save money and keep their passengers happy. **E**

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