Alaska | BAGTAG

Motivations & Business Case

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BAGTAG at glance

Dutch company that was founded in 2014, introduced the world's first flexible and secure electronic bag tag. The BAGTAG platform offers a multi-vendor electronic bag tag which is integrated with 15 airlines and counting.

The **today and tomorrow of travelling** with baggage

350+	**300k+**	**15**
Airports	Users	Airlines

For airlines we...

- Resolve airport capacity issues
- Help improve efficiency
- Enhance passenger experience

For passengers we...

- Help avoid queues
- Get them fully prepared for their journey

For flight crew we...

- Automate the crew bag journey
- Save valuable time

BAGTAG

Electronic Bag Tags

Electronic bag tags are fully **backward compatible**, requiring no infrastructural changes and contain all required information:

- **License plate**

- **Routing information**

- **Passenger information**

Have embedded RFID making them **future-proof**

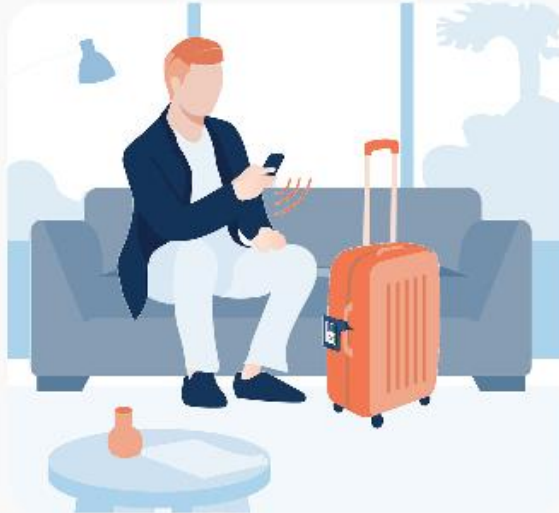And come in different shapes and sizes.

BAGTAG

Reimagining the passenger journey

Checks
in flight

The start of the digital baggage
journey.

Checks
in baggage

Check in & label their bag with
just a few clicks.

Instant
drop off

Arriving at the airport ready to
fly and avoiding queues.

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BAGTAG Services

Besides from delivering hardware BAGTAG provides its airline partners with all that is needed for a seamless integration and activation amongst their passengers:

- **Implementation**

- **Operational awareness**

- **Fulfillment**

- **E-Commerce**

Storage &
distribution

We cover distribution based on
your needs and preferences.

Live
dashboard

Continuously monitor your
orders and fulfillment.

Customer
onboarding

To ensure flawless introduction
of the technology.

Branded
web shop

For a seamless customer
experience.

BAGTAG

Solving challenges

To get where we are today we had a few challenges to tackle:

- Introducing the **right hardware**

- Providing the **lowest possible entry barriers**

- **Optimizing software** framework

- **Optimizing distribution**

Together with Alaska Airlines we managed to further optimize the electronic bag tag product as a whole: from hardware to software and the way it is presented to passengers. We got to take a unique position not to just work for, but truly alongside what already has become one of our most valued airline partners.

BAGTAG

The Alaska Airlines electronic bag tag project

Motivations & Business Case

Presented by: Rick Nagy, Principal Product Manager

2015 trial vs 2022 trial

In 2015 a trail was conducted with 500 guests to test an electronic bag tag product (not produced by BAGTAG). The batteries died, the attachment and screen broke, and the tags were easily damaged. The objective of the electronic tags also differed.

| Learnings from 2015 test	Approach to 2022 pilot
Objective is to increase loyalty	Objective is to reduce time spent in lobby
Guests selected must be Alaska VISA card holders	Guests selected are elites who frequently check bags
Device fragility issues – "bungee cord failure," scuffing, button damage	High impact and scratch resistant cover lens
High cost	Lower cost, distribution flexibility

Even given the hardware difficulties, Alaska Airlines guests were positive about the product and benefits for time saving in the lobby became apparent:

Greetings
2 weeks ago my EBT quit working. I think the battery is dead as the screen is mostly unreadable now
I've enjoyed using it since November of 2015 and on average use it for 2 flights weekly since I got it.

I really really enjoy having it and would hope you'd send me a replacement as I can't see how to possibly change a battery.
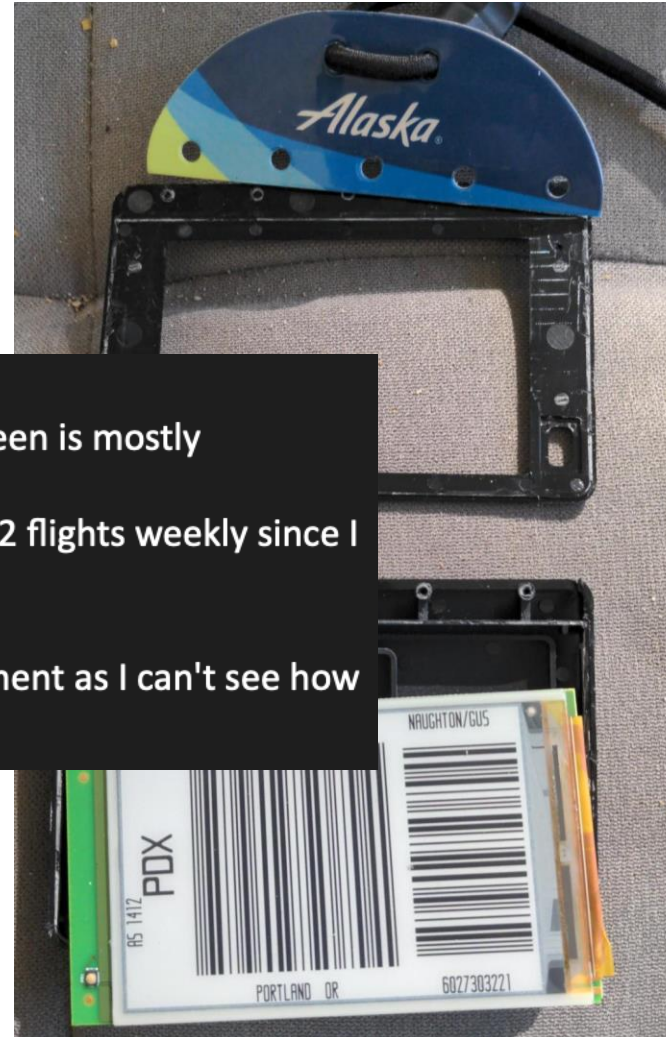
✈ Proposed Solution

BAGTAG Flex

- E-Paper display

- IP65 Water/Dust Resistant

- **No battery required**

- NFC/RFID Equipped

- Encrypted: 128-bit AES

- Interoperable with other carriers

Principal Product Manager
Alaska Airlines

✈ Decreased lobby time = more lounge time

The vision:

Expedited guest bag drop experience which allows guests to focus on more enjoyable parts of their day of travel experience.

Target Customer:

Guests who fly 6+ trips per year and check bags on 2+ trips per year.

Market audience:

- Elite-level Mileage Plan members
- Flight Pass holders
- Credit card holders
- Club49 members
- Holiday gift-givers

Needs:

Decreases lobby time with one-stop bag drop

Removes stress by increasing bag tagging window to <24 hours from <4 hours.

In coordination with ABD will provide an agentless bag drop experience.

Product

We are the first US carrier to introduce an electronic bag tag.

Electronic bag tag – a permanent tag that can be used in place of a paper bag tag in most scenarios, or flashed with guest contact information and used as a personal identification tag for flights that do not accept EBT.

Business Goals:

Showcase our commitment to innovation.

Decrease guest *actual* time in lobby to <5 minutes, increase overall lobby throughput.

Decrease guest *perceived* time in lobby, increase guest satisfaction.

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EBT creates value for guests and the business

- The electronic bag tag is **not intended as profit center** but as a **cost and time saving device**

- **500,000 Mileage Plan members per year meet our target audience** of 6+trips/2+ trips with bag

- Assuming that these guests check bags two trips per year = 4 check-ins x 3 minutes x 500,000 guests = **100,000 guest hours in the lobby**

Converting

10%

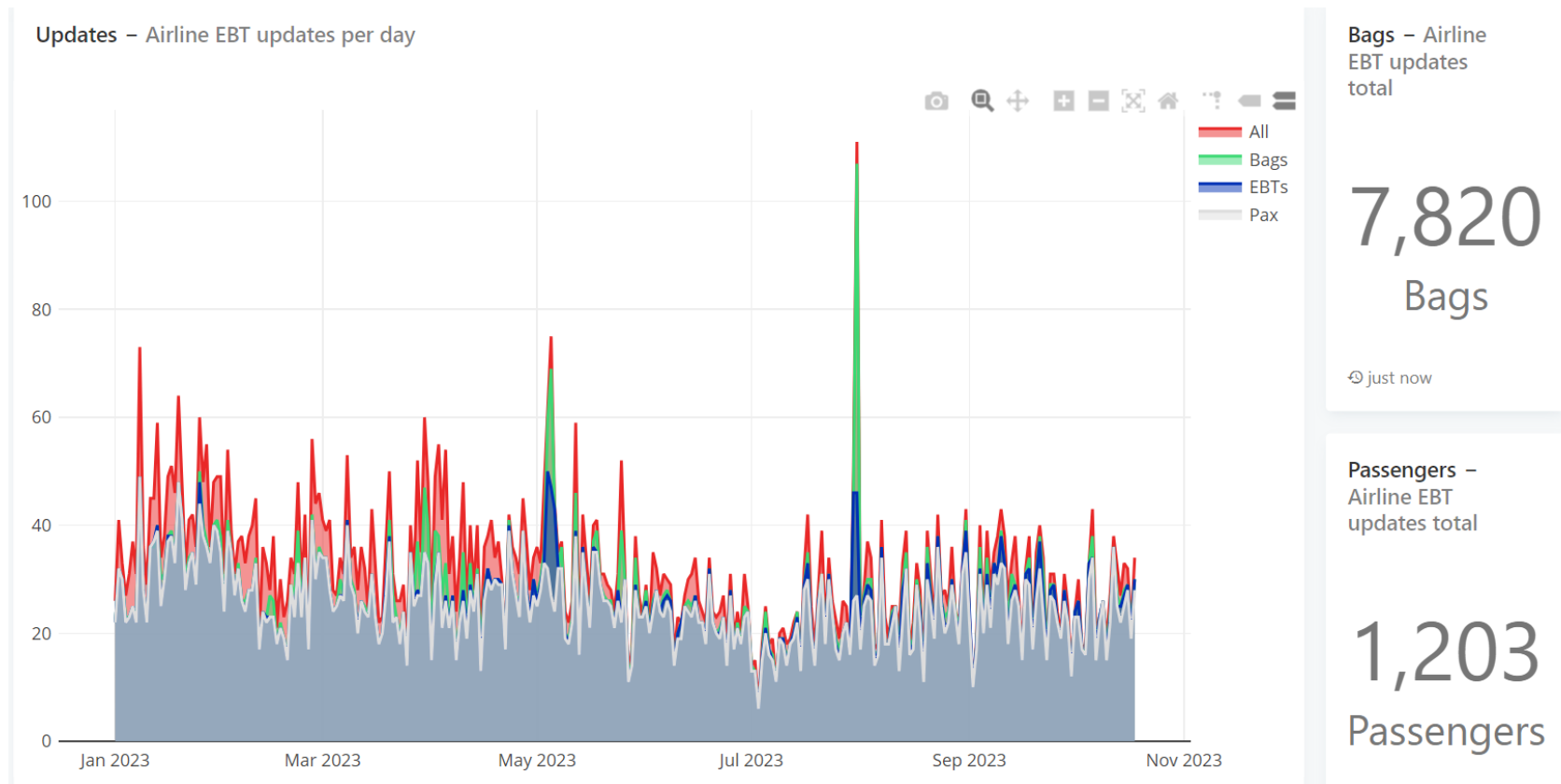of target audience
to electronic bag tag use
results in (annually)

200,000
Fewer interactions
with BTS/Kiosk/Bag Printer

10,000
Guest hours
Not spent in the lobby

200,000
Fewer paper tags
Printed @ .08 per tag

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✈ Guests Use BAGTAGs on a Regular Basis

Year-to-Date Guest Usage is **1203 pax** with **7820 checked bags**
Month over month sees steady increases in both bags and passengers

Updates – Airline EBT updates per day

Legend: All, Bags, EBTs, Pax

Bags – Airline EBT updates total

7,820
Bags

🕑 just now

Passengers – Airline EBT updates total

1,203
Passengers

✈ Key Improvement: New Strap

One of the learnings we saw was that the hard-plastic strap wasn't the right choice. We just closed a new beta trial and are retrofitting all existing pieces with the new flexible strap.

>> Trial started 8/31 - 285 unique check-ins
>> Zero tag-offs
>> Trial participants were 95% satisfied with the new strap:

"I like it much more than the prior model"

"My initial fears were all for nothing! The strap held up perfectly!"

"I like it. I can get it off even though it doesn't come off easily"

"Love, love, love this tag over the old one. The strap is a million times better."

*production strap is black

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✈ Guest Satisfaction

Performance scores
As the adoption progresses, a clear increase in performance can be observed

• **99%** of Guests will use the BAGTAG again
• **80%** of Guests rate the electronic bag tag as either 'Excellent' or 'Very Good'
• **82%** of Guests find the electronic bag tag more convenient than a paper label

No 1%

Yes 99%
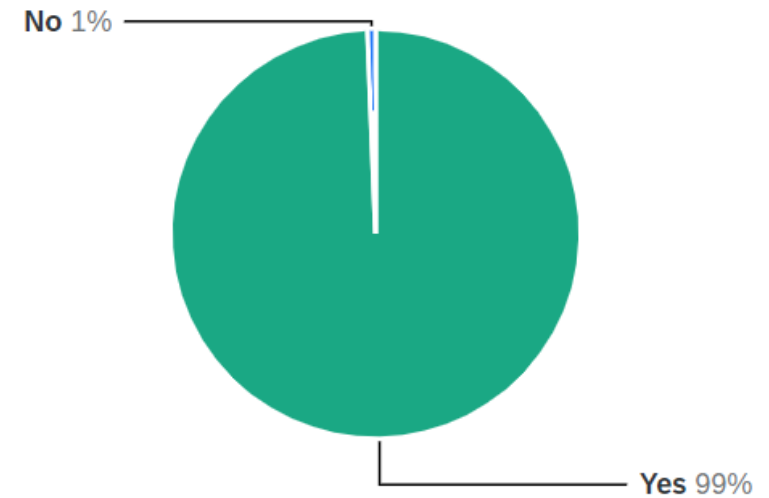
99%	**80%**	**82%**
will use the tag again	rate very good/excellent	convenience satisfaction

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Alaska Care fulfilled by BAGTAG

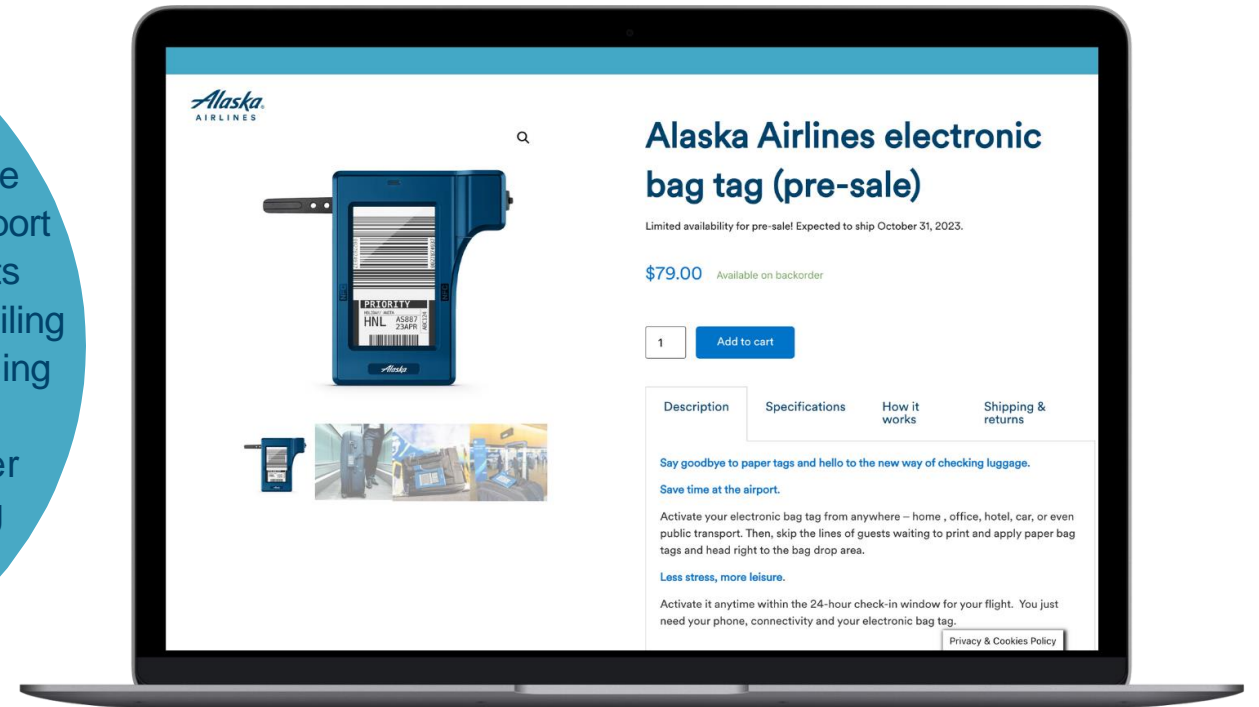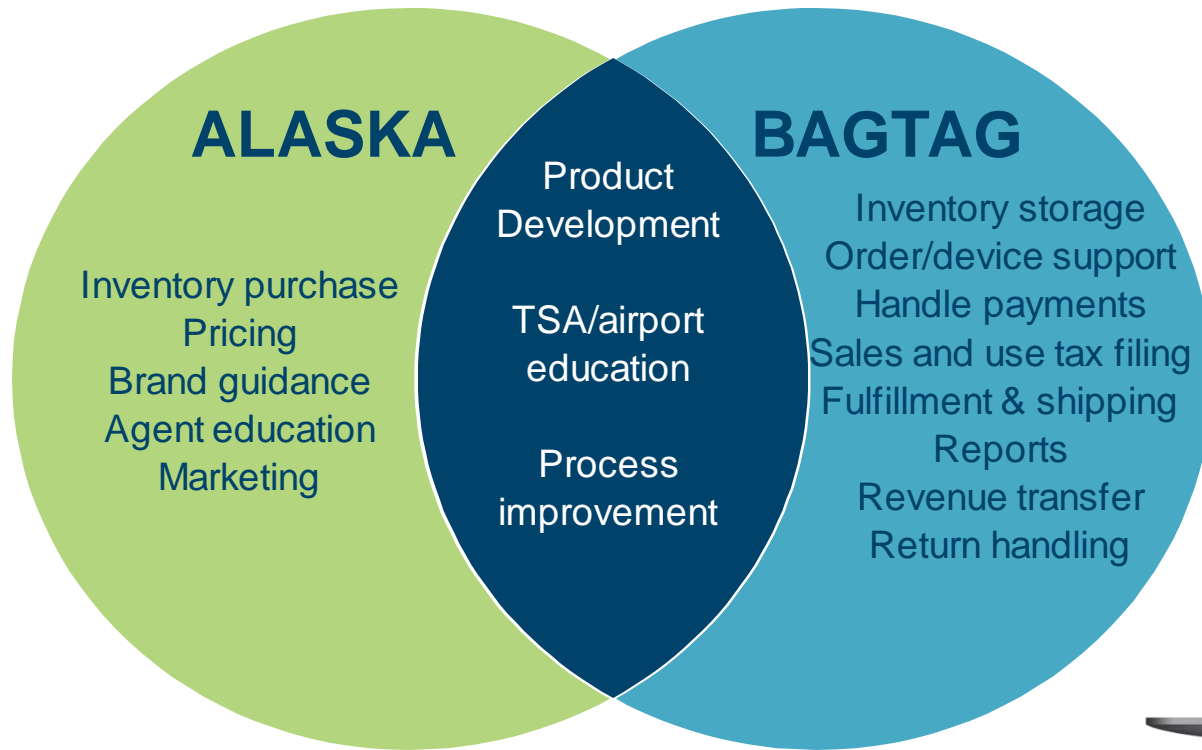As airlines are not set up to handle sales and fulfillment of physical devices, BAGTAG has created their own e-Commerce solution which can be branded Alaska and customized to provide our guests the level of Care that we are known for.

ALASKA

Inventory purchase
Pricing
Brand guidance
Agent education
Marketing

Product Development

TSA/airport education

Process improvement

BAGTAG

Inventory storage
Order/device support
Handle payments
Sales and use tax filing
Fulfillment & shipping
Reports
Revenue transfer
Return handling

Alaska Airlines electronic bag tag (pre-sale)

Limited availability for pre-sale! Expected to ship October 31, 2023.

$79.00   Available on backorder

1   Add to cart

Description | Specifications | How it works | Shipping & returns

Say goodbye to paper tags and hello to the new way of checking luggage.

Save time at the airport.

Activate your electronic bag tag from anywhere – home , office, hotel, car, or even public transport. Then, skip the lines of guests waiting to print and apply paper bag tags and head right to the bag drop area.

Less stress, more leisure.

Activate it anytime within the 24-hour check-in window for your flight. You just need your phone, connectivity and your electronic bag tag.

Privacy & Cookies Policy

Next Step: Use BAGTAG as an eComm Platform

Phase 1
Guest Trial and improvements

Phase 2
Initial sales and retrofitting

Phase 3
Future orders and feature improvement

Phase 1

Distributed 2500 to elite members

Tracked usage and gathered feedback via email and survey data

Made improvements to software, hardware, and tutorials

Phase 2

Utilize BAGTAGs ecommerce platform to sell the remaining stock of (improved) devices.

BAGTAGs platform will:
- Allow Alaska to set pricing - including miles
- Remit all sales and use taxes
- Provide post-sale guest support
- Provide shipping-only fulfillment for devices we want to give away
- Facilitate order and shipping of strap retrofit kits for existing users

Phase 3

As future orders of BAGTAGs are placed by Alaska, the BAGTAG eCommerce platform will remain available.

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Our Innovation Purpose

To provide the safest, most reliable, and caring travel experience for our worldwide guests and our planet.