Voice of the customer
Competition Law Guidelines

Any discussion regarding matters such as fares, charges, division or sharing of traffic, or revenues or concerning any other competitively sensitive topics outside the scope of the agenda is strictly prohibited.

IATA will not answer questions pertaining to individual policies or commercial decisions and/or being subject to bilateral commercial discussions between airlines and their suppliers or customers.
Passenger landscape before COVID-19

Kasia Berbari
Surveys Portfolio Manager
IATA
Industry standard: AirSat Passenger Satisfaction Benchmark

75,000 passengers surveyed in 2019

Recruited at 40 global airports

Frequent flyers
Seasonal travelers
Business travelers
Family visitors
Leisure travelers

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VOICE OF THE CUSTOMER
Passenger satisfaction

Positive trend in passenger satisfaction since 2010

Measured on a 5-point scale where 1 - poor and 5 - excellent

% of (5) excellent + (4) very good

IATA Aircat Passenger Satisfaction Benchmark, long-haul routes.
Economy cabin: weighted base of 16,793 in 2010 and 41,285 in 2019
Your most unhappy customers are your greatest source of learning.”

Bill Gates, Founder of Microsoft
Exploring true passenger needs and satisfaction drivers

- **Value add** (3rd priority)
- **Key** (2nd priority)
- **Must have** (1st priority)

Impact on satisfaction
Impact on dissatisfaction
Poll

Which part of your air travel experience is your must-have?
Key Driver Analysis – overall areas

**ECONOMY**

**Value add**
- In-Flight Entertainment
- Seat

**Key**
- Cabin

**Must have**
- Boarding
- Cabin crew
- Post flight

**Value add**
- Food & Beverages

**BUSINESS**

**Value add**
- In-Flight Entertainment

**Key**
- Seat
- Boarding

**Value add**
- Cabin

**Must have**
- Cabin crew
- Post flight

- Food & Beverages

IATA Airsat Passenger Satisfaction Benchmark, 2019 data.
- Economy sample: 34,338
- Business sample: 17,348

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VOICE OF THE CUSTOMER
Impact of **new processes and standards** on experience

Satisfaction measured on a 5-point scale where 1 - poor and 5 - excellent

- **Business Cabin**
- **Economy Cabin**

<table>
<thead>
<tr>
<th>Service</th>
<th>Business Cabin</th>
<th>Economy Cabin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check-in</td>
<td>81%</td>
<td>75%</td>
</tr>
<tr>
<td>Airport</td>
<td>75%</td>
<td>60%</td>
</tr>
<tr>
<td>Lounge</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Boarding</td>
<td>71%</td>
<td>69%</td>
</tr>
<tr>
<td>Cabin</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Seat</td>
<td>68%</td>
<td>55%</td>
</tr>
<tr>
<td>Crew</td>
<td>80%</td>
<td>72%</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>64%</td>
<td>46%</td>
</tr>
<tr>
<td>IFE</td>
<td>54%</td>
<td>49%</td>
</tr>
<tr>
<td>Arrival</td>
<td>76%</td>
<td>68%</td>
</tr>
</tbody>
</table>

% of (5) excellent + (4) very good

**Declarations**

- Wearing masks
- Physical distancing
- Disinfection
- Screening

**Impact of new processes and standards on experience**

 Declarations

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 VOICE OF THE CUSTOMER

IATA Airsat Passenger Satisfaction Benchmark, long-haul routes, 2019 data.
Business cabin sample: 21,173
Economy cabin sample: 41,285
### Must-have detailed attributes

- Professional appearance of cabin crew
- Helpful and courteous cabin crew

### Key detailed attributes

<table>
<thead>
<tr>
<th></th>
<th>BUSINESS</th>
<th>PREMIUM ECONOMY</th>
<th>ECONOMY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition of cabin interior</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Spaciousness of cabin</td>
<td>✓</td>
<td>❌</td>
<td>VALUE ADD</td>
</tr>
<tr>
<td>Selection of drinks</td>
<td>✓</td>
<td>✓</td>
<td>❌</td>
</tr>
<tr>
<td>Cleanliness of seat/table</td>
<td>✓</td>
<td>✓</td>
<td>❌</td>
</tr>
</tbody>
</table>

### Value add detailed attributes

<table>
<thead>
<tr>
<th></th>
<th>BUSINESS</th>
<th>PREMIUM ECONOMY</th>
<th>ECONOMY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection of newspapers and magazines</td>
<td>✓</td>
<td>❌</td>
<td>❌</td>
</tr>
<tr>
<td>Cleanliness of washrooms</td>
<td>✓</td>
<td>❌</td>
<td>❌</td>
</tr>
<tr>
<td>Visual appeal of meal</td>
<td>KEY</td>
<td>❌</td>
<td>❌</td>
</tr>
<tr>
<td>Selection of meals</td>
<td>✓</td>
<td>❌</td>
<td>❌</td>
</tr>
</tbody>
</table>

*BUSINESS: Speed of onboard meal service*

*IATA Airsat Passenger Satisfaction Benchmark, 2019 data. Sample: 74,513*

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SPECIAL SERIES:reshaping the passenger experience
VOICE OF THE CUSTOMER
Securing passenger experience is key to restoring the demand

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VOICE OF THE CUSTOMER

establish TRUST

provide feeling of SAFETY

CONFIDENCE in flying again
Air Traveler Response to COVID-19

An 11-Country Survey: Wave III

David B. Rockland, Ph.D.
Methodology

Wave 1 – February 2020

Wave 2 – April 2020

Wave 3 – June 2020

4,700 recent air travelers
(traveled since July 2020)

An invitation to participate in an on-line survey was sent to the panel members in the following countries:

Australia
Canada
Chile
France
Germany
India
Japan
Singapore
United Arab Emirates
United Kingdom
United States

Business Traveler  Laisure Traveler

50%  50%
Concern about contracting the virus

Q: How concerned are you personally about contracting the coronavirus/COVID-19 – very concerned, somewhat concerned, not very concerned or not at all concerned?

- Very Concerned: 78% in February, 90% in April, 83% in June
- Somewhat Concerned: 39% in February, 37% in April, 42% in June

Survey details:
IATA COVID-19 Passenger Insights – Issue 2
N=4,700

IATA WEBINAR 18 JUNE 2020
SPECIAL SERIES: RESHAPING THE PASSENGER EXPERIENCE
VOICE OF THE CUSTOMER
## Concern about contracting the virus

### Very/Somewhat Concerned About Personally Contracting Virus

<table>
<thead>
<tr>
<th>Country</th>
<th>February</th>
<th>April</th>
<th>June</th>
<th>Change vs. April</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>78%</td>
<td>90%</td>
<td>83%</td>
<td>-7</td>
</tr>
<tr>
<td>Australia</td>
<td>66%</td>
<td>85%</td>
<td>76%</td>
<td>-9</td>
</tr>
<tr>
<td>Canada</td>
<td>63%</td>
<td>92%</td>
<td>80%</td>
<td>-12</td>
</tr>
<tr>
<td>Chile</td>
<td>-</td>
<td>95%</td>
<td>94%</td>
<td>-1</td>
</tr>
<tr>
<td>France</td>
<td>71%</td>
<td>84%</td>
<td>69%</td>
<td>-15</td>
</tr>
<tr>
<td>Germany</td>
<td>76%</td>
<td>84%</td>
<td>77%</td>
<td>-7</td>
</tr>
<tr>
<td>India</td>
<td>96%</td>
<td>98%</td>
<td>97%</td>
<td>-1</td>
</tr>
<tr>
<td>Japan</td>
<td>87%</td>
<td>93%</td>
<td>87%</td>
<td>-6</td>
</tr>
<tr>
<td>Singapore</td>
<td>92%</td>
<td>96%</td>
<td>91%</td>
<td>-5</td>
</tr>
<tr>
<td>UAE</td>
<td>88%</td>
<td>94%</td>
<td>91%</td>
<td>-3</td>
</tr>
<tr>
<td>UK</td>
<td>73%</td>
<td>90%</td>
<td>84%</td>
<td>-6</td>
</tr>
<tr>
<td>USA</td>
<td>74%</td>
<td>92%</td>
<td>80%</td>
<td>-12</td>
</tr>
</tbody>
</table>
Knowing someone who might be infected

<table>
<thead>
<tr>
<th>Country</th>
<th>June 2020</th>
<th>Apr 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>66%</td>
<td>39%</td>
</tr>
<tr>
<td>India</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>UK</td>
<td>59%</td>
<td>51%</td>
</tr>
<tr>
<td>Chile</td>
<td>57%</td>
<td>29%</td>
</tr>
<tr>
<td>France</td>
<td>55%</td>
<td>57%</td>
</tr>
<tr>
<td>USA</td>
<td>48%</td>
<td>39%</td>
</tr>
<tr>
<td>Germany</td>
<td>43%</td>
<td>36%</td>
</tr>
<tr>
<td>Canada</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Singapore</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Australia</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Japan</td>
<td>12%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Q: Have you, or do you personally know anyone, who has contracted coronavirus/COVID-19?
### Steps to avoid contracting COVID-19

#### Have Taken Steps to Avoid Contracting COVID-19

<table>
<thead>
<tr>
<th>Step</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washed your hands more often</td>
<td>77%</td>
</tr>
<tr>
<td>Avoided being in large meetings</td>
<td>71%</td>
</tr>
<tr>
<td>Worn a mask when in public</td>
<td>67%</td>
</tr>
<tr>
<td>Avoided being in public places</td>
<td>66%</td>
</tr>
<tr>
<td>Avoided air travel</td>
<td>58%</td>
</tr>
<tr>
<td>Used more disinfectants when traveling</td>
<td>46%</td>
</tr>
<tr>
<td>Worn gloves in public</td>
<td>36%</td>
</tr>
<tr>
<td>I have not taken any steps</td>
<td>2%</td>
</tr>
</tbody>
</table>

#### Expect to Continue Taking Steps to Avoid Contracting COVID-19

<table>
<thead>
<tr>
<th>Step</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wash your hands often</td>
<td>73%</td>
</tr>
<tr>
<td>Avoid being in large meetings</td>
<td>56%</td>
</tr>
<tr>
<td>Wear a mask when in public</td>
<td>55%</td>
</tr>
<tr>
<td>Use disinfectants when traveling</td>
<td>55%</td>
</tr>
<tr>
<td>Avoid being in public places</td>
<td>44%</td>
</tr>
<tr>
<td>Avoid air travel</td>
<td>33%</td>
</tr>
<tr>
<td>Wear gloves in public</td>
<td>29%</td>
</tr>
<tr>
<td>I will not take any steps</td>
<td>4%</td>
</tr>
</tbody>
</table>

Q: What steps, if any, have you taken specifically to avoid contracting the coronavirus/COVID-19? Once the pandemic has subsided, what steps, if any, do you expect to continue to take specifically to avoid contracting coronavirus/COVID-19?
## Top concerns around contracting COVID-19

### At the airport

**TOP 3**

<table>
<thead>
<tr>
<th>Concern</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being in a crowded bus/train</td>
<td>59%</td>
</tr>
<tr>
<td>Queueing at check-in/security/border control/boarding</td>
<td>42%</td>
</tr>
<tr>
<td>Using airport restrooms/toilet facilities</td>
<td>38%</td>
</tr>
</tbody>
</table>

### On board the aircraft

**TOP 3**

<table>
<thead>
<tr>
<th>Concern</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sitting next to someone who might be infected</td>
<td>65%</td>
</tr>
<tr>
<td>Using restroom/toilet facilities</td>
<td>42%</td>
</tr>
<tr>
<td>Breathing the air in the plane</td>
<td>37%</td>
</tr>
</tbody>
</table>

---

**Q:** Once the pandemic has subsided, how concerned would you be about each of the following at the airport/on board the aircraft—extremely concerned, somewhat concerned, not too concerned or not at all concerned?

**Of the following, which three concern you the most?**
### Return to travel: when?

**When Will Passengers Return to Travel After Pandemic Subsided**

<table>
<thead>
<tr>
<th>Option</th>
<th>June 2020</th>
<th>April 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not wait at all</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Wait a month or two</td>
<td>33%</td>
<td>47%</td>
</tr>
<tr>
<td>Wait six months or so</td>
<td>36%</td>
<td>28%</td>
</tr>
<tr>
<td>Wait a year or so</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>Not resume my usual travel plans for the foreseeable future</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Q: Once the pandemic has subsided, how long would you wait, if at all, to return to your usual travel plans?

IATA COVID-19 Passenger Insights – Issue 2
N=4,700
Return to travel: when?

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Australia</th>
<th>Canada</th>
<th>Chile</th>
<th>France</th>
<th>Germany</th>
<th>India</th>
<th>Japan</th>
<th>Singapore</th>
<th>UAE</th>
<th>U.K.</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not wait at all</td>
<td>12%</td>
<td>15%</td>
<td>10%</td>
<td>7%</td>
<td>19%</td>
<td>16%</td>
<td>9%</td>
<td>6%</td>
<td>5%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Wait a month or two</td>
<td>33%</td>
<td>25%</td>
<td>31%</td>
<td>44%</td>
<td>38%</td>
<td>37%</td>
<td>38%</td>
<td>27%</td>
<td>24%</td>
<td>48%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Wait six months or so</td>
<td>36%</td>
<td>42%</td>
<td>33%</td>
<td>34%</td>
<td>31%</td>
<td>32%</td>
<td>38%</td>
<td>34%</td>
<td>46%</td>
<td>29%</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>Wait a year or so</td>
<td>14%</td>
<td>13%</td>
<td>18%</td>
<td>13%</td>
<td>8%</td>
<td>10%</td>
<td>13%</td>
<td>20%</td>
<td>20%</td>
<td>11%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Not resume my usual travel plans for the foreseeable future</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
<td>2%</td>
<td>4%</td>
<td>5%</td>
<td>2%</td>
<td>13%</td>
<td>5%</td>
<td>3%</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Q: Once the pandemic has subsided, how long would you wait, if at all, to return to your usual travel plans?
Knowledge about safety measures

Measures That Would Make Passengers Feel Safer

**TOP 3**

- ... that all passengers entering the airport have been tested for COVID-19
  - A lot safer: 41%
  - Somewhat safer: 43%

- ... that all airport and aircraft staff will wear masks, gloves and other protective equipment
  - A lot safer: 38%
  - Somewhat safer: 46%

- ... that the aircraft and airport facilities are regularly cleaned and sanitized
  - A lot safer: 36%
  - Somewhat safer: 48%

Preferred Methods to Receive Communications from Airlines About Safety Measures

**TOP 3**

- 41%
  - Through e-mails from your airline/travel agency

- 36%
  - During online check-in on airline website or app

- 34%
  - On airline/airport/travel agency websites

---

IATA COVID-19 Passenger Insights – Issue 2, N=4,700

Q: Once the pandemic has subsided, if you were going on a trip how much safer would each of the following make you feel – a lot safer, somewhat safer, not much safer or not at all safer? How would you prefer to learn about measures that airlines are taking to keep you safe while traveling? Select 1-3 items.
<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening of all passengers for coronavirus/COVID-19 at departure</td>
<td>37%</td>
</tr>
<tr>
<td>Mandatory wearing of masks in airports and planes by passengers</td>
<td>34%</td>
</tr>
<tr>
<td>Social distancing on aircraft</td>
<td>33%</td>
</tr>
<tr>
<td>A COVID-19 immunity certification guaranteeing exemption from</td>
<td>27%</td>
</tr>
<tr>
<td>quarantine</td>
<td></td>
</tr>
<tr>
<td>Temperature testing of all passengers at departure</td>
<td>26%</td>
</tr>
<tr>
<td>Mandatory wearing of masks in airports and planes by the crew</td>
<td>26%</td>
</tr>
<tr>
<td>Seeing sanitation being performed throughout the airplane</td>
<td>25%</td>
</tr>
<tr>
<td>Receiving a personal sanitization kit to clean your seat area</td>
<td>24%</td>
</tr>
<tr>
<td>Touchless processing through the airport</td>
<td>24%</td>
</tr>
<tr>
<td>Having hand sanitizer readily available on board</td>
<td>22%</td>
</tr>
<tr>
<td>Seeing sanitation being performed throughout the airport</td>
<td>20%</td>
</tr>
<tr>
<td>Asking all passengers to complete a health declaration</td>
<td>17%</td>
</tr>
</tbody>
</table>

Q: Once the pandemic has subsided, how much safer would each of the following make you feel about airplane travel – a lot safer, somewhat safer, not much safer, not at all safer?

Of the following, which three would make you feel safest?
### Return to travel: willingness to adopt new measures

#### TOP 6

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergo a temperature check at departure and/or arrival</td>
<td>43%</td>
</tr>
<tr>
<td>Wear a mask on board the aircraft from the time of departure until leaving the plane</td>
<td>42%</td>
</tr>
<tr>
<td>Wear a mask from the time of entry to the airport to leaving the destination airport</td>
<td>41%</td>
</tr>
<tr>
<td>Check in online to minimize interactions with other people at the airport</td>
<td>40%</td>
</tr>
<tr>
<td>Take a coronavirus/COVID-19 test at the departure airport</td>
<td>39%</td>
</tr>
<tr>
<td>Clean your own area on board the aircraft with sanitizing wipes</td>
<td>38%</td>
</tr>
</tbody>
</table>

#### The least preferred option:

17% are willing to undergo a 14-day self-isolation
Thank you

David B. Rockland, Ph.D.
RESOURCES

Passenger insights
www.iata.org/passenger-insights

COVID-19 insights
www.iata.org/covid-survey

Contact us at:
survey@iata.org
• Learning from parallels to the COVID-19 pandemic (9/11 and the 2008 recession)
• Benchmarking with other carriers and IATA to see what other carriers were doing to gather insights post pandemic declaration
• Early data sources:
  – Tracking data from AA’s customer satisfaction survey
  – 3rd party surveys:
    ▪ US population studies
    ▪ Global studies
    ▪ Travel studies
• Strengths / Weaknesses in these types of data sources
  ▪ US population studies not likely to represent travelers
  ▪ Sampling issues for many travel studies
  ▪ Needed more specific questions on what actions _seen as_ most by customers important in keeping customers safe from COVID-19
Weekly COVID-19 Tracking Survey

• Weekly 10,000 AAdvantage customers, elites and more frequent flyers
• Weekly waves with same base questions every week
  ▪ Concern levels
  ▪ Main areas of concern (small business and economy #1 and #2 issues ...)
  ▪ Emotional impact of crisis (how customers “feel”)
  ▪ How long crisis seen as lasting (over by when?)
  ▪ Signs crisis will abate (vaccine, etc.)
  ▪ Most important measures airlines can take (cleaning, fogging, HEPA filters, etc.)
  ▪ Corporate travel restrictions (by type)
  ▪ Willingness to engage in certain travel and non-travel related activities
  ▪ Recent travel-related activities (like canceling, booking and shopping)
  ▪ How meeting cleanliness expectations (those who have flown)
  ▪ How we’re seen as handling the crisis (all passengers whether flown or not since WHO declaration)
  ▪ Awareness of AA COVID safety measures
  ▪ Press coverage
  ▪ How AA perceived versus others
  ▪ Travel less, more, same in future?
  ▪ Open ended question on what more can we do?

• Weekly “special questions”
Weekly COVID-19 Tracking Survey

- Usage and release of the study
- “Data democracy”
- Shared with AA teams on a targeted basis
- Shared with partners (agencies, airport authorities, etc.)
- “Who is traveling?” study
  - Demographics and industry types
  - Frequent flyer status and past patterns
- Conjoint study
  - Measuring perceived importance of COVID-related actions individually
  - ... And as bundles
A Few Key Insights
In general, what is your level of concern related to the current coronavirus outbreak?

- Week 1: Extremely Concerned 59%, Moderately Concerned 33%
- Week 2: Extremely Concerned 48%, Moderately Concerned 40%
- Week 3: Extremely Concerned 45%, Moderately Concerned 41%
- Week 4: Extremely Concerned 40%, Moderately Concerned 41%
- Week 5: Extremely Concerned 42%, Moderately Concerned 41%
- Week 6: Extremely Concerned 44%, Moderately Concerned 40%
- Week 7: Extremely Concerned 43%, Moderately Concerned 39%
- Week 8: Extremely Concerned 43%, Moderately Concerned 36%
- Week 9: Extremely Concerned 40%, Moderately Concerned 40%
- Week 10: Extremely Concerned 41%, Moderately Concerned 35%
How Customers Feel About The Crisis

Calmness and composure has increased the most over the past week. Over the 10 weeks of tracking, calm and peacefulness has increased the most, even through a high degree of confusion.

How are you feeling about the coronavirus?

- Upset: 17% Calm: 83%
- Scared: 29% Calm: 71%
- Insecure: 33% Calm: 67%
- Confused: 47% Calm: 53%
- Uneasy: 47% Calm: 53%
- Vulnerable: 57% Calm: 43%
- Concerned: 62% Calm: 38%

Weekly difference

- Upset: 27% Calm: 80%
- Scared: 45% Calm: 66%
- Insecure: 22% Calm: 65%
- Confused: 23% Calm: 72%
- Uneasy: 23% Calm: 28%
- Vulnerable: 73% Calm: 70%
- Concerned: 79% Calm: 54%

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When will it end?

In your opinion, how long before the situation will come to an end?

- Within the next 3 months
- Within 6 months
- Within a year
- It will take longer than a year
- Not sure/Don't know

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AA’s Response: Importance of Actionable Responses

How important do you feel the following steps are for an airline during this coronavirus outbreak?
Health & Financial Well-Being Concerns

During these times of uncertainty, how concerned are you with each of the following?

- **The financial well-being of small/local businesses**: 75% Very concerned, 23% Somewhat concerned
- **The general economy**: 61% Very concerned, 37% Somewhat concerned
- **Health of my family members**: 41% Very concerned, 48% Somewhat concerned, 11% Not at all concerned
- **Financial well-being of my friends/extended family**: 30% Very concerned, 61% Somewhat concerned, 9% Not at all concerned
- **Health of my friends/extended family**: 34% Very concerned, 57% Somewhat concerned, 9% Not at all concerned
- **My personal health**: 22% Very concerned, 54% Somewhat concerned, 25% Not at all concerned
- **My personal financial well-being**: 17% Very concerned, 52% Somewhat concerned, 31% Not at all concerned
Once an organization or someone you trust has confirmed that the coronavirus is no longer a threat or dissipates, when will you feel you will be comfortable returning to these activities?

- Returning to work: 50% I already feel comfortable, 19% 1-4 weeks, 7% 5-8 weeks, 3% 9-12 weeks, 5% Over 12 weeks, 18% Don't know/No opinion
- Hotel: 39% I already feel comfortable, 24% 1-4 weeks, 15% 5-8 weeks, 8% 9-12 weeks, 8% Over 12 weeks, 7% Don't know/No opinion
- Domestic Flight: 32% I already feel comfortable, 27% 1-4 weeks, 16% 5-8 weeks, 10% 9-12 weeks, 9% Over 12 weeks, 6% Don't know/No opinion
- International Flight: 18% I already feel comfortable, 16% 1-4 weeks, 14% 5-8 weeks, 10% 9-12 weeks, 22% Over 12 weeks, 20% Don't know/No opinion
- Public transportation: 17% I already feel comfortable, 19% 1-4 weeks, 17% 5-8 weeks, 9% 9-12 weeks, 16% Over 12 weeks, 23% Don't know/No opinion
- Cruise: 6% I already feel comfortable, 4% 1-4 weeks, 5% 5-8 weeks, 7% 9-12 weeks, 34% Over 12 weeks, 44% Don't know/No opinion
Which of the following do you believe is the BEST indication the coronavirus threat is subsiding?
Top Reasons Members Will Travel Less After “All Clear”

1) Increase in virtual meetings
   - Fewer work trips. More virtual meetings.
   - We have proven that we do not need as many face to face business meetings

2) The fear of getting sick makes me hesitant to fly
   - I will not be comfortable until an effective vaccine is available, or at least an effective treatment for COVID-19.
   - Because there will never be an all clear until a vaccine is produced and fully distributed

3) Mostly travel for business and employer is cutting travel expenses/will continue to have travel bans in place
   - I think the company that I work for will not allow so many trips... they are already encouraging to use telepresence apps for our meetings
   - Less work travel. My company is limiting travel for the remainder of the year and clients are not likely to have visitors for a while. Video conferencing has proven efficient for getting work done.

4) Though my employer has allowed me to travel, my clients may not be allowing visitors
   - Fewer clients wanting physical meetings.
   - I travel for work primarily visiting clients; I don’t anticipate all my clients will accept on-site visits, or they will try and reduce the amount of on-site visits.
• *In a pandemic like this, all eyes are fixed on customer insights*

• *Data democracy critical – this is a shared crisis and sharing insights is critical*

• *Tie survey data to ops and financial data*

• *Focus on customer’s emotional state – how customers are processing pandemic*

• *What worries people most in terms of the crisis, safety measures, and their lives*

• *Focus on demand and customer behaviors*

• *Keep key questions constant for tracking*

• *But make changes to other questions as needed*

• *Cascade the data throughout the organization*

• *Leverage open-ends*
Thank You!
COVID-19 and the near-term industry outlook

Andrew Matters
Deputy Chief Economist
IATA
Worldwide flights are still down 70% vs 1 January

Source: IATA Economics analysis based on data provided under license by FlightRadar 24. All rights reserved.
Regional performance is mixed...
...with Asia Pacific and North America outperforming

Source: IATA Economics analysis based on data provided under license by FlightRadar 24. All rights reserved.
China’s domestic market was the exception in April. Other domestic and all international markets saw virtually no air travel.

Air travel measured by RPKs, indexed to December 2019, seasonally adjusted.

Source: IATA Economics.
Demand for air travel expected to rise sharply in 2021
Stronger volumes next year but demand remains well below 2019 levels

Global Revenue Passenger Kilometers (RPKs) flown

Source: IATA Economics

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Source: IATA Economics
International RPKs will lag domestic air travel markets
International air travel may not recover 2019 levels until 2023-24

Global domestic and international RPKs, indexed 2019=100

Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020
Solving health challenge critical for international travel
Until vaccine, opening borders to travel requires a fall in COVID-19 risk

Source: IATA Timatic (www.iatatravelcentre.com)
Risk that city-pair connectivity may not fully recover
Flows of trade, investment, tourism critical for wider economic recovery

Number of unique city pairs

Source: IATA Economics
Airlines are trying to stimulate demand with low fares.

Air fares for travel on domestic markets in May are 23% lower y-o-y.

Source: IATA Economics using data from DDS.

Growth in average air fares, domestic and international.

Source: IATA Economics using data from DDS.
Competition potential to be fierce as markets open up
Despite consolidation 80% seats on routes with 2 or more airlines

Distribution of global routes and seats by number of carriers competing on route, 2019

- 5 or more carriers: 6%
- 4 carriers: 5%
- 3 carriers: 9%
- 2 carriers: 21%
- 1 carrier: 59%

80% of seats are on routes where several carriers compete

Source: IATA Economics based on SRS Analyser data
A return to growth post-COVID…but at a lower level
Global RPKs forecast to be 30%-40% below expected levels in 2021

Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

Global RPK medium term scenarios

- **2021**: 32% below pre-COVID expected level
- **2025**: 10% below pre-COVID expected level
- **2021**: risk that RPKs could be 41% lower

Pre-COVID forecast
Current baseline
COVID setback scenario
Contacts

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Questions & Answers

Moderated by: Andrew Price, Head Global Baggage Operations, IATA
Thank you for your participation

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