



FUTURE TRAVEL EXPERIENCE GLOBAL 2013

FTE THINK TANK

4-6 SEPTEMBER 2013



FTE THINK TANK OBJECTIVE

At the 1st FTE Europe conference in 2012, Lena Rökaas, COO at Swedavia, delivered a passionate address where she expressed her frustration at how slow industry change for the benefit of the passenger is.

Lena did not have all the answers in Amsterdam, but was pleased when FTE approached her to bring together a **think tank** of leading industry figures committed to change, tasked with the challenge of answering the following question and providing recommended strategies on how positive change can be achieved:

“What is needed to increase the speed at which industry progress in improving the passenger experience on the ground is achieved, and what might the passenger experience look like by 2025?”

FTE THINK TANK – WHO’S WHO?

Greg Fordham, Managing Director, Airbiz



- 25 years experience as a consultant to the aviation industry with expertise in airport strategic planning and air transport development
- Developed a team of consultants that has undertaken over 2,000 projects and studies in over 50 countries on five continents
- In-depth knowledge and understanding of airport economics and strategic planning issues
- Named one of Engineers Australia’s top 100 most influential engineers in 2009

Lena Rökaas, COO, Stockholm Arlanda Airport, Swedavia



- Chief Operating Officer at Swedish airport owner and operator Swedavia
- Directly responsible for daily operations at Stockholm Arlanda Airport
- Responsible for developing the terminal and ground handling processes with a focus on operational excellence and customer value
- Broad industry experience – previously VP Product and Customer Services at SAS Scandinavian Airlines.

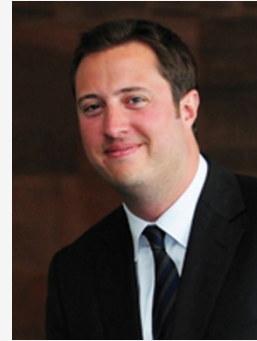
FTE THINK TANK – WHO’S WHO?

Cees de Vos, Director Innovation Outstations & Partnerships, Air France-KLM



- More than four decades experience in the airline industry
- Held various positions at KLM Royal Dutch Airlines and was responsible for the worldwide marketing of ICT products and services
- Spearheaded the airline’s innovation in passenger handling processes by promoting e-services and common use check-in technology
- Seconded to the SkyTeam Airline Alliance Management office from November 2009 till February 2011, before taking his current position at Air France-KLM

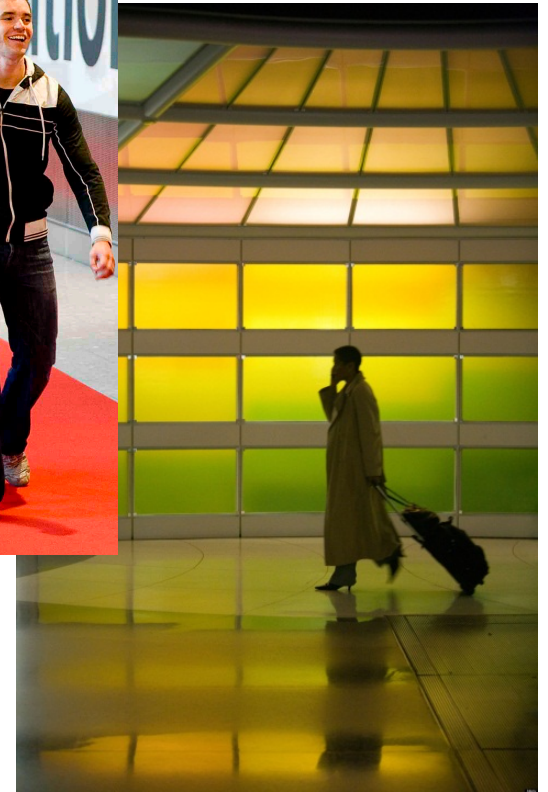
Daniel Coleman, Founder and Event Director, Future Travel Experience



- More than 15 years experience working for PPS – a specialist aviation publisher and event organiser
- Has successfully collaborated and worked with travel industry stakeholders on over 35 events and 50 publishing projects across Europe, North America, the Middle East and Asia
- Founded Future Travel Experience, which through its range of events and online media instigates dialogue between stakeholders to help improve the passenger experience. Daniel brings a resolute commitment to driving all discussion and content on FTE to focus on what is best for the passenger rather than the industry stakeholders.

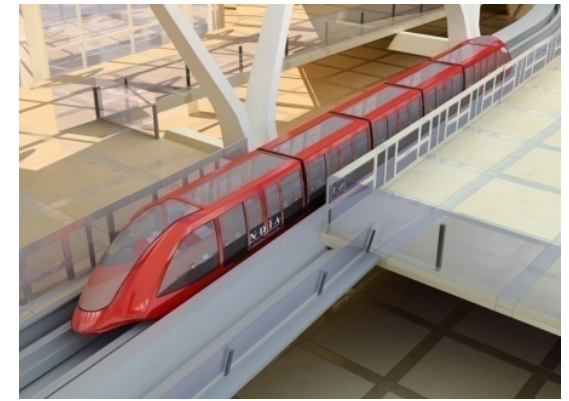
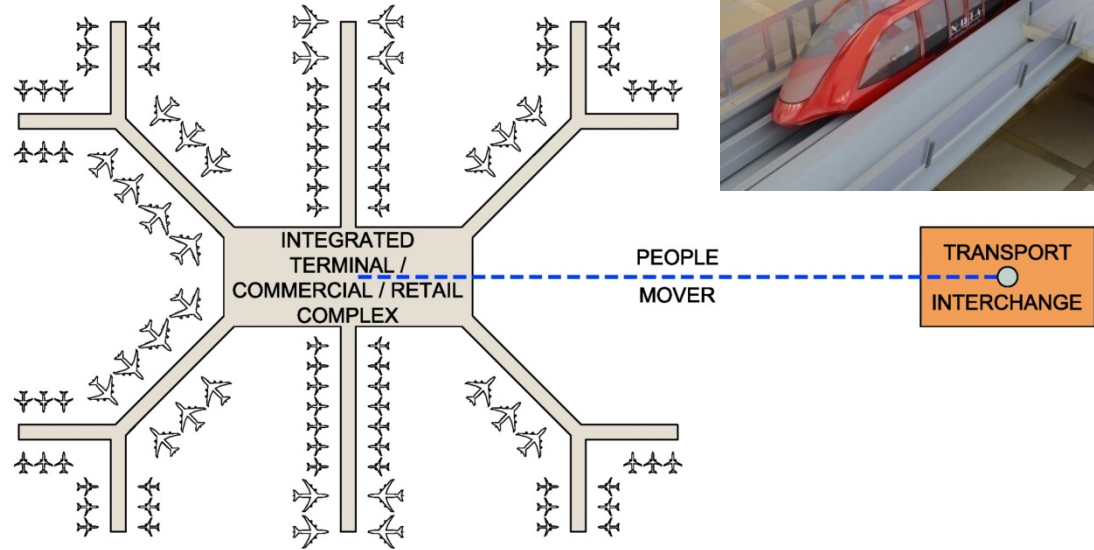
2025 VISION

- All passengers arrive at airport checked-in
- Baggage is already tagged
- Simple bag drop offered at a variety of locations
- Automated baggage tracking and tracing – offered via mobile devices
- Passenger is biometrically validated and issued with personalized 'token'
- 'Token' could be integrated with boarding pass and will be used to positively identify passenger at each processing point
- Security is streamlined
- Border control is automated with all passengers using e-passports
- Automated self-boarding of aircraft at gates

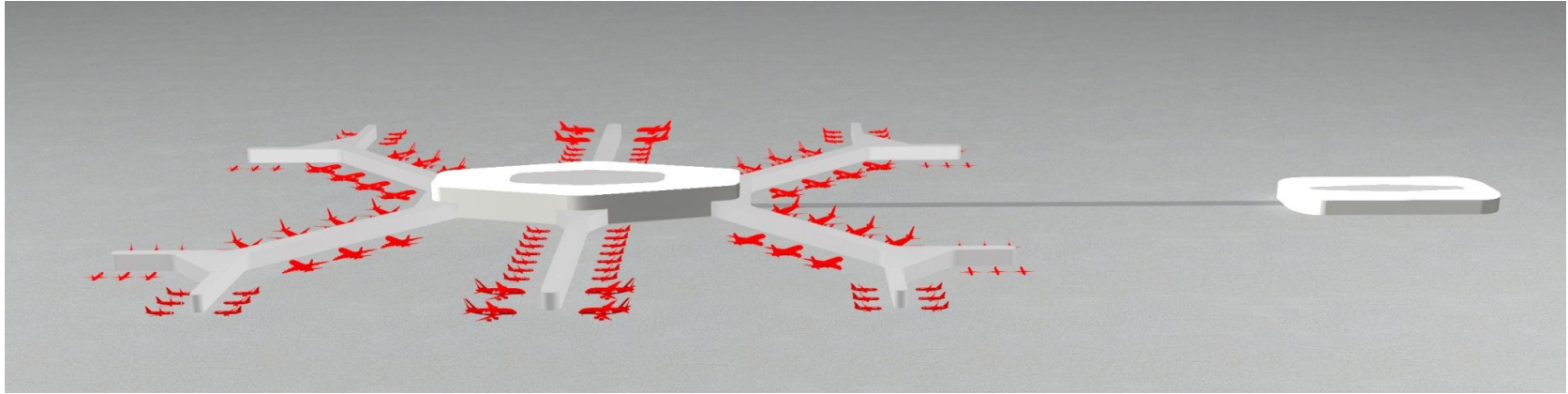


2025 VISION

- All passengers on all modes of ground transport will arrive at airport at an integrated transport interchange
- All passengers are already checked-in and can deposit their bags at convenient bag drops within the transport interchange
- Baggage is transported via high speed conveyor to automated early bag store and then directly to aircraft gate
- Passengers travel on rapid, high frequency people movers to arrive at a post-security airside departure lounge integrated with retail, restaurants and entertainment.
- Passengers wait in the integrated lounge complex until they receive a push notification via their mobile device advising them that their aircraft is ready to board
- Passengers travel along concourses and arrive at gate just in time to board aircraft



2025 VISION



Integrated terminal / retail / commercial complex

Automated people mover (APM)

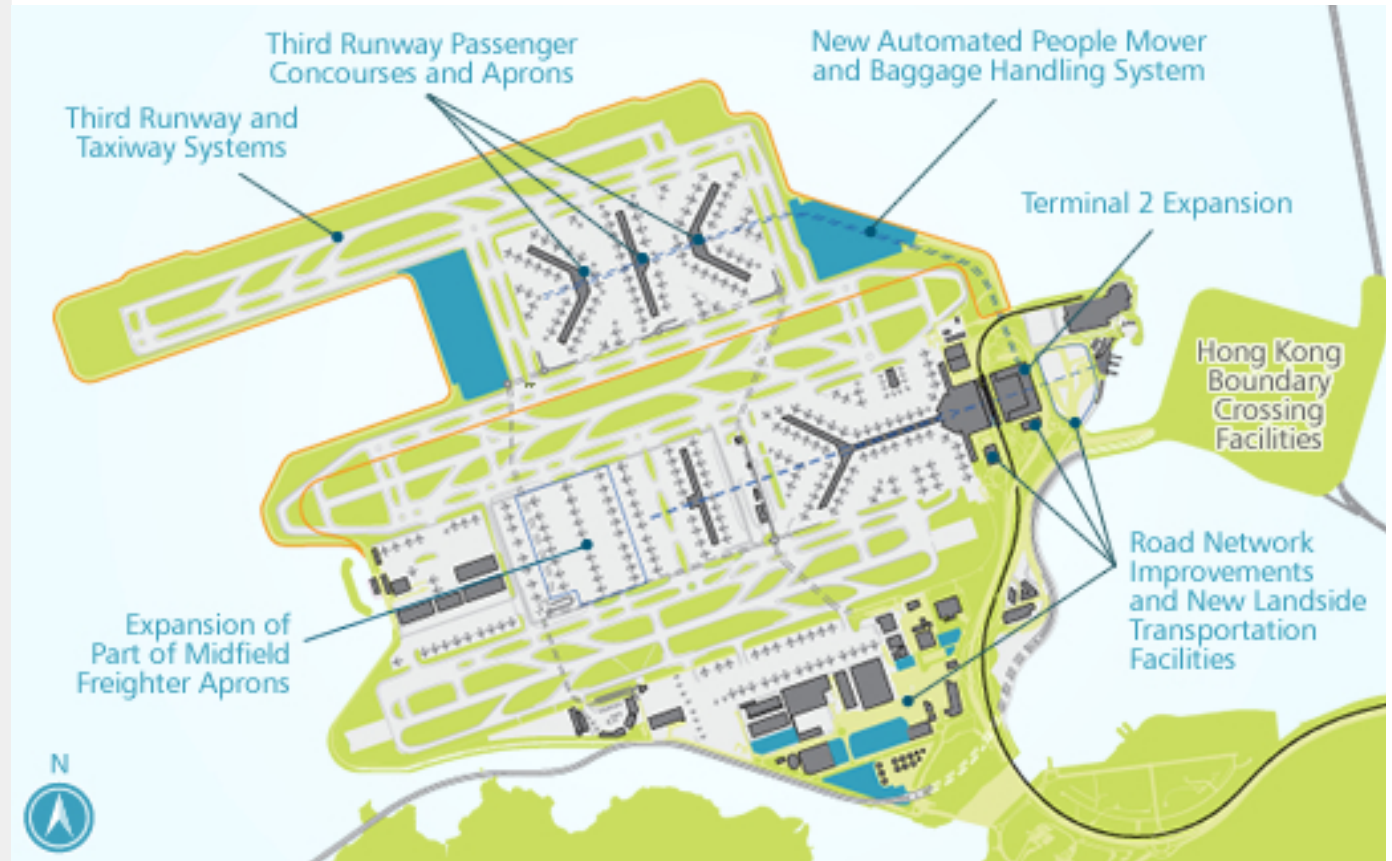
Transport interchange



2025 VISION

Example: Hong Kong International Airport Third Runway Passenger Concourses

- Airside terminal
- Automated people mover and baggage system from landside interchange



BAGGAGE

A variety of bag tag solutions are emerging:

- Home-printed bag tags
- Smartphone programmable electronic tags
- Permanent RFID tags

By 2025:

- Permanent bag tags will be embedded in all luggage purchased
- A worldwide standard for permanent bag tags will exist



BAG DROP

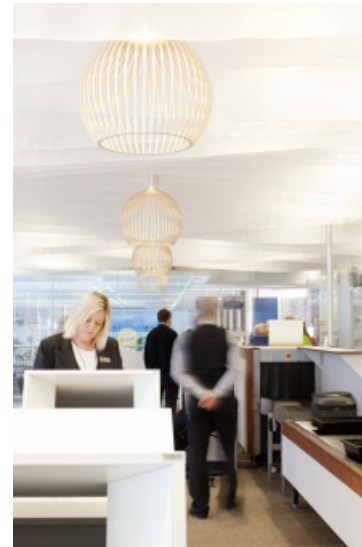
Bag drop will be provided at a variety of locations:

- Rail stations
- Hotels
- Other off-airport locations
- Airport car parks
- Central transport interchange



STREAMLINED SECURITY

- Focus needs to be on the passenger
- Industry needs to develop a security model that is recognizable and familiar regardless of the airport
- Process should be consistent across all airports to avoid confusion – for example removing shoes and belts, laptops in or out of bags
- Security zones to incorporate good interior design principles to create passenger-friendly ambience instead of a sterile ‘prison-like’ feel
- Streamlined and walk-through without unpacking or undressing



BORDER CONTROL

- Streamlined and automated, making use of e-passports and e-gates
- Requiring limited number of roving staff
- Aiming for 100% self-service processing at immigration checkpoints



BORDER CONTROL

Case Study: Aruba Airport

- Use of biometric 'token' at each processing point
- Significant reduction in staff required



Images: Vision-Box

SELF-BOARDING

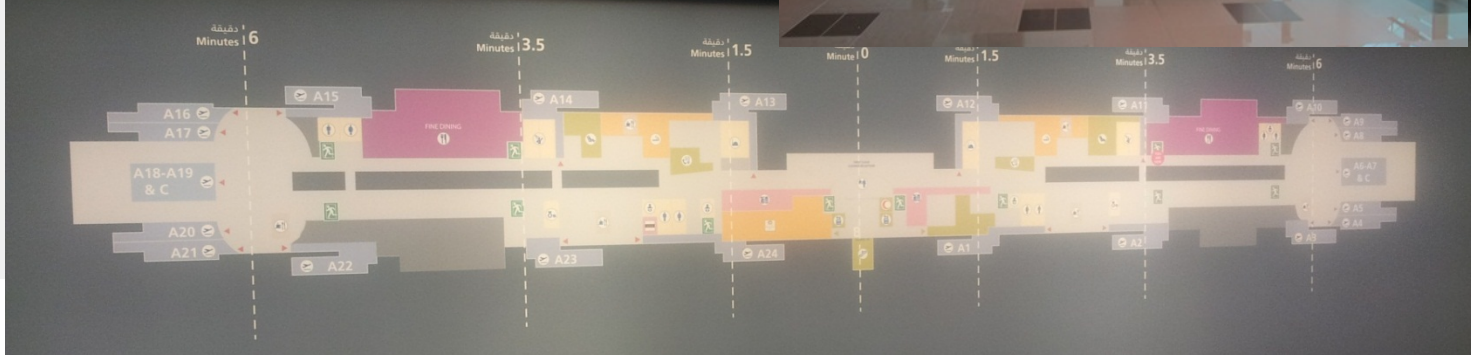
- By 2025 the vast majority of airlines and airports will have implemented self-boarding
- Passengers may not see an airline representative until the aircraft door
- Challenge will be to board the aircraft as fast as emptying the gate



PREMIUM DEPARTURE LEVELS

Case Study: Dubai A380 Terminal

- 24 gates
- 3 levels all having direct access to every gate
 - Departures/Retail
 - First Class Lounge
 - Business Lounge
- Premium levels have separate exclusive retail
- Future terminals will have common use premium levels provided by the airport with direct access to individual gates



ARRIVALS BAG CLAIM

- Avoid passengers spending time and requiring space to crowd around baggage claim units
- Permanent bag tag will allow tracking and delivery of bag to passenger when they are ready to receive it
- Universal tracking of baggage would allow a push notification to be sent to each passenger alerting them when their bag is ready for collection
- Instead of waiting around a baggage claim unit wondering when their baggage might show up, passengers will be free to patronise retail and entertainment offers, removing stress and worry.



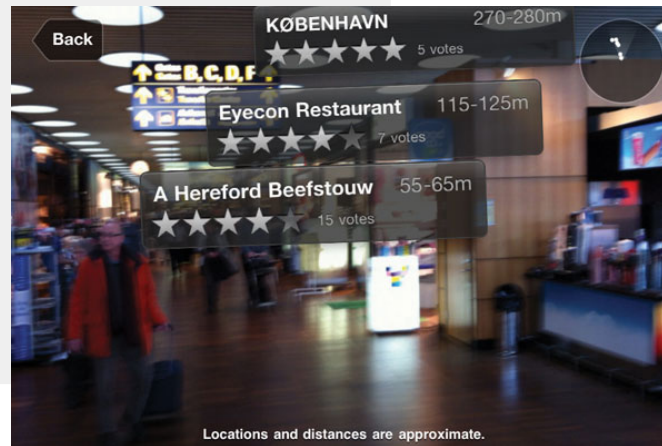
ARRIVALS EXPERIENCE

- The arrivals area of the airport should also reflect the destination itself to provide a warm welcome to the passenger and to give them a feel of the city/country they have just arrived in
- Christchurch International Airport and Seattle-Tacoma International Airport provide great examples of memorable arrivals experiences



THE SELF-SERVICE AIRPORT

- Self-service does not mean no service
- Kiosks will be removed from the airport of 2025
- Airline agents will have retracted to aircraft
- Highly trained customer service agents will roam the floor with tablets
- Use of virtual assistants, robots and off-site agents via video conference
- Instructions to passengers via messages to mobile devices
- Wayfinding via simple and technology-driven solutions
 - Colored lines to guide passengers
 - 3D mobile wayfinding
- Common use airport facilities



LOW-TECH INNOVATION, BUT JUST AS WELCOME

Case Study: Garuda Indonesia

- Not all passenger-focused initiatives involve expensive, technology-driven solutions
- Garuda Indonesia is offering a new immigration onboard processing service facility on flights between Australia and Indonesia
- At the time of check-in, passengers can pay for their visa at a dedicated service counter in local currency
- Once in-flight, the Indonesian immigration officers pass through the cabin and process passengers' visas and documentation
- This means the passenger can avoid the queues once they land at the airport

Case Study: Heathrow Airporters

- Heathrow Airport has introduced 'Airporters' who help parents get all of their family's baggage on and off car park shuttle buses
- The Airporters have been trained to help families with young children and provide advice on navigating the airport and finding child-friendly airport facilities



CHALLENGES TO VISION

- Change management – the key challenge
- Passenger focus instead of aircraft turnaround
- New mindset & co-operation
- Financial
- Standards
- Suppliers



CHANGE MANAGEMENT

Air New Zealand was an early leader in the development of an innovative self-service check-in and bag drop product

- Simplified process
- Self-service only real option offered to passengers
- Easy to follow instructions and self-tagging of bags
- 'Low-tech' bag drop
- Strong graphics
- Roving staff and minimum help desks
- Removal of queues
- Increased capacity of check-in halls



CHANGE MANAGEMENT

Case Study: Qantas Next Generation Check-In

- Qantas was a fast follower with the Next Generation Check-in product to respond to the Air New Zealand initiative

Expected benefits:

- Additional capacity to meet passenger demand but defer larger investment in infrastructure
- Improved customer experience
- Give customer control of their journey
- Provide consistent experience across domestic and regional network
- Scalable implementation based on size of airport
- Differentiated offer for premium customers
- Product differentiation to competitors



CHANGE MANAGEMENT

Case Study: Qantas – Next Generation Check-In program

Additional benefits realized:

- Reduced congestion in check-in halls
- Simplified processes
- Removal of 'pain points' for customers
- Ability to respond to market conditions – such as winning new charter business and being able to provide short-term additional capacity
- Over 15 million bags have successfully been injected using Qantas Bag Drops since November 2010
- Bag drops are extremely reliable – far exceeding expectations
- Automated baggage acceptance cut-off times enhance on-time performance
- Resource benefits moving forward
- Mindset of staff has been transformed from transactional to hosting/service-driven
- Staff now feel more valuable and are genuinely helping customers when they need it



CHANGE MANAGEMENT

Case Study: Qantas Next Generation Check-In

- Customer satisfaction ratings are the highest in over 5 years
- Customer comments regularly highlight the speed and ease of 5-second check-in with Q Card Reader and then bag drop
- Mishandled bags have halved since introduction

Change Management issues:

- Rapid pace required resources from across the whole business to resolve issues in a very quick timeframe
- Project governance structure enabled issues to be escalated and resolved rapidly
- Required keen relationship management with third parties for approvals e.g. Airport authorities, government organizations
- Thorough risk management processes
- Handled more than 100 external supply companies
- Needed to fully understand how the customers would use all of the products
- Arranged for multiple live trials of the systems to stress them and understand their full capability



Before



After

FOCUS ON PASSENGER INSTEAD OF AIRCRAFT TURNAROUND

- Focus on passenger needs and service
- Aircraft turnaround should be secondary consideration; not neglected but not prioritised at the expense of the passenger
- Historically the industry has had an engineering focus all about flying aircraft – the future is about flying customers and providing customer-orientated service
- No-one 'owns' the customer
- Passengers should be treated as guests



NEW MINDSET & CO-OPERATION

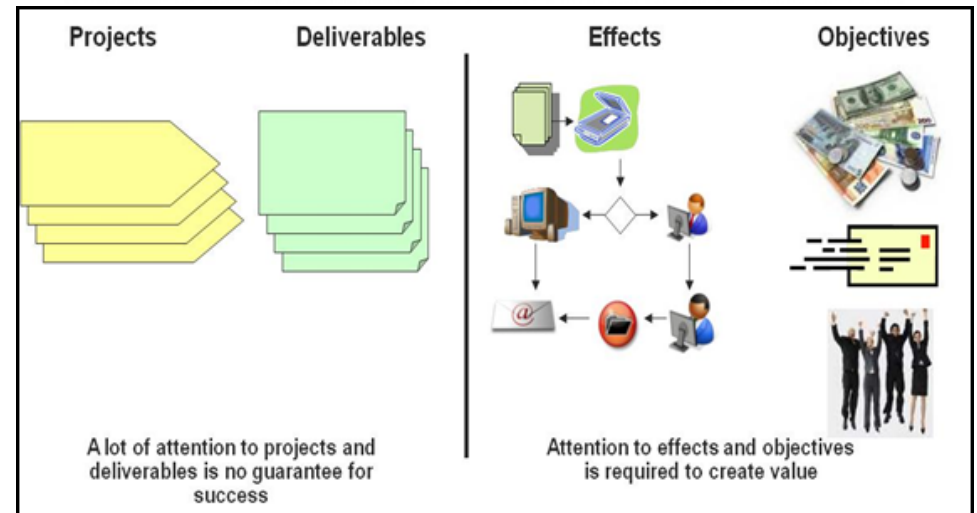
- Airlines want a consistent product for their passenger. Therefore, 'community processes' need to be developed to make systems and processes consistent across all airports. The development of community processes will mean airlines, airports and vendors will use common systems and services across all sites.
- This will directly benefit the passenger as each touchpoint will be recognizable, therefore removing the confusion and anxiety often experienced by today's passenger
- Airports are better placed to drive change, but they need to do more
- Airline collaboration is restricted by competition
- Rather than simply choosing products and systems from what is available on the market, airports should invest more in developing these systems themselves
- Design solutions to accommodate 80-90% of passenger scenarios – you will never find a solution that accommodates everyone
- Co-operation between
 - Airlines
 - Airports
 - Border agencies



- The new mindset must be more customer-focused and airports and airlines must team up
- New models could be explored where crowd funding between stakeholders is utilised to identify and fund innovative new ideas
- There could also be a role for independent moderators to work with stakeholders striving for innovation to help with overcoming hurdles relating to financing, agreeing final project positions, meeting deadlines and keeping the project continually passenger-focused
- Universities could have a role to play in this collaborative approach, as they are willing participants
- However, airports and airlines must work together to establish how to split the costs for the development and implementation of the products and systems. If 'community processes' are implemented, it still needs to allow scope for airlines to differentiate their offer

FINANCIAL

- Justifying investment in the passenger experience is often difficult as it can sometimes be almost impossible to define a return on investment
- To overcome this, incentives could be offered to first mover airlines – e.g. exclusive use of a starter application for 12 months
- Rewards for airline efficiency and performance to be reflected in airport charges
- Quantification and presentation of potential benefits to all stakeholders beforehand is crucial for success. This may involve:
 - Identification of key value drivers
 - A model that shows how initiatives contribute to cash flow generation
 - Framework linking defined solutions to logical benefit areas
 - Validate the benefit areas with key stakeholders to create commitment and buy-in



STANDARDS

- We have great respect for the efforts of travel industry associations, but naturally they serve the interests of both their members and the passengers, whereas we are only concerned for the passenger. It is with that thinking we make the following recommendations:
 - The airport community could do more to help drive standards for passenger benefit – e.g. sharing of data and passenger information, sharing responsibility for undertaking certain processing, adopting a common customer-focused approach and attitude
 - The concept of a single ‘token’ being used throughout the airport process should be central to future standards
 - Association working groups should be given absolute deadlines to come up with recommended practices or proposals on utilizing new technologies or processes to avoid discussions dragging on too long, and opportunities being missed
 - While IATA and ACI currently do a great job in representing the airlines and airports, there would be more success in achieving new passenger-focused standards if they worked closer together on both agreeing, and then lobbying these joint positions



SUPPLIERS

- Technology to be tailored to solution, rather than vice-versa
- Performance specifications to be prepared for technology solutions taking account of passenger needs, universal standards and location-specific criteria
- Must ensure that suppliers deliver customer-focused innovation and solutions
- Suppliers should not be driving standards; it should be driven by the airports and airlines. For instance, the problem with common use is that it is not based on common specifications



CONCLUSIONS

2025 Passenger experience:

- The entire airport experience will be a walk-through process
- Check-in as we know it will have vanished – every airline will have an automatic check-in process
- Every passenger will arrive at the airport with their permanent bag tag attached to their baggage, or their baggage already check-in at an offsite location
- Passenger interaction with virtual assistants, robots and off-site agents via video link will be commonplace
- Strategy will evolve around mobile and positive identification
- Every customer will have a permanent, interactive identification token that will be used to positively identify them at every checkpoint
- No queues

How do we get there?

- Passengers should be treated as guests
- All stakeholders must accept that nobody ‘owns’ the passengers; they are all customers with individual needs
- ‘Community processes’ need to be developed to make systems and processes consistent across all airports for passengers
- A key issue to innovation is Revenue Performance vs Passenger Experience. The mindset has to change and airports/airlines must show a willingness to try new models and products. This could be helped by crowd funding or bringing in third-party facilitators who could act as an independent mediator between stakeholders from the start to finish of passenger-focused innovation efforts
- A new approach from suppliers to ensure their solutions are more passenger-centric
- IATA, ACI and other industry bodies should explore options to take more of a leadership role in quickly establishing and implementing standards together, and then lobbying them collectively which would be more effective

FINAL THOUGHT....

If travel industry stakeholders do not embrace change and innovation to redefine the passenger experience, the likes of Apple or Google will do it instead.

Is that what the industry wants?

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REDEFINING THE END-TO-END PASSENGER EXPERIENCE

CHECK-IN ► BAGGAGE ► SECURITY ► IMMIGRATION ► BOARDING ► ONBOARD ► ARRIVALS

CONNECTING AIRLINES, AIRPORTS AND VENDORS