Investment on IT support improves passenger experience

Airlines and airports spent a record US$50bn in 2018 on IT to support improvements to the passenger journey and are now beginning to enjoy the benefit of that investment. Figures published by SITA for the first time show that this investment has resulted in a significant improvement in both the satisfaction levels for passengers and average processing time.

Matthys Serfontein, SITA President, Air Travel Solutions

The SITA 2019 Air Transport IT Insights show that 60% of airline CIOs recorded up to a 20% year-on-year improvement in passenger satisfaction. During the same period, 45% of them recorded up to 20% improvement in the rate of passengers processed.

These strong returns on investment in technology were also seen at airports where 63% of CIOs reported a year-on-year improvement of up to 20% in passenger satisfaction levels while 44% recorded quicker passenger processing times. Both airlines and airports also recorded an improvement in their business performance.

Matthys Serfontein, SITA President, Air Travel Solutions, said "The good news is that the growing investment in automating the passenger journey means the industry is providing a faster, more pleasant airport experience. This is a real success story for automating the passenger journey, particularly at a time when we expect passenger numbers to double over the next 20 years, with physical airport infrastructure struggling to keep pace. Technology is key to alleviating the industry's capacity crunch and avoiding negative impacts on passengers."

This year's report shows that the industry continues to increase its IT spend, reaching $50bn in 2018. This was driven in part by a sharp increase in airline IT spend after several years of virtually flat growth. Total IT spend for airlines as a percentage of revenue rose to 4.84% while airport IT spend grew to 6.06% of revenue in 2018. Projections for 2019 show investments will continue to grow.

Serfontein added, "The increase in airline spend over the past year was driven by the larger airlines which continue to invest to speed up the pace of digital transformation. Investments in business intelligence and cloud services have emerged as priorities."

From an operational point of view, airlines and airports are increasingly investing in intelligence to provide real-time and historic views of their operations, allowing them to proactively manage everything from baggage and passenger flows to aircraft turnaround and the allocation of key assets, such as parking stands and gates.

Serfontein concluded, "Overall, we can see that the industry is focused on improvements to its operations to make it more efficient and facilitate better collaboration with partners and other stakeholders in what is a highly integrated industry. This, in turn, is having a profoundly positive impact on the service they are able to provide to passengers."

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