



Introduction

- Airlines face difficulties in competition.
 - Finding new ways to successfully compete is essential.
 - Organisational improvements focused on reducing costs.
 - Some Airlines focused in service innovation and increasing revenues (e.g. Singapore Airlines, Emirates, etc.).
 - Well-being was identified as a factor to increase customer value. It is a concept within consumer behavior.
- The question is, if well-being can be used as a factor with respect to airline ticket purchasing.

Content

- Goal
- Literature
- Research approach
- Analysis
- Conclusions

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Goal

- To understand the concept of well-being in general and with respect to airline ticket purchasing.
- To know the factors which contribute to well-being.
- To understand the impact of well-being on airline ticket purchasing.

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Literature: Decision theory

- Rational vs. Heuristics.
- Rationality assumes complete information.
- Human brain's limited capacity with respect to deal with complete information – simplifying heuristics are used.
- «good enough» rather than «the best» solution is aimed at.
- With respect to heuristic decision making, emotions influence the decision.
- Airline ticket purchase is complex and emotional.

Literature: Well-being

- State of happiness, satisfaction and quality of life
- Hedonic and eudemonic view on well-being

Hedonic:

- Personal well-being lies in the individual utility (experienced happiness and pleasure)
- Individuals try to maximize it.
- Subjective well-being

Eudemonic:

- Well-being is not only pure happiness experience, but excellence, virtue and self-realisation.
- Combination of subjective and objective criteria.
- Reaching one's true potential and goals

Well-being factors in travelling and transportation in general

- Instrumental factors
 - Travel time, travel costs, travel frequency
 - Hedonic
- Non instrumental factors
 - Cleanliness, privacy, safety, convenience, stress, social interaction, scenery, reliability, crowding, enjoyment, comfort
 - Hedonic
- Travel as facilitator
 - Flexibility, autonomy, mobility, sense of movement, activities
 - Hedonic and eudemonic

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Well-being factors for airline ticket decisions

Factor	Relevance	Well-being	Modifications
Crowding	Queues at check-in, security check, boarding, Charge factor of the airplane	Hedonic	Express check-in, security check and boarding; Reduce airplane charge factor; Improve subjective feeling of crowding through seat design (2 seat row instead of 3 seat row)
Predictability & Complexity	Delays, flight cancellation, airport navigation, complex trip to airport, trip length	Hedonic	Improve ease of access to and on the airport; Provide live information; Communication when delays and cancellations
Comfort & cleanliness	Airplane comfort: seats, interior, temperature etc.	Hedonic	Enhance ventilation, warm temperature and warm lightning within flight, offer noise protection headphones, seat configuration and seat quality
Facilitate activities	Long and complicated transfer to airport, uncomfortable gate and airport atmosphere, airplane design	Hedonic and eudaimonic	Enhance passengers' "me-time" to conduct vital activities, such as resting, enjoying, working; Airport atmosphere at gate, airplane design, such as seats, tables
Flexibility & Freedom	Strict fare policies, costly flight replacement, unexpected delays, missing flights	Hedonic and eudaimonic	Absolute ticket flexibility for any uncertainty, automatic rebooking if flight missed
Potential travel / unlimited flying	No ability to fly whenever you want, no unlimited flying	Hedonic and eudaimonic	Unlimited flying options for passengers
Joy of movement and sensation	One can value the high speed movement or seeking to enjoy environmental scenery	Hedonic and eudaimonic	Offer wide window options, Enhance the trip with information about the environment, point of interests; Foster an art or culture of flying

Research Approach

1. Qualitative approach to identify well-being factors
 - Workshop with 5 participants of different life situations, air travel experience, age, etc.
2. Short online survey to select most important well-being factors
 - 4 well-being attributes were included: positive social environment, being myself, relaxation, freedom
3. Choice experiment
 - N=263 respondents

Analysis: Attributes and levels

Levels	Positive social environment	Being myself	Relaxation	Freedom
	Seat selection	Information availability	Seat comfort	Ticket flexibility
Level 1	No free seat selection = A1 (basis)	Basic trip information via E-Mail = B1 (basis)	Standard economy seats = C1 (basis)	No ticket changes and refund = D1 (basis)
Level 2	Free seat selection = A2	Standard Airline-App = B2	Standard economy Plus seats (20% more legroom) = C2	Limited ticket changes = D2
Level 3	Seat selection due to passengers' activities (Social seating) = A3	Live travel navigation-App + support function = B3	Comfort seats (+ with 20% legroom, 20% more seating size and ergonomic design) = C3	Unlimited ticket changes and refund = D3

Attributes and levels linked to reality

ZRH MIA
11:55 → 14:10
Reisedauer: 2h 15m
LX 2296, Durchgeführt von SWISS

Economy Ausgewählt ✓ Business ab CHF 221
Noch 6 Sitze zu diesem Preis

Light

- Snack & Getränke
- 1 x Handgepäck
- 500 Meilen

Light CHF 142

Classic

- Snack & Getränke
- 1 x Handgepäck
- 1 x Gepäckstück
- Sitzplatzreservierung
- 500 Meilen
- Umbuchen gegen Gebühr (Preisdifferenz möglich)

Classic CHF 167

Flex

- Snack & Getränke
- 1 x Handgepäck
- 1 x Gepäckstück
- Sitzplatzreservierung
- Bevorzugte Sitzplatzzone
- 500 Meilen + 50%
- Umbuchen ohne Gebühr (Preisdifferenz möglich)
- Stornieren (gegen Gebühr)

Flex CHF 247

Zurück Gesamtpreis pro Erwachsener CHF 167 Rückflug wählen

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Source: swiss.com

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Analysis: Impact of attributes (variance decomposition)

Excluded attributes	-2log-Likelihood	Difference	% sum of difference	Accumulate difference (%)	Ranking
None	5.942,326	0	0	0	
Seat Comfort	6.223,478	281,152	45,1	45,1	1
Seat selection	6.124,265	181,939	29,2	74,3	2
Ticket flexibility	6.099,831	157,505	25,3	99,6	3
Information availability	5.944,707	2,381	0,4	100,0	4

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Analysis: Relative importance (sensitivity)

Attribute	Minimum	Maximum	Range (diff. beta within attribute)	Relative importance (sensitivity)
Seat Comfort	1,264	0,690	0,574	0,54
Seat selection	0,715	1,005	0,290	0,27
Ticket flexibility	0,898	0,731	0,167	0,16
Information availability	-0,119	-0,084	0,035	0,03
		SUM	1,066	1

Conclusions

- Well-being is a multidimensional construct between hedonic and eudemonic aspects.
- It is defined as: good, positive and pleasant feelings and a general feeling of happiness.
- Travelling is affected by hedonic well-being options such as comfort, relaxation or joy.
- Factors of well-being with respect to airline ticketing are seat comfort, seat selection, ticket flexibility and information availability
- Especially comfort seats with more legroom and more seating size are most important.
- Premium Economy Class makes sense and is a factor in airline selection and willingness to pay.

Ideas for further research

- Stress data
 - To collect stress data of travelers with puls watches

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Thank you for your attention!

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