



## Airline Quality Rating



For Immediate Release

April 6, 2009

### **Airline performance improves for first time in five years, according to Airline Quality Rating**

*Despite best ratings since 2004, researchers say industry at crossroads*

WASHINGTON D.C. — There's some good news for airline passengers today. The performance of the nation's leading carriers improved for the first time in five years, according to the 19th annual national Airline Quality Rating ( <http://aqr.aero> ).

Released today (Monday, April 6) during a news conference at the National Press Club, the rankings find all 17 airlines included in the study improving their performance in 2008, after an overall worst-ever industry score in 2007.

And in a rare occurrence, the industry improved in all four major elements of the AQR: on-time performance, baggage handling, denied boardings and customer complaints.

The Airline Quality Rating is a joint research project funded as part of faculty research activities at Saint Louis University and Wichita State University.

Although the airlines made a concerted effort to improve last year, there's another factor behind the enhanced ratings that should cause passengers to take the good news with a grain of salt.

"We know the system performs better when it's less stressed by high passenger volume," said Dean Headley, associate professor of marketing at the W. Frank Barton School of Business at Wichita State University. "The economy scared away both business and leisure travelers in 2008."

The challenge, researchers add, is whether the airlines will continue to improve performance as the economy gets back on its feet and more people start flying again.

"We saw this happen after 9/11, so the ratings didn't come as a real surprise," said Brent Bowen, chairman of the aviation science department at the Parks College of Engineering, Aviation and Technology at Saint Louis University. "It's clear from the rankings that now is the time to invest in new infrastructure and upgrade technology. Now is the time to innovate."

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In related news, researchers found that the airline industry's return profitability in 2006 and 2007 became short-lived when the price of oil skyrocketed to \$147 a barrel last year.

"While plunging oil prices was welcome news for airlines, it was the result of the economic downturn," Bowen said. "As a result, airlines are faced with declining demand and an extraordinarily weak revenue environment. It remains to be seen if the airlines can benefit from lower oil prices alongside a severe drop in passenger revenue this year."

**An electronic version of the full report, with details on each airline, is available at <http://aqr.aero>.**

### **Inside This Year's Rating:**

Below is a numerical ranking of the nation's leading 17 airlines, according to the Airline Quality Rating:

1. Hawaiian
2. AirTran
3. Jet Blue
4. Northwest
5. Alaska
6. Southwest
7. Frontier
8. Continental
9. American
10. US Airways
11. United
12. Delta
13. SkyWest
14. Mesa
15. Comair
16. American Eagle
17. Atlantic Southeast

Of the 15 elements researchers use to judge service quality, the area that improved the most was baggage handling, which went up by 25 percent.

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"Baggage handling probably needed to improve given the fact that people are now paying for it," Headley said. "The airlines would have had a real problem had they lost the same number of bags and charged people for the privilege. It would have been a disaster and likely would have resulted in an increase in customer complaints."

The airlines made a concerted effort to improve baggage handling as all 17 airlines improved in that category. AirTran had the best baggage handling rate, only 2.87 mishandled bags per 1,000 passengers. American Eagle had the worst baggage handling rate of 9.89 per 1,000 passengers. The industry average was 5.19 mishandled bags per 1,000 passengers.

Hawaiian had the best on-time performance in 2008 at 90 percent, while American Airlines had the worst on-time performance with 69.8 percent. The industry average was 76 percent.

Jet Blue had the lowest involuntary denied boarding rate at .01 per 10,000 passengers. Atlantic Southeast had the highest denied boarding rate at 3.89 per 10,000 passengers. The industry average was 1.10 denied boardings per 10,000 passengers.

Southwest Airlines continued to have the lowest consumer complaint rate, .25 per 100,000 passengers. US Airways had the highest consumer complaint rate of 2.01 per 100,000 passengers. The industry average was 1.15 complaints per 100,000 passengers.

Fifty-eight percent of all complaints to the Department of Transportation were for flight problems or baggage issues.

US Airways was the most improved airline last year; United made the least gains.

### **More about Airline Quality Rating:**

The nation's most comprehensive study of airline performance and quality, the Airline Quality Rating ( <http://aqr.aero> ), sets the industry standard, providing consumers and industry watchers a means to compare quality among airlines using objective performance-based data. No other study in the country is based on performance measures like the AQR. Criteria included in the report are screened to meet two basic elements: They must be readily obtainable from published data sources for each airline, and they must be important to consumers regarding airline quality. The resulting criteria include areas such as baggage handling, customer complaints, denied boardings and on-time arrivals.

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**Media Notes:**

Media unable to attend the news conference in Washington, D.C., may receive a copy of the AQR news release on the day of the news conference (April 6) by contacting either of the following:

Clayton Berry, Saint Louis University, (314) 977-7117 or (314) 460-4200 (pager), or berrycl@slu.edu.

Joe Kleinsasser, Wichita State University, (316) 204-8266 (cell), or Lainie Rusco, Wichita State University, by phone: (316) 978-3409 or lainie.rusco@wichita.edu.

An electronic version of the full report will be available after 9:30 a.m. (EDT) Monday, April 6, at <http://aqr.aero>. Click on the "press release" tab to access the ratings directly.

Taped comments by Dean Headley will be available via the WSU Radio Newline at <http://www.wichita.edu/newsline> beginning at 9:30 a.m. (EDT) Monday, April 6.

Both Headley and Bowen will be available for interviews after Monday's news conference. To reach Headley, call the Willard Hotel in Washington, D.C., at (202) 628-9100 and ask for the room of Dean Headley. To reach Bowen, call (402) 516-8756.

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