

**J.D. Power Reports:
Airlines: A Transportation or Hospitality Business?**

Alaska Airlines and JetBlue Airways Continue to Rank Highest in Their Respective Segments

WESTLAKE VILLAGE, Calif.: 13 May 2015 — The airline industry is evolving from merely providing transportation to being a hospitality and services business, and the carriers most focused on providing a pleasant experience are being rewarded with higher customer satisfaction and loyalty, according to the J.D. Power 2015 North America Airline Satisfaction StudySM released today.

The study measures passenger satisfaction with North America airline carriers based on performance in seven factors (in order of importance): cost and fees; in-flight services; boarding/deplaning/baggage; flight crew; aircraft; check-in; and reservation.

There are a myriad of reasons why passengers choose an airline. The study finds that when passengers make the decision to fly an airline based on the services or experience the airline provides rather than price or convenient routes and scheduling, satisfaction is higher and passengers are substantially more likely to return to the airline brand and to recommend it to others.

Overall satisfaction among passengers who select an airline because of its reputation or customer service averages 812 (on a 1,000-point scale). Among those who selected the airline because of its reputation, 54 percent indicate they “definitely will” fly with that airline again and 65 percent indicate they “definitely will” recommend the airline to family and friends. Among those who selected the airline because of its customer service, 54 percent indicate they “definitely will” fly with that airline again and 66 percent indicate they “definitely will” recommend the airline to family and friends.

In contrast, satisfaction among passengers who select an airline based on lower price averages 732, and only 29 percent of those passengers indicate they “definitely will” fly with that airline again, yet 37 percent “definitely will” will recommend it to others.

“Many airlines realize that they are not in a commodity business and that hospitality and service go a long way in differentiating them from the other airlines,” said **Rick Garlick, global travel and hospitality practice lead at J.D. Power**. “Hospitality and service impact loyalty and return on investment with a high percentage of loyal passengers who are better advocates for the airline.”

That financial investment in hospitality can be in amenities, such as food and beverages, in-flight entertainment or Wi-Fi, or in people and process, such as a friendly crew or announcements at the gate or on the plane to keep passengers informed. Airlines need both to enhance the travel experience for its passengers and build a positive reputation.

Garlick noted that airlines with a solid reputation tend to have passengers who are more forgiving of operational performance. “When the airline provides good service, passengers are generally less critical when there is a departure delay or a late arrival,” said Garlick.

KEY FINDINGS

- Overall passenger satisfaction with major North America airlines increases to 717 in 2015, up from 712 in 2014. The most notable drivers of the overall increase are satisfaction with flight crew (+9 points), in-flight services (+6) and costs and fees (+4).
- Overall passenger satisfaction with traditional carriers improves to 691 in 2015 from 683 in 2014, while overall satisfaction with low-cost carriers is 766 in 2015, up from 763 in 2014.
- Among generational groups,¹ satisfaction is highest among Gen Y (727) and Pre-Boomer (725) passengers. Satisfaction is lowest among Boomer (714) and Gen X (719) passengers.
- Among the two-thirds of passengers who check baggage for their flight, 52 percent indicate they had to wait 15 minutes or longer to receive their baggage, among whom satisfaction is 711, compared with 751 among those who experience a shorter wait time.
- Satisfaction among passengers who pay for checked baggage has improved steadily during the past five years to 700 in 2015 from 637 in 2011.
- Overall satisfaction among passengers who hold status in an airline loyalty/rewards program is 737, compared with 724 among those with a general airline loyalty/rewards program membership and 696 among passengers with no membership at all.

Study Rankings

Traditional Carrier Rankings

Alaska Airlines ranks highest in the traditional carrier segment for an eighth consecutive year, with an index score of 719. Alaska Airlines performs particularly well in all seven factors of the study. **Delta Air Lines** ranks second (709), improving in all seven factors, and **American Airlines** ranks third (700).

Low-Cost Carrier Rankings

JetBlue Airways ranks highest in the low-cost carrier segment for a 10th consecutive year, with a score of 801. This also marks the 11th consecutive year JetBlue has ranked highest in the study.² JetBlue improves in all seven factors year over year, most notably in reservation (+29) and boarding/deplaning/baggage (+22). **Southwest Airlines** ranks second (781), improving in the boarding/deplaning/baggage, check-in, flight crew and in-flight services factors.

The 2015 North America Airline Satisfaction Study measures passenger satisfaction among both business and leisure passengers of major carriers in North America. The study is based on responses from 11,354 passengers who flew on a major North American airline between March 2014 and March 2015. The study was fielded between April 2014 and March 2015.

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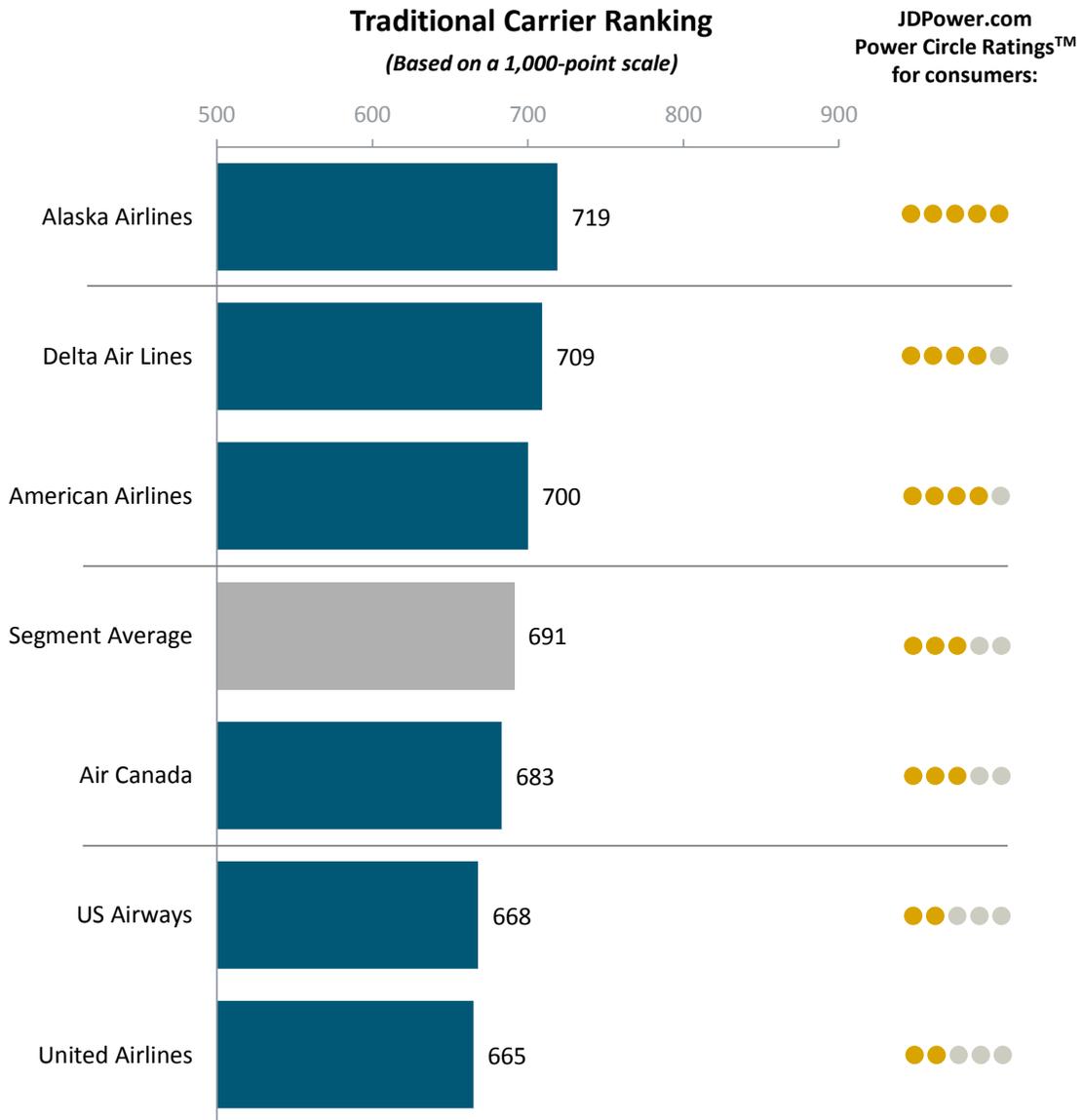
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Note: Two charts follow.

¹ J.D. Power defines generational groups as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); and Gen Y (1977-1994).

² JetBlue ranked highest in the 2005 study, when all carriers were included in one segment.

J.D. Power 2015 North America Airline Satisfaction StudySM



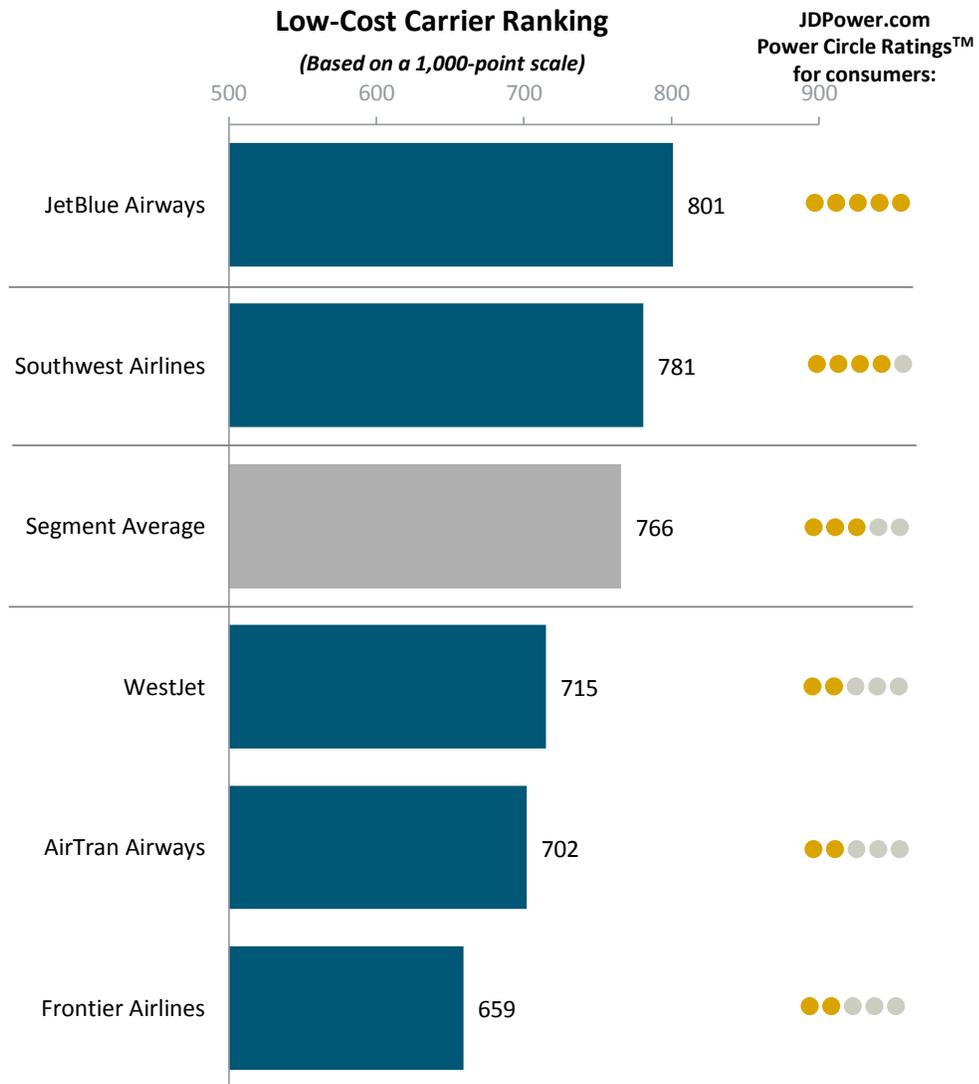
Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2015 North America Airline Satisfaction StudySM

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