Integrated Travel System
A Fresh Look at the Door to Door Travel Experience
A Growing Problem

*Increasing Demand and Constrained Airports*

- Global passenger traffic rose 6.5% in 2015 \(^1\), according to an IATA study
- PricewaterhouseCoopers (PwC) estimates air travel demand will likely double by 2035 \(^2\)
  - Over two-thirds of the airline CEOs surveyed in the study are concerned that the current infrastructure cannot handle expected growth
Meeting future demand may be financially challenging
- Developing airport infrastructure to meet dynamic markets requires significant financial and human capital

Airports may be challenged by physical constraints
- Runway Safety Areas, Obstruction Clearance Standards, Compatible Land Uses, Airport Zoning Historical Practices

These challenges may be disruptive to the National Airspace System and Local Economies
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An Innovative Solution

- Problem - Currently, travel industry segments such as airports, airlines, and hotels, conduct business largely independent of each other
- Our Solution - Create an Integrated Travel System to streamline the travel experience and enhance overall system efficiency
  - Streamlining the aviation travel industry would create a more efficient flow of passengers and baggage while enhancing the overall passenger experience
  - An Integrated Travel System would benefit all aviation industry stakeholders
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*How it Works*

- **Centralized Intelligence Sharing**
  - A fundamental aspect of an integrated process is the centralized sharing of information (i.e., passenger and itinerary data) between the various travel industry segments.

- **Flow of passenger and baggage**
  - Shared information could increase efficiencies for movement of passenger and baggage.
  - Reduces strain on airport infrastructure.
    - For example, baggage could be ticketed and transferred beyond the airport to a final destination such as a hotel, office, or home.
  - Passenger movement could be better planned when data is aggregated.
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*Stakeholder Benefits*

- **Airports**
  - More efficient movement of passengers and baggage would decrease the facility requirements to meet demand
  - More cost-effective solution compared to airport development
  - Reducing the need to expand would allow for the reallocation of funds to other projects

- **Passengers**
  - Experience a more streamlined travel experience with an enhanced level of service (i.e., travel itineraries can be personalized to the individual)

- **Airlines**
  - Extend passenger interface while expanding branding opportunities
  - Provide customers with a more customized travel experience

- **Hotels**
  - Provide customers with a higher level of customer service while expanding branding opportunities
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Airport Benefits

- Airports benefit by meeting future aviation demand with existing infrastructure or requiring less future expansion
- Knowledge sharing would allow for increased efficiencies of passenger and baggage
  - Allows for baggage to be transferred to the final destination reducing the demand on baggage claim
  - Baggage could be checked at a hotel or a centralized receiving area within a city reducing the demand on checked baggage functions
  - Integrate with Common Use Passenger Processing Systems for increased flexibility and efficient infrastructure use
  - Ground transportation transfers could be better coordinated reducing curbside demand
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Passenger Benefits

- More than 50% of travelers want a single, integrated application for planning, booking, and ticketing all forms of travel according to a Priceline study.
- Passengers would experience a more streamlined travel experience and flow:
  - Integrating travel segments would allow the experience and customer service to be enhanced by sharing information such as loyalty status, baggage destination, delay information, and complete travel itinerary.
  - All travel segments could better react to changes in itinerary due to issues such as flight delays, weather or changes in itinerary.
  - Baggage flowing directly to a final destination would eliminate the need to wait at baggage claim.
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**Airline Benefits**

- Reduction in need for airport development
  - Expansion of airport infrastructure could be costly and difficult for airlines

- Knowledge sharing would extend the passenger interface beyond the aircraft and airport
  - Passenger experiences could be customized based on itinerary, loyalty status, and flight information
    - For example - coordinating hotel upgrades for a high value customer

- Flight delay or cancellation information could be relayed during irregular operations particularly if additional overnight stays are required
  - This would decrease passengers at the airport for these events and reduce airport staff workload
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Hotel Benefits

- Hotels would be able to better manage guests arriving and departing using various modes of transportation.
- Similar to airlines, brand loyalty can be extended by providing a more customized travel experience depending on the customer.
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Existing Systems / Case Study

- Certain airlines have systems in place to expedite luggage to their final destination for an additional fee
- Disney Magical Express manages passengers and baggage flow to and from MCO for guests of Walt Disney World
  - Checked baggage is transferred directly to the Disney Resort and passengers are bused to their destination
  - Outbound passengers check baggage at their Resort
  - MCO is able to process 1 million more passengers a year with existing infrastructure due to Disney Magical Express, according to the airport
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Feasibility Assessment

- A clear need exists
  - Airports cannot sustainably build enough capacity to accommodate future demand
  - The aviation industry needs an alternative and complementary solution to airport development

- Many systems are already in-place
  - Certain large scale delivery companies already offer quick delivery of services and goods in densely populated cities
  - Application of similar distribution systems could be utilized to manage baggage flow

- The benefits are clear
  - All travel segments and stakeholders benefit
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Keys to Successful Implementation

○ Public Private Partnership for Success
  • Initiative should be championed by airport and airline trade organizations to encourage private sector mobilization
  • The Integrated Travel System venture is most suited for a private third-party vendor

○ Distributed Cost Structure
  • Start-up costs supported by vendor and stakeholders (e.g., airlines and airports)
  • Operational costs funded through user fees and stakeholder participation charges
  • As many stakeholders would benefit from the system, cost could be shared among travel segments and reduce or eliminate cost to the passengers

○ Maximize Efficiencies and Economies of Scale
  • Stakeholder partners would need to opt into the Integrated Travel System in order to allow for maximum efficiencies and economies of scale
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References
