



**FOR MORE INFORMATION**  
Chaat Butsunturn, 415-391-7900 x1214  
[cbutsunturn@kearnswest.com](mailto:cbutsunturn@kearnswest.com)  
OR Amanda Roberts, 202-535-7800 x1114  
[aroberts@kearnswest.com](mailto:aroberts@kearnswest.com)

## **ACSI: Better In-Flight Experience Increases Passenger Satisfaction**

*Hotels Leave Room for Improvement; Internet Travel Companies Outdo Airlines, Hotels*

**ANN ARBOR, Mich.**, (April 26, 2016) – Record profits driven by lower fuel costs are allowing airlines to invest in the in-flight experience, resulting in higher passenger satisfaction according to the [American Customer Satisfaction Index's \(ACSI\) Travel Report 2016](#). Airline satisfaction is up 4.3 percent to 72 on the ACSI's 100-point scale, matching the all-time high set in 1994.

“Airlines have always been one of the lowest-scoring industries in the ACSI because the in-flight experience was miserable,” says Claes Fornell, ACSI founder and Chairman. “Historically, people were generally happy before they got on the plane. Now, that is changing. New planes, more options for in-flight entertainment, and the return of free snacks have resulted in higher passenger satisfaction.”

Ticket prices have fallen, and ACSI data show passengers are perceiving a better value for their money. On-time arrivals also have increased and cancellations have decreased. Despite the improvements, airlines remain among the lowest-scoring industries in the ACSI and at the bottom of the travel segment behind hotels, down 1.3 percent to 74, and Internet travel services, up 1.3 percent to 79.

### **Better In-Flight Passenger Experience**

JetBlue Airways and Southwest Airlines remain at the top of the industry. Both score 80, as JetBlue slips 1 percent and Southwest gains 3 percent. Alaska Airlines increases 3 percent to 77 to take second place.

Big jumps in customer satisfaction for American Airlines and United Airlines help push the industry average higher. American, after its merger last year with US Airways, leaps 9 percent to match the average of 72. This is notable because customer satisfaction tends to erode after a merger when combined operations can deteriorate the customer experience as procedures change. A 13-percent surge to 68 represents United's largest year-over-year improvement. Both American and United recently reinstated free snacks in economy class and are increasing access to in-flight entertainment options via branded mobile apps and Wi-Fi.

Frontier Airlines gets a 14-percent boost to 66, and Spirit Airlines is the biggest mover, improving 15 percent to 62. Nevertheless, Spirit remains the anchor in the industry.

“Price continues to be a primary driver for choosing an airline for the leisure traveler,” says ACSI Managing Director David VanAmburg. “Ultra-low-cost carriers have the biggest jumps in passenger satisfaction this year as perceived value increases, but they still remain at the bottom of the Index. Their

business model can disappoint new customers who are surprised by charges for everything from bags to snacks to seat reservations.”

Business travelers (76) report much higher satisfaction with their airline experience than leisure travelers (72). Business travelers are more satisfied with complaint handling and are less impacted by fees, which are often covered by their companies.

### **Hotels Leave Room for Improvement**

Due to a fall among smaller hotel chains (-4% to 72), guest satisfaction for hotels overall drops 1.3 percent to 74.

Of the top three hotel chains in the ACSI, Hilton is first after moving up 1 percent to 81. Marriott is steady at 80 and Hyatt falls 1 percent to 79. Starwood, which will merge with Marriott, climbs 3 percent to 78.

“Historically, Starwood’s customer satisfaction performance has been uneven, and the chain typically doesn’t do as well as its upscale counterparts,” says VanAmburg. “While the impending merger could give the combined entity more leverage against competitors, the path to consolidating operations may not be smooth and Starwood could pose a drag on Marriott’s strong guest satisfaction.”

Among midscale and economy hotels, Best Western is up 1 percent to 75, tied with La Quinta, which is down 1 percent. G6 Hospitality, with its flagship Motel 6 brand, gains 3 percent to 65, but remains the lowest-scoring chain.

### **Online Travel Companies Compete with Hotels and Airlines**

Customer satisfaction with Internet travel services is up 1.3 percent to 79, which is the highest score the industry has achieved and places it at the top of the travel segment. Priceline is the highest-scoring company, up 8 percent to 81. Under the Expedia umbrella, Travelocity’s score is up 4 percent to 78, while Orbitz climbs 3 percent to 77, tying Expedia’s namesake brand.

“The lack of differentiation among Internet travel companies means the real competition is with the websites of hotels and airlines,” says Fornell. “Consumers like the convenience of one-stop shopping for their travel needs, but online booking sites reduce revenue for airlines and hotels by charging them commission. Airlines and hotels have tried to lessen the appeal of Internet travel sites by eliminating loyalty perks for those who book through a third party and by providing a better online experience on their own sites.”

Hotels rank higher in website satisfaction (82) than Internet travel sites and airlines (79). However, Internet travel loyalty programs (76) sweep past those of airlines (73) or hotels (71), issuing a strong challenge at a time when airlines and hotels are looking to boost direct booking.

*ACSI Travel Report 2016* is based on 6,913 interviews conducted in March 2016 and is available at <http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2016/acsi-travel-report-2016>.

Follow the ACSI on Twitter at @theACSI and Like us on Facebook.

# ACSI 2016 INDUSTRY RESULTS FOR TRAVEL



Business travelers more satisfied



Business fliers 76

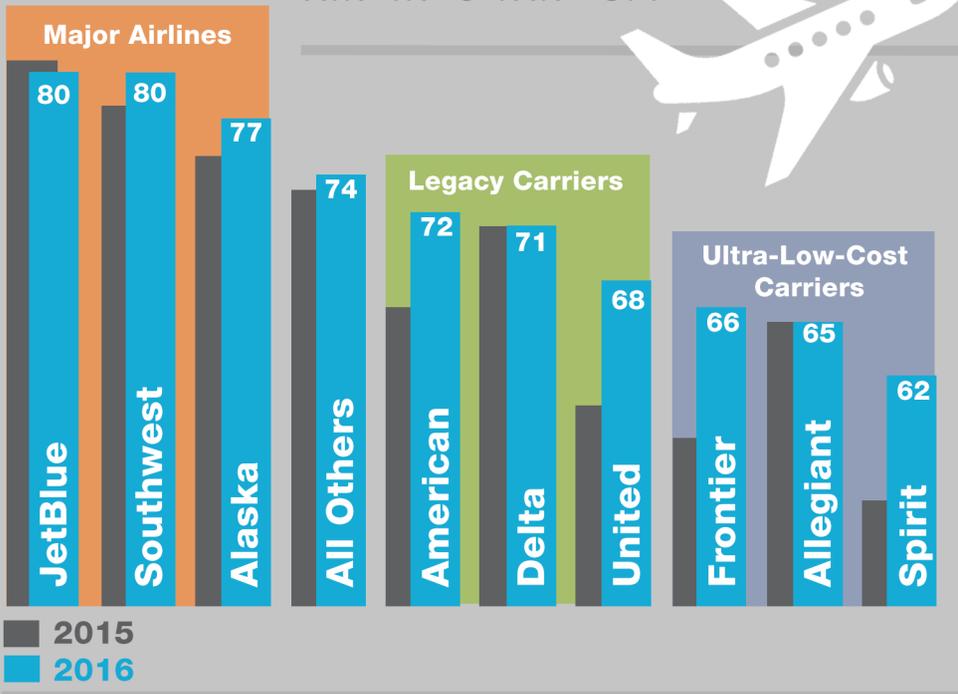
Leisure fliers 72



Business guests 76

Leisure guests 75

## AIRLINES TAKE OFF



Loyalty programs: Internet travel debuts ahead; less love for airline and hotel programs.

Internet travel services 76\*

Airlines 73 ▼ -1%

Hotels 71 ▼ -10%

\* first measured in 2016

## Top hotel brands for each category type



## Hotel websites outperform Internet travel services and airline sites



*No advertising or other promotional use can be made of the data and information in this release without the express prior written consent of ACSI LLC.*

---

**About ACSI**

The [American Customer Satisfaction Index \(ACSI\)](#) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. The ACSI uses data from interviews with roughly 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 300 companies in 43 industries and 10 economic sectors, including various services of federal and local government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to a number of essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

*ACSI and its logo are Registered Marks of the University of Michigan, licensed worldwide exclusively to American Customer Satisfaction Index LLC with the right to sublicense.*

###