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.
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.
**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

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

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### Analysis: Attributes and levels

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

Source: swiss.com

Analysis: Impact of attributes (variance decomposition)

<table>
<thead>
<tr>
<th>Excluded attributes</th>
<th>-2log-Likelihood</th>
<th>Difference</th>
<th>% sum of difference</th>
<th>Accumulate difference (%)</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>5.942,326</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Seat Comfort</td>
<td>6.223,478</td>
<td>281,152</td>
<td>45,1</td>
<td>45,1</td>
<td>1</td>
</tr>
<tr>
<td>Seat selection</td>
<td>6.124,265</td>
<td>181,939</td>
<td>29,2</td>
<td>74,3</td>
<td>2</td>
</tr>
<tr>
<td>Ticket flexibility</td>
<td>6.099,831</td>
<td>157,505</td>
<td>25,3</td>
<td>99,6</td>
<td>3</td>
</tr>
<tr>
<td>Information availability</td>
<td>5.944,707</td>
<td>2,381</td>
<td>0,4</td>
<td>100,0</td>
<td>4</td>
</tr>
</tbody>
</table>
**Analysis: Relative importance (sensitivity)**

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

**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

Thank you for your attention!

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