

Airline Quality Rating



WICHITA STATE UNIVERSITY

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Airline Performance Declines; Hawaiian Airlines Takes Top Spot

Washington, D.C. – Hawaiian Airlines has taken the top spot in the 17th annual national Airline Quality Ratings (AQR) study. This is the first year for Hawaiian Airlines to be included in the ratings. Jet Blue, which had been ranked first for the past three years, slipped to second.

The study, ranking the largest U.S. airlines, was announced today, April 2, at a news conference in Washington, D.C. An electronic version of the full report will be available after 9:30 a.m. (EDT) today at the following address: <http://aqr.aero>.

Following Hawaiian and Jet Blue in the top five of the AQR were AirTran, Frontier and Northwest.

The AQR is a summary of month-by-month quality ratings for the largest domestic U.S. airlines operating during 2006. Co-researchers Brent Bowen, director and professor at the University of Nebraska at Omaha (UNO) Aviation Institute/School of Public Administration, and Dean Headley, associate professor of marketing at Wichita State University (WSU), used 15 elements important to consumers when judging the quality of airline service.

Hawaiian Airlines led the 2006 ratings in the category of best on-time performance. The company's planes were on-time 93.8 percent of the time. The airline also had the best baggage handling rate (3.14 mishandled bags per 1,000 passengers) in the rankings.

Eighteen airlines were studied in 2006. Other airlines added to the ratings included Frontier and Mesa. For 2006, data of the merged operations of US Airways and America West airlines are combined, and appear only as US Air data.

The AQR researchers note that overall industry performance in three of the four AQR criteria was worse in 2006, compared to 2005. In particular, the mishandled baggage rate was the most consistent area of performance

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decline for most of the airlines rated in 2006. The mishandled baggage rate for the industry increased from 6.06 per 1,000 passengers in 2005 to 6.50 in 2006.

“We’re back to full passenger volume similar as we were before 9/11. We also have about 18-20 percent less seat capacity in the system now,” Headley said. “It’s just a very complex system with high volume, and it just doesn’t hold up well to the pressure.”

The rating is conducted annually by the UNO Aviation Institute and W. Frank Barton School of Business at WSU. The AQR, as an industry standard, provides consumers and industry watchers a means to compare quality among airlines using objective performance-based data. It is a joint research project funded as part of faculty research activities at UNO and WSU.

“The stress in the airline system is across the board. Passengers, airline staff, airline corporations are as stretched as we have ever seen them,” Bowen said. “Seeing declines in industry performance isn’t surprising in this environment, and it will be difficult to change the trends we have seen.”

The AQR scores for the 18 largest airlines for 2006 resulted in the following ranking:

- 1) Hawaiian
- 2) Jet Blue
- 3) Air Tran
- 4) Frontier
- 5) Northwest
- 6) Southwest
- 7) Continental
- 8) United
- 9) Alaska
- 10) American
- 11) ATA
- 12) Delta
- 13) US Air
- 14) SkyWest
- 15) Mesa
- 16) COMAIR
- 17) American Eagle
- 18) Atlantic Southeast

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Criteria included in the AQR 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.

Other major industry findings in this year's research study include:

- Atlantic Southeast Airlines had the worst on-time performance (66 percent) for 2006.
- Five airlines improved their on-time arrival performance in 2006 compared to 2005. Ten airlines had worse on-time arrival performance in 2006 than in 2005. Only three of the 18 rated airlines had an on-time arrival percentage of more than 80 percent. On-time for 2006 by the industry was 75.5 percent, compared to 77.3 percent in 2005.
- Atlantic Southeast had the highest involuntary denied boardings rate at 4.47 per 10,000 passengers. Jet Blue had the lowest involuntary denied boardings rate at 0.07 per 10,000 passengers.
- Five airlines improved their denied boardings rate in 2006. ATA recorded the largest improvement. Jet Blue and Air Tran are clearly the industry leaders in avoiding denied boarding incidents. Industry performance was worse in 2006 (1.01 per 10,000 passengers) than it was in 2005 (0.89).
- Atlantic Southeast had the worst baggage handling rate (17.37 mishandled bags per 1,000 passengers) of all airlines.
- Southwest Airlines, again, had the lowest consumer complaint rate (0.18 per 100,000 passengers) of all airlines.
- United and US Airways both had the highest consumer complaint rates (1.36 per 100,000 passengers for both) of all airlines.
- The customer complaint rate was higher in 2006 for seven of the 15 airlines rated in 2005. Seven airlines had a lower rate for 2006. Southwest maintained the same industry best rate in 2006 that they achieved in 2005. Customer complaints per 100,000 passengers decreased slightly, from 0.89 in 2005 to 0.88 in 2006.
- Nearly half (49 percent) of all complaints to the Department of Transportation were for flight problems or baggage complaints.

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Media Notes:

For information about the AQR, contact Dean Headley at WSU, (316) 978-3367, or Brent Bowen at UNO, (402) 554-3424.

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 2) by contacting either of the following:

— Amy Geiszler-Jones at WSU, by phone: (316) 978-3409, by fax (316) 978-3776, or by e-mail at amy.geiszler-jones@wichita.edu.

— Beverly Newsam at UNO, by phone: (402) 554-2358, by fax (402) 554-3541, or by e-mail at bnewsam@mail.unomaha.edu.

An electronic version of the full report will be available after 9:30 a.m. (EDT) Monday, April 2, at the following address: <http://aqr.aero>.

Taped comments by Dean Headley will be available via the WSU Radio Newslines at (316) 978-3682 or <http://www.wichita.edu/newslines> beginning at 8:30 a.m. (CDT) Monday, April 2. Brent Bowen will have comments available on the UNO Radio News Line beginning at 8:30 a.m. (CDT) Monday, April 2, at <http://www.unomaha.edu/news/radionewslines/>.

Headley will be available for interviews Monday after the news conference. Telephone the Willard Hotel in Washington, D.C., at (202) 628-9100. Ask for the room of Dean Headley.

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Contact: Joe Kleinsasser, WSU director of news and media relations, (316) 978-3013, (316) 204-8266 (cell) or joe.kleinsasser@wichita.edu; or Tim Kaldahl, UNO assistant director of media relations, (402) 554-3502 or (402) 672-0828 (cell) or tkaldahl@mail.unomaha.edu.