



connecting the
world of travel

Self-Connection: The Rise and Roadblocks of a Growing Travel Booking Strategy

- How Airlines, Airports and Third-Party Travel Providers Can Capitalize on a Growing Market Opportunity



Contents

Self-connection trends	3
Who, where, why and how travelers are self-connecting	3
The roadblocks to self-connection	7
How airlines and airports can help - and profit	8

Self-connection trends

As travelers explore new ways to save money when they fly, 40 percent are bypassing typical booking practices and beginning to self-connect. Already a prominent trend in Europe, U.S. travelers are beginning to embrace the strategy more often, particularly the millennial generation. Yet, despite clear demand and interest in the self-connection travel option, significant roadblocks remain for many travelers, limiting industry-wide adoption and at the same time creating opportunities for airlines, airports and travel providers to be enablers of change.

As passengers increasingly take control of their travel plans, airports, airlines and online travel agents (OTAs) need to embrace this new type of traveler. European airports have begun developing self-connection products to cater to the rise in self-connecting travelers, and the U.S. market is ripe for similar offerings. The market opportunity to cater to a new generation of traveler is up for grabs in the U.S. while Asian carriers lead the way in capacity overall; United Airlines operates the largest volume of seats in the market of any single airline, with 19,000 seats from their SFO hub and a further 3,500 from LAX.

OAG recently surveyed more than 2,900 travelers to uncover the behaviors, drivers and concerns of self-connecting travelers today.

This report offers important insight into three key areas:

1. How and why travelers choose to self-connect
2. How much time and money travelers would need to save during the self-connecting experience, and the roadblocks preventing them from self-connecting more often
3. How airlines and airports can capitalize on this opportunity and simplify the process

DEFINING SELF-CONNECTION

Self-connecting passengers are those that book separate tickets to fly from City A to City C, via City B.

For instance, a traveler may opt to fly from La Guardia to Chicago O'Hare on one ticket, and then fly on from O'Hare to Los Angeles on a separate ticket. This does not include passengers who book through one source and are placed on a partner carrier for a second leg of the journey.

SURVEY METHODOLOGY

Total Respondents: 2,968

Respondent Breakdown: 66% leisure travelers, 34% business travelers

Timing: December 2015 – January 2016

Source: Travelers using flightview's mobile travel app



Adoption on the rise, but roadblocks remain

Self-connection in the U.S. continues to grow as 64 percent of travelers are aware that self-connecting is an option and nearly 40 percent of travelers have actually self-connected.

The decision to self-connect ultimately comes down to a combination of time, money and convenience. With U.S. airlines and airports mostly ignoring this trend, a gap has been created where the perceived hassle of self-connection still outweighs the benefits for many travelers. In fact, 92 percent of travelers are willing to self-connect under the right circumstances – when they can save money and get where they need to be as per their schedule. If Europe is any indicator, the roadblocks to self-connection in the U.S. will prove to be minor hurdles, and market opportunity for travel providers in the U.S. will continue to grow.

Despite current adoption issues, OAG's survey shows that self-connections should steadily grow over time. Millennials, defined as ages 18 to 32, are eager to explore new ways to travel and save money. In fact, when it comes to self-connections, the millennial population is nearly twice as likely as the rest of the traveling population to wait more than four hours for a flight that saves them money.

Unsurprisingly, as savings rise and connection times fall, the number of travelers willing to self-connect increases:

- When saving \$100, only 16 percent of non-millennial travelers are willing to justify a layover of more than four hours, while 28 percent of millennials are willing to wait at least four hours to save that same money.
- As savings rise, travelers are more willing to take on longer layovers. In order to save \$200, the number of travelers willing to wait more than four hours more than doubles to 37 percent. For millennials, that number skyrockets to 55 percent.

Self-connection is more than a fleeting phenomenon in the travel industry and younger travelers demonstrate that this booking strategy will only continue to rise. With hundreds of options when booking self-connecting travel, individuals will also have more choice when it comes to picking an airline. As self-connection increases, airlines will face amplified competition as travel providers fight for this new market.

Who, where, why and how travelers are self-connecting

For many travelers, the first steps in the self-connection process can be confusing. With a vast array of hubs, airlines and online search tools, finding the time to research and uncover the best self-connecting flight schedule is a hurdle for many travelers. In fact, 22 percent of travelers say they don't even know where to start when booking self-connecting travel.

Airlines and online travel agents are constantly battling for a larger market share in the booking process, yet when it comes to self-connecting travel, few providers have invested to simplify the process and win more business.

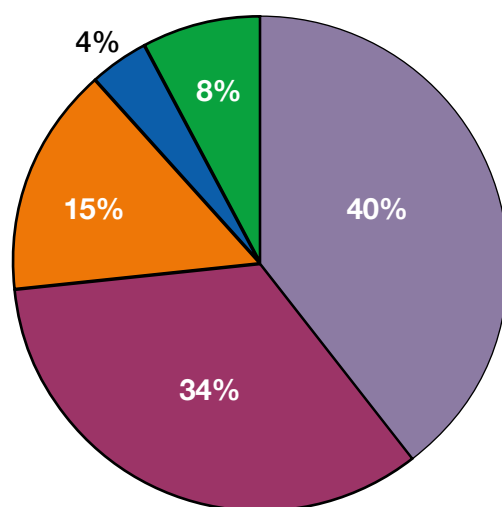
MILLENNIALS
1. Online travel agency (OTA)
2. Low-cost carrier (LCC)
3. Major airline

NON-MILLENNIALS
1. Online travel agency (OTA)
2. Major airline
3. Major hub

For travelers who are self-connecting, the starting place is most often a search with an OTA like Expedia, Priceline or Orbitz. As the search process continues, the booking practices of younger and older travelers diverges quickly.

For travel providers, including OTAs, meta-search engines, travel agents and more, the opportunity to lay claim to the self-connecting booking process is available for the taking, as travelers are looking for a more simple process to find affordable connecting hubs and single-leg flights.

HOW MUCH WOULD YOU NEED TO SAVE IN ORDER TO SELF-CONNECT?



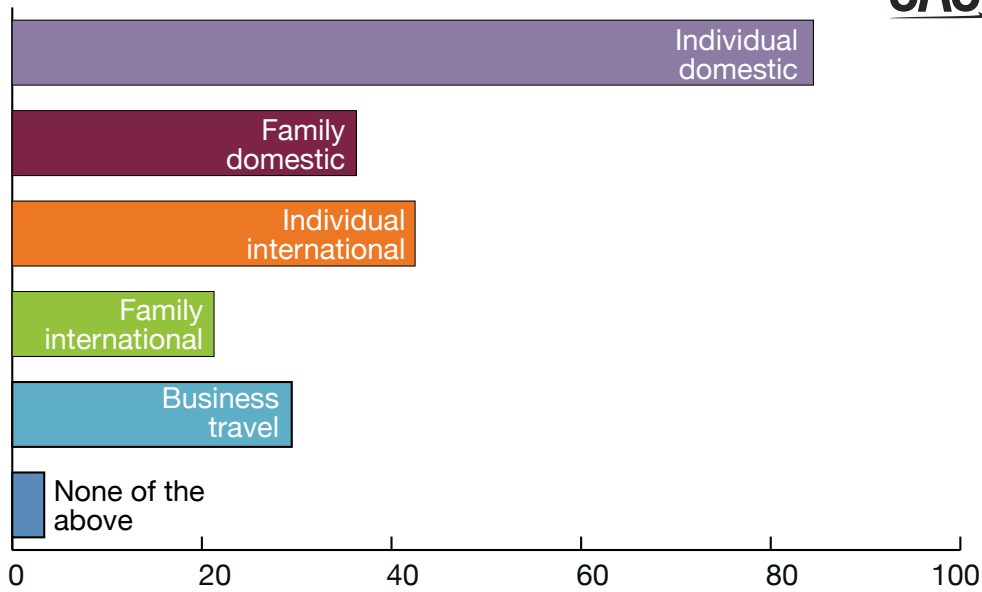
Source: **OAG**flightview

- At least \$100
- At least \$200
- At least \$300
- At least \$400
- More than \$500

When a traveler is deciding whether to self-connect, the decision comes down to savings. So what is the tipping point for travelers?

UNDER WHICH CIRCUMSTANCE WOULD YOU CHOOSE SELF-CONNECTION?

Source: **OAG**flightview



For certain travel situations, the balance between savings and hassle shifts significantly. Self-connection has proven more appealing and flexible for individuals who can more easily deal with baggage issues or a missed connection.

Business travelers tend to be slower to adopt self-connecting travel with only 30 percent of travelers indicating they would be willing to self-connect for business travel. With more sensitive deadlines and meetings, a missed connection can be far more impactful. Yet, when they travel internationally, business travelers are more open to embracing this trend.

Self-connection also brings a unique set of circumstances that normal travelers don't typically consider, and an opportunity for airports and tourism officials looking to attract more traffic. With each leg of the flight booked as a separate journey, some travelers are embracing the layover destination as an integral part of their experience, with nearly 70 percent of travelers considering their layover destination as a key factor when self-connecting.

For travelers who consider the destination of their layover when booking a self-connecting flight:

- 51 percent are more likely to connect based on the convenience and scheduled flight of the airport.
- 31 percent are more likely to connect through a city they'd like to visit.
- 18 percent are more likely connect based on the on-time performance of the airport.

For airports looking to capitalize on this market, it's important to evaluate the schedules and routes currently being offered and predict the trickle-down effect on overall connectivity of adding new routes and destinations.

There are significant ancillary revenue opportunities provided for airports as self-connecting increases and travelers spend more time in airports for layovers, and more time on their travel journey.

Why international travel is already driving self-connection

International travelers have embraced self-connection and many airlines and airports in Europe are catering to this segment of travelers. Major airports in the U.K. and Germany have started a “fast-track” program where self-connecting travelers can purchase baggage insurance for \$15 to \$45 dollars.

For respondents who regularly travel internationally, self-connection is far more common. In fact, international travelers are:

- 57 percent more likely to know where to start when booking self-connections
- 54 percent more likely to have self-connected than domestic travelers.
- 19 percent are more likely to pay a premium for a guaranteed connection.
- 10 percent more likely to trust airlines with checked baggage.

The roadblocks to self-connection

While travelers have shown a willingness to embrace self-connection under the right circumstances, there are still some roadblocks preventing widespread adoption.

Travelers identified the following issues as the primary concerns about self-connecting:

- 55 percent of travelers fear missing a connecting flight and not being rebooked automatically by the airline.
- 21 percent of travelers are concerned that their checked baggage won't make it to the end destination.
- Surprisingly, only seven percent of travelers identified the time it takes to plan or research a self-connecting trip as their primary concern.

Given these concerns, it's not shocking that 90 percent of travelers are more likely to self-connect when traveling only with carry-on luggage.

Self-connecting practices present an opportunity for airlines and airports to improve the customer experience by offering services that help minimize these barriers and make self-connecting travel easier.

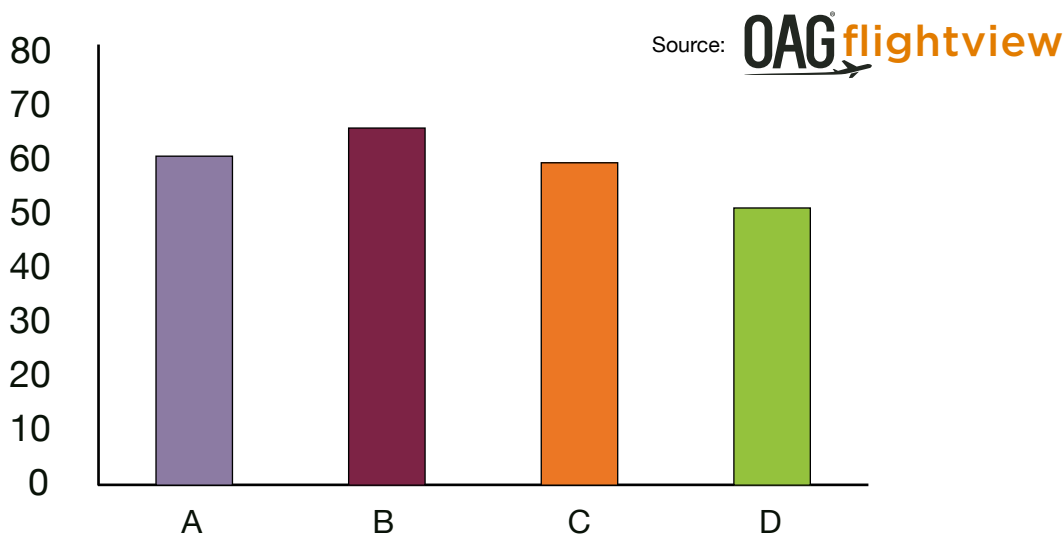
One significant factor airlines and airports have to consider when marketing toward the self-connecting audience is trust level. Even if airline-to-airline baggage transfer were offered, only 41 percent of travelers say they would trust airports and airlines to deliver their checked baggage to the right destination. Millennial travelers, on the other hand, are 17 percent more likely to trust airlines and airports when self-connecting.



How airlines and airports can help - and profit

While travelers are attempting to strike the balance between savings and convenience, they are looking to airlines and airports to help. In fact, nearly half (47 percent) of travelers say they are willing to pay a premium for a guaranteed connection or automatic rebooking in the event of a delay or cancellation.

WHAT CAN AIRPORTS AND AIRLINES OFFER TO MAKE THE CONNECTING EXPERIENCE MORE SEAMLESS AND LESS STRESSFUL?



- **A:** One-stop check-in and information kiosks that serve all airlines
- **B:** Baggage service that allows me to check my bags through multiple airlines to my end destination
- **C:** Automate the rebooking process in the event of a delay/cancellation
- **D:** A mobile app that offers flight status, itinerary management and day-of-travel information with functionality across multiple airlines

It's a delicate balance for travelers and travel providers as respondents are willing to pay more for convenience when self-connecting, but not enough to significantly eat into the savings that a self-connecting itinerary would provide. Of the travelers willing to pay a premium, nearly 90 percent would be willing to pay between \$50 and \$100.

For airlines and airports in the U.S., following the European model of baggage insurance is the first step to make self-connection easier but there is an opportunity to go further. Travel providers that can provide a rebooking option and offer more affordable flights with long layovers in attractive destinations have a chance to lead this valuable and growing market.

While some airlines may be fearful of this new model due to the potential complications, and millennial travelers embracing self-connection more than any other generation, it's clear that the practice will only grow in the coming years – with travelers gravitating toward the providers the best enable an easy and affordable journey.

Removing the roadblocks: Capitalizing on the self-connection market

Travelers have shown [time](#) and [time](#) again an eagerness for convenience, self-service and choice when traveling. Self-connection is the epitome of those worlds colliding with limitless options and better value, primarily at the cost of convenience.

Here are four critical steps for airline and airport executives looking to capitalize on the market and deliver more value to self-connecting travelers.

- **Monitor millennials.** Millennials have demonstrated a propensity to embrace self-connecting travel. To stay ahead of the curve, travel executives need to monitor millennial behavior and proactively invest in areas that cater to this market.
- **Invest and optimize airline schedule data and connectivity to take advantage of the self-connection booking process.** As travelers seek to save money, airports and airlines have the opportunity to establish a foothold in the self-connection market. Leveraging and analyzing schedules data to see how (and if) new flights to non-hub airports will impact traffic and demand is a critical first step.
- **Improve the day-of-travel experience.** Offering one-stop information and check-in kiosks that serve multiple airlines, better flight information transparency and airline-to-airline baggage services are easy ways to remove some of the stress associated with self-connections and improve the traveler's experience.
- **Drive value with premium self-connection services.** Travelers are willing to pay more for guaranteed rebooking services and baggage insurance. Simple premium services will grow increasingly valuable as the self-connection market expands.

To evaluate how your airline or airport could benefit from improving the self-connection experience, download the [OAG Schedules Analyser](#) brochure to and learn how we can analyze your connections, schedule and traffic data.



For more information, [visit www.oag.com](http://www.oag.com)
or email us on contactus@oag.com

Europe, Middle East & Africa

1 Capability Green
Luton
Bedfordshire LU1 3LU
United Kingdom

T: +44 (0)1582 695050

Americas

55 Chapel Street
Suite 103
Newton
MA 02458
USA

T: +1 617-787-4200

Asia

6 Shenton Way
#24-08A, Singapore
OUE Downtown 2
068809

T: +65 6395 5888

China

#3710B Jingguang Building
Hujialou Chaoyang District
Beijing China 100020

T: +86 10 5095 5960

Japan

Toranomon
40MT Building 9F5-13-1
Toranomon Minato-Ku
Tokyo 105-0001

T: +813 6402 7301

Usage and attribution

This information can be reproduced either in whole or in part, online or in print, for non-commercial purposes only but must include attribution to OAG and a link to www.oag.com.

Disclaimer

The intended recipient ("The Customer") acknowledges that all data provided by or available through OAG is owned either by OAG Aviation Worldwide Ltd or by a third party provider ("The Owners") and that the customer shall not acquire any ownership or interest in such data.

OAG data is solely for the benefit and purposes of the intended recipient and may not be disclosed to, used by or copied by anyone other than the intended recipient. OAG Aviation Worldwide Ltd has used reasonable efforts in collecting and preparing data in the report but cannot and does not warrant that the information contained in this report is complete or accurate. OAG Aviation Worldwide Ltd hereby disclaims liability to any person for any loss or damage caused by errors or omissions in this report.



oag.com

