

Up in the air

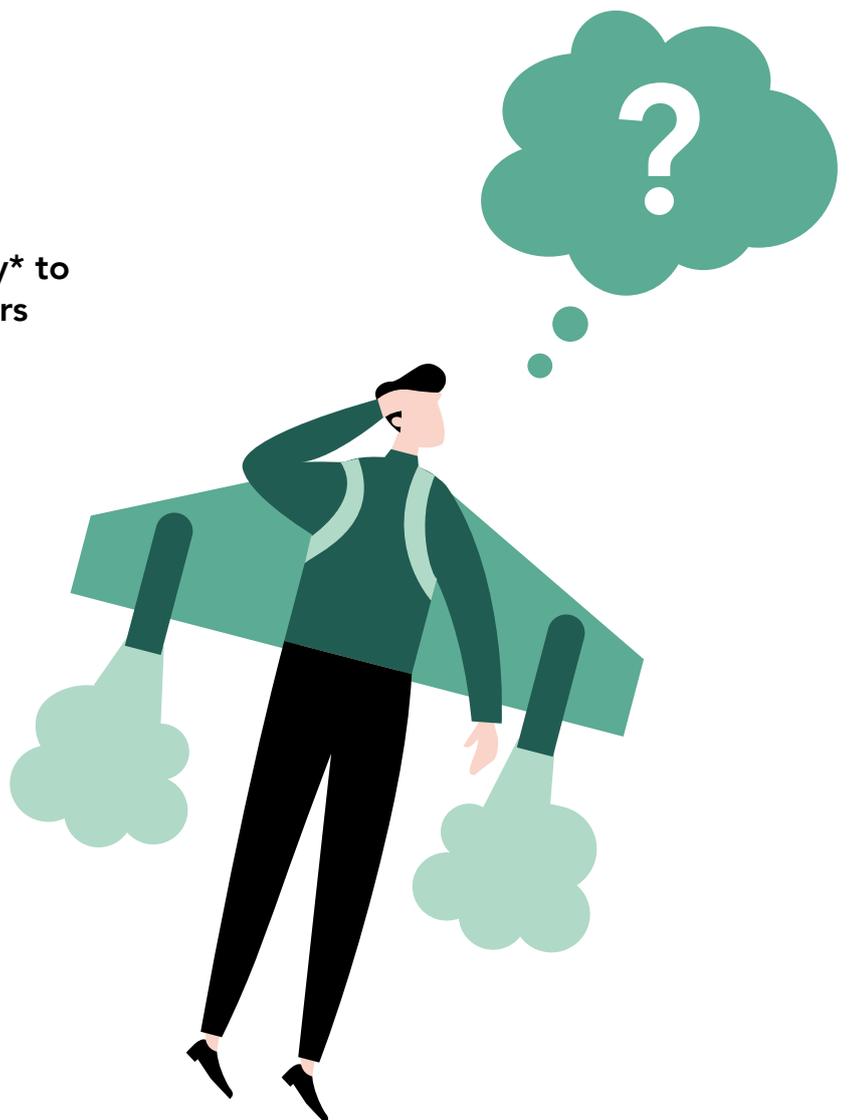
Understanding drivers of choice
in long-distance travel



When traveling long distances, why do leisure travelers make specific choices? How does this differ compared with business travelers? What about heavy business travelers?

If we knew what drives mode choice by trip purpose, we could better tailor services to meet the unique needs of different types of travelers.

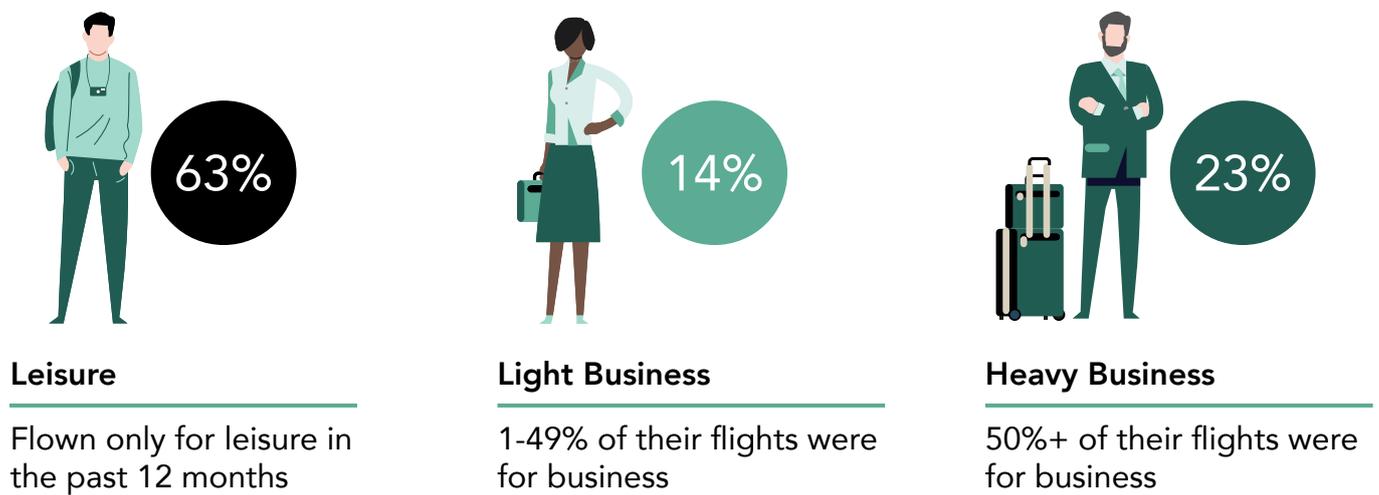
Northstar conducted a national study* to identify what are the major motivators and barriers in choosing a mode for long-distance travel.



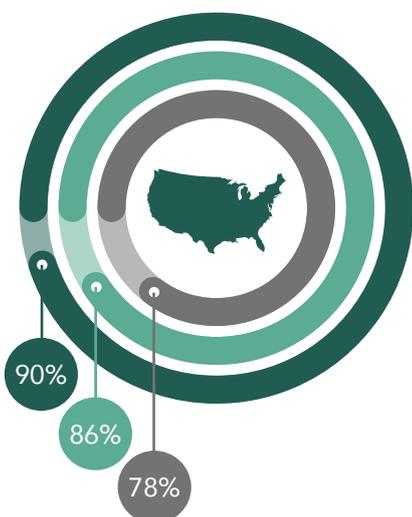
* This national, online study was conducted in March 2019 among n=750 Americans aged 18+ who live in a region with access to a public transit system, including subway, LRT, bus or large airport. Of these, n=574 have taken a plane in the past 12 months. The results are statistically significant at +/- 4.09% at 95% confidence level, or 19 times out of 20.

Trip purpose dramatically impacts the transportation choices people make, and the reasons they make these choices.

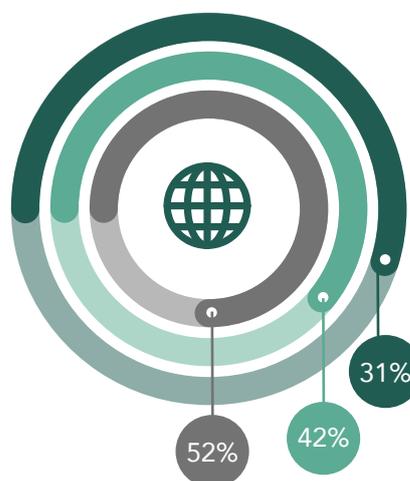
We segmented past 12 month air travelers into 3 groups:



Domestic air travel:



International air travel:



- Leisure
- Light business
- Heavy business

While leisure travelers are most concerned about getting from Point A to Point B, business travelers place greater importance on the total experience.

Safety, value for money, quickest way to destination, predictability/OTP, and close to final destination are the top reasons for choosing a specific mode of long-distance transportation across all three traveler segments.

However, there are unique differences by traveler type:

- Leisure travelers are more concerned about safety, value for money and predictability. **This segment is paying for their own travel, and therefore cost is a key driver of choice. As well, they are eager to get to their destination (or return home), and thus OTP is particularly important.**
- Business travelers focus more on the overall experience, specifically on the ability to choose how they spend their time, be it sleeping or working. Loyalty programs and being environmentally friendly are also key drivers of choice. **This highlights opportunities for airlines and airports to continue to build more fulsome experiences targeted towards business travelers.**



Distinct contrast in motivations to take long-distance transportation between leisure and business travelers.



Drilling down further, there are even unique differences in motivations between heavy and light business travelers.



Integration between airports and local transit options is increasingly becoming a key component of regional transit planning, and the traveler experience.

Further, understanding open-ness to alternative transportation options has implications for the tourism industry.

Based on current transportation usage and behavior, there are ramifications for:



awareness building



messaging & communications



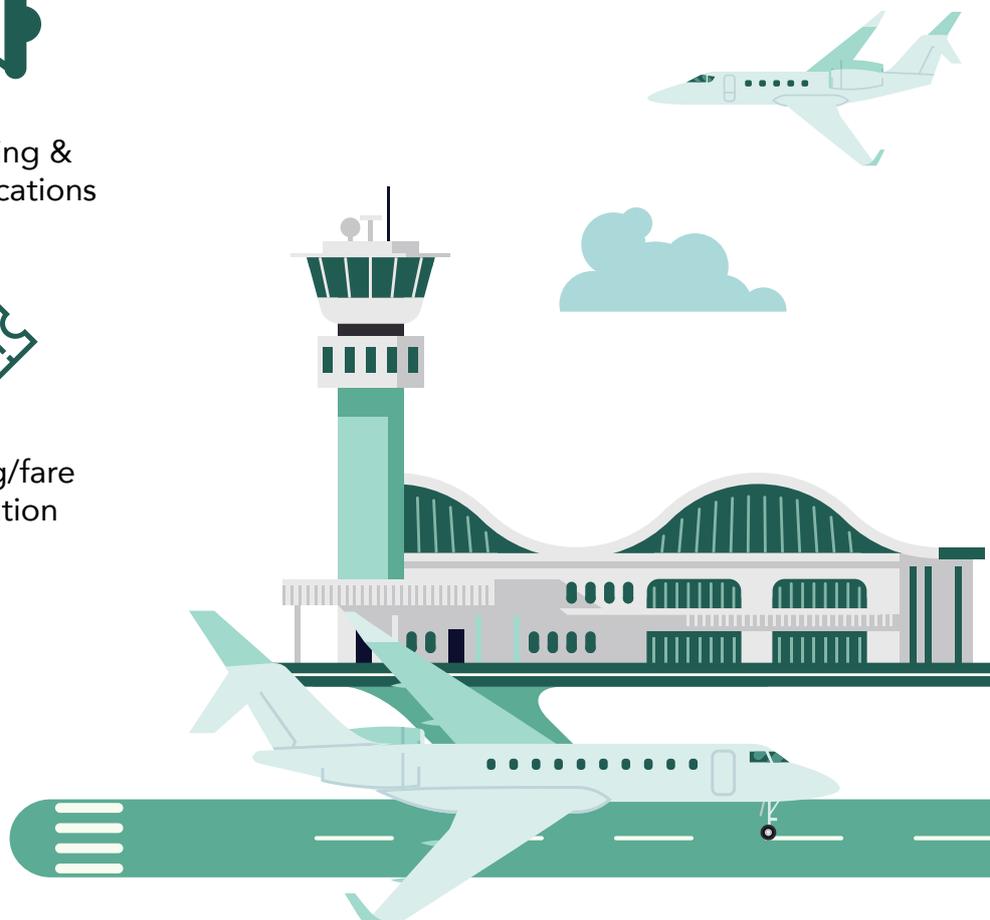
partnership opportunities



ticketing/fare integration



tourism
(including hospitality industry)



While ride sharing has emerged as a top choice for all types of travelers, leisure travelers are least open to alternative transportation options beyond car.

They are less likely than business travelers to...



Consider traveling by LRT, even when the service is available to them.

This suggests that for leisure travelers, an LRT service to/from the airport may be of less appeal/interest, leading to greater challenges for acquisition (which could impact current forecasts for those airports building LRT systems into/out of the airport).



Use public buses.

This suggests that both the transportation mode and/or messaging for how to get to/from the airport should be unique for leisure travelers.



Consider alternative/active modes of transportation – dedicated bike lanes, bike sharing services or scooter sharing programs.

This has an impact on the tourism industry and the types of transportation options that are available to tourists to the city.

Leisure travelers are 3x more likely than business travelers to say the reason they are not open to public transit is because they enjoy driving.

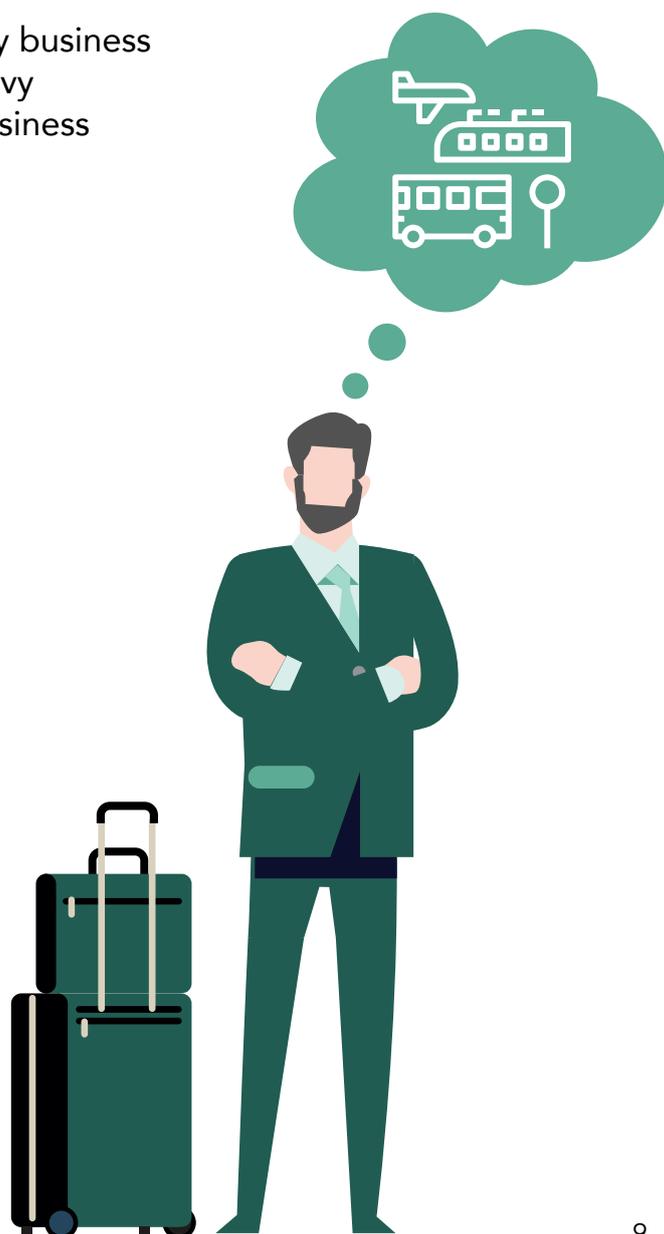
Implications, again, for the tourism industry and for airports – specifically in partnerships with car rental agencies and ensuring adequate/clear wayfinding instructions for drop-off and pick-up.

Business travelers are more familiar and comfortable with transit options.

Nearly one-quarter of heavy business travelers take public transit on a daily basis, and a further quarter take it 2-6 times a week.

This familiarity with public transit suggests that they may be more open to this type of option in getting to/from the airport than leisure travelers.

While there are more leisure travelers than heavy business travelers, offering a service tailored to these heavy travelers (who are also likely to expense their business travel) could be a lucrative option.



The first step in delivering a more customer-centric and personalized experience is having a clear, fact-based foundational assessment as to who are your current customers and prospects.

This can be accomplished by understanding the unique needs, behaviors, perceptions, barriers to usage/consideration, and expectations of travellers within your region.

These unique differences will:



Inform marketing and communication strategies



Increase share-of-trips



Guide acquisition strategies



Aid in development and implementation of projects and policies



Validate/disprove policy decisions



Create customer service initiatives



Support new innovations



Size market and potential



Guide future operational planning



Improve customer experience



About northstar

Northstar, an international market research consultancy, has crafted a proven and powerful approach to transportation and human mobility research that delivers an understanding of the hidden attitudes, beliefs, and emotional triggers of both customers and travelers, resulting in actionable, strategic and tactical insights about how and why people move in your region.



Northstar has transformed transportation organizations by helping them...



Retain and grow your customer base



Understand future mobility trends



Better understand accessibility needs of travelers



Improve the experience of all travelers



Improve front-line customer service interactions



Provide a better customer-centric experience



For more details, please contact:

Matthew Denomme
Senior Vice President & Managing Director

647-496-7838
mdenomme@northstarhub.com
www.northstarhub.com