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Quality Analysis of United States Commercial Air Carriers: Airline Quality Rating 2019

Kaetlyn Blocker  
*Embry-Riddle Aeronautical University, blockerk@my.erau.edu*

Brent D. Bowen  
*Embry-Riddle Aeronautical University, bowenb6@erau.edu*

Erin Bowen  
*Embry-Riddle Aeronautical University, erin.bowen@erau.edu*

Timothy B. Holt  
*Embry-Riddle Aeronautical University, holtt@erau.edu*

Dean E. Headley  
*Wichita State University*

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The Airline Quality Rating (AQR) was created and first announced in 1991 by researchers Dr. Brent D. Bowen and Dr. Dean E. Headley.

Before the AQR there was no consistent method for monitoring airline quality in a timely, objective, and comparable basis.

With the introduction of the AQR, a multi-factor weighted average approach became available that had not been used previously in the airline industry.

AQR weighting was originally established by surveying 65 airline industry experts regarding their opinion as to what consumers would rate important (on a scale of 0-10) in judging airline quality.

In the spring of 2002, a nationwide survey of frequent flyers was conducted to revisit AQR weightings.

- Analysis of 766 opinions showed no appreciable difference in relative weights for AQR elements.
- To maintain comparability over the years, the weights have been held constant.
Multi-Factor Weighted Average Approach:
The Airline Quality Rating uses a mathematical formula that considers multiple weighted objective criteria to arrive at a single, fully comparable rating for airline industry performance. The AQR provides both consumers and industry watchers a means for monitoring comparative quality for each airline on a timely basis, using objective, performance-based data.

• Elements considered for inclusion needed to meet two basic criteria;
  ▪ 1) an element must be obtainable from published data sources for each airline
  ▪ 2) an element must have relevance to consumer concerns regarding airline quality

• This report relies on published, publicly available data from the Department of Transportation's *Air Travel Consumer Report*
## Airline Quality Rating Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Time Arrivals (OT)</td>
<td>8.63</td>
<td>+</td>
</tr>
<tr>
<td>Involuntary Denied Boardings (DB)</td>
<td>8.03</td>
<td>-</td>
</tr>
<tr>
<td>Mishandled Baggage (MB)</td>
<td>7.92</td>
<td>-</td>
</tr>
<tr>
<td>Consumer Complaints (CC)</td>
<td>7.17</td>
<td>-</td>
</tr>
</tbody>
</table>

### Mathematical Formula for Calculation of AQR Scores

\[
AQR = \frac{(+8.63 \times OT) + (-8.03 \times DB) + (-7.92 \times MB) + (-7.17 \times CC)}{8.63 + 8.03 + 7.92 + 7.17}
\]
2018 Consumer Complaint Percentages by Category

<table>
<thead>
<tr>
<th>Category</th>
<th># Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flight Problems</td>
<td>3,271</td>
</tr>
<tr>
<td>Baggage</td>
<td>1,156</td>
</tr>
<tr>
<td>Customer Service</td>
<td>1,073</td>
</tr>
<tr>
<td>Res, Ticket, Board</td>
<td>895</td>
</tr>
<tr>
<td>Fares</td>
<td>773</td>
</tr>
<tr>
<td>Disability</td>
<td>665</td>
</tr>
<tr>
<td>Refunds</td>
<td>419</td>
</tr>
<tr>
<td>Other</td>
<td>270</td>
</tr>
<tr>
<td>Over sales</td>
<td>247</td>
</tr>
<tr>
<td>Discrimination</td>
<td>80</td>
</tr>
<tr>
<td>Advertising</td>
<td>26</td>
</tr>
<tr>
<td>Animals</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,876</td>
</tr>
</tbody>
</table>
2018 Airline Performance

Improved

Six Airlines improved their scores from the 2018 Report:

- Delta Air Lines
- Hawaiian Airlines
- JetBlue
- Southwest Airlines
- Spirit Airlines
- United Airlines

Declined

Three Airlines’ scores declined from the 2018 Report:

- Alaska Airlines
- American Airlines
- Frontier Airlines

Overall Industry Performance improved from a score of -0.79 in 2017 to a score of -0.66 in 2018 and has improved each year for the past four years.
Trend analysis

Analysis of Airline Quality Rating monthly industry scores for 2017-2018 shows consistent, periodic declines in winter months January and December and peak periods just before and after in November and February. Trend analysis of 2017-2018 forecasts a positive upward trend that continues into the future.
2019 AQR REPORT RANKINGS

1st: Delta Air Lines
2nd: JetBlue
3rd: Southwest Airlines
4th: Alaska Airlines
5th: Hawaiian Airlines
6th: United Airlines
7th: Spirit Airlines
8th: American Airlines
9th: Frontier Airlines
# 2018 Annual Ratings by Category

<table>
<thead>
<tr>
<th>Airline</th>
<th>On-Time Arrival (percentages)</th>
<th>Denied Boardings (per 10,000 passengers)</th>
<th>Mishandled Baggage (per 1,000 passengers)</th>
<th>Consumer Complaints (per 100,000 passengers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Airlines</td>
<td>0.818</td>
<td>0.23</td>
<td>2.67</td>
<td>0.57</td>
</tr>
<tr>
<td>American Airlines</td>
<td>0.784</td>
<td>0.20</td>
<td><strong>3.83 (9th)</strong></td>
<td>1.38</td>
</tr>
<tr>
<td>Delta Air Lines</td>
<td>0.857</td>
<td><strong>0.00 (1st)</strong></td>
<td>1.80</td>
<td>0.65</td>
</tr>
<tr>
<td>Frontier Airlines</td>
<td><strong>0.694 (9th)</strong></td>
<td><strong>0.63 (9th)</strong></td>
<td>2.60</td>
<td><strong>4.02 (9th)</strong></td>
</tr>
<tr>
<td>Hawaiian Airlines</td>
<td><strong>0.893 (1st)</strong></td>
<td>0.01</td>
<td>2.59</td>
<td>1.10</td>
</tr>
<tr>
<td>JetBlue</td>
<td>0.710</td>
<td>0.01</td>
<td>1.79</td>
<td>0.99</td>
</tr>
<tr>
<td>Southwest Airlines</td>
<td>0.792</td>
<td>0.15</td>
<td>2.89</td>
<td><strong>0.36 (1st)</strong></td>
</tr>
<tr>
<td>Spirit Airlines</td>
<td>0.811</td>
<td>0.56</td>
<td><strong>1.76 (1st)</strong></td>
<td>2.83</td>
</tr>
<tr>
<td>United Airlines</td>
<td>0.779</td>
<td>0.01</td>
<td>2.56</td>
<td>1.28</td>
</tr>
<tr>
<td>Industry</td>
<td>0.796</td>
<td>0.14</td>
<td>2.43</td>
<td>1.04</td>
</tr>
</tbody>
</table>
The Researchers

Dr. Dean E. Headley
Professor
College of Aviation
Embry-Riddle Aeronautical University
3700 Willow Creek Rd.
Prescott, Arizona 86301

Dr. Dean E. Headley
Emeritus Professor
Department of Marketing
W. Frank Barton School of Business
Wichita State University
304 Clinton Hall
Wichita, Kansas 67260
Previous Airline Quality Rating Reports


Contact Information

Kaetlyn Blocker
Graduate Research Assistant

✉️ (805) 757-9156

📞 Blockerk@my.erau.edu

✈️ College of Aviation

⚠️ Master of Science in Safety Science