ACRP Problem No. 12-01-15

Benchmarking Customer Service Delivery at Airports

ACRP Staff Comments: The proposed research should complement results from ACRP Report 19: Airport Performance Measurement and soon-to-be published ACRP Report 19A: Performance Measurement Indicators.

TRB Aviation Group Committees Comments: AVIATION GROUP EXEC. BOARD - Not Recommended. The ASQ model is a very robust tool, but it is expensive as identified in the problem statement. It's unclear if the proposed research will be used to update the benchmarking tool developed in ACRP Report 19: Airport Performance Measurement, and/or if the intent is to create another ASQ model that would be cheaper to use. The necessity of this research is more of a question for airports that can't afford to purchase ASQ. NOTE: There is existing literature which can form the foundation for this research, and there are institutions that specialize in customer service metrics analysis that can well be applied to the airport sector.

Review Panel Comments: <u>Not recommended</u> — The review panel is not sure if ACRP is the right source for this. Most private sector third party vendors have their own benchmarking systems in place. This issue is all about integration with private sector partners, and each airport would require a unique set of benchmarks depending on those partners.

AOC Disposition: No funds allocated. The proposed research could complement that found in ACRP Report 19A, Resource Guide to Airport Performance Indicators. There could be benefit from a method to help airports compare against themselves, versus against each other--something between the J.D. Powers and ACI's ASQ measures. Ultimately, however, there was uncertainty as to the value and utility of what would be produced.

AIRPORT COOPERATIVE RESEARCH PROGRAM
PROBLEM STATEMENT

ACRP *Problem Number*: **12-01-15**

I. PROBLEM TITLE

Benchmarking Customer Service Delivery at Airports

II. RESEARCH PROBLEM STATEMENT

Airports are developing, implementing and using performance measurement and benchmarking systems with increased frequency in order to evaluate whether their organizational strategies and objectives are achieving desired outcomes. Airports that have not developed formal performance measurement systems still make use of various performance metrics or other data sources in their day-to-day business. Performance metrics assist airports with making resource allocation decisions, understanding where performance improvement is necessary, setting and monitoring service standards for their business partners and evaluating the efficiency of their programs or business units over time and vis-à-vis their peers.

In the service-oriented airport environment, performance measurement plays a critical role in understanding and ultimately improving the customer-oriented processes that focus on maximizing benefits and minimizing negative consequences for airport users. User surveys are the primary source of information on airport user satisfaction, preferences and needs, however, the planning, development, conduct and analysis of airport user surveys can be complex and expensive.

Attempting to benchmark an airport's customer service performance is even more difficult. The surveys used by one airport rarely match those used by another in terms of the questions asked, the quantity and quality of the data collected, the consistency and frequency of data collection and the reporting of results. A number of organizations, such as J.D. Power and Associates, survey airport users and analyze the results in order to rank or compare airport operators. These products are costly to administer, and result in hefty fees for airports to participate in the program or access full results. Airports Council International's (ACI) introduction of their Airport Service Quality (ASQ) initiative, with its corresponding ASQ survey and analysis, has made great strides in recognizing the issues associated with customer service benchmarking and providing standardized information to participating airports. Their program, however, is expensive and does not include a large participant base.

III. OBJECTIVE

The objective of this study is to research the lack of comparability between customer service performance metrics at airports in order to develop a cost-effective and easily-

administered approach that could be adopted by the industry for benchmarking the delivery of customer service programs and processes. The research should identify best practices in aviation and other industries for measuring performance in the area of customer service and for benchmarking performance against a group of peers and result in a set of recommendations, published in a guidebook or other written form, for airports and the industry as a whole to consider.

IV. RESEARCH PROPOSED

The research should include but not be limited to the following tasks:

- Conducting a literature review to identify different types of customer service measures, measuring techniques, benchmarking approaches and data collection and analytical practices.
- Selecting a representative sample of airports, other aviation industry organizations, and organizations in other industries that currently measure and benchmark customer service delivery in order to collect data on current practices. ACI's ASQ program should be specifically included in the research in order to understand how its approach could be leveraged to encompass a broader group of airports. Additionally, ACI and ACI-NA should be key players in developing this guidance and recommendations.
- Analyzing the data gathered through the previous steps to identify and recommend implementation guidance and best practices for airports and their stakeholders to optimize customer service delivery.
- Identifying needs for future research to address unresolved issues.

Principles and practices for the measurement and benchmarking of customer service delivery should be applicable to all airports regardless of size and complexity. A draft final guidebook documenting the findings of the research and recommendations should be developed for possible ACRP for publication.

Consideration should be given to the number of programs and entities studied and all customer service delivery measurement and benchmarking programs regardless of their success. Unsuccessful programs can suggest undesirable practices.

V. ESTIMATE OF THE PROBLEM FUNDING AND RESEARCH PERIOD

It is estimated that the proposed work would cost approximately $450,000 and could be completed in about 18 months.

VI. URGENCY AND PAYOFF POTENTIAL

Customer service delivery and an airport's performance against itself and its peers will be of significant interest to and is an important consideration for a variety of airport stakeholders—airport board members, directors, department leaders, and other employees—as well as aviation regulatory agencies, industry associations, and airport

planning professionals and consultants. This research will assist airport operators in making planning, policy, and financial decisions that will provide a better customer service experience for their passengers.

VII. RELATED RESEARCH

ACRP Report 26: Guidebook for Conducting Airport User Surveys provided methods and useful information for conducting effective user surveys at airports. The guidebook introduced the basic concepts of survey sampling and the steps involved in planning and implementing a survey; described the different types of airport user surveys; and provided guidance on how to design a survey and analyze its results.

ACRP Report 19: Developing an Airport Performance Measurement System provided a basis on which to initiate and maintain a successful performance measurement program. ACRP will also publish a follow-on report in early 2011 that will present an array of Airport Performance Indicators (APIs) for use in measuring airport effectiveness across 23 important airport functions, including Finance, Airfield Operations, Terminal Operations, Concessions, Maintenance, Police/Security, Human Resources. It does not address measures for the delivery of customer service.

The Balanced Scorecard developed by Doctors Robert Kaplan and David Norton is a performance measurement framework that incorporates strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. Under the balanced scorecard approach, organizational performance is viewed through four different perspectives: financial; internal business processes (efficiency); learning and growth; and the customer. Their research could offer valuable insight into the problem.

VIII. PERSON(S) DEVELOPING THE PROBLEM

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IX. PROCESS USED TO DEVELOP THE PROBLEM STATEMENT

This problem statement was developed by the author upon the advice and guidance of Lynn Hampton, President and Chief Executive Officer, of the Metropolitan Washington Airports Authority.

X. DATE AND SUBMITTED BY

Date of Submission: March 15, 2011

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