

Turbulent times: Canadian and US flyers say airline industry is broken, but differ on how to fix it

WestJet receives considerably higher satisfaction ratings than Air Canada

June 12, 2017 – Whether it’s beating, bumping, or merely aggravating passengers, North American airlines are landing at the bottom of the customer service list in the minds of their customers.

A [viral video](#) of a passenger refusing to be “bumped” from his seat and being dragged from a United Airlines flight generated millions of views and brought the issue to the top of both airline and government agendas.

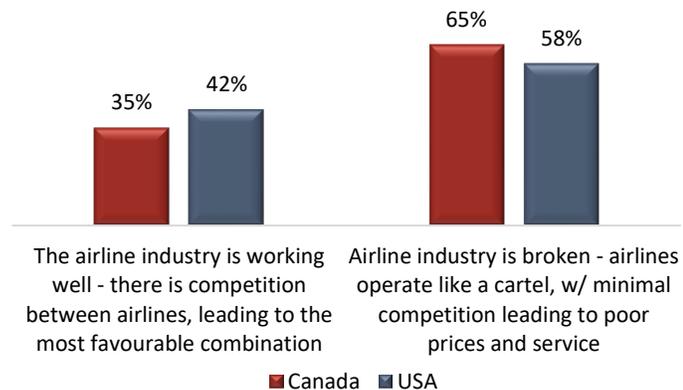
But beyond the negative headlines, a new study from the Angus Reid Institute finds that Canadian and American air travellers alike say incidents like this one really are a symbol of a bigger problem permeating the air travel industry.

And, while a majority of residents in both nations agree that the industry is broken, they have differing perspectives on what should be done about it. Canadians are more supportive of government regulation, while Americans are inclined to say the free market will punish subpar airlines, and governments should stay out of the industry.

Key Findings:

- Southwest Airlines and JetBlue emerge as the top-rated airlines for American travellers, while United receives the worst ratings. Among Canadian respondents, WestJet fares significantly better than Air Canada, with customers three times more likely to say their experience was “excellent”
- Two-in-three Canadians (65%) and six-in-ten Americans (58%) say that airlines operate as a cartel, restricting competition and holding prices higher than they should be.

Thinking about the airline industry in Canada and the U.S. as a whole, based on whatever you've seen or heard, which of the following statements is closer to your own opinion?



METHODOLOGY:

The Angus Reid Institute conducted an online survey from May 24 – 28, 2017, among a representative randomized sample of 1,533 Canadian adults who are members of the [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.5 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

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- Few respondents from either country see the airline industry moving in the right direction. Roughly four-in-ten Canadians (44%) and Americans (38%) say it has worsened in the last 10 years, while only one-in-ten Canadians (9%) and 15 per cent of Americans say it has improved

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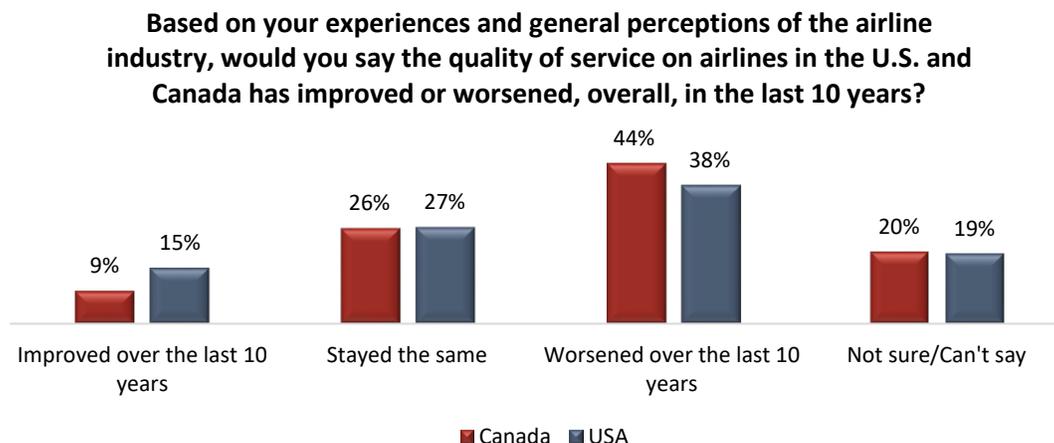
Part 1 – Views of the airline industry as a whole

Competition and value for money

High-profile incidents of ‘bumping’ have generated heaps of negative media attention for North American airlines this year. This practice, involving overbooking flights and subsequently asking passengers to voluntarily give up their seat for some form of compensation, is [commonplace in the industry](#).

While this is the most notorious airline grievance of the moment, it is certainly not the only gripe the passengers have when it comes to the those who hold the keys to the sky. From baggage fees, to leg room, to laptop bans, many Americans and Canadians hold negative views about the direction of the industry.

Asked to consider the last 10 years, a plurality of respondents in both countries say that the quality of service has worsened. Americans, perhaps buoyed by greater domestic choice, are slightly more positive, but still inclined to believe things have worsened overall:



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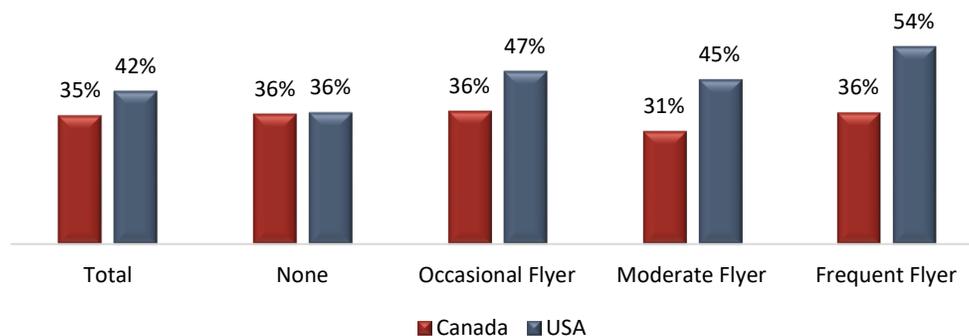
There is a prevailing perception, especially among Canadians, that the amount of competition within the industry is not what it should be. Six-in-ten Americans (58%) say that the airline industry operates like a cartel, which allows it keep prices higher than they should be and provide poorer service than should be acceptable. Canadians, with fewer airlines operating domestically, are even more likely to say this (65% do).

Respondents in each country were grouped into four categories based on their self-reported frequency of flight:

- Frequent flyers are those who have flown six or more times in the past two years
- Moderate flyers are those who have flown three to five times
- Occasional flyers are those who have flown once or twice
- None are those who haven't flown at all in the past two years

Close to one-in-three from each cohort in Canada say the industry is working well. Among those in the U.S., however, frequent flyers give much more positive reviews than those who haven't flown at all in the past 2 years:

Percentage who say: "The airline industry is working well - there is competition between airlines, leading to the most favourable combination of prices and service" by frequency of air travel

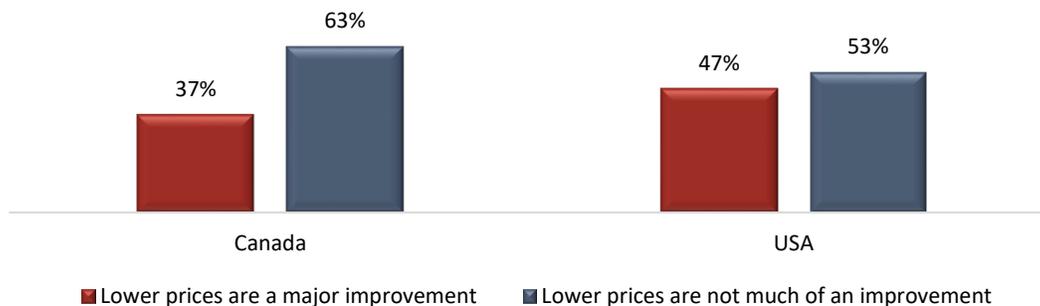


Research shows that airfare costs, adjusted for inflation, have dropped over the past 20 years. There are, however, countervailing influences that have led to the perception that the price is still just as high as it ever was. From airline fees for bags, wi-fi, food, headsets, and unaccompanied minors, to external fees for airport improvement, fuel surcharges, and security, customers are feeling dissatisfied. A majority in both countries say that lower prices are not much of an improvement, though Americans are more evenly divided, as seen in the following graph:

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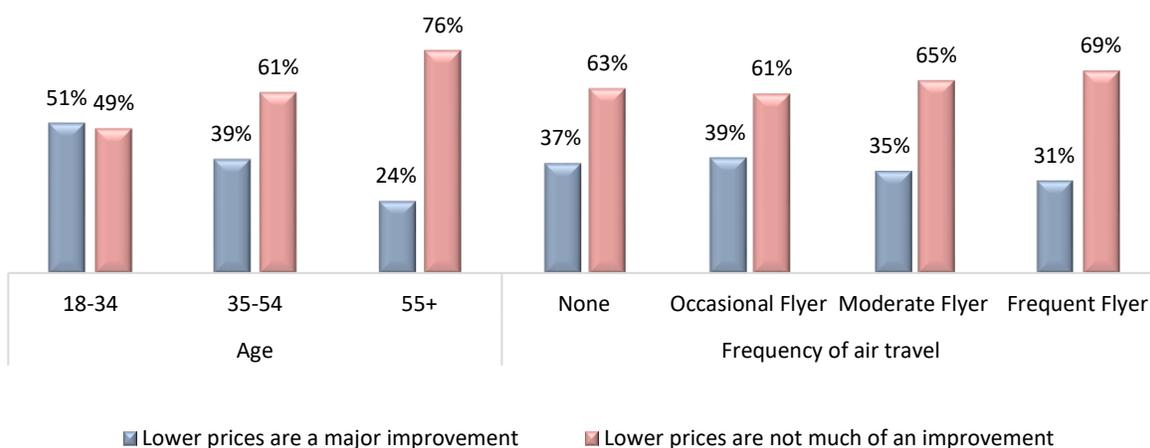
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Adjusted for inflation, airfares have dropped over the last 20 years or so. Some say this is an improvement because it makes air travel more accessible, others say the decrease is offset by extra fees, which is closer to your opinion?



In Canada, the perspective that lower prices are not much of an improvement holds regardless of how often Canadians fly, ranging from 61 per cent to 69 per cent based on frequency of air travel. It is younger Canadians – those who have little-to-no experience with the prices of the '80s and '90s – who are most likely to say it is a major improvement.

Adjusted for inflation, air fares have dropped over the last 20 years or so. Some say this is an improvement because it makes air travel more accessible others say the decrease is offset by extra fees, which is closer to your opinion?
Canadian responses



While prices may be lower, they are still relatively high in Canada compared to the rest of the world. A [recent survey](#) from Kiwi.com found that flights from rank 65th globally in terms of affordability.

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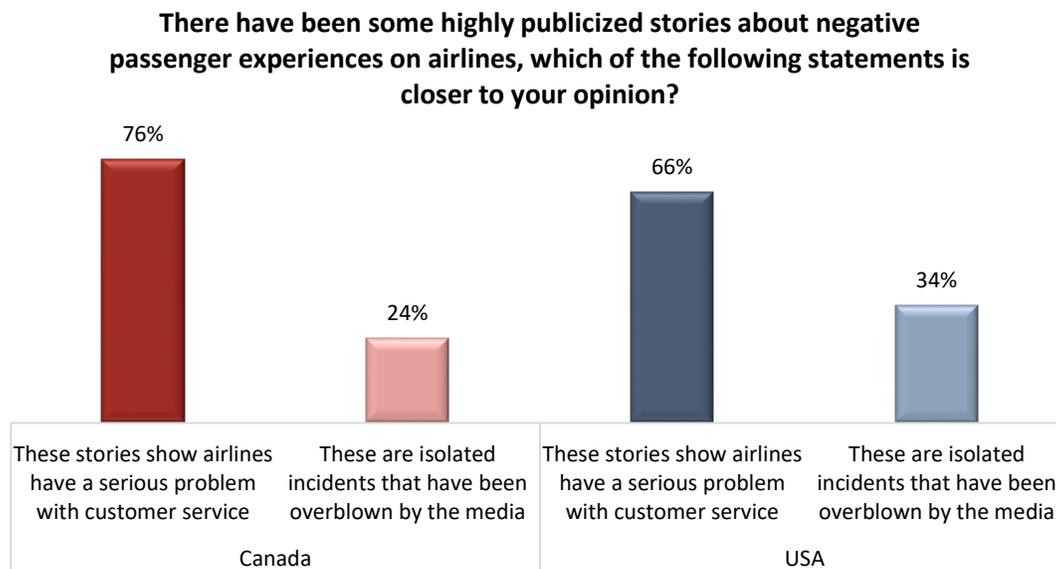
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Transport Minister Marc Garneau [announced in May](#) that amendments to the Canada Transportation Act would raise foreign ownership caps on airlines in the country 25 to 49 per cent. Many are hopeful that this will lead to more investment in low-cost options. Calgary-based airline WestJet will [introduce a new, 'ultra-low-cost' airline](#) some time in the next 18 months.

A deep-seated problem or media hyperbole?

The United Airlines 'bumping' blow-up shed mainstream light on an issue that, until then, had been flying under the radar. Passenger conflicts are hardly a new phenomenon, but that incident and subsequent stories in [Prince Edward Island](#) and [Toronto](#) have exacerbated the tension.

Coverage of the incidents has been widespread, but Americans and Canadians aren't convinced that it's unwarranted. Just one-third of U.S. respondents (34%) and one-quarter (24%) of those north of the border say that these stories are overblown:

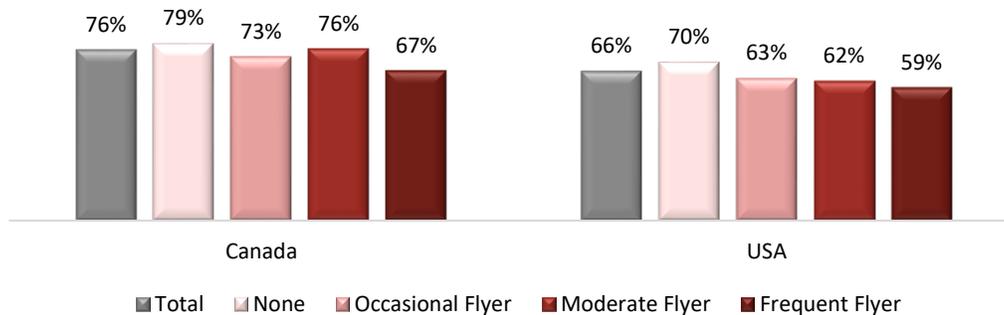


The more prevalent view – that these stories are emblematic of a legitimate customer service deficit within the airline industry – is held most strongly by those who haven't actually flown at all in the last two years. That said, significant majorities of those who do fly also hold this view:

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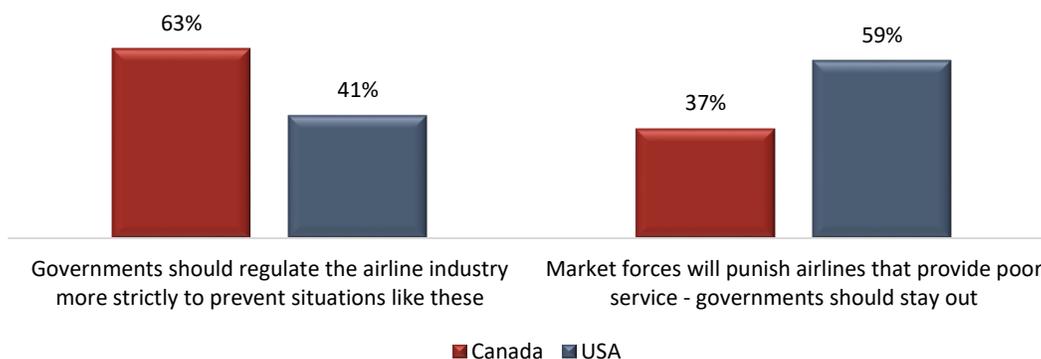
Percentage of respondents who say recent stories of negative passenger experiences represent a serious problem with airline customer service:



Government responsibility versus free-market resolution

One area where Canadians and Americans differ is the extent to which they believe government should be involved in responding to poor airline customer service. Canadians are significantly more likely to say that their government should step in and more tightly regulate the airline industry. More than six-in-ten take this position, while just four-in-ten Americans want their government to do the same.

Some say governments should implement stricter regulations on the airline industry. Others say the bad publicity of these stories will lead the market to punish these airlines. Which is closer to your own opinion?



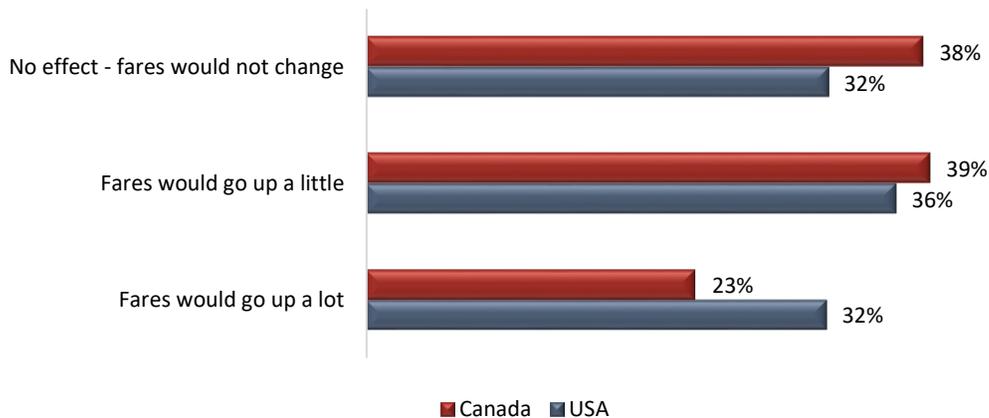
In both countries, a legislative response has been presented. A [Democratic bill](#) to ban airline bumping was introduced in April, 2017, while the aforementioned amendment to the Canada Transportation Act will also address bumping. Now that legislative tactics are being explored, it is worth anticipating what cost adjustments may follow as a result. Americans are more concerned that fares would go up a lot

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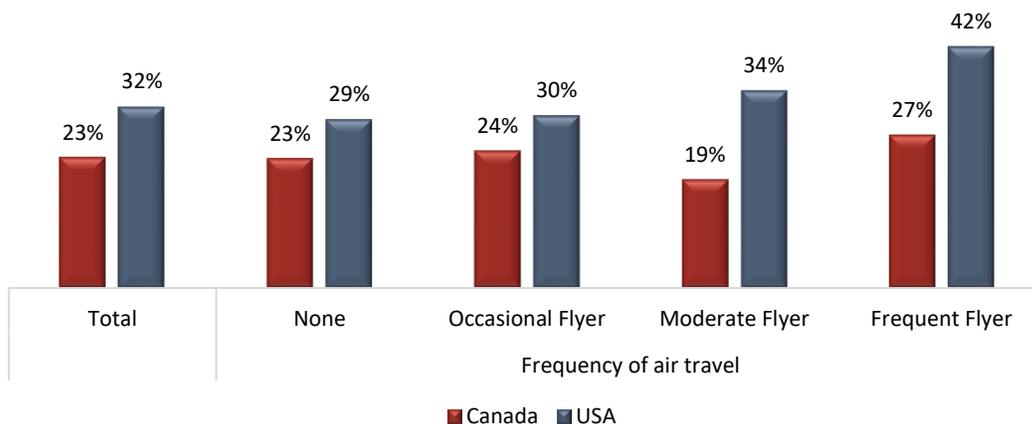
(32%) than Canadians (23%) but the vast majority in each country anticipate little or no change if new regulations are brought in:

Suppose the federal government did introduce new regulations on the airline industry - such as a ban on involuntary bumping. What effect, if any, do you think that would have on air fares?



In both countries, it is frequent flyers who are most likely to be concerned about the cost implications of increased regulation:

Percentage of respondents who say air fares would go up a lot if new regulations were brought in by their federal government:

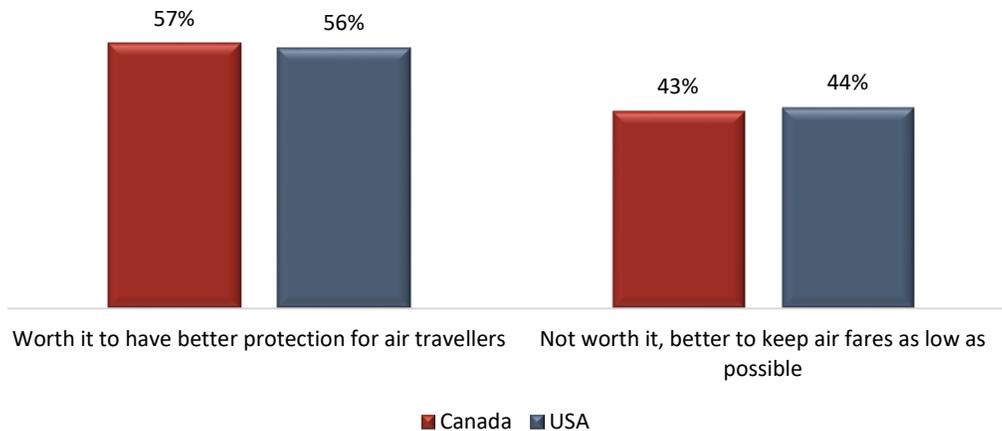


And if, in fact, airfares increased by 10 per cent as a result of increased regulation, most air travellers would be fine with it, so long as it creates better protection for customers:

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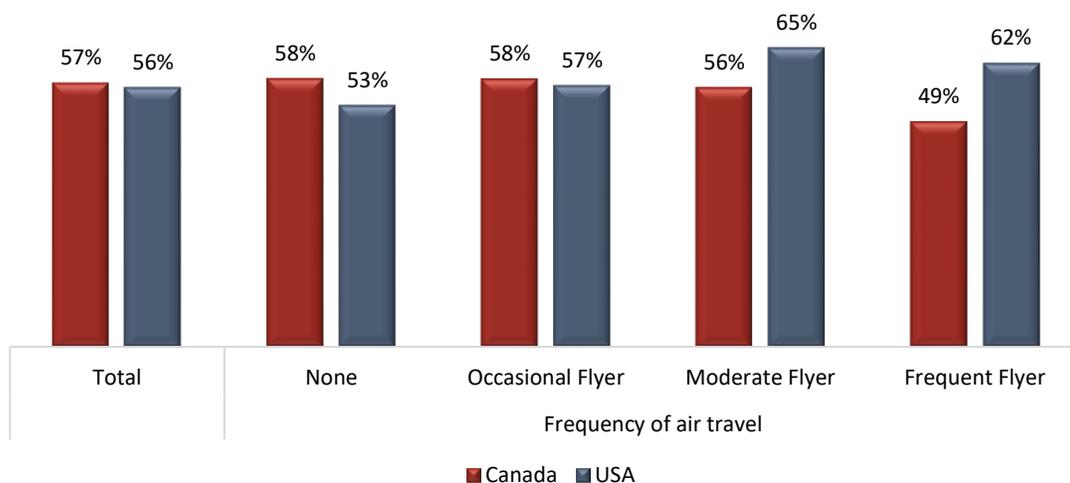
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Suppose airfares increased by 10 per cent as a result of new government regulations. In your opinion, would that be:



Notably, along with being the most certain that flight costs will rise due to regulation, frequent American flyers are among the most inclined to say such a price change would be worthwhile. More than six-in-ten from both moderate and frequent flyer groups in that country say that an increase to create better air travel protection would be worth it:

Percentage of respondents who say a 10% price increase would be "worth it" to create better air traveller protection:



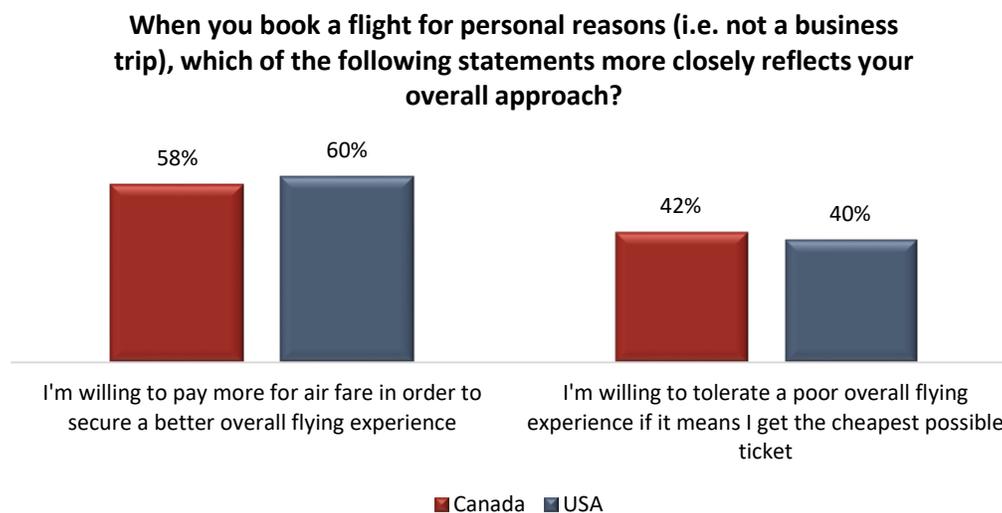
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Part 2 – Specific assessments of North America’s eight largest airlines

What is more important? The quality of the flying experience or the low cost of the ticket? While every traveller would like to have both, different people prioritize the two differently.

A majority of flyers in both countries say they are willing to pay more for airfare in order to secure a better overall experience, rather than tolerate a poor experience in order to get the cheapest possible ticket. Roughly six-in-ten Canadians who fly (58%) and a similar number of American flyers (60%) express this priority:



So, which airlines offer the best overall flying experience? Numerous ranking systems exist, and different ones prioritize different airline features. For the purposes of this survey, The Angus Reid Institute focused on customers’ self-reported overall flying experiences, asking respondents in both countries to rate their experiences on the eight largest airlines in North America: Alaska Airlines, American Airlines, Delta, JetBlue, Southwest, United, Air Canada, and WestJet.

All eight airlines were asked about in both countries, but respondents only rated those airlines they had personally flown. As a result, sample sizes for Canadians rating U.S.-based airlines and Americans rating Canada-based airlines are prohibitively small, and each airline is assessed only based on respondents from its own country.

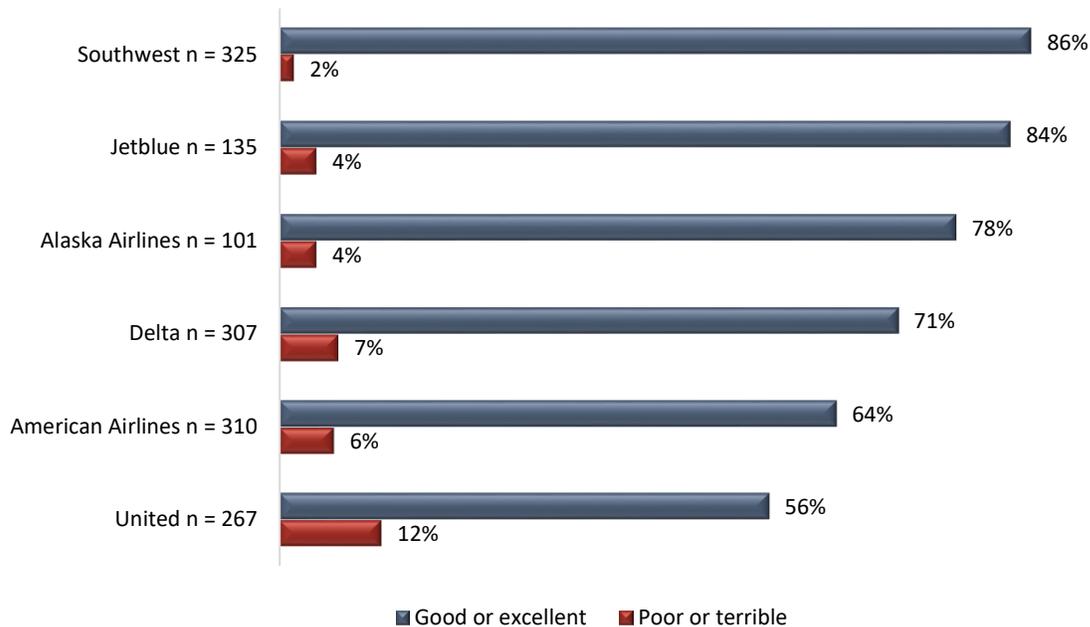
Among U.S. companies, Southwest Airlines performs best, with 86 per cent of Americans who have flown it saying their experience was good or excellent, and only 2 per cent saying it was poor or terrible. United fares worst, with roughly twice as many Americans who have flown it saying they had a poor or terrible experience than say the same about any other airline.

Not shown in the graph that follows are the respondents who rated their experience with each airline as “average.” The number of passengers choosing this option ranges from a low of 12 per cent (among those who have flown Southwest and JetBlue) to a high of 32 per cent (among United flyers). For greater detail, [see U.S. comprehensive tables](#).

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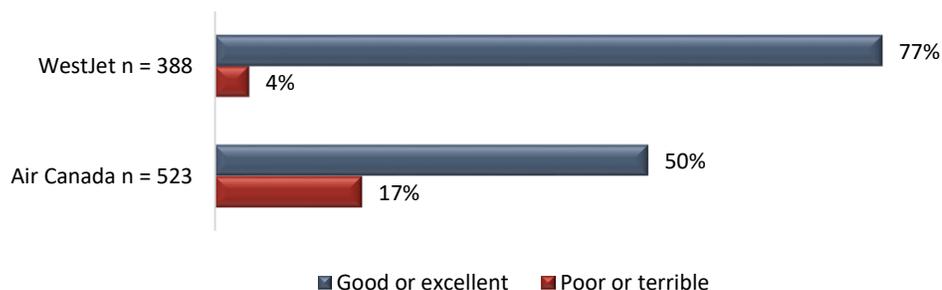
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**How would you describe your overall experience with the following airlines:
American Responses**



Among Canadian respondents, WestJet emerges as the clear preference. Three-quarters of respondents who have flown with the airline in the last two years say their experience was good or excellent, compared to 50 per cent of Air Canada flyers. Likewise, Air Canada passengers are four times as likely as WestJet passengers to rate their experience of the airline as poor or terrible, as seen in the following graph:

How would you describe your overall experience with the following airlines: Canadian Responses

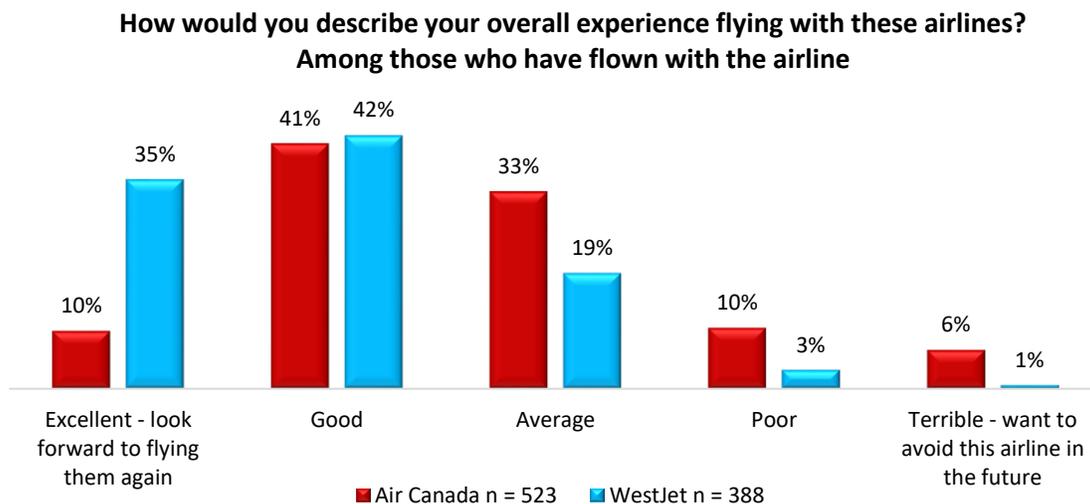


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Of particular interest to Canadians will be the disparity between their country's two largest airlines, both of which ranked poorly in JD Power's recent North American Airline Satisfaction Study.

While four-in-ten of each company's customers say their service is "good", more than three times as many say that the flying experience with WestJet is "excellent" (35%) than say this about Air Canada (10%):



Looking at this data by flying frequency helps to further illustrate the gulf between Canada's largest carriers.

As seen in the table that follows, flyers in all three categories (occasional, moderate, and frequent) are more likely to have flown Air Canada in the last two years. It's possible that this familiarity breeds contempt for some. When looking at responses from all flyers in all categories, WestJet is consistently rated as excellent or good by at least as many respondents as Air Canada.

Among frequent flyers, 75 per cent have flown WestJet and 87 per cent have flown Air Canada, but the higher rate of usage for Air Canada doesn't translate into a higher rate of positive experiences. Overall, nearly six-in-ten (58%) frequent flyers have had good or excellent experiences with WestJet, while fewer than half (44%) have had such experiences with Air Canada.

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Canadian flyers' ratings of Canadian airlines:						
	Frequency of flying					
	Occasional (470)		Moderate (208)		Frequent (110)	
	Air Canada	WestJet	Air Canada	WestJet	Air Canada	WestJet
Excellent/Good	31%	30%	35%	46%	44%	58%
Average	17%	7%	29%	11%	27%	16%
Poor/Terrible	8%	2%	15%	2%	16%	1%
Have not flown this airline	44%	61%	22%	41%	13%	25%

The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

For detailed Canadian results by age, gender, region, education, and other demographics, [click here.](#)

For detailed U.S. results, [click here.](#)

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