



Catalyst for change:

How IATA Resolution 753 is
enhancing the customer experience

When you need **IT** simple

A-ICE Aviation Information Communication Engineering



How a compliance challenge has become a customer benefit

Since June 1, 2018, a new standard has governed baggage tracking within commercial airlines. IATA Resolution 753 was conceived to encourage further reductions in baggage mishandling through a cross-industry approach to tracking. Over the course of a five-year implementation period, the industry has put in place various infrastructure measures to meet the technical requirements set out in the guidance.

Today, more than a year after the deadline has passed, a great deal of work has been done. But while some efforts have focused purely on IATA Resolution 753 compliance, others have identified opportunities beyond limiting baggage handling errors. A-ICE has produced this whitepaper to provide an overview of IATA Resolution 753, its impact on the industry to date and how smart airlines are embracing it as part of a more significant shift towards customer-centric service – a shift that has the potential to usher in further changes in the future.

The Story So Far

Background to IATA Resolution 753

Approved at the Joint Passenger Services Conference in 2013, IATA Resolution 753 commits members of IATA and Airlines for America (A4A) to track baggage at key points throughout its journey, including when custody passes from one 'owner' to another. IATA specifies these points as: handover from passenger to the airline; loading to the aircraft; delivery to the transfer area; and return to the passenger. For airlines and ground handling companies, it places a greater emphasis on data gathering to ensure there is a more complete record of activity in relation to an individual bag. When handling errors do occur, this means more information is available on the item's recent whereabouts and potential reason for any mistake.

What will it achieve?

At a global level, baggage mishandling remains a problem. The 2019 Baggage IT Insights report from

aviation technology company SITA identified that the rate of mishandled baggage had recently levelled out at around 5.7 per thousand passengers following a decline in preceding years. With continued year-on-year growth expected in the number of airline travellers, this means millions of checked-in bags remain at risk of mishandling on an annual basis. For airlines, better tracking means any issues can be dealt with more quickly and bags returned with minimum disruption. By eliminating or limiting mishandling, the efficiency of baggage operations is increased, which in turn carries a cost-saving implication by reducing the resources required to deal with problems. According to SITA, baggage losses currently cost the air transport around \$2.3bn every year.

Answering the operational challenge

While IATA Resolution 753 is straightforward in its aims, it has presented a variety of operational and technical challenges. The onus of compliance sits with the airline and so they must ensure not only that data



Catalyst for change:

How IATA Resolution 753 is enhancing the customer experience

capture mechanisms are in place within the airports from which they operate, particularly at the crucial points highlighted by IATA, but also that software and back-end systems can securely manage the flow of data that is generated at these points. As such, collaboration has been a key part of the compliance process, with airlines, airports and ground handlers working together to implement infrastructure changes to comply with the deadline of June 1, 2018. Systems have had to be adapted to accommodate necessary updates to hardware and software, and processes have been revised to ensure activities are aligned with the new requirements.

What has been the impact?

Across the industry to date, there is not a uniform picture of implementation. IATA reports that the

majority of airlines have a plan in place but that much remains to be done for full implementation to be achieved. Where it has been implemented, IATA Resolution 753 has reportedly had a significant positive impact on mishandling rates. For example, IATA quotes Gianluigi Lo Giudice, Vice President of Alitalia Ground Operations, as saying that mishandling rates at Rome Fiumicino airport fell 40% between 2015 and 2017 following compliance with the more stringent tracking requirements set out by IATA Resolution 753. Indeed, Lo Giudice claims Alitalia have recorded days where the mishandling rate in its hub stood at just over two bags for every 1,000 carried passengers.



A Different Perspective

Understandably, much of the industry narrative around IATA Resolution 753 in the build up to the 2018 deadline has centred around the demands of implementation, and the benefits of compliance have typically been discussed through the lens of systems improvement, enhanced data handling and greater levels of operational efficiency.

While these are all crucially important, they are often considered from the perspective of the airline. If, however, you take the opportunity to zoom out from the more immediate, practical issues at play, it is clear that one person's perspective should be considered above all others, and that is the customer.

Addressing Customer Concerns

To airline travellers, IATA Resolution 753 is not a term they are likely to be familiar with, despite the fact that it addresses one of their key issues with air travel. Evidence for this can be found in the IATA 2019 Global Passenger Survey, which highlights 'streamlining the baggage handling process' as one of five top passenger priorities and identifies baggage collection as one of four main concerns alongside security, in-flight entertainment (IFE) and border control/immigration.

These findings shine a spotlight on a fairly negative attitude towards baggage among passengers, but they do little to convey the real emotional cost – the anxiety over losing personal belongings, the frustration at delayed bag return and the deep upset when all is lost. At this level, it becomes very apparent that there is a continued need to improve the systems and processes associated with baggage handling.



Enhancing the Customer Experience

This all comes at a time when, as consumers, our expectations are changing dramatically thanks to companies such as Amazon, who have built their success on the promise of super-convenient service and full transparency in customer communications. This has now become the norm for digitally driven services and aviation is no exception. Flight availability can be checked online prior to booking, while passenger apps provide live updates and access to real-time data feeds on flights and boarding status. To today's well-informed traveller, the lack of information about baggage – one of their key areas of concern – now begins to feel like an anomaly.

Evidence for this can again be found in the IATA Global Passenger Survey. Since 2016, there has been a 10% increase in passengers preferring to receive travel information via a smartphone app, and the results of the 2019 survey showed that passengers are keen to be kept informed throughout their journey, preferably via their personal device.

For the majority of passengers (56%), real-time baggage tracking throughout the journey was seen as a must, and baggage (49%) was identified as the second most important area of information behind flight status (82%) and waiting time at security / immigration (46%). This highlights the importance of the industry seeing IATA Resolution 753 not as a task to be accomplished

but as the starting point for newer, better services that can improve the experience and perception among passengers in relation to the handling of their baggage.

Taking tracking to the next level

Delivering on this demand will require continued innovation in technology on behalf of the industry as a whole. How quickly and how extensively it will be deployed will depend partly on awareness of the solutions available, partly on the appetite to implement change, and partly on cost.

IATA Resolution 753 lays a lot of the foundations but radio-frequency identification (RFID) tags have also long been discussed as the potential answer to closer baggage tracking. Currently, the number of airports using the technology is relatively low and it has yet to move into the mainstream. That situation is expected to change in coming years as costs have come down and the dynamics around baggage handling begin to shift, driven in large part by IATA Resolution 753.

It is expected that greater use of RFID will go a long way to addressing the message failures or rejections that are often the root cause of baggage handling errors. While traditional methods, such as bar-coded tags, require line of site, RFID tags enhance messaging accuracy through remote information exchange. Messaging is also standardised in XML format, allowing for integration between multiple systems and

for integration between multiple systems and suppliers. This provides consistency and quality of data transfer at speed, making it a more accurate and efficient solution. For airlines, it also opens a rich seam of data that can be used to analyse passenger flow and inform the development of passenger services.

Recent developments show that pace is gathering behind RFID as the chosen direction of travel. At its Annual General Meeting (AGM) in Seoul, South Korea in 2019, IATA passed a resolution that commits airlines to transition to bar-coded bag tags with RFID inlays and to use RFID data alerts to enact processes with airports and ground handlers that prevent potential mishandlings. It is also gathering evidence on whether it should mandate its members to incorporate an RFID inlay in all bag tags manufactured after 2020, with the ultimate aim of 80% of journeys being RFID-enabled by the end of 2022 and global adoption of the technology within four years.

Part of a brighter future

The momentum behind the take-up of RFID is traceable directly to IATA Resolution 753, which has effectively acted as the spark that lit the touch paper of change in baggage handling. By setting down requirements for better data-gathering mechanisms and closer tracking throughout the journey, it provides not only the infrastructure change but also the industry momentum on which further enhancements

can be built. Technical compliance must be seen as part of a bigger picture that is framed by the goal of improving customer service – something that will require close collaboration between stakeholders and their technology partners. As Alexandre de Juniac, IATA's Director General and CEO, summarises it perfectly when he says: "Airlines, airports and ground handlers need to work together. And the motivation is to satisfy customers."

The Importance of Integration

An aviation technology specialist, A-ICE has built up years of experience in implementing and integrating innovative IT solutions for airlines, airport operators and baggage handlers. Our comprehensive suite of software products includes A-BRS, a Baggage Reconciliation System that provides a smart, secure solution for reconciling and tracking baggage, and managing baggage inventory. We understand the importance of adhering to industry standards in order to speed and smooth the flow of information across systems. Our approach fits with the core aim of IATA Resolution 753, which is to ensure high-quality information is available throughout the journey to enhance efficiency and, above all, deliver a better customer experience. To discuss how we can help with your requirements in relation to IATA Resolution 753 compliance, contact us today.

sales@a-ice.aero



A-ICE Aviation Information Communication Engineering

Addresses

Rome: Via dei Castelli Romani, 59
00071, Pomezia (Rome), ITALY

Milan: Viale Enrico Forlanini 23, 20134
Milano, ITALY

London: 22 Eastcheap, 2nd Floor, London
England, EC3M 1EU

Paris: 18 Rue Pasquier, 75008
Paris 8, FRANCE

Gaborone: P.O.Box AE 239 AEH, Gaborone
Plot: 5643, Nakedi Road, BOTSWANA

Phone

+39 06 90214421

Web

a-ice.aero
sales@a-ice.aero